



CORTE DEI CONTI

LA SEZIONE DI CONTROLLO

PER GLI AFFARI COMUNITARI ED INTERNAZIONALI

Composta dai Magistrati:

Dott.	Giovanni	COPPOLA	Presidente
Dott.	Carlo	MANCINELLI	Consigliere
Dott.ssa	Laura	D'AMBROSIO	Consigliere
Dott.ssa	Igina	MAIO	Consigliere
Dott.	Michele	COSENTINO	Consigliere
Dott.ssa	Marcella	PAPA	Referendario

Nell'Adunanza del 12 novembre 2020

Visto il mandato di *external auditor* dell'*International Center for Relativistic Astrophysics Network (ICRANet)* conferito alla Corte dei conti dallo *Steering Committee* dell'*ICRANet* nella seduta tenutasi a Pescara il 1° febbraio 2016 e rinnovato per un triennio (2019-2021) nella riunione del 7 febbraio 2018;

Visti i principi internazionali di *audit* applicabili all'attività delle Istituzioni superiori di controllo (*International Standards of Supreme Audit Institutions-ISSAI*);

Visti gli *International Public Sector Accounting Standards (IPSAS)* e i *Financial Regulations and Rules dell'ICRANet*;

Visti i *Financial Statements* dell'*ICRANet* per l'anno finanziario 2019 presentati ufficialmente alla seduta dello *Steering Committee* del 5 febbraio 2020;

Vista l'ordinanza presidenziale n. 17/2020 di convocazione dell'adunanza della Sezione per il 12 novembre 2020;

Visto il *report* relativo all'*Audit of the Financial Statements for 2019 - ICRANet* approvato nell'adunanza del 2 ottobre 2020 e inviato al Direttore dell'*ICRANet* per le controdeduzioni;

Vista la risposta dell'*ICRANet* pervenuta il 29 ottobre 2020;

Udito il relatore Referendario Marcella Papa ed esaminato e discusso su sua proposta l'*audit certificate* e il *report* relativi all'*Audit of the Financial Statements for 2019 - ICRANet*;

DELIBERA

di approvare l'*audit certificate* e il *report* relativi all'*Audit of the Financial Statements for 2019 - ICRANet* con le modifiche apportate dal collegio;

DISPONE

di trasmettere copia dell'*audit certificate* e del *report* al Direttore dell'*International Center for Relativistic Astrophysics Network (ICRANET)*.

IL RELATORE

f.to digitalmente

IL PRESIDENTE

f.to digitalmente

Depositata in Segreteria il

Il Dirigente

f.to digitalmente



Corte dei conti

REPORT OF THE EXTERNAL AUDITOR

INTERNATIONAL CENTRES FOR RELATIVISTIC ASTROPHYSICS NETWORK
(ICRANET)

Audit of the Financial Statements for 2019
12.11.2020

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INTRODUCTION

The legal basis for the audit carried out by the External Auditors is given in the Financial Regulations 10.1 and in the decision of the Steering Committee adopted on February 13, 2014.

The present report gives account to the Steering Committee of the results of our audits.

The audit considered the ICRANet Financial Operating Report at 31 December 2019 and the budgetary accounts and their consistency.

The financial periods are governed by the Statute of ICRANet, and by the Financial Regulations. These have to be interpreted considering the Decision of the Steering Committee (February 13, 2014) to disclose the accounts in accordance with the International Public Sector Accounting Standards (IPSAS).

The accounts audited are the ones officially presented in the 22th meeting of the ICRANet held at ICRANet Headquarters, Pescara (Italy).

We have carried out the audit of the accounts for the Financial Year 2019 based on INTOSAI standards and, in particular, on IPSAS regime and in line with the additional terms of reference to be an integral part of the Financial Regulations of ICRANet.

We have planned the working activities according to our audit strategy to obtain a reasonable assurance that the Financial Statements are free from material misstatement.

We have evaluated the accounting principles and related estimates made by Management and we have assessed the adequacy of the presentation of information in the Financial Statements.

Thus, we have obtained through the audit a sufficient basis for the opinion given below.

We have tested, on a sample basis, a number of transactions and relevant documentation and we have obtained sufficient and reliable evidence in relation to the accounts and disclosures in the Financial Statements.

During the audit all questions were clarified and discussed by mail (because of the emergency COVID-19 that has prevented an on-site visit) with the responsible officials.

The team had regular discussions with Mr Ruffini, Director of ICRANet, and with members of his staff or in other departments, depending on the subject matter under consideration.

The result of the audit was communicated on 5th of October 2020 with preliminary observations.

Staff answers have been received on 29th of October 2020 and have been duly incorporated in this report.

We audited the ICRANET financial operating report on the audited accounts held by the Organization relating to the financial results as at 31 December 2019, presented in compliance with the Financial Regulations 10.1, for the financial year 2019.

A Letter of Representation referring to the Accounts for the Financial Year 2019, signed by the Director, was included in the Financial Statements and it is an integral part of the audit documentation.

We have highlighted the results of our audit activity as “Recommendations”, A follow-up process will be carried out about each of them. We also included some observations that we denominate and consider as “Suggestions”, whose implementation is not necessarily committed in the same financial year of the report, but that will be monitored each year.

Finally, we wish to express our appreciation for the courtesy and the availability shown by all the ICRANet Staff units to whom we asked information and documents.



Corte dei conti

AUDIT CERTIFICATE

Opinion

We audited the financial statements of the International Centres for Relativistic Astrophysics Network (ICRANet) at 31 December 2019, comprising the Statement of Financial Position, Financial Performance, the Statement of changes in net assets and the Cash-flow statement for the year ending on that date, as well as notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ICRANet as at 31 December 2019, and its financial performance, its changes in net asset, and its cash flows for the year then ended, in accordance with IPSAS and the Financial Regulations and Rules of the ICRANet.

Basis for Opinion

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), and the ICRANet Financial Regulations and Rules. The Corte dei conti applies the provisions of the ISAs as far as they are consistent with the specific nature of its audits. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the ICRANet in accordance with the ethical requirements that are relevant to our audit of the financial statements in the international framework, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The ICRA Net Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the ICRA Net Director and Those charged with governance for the Financial Statements

The Director is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS), and for such internal control as the Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director is responsible for assessing the ICRA Net's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Director either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ICRA Net's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- I. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ICRANet's internal control.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ICRANet's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ICRANet to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, the transactions of ICRANet that have come to our notice or that we have tested as part of our audit have been, in all significant respects, in accordance with the ICRANet Financial Regulations and Rules and its legislative authority.

Also in accordance with the additional terms of reference governing external audit in Regulation 10.5 of the ICRA Net Financial Regulations, we have issued a detailed report on our audit of the ICRA Net Financial Statements for 2019.

Rome, 12 November 2020

Guido Carlino
President of the Corte dei conti
(digitally signed as a separate document)

NATURE AND STRUCTURE OF ICRANET

1. The ICRANet (International Network of Centres for Relativistic Astrophysics) has been established by a special international agreement signed in Rome on 19 March 2003.
2. The Italian Republic ratified the agreement with Law n. 31 of 10 February 2005 recognizing the ICRANet "as an independent international organization, with its own management, to international status, as well as powers, privileges, immunities appropriate". The agreement also establishes that the consent from a State or an international organization to be bound by the agreement does not imply per se an obligation to provide financial support. ICRANet may receive voluntary contributions by States and international organizations.
3. The Agreement was also ratified by the State of Vatican City on 30.07.2003, by the Republic of Armenia on 30.10.2003 and by the Republic of Brazil on 12.08.2011.
4. Members of ICRANet are four States and three Universities and Research Centres: Italy, Armenia, the State of Vatican City and Brazil and, moreover, the University of Arizona (Tucson USA), the Stanford University (USA) and the ICRA.
5. The Statute annexed to the Agreement and to Law 31/2005, states that the ICRANet has purely scientific purpose for research and training in relativistic astrophysics, has an international status and the legal capacity necessary for the exercise of its functions and the fulfilment of its purposes.
6. We note the importance of further agreements, listed below:
7. • the Agreement on June 23, 2006 signed between the town of Nice and the ICRANet a long-term lease on the land owned by the City of Nice where Villa Ratti is situated;
8. • the Agreement of Cooperation ICRANet -FAPERJ of August 12, 2013; on August 27, 2013 was signed the Agreement of Cooperation between ICRANet and CAPES; on September 12, 2013 a Seat agreement was signed between Brazil and ICRANet.
9. The headquarters (Coordination Centre) is in Pescara.
10. An additional Centre have been established in Nice (France)- Villa Ratti - from 2006; another structural Centre was present in Rome – La Sapienza University

until Summer 2018. On the 11th of October 2018, a two-year renewable Agreement was signed with the University Campus Bio Medico in Rome. There is a long-standing relationship of scientific collaboration with the Campus Bio-Medico. According to art. 8.3 of the Financial Regulations of ICRANet, in the financial year 2019 was reported the contribution “Ex-gratia payments” (Euro 10.000,00) to Campus Bio-Medico.

11. Four Branch Centre related to ICRANet (also defined in documents as “Centri Territoriali”) are presently active in Yerevan (Armenia), Minsk (Belarus), Esfahan (Iran) and Rio de Janeiro (Brazil). Their budget and their accounts remain separated from the ones of ICRANet. More detailed information on this Centres are present as Annex to the Financial Statements.
12. Bodies of ICRANet are:
 - the Steering Committee;
 - the Director;
 - the Scientific Committee.
13. The Steering Committee is composed of 15 members. It exercises the functions established by Article 6 of the Statute, including in particular: appointment of the Director, drawing guidelines for the activities of ICRANet; examination of the level of the annual budget; appointment of an external auditor; approval of the annual audit plan; drawing up and approval of the rules of staff. According to art. 13 of the Statute, The Steering Committee, annually approves the budget of ICRANet which is presented by the Director for approval by the Committee (Art. IV of the ICRANet Financial Regulation).
14. The Director is appointed by the Steering Committee for a term not exceeding five years, renewable (art. 8 of the Statute). The Director shall perform the duties indicated in Article 9 of the Statute, including in particular, administration, legal representation, presentation of the budget, recruitment of staff and annual communication about verification of financial accounts by an external auditor (Art. 6 of the Statute). The current Director was nominated in the Steering Committee’s meeting on February 15, 2010 and was renewed in 2015. The appointment of the current Director, which is going to expire in September 2020 was renewed in the Steering Committee’s meeting on February 5, 2020
15. The Scientific Committee is composed of seven members; it exercises the functions provided by art. 11 of the Statute including, in particular, an advisory

function, the assistance in planning activities, coordination of scientific activities, recommendation to the Director regarding the growth of ICRANet and the specific instructions for research.

THE ACCOUNTING STATEMENTS

16. The Financial Statements of ICRANET were prepared and presented in compliance with IPSAS 1 and include the following elements:
 - I. **Statement of financial position** – Balance sheet at 31 December 2019 with comparative figures as at 31 December 2018 showing Assets (divided into Current and Non-current assets), Liabilities (split into Current and Non-current liabilities) and Net assets;
 - II. **Statement of financial performance** for the year ended 31 December 2019 with comparative figures as at 31 December 2018 showing the Surplus/Deficit for the financial year;
 - III. **Statement of Changes in Net Assets/Equity** for the period ended 31 December 2019 showing the value of the Net assets including the surplus or deficit for the Financial Year including losses directly recorded in Net assets without being transferred to the Statement of Financial Performance;
 - IV. **Cash flow Statement** for the year ended 31 December 2019 showing the inflow and outflow of cash and cash equivalents, purposely regarding the operational, investments and financing transactions and the treasury totals at the end of the Financial Year;
 - V. **Notes** to the financial statements providing information about accounting policies and additional information necessary for a fair presentation. A **comparison of budgetary results with performance data and with financial data for the 2019 Financial Year** was not presented, due to the non-standard format of the budget of the ICRANet.
 - VI. The external auditor, in order to consider the eventual financial effects of the emergency COVID-19 pandemic on the financial year 2019, has requested to ICRANet to clarify, on the one hand, the management measures adopted to deal with the emergency at the organizational level, on the other, the impact of financial charges and costs on the Financial statements 2019 and / or on the relevant Notes, indicating whether (and the extent to which) the pandemic has affected (or presumably will affect) the financial position, financial performance and cash flows of ICRANET, with reference, for example, to: modification / reduction of financial transfers by member states; change in the

value of assets; long-term financial sustainability; any other aspect deemed useful (also with reference to any impact on the recommendations previously reported by the external auditor).

VII. In response, ICRA Net sent the notes to the financial statements that has been modified. In particular, in note 25 “Significant events after the end of the financial year” is reported that the Covid-19 pandemic spread after the end of the financial year, leading to a global health emergency and later to an economic-financial one. However, the progress of the Covid-19 pandemic has not affected the values indicated in the ICRA Net “Financial Statements”, referred to the financial year 2019 and no changes to the financial statements are required. ICRA Net financial position, as well as its financial performance and cash flows have not been affected by the Covid-19 pandemic. The impact of the Covid-19 pandemic had repercussions only at an organizational level. All the necessary recommended measures of prevention of the risk of COVID-19 contagion have been implemented, such as the reduction of accessing the ICRA Net Headquarters offices and the implementation of “smart working” for administrative and scientific staff. The traditional ICRA Net scientific production and research activity have not been affected by the health emergency and continued regularly, considering that, even before the health emergency, they were regularly carried out remotely by telematic means among the different Seats. In this context, the ICRA Net organizational networking capacity acquires an additional meaning. It is therefore assumed that the Covid-19 pandemic has no impact both on business continuity and economic-financial data, nor on the financial sustainability of the institution. **For those reasons, it is not deemed necessary to modify the criteria for preparing the financial statements.**

VIII. Actually, ICRA Net staff couldn't complete the inventory, with labelling of all the equipments (rec. n. 2/2019) within the first half of March, because of the health COVID 19 emergency.

STATEMENT OF FINANCIAL POSITION 2019

Assets

17. In 2019 Assets amounted to € 2,464,698.31 and they decreased by € 42,083.38 (-0.20 %) in comparison to the value recorded in 2018 (€ 2,506,781.69).
18. They consisted of Current assets, amounting to € 2,096,248.94, representing the 85,05 % on Total Assets (slightly more than in 2018, 84.04 %), and of Non-

Current Assets, equivalent to € 368,449.37, with 14,95 % of weight on Total Assets (15,96% in 2018).

Current Assets

19. Total current assets in 2019 amounted to € 2,096,248.94 presenting a decrease by € 61,899.34 (-13.47%) as compared to 2018 (2,106,777.40 euros). The decrease, in overall terms, is due only to Accounts receivable (from exchange transactions) and Deferred charges exchange. The basis for the evaluation of current assets is given in Notes from 3 to 9.

Cash and cash equivalent

20. The sub-heading "Cash and cash equivalent", totalling to 605,848.37, increased by 61,899.34, comparing to 2018. It includes cash in hand and all the balances of ICRANET banks current account as at 31 December 2019. The mentioned above increase is mainly due to the implementation of the total amount of bank accounts. Cash and cash equivalent weighted around 28,90% of the total Current Assets. The increase of Cash and cash equivalents is disclosed in Note 3.
21. Cash-in-hand at 31 December 2019 amounted to € 3,872.26.

Banks

22. ICRANet holds three bank accounts: two at the Banca Nazionale del Lavoro (Italy) and one at BNP Paribas (France).
23. The balance as at 31 December 2019 of the bank accounts at the BNL amounted to euro 501,891.84, revealed no discrepancies in the reconciliation between our counting and the amount recorded in the IT System.
24. We asked all the banks having a business relation with ICRANET to confirm the current accounts' balances as at 31 December 2019. We received their answers in due time.
25. We verified that the account's balances were properly recorded into the accounts. All variances detected have been explained and justified.
26. The balance as at 31 December 2019 of the bank accounts at the BNP PARIBAS amounted to euro 100,083 91.
27. Concerning power of signature, we have to note that the only person authorized to perform banking operations is the Director.

Investments

28. The sub-heading "Short terms investments", in 2019 amounted to € zero.

Receivables

29. Account receivables for non-exchange transactions, represent a net worth of 1,031,670.10. Account receivables for exchange transactions amounted to zero They weighted 49.22 % on the total current assets. As stated in Note 5, they are represented by the not yet received contributions of last three years from Brazil.

30. As in the last report, we have to point out that a variation in credit risk is determined by the mere course of the time, since for the fifth year the contributions from Brazil remain outstanding. We acknowledge that a "long term provision" is added among the non-current liabilities, also as implementation of our recommendation as "the prudential provision, made during the year in relation to future and unpredictable obligations that may arise". This year, the need to mitigate the risk is even more binding

31. In 2019, as in 2018, no "Non-current receivable" is disclosed.

Non-current assets

32. Non-current assets as at 31 December 2019 totalled to 368,449.37; they recorded a reduction of 7.89%, mainly due to the depreciation of the buildings. This item includes also the value of the MG registered mark which was inserted in the financial year 2016 and maintained in 2017, 2018 and 2019. The basis for the evaluation of "Non-current Assets is given in the Accounting Principles (Note 2.6).

33. The physical stock checking of items of furniture and IT equipment has to be improved. We acknowledge the completeness of the list with the location of all items. Nevertheless, items have still to be properly labelled.

34. **In the last report we recommended completing the inventory of the assets owned by ICRA Net and to label them properly**

35. **ICRA Net staff couldn't complete the inventory with labelling of all the equipments within the first half of March, because of the health COVID 19 emergency.**

Recommendation n. 1/2020

We recommend completing **as soon as possible** the inventory of the assets owned by ICRA Net and to label the items properly, as requested by normal practices.

Reply from Management

The inventory will be hopefully completed within the first quarter of the year 2021, compatibly with the Covid -19 emergency.

Property, plant and equipment

36. The heading is composed by “Property, Plant and Equipment” amounting to 368,449.29, that is the totality of non-current assets.

Among the building to be considered, we note that the Headquarters in Pescara have to be registered according to a “lean to use” agreement, for strict institutional use. While the value of the building is not disclosed, the works in it, the last one occurred in 2008, are disclosed for a residual value, at the end of 2019, amounting to € 326,635.09

Villa Ratti

37. The seat in Nice (villa Ratti) is held thanks to a long-term lease (30 years), and it is not disclosed as fixed asset.

38. On the other hand, a liability has been disclosed regarding a fund granted by the general Council of Maritime Alps for the refurbishment of Villa Ratti.

39. The management of some items, such as vehicles, that in past years presented lack of accountability, was improved. We checked the register of the users of the cars, that was, recently, implemented, and found sufficient accuracy in annotations.

40. We got evidence of the insurance for a (also) residential use of the building, and a documentation about the use of the seat of Nice is now in place.

41. We have to underline again, as in past reports, a more continuous recording, on a regular basis, of the activities held in Villa Ratti. This will be managed as follow up of the last three years suggestion on the same matter. The comment of the manager was that “The utilization of ICRA Net seat in Nice will be documented in a detailed way, and their relevant expenses will be further presented in the Explanatory Note. Please, note that for the year 2017 the item “Start up of activities in Nice” in “Note 20: Expenses” is zero.”. We notice that also for the year 2018, the item “Start up of activities in Nice” is zero, despite

the intentions to develop and implement the use of Villa Ratti with scientific activities and projects

Suggestion n. 1/2020

We suggest to enhance this asset, planning its profitable use (in consideration of its administrative costs: € 10.225,42 per year).

Reply from management

The Seat in Nice will be used in a more profitable use, planning new activities which will take place there, as soon as the Covid medical emergency will be over.

Intangible Assets

42. The IT software has a residual value amounting to zero; it hasn't been revaluated because it is subjected to an annual cost, related to the update, which, considerably, limits its value.
43. A registered mark, namely "MG meetings", owned by ICRANet, is capitalized (for the first time in 2016) and subject to a depreciation which has been calculated on the basis of 12 years of useful life. The residual value amounts to € 32,106.00.
44. It is present now, as we recommended last years, a distinct entry in the Statement of Financial Position for the intangible assets, and a detailed explanation in Note 10.

Liabilities

45. In 2019 Liabilities amounted to € 908,572,822 and they decreased of 4.65 % comparing to 2018. Total net Asset for the financial year 2019 amounts to € 1,556,126.09 (€ 1,553,938.26 in 2018).
46. They consisted of Current liabilities, amounting to 443,913,50 representing the 48.86% on total Liabilities, and of Non-Current Liabilities, equivalent to 464,658.72, with 51,14% of weight on total Liabilities

Current Liabilities

47. Total current liabilities in 2019 amounted to € 443,913.50, presenting a decrease of 44,271.21 euros compared to 2018. The basis for the evaluation of current liabilities assets is given in Notes from 11 to 17.

Employee benefits

48. The sub-headings "Employee benefits" in Current liabilities refers to short term's benefits. Short-term "Employee benefits", amounted to € 158,424.06 with a decrease, comparing to 2018, of 11,44%.

49. They are mostly related to provision for accrued annual leave for € 158,424.06. The decrease of all the liabilities for Employee benefits is presented in Note 12.

50. Our checks have not revealed any major issue and the provisions are substantially accurate.

Other current Liabilities

51. The heading "Other current liabilities" amounted to € 2,156.11, showing a decrease by 89.69% compared to 2018. This amount, as Note 17 explains, refers to the debts for invoices to be received (2,080.36 euros) and other obligations that are paid in the following financial year (76.11 euros).

52. Among other current liabilities, no liability is accounted for debts to suppliers, neither deferred revenues are disclosed.

Non-current liabilities

53. Total non-current liabilities in 2019 amounted to € 464,658.72; they increased by 5.64% comparing to 2018.

54. This heading comprised debts related to long-term post-employment benefits, amounting as at 31 December 2019 to € 241,658.72, (with an increase of 11.44%). An explanation of the nature of such liability is offered in Note 18.

STATEMENT OF FINANCIAL PERFORMANCE 2019

55. This Statement showed the Organization's operating and financial revenue and expenses classified, disclosed and presented on a consistent basis in order to explain the year's net deficit or surplus. The result of the period shows a surplus of € 2,187.83, which represents a sharp increase in comparison with 2018 (215,75%).

56. A decrease both in Revenue (18,60%) and in Expenses (18,70%) is also registered, in an overall view.

Revenue

57. Total revenue amounted to € 1,436,044.75 with a decrease of 18.60%, chiefly due to the decrease of “Other revenue”, “Voluntary Contributions” and “Finance revenue”. Separate entries for Mandatory Contributions and Voluntary Contributions are presented.
58. The only “Mandatory Contribution” is the one from Italian Government amounting to € 1,400,330.00.
59. Voluntary contributions are disclosed for an amount of € 2,100.00.
60. Finance revenue amounting to € 58.32 is represented by interests on term with bank.
61. Among revenues, the entry “Other revenue producing activities” shows a null value.

Expenses

62. Expenses totalled 1,433,856.92 euros with a decrease of 18.70% from the value of 2018. More detailed disclosure is included in Note 21.
63. Among expenses, the most relevant decrease is registered for “Other expenses” (-80.99%) that amount to €17,623.51 (92,695.32 in 2018).

Personnel and governing bodies

64. Among Expenses, an entry defined as “Employee benefits” is disclosed at the value of € 1,017,374.49 with a decrease of 10.88% in respect to 2018.
65. We got evidence that the amount of Personnel costs in 2019 was 209,772.39. The expenditure refers to 7 units appointed by local recruitment, including three system managers paid with a contract as “external consultants” (€ 42,000), two part-time Administration units, one expert and two secretaries. The expenses for “Employees’ salaries” amounting to 151.902,67 euros, showing a decrease of 11.53% comparing to 2018. The expenses for “Collaborator salaries” amount to 33,000.00. The secretary for relations with Brazil. was paid with MAECI funds. In the financial year 2019, she participated in the secretarial activity at the headquarters. The expenses for TFR amount to 8,575.65 euros.

66. Administrative personnel expenses are accounted for € 240,066.45. and related to MAECI funds.
67. We noted that no strict limit was adopted in accruing unused leave days. We consider this not aligned with widely followed best practices and therefore commit Management to find remedial action and in the past report (suggestion n. 1/2019) we suggest to adopt rules aimed to tendentiously spend the accrued leave in the same year and to limit in measure and in time the possibility of delaying their use. On 5th February 2020, a regulation concerning the utilization of annual leave has been approved.
68. In the regulation is reported that the collective agreements of the Entity provides that the leaves amounted to 30 working days in addition to the permits/ROL provided by the aforementioned contract, and they should be enjoyable during the reference calendar year and only in case of particular needs during the first half of the following year.
69. In the regulation for leaves, is established that the scientific activities will be as a rule suspended in the month of August, for about 2 weeks during the Christmas time and 2 days during the Easter time. The working days during which the scientific activities will be suspended, will be counted as leaves for the teaching staff, unless **particular agreements** between the Director and the employee. The secretariat services will respect a part-time work in the month of August. In order to guarantee the continuity of the Entity's activities, the residual leaves should be enjoyed on the basis of the arranged leaves plan according to the personal needs both of the employee and of the Entity, within the reference calendar year. The eventual leaves accumulated in the previous periods, should be used according to a plan agreed with the Director, according to the personal needs both of the employee and of the Entity.

Suggestion n. 2/2020

We **suggest**, in order to reduce discretion, to specify the reasons of the “particular agreements” between the Director and the employee.

Reply from Management

The regulation for leaves will be modified by the introduction of the reasons why the Director, in accordance with each employee, will be able to derogate the general rule of the deduction of the leaves in the working days during which scientific activity is suspended.

70. The total amount of the “Costs of the bodies” is € 5,376.22, presenting an increase of 6.04% respect to last year. Among these expenses, € 5,165.48 are referred to the Meetings the Steering Committee (and has to be considered as Administrative Cost) and € 210.74 to the Scientific Committee (that has to be considered as related to the core business of ICRANet, i.e. Research).
71. The expenses related to the Director’s honorarium amounts to 280,118.82 euros.
72. According to art. 8.3 of the Financial Regulations of ICRANet, in the financial year 2019 was reported the contribution “Ex-gratia payments” (Euro 10.000,00) to Campus Bio-Medico.

Various Expenses

73. Consultants, external experts and mission costs amounted to 64,898.64 euros. This entry shows a decrease of 2.08% comparing to 2018.
74. In 2019 the “Cost of training research and scientific activities” amounts to 208,553.22 euros. This subheading doesn’t include expenses for scientific personnel of the Faculty (498,358.16 euros) allocated among “Employee Benefits”.
75. The expenses for “Mission and travels” amount to € 2,975.82 refers to travels of the Staff. Experts and Professors travelling to ICRANet Centres and missions abroad.
76. We noticed that a formal, explicit and detailed regulation for missions is not in place at ICRANet. We got evidence that sound rules are followed and no relevant irregularity was detected. Nevertheless, several aspects, in our view, deserve a precise reference, such as travel classes due with reference to the duration, or spending limits for meals, both singularly and in a day, and so on.
77. In the past report, we recommend adopting a written and complete regulation for travel expenditures and their reimbursement.
78. A regulation has been approved on the 5th february 2020. In this regulation, has been established that the **Director has the right to derogate from the above, if he deems it necessary.**

Recommendation n. 2/2020

We **recommend** to be more specific with respect to the reasons that can justify the derogation, also relatively to its limits (amounts, duration and so on).

Reply from Management

The Regulation for expense reimbursements will be modified and improved introducing the reasons that can authorize the Director to derogate what established in the Regulation.

79. We checked the forms for the request for reimbursement and in our view, and in compliance with best practices, a specific declaration about the exclusion of other treatment of reimbursement from other Entities and the absence of free meal or lodging should be added.
80. In the past report, we recommend inserting in the application form for mission allowance a specific declaration to be submitted together with the request for reimbursement, related to the presence or absence of other mission treatment on the same expenses or free meal and lodgement.
81. In the rules for expense reimbursements approved on 5th February 2020, it is established that the refund can be obtained **declaring that no other request for the same refund expenses has been submitted to any other Entity.**
82. The expenses for “Coordination and Travel”, referring to the travels of the Director, amount to 26,898.78 euros.
83. The expenses for the entry “Research managed by Director” have a null value.
84. The expenses for “Consultants” amount to € 10,360.40, showing a decrease, compared to 2018, when they amounted to € 11,857.62.
85. In compliance with our last year recommendation, a better organization of the heading “Expenses” of the Statement of financial performance and of the related Note, was presented for 2018. A basic distinction between administrative costs and “core business” costs, is now presented.

Procurement

86. For the financial year 2019 we have not found primary weakness. However we underline the fact (and the importance) that the Recommendation 5/2018 related

to the adoption of a Procurements regulation/guidelines with the aim to cover all contractual activities managed in ICRA Net is still not implemented yet. We consider the draft contract regulation sent to us by email, but we highlight the need for it to comply with international regulations, in particular with the procurement reference document and provides guidance in best procurement practices, processes, and procedures “UN Procurement Practitioner’s Handbook (PHH)”.

87. In addition, during the audit carried out remotely, due to the Covid-19 pandemic situation, we have noticed that some key documents and procedures related to the management of contracts do not have any references like dates or signs by the director, for example (“ICRA Net – Procedura amministrativa per la gestione delle scadenze dei contratti” or “registro dei contratti”).

Recommendation n. 3/2020

We **recommend** that all the key documents and procedures related to contracts procedure are dated and signed by the Director.

Reply from management

The documentation related to contracts procedure will be reviewed introducing the dates and the signature of the Director, if missing.

STATEMENT OF CHANGES IN NET ASSETS/ EQUITY FOR THE YEAR ENDED ON 31 DECEMBER 2019

88. Table III “Statement of changes in net assets” represents in a very simplified way the effect of the surplus/deficit registered in the year on the net asset. In 2019 a surplus was registered, amounting to € 2,187.83. In this Statement, no distinction between different funds is presented and no specific destination or restricted use of the surplus is disclosed. Thanks to the surplus registered in the period, net asset increased its value to € 1,556,126.15 from € 1,553,938.26 of the beginning of the year.

TABLE OF CASH FLOWS FOR THE PERIOD CLOSED ON 31 DECEMBER 2019

89. The Table of cash flows identifies the sources of cash inflows, the items on which cash was spent during the reporting period, and the cash balance as at the reporting date.
90. In 2019 ICRANET reported a cash flows from operating activities of –64.583.
91. We checked the underlying entries by selecting samples from some accounts. The result was that all transactions chosen were properly backed-up by supporting documentation. The Cash Flow Statement is thus verified and confirmed.

INTERNAL CONTROL

92. Starting from f. y. 2017 an Internal Control System is formally in use, and an Internal Auditor was appointed, as requested in our previous Reports.
93. On 5 February 2019 a report was presented by Internal Auditor to the Governing Bodies, referring the areas covered in 2019, according to Art. 8.1 of the Financial Regulations.
94. With reference to financial year 2019, Internal Auditor briefly reported on the following subjects: Follow-up and implementation of audit recommendations of the Italian Court of Auditors; Purchasing, Inventory; Management of external Funds; Assessment and evaluation of central risk. Control on the annual Statements and operations.
95. Furthermore, it has been examined the Journal, the General and sub Ledger accounts, as well as the statements for the year ended on 31 December 2019 regarding: the Financial Positions: assets, liabilities and net assets/equity; the Financial Performance: revenue, expenses; the Cash flow.
96. Specifically, it has been verified: the procedures for the commitments carried forward to the Budget 2019; the annual accounts as presented in the Document D 1, that are in compliance with the Books and records of the Organization; the operations recorded in the accounts that are in accordance with the budgetary provisions, the financial Regulations and the regime of IPSAS; the financial position of ICRANet has been satisfactory during the budgetary year; the examination concerning the items in the Balance Sheet has assured that the statements and other documents are free from error or other irregularity.

97. Regarding the assessment of the central risk, the audit has involved the following items: financial statements; ratios; follow-up of recommendations of the Italian Court of Auditors.
98. The results of the Audit confirm: the budget operations has been managed carefully; the good control on the execution of the planned activities included in the yearly program.
99. Furthermore, the risk persists regarding the reduction in the Italian contribution of Euro 150.000,00 for the 2015-2019 years and the outstanding support of Brazil for 2015-2019.
100. Regarding the follow-up of previous recommendations of Italian Court of Auditors, the internal audit noted that for the years 2014-2018 Annex 1), n.11 of the 16 recommendations have been implemented by ICRANet.
101. Regarding the Audit plan for internal control for the year 2020, the Internal Audit will consider the following items: Follow-up and implementation of audit recommendations of the Italian Court of Auditors (I Trimester); The procurement contracts; Assessment of central risk and governance issue (II Trimester); Management of voluntary Funds (III Trimester); Control on the accounting operations, use of the resources and audit results (IV Trimester).
102. No formal recommendation was issued in these reports. Nevertheless, in the Assessment of the Control Risk it is explicitly stated that “persists the risk for the increasing of the activities, considering the reduction in the Italian contribution for the 2015-2019 years and the outstanding support of Brazil” in the same years. External Auditor takes note of this statement and draws the attention of the Steering Committee on the measures that could mitigate the said risk.
103. Although the coverage of this activity meets the requirements of completeness, we would ask again for a more in-deep exercise of the function of internal auditing.
104. Anyway, The Report points out the regularity of the documents and operations of the ICRANet accounts that are in compliance with the Financial Regulations and IPSAS rules.
105. It is commonly agreed that continuous communication is essential for effective and efficient internal and external audits, therefore an activity of coordination between Internal and External auditors has to be scheduled, also to present complementing work plans to allow the EA to consider this plans for its

activities. In any case, must be increased the relevance of the internal auditor's recommendations in his reports. It is important on this regard to highlight that the IA function must have a strong organizational structure.

IT SYSTEM

106. Starting from the financial year 2017, according to our previous recommendations, ICRANet adopted a new and more efficient IT System.
107. We checked some functions of the new IT System and obtained evidence that it, although limited, does not present malfunctioning.
108. **In the past report, regarding the security of the IT System, some minor weaknesses in the passwords management were detected. Among them, a four-digit password. A suggestion (n. 2/2019) was given in order to improve the security of the IT System.**
109. **In according to the suggestion, the IT system was made safer through the configuration of a more detailed password access, in according to the suggestion n. 2 in the past report.**

FOLLOW UP

110. Standards and best practices commit us to follow-up all our previous recommendations, comparing the comments received from ICRANet Management at the time of the issuance of the previous Report and the comments presently added by the Auditee.
111. In this Report we comment in ANNEX I the state of implementation of the recommendation that we issued in our Report of our audit on accounts at December 31, 2019, as well as the updated status of the matters signalled as relevant in our “Report of agreed-upon activities regarding financial procedures and accounts at December 31, 2014 of ICRANet”.

Recommendations

	Recommendation raised by Italian court of Auditors	Comments received from ICRANet Director at the time of the issuance of the report	Status as reported by ICRANet Director in 2019	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 1 2018	<p><i>Receivables from Brazil</i></p> <p>We recommend setting aside and add to the provisional fund all the available resources, and to take every possible further action to recover the unpaid sum.</p>	<p>The provision for credit losses, prudently established to mitigate the possible risk due to the lengthening of the time for the recovery of the credit due by Brazil, will be increased using all the available resources, despite it is considered as still possible to collect its full amount. All the necessary actions to the recovery this credit due by Brazil will be carried on, in a short time.</p>	<p>Further exchanges of notes are ongoing with Brazil for a solution of the situation of this delay in payments. In the meantime, more provisions have been added for a mitigation of the financial risk.</p>	<p>ONGOING</p> <p>Under close attention.</p>

	Recommendation raised by Italian court of Auditors	Comments received from ICRA Net Director at the time of the issuance of the report	Status as reported by ICRA Net Director in 2019	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 2 2018	<p><i>Inventory</i></p> <p>We therefore recommend going ahead with the efforts to implement a complete and reliable inventory of assets and to make it available for internal control and audit purpose</p>	<p>In the financial year 2017, the staff has completed the inventory of ICRA Net properties. It is currently integrating it with the indication of the exact location of all items and their labelling.</p>	<p>The list with the location of the items has been completed. We are going to label them accordingly.</p>	<p>CLOSED</p> <p>See new Recommendation 2/2019 e 1/2020</p>

	Recommendation raised by Italian court of Auditors	Comments received from ICRANet Director at the time of the issuance of the report	Status as reported by ICRANet Director in 2019	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 3 2018	<p><i>Registration of guests at Villa Ratti</i></p> <p>We therefore recommend putting in place a documented procedure of authorization and a registration for each utilization of the seat in Nice. :</p>	<p>It has been established a register of guests for the ICRANet Seat in Nice. All the necessary procedures to guarantee the authorized use of the Centre and its relevant registration will be started.</p>	<p>A register for the use of is in place from 2018</p>	<p>CLOSED.</p>

	Recommendation raised by Italian court of Auditors	Comments received from ICRANet Director at the time of the issuance of the report	Status as reported by ICRANet Director in 2019	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 4 2018	<p><i>Breakdown of entries</i></p> <p>We considered the unsatisfactory breakdown of the entry “Other expenses” a lack in transparency and accountability, and therefore recommend a better disclosure for the evaluation of the governing bodies and for a more efficient audit exercise.</p>	<p>The item “Other expenses” mainly includes a provision for possible loan losses of € 150.000,00 (weight 73,9%) and a contingent liability of € 36.000,00 (weight 17,7%) related to costs which didn’t had a financial display yet, resulting from the commitments made by ICRANet and not recognized in the previous financial statements. This last item refers in particular to the costs related to the consultancy for managing relations with Brazil.</p> <p>The change from the year 2016 in the item “Other expenses”, without taking into account the overmentioned components, would have been negative (-59,5%). A more detailed explanation of the item “Other expenses” will be provided in the Notes.</p>	NO UPDATE.	CLOSED.

	Recommendation raised by Italian court of Auditors	Comments received from ICRA Net Director at the time of the issuance of the report	Status as reported by ICRA Net Director in 2019	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 5 2018	<p><i>Completing rules for Procurements</i></p> <p>We recommend proceeding further in the preparation of regulations and guidelines for Procurements with the aim to cover all contractual activities managed in ICRA Net</p>	<p>The required improvements to the regulation related to the purchase of goods and services will be brought, detailing the different cases.</p>	NO UPDATE.	Not implemented

	Recommendation raised by Italian court of Auditors	Comments received from ICRA Net Director at the time of the issuance of the report	Status as reported by ICRA Net Director in 2019	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 6 2018	<i>Automatic extensions</i> We recommend to avoid contracts with automatic or tacit extension or at least every 3 years to perform a supplier/market evaluation before the decision to extend a contract is taken.	A review of all existing contracts with automatic or tacit multiannual extension will be carried out, analyzing their deadlines in order to evaluate the economic affordability of the possible extension or termination.	NO UPDATE.	CLOSED

	Recommendation raised by Italian court of Auditors	Comments received from ICRA Net Director at the time of the issuance of the report	Status as reported by ICRA Net Director in 2019	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 7 2018	Same supplier repeatedly We also recommend to avoid a direct awarding of contracts repeatedly to the same supplier that cumulated are above the threshold of € 5.000.	The regulation related to the purchase of goods and services will be improved considering that, in the case of cumulative purchases exceeding 5.000 euro, the assignment of the supply should follow the same procedure adopted for the non-cumulative purchases exceeding 5.000 euro.	NO UPDATE.	CLOSED

	Recommendation raised by Italian court of Auditors	Comments received from ICRA Net Director at the time of the issuance of the report	Status as reported by ICRA Net Director in 2019	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 8 2018	<p><i>Coordination with internal Auditor</i></p> <p>We recommend that meetings between of IA and EA shall be established on a regular basis, to discuss issues of mutual interest, to check the follow up of recommendations issued by both sides, and to determine an appropriate distribution of work, avoiding lacunae and overlap</p>	<p>The Internal Audit agrees to promote meetings on a regular basis, in order to monitor the implementation status of recommendations.</p>	<p>Coordination was implemented</p>	<p>CLOSED.</p>

	Recommendation raised by Italian court of Auditors	Comments received from ICRANet Director at the time of the issuance of the report	Status as reported by ICRANet Director	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 4 2017	<i>Regulation for Procurements</i> We recommend to include the case of works contract in the regulation.	In the regulation related to the purchase of goods and services for amounts higher than € 5.000,00 it will be inserted also a specific regulation for work contracts.	NO UPDATE	NOT IMPLEMENTED

	Recommendation raised by Italian court of Auditors	Comments received from ICRANet Director at the time of the issuance of the report	Status as reported by ICRANet Director	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 4 2016	<p><i>Inventory</i></p> <p>We recommend to implement a complete and reliable inventory of properties and to make it available for internal control and audit purpose</p>	<p>In the financial years 2016 and 2017 the staff will continue to work to complete the inventory, in spite of the operational difficulties, completing the document with the exact location of all items.</p>	<p>In the financial year 2016 and in the first months of 2017 the staff have completed the inventory and is currently integrating it with indication of the exact location of all items. UPDATE still to be labelled</p>	<p>CLOSED</p>

	Recommendation raised by Italian court of Auditors	Comments received from ICRA Net Director at the time of the issuance of the report	Status as reported by ICRA Net Director	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 6 2016	<p><i>Intangible assets.</i> We (...) recommend to add the entry "intangible assets" and to disclose in it the opportune values.</p>	<p>A more complete check will be carried out for the "intangible assets", including in that item also the basic software licenses still in use as well as the evaluation of the "MG" brand. They will be recorded under the "statement of financial position" if their value will exceed the minimum threshold that is fixed at 1.000,00 euro, as done by other international organizations i.e. ICTP.</p>	<p>The "intangible assets" have been evaluated with special reference to the "MG" brand, whose value has been included in the budget 2016.</p>	CLOSED

	Recommendation raised by Italian court of Auditors	Comments received from ICRANet Director at the time of the issuance of the report	Status as reported by ICRANet Director	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 7 2016	<p><i>Classification of expenses.</i> We (...) recommend to improve the classification of expenses avoiding to mix them in miscellaneous items.</p>	<p>In drafting the next budget, better attention will be paid to the classification of the expenditure items, distinguishing them on the basis of their specific nature and avoiding to join them according to their purpose.</p>	<p>In drafting the budget better attention has been paid to the classification of the expenditure items, distinguishing them on the basis of their specific nature.</p>	<p>CLOSED</p>

	Recommendation raised by Italian court of Auditors	Comments received from ICRANet Director at the time of the issuance of the report	Status as reported by ICRANet Director	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 10 2016	<p><i>Distinction of costs</i></p> <p>We strongly recommend a better organization of the heading “Expenses” of the Statement of financial performance and of the related Note, since the breakdown does not reflect in a clear way a distinction between administrative costs and “core business” costs, such as training, research and conferences.</p>	<p>Since the accounting is currently updated on the basis of a chart of accounts that does not allow the full distinction between the category of administrative costs and the costs related to the “core business”, in the balance sheet 2016 the individual cost items will be divided according to their belonging to one or another category. For their own nature there is necessarily an interdependence between administrative costs and costs related to the “core business”; for better clarity in the next chart of accounts there will be indication of their percentage in the partition of expenses. A full distinction could be developed already in the phase of recording once, in 2017, the new IT software for accounting will be adopted, as requested.</p>	<p>In preparing the budget 2016 some items have been reclassified in order to provide a full distinction between the category of administrative costs and the costs related to the “core business”.</p>	CLOSED

	Recommendation raised by Italian court of Auditors	Comments received from ICRANet Director at the time of the issuance of the report	Status as reported by ICRANet Director	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 11 2016	<p><i>Procurement procedure</i></p> <p>We recommend to adopt written rules about procedures to be followed in case of procurements over or under a certain threshold, and such threshold has to be explicitly indicated.</p>	<p>A specific regulation will be adopted for supplies more expensive than 5.000,00 euro, that is the amount established as threshold. It is underlined that this limit in any case has been already considered in the past, even if not officially regulated by a written agreement.</p>	<p>A specific regulation for the management of significant supplies has been brought to the attention of the Steering Committee. In the meeting of February 1th, 2017 the Steering Committee has approved the regulation.</p> <p>UPDATE</p>	CLOSED

	Recommendation raised by Italian court of Auditors	Comments received from ICRANet Director at the time of the issuance of the report	Status as reported by ICRANet Director in 2019	Status on actions taken by Management as evaluated by Italian Court of Auditors
Rec. 5/2019	We recommend to further improve the contractual exercise, searching in the market for better and cheaper suppliers whenever the expiring data of a contract approaches.	The comparison of costs related to expiring contracts, favoring offers with the best cost/benefit ratio, will be improved.	No update	Closed
Rec. 1/2019	We recommend improving the definition (both juridically and financially) in the Financial Statements and in Notes of the accrual present relation between ICRANet and Campus BioMedico.	On the 11th of October 2018, a two-year renewable Agreement was signed with the University Campus Bio Medico in Rome. There is a long-standing relationship of scientific collaboration with the Campus Bio-Medico supported by ex-gratia contributions from ICRANet, from a financial point of view. According to art. 8.3 of the Financial Regulations of ICRANet, in the financial year 2019 was reported the contribution “Ex-gratia	No update	Closed

		payments” (Euro 10.000,00) to Campus Bio-Medico		
Rec. 2/2019	We recommend completing as soon as possible the inventory of the assets owned by ICRA Net and to label the items properly, as requested by normal practices	The complete inventory, with labelling of all the equipments, will be finalized within the first half of 2020.	ICRA Net staff couldn't complete the inventory, with labelling of all the equipments within the first half of March, because of the health COVID 19 emergency.	ONGOING
Rec. 3/2019	We recommend adopting a written and complete regulation for travel expenditures and their reimbursement.	The rules for reimbursement of travel expenses will be introduced.	IMPLEMENTED	Closed
Rec. 4/2019	We recommend inserting in the application form for mission allowance a specific declaration to be submitted together with the request for reimbursement, related to the presence or absence of other mission treatment on the same expenses or free meal and lodgement.	A form for the management of expense reimbursement related to missions with a declaration on the absence and/or presence of possible reimbursements by other organizations regarding the same expenses will be introduced.	In the rules for expense reimbursements approved on 5th february 2020, it is established that the refund can be obtained declaring that no other request for the same refund expenses has been submitted to any other Entity	Closed

Suggestions

	Suggestion offered by Italian court of Auditors	Comments received from ICRANet Director at the time of the issuance of the report	Status as reported by ICRANet Director	Status on actions taken by Management as evaluated by Italian Court of Auditors
<p>Sugg. 1 2018</p>	<p><i>Utilization of Villa Ratti</i> We suggest to present in a detailed way the utilization of the seat in Nice.</p>	<p>The utilization of ICRANet seat in Nice will be documented in a detailed way, and their relevant expenses will be further presented in the Explanatory Note. Please, note that for the year 2017 the item “Start up of activities in Nice” in “Note 20: Expenses” is zero.</p>	<p>NO UPDATE</p>	

	Suggestion offered by Italian court of Auditors	Comments received from ICRA Net Director at the time of the issuance of the report	Status as reported by ICRA Net Director	Status on actions taken by Management as evaluated by Italian Court of Auditors
Sugg. 2 2018	<i>IT Security – change of PW</i> We suggest a stricter policy in the periodical change of the passwords in the IT System	The suggestion to periodically change the passwords has been accepted.	IMPLEMENTED	CLOSED

	Suggestion offered by Italian court of Auditors	Comments received from ICRANet Director at the time of the issuance of the report	Status as reported by ICRANet Director	Status on actions taken by Management as evaluated by Italian Court of Auditors
Sugg. 2/2019	<i>IT Security</i> – We suggest configuring the IT environment for a stronger system of passwords, requiring more than four digits for each of them.	The suggestion has been accepted.	IMPLEMENTED	CLOSED

	Suggestion offered by Italian court of Auditors	Comments received from ICRANet Director at the time of the issuance of the report	Status as reported by ICRANet Director	Status on actions taken by Management as evaluated by Italian Court of Auditors
Sugg. 1/2019	<p><i>Accrued leaves</i></p> <p>We suggest to adopt rules aimed to tendentially spend the accrued leave in the same year and to limit in measure and in time, the possibility of delaying their use.</p>	<p>A regulation concerning the utilization of annual leave, encouraging its use within 12 months after the end of each year of accrual, will be introduced.</p> <p>A plan for a gradual reduction of accrued vacation will be prepared.</p>	<p>A regulation concerning the utilization of annual leave has been approved on 5th February 2020. The plan for a gradual reduction of accrued vacation will be prepared.</p>	<p>closed</p>