Annual Activity Report 2023

Annexes

INTERNAL AUDIT SERVICE

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ANNEX 1: Statement of the Director in charge of Risk Management and Internal Control

In accordance with Article 2 of the Service Level Agreement on the provision of support to the Internal Audit Service (IAS) by DG HR revised on 26 January 2024, the declaration of assurance is provided by DG HR's Internal Control Coordinator (see annex 1b below). This declaration should be viewed in conjunction with our declaration below, and supports the statement of assurance of our Director-General (included in Annex 1 of the IAS annual activity report).

I declare that in accordance with the Commission's communication on the internal control framework[1], I have reported my advice and recommendations on the overall state of internal control in the IAS to the Director-General.

I hereby certify that the information provided in the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete.

02 April 2024

(signed)

Cristiana Giacobbo

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(1)   C(2017)2373 of 19.04.2017.

ANNEX 1b: Statement of the "Shared resources services" DG Human Resources and Security

I declare that in accordance with the Commission's communication on the internal control framework[2], I have reported my advice and recommendations on the aspects of financial management and internal control in 2023 in the IAS that fall under the responsibility of DG HR.

I hereby certify that the information provided by my services in relation to Section 2 and Annexes 3 and 4 of the Annual Activity report is, to the best of my knowledge, accurate and complete.

Date: 28 February 2024

Christina Vlassis

Head of Unit, HR.F.2
Procurement, Contracts and Internal
Control

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[2]   C(2017)2373 of 19.04.2017.

Annex 1.C

DG HR's Services to the IAS in 2023

Internal Control and Accounting Services

Internal Control Services

DG HR analyses the results of different controls in order to substantiate the Director General's assurance statement. These controls cover the part of the budget entrusted to DG HR by the IAS. The controls that are most relevant to the IAS Director-General's assurance statement, as formulated in the AAR standing instructions, are the ex-post controls, the sub delegated authorising officers' assurance reports and exceptions or noncompliance reports.

I) Ex-Post Control on Financial Transactions

The annual ex-post control campaign is well established in DG HR. Its primary purpose is to estimate the DG's error rate. The controls are performed both by senior management and by the finance and internal control unit. The latter coordinates the overall campaigns and ensures that the associated rules are respected.

A second objective of the ex-post control campaigns is to identify and remedy any control weaknesses in financial management. The results of ex-post control performed in DG HR, although not specifically designed to focus on IAS financial management, covered the key processes and individual transactions (commitments, payments and recoveries) that would affect the assurance statement of the IAS. The results of the controls, based on an estimated 1,7% of the payments (EUR 7,3 million), indicate an error rate (RER) of 0%. The errors were generally linked to procedural issues as opposed to material losses or 'amounts at risk'. This reassuring result would confirm the findings of the Court of Auditors in recent years.

II) Assurance Reports and Exceptions or Noncompliance Reports

DG HR's active authorising officers submitted reports to support the assurance statement of the Director General. Those who took over the functions from the departing staff also provided assurance regarding the smooth-running of the handover. Authorising Officers highlighted neither any problems nor weaknesses not already identified and addressed through the exception reports.

DG HR's register of exceptions and non-compliance events highlights some issues related to the non-respect of standard procedures in financial management. The amount at risk associated with the exceptions is not significant. The exceptions were generally associated with non-standard measures taken to ensure business continuity in the area of renewal of procured contracts.

In particular, there is one non-compliance event directly linked to the IAS activity regarding the IIA Bel conference group attendance, for which we already had exchanged with the IAS services.

Accounting Services

The accounting correspondent reviewed the accounts and checked the bookings made in the frame of the accounting closure. All the data in the AAR Annex 3 were checked and reconciled with the detailed financial reports.

DG BUDG assesses DG HR's accounting risk as low, which is in line with our own findings as well as the conclusions from the ECA over the past years. Moreover, on the key criterion on accounting quality, the performance for both DG HR and the IAS is considered outstanding.

Overall Result for the AAR of the IAS

The results of our work on financial management and reporting for the IAS indicate that there are no associated issues that would adversely affect the assurance statement of the Internal Auditor. On this basis, the internal control coordinator may provide the necessary assurance and sign the assurance statement included in Annex 1 of the AAR.

Christina Vlassis

DG HR's Internal Control Coordinator

Head of Unit, Finance Procurement and Internal Control in DG HR

ANNEX 2: Performance tables

General objective A modern, high-performing and sustainable European Commission

Impact indicator 1.1 (corporate level): Image of the European Union

Explanation: This indicator is based on the question 'In general, does the EU conjure up for you a very positive, fairly positive, neutral, fairly negative or negative image?' The indicator gives the share of positive and fairly positive views on this question.

Source of the data: Eurobarometer 100

Baseline (2019)	Interim Milestone (3) (2022)	Target (2024)	Latest known results (2023)
43% (EU 27)	Increase	Increase	**44**%

Specific objective 1: The IAS understands its audit environment and has a clear definition of its audit universe, which reflects the Commission and EU agencies and other autonomous bodies' objectives, priorities and risks.
Related to spending programme(s) N/A

Main outputs in 2023 (other important outputs):

Output	Indicator	Target	Status
Updated audit universe reflecting the Commission, Agencies and other EU bodies' organisation	Annual update of audit universe	Q1 2023[4] (Commission) By end 2023[5] (EU Agencies)	**Target met** The audit universe was updated for the Commission and the Executive agencies in Q1 2023 during the light update of the risk assessment and during the year for the decentralised agencies in the context of SIAPs finalised in 2023.

Specific objective 2: The organisation of the IAS is adequate to cover the audit universe efficiently and effectively.
Related to spending programme(s) N/A

Main outputs in 2023 (other important outputs):

Output	Indicator	Target	Status
Implementation of actions stemming from various horizontal audit-related initiatives	Implementation of the action plans defined by the working groups, as approved and decided by the Senior Management.	Action plan validated. All 2023 planned actions implemented.	**Target met** All 2023 planned actions implemented. Some complex actions undertaken during first semester will be completed during 2024.

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[3] In case of short- or medium-term objectives (all targets are set to be achieved in less than 3 years) the milestones column should be deleted from the table.
[4] For the 2023 audit plan
[5] Via SIAPs performed during the year

Specific objective 3: Cover the high risk areas of the audit universe *Related to spending programme(s) N/A*			
Main outputs in 2023 (other important outputs):			
Output	**Indicator**	**Target**	**Status**
Identification of high risks to be covered based on the audit universe	Timeliness of the annual risk assessment	Q4 2023	**Target met** All high risks have been identified on time during the annual risk assessment and mid-year update.
	Identification of new emerging risks in the mid-year update of the audit plan	Mid-year 2023	
Revised Strategic risk-based Audit Plan 2024-2026	Timeliness of the Strategic Audit Plan adoption	End of 2022 and approved in Q1 2023	**Target met** SAP 2021-2023 extended to 2024
Commission and Executive agencies only Assessment whether the audits in the previous three years covered 100% of high risk financial auditable entities	% of coverage, through the strategic audit plan and successive annual audit plans, of the financial management in Commission services resulting in the delivery of an overall opinion without material scope limitations.	100 % over a period of 3 years	**Target met** The overall opinion for the year 2022, which was based on the audit work completed during the period 2020-2022, was issued in Q2 2023 without material scope limitation: 26/05/2023

Specific objective 4: Deliver the strategic audit plans through the annual audit plans effectively and efficiently. *Related to spending programme(s) N/A*			
Main outputs in 2023 (other important outputs):			
Output	**Indicator**	**Target**	**Status**
Audit, consulting and follow-up engagements planned for 2023 (including the Strategic Internal Audit Plans (SIAPs) which are part of the annual planning exercise).	Completion rate of the 2023 Audit Plan ("C1"[6] engagements), after update of the Plan at mid-year.	100% of "C1" engagements in the 2023 audit plan to be finalised by January 2024	**Target met as at 31/01/2024** EC : 97 % Decentralised Agencies : 96%
Commission and Executive Agencies Mid-term review of the Annual audit plan. Updated Audit Plan for 2023 (Commission	Timely preparation and delivery on time	July 2023	**Target met** Mid-year update of the 2023 audit plan exercise launched on 02/06/2022 – Mid-year update of the 2023 consolidated audit plan) and finalised on 13/09/2023 (Mid-year update of the 2022 audit

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[6] "C1" engagements are those planned to be completed by January of the year N+1.

and Executive Agencies)			plan – Note to APC).
Strategic Internal Audit Plans (SIAPs) to be prepared for each entity where the previous SIAP is complete or has become obsolete	Final SIAP issued Delivery and update of yearly plans on time	January 2024. Establishment of yearly plans for each agency/auton omous body, updated at mid-year.	**Target partially met** All the SIAPs with the cycle ending in 2022 were completed in 2023. One SIAP was brought forward to 2023 (eu-RAIL JU – former SHIFT2RAIL JU) due to the new legal framework of the JU.
Conclusions on the state of internal control to each individual Directorate-General and service of the Commission as a contribution to the preparation of their annual activity reports.	Timely preparation and delivery on time	15 February 2023	**Target met** 47 limited conclusions issued by 15 February 2023. No limited conclusions were issued for HERA, HADEA and IDEA.
Time spent on direct audit work and audit support work by auditors	Percentage of time spent on direct and indirect audit work by auditors (efficiency indicator)	85 % of total working time available in 2023.	**Target partially met** 82,3%
2022 Annual Report of the Internal Auditor (Article 118(4) of the Financial Regulation)	Report issued	June 2023	**Target met** Report issued on time (6/05/2023)
Overall opinion of the IAS on financial management in the Commission	Report issued	June 2023	**Target met** Report issued on time (6/05/2023)
Quarterly overview reports (or information notes) transmitted to the APC on the follow-up of IAS recommendations concerning Commission's Directorates-General and services	Reports finalised and transmitted in time to the APC (4 reports in total)	March, May, September and December 2023	**Target met** Reports issued on time. 2023 October information note issued on 22/12/2023 2023 Interim Overview report issued on 27/07/2023 2023 April information note issued on 25/05/2023 Final overview report issued on 14/03/2023
Annual reports on the status of open critical and significantly delayed very important IAS recommendations to decentralised EU	Reports/notes finalised and transmitted to Directors and Management Boards	Timely issued (March 2023)	**Target met** All (18) reports sent on time.

agencies and other autonomous bodies (in case their agency has such recommendations)			
Mid-term review of the Management Plan	Report issued	June/July 2023	**Target met** Report issued by the deadline.

Specific objective 5: Meeting stakeholders' expectations (adding value and contributing to the improvement of the auditees' operations)
Related to spending programme(s) N/A

Main outputs in 2023 (other important outputs):

Output	Indicator	Target	Status
Note on results of the IAS stakeholders' satisfaction survey.	Level of satisfaction of stakeholders (APC/Management Boards and Directors-General/Directors of EU agencies and other autonomous bodies)	Issued in Q1 2023 Minimum 4 out of a scale of 5	**Target reached** 4.37 – APC and Preparatory Group 4.08 – Directors General /Directors of EU Executive Agencies and other autonomous bodies 3.99 – Chairpersons of the Board of EU Decentralised agencies and other autonomous bodies Results issued on 24/04/2023
Results of satisfaction survey addressed to the audited services	Level of auditee satisfaction after each engagement on a scale from 1 (strong agreement) to 4 (strong disagreement)	Average score between 1 and 2	Commission : 1.75 Agencies: 1.70
Results of analysis of the implementation of recommendations	Level of implementation of IAS recommendations issued in the previous 5 years, whose initial target date has passed	Issued in Q1 2023 Minimum 90%	Commission and Decentralised Agencies: 91.4% Commission: 93.0% Decentralised Agencies: 88,4%

Specific objective 6: To ensure that the work of the IAS is conducted in accordance with the IAS charter, its internal methodology and guidelines and internal auditing standards
Related to spending programme(s) N/A

Main outputs in 2023 (other important outputs):

Output	Indicator	Target	Status
External Quality Assessment (EQA)	Successful implementation of the action plan resulting from the EQA report (compliance with the internal methodology and guidelines of the IAS and with international internal auditing standards as assessed through the EQA)	All 2023 actions implemented	**Target met** On track.

Implementation of actions stemming from various horizontal audit-related initiatives	Implementation of the action plans defined by the working groups, as approved and decided by the Senior Management	All 2023 actions implemented	**Target met** On track.

Engagements in the Commission, executive agencies, decentralised EU agencies and other autonomous bodies finalised in 2023[7]

N°	Auditees	Project Title	Project type
1	ACER	ACER - Decision-making process under Article 2(d) of Regulation (EU) 2019/942	comprehensive audit
2	AGRI	AGRI - Financial clearance of accounts	comprehensive (standard audit)
3	AGRI, BUDG, EISMEA, EMPL, ERCEA, INTPA, NEAR, REA, REGIO, RTD	Thematic review on the Commission's risk at payment	limited review
4	AGRI, CINEA, CLIMA, CNECT, DEFIS, EAC, EISMEA, EMPL, ENER, ENV, ERCEA, GROW, HOME, HaDEA, MOVE, REA, RTD, SANTE, SG	Horizon Europe governance arrangements, preparation of the work programmes and of budget planning, allocation and monitoring	comprehensive (standard audit)
5	CEDEFOP	Cedefop surveys	comprehensive audit
6	CEPOL, EMCDDA, EUAA, EUROPOL, HOME, eu-LISA	Coordination and working arrangements with EU decentralised agencies in DG HOME (other than FRONTEX)	comprehensive audit
7	CINEA, CLIMA	Implementation of the Innovation Fund in DG CLIMA and CINEA	comprehensive audit
8	CINEA, CLIMA, ENER, ENV	LIFE implementation	comprehensive audit
9	CLIMA	Limited review of the EU ETS information system and its security controls	IT audit

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[7] This list does not include the follow-up engagements which are performed to assess the implementation of recommendations issued in previous audits.

N°	Auditees	Project Title	Project type
10	CNECT, HADEA	Design and set-up of the Digital Europe Programme (CNECT, HADEA)	comprehensive audit
11	COMM	Corporate communication in DG COMM	comprehensive audit
12	COMP	CASE @ EC project (modular architecture, migration and phase-out, security of operations) including regis	IT audit
13	COMP	HR Management in DG COMP	performance audit
14	DEFIS	Preparedness of DG DEFIS management and control systems for the 2021-2027 Space programme implementation	comprehensive audit
15	DIGIT, HR, SG	Protection of confidentiality of information at corporate level (HR, SG, DIGIT)	performance audit
16	EAC	IT security management in DG EAC	IT audit
17	EAC, EACEA	Preparedness of the management and control systems of EACEA for the implementation of the Erasmus+, Creative Europe and ESC programmes and their supervision by DG EAC	comprehensive (standard audit)
18	EACEA, JUST	Preparedness of the management and control systems regarding the implementation of the new programmes (CERV, Justice)	comprehensive audit
19	EBA	HR management & Ethics in EBA	performance audit
20	ECDC	Information security management in ECDC	IT audit
21	ECDC, EMA, HERA, SANTE	Limited review on the adequacy of the cooperation and coordination mechanisms aimed to prevent, detect and respond to serious cross-border threats to health	limited review
22	ECFIN	Ex ante controls of the RRF payment requests	financial/compliance audit
23	ECFIN	Design and implementation of the RRF (2022)	monitoring assignment
24	ECHA	Budget preparation, monitoring and reporting in ECHA	comprehensive (standard audit)
25	ECHO	Financial management of Humanitarian Aid under indirect management in DG ECHO	financial/compliance audit
26	ECHO, FPI, INTPA, NEAR, TAXUD, TRADE	Limited review on data protection	limited review
27	EDPS	Methodology for the planning of EDPS audits	comprehensive (standard audit)
28	EFCA	EFCA - Human resources management and ethics	comprehensive (standard audit)
29	EIOPA	Procurement and Contract Management	comprehensive audit
30	EIT	Management of experts in EIT	performance audit
31	EMA	IT security in EMA	IT audit
32	EMCDDA	EMCDDA - International cooperation	comprehensive audit

N°	Auditees	Project Title	Project type
33	EMPL, MARE, REGIO	Preparedness for closing the 2014-2020 programming period of ESIF	comprehensive audit
34	EMPL, REGIO	Joint Audit Directorate for Cohesion (REGIO, EMPL)	comprehensive audit
35	EMSA	EMSA - Operational oil pollution response services	comprehensive audit
36	EPF	Governance arrangements for EPF assistance measures	comprehensive audit
37	ERA	Information technology governance in ERA	IT audit
38	ERCEA, HADEA	Horizon Europe - Grant management phase 1 (batch II: HADEA, ERCEA) (from publication of the calls until signature of the grant agreements)	comprehensive audit
39	ESTAT	Eurostat's role in the European Statistical System (ESS)	performance audit
40	F4E	F4E - Human resources management and ethics	comprehensive (standard audit)
41	FPI, INTPA, NEAR	Intervention-level evaluations in DG INTPA, DG NEAR and FPI	comprehensive audit
42	FRA	FRA - Communication and dissemination of project results	comprehensive audit
43	HADEA, HERA, HaDEA, SANTE	Early implementation of grants in the EU4Health Programme	comprehensive audit
44	HERA	Limited review of HERA's assessment of its Internal Control Framework (ICF) for the 2022 Annual Activity Report (AAR)	limited review
45	HOME	Preparedness for the Closure of actions funded under ISF and AMIF through direct and shared management	comprehensive audit
46	JRC	Consulting on construction and completion of Wing M in Karlsruhe	consulting
47	OIB, OIL	Management of large-scale building projects involving works in OIB and OIL	comprehensive audit
48	OLAF	OLAF's effectiveness in the area of fraud prevention activities	comprehensive audit
49	REA, RTD	Horizon Europe - Grant management phase 1 (batch I: REA) (from publication of the calls until	comprehensive audit
50	REFORM	Measuring and reporting on the performance of technical support projects in DG REFORM	comprehensive audit
51	SESAR3	SESAR3 - Planning, budgeting, monitoring of activities and reporting in SESAR 3 JU	comprehensive audit
52	CEPOL	CEPOL - Strategic Risk Assessment including IT (2024-2026)	SIAP
53	CHIPS JU	KDT - Strategic risk assessment including IT (SIAP 2023-2025)	SIAP
54	EEAS	EEAS - Strategic Risk Assessment including IT (SIAP 2024-2026)	SIAP
55	EIT	EIT - Strategic Risk Assessment including IT (SIAP 2023-2025)	SIAP

N°	Auditees	Project Title	Project type
56	EMA	EMA - Strategic Risk Assessment including IT (SIAP 2024-2026)	SIAP
57	EMCDDA	EMCDDA - Strategic Risk Assessment including IT (SIAP 2024-2026)	SIAP
58	EMSA	EMSA - Strategic Risk Assessement including IT (SIAP 2024-2026)	SIAP
59	EU-Rail	EU Rail - Strategic Risk Assessment including IT (2024-2026)	SIAP
60	EUROFOUND	EUROFOUND - Strategic Risk Assessment including IT (SIAP 2024-2026)	SIAP

N°	Auditees	Project Title	Project type

ANNEX 3: Draft annual accounts and financial reports

All IAS budget lines are co-delegated TYPE2 (DGA > DGB) to DGs DIGIT and HR. Consequently, all payments are reported in the AARs (annex 3) of these DGs and financial reports of the IAS for the financial year 2023 show no figures.

Delegation and co-delegation

In accordance with Art 117(1) of the Financial Regulation, the Internal Auditor cannot be authorising officer and this ensures his independence. In the IAS, the AOD is Director C. The delegation and co-delegation to PMO, DG HR and DIGIT further increases the independence. These arrangements have also been introduced for efficiency reasons.

The IAS budget allocation is included under the heading "Administrative expenditure of the Audit policy area" and totalled around €29m in 2023. 98.6% of this expenditure was directly delegated to corporate services in accordance with the Commission's Internal Rules. The IAS was therefore accountable for the remaining 1.4%, which is however, co-delegated[8] to DGs HR and DIGIT.

The co-delegation with DG HR is supported by a Service Level Agreement, the co-delegation with DG DIGIT by a Memorandum of Understanding. As the budget is managed under the same Commission rules, the primary AOD (IAS) can rely on the legality and regularity, efficiency and cost-effectiveness of the controls in place in DG HR and DG DIGIT (secondary AODs). This expenditure is therefore covered by the Declaration of assurance of DGs HR and DIGIT.

Mission budget

The IAS is AOD for the mission budget (commitments), but this is co-delegated to DG HR. Therefore, DG HR performs the ex-post controls on mission expenditure in the framework of the service level agreements (SLA) with the IAS.

The PMO is AOD for the mission budget (payments), and performs its own ex-ante and ex-post controls.

Moreover, the IAS performs its own additional ex-ante controls to ensure compliance of its mission expenses with the Commission's Guide for missions and with the IAS specific guidance. In addition, a sample of reimbursements is controlled ex-post within the IAS at the beginning of the subsequent year.

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[8] Type II co-delegation, whereby the IAS is the primary AOD, while DGs HR and DIGIT are the secondary AODs. DG HR (missions and meetings 0.7 %) and DG DIGIT (IT development, 0.7%).

ANNEX 4: Financial Scorecard

All IAS budget lines are co-delegated TYPE2 (DGA > DGB) to DGs DIGIT and HR. Consequently, all payments indicators are reported in the AARs (annex 4) of these DGs.

ANNEX 5: Materiality criteria

This annex provides detailed explanation on how the AOD defined the materiality threshold as a basis for determining significant weaknesses that should be subject to a formal reservation to his declaration.

In the analysis leading to the decision on whether to issue reservations or not, the IAS used the following criteria:

Qualitative assessment

- Non achievement of an important objective/obligation

Quantitative assessment

- In order to be considered "material" in quantitative terms, failings must have a direct financial impact on the budget, affecting a significant proportion of total commitment appropriations or payments. In line with internal guidelines a weakness would have been considered 'material' only if there is a direct financial impact or risk of loss of more than 2% of the overall IAS budget.

Assessment of reputational events

- A significant reputational risk for the IAS or the Commission: given the nature and sensitivity of IAS work, any impediment to the fulfilment of IAS obligations as laid down in the Financial Regulation could have a significant impact on the reputation of the Commission and should be explicitly mentioned.

De minimis' threshold for financial reservations

Since 2019([9]), a 'de minimis' threshold for financial reservations has been introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

As almost the entire IAS budget is co-delegated to DGs HR and DIGIT, the impact of reservations in their AAR on the budget of the IAS will also be taken into consideration.

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[9]   Agreement of the Corporate Management Board of 30/4/2019.

ANNEX 6: Relevant Control System(s) for budget implementation (RCSs)

Mission expenses

Main internal control objectives: To ensure compliance of the mission expenses with the Commission's Guide to Missions and Authorised Travel and IAS specific guidance[10].

Ex-ante

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The mission expenses will not be in compliance with rules and guidelines and/or not be cost-effective.	Ex-ante validation of the opportunity of the mission (justification, location, number of staff, duration, etc.)	100% ex-ante validation by the direct superior and AOD	**Effectiveness** (1) number/% of missions modified as a consequence of the validation by the direct superior (should be above "0" otherwise the control might be exaggerated – not cost-effective) (2) number/% of missions rejected for correction by the ex-ante verifier because of an "unsatisfactory justification" after having been validated for this aspect by the direct superior (should be very low, otherwise the control by the direct superior is not effective). **Efficiency** (1) time to approve (2) number of complaints. **Economy** = estimation of cost of staff involved + ratio between costs and the total amount spent on missions
	Ex-ante verification of the travel orders and claims for reimbursement	100% ex-ante control by the verifying officer	**Effectiveness** (1) ineligible amounts identified by ex-ante control (2) number/% of cases of irregularity or divergence from best practice identified and corrected (3) number/% of complaints (from travellers and PMO) **Efficiency** (1) Time to approve (2) number/% of complaints (3) number/% of missions rescheduled because of missed deadlines in ex-ante approval).

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[10] Payments are not included in the main control objectives as they are executed by the entrusted entity, PMO, subject to similar management governance modalities. The corresponding controls are reported by the PMO in their AAR.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
			Economy = estimation of cost of staff involved + ratio between cost of staff and total amount spent on missions reputational damage.

Ex-post

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	Independent ex-post control	Ex-post control of representative sample of expenses by the resources team.	**Effectiveness** (1) ineligible amounts identified by ex-post control (2) number/% of cases rejected/returned for correction by PMO (3) number/% of irregularities or divergence from best practice identified **Efficiency** Timeliness of the ex-post controls. **Economy** = estimation of cost of staff involved + ratio between cost of staff and total amount spent on missions **Benefits** (1) Qualitative assessment of the preventive effect (2) Qualitative assessment of the avoidance of reputational damage.
	Exception reporting	See ex-ante verification and ex-post control.	**Cost** = estimation of cost of staff involved **Benefits** = Qualitative assessment of the value of transparent reporting of exceptions and its learning effect.

ANNEX 7: Specific annexes related to "Financial Management"

Table Y – Overview of IAS's estimated cost of controls

IAS Mission Expenditure – Control System[11]	Ex ante controls			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	EC total costs	*related* funds managed/concerned[12]*	Ratio (%) *(a)/(b)*	EC total costs	total value verified and/or audited	Ratio (%) *(d)/(e)*	EC total estimated cost of controls *(a)+(d)*	Ratio (%) *(g)/(b)*
	€5.892,60/year[13]	€90.980,68	6.48%	€380/year[14]	€19.451,22	1.95%	€6.272,60	6.89%[12]

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[11] These are the IAS-internal costs of control relating to mission expenditure; more costs are incurred by PMO when processing the IAS mission orders and mission expense declarations.

[12] Related funds managed/concerned = expenses for missions, which took place in 2023 (Situation as at 31/12/2023)

[13] Based on time spent on the controls and the cost of the related staff: **4.6% of AST/SC FTE €128.100/year**.

[14] Based on time spent on the controls and the cost of the related staff: **0,19% of AD FTE €200.000/year**.

ANNEX 8: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

Not appliclable

ANNEX 9: Specific annexes related to "Control results" and "Assurance: Reservations"

1. Annex related to "Control results" - Table X: Estimated risk at payment and at closure

Not applicable.

The IAS makes no payments.

For a number of years now, around 98% of the administrative expenditure of the IAS is directly delegated to the Office for Administration and Payment of Individual Entitlements (PMO), to the Directorate-General for Human Resources and Security (DG HR) and to the Directorate-General for Informatics (DG DIGIT), in accordance with the Commission's Internal Rules.

The IAS is therefore accountable for the remaining 2% of its administrative budget, which is however co-delegated to DG HR (based on a service level agreement for the provision of support services to the IAS in the area of human resources and financial management) and DG DIGIT (supported by a memorandum of understanding).

In both cases, the IAS remaines responsible for the strategic decisions and the planning-related aspects.

As the budget is managed under the same Commission rules, the primary AOD (i.e. the IAS) can in principle rely on the legality and regularity, efficiency and cost-effectiveness of the controls in place in DGs HR and DIGIT (as secondary AODs). This expenditure is covered by the Declarations of Assurance of these Directorates-General.

2. Reservations

Not applicable.

ANNEX 10: Reporting – Human resources, digital transformation and information management and sound environmental management

Human resource management

Objective 7: The IAS employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business			
Indicator 7.1: Number and percentage of first female appointments to middle management positions **Source of data: SEC(2020)146 and SEC(2023)200**			
Baseline 12/2019	**Target** (2022) + (2024)		**Latest known results** 2023
4 out of 12 (33%)	2023-2024 target: 1 first female appointment		No first female appointment was made in 2023 (the appointment made in 2023 was done before the new target was set up).
Indicator 7.2: IAS staff engagement index **Source of data: Commission staff surveys**			
Baseline 2018	**Target** 2024		**Latest known results** 2023
69% (Commission)			73% (Commission)
75% (IAS)	To be equal to or above the Commission average		79% (IAS)
Main outputs in 2023:			
Output	**Indicator**	**Target**	**Status**
Strategic development			
Implementation of the HR Strategy	Timeliness of implementation	100% of applicable guidance timely implemented	**Target met** The IAS has implemented the HR corporate strategy and the latest IAS Risk Management and Internal Control Surveys.
Staff Engagement			
Implementation of the Staff Engagement Committee plan	Complete all actions planned on staff engagement: involvement in the Strategic Audit Planning process, job-shadowing, and sports, social and internal communication activities.	By end 2023	**Target met** The Staff Engagement Committee sub-groups have updated and implemented their actions.
Maintain level of staff engagement (HR survey)	Keep IAS staff engagement index in line with Commission average, and possible increase further	IAS indicator: ≥ 75%	**Target met** 79% (staff survey 2023)

Staff retention and recruitment			
Promote the image of the IAS and the profession of internal auditor within the Commission.	Implementation status of ad hoc actions	100% of planned 2023 actions implemented	**Target met** Several actions took place, such as improving job descriptions and promoting publications via available channels.
Capacity building			
IAS auditors which have one or more professional audit qualifications	Percentage of staff certified (79.5% in 2019)	Minimum 70%	**Target met** >73% of staff certified on 31/12/2023
Update of the Internal Audit Training Programme (IATP)	Level of satisfaction of IAS staff with the structured training	Minimum 80%	**Target met** 90% (based on evaluations received until 31/12/2023)
As part of the IATP, offering ad hoc auditors forum events to the internal audit community	Number of Auditors' forum events organised per year	Minimum 6 events	**Target met.** 7 auditors forum events Posting on IAS intranet of several events organised by other DGs, ECA and EU Agencies

Digital transformation and information management

Objective 10: The IAS is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission		
Indicator 10.1: Degree of implementation of the digital strategy principles by the most important IT solutions **Source of data: IAS internal with support of DIGIT**		
Baseline delivered in 2019	**Target** 2024	**Latest known results** 2023
Definition of the context, impact and outcomes of the project.	Project completed Interim milestone (2020): initiation and planning phase completed.	**Target met** More than 85% of actions defined for 2022 in the IAS Digital strategy 2022-2024 successfully implemented. Initiation and planning phase of the project completed. Design for some solutions decided.
Average score on the	Average score of implementation:	**Target met.**

implementation of the **core principles**[15] defined by the EC Digital Strategy: - TeamMate: 56%. - Innovation & digital auditing: 0%.	- TeamMate+: 94%. - Innovation & digital auditing: 94%.		On time: - TeamMate: 63%. - Innovation & digital auditing: 81%.

Indicator 10.2: Percentage of IAS key data assets for which corporate principles for data governance have been implemented
Source of data: IAS with the support of the corporate data governance hub

Baseline 2019	Target 2024	Latest known results 2023
100%. The IAS met the 2019 target (Identification of key datasets and ownership)[16].	100%.	**Target met.** 100%.

Main outputs in 2023:

Output	Indicator	Target	Status
Audit management tool			
Migration/upgrade of IAS audit management system	Software installed in EC data centre	Software installed in Q1 2023	**Target met.** Software installed in January 2023.
		Pilot project started by end of Q1 2023	**Target delayed**. Postponed to Q2 2024 due to some outstanding configuration and technical issues.
	TeamMate+ migrated and used by all IAS staff	TeamMate+ used by all IAS staff by end of 2023	**Target delayed** Postponed to Q1 2025 due to outstanding technical issues
Digital transformation			
Initiatives supporting business transformation	Completion of actions defined for 2023 in the IAS Digital strategy 2022-2024	100% of actions defined for 2023 in the IAS Digital strategy 2022-2024	Target partially met. 33 of 41 actions marked as completed. Additional 4 marked as partially achieved, and 4 not achieved.

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[15] From 2021, services are required to provide a state-of-play on the implementation of the 11 core principles defined by the EC Digital Strategy for the top 3 most expensive IT solutions that they own. For each of these solutions, this will be expressed as an average of the scores reflecting the degree of implementation of each of the 11 principles ("2-well"/"1-partially"/"0-not implemented").

[16] The IAS completed the actions addressing the first, third and fourth principle. However, the data assets identified did not qualify for the second principle, as they contain information only relevant for internal audit purposes and are not shared.

		successfully implemented.	
	Staff using data analytics and visualisation tools for their audit testing or operational management activities.	30% of IAS staff using data analytics or visualisation tools in the course of 2023	**Target met.** 124 IAS users used QlikSense more than once in 2023 which makes 82% of staff
Encourage IAS staff members to enhance digital skills and knowledge	Participation in digital skills courses	60% of IAS staff followed at least one digital skills training by end of 2023	**Target met** 92 IAS staff (61%) followed at least one digital skills training course in 2023
	Participants in Cybersecurity knowledge assessments	IAS participation above 50%	**Target met.** Average IAS participation rate in 2023 was 58%
	Cyber Security knowledge strength	IAS overall score above 60%	**Target met.** IAS achieved a 93% score in the cybersecurity assessments taken by the IAS staff
Use corporate tools for collaboration and document exchange	Percentage of S-CIRCABC sites used for collaboration with external stakeholders (DA and JU)	70% by end of 2023	**Target met** 77% of sites used
	Number of collaborative sites migrated to SharePoint Online/Teams or CIRCABC	100% of currently used sites migrated by end of 2023	**Target met** All IAS collaborative sites migrated to SP Online/Teams
	Number of IAS Units using M365 collaboration tools (Teams/SharePoint online)	90% by the end of 2023	**Target met** All IAS units used M365 tools.
Establish more resilient and secure digital workplace	Percentage of IAS staff migrated to WELCOME	100% by the end of 2023	**Target met** 100% migrated.
	Integration of EU Login with IAS IT tools, including new version of TeamMate, SaaS tools	Target 100% by end of 2023	**Target met** New TeamMate version (test environment as production not yet deployed), IAS Qlik Sense and IAS Celonis integrated with EU Login.
Implementing corporate data governance and data policies	Percentage of implementation of the	100% implementation	**Target met** All IAS key data assets are

for its key data assets included in the EC data inventory.	corporate principles for data governance for the IAS' key data assets.		registered in the EC data catalogue in line with the corporate principles.
Data protection			
Awareness raising activities on data protection compliance (e.g. structural and ad-hoc trainings)	% of staff informed	100%	**Target met** Awareness campaigns are published through IAS Intracomm News or directly through e-mail to all IAS staff reaching 100% of staff.
To check content of Internal Audit Training Programme for consistency with provisions on data protection	Updated Internal Audit Training Programme	Q2 2023	**Target met** Internal Audit Training Programme is updated.
All newcomers follow training on data protection	% of newcomers participated	100%	**Target met** 100% of newcomers participated in training on data protection. There were 2 training sessions on data protection provided for all IAS newcomers internally. Moreover, all newcomers were personally invited to register to the mandatory for them training on Protection of personal data – Introduction.
All processing operations are reflected in the records	% of records updated	100%	**Target met** 100% achieved. The IAS processing operations are reflected in the 4 service specific records of processing (2 of them were updated, 1 was split into 2 separate data processing records and were updated). All of them are published in the public data processing register of the Data Protection Officer.

Sound environmental management

Objective 11: The IAS takes full account of its environmental impact in all its actions and actively promotes measures to reduce the environmental impact of its daily operations.			
Indicator 11.1: Environmental performance in the Commission.			
Source of data: Environmental Statement 2018 results and Environmental Statement 2021 results			
Baseline 2018	**Interim milestone** (2020)	**Target** 2024	**Latest known results (2021)** 2021[17] (*2020 target exceeded, in large part due to teleworking mode during the COVID pandemic, which applies for each performance indicator*)
Energy consumption of buildings (MWh / person): -8.8%.	-5.2%.	Achieve greater reduction.	**Target met (2021)** - 23%
Water use (m³ / person): -9.5%.	-5.4%.	Achieve greater reduction.	**Target met (2021)** -47%
Office paper consumption (sheets / person / day): -32%.	-34%.	Achieve greater reduction.	**Target met (2021)** -84%
Office paper consumption (sheets / person / day) IAS specific: - 10%.	-40% (teleworking due to Covid).	Achieve reduction of 10% / year.	**Target met (2023)** as a trend towards 2024 target (the 2022 consumption was 66 % less than in 2019 and 72% less than in 2018) but not met in 2023 when compared to 2022 (5% increase in paper consumption).
CO_2 emissions from buildings (tonnes / person): -24%.	-5.1%.	Achieve greater reduction.	**Target met (2021)** -32%
VeloMai participation – IAS statistics - 22 cyclistes (2018). 29 cyclists (2019) - 473kg CO_2 saved (2018), 789kg CO_2 saved (2019).	35 cyclists 800kg CO2 saved.	50 cyclistes 1000kg CO2 saved.	**Target partially met (2023)** 1) 35 participants 2) 650 kg CO2 saved Achieving the 2024 target will be challenging, despite consistently being in top 3 DGs of VeloMai action..
Waste generation (tonnes / person): -15%.	-9.7%.	Achieve greater reduction.	**Target met (2021)** -52%

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[17] The latest validated Environmental Statement is the one for 2021 (data 2020) available on EC My Intracomm. According to the annual EMAS cycle, KPIs for 2021, concerning EC's environmental performance, will only be available in April 2022. EC's environmental performance data 2021 will be incorporated in the draft EC's Environmental Statement 2022 (data 2021) and will be subject to validation during the verification exercise which will start in June 2022. The final validated Environmental Statement 2022 (data 2021) will be available on Europa, following a successful verification exercise before the end of 2022. The general positive trend observed for most core parameters continued in 2020, with many already achieving the 2014-20 target as shown below

Main results and outputs in 2023:

I. More efficient use of resources (energy, water, paper)

Output	Indicator	Target (2019 as baseline)	Status
Staff awareness actions to reduce energy use in the framework of EMAS corporate campaigns and/or awareness actions about DG's total energy consumption in collaboration with OIB/OIL where appropriate.	Awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics from bullet 1 Number of actions ([18]).	Minimum 1 awareness campaigns per year.	**Target met** Several awareness campaigns including this topic have been performed..
	Number or % of staff informed.	100% of staff informed.	**Target met** Awareness campaigns have been published through IAS newsletter, IAS Intracomm News or directly through e-mail to all IAS staff reaching 100% of staff.
Staff awareness actions to reduce water use (for example ensuring that staff use the technical services hotline ([19]) to report leaks) in the framework of EMAS corporate campaigns and/or awareness raising actions about DG's water consumption in collaboration with OIB where appropriate.	Awareness campaigns (e.g., through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on water use.	Minimum 1 awareness campaign per year Number of actions.	**Target met**. Several awareness campaigns including this topic have been performed.
Paperless working methods at DG level (such as paperless working: e- signatories, financial circuits, collaborative working tools) and staff awareness actions to reduce office paper use in the framework of EMAS corporate campaigns and/or raise awareness about DG's office paper use in collaboration	Number of awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics	Minimum 1 awareness compaigh per year Number of actions.	**Target met** Several awareness campaigns including this topic have been performed.
	Number of sheets / person / day.	-5% compared to 2022.	**Target not met** Printing paper consumption in

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[18]   Indicative actions include local staff awareness actions (e.g. info-fairs) and messages by senior management.

[19]   For example, for Brussels: Email: OIB-55555@ec.europa.eu and Tel: 55555 and for Luxembourg: Email: OIL-DISPATCHING-CENTRAL@ec.europa.eu and Tel: 32220.

with OIB where appropriate.			2023 exceeded the consumption from 2022 for 5%. However, the 2023 consumption was still 1% less than in 2020 and 66 % less than in 2019.
Update and implement the IAS EMAS action plan.	1) Update the IAS-EMAS plan 2) Implementation of the IAS-EMAS plan by the IAS green ambassadors, a subgroup of the IAS Staff Engagement Committee.	1) Update of the plan Q1 2023. 2) Implementation of minimum 50% of the actions planned for 2023.	**Target met** 1) Plan updated in Q1 2023. 2) 20 of 26 actions (77%) completed. Others are in progress and will continue to be worked on in 2024.

II. Reducing CO2, equivalent CO2 and

Output	Indicator	Target (2019 as baseline)	Status
Staff awareness actions on reducing GHG emissions.	Number of IAS participants in VeloMai.	40	**Target partially met (2023)** 1) 35 participants Achieving the 2024 target will be challenging, despite consistently being in top 3 DGs of VeloMai action
	Amount of CO2 saved with VeloMai.	800 KG CO_2.	**Target partially met (2023)** 650 kg CO2 saved The reduction should be considered in the context of staying in the working mode of minimum 2 days in the office and rest in teleworking which already lowers the CO2 emission due to less office-home related travel..
Gradual increased use (and number of) VC ([20]) rooms for meetings with stakeholders (avoiding businesstrips).	Number of VC meeting rooms.	1 VC meeting room.	**Target met** Room is available on MADO 29th floor.
Promote teleworking.	% of reduction of CO2 emissions compared with 2019.	5% reduction compared to 2019.	**Target met** 55.6% reduction (2023 vs 2019). This reduction already makes the IAS in line with the 2024 goal from the Greening the Commission of 50% reduction of missions' emmissions compared to 2019

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[20] VC (Videoconferencing) room

	CO2 (t) emissions from DG's missions (% means of transportation used).	Under 0.6 tCO2 per person.	**Target met** 0.163 tCO2 per person (based on 150 IAS staff).
Staff awareness on digital pollution and gradual change of behaviours avoiding heavy emails, encouraging the use of ICT platforms, avoiding unnecessary storage of data.	Number of awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS, Intracomm page, IAS newsletter, IAS staff e-mails) on related topics.	Minimum 1 awareness campaign per year.	**Target met** Several awareness campaigns including this topic have been performed.

III. Reducing and management of waste

Output	Indicator	Target (2019 as baseline)	Status
Staff awareness actions about waste reduction and sorting in the framework of EMAS corporate campaigns and/or staff awareness actions about DG's waste generation in collaboration with OIB/OIL where appropriate (for example, promote and label the waste sorting schemes in place.	% of staff informed.	100% of staff informed.	**Target met** Several awareness campaigns including this topic have been performed.
Implementation of the EC Guidelines for sustainable meetings and events, e.g. reduce/eliminate single-use plastics, gadgets/gifts.	% of green events.	100%	For both IAS AuditNet and Heads of audit of international organisations conference, the team used the guidelines and checklists to assess and make the event greener.

IV. Promoting green public procurement (GPP)

Output	Indicator	Target (2019 as baseline)	Status
Staff awareness actions on the promotion of "green items" among EC office supplies'.	Number of awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics.	Minimum 1 awareness campaign per year.	**Target met** Several awareness campaigns including this topic have been performed.

V. Supporting biodiversity

Output	Indicator	Target (2019 as baseline)	Status
Staff awareness actions on supporting biodiversity (for example for urban sites, sponsor the creation and maintenance of urban gardens, insect hotels and green roofs within EC-premises with the support of volunteers).	Number of awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics.	Minimum 1 awareness campaign per year number of actions.	**Target met** Several awareness campaigns including this topic have been performed.

ANNEX 11: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission

Not applicable

ANNEX 12: EAMR of the Union Delegations

Not applicable

ANNEX 13: Decentralised agencies and/or EU Trust Funds

Not applicable

ANNEX 14: Reporting on the Recovery and Resilience Facility

Not applicable