



2019

Annual Activity Report

**European Personnel
Selection Office**



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THE DG IN BRIEF

A 21st Century Selection Office making the EU Institutions an employer of choice

EPSO strives to fulfil its mission through an ambitious vision, namely **to be the best at selecting the best**, which is described as follows:

To help provide a European Civil Service that is of the highest quality and representative of the diversity of the European citizens it serves

- To be the foremost international public sector selection service through a process of continuous improvement based on best practice as well as international standards and developments in selection policy and practice;
- To support the European Institutions' broader HR and talent management strategies;
- To help provide a European Civil Service that is of the highest quality and representative of the diversity of the European citizens it serves.

The rules regarding the organisation and operation of EPSO state that the Management Board is its highest decision-making body, and to which EPSO reports regularly. The Director of EPSO is responsible for the overall internal control system and the design, implementation and monitoring of the internal control measures applied in EPSO. It should be noted that throughout the whole year of 2019, an acting Director was in place given that the selection process for the appointment of a new Director has not been completed since September 2017.

In 2019, EPSO handled a budget of around EUR 26.2m (entirely under Heading V – Administrative Expenditure), which also included the budget of the European School of Administration (EUSA) approximately EUR 6.0m).

In 2019, the European Court of Auditors (ECA) launched a performance audit on EPSO's selection procedures, with the objective to assess its cost efficiency and to compare it against other selection models (the previous audit of EPSO by the ECA was in 2009). This audit covers a wide range of aspects of the selection model and goes into a very detailed analysis of a sample of competitions from 2012 to 2018. Several Institutions have also contributed to this audit; its final report and recommendations are expected by end 2020.

In 2019, EPSO received approximately 45,000 validated applications (compared to 46,000 in 2017 and 37 000 in 2018). In 2019, EPSO delivered 1,053 successful candidates (compared to an initial request of 1,067 by the EU Institutions, hence an overall delivery rate of 99%). EPSO also organised several tailor made selection procedures for other types of contracts: Temporary Agents, freelance translators and a high number of internal competitions.

In 2015 and 2016, a number of Court rulings dismissed the then linguistic regime of open competitions, which limited some tests to three languages – English, French and German. In March 2019, the ruling on the appeal launched by the Commission (C-621/16P) was published by the Court of Justice and confirmed the annulment of the notices of competition because of the language regime limitations. Another ruling (C-377/16) on the language regime of a CAST selection for the European Parliament was issued the same day and also confirmed the annulment of the call (and of the database of candidates) for the same reason.

The Management Board of EPSO took note of these rulings and decided in April to publish the generalist AD cycle 2019 with a new language regime (taking into account the top five languages declared by candidates and matching the needs of the service). In parallel,

the Board decided to put on hold several publications (new profiles for CAST Permanent, AST-SC competition) and to launch an inter-institutional Special Working Group on Personnel Selection (SWG) to revise the selection policy as a whole. The SWG finalised its report at the very end of 2019, and its proposals will be examined by the Management Board in 2020.

In terms of Contract Agent selections, the CAST Permanent procedure launched in 2017 has now reached full maturity and continued to improve in 2019: on the one hand - with the inclusion of 2 additional profiles for linguists, respectively Translators (FG IV) and Proofreaders (FG III); and on the other hand - with an increased pace of testing by offering one testing window per month (except in August) throughout 2019. This procedure is a major milestone towards an increasingly efficient selection model in terms of duration and cost with 8,012 candidates preselected by the recruiting services and invited to test during the year.

In parallel, EPSO evaluated 636 diplomas and dealt with 291 language test requests in the framework of the compulsory assessment of third language skills (Art 45(2) of the Staff Regulations). Last but not least, EPSO contributed to the successful completion of the annual certification exercise in which 144 AST Officials from 9 Institutions and EU Bodies were tested on their suitability for appointment to the AD function group.

EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Acting Director of the DG EPSO (European Personnel Selection Office) to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitutes the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties¹.

a) Key results and progress towards the achievement of general and specific objectives of the DG (executive summary of section 1)

Policy highlights of the year

The year 2019 was another year of transition in light of both the fact that a new Director of the Office has still not been appointed since September 2017, as well as of the fact that the review and adaptations of the selection model (after 9 years of operations) was launched to take into account evolving needs of Stakeholders, evolution of assessment methods and related technology and legal constraints linked in particular to the linguistic regime. In addition, a performance audit from the ECA was launched, and the process to switch to new IT tools continued.

Despite the above situation, EPSO's outputs for the year 2019 did help achieve the Commission's overall political objectives by effectively managing and safeguarding assets and resources as well as attracting and selecting the best talents in the area of personnel selection. Thus, several key policy achievements, going beyond mere business continuity, were delivered in 2019:

- 1.** The major challenge and integral part of EPSO's work in 2019 was the launch of a large revision work of the selection policy and selection model (after almost 10 years of roll-out under the current model, which was launched in 2010). Works conducted in the previous years (Roundtable on the attractiveness of the EU careers, report on the geographical balance of the EU staff...) have highlighted a series of weaknesses in the EU talent management policy, for which EPSO can act. This coincides with the requirements from the Institutions and the Court of Justice to solve several of the most burning issues (geographical imbalances, legality of the language regime, declining attractiveness of the EU careers, need for a more diverse workforce, etc.). Moreover, the performance Audit launched by the ECA comes on the same line as it will help EPSO identify financial and efficiency areas of improvement in its model. EPSO, together with all the Institutions, worked in a Special Working Group on Personnel Selection (SWG) to review the selection model and to give recommendations. The report from the SWG was issued in the last days of 2019 and its proposals will be assessed (and possibly implemented) as of January 2020.
- 2.** In 2019, EPSO continued the joint effort with DIGIT to successfully implement the Talent Pool Programme 2020 (i.e. replacement of the existing outdated EPSO specific IT systems). Following an in-depth study, EPSO started to conduct a market research to identify a potential external provider on the future IT tool. The

¹ Article 17(1) of the Treaty on European Union.

conclusions of the in-depth market research were presented at the various decision levels in the Institutions, incl. at ITCB in May 2019. In the second semester of 2019, EPSO identified a selection procedure to run a pilot project that will be processed in early 2020 for an informed decision on the final version and implementation of the Talent Pool Programme beyond 2020.

3. EPSO also continued in 2019 to launch new types of exercises in order to further diversify the assessment tools offered to the stakeholders, such as a series of specific tests in the field for Specialists profiles including physical tests (shooting, running exercise) and personality tests, Internet Based Testing techniques, as well as the operational delivery of a new Motivational interview also covering EU values and EU knowledge within the AD cycle in addition to the general competencies assessment.

Strategic Plan objectives

Throughout 2019, EPSO continued to work towards the five strategic goals as set out in its Strategic Plan:

- **Engage with candidates**

EPSO focused on implementing the new employer branding strategy created around the new Employee Value Proposition (EVP) *Shaping Europe together*.

ENGAGE WITH CANDIDATES As a crucial part of this implementation, EPSO organised two full-day seminars on employer branding for HR and communication senior management of all Institutions. The purpose was to engage the Institutions to adapt the EVP *Shaping Europe together* to their local activities.

In close cooperation with the Member States concerned, EPSO continued to increasingly target applicants from those countries which to date have been under-represented in the candidate pool (focus countries). In 2019, EPSO organised two seminars for the 12 under-represented countries (Austria, Czech Republic, Denmark, Finland, France, Germany, Ireland, Luxembourg, Netherlands, Poland, Portugal and Sweden) to discuss diverse actions (including roadmaps for each Member State and measuring of promotional activities) to improve the geographical balance.



In order to continually improve and professionalise its practices in terms of reasonable accommodations for candidates with a disability and/or specific requirements, and in line with international best practice and the United Nations Convention on the rights of Persons with a Disability, EPSO developed a flyer, a braille flyer and an animated video to explain such adjustments to selection procedures that are offered to candidates with specific needs during selection procedures.

EPSO also launched several specific actions to liaise better with candidates: for example it launched in September 2019 a survey to identify the reasons why some of the candidates drop-out in the course of a competition. The feedback received fed the discussions and debates for the revision of the selection model.

- **Adapt and improve selection methods**

In addition to meeting the changing needs of the Institutions and the evolution of technologies, EPSO continued throughout 2019 to focus on improving its selection methods based on best practice and international standards. Most of the envisaged improvements (such as split assessment, video remote testing, multi mini interviews, internet based testing, etc...) are directed toward the same broad goal, which is preparing for remote and paperless solutions, allowing substantial gains in terms of logistical and human resources together with even more objective and fair selection methods. However, as a result of the Court rulings on the linguistic regime and of the launch of a full-scale revision of the selection model, a number of projects were put on hold until such suitable open competitions are identified for conducting pilot schemes.

ADAPT AND
IMPROVE
SELECTION
METHODS

Artificial Intelligence (AI) and Big Data belong to the fastest developing ideas worldwide concerning the selection methods of today. In this context, EPSO is cooperating with various stakeholders all over Europe to work on machine learning, algorithms and AI into selection. In 2019, EPSO successfully trialed a new tool ("MACS") that could be developed further, to support and speed up talent screening of candidates by Selection Boards.

The new Motivational interview elaborated in 2018 as a *pilot project* was successfully conducted in the Assessment Centre of the AD5 cycle competition, and upon its positive outcome it was decided to reintroduce it in the 2019 edition of this competition.

EPSO launched together with DGT a selection of free-lance translators, which was fully organised on online testing. The Internet Based Testing tools allowed for simultaneous testing of nearly 1,500 candidates. Although the outcome of this pilot project was not fully perfect (less than 5% of the candidates encountered technical issues), EPSO remains confident that the use of such dematerialised techniques will pave the way for a future selection model, allowing thus for faster, greener and cheaper selection methods.

- **Improve the recruitment process**

While awaiting for the recommendations by the SWG and them being endorsed by the Management Board, EPSO has launched in 2019 several initiatives to improve the recruitment of the successful candidates. For example, EPSO revised its online job search tool that centralises job offers and vacancies from all EU Institutions, agencies and bodies. EPSO set up a technical platform which enables all EU Institutions to publish their vacancies in 24 languages, with a tool that allows recruiters to manage themselves the content.

IMPROVE THE
RECRUITMENT
PROCESS

In December 2019, the Institutions agreed unanimously on EPSO's proposal to close a total of 104 reserve lists (some of them opened for more than 15 years ago) and thus to improve significantly the efficiency, the searchability and recruitability of the officials by providing an up to date database. In parallel, several new functionalities were introduced in the Recruiter Portal in 2019 to further improve its user experience.

- **Improve organisational and cost effectiveness**

The delivery of a new IT tool as envisaged in the EPSO 2020 vision (the initial Candidate Portal project) encountered delays due to a number of conflicting priorities with other projects, technical constraints and the complexity of the underlying data model. Moreover, there were some potential IT governance issues at corporate level as highlighted in 2017 by the IAS audit on the management of IT programmes and projects in the HR family.

However, in order to address these issues, EPSO continued the work launched in 2018 via a joint EPSO/DIGIT study performed by an external service provider on the available options for the delivery of new IT systems to efficiently support EPSO's business as well as the EPSO 2020 vision. A detailed action plan following the above-mentioned IAS audit is also being implemented within the HR family and EPSO is actively involved in this process.

IMPROVE
ORGANISATIONAL
AND COST-
EFFECTIVENESS

In 2019, EPSO revised its policy regarding the documents and evidence requested from candidates to support their application form (they are now requested in an electronic format and not anymore on paper). EPSO thus moved to a paperless approach in Brussels, which benefited not only the candidates but also the recruiting services with a faster, centralised and ecological approach.

Last but not least, EPSO worked intensively on the CAST Permanent procedures in order to align these as closely as possible to the needs of the Institutions. There is now one testing session per month (except for August) which allows recruiters to identify, test and invite for interview candidates within a month.

In line with the budgetary rules of the Commission, EPSO revised in 2019 its charge back procedure. The rules are now simpler and more efficient, allowing for a clear prevision of costs and budget with a reduced administrative burden.

- **Contribute to the development of the EU Institutions' HR policy and practice**

EPSO continued to develop its range of services and tests and reinforce the development of the corporate talent management policy.

In particular, in 2019 EPSO organised a high number of internal competitions (26 for the European Commission, two for the Committee of the Regions and one for the Council). EPSO also provided support to the two sessions of the Junior Professionals Programme for the Commission in 2019 by carrying out the testing of the pre-selected candidates.

CONTRIBUTE TO THE
DEVELOPMENT
OF THE EU
INSTITUTIONS' HR
POLICY & PRACTICE

EPSO and the Institutions were actively involved in revising the selection model and policy. The launch of an interinstitutional Special Working Group on Personnel Selection (SWG) on the matter in May allowed for intense discussions and the production of a report in December. This report focused on two aspects: the first part draws attention to the main challenges faced by the selection procedures, notably in terms of attractiveness, geographical balance and cost/duration of the competitions. The second part proposes a series of recommendations on how to tackle these identified challenges, and on what the future model of competitions could look like.

EPSO was particularly involved in this SWG, in its double capacity of expert in the selection of personnel and of main stakeholder with a forward-looking approach to shape the future of Europe through its selections. In 2020, an impact assessment of the proposed options will be carried out by EPSO before the implementation of the chosen options can start.

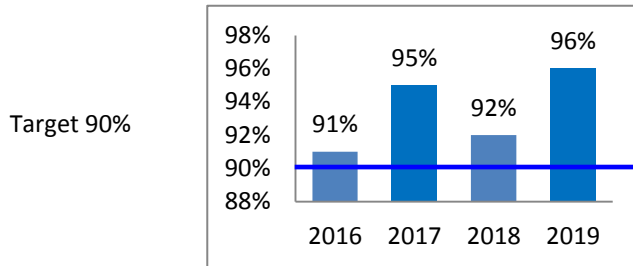
b) Key Performance Indicators (KPIs)

Result/Impact indicator (description)	Latest known results as per Annual Activity Report.																
<p>1. Laureate² delivery rate (proportion of laureates delivered as % of the total number of laureates requested by the Institutions)</p>	<p style="text-align: center;">Number of laureates vs requested number (source: Recruiter Portal)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Number of laureates on the Reserve Lists vs requested number</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>82%</td> </tr> <tr> <td>2014</td> <td>97%</td> </tr> <tr> <td>2015</td> <td>98%</td> </tr> <tr> <td>2016</td> <td>99%</td> </tr> <tr> <td>2017</td> <td>91%</td> </tr> <tr> <td>2018</td> <td>105%</td> </tr> <tr> <td>2019</td> <td>98.7%</td> </tr> </tbody> </table> <p style="text-align: center;"> ■ Target 90% ■ Number of laureates on the Reserve Lists vs requested number </p>	Year	Number of laureates on the Reserve Lists vs requested number	2013	82%	2014	97%	2015	98%	2016	99%	2017	91%	2018	105%	2019	98.7%
Year	Number of laureates on the Reserve Lists vs requested number																
2013	82%																
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2019	98.7%																
<p>2. Gender balance of laureates in the context of the annual AD- cycle (generalists)</p>	<p style="text-align: center;">Gender balance rate vs target (source: Talent)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Target</th> <th>Achieved rate</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>40%</td> <td>50%</td> </tr> <tr> <td>2018</td> <td>44%</td> <td>47%</td> </tr> <tr> <td>2019</td> <td>48%</td> <td>52%</td> </tr> <tr> <td>2020</td> <td>50%</td> <td>50%</td> </tr> </tbody> </table> <p style="text-align: center;"> ■ Baseline 2011 (35%) ■ Target ■ Achieved rate </p>	Year	Target	Achieved rate	2017	40%	50%	2018	44%	47%	2019	48%	52%	2020	50%	50%	
Year	Target	Achieved rate															
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2020	50%	50%															

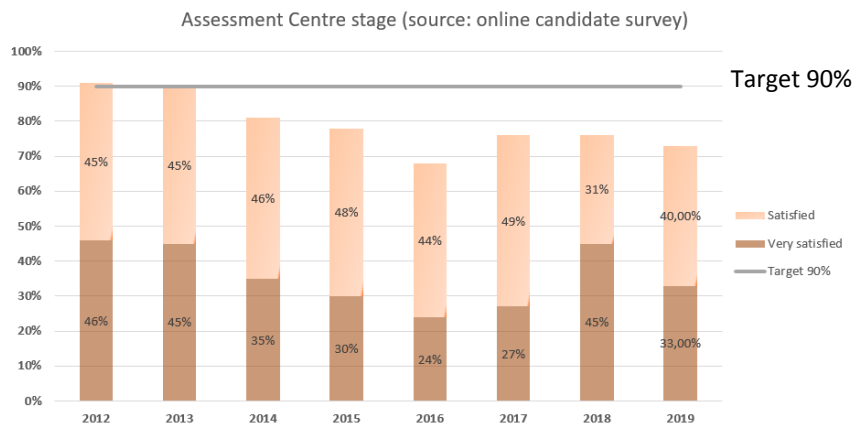
² A laureate is a candidate who has been successful in a selection procedure and whose name has been placed on the Reserve list for potential recruitment by the Institutions. Being on the reserve list does not guarantee a job offer.

3. Candidate satisfaction
(pre-selection stage and Assessment Centre stage)

Pre-selection stage (source: CBT test centre survey)



Assessment Centre stage (source: online candidate survey)

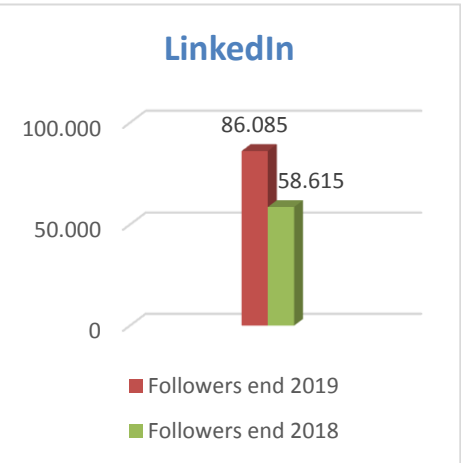
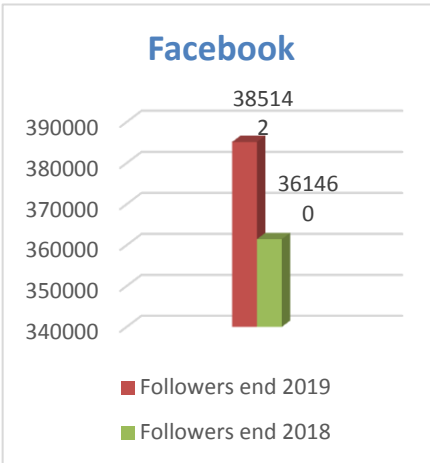


4. **Strong awareness of the EU Careers brand**
(measured by:

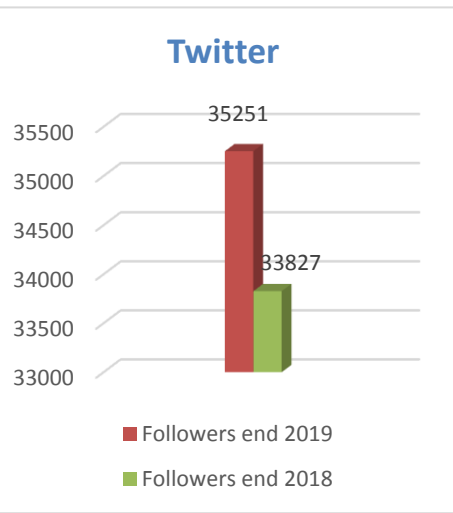
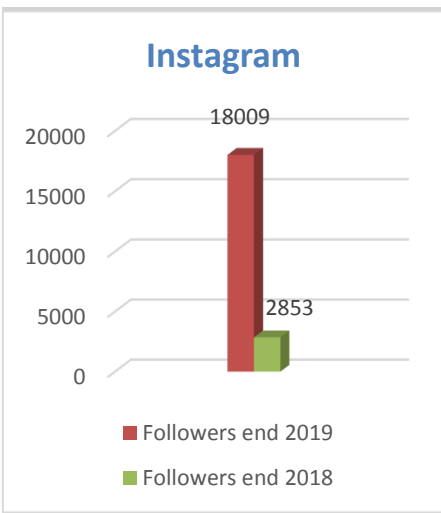
- Number of visits/visitors of the EU Careers website)
- Number of followers on Facebook LinkedIn, Instagram and Twitter

PAGE VIEWS EU CAREERS WEBSITE	2016	2017	2018	2019
Website	19 203 250 <i>(source: Europa Analytics)</i>	17 405 634 <i>(source: Piwik)</i>	15 282 862 <i>(source: Piwik)</i>	16 843 662 <i>(source: Piwik)</i>
Wordpress (blog)	5 164 496	1 909 369	1 607 572	N/A (blog closed)
Total	38 854 265	21 112 619	18 019 845	16 843 662

VISITS EU CAREERS WEBSITE	2016	2017	2018	2019
Website	4 231 035 <i>(source: Europa Analytics)</i>	3 892 808 <i>(source: Piwik)</i>	3 939 557 <i>(source: Piwik)</i>	4 519 990 <i>(source: Piwik)</i>



4. - continued -



- Number of promotional activities in the Member States

Academic Year	Number of promotional activities by EU Careers students Ambassadors
2015-16	833 ³
2016-17	817
2017-18	899
2018-19	970

The evolution of some Key Performance Indicators in 2019 deserves some explanations:

Laureate delivery rate (KPI 1)

A total of 1053 laureates were delivered out of the 1067 laureates requested by the EU institutions in EPSO open competitions completed during 2019. The overall **delivery rate is 98.7%**, which is well above the target (90%).

Gender balance (KPI 2)

EPSO pays particular attention to the gender balance of the laureates of the competitions. As it is practically impossible to compare one specialist competition against another (the profiles are too varied), the target remained focused on the AD generalist cycle (entry grade). The share of successful female candidates in the EPSO/AD/356/18 (AD cycle 2018) completed in 2019 is above 50% for the first time. Achieving this is the result of the commitment and concrete measures taken throughout the years to remove gender adverse biases across the tests and competition phases.

Candidate satisfaction rate (KPI 3)

The candidate satisfaction rate at Assessment Centre stage in 2019 is slightly below the level of 2018, with 73% of candidates satisfied⁴. Since 2016, EPSO has also been reporting on satisfaction at the pre-selection stage, which remains well above target [96% versus target of 90%].

c) Key conclusions on Financial management and Internal control (executive summary of section 2.1)

In accordance with the governance arrangements of the European Commission, (the staff of) EPSO conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

To ensure the achievement of policy and management objectives, the Commission has adopted a set of internal control principles, based on international good practice. The financial regulation requires that the organisational structure and the internal control systems used to implement the budget be set up in accordance with these principles.

³ Including 387 one-to-one sessions by EU Careers student Ambassadors, which were included in the statistics for the first time in 2015.

⁴ For further details, please refer to annex 12 (Specific Objective 1; main outputs 2019)

EPSO has assessed its internal control systems during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor and moderate deficiencies were identified related to the use of the KPI dashboard by EPSO management (moderate), proportion of staff who participated in the corporate ethics training (minor). Please refer to AAR section 2.1.3 for further details.

In addition, EPSO has systematically examined the available control results and indicators, including those for supervising entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to section 2.1 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director of EPSO, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

d) Provision of information to the Commissioner(s)

In the context of the regular meetings during the year between the Office and the Commissioner on management matters, also the main elements of this report and assurance declaration have been brought to the attention of Commissioner Johannes Hahn, responsible for Budget and Human Resources.

1. KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF THE COMMISSION'S GENERAL OBJECTIVES AND EPSO'S SPECIFIC OBJECTIVES⁵

Specific objective 1: Highly qualified staff are made available to all EU Institutions by organising Open Competitions and selection procedures in an interinstitutional context – covering thereby their needs.

The actions falling under this activity cover the full range of business processes needed to complete a selection process, from planning and publication of the Notice of Competition to the publication of the list of successful candidates. As in previous years, an integral part of EPSO's operations in 2019 focused on applying the selection model based on 1) justifying in detail the choice of a second language for all competitions, including for linguists, 2) differentiating language needs on a case-by-case basis linked to the duties for specialist competitions, and 3) applying the top-five languages declared by the candidates for generalist competitions. The workflows for justifying the choice of a second language were also organised in a standardised way in close cooperation with the recruiting services who collected detailed statistics and submitted written proof of arguments in support of their selection requests, clearly founded on the interest of the service. The overall laureate delivery rate accounted for 98.7%, which is well above the target established for 2019 (90%).

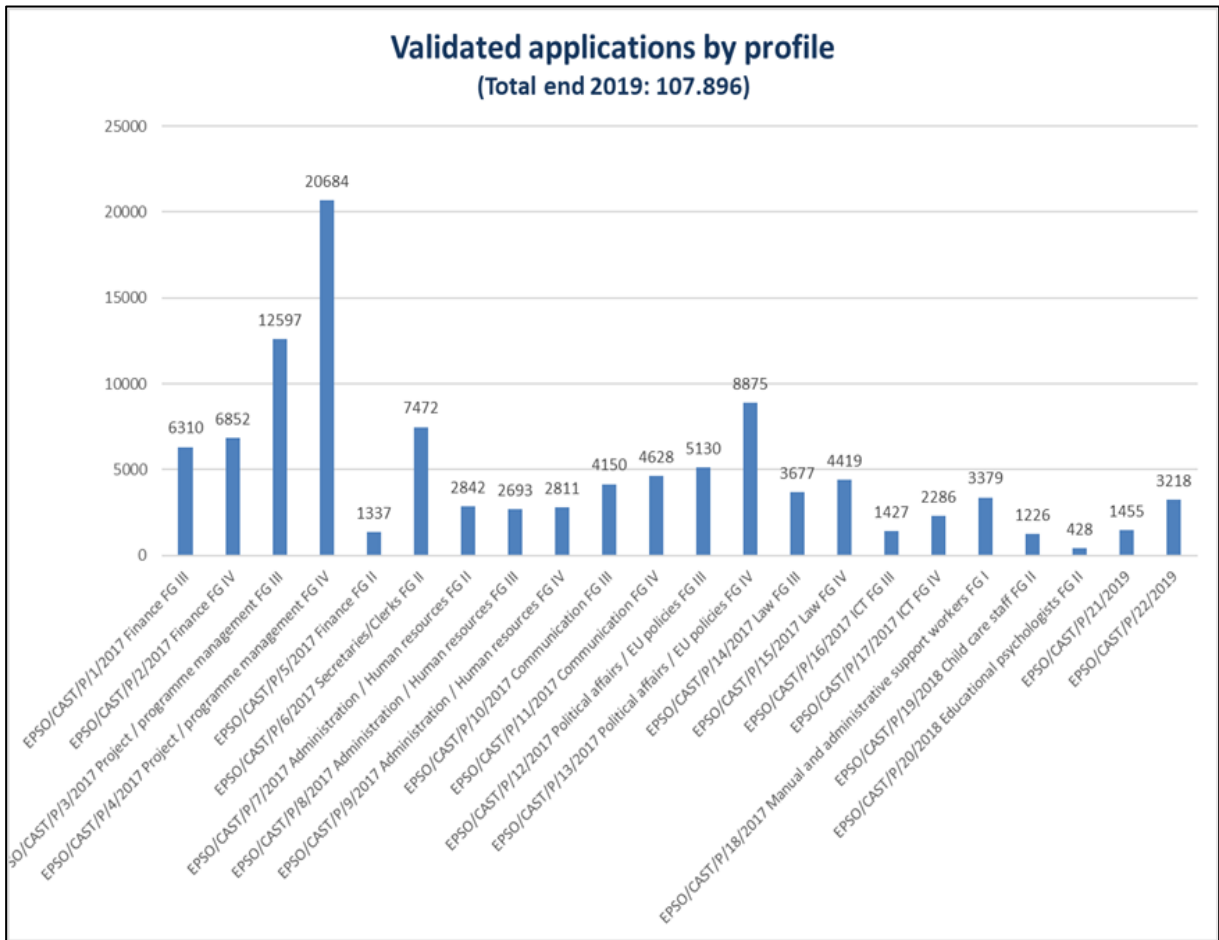
For every competition, the key periods requiring presence from all members of the Selection Board are laid down in the initial appointment request, which EPSO submits to the recruiting Institutions and their staff committees. The purpose is to ensure and facilitate their full participation and engagement in the running of the different competition phases during the entire selection. Despite all the efforts in this regard by EPSO and the stakeholders, the majority of competitions lasted longer than expected. For AD and AST/SC generalists cycles, this was mainly due to the implementation of the new two-stage approach in organising such competitions on the basis of the top 5 languages declared by candidates during the initial admission phase, requiring an extended registration process. Similarly, a typical competition for specialists lasted an average of 13 months, compared to the target set of maximum 10 months. These delays were on one hand due to the fact that specialist competitions organised with CBT upfront tend to take an average of 10 to 14 months to complete. Another factor causing delays was the non-availability of the selection boards in the key periods of the competition life cycle, notably for the competitions organised at higher AD grades.

In terms of **contract agent selections**, EPSO successfully continued to provide technical assistance for the CAST Permanent procedure, which currently contains 22 profiles across all function groups (FG I–IV) following the introduction of a linguistic profile for translators (FG IV) and proof-readers (FG III). The number of validated applications per profile by the end of 2019 is illustrated below. Following the introduction of more regular testing windows in August 2018, there are now 11 testing windows per year. In 2019, 8,012 candidates were preselected by the recruiting Institutions and Agencies and invited to test during the year. During 2019, EPSO has also started to renew test content for the following profiles (to be implemented in 2020): Political Affairs, Project Management and ICT. Due to the Court ruling on the use of languages in EU staff selections⁶, new profiles have not yet been

⁵ An Executive Agency uses as heading: "Implementation of the Agency's Annual Work programme - Highlights of the year".

⁶ https://epso.europa.eu/job-opportunities/news/3778_court-rulings-linguistic-regime-selection-procedures_ongoing_en (24/02/2019)

introduced. Discussions are ongoing with the Institutions and will continue in 2020.



In terms of procurement, in 2019 EPSO worked on three different projects, namely competency tests (for drivers), delivery of video-remote interviews and provision of language comprehension tests.

For more details on specific projects undertaken, please refer to annex 12.⁷

Specific objective 2: Our communication with potential and current candidates is positive and proactive, in order to contribute to a strong employer image for the EU Institutions and improve our ability to attract the right talent

Communications with citizens and candidates

In 2019, EPSO's Candidate Contact Service received 15,300 written requests in all 24 official EU languages from candidates and citizens interested in an EU career. The Europe Direct Contact Centre, with whom EPSO has cooperated since 2016, replied to an increased number of queries on EU careers (more than 5,000 questions compared to 3,500 in 2018). EPSO staff regularly update and train agents at the Europe Direct Contact Centre.

⁷ Performance tables, specific objective 1 - main outputs 2019.

The communication with citizens and candidates and available information on EU selection processes continued to be supported in 2019 via the following channels:

1. An [online job search tool](#)⁸, with access to full details on vacancies within EU Institutions and agencies, including traineeships.
2. Regularly updated online information on ongoing [EPSO selection procedures](#)⁹.
3. An [on-line Customer Relationship Management system](#)¹⁰:
 - Candidates can find answers themselves and do not always need to contact EPSO.
 - A FAQ section in all EU official languages on the EPSO website.
 - Statistical feedback is given to the Office, leading to improved procedures.
 - Fully accessible to special needs candidates.
4. Citizens and candidates can [contact the EU on job opportunities](#) via:
 - A citizens' hotline ([Europe Direct Contact Centre](#)¹¹) that responds to all EU-related queries by phone and e-mail in 24 languages.
 - An [EPSO online contact form](#)¹² in 24 languages for queries on candidates' specific applications and personal data.

Legal Matters

In terms of legal matters, the main area of focus in 2019 was ensuring that EPSO delivers on the Commission's Data Protection Action Plan put in place to implement the Internal Data Protection Regulation 2018/1725 (IDPR). The project was completed successfully and within the set deadline. In parallel, EPSO's Legal Affairs Sector had to handle an increased complaint caseload, but managed to keep the handling deadlines within reasonable limits despite the heavy workload.

Equal opportunities

EPSO has implemented nine actions¹³ in 2019 under its targeted communication plan including a call for collaboration to all EU organisations involved in the promotion and welfare of EU citizens with disabilities launched in the context of the International day for persons with disabilities.

In 2019, EPSO managed to attract 438¹⁴ candidates who requested special adjustments for tests (competitions and selections).

⁸ https://epso.europa.eu/job-opportunities_en

⁹ https://epso.europa.eu/job-opportunities/ongoing_en

¹⁰ https://epso.europa.eu/help_en

¹¹ https://europa.eu/european-union/contact_en

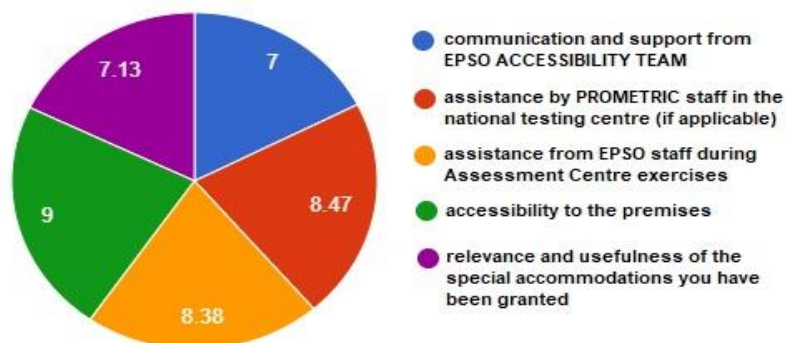
¹² https://epso.europa.eu/contact/form_en

¹³ These actions are described in the annexes and are included in EPSO's action plan aiming at implementing the United Nations Convention on the rights of Persons with a Disability and the recommendation n° 89 of the UN committee. Our main objective is to attract more talent with disabilities and help the EU Institutions increase their employment.

¹⁴ EPSO is not yet monitoring disability but only the number of requests for special adjustments of selection tests. This includes candidates with a permanent or temporary medical condition (including pregnant or breastfeeding candidates). This number represents the 331 requests received per competition/selection (including internal competitions) published (and not necessarily finalised) in 2019. It does not cumulate requests received from same candidates within a competition. Each candidate is recorded once per competition even if reasonable accommodations were granted at different stages of the competition. It also takes into consideration 107 candidates who have applied to a CAST profile and have requested special adjustments at the application stage. It is important to note that these candidates need to be preselected by an Institution before being invited to sit the computer based tests.

In the context of the AD 5 graduate administrators competition 2019, 72.1%¹⁵ of respondents who benefited from reasonable accommodations for the computer-based tests were satisfied with the accommodations they received.

*How satisfied were you with the following?
1=extremely dissatisfied, 10=extremely satisfied*



The average satisfaction scores for EPSO ACCESSIBILITY services were the following:

EPSO started revising the entire reasonable accommodations procedure in 2019 based on candidates' feedback, performance and best practices in order to simplify and improve the process and its accessibility and maintain high satisfaction rates. It is expected to finalise the

process in early 2020 but was delayed due to more time needed for the analysis of the feedback from candidates including a full inventory of special needs requests and a focus on the targeted communication campaign.

Following the previous screening in 2018 and the fixing of the 10 flagged accessibility errors, the web team requested a second screening of EPSO's website in late 2019, with the aim to further improve its accessibility and confirm compliance with the level AA of accessibility requirements⁽¹⁶⁾. The EU Careers website went through this screening by DG COMM in January 2020. Based on this evaluation, most of the selected sample pages have been identified as very close to meeting WCAG 2.1, Conformance Level AA.

For more specific details on single projects listed, please also refer to annex 12.¹⁷

Specific objective 3: EPSO's selection methods are continuously improved based on experience, best practice and international standards.

EPSO continued to focus on improving its selection methods based on best practice from other international organisations and international standards in 2019 in line with EPSO's Strategic Plan (2016-2020) as well as its Management Plan for 2019. Most of the ongoing improvements (split assessment, video remote testing, multi-mini interviews) are directed towards the same objective, i.e. to shift to remote (paperless) solutions, allowing substantial gains in terms of logistical and human resources along with increased levels of both objectivity and fairness for our selection methods. The state-of-play on single projects is shown in detail in annex 12¹⁸

Once the findings of the Special Working Group on Personnel Selection are rendered and presented to EPSO's Management Board¹⁹, EPSO will be in a position to continue to develop

¹⁵ EPSO ACCESSIBILITY team did not reach the target regarding satisfaction rate due to an organisational change and operational difficulty. Furthermore, the survey response rate was very low and not statistically significant (only 26 candidates out of 95 who benefited from reasonable accommodations responded to the satisfaction survey).

¹⁶ See: http://ec.europa.eu/ipg/standards/accessibility/index_en.htm and <https://www.w3.org/WAI/intro/wcag>

¹⁷ Performance tables, specific objective 2 – main outputs in 2019.

¹⁸ Performance tables, specific objective 3 – main outputs in 2019. A limited number of projects set in the AMP2019 could not be (entirely) achieved due to the reasons stated in annex 12.

¹⁹ Expected for early 2020.

and propose flexible, cost-effective testing solutions using modern technology and selection techniques across its competitions to meet the changing needs of the Institutions and to keep up with the evolution of technologies. In this context, EPSO is partner of the Erasmus + Programme "Big Data in Personality Assessment", together with prestigious universities and private companies.

Specific objective 4: Recruitment needs are clearly identified up-front in close cooperation with Institutions, aligning thereby supply and demand for laureates.

The annual strategic planning exercise is one of EPSO's core activities since it implies a clear vision of the existing workforce (and its turnover) at interinstitutional level and serves the purpose of identifying the strategic staffing needs well in advance. This common approach facilitates the preparation of future competitions in optimal conditions and in the agreed order of priorities. This year's exercise, covering the coming three years, i.e. 2020 until 2022, was completed by endorsement of the EPSO Management Board end 2019. In this context and based on the existing guidelines, EPSO continued to push forward an efficient and effective planning exercise, in full alignment with the talent management efforts of the Institutions, focusing on priority profiles, key skills and potential knowledge gaps.

With regard to the CAST Permanent selections, EPSO published, in August 2019, a consolidated call for expression of interest, integrating all corrigenda and addenda in order to facilitate ease of reading and improve understanding.

Specific objective 5: Recruiting services can identify and recruit appropriate laureates rapidly and effectively.

In agreement with the Institutions, the recruitment rates are presented to the Interinstitutional Working Group every three months, to ensure the follow-up of the use of old and new reserve lists of successful candidates both in Brussels and in Luxembourg.

The Recruiter Portal continued to enable recruiters to efficiently identify the best and most suitable officials and contract agents for vacant posts. At present, the Portal counts more than 1,000 active users across the Institutions as well as the decentralised and executive agencies. It is co-managed with EPSO's IT service provider DIGIT, for reasons of creating synergies (HR FIT) whenever possible.

Twice a year, EPSO prepares the closure or extension of available reserve lists for officials. In the context of this exercise, every single list is usually analysed in detail and a decision is made on the basis of the future needs and recruitment prospects of laureates. In 2019, the stakeholders unanimously decided to close a total of 104 lists and to extend all the others – 181 in total - by one more year.

Specific objective 6: Existing processes are re-engineered, including the use of digital technologies and collaborative tools, to make them more cost-effective, efficient, agile and rapid.

In the frame of the necessary migration towards a new EPSO IT structure in 2021, the IT tools used for Admission, Talent Screener and Marking will need to be replaced by new ones. The IT migration is not only seen as a constraint, but also as an opportunity to review and streamline processes in order to make them more affordable, better in terms of quality, and more user-friendly for the Selection Boards. The re-engineering plan devised in 2019 foresees that the three tools will probably merge into one IT tool, but with different features according to the phase (Admission, Talent Screener or Marking). Furthermore, the tool will allow Jury members to work remotely and alone, the pair work being then

conducted in a similar way as for the marking process at present. This will allow a considerable reduction in terms of Selection Board workload intensity (missions and presence in EPSO), along with a better traceability of the scores and a general improvement of the monitoring regarding fairness and equality of treatment, thereby also enabling to reduce requests for review addressed to Selection Boards.

In addition to it, EPSO has created an algorithm-based system of application ranking, called MACS (Machine Assisted Content Screener), to support Selection Boards with the screening and ranking of high volume of free text applications. MACS has been piloted twice and used in two competitions, with a successful outcome. MACS has been a finalist in the Career Development Roundtable Award 2019 (Saint Gallen, Switzerland).

The project for replacing EPSO's current IT systems²⁰ has continued in 2019 with the completion of a thorough market research, Business case, and presentation to the ITCB in May 2019. An external SaaS IT contractor was selected by EPSO to run their technical solution as a pilot trial in 2019-2020. To that end, the licenses for the external contractor Cornerstone and the implementation partner Cloudwatch were acquired in October 2019 and work on the project started immediately thereafter. In parallel, DIGIT is running a second pilot for the integration layer. The outcomes will be carefully evaluated and presented to relevant stakeholders during 2020. EPSO will continue to report on progress made to its interinstitutional Working Group and Management Board along with Corporate IT Board in order to pursue the right way forward, depending on further outcomes.

More detailed information on individual projects can be found in annex 12²¹.

Specific objective 7: The attraction, appointment and working methods of selection boards and assessors are further rationalised and professionalised.

EPSO processed all appointment requests on time so that the core Selection Boards were able to have their kick-off meetings prior to the publication of each Notice of competition. A total of nine initial requests of appointments were submitted to the institutions for a total of 365 mandates covering all competitions published in 2019.

Even though the actual appointment of Selection Boards depends entirely on the Institutions and their staff committees, EPSO closely ensured the follow-up of the Board nominations for all ongoing and new competitions on a daily basis thorough the year. This part of EPSO's work implies a considerable workload between the initial nominations, the resignations and nominations of new Board Members during the competitions. Hence, a project to facilitate the very labour-intensive and manual management of appointments has been initiated and negotiations are ongoing with EPSO's IT service provider DIGIT for implementation in due course.

Following the two editions of the EPSO ACADEMY programme organised so far, 29 experts in staff selection were accredited and are ready to act as selection board members on a more regular basis (22 AD + 7 AST). So far, 44 people participated as selection board members 73 times and EPSO continues to encourage the EU Institutions to maximise the use of the pool of accredited experts. The launch of a new edition is pending the outcome of the Special Working Group on Personnel Selection and the final report on the outcome of the programme requested by the EU Institutions. EPSO is currently finalising the accreditation process and is offering learning and development activities in the context of the KEY (Keep educating yourself) follow-up programme for accredited experts. In this

²⁰ Project initiated in 2017 with the IAS Audit on IT programme management within the HR family and scheduled to run until 2021.

²¹ Performance tables, specific objective 6 – main outputs in 2019.

context, 8 people were trained as markers of written tests and another 8 have participated as subject matter experts.

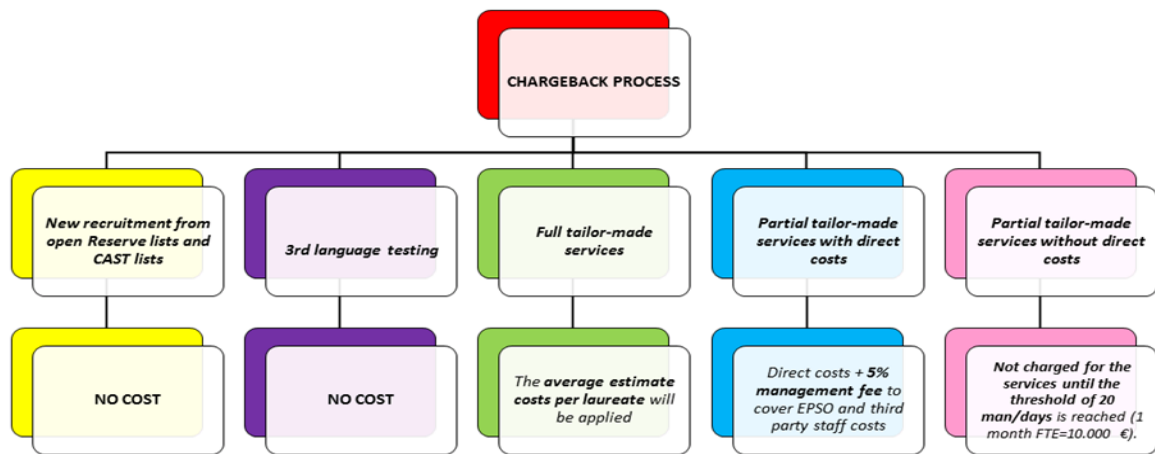
Specific objective 8: A comprehensive offering of flexible and adaptive services – including expertise in the fields of assessment, selection, occupational psychology, psychometrics and employer branding – as well as support to ensure the implementation of talent management strategies in the EU Institutions are provided to help meet challenging stakeholder needs.

During the year, EPSO entirely reviewed its charge-back processes resulting in a more simplified and more cost-effective approach endorsed by the Management Board already in November 2018. The approach is based on the new guidelines established at corporate level within the Commission and formalised in a revised SLA with the Agencies.

Since April 2019, the following services are provided by EPSO free of charge:

1. Recruitment of contractual agents, temporary agents and officials from existing databases/open reserve lists
2. Third language testing

However, charge-back for fully and partially tailored services is still based on cost estimates in relation to the number of laureates delivered or staff costs, as summarised in the table below.



Under the new chargeback model, EPSO launched four new ‘tailor-made’ selection procedures, including internal competitions for the Council and for the EUIPO based in Alicante, as well as a series of temporary agent selections for the Commission looking for IT specialists in Luxembourg and for FRONTEX, based in Warsaw.

In 2019, EPSO also continued to contribute to the extended pilot project aimed at selecting young professionals to be eventually recruited by the European Commission. Under this new scheme known as the Junior Professionals Programme (JPP), EPSO focuses on preparing and implementing the application phase and delivering the CBT upfront. Furthermore, EPSO successfully contributed to helping to select trainees for the Council, by continuing to provide an online tool, available since 2017.

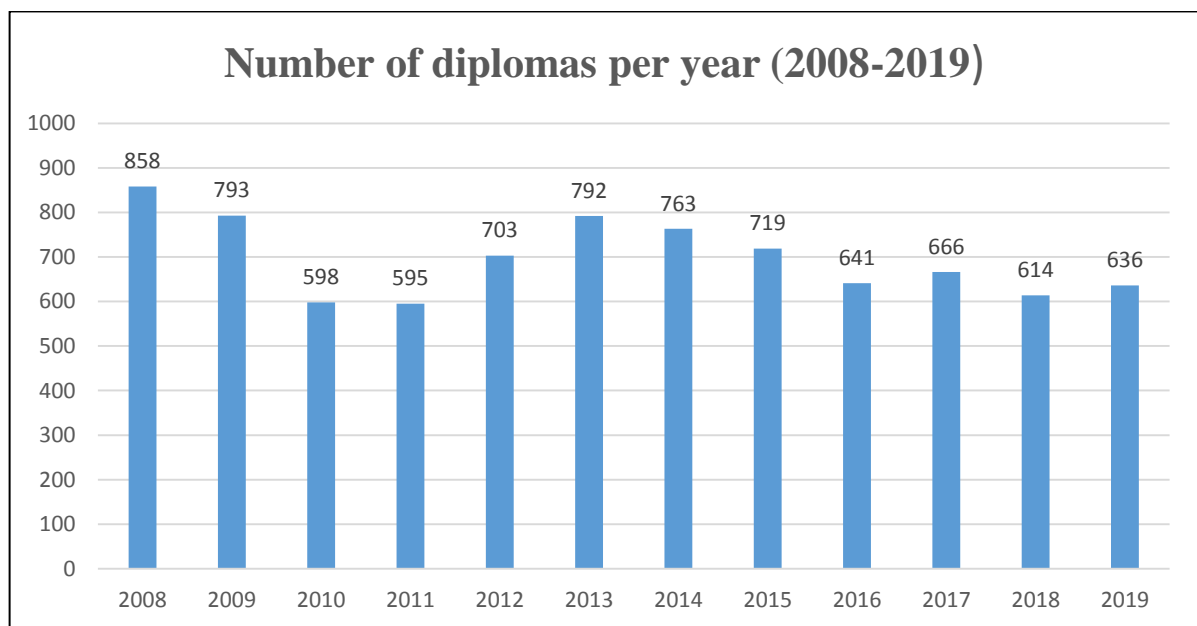
With regard to computer-based and internet-based testing, EPSO continued to render specific services to DIGIT for their accreditation following the PM2 training programme as well as to JRC who use locally proctored tests for their Contract agent FG IV scientific

officers, which are both covered by specific SLAs. EPSO also collaborated with DGT via a specific SLA on the delivery of internet-based tests using innovative testing methods. However, the collaboration ended as it was not up to the expectations of both stakeholders.

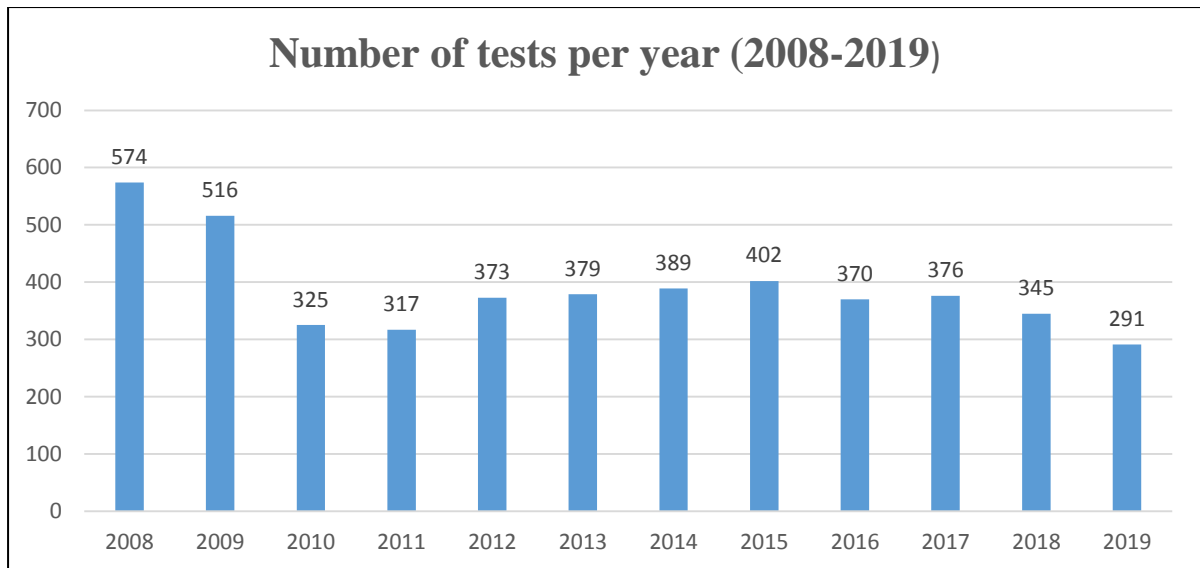
Specific objective 9: The linguistic abilities in a third language of staff eligible for a first promotion (officials, contract staff in function group IV, temporary agents assisting political groups in the European Parliament and temporary agents in agencies) are evaluated in a harmonised, consistent and cost-effective manner.

In 2019, 636 diplomas were assessed across various languages within the set deadlines: 78.5% of the diplomas assessed were accepted by the evaluation committees as valid proof of linguistic ability in a third language; 20.1% were refused; and 1.4% of the initial submissions were annulled.

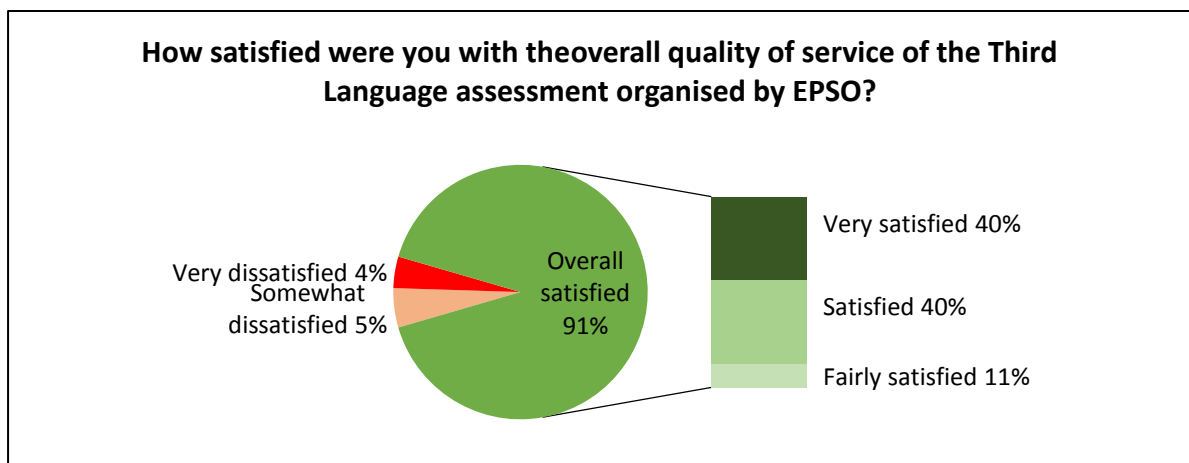
Number of diplomas assessed on a yearly basis for the recognition of a third language:



291 tests were delivered across various languages in 2019 within the set deadlines and with an overall pass rate of 71.5% (which is 1.5 percentage points above the 2018 figure). (These numbers include pass, fail, absent and withdrawal in both years).



The satisfaction survey sent in 2019 to all staff members who made use of the third language assessment facilities over the period of reference shows that the satisfaction rate of end-users remains high with 91%.



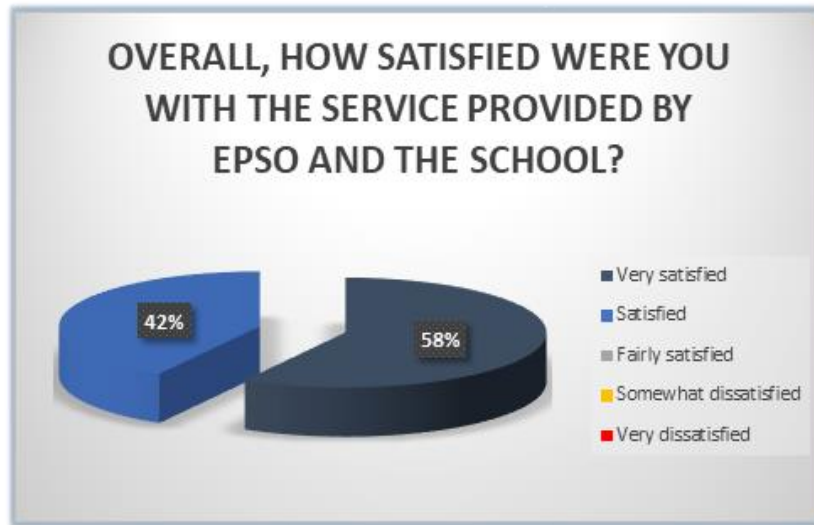
Two procurement procedures were prepared in 2019 to ensure the continuity of EPSO's capacity to test linguistic abilities in a third language for staff eligible for a first promotion. A Call for Tender, following a negotiated procedure, resulted in a Framework contract²², which is currently in use. The second one has been prepared and is due for publication in February 2020. Once awarded, the Framework contract is envisaged to run for 48 months.

Specific objective 10: To contribute to the running of the Certification procedure.

For 2019 certification procedure, 144 candidates were tested with three different exams (of which 84 were new candidates). The overall pass rate was slightly higher than in 2018, with 52.08% of all **candidates** passing the tests (compared to 48.88 % in 2018). Amongst the new candidates for Certification, the pass rate was 50%.

²² EPSO.03/PN/2019/032 Lots 1 and 2 signed on 02/10/2019 for a period of 12 months.

The Examining Board expressed its satisfaction with the quality of the services in 2019. EPSO and EUSA launched a joint satisfaction survey, the results of which confirmed the satisfaction expressed by the Examining Board (see graph below)²³.



²³ Even if the overall satisfaction rate is 100%, the level of 'very satisfied' responses is lower than in the past years, most probably due to the technical incident occurred during the initial delivery of the written examination.

2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

This section explains *how* EPSO delivered the achievements described in the previous section. It is divided into two subsections.

The first subsection reports the control results and other relevant information that supports management's assurance on the achievement of the financial management and internal control objectives²⁴. It includes any additional information necessary to establish that the available evidence is reliable, complete and comprehensive. It covers all activities, programmes and management modes relevant to EPSO.

The second subsection deals with the other components of organisational management: human resources, better regulation principles, information management and external communication.

2.1 Financial management and internal control

Assurance is an objective examination of evidence for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes.

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the acting Director of EPSO. These are:

- the reports from AOSDs
- the reports by Authorising Officers in other DGs managing budget appropriations in crossed sub-delegations
- the reports on recorded exceptions and non-compliance events
- the reports of ex-post supervision and/or audit results
- the limited conclusion of the Internal Auditor on the state of internal control, and the observations and recommendations reported by the Internal Audit Service (IAS)

These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the acting Director of EPSO.

This section is for reporting the control results and other relevant elements that support management's assurance. It is structured into (a) Control results, (b) Audit observations and recommendations, (c) Effectiveness of internal control systems, and resulting in (d) Conclusions on the assurance.

²⁴ Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; and e) adequate management of risks relating to the legality and regularity of underlying transactions.

2.1.1 Control results

This section is for reporting and assessing the elements identified by management, which support the assurance on the achievement of the internal control objectives²⁵. EPSO's assurance building and materiality criteria are outlined in AAR Annex 4. Annex 5 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

Financial management and control are grouped around three core processes: 1) Procurement (from the assessment of needs, to the selection of the suppliers/award decision), 2) Financial operations (from establishing the financial commitment to payment, contract monitoring and eventually recoveries) and 3) Supervisory measures (including 'ex post' controls and management checks).

General context

In 2019, EPSO received a budget of around EUR 26.2m, which also included the budget of the European School of Administration (EUSA). EPSO has responsibility for **administrative credits only**. These are committed under its sole responsibility, except for transactions made on behalf of EPSO by PMO (personnel expenditure), OIB and OIL (expenditure for buildings in Brussels and Luxembourg), DG HR (expenditure for security) and DIGIT (expenditure for IT) according to Internal Rules and based on Service Level Agreement (SLA) in the case of DIGIT. The co-delegated budget to the services indicated above (around EUR 18.1m) is covered by the internal control measures of those entities and covered in their respective AARs.

The remaining budget was used for *operational activities* of EPSO and the European School of Administration (EUR 3.5m²⁶), for example for computer-based testing (CBT; EUR 2.7m), test development, management training (EUSA), induction courses (EUSA) and for contributions to travel and subsistence expenses of candidates at the written and oral stages of selection procedures (EUR 0.3m). Additional expenditure of EUR 0.8m covered also the organisation of the Assessment Centres.

The SLA with DG HR - for the provision of routine administrative support services to EPSO in the area of human resources and financial management (especially ex-post verifications, procurement, financial reporting and accounting) - was revised in December 2017 and fully implemented in 2018. The SLA is accompanied by a co-delegation between Authorising Officers by Delegation. The co-delegation agreed with the Director General of DG HR covers administrative credits in a limited number of areas. A charge back process has also been integrated into the SLA in compliance with the corporate applicable rules in order to accurately reflect and compensate the costs of services provided by DG HR to EPSO in this context.

The acting Director of EPSO remains responsible for the overall internal control system and the design, implementation and monitoring of the internal control measures applied in EPSO. Following the entry into force on 1 January 2018 of the new Internal Control Framework (ICF) in the Commission, the effectiveness of internal control within EPSO is since then assessed under the new ICF.

²⁵ 1) Effectiveness, efficiency and economy of operations; 2) *reliability of reporting*; 3) *safeguarding of assets and information*; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.

²⁶ Expenditure employed for funding EUSA training courses.

EPSO has chosen to operate using a partially decentralised financial circuit for its operational expenditure. According to this model, the finance team of the Resources and Administrative Support unit carries out financial initiation and ex-ante verification; other units are responsible for operational initiation and verification, as well as the function of authorising officer by sub-delegation for operational expenditure. DG HR manages expenditure²⁷ on behalf of EPSO in the framework of above-mentioned SLA.

DG BUDG has decided that in order to close the 2019 budget, EPSO, amongst other low-spending DGs, must continue to use a simplified cut-off procedure.

In terms of additional AAR reporting requirements within the meaning of the 2018 Financial Regulation, no such cases did occur in EPSO.

1. Effectiveness – the control results and benefits

Legality and regularity of the transactions

EPSO is using internal control processes to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of payments concerned.

The control objective is to ensure that the Office has reasonable assurance that the total amount of any financial operation authorised during the reporting year which would not be in conformity with the applicable contractual or regulatory provisions, does not exceed 2% of the total expenditure.

EPSO has therefore reviewed the following indicators on legality and regularity grounds as well as on sound financial management. More information is covered in annex 10²⁸.

Ex post controls

On the basis of the afore-mentioned SLA between EPSO and DG HR of the Commission, DG HR.R.1 and the acting Director of EPSO, in his capacity as AOD, proceeded with ex post controls on commitments, payments and recovery orders.

In conformity with FR art 74.2, EPSO's Director decided in 2015 upon a proposal made by DG HR.R.1, to modify the frequency of EPSO's controls in view of the different risk-profiles among its current and future transactions and of the cost-effectiveness of its existing controls. The same frequency of control was also applied in 2019. For the 2019 financial transactions, two series of ex post controls took place, covering the periods January–June and July–September respectively. The last batch of ex post controls (October–December) took place in early 2020.

The ex post control campaign covered 57 transactions worth EUR 3.2m, representing 18% of the value of all transactions. The sample was designed in order to give rise to a meaningful result. The sampling method used was random and stratified taking into consideration the fact that a large proportion of payments (>60%) are low value and low risk. They correspond to contribution to travel expenses to candidates for competitions.

The results of the controls allowed for the calculation of an estimated error rate which is well below the 2% materiality threshold (0.5% according to conservative estimate for administrative expenditure²⁹). These remarks are mainly related to the following

²⁷ Types of expenditures include representation costs, payments to experts, financial commitments for missions and AMC – expenditure for training.

²⁸ specific annexes related to “Financial Management”; Control effectiveness as regards legality and regularity

²⁹ the ex post controls 2019 show an error rate of 0.1%

categories: obligations defined in the framework contract and their implementation, improvement on the follow-up of provisional commitments and charge-back processes. It should be noted at the same time that no material issues were noted for any of the transactions and that the above-mentioned shortcomings do not adversely affect the overall assurance declaration on the implementation of EPSO's budget. Any potential weaknesses highlighted in 2019 will be reviewed and addressed appropriately by EPSO. No financial transactions have been earmarked as "unacceptable" in 2019.

In view of the above, the ex post controls confirm all transactions checked in the ex-post controls were acceptable though some had minor shortcomings such as missing justification documents. The remainder, which contained more substantial errors, were generally associated with low value transactions. Indeed the amounts associated with the errors were negligible with respect to the value of the controlled amount.

➤ Reporting

Management reporting focused on different aspects such as human resources (HR dashboard EPSO, which is updated on a monthly basis), finances (monthly financial reporting on payment delays), budget execution (monthly financial reporting on the evolution of appropriations: commitments and payments) and internal control (reporting on open audit recommendations and risks). The main findings were discussed at the level of EPSO management and appropriate measures were taken as necessary.

➤ Exceptions reporting and non-compliance events

In 2019, four non-compliance events/exceptions (all for EUSA) were registered under the procedure of Internal Control Principle 12. The amounts involved for these four non-compliance events ranged from EUR 506.71 to EUR 1,980 and were therefore of minor natures only.

➤ Recovery of unduly paid amounts

Further to the careful verification of requests for payment, an amount of EUR 83,155.27 was deducted from payments via credit notes in 2019. No erroneous payment was detected during the year; for this reason, EPSO did not have to recover unduly paid amounts.

• ***Cost-effectiveness of controls***

EPSO has limited spending operations and only manages administrative appropriations under Heading V. The total number of FTEs involved in the three main control activities in EPSO/EUSA (procurement, financial operations and supervisory measures) is estimated at 8.5 FTEs³⁰. The control activities are to a large extent a regulatory requirement which cannot be curtailed. As shown by the risks outlined in annex 5, a significant proportion of the Office's appropriations would be at risk were they not in place.

As a quantitative estimation of the volume of errors prevented and detected is not available, it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls (as mentioned before, an amount of approximately EUR 83,155.27 could be deducted from the payments via credit notes). The benefits of control in non-financial terms cover: better value for money, deterrent effects, efficiency gains, system improvements and, as mentioned above, compliance with regulatory provisions.

In the context of the protection of the EU budget, EPSO's estimated overall risk at payment, estimated future corrections and risk at closure are consolidated at Commission level.

³⁰ Including 0.9 FTE in the financial unit of DG HR, executing financial and control activities on the basis of an existing Service Level Agreement.

EPSO's data is shown in the table 'estimated overall amount at risk at closure' and its accompanying notes below.

DG EPSO	"payments made" FY 2019	minus new prefinancing [plus retentions made] (in FY; m€)	plus cleared prefinancing [minus retentions released ^b and deductions of expenditure made by MS] (in FY; m€)	= "relevant expenditure" (for the FY; m€)	Average Error Rate (weighted AER; %)	estimated overall amount at risk at payment (FY; m€)	Average Recoveries and Corrections (adjusted ARC; %)	estimated future corrections and deductions for FY 2018:	estimated overall amount at risk at closure
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Programme, Budget Line(s): BGUE-B2019-26.012 000.0%	as per AAR annex 3, table 2 9.3m€	as per ABAC No PF paid	as per ABAC N / A	= (2) -/+ (3) +/- (4) 9.3 m€	Detected error rates: 0.5 %	= (5) x (6) 46,539 €	based on - avg 2011 to 2018 historic H-ARC 0,1% adjusted for 2019: 0 % ³¹	= (5) x (8) 0 €	= (7) - (9) 46,539 €

The estimated overall risk at payment for 2019 expenditure is EUR 0.05m. This is the AOD's best, conservative estimation.

This expenditure has subsequently been the subject of ex-post controls and the proportion of the underlying errors is 0%. The conservatively estimated future corrections for 2019 payments are thus negligible. Corrective measures, notably in terms of internal control system improvements and efficiency gains, will be implemented in successive years.

The consideration of the amounts concerned leads to the estimated overall risk at closure for the 2019 expenditure of EUR 0.05m.

Taking into account the nature of EPSO's expenditure as well as the existing control mechanisms, EPSO considers it very unlikely that future corrections for these 2019 payments will be made. The estimated future corrections are therefore estimated at EUR 0.

Overall, on the basis of the available control results, no significant weaknesses were unveiled which could have had a material impact as regards the legality and regularity of the financial operations.

In view of the above, EPSO concludes that the control objective as regards legality and regularity has been achieved and that the quantitative materiality criterion is well below a threshold of 2% of the budget allocated to the ABB activity concerned.

In 2019, an amount of EUR 0.65m was charged back following services provided by EPSO and EUSA to EU Institutions and EU Agencies under the legal basis of Service level agreements.

More information is covered in annex 10³².

³¹ As there is no empirical evidence from 2011 to 2018 for any recoveries following ex post controls or audits etc., the best available indication for the ARC 2019 is 0 %.

³² Specific annexes related to "Financial Management"; ex-post controls.

➤ AOS reports

Since 2015 AOS reporting is carried out at six-monthly intervals (twice per year).

EPSO's acting Director received a copy of each individual AOS report. An analysis of these reports did not highlight any problems or weaknesses that would lead to any reservations in the Annual Activity Report.

➤ GAMA

'GAMA' is a consultative committee, which performs a final check on procedures from DG HR, OIB, OIL, DIGIT, PMO and EPSO and is composed of designated members thereof. The consultation takes place after the evaluation and before the award of the contract and is obligatory for any procurement procedure reaching or exceeding the directive threshold as estimated total value. Files examined then result in a positive or negative opinion and (if applicable) recommendations for the service. Unit HR.DDG.R1 holds the presidency and secretariat of GAMA.

• ***Fraud prevention, detection and correction***

EPSO has developed and implemented since 2012 its own anti-fraud strategy, elaborated on the basis of the methodology provided by OLAF. It is revised/updated annually or as needed. It was last updated in December 2019 in light of the revised anti-fraud strategy at corporate level (CAFS adopted in April 2019). At the same time, given the specific nature of EPSO's activities and the fact that the Office is not in charge of implementing operational appropriations, EPSO's anti-fraud strategy continues to primarily focus on training and awareness-raising.

An online-survey³³ focussed on fraud awareness and was delivered in January 2020. The self-assessment questionnaires were completed by 23 staff members (senior and middle management, all AD officials of EPSO/EUSA) which means that the target population is similar to 2017-18 in order to keep the assessment scope and relevance of the assessment consistent. Based on the replies given, it can be concluded that EPSO continues to be fully committed to fraud prevention and that there are sufficient and adequate internal control mechanisms in place. Finally, the new EPSO learning and development framework for 2018-2020 explicitly made training on Ethics & Integrity as well as on fraud awareness compulsory, respectively, for all staff in EPSO.

EPSO also ensures that all newly recruited staff members participate in a targeted training course on Ethics and Integrity, in order to ensure that the fairness, equality and safe-handling of its selection processes are not compromised through unethical behaviour on the part of its staff. So far, 72% of all colleagues in EPSO and EUSA have followed the training course on Ethics by end 2019 – an improvement of 6 points compared to 2018 -, with some colleagues being registered for the upcoming training session in March 2020. Further efforts will be deployed in 2020 to reach the 100% target.

2. Efficiency = the Time-to-...indicators and other efficiency indicators

➤ Average payment time

With regard to payment deadlines, the statistics for 2019 confirmed the positive evolution for EPSO. In 2019, the average payment time was 14.9 days and only 14 of a total of 2 115 payments were made outside the legal time limits.

Financial circuits have been simplified in 2019 from six to two, which simplified the workflows.

³³ To assess the level of anti-fraud awareness, this year, rather than an i-CAT survey, EPSO used an online-survey-tool with the same characteristics as i-CAT for practical purposes (which was endorsed by EPSO's management).

➤ Time-to-reply to candidates

In 2019, EPSO's candidate contact centre (CCS) replied to 9,191 queries from candidates using an average time to reply of 2.78 days per query³⁴ (well below the five-day benchmark).

All the above factual information is deemed to be complete and reliable and the controls are considered to be cost-effective and efficient.

3. Economy = the cost of controls

Taking into account the above, EPSO has decided to use, again, a single global indicator to monitor and to report on the efficiency of its control systems: the overall cost of control, in percentage, at DG level. This indicator is calculated by dividing the total costs of control by all expenditure made during the year (payments made).

The estimated total costs of control include direct, indirect and overhead costs. The fact that some financial tasks (in the context of procurement procedures and ex post controls) are performed by staff in the financial unit of DG HR on the basis of an existing SLA has been taken into account. In order to ensure that the cost estimation is as reliable and accurate as possible, Heads of Unit and team leaders in the Office and the EUSA were consulted.

Based on this internal consultation/screening, it is estimated that a total of 8.5 FTEs (6.5 permanent staff members and 2 contractual staff) carry out financial and control activities³⁵ for EPSO: 5.1 FTEs in EPSO, 2.5 FTEs in EUSA and 0.9 FTE in the financial unit of DG HR.

Subsequently, the number of full-time equivalents (FTEs) obtained has been multiplied with the average "all-in" cost of an FTE in the Commission³⁶. For EPSO, this gives an amount of EUR 850 300 (following the instructions provided by DG BUDG on average staff costs to be used, the calculation was done as follows: 6.5 AST officials x EUR 109 400 plus 2 contractual staff x EUR 69 600 = EUR 850 300).

In 2019, EPSO executed 2,115 payments amounting to a total of EUR 9 307 846.93³⁷.

Based on the above, the overall cost of control indicators (%) for EPSO in 2019 is: EUR 850 300 / EUR 9 307 846.93 x 100 = 9.1%. This does not only show an improvement of 0.5 points compared to 2018, but also confirms the positive results of efforts undertaken by EPSO in 2019. However, it should be noted that this process is closely linked to operations and therefore not fully under EPSO's control.

It is not expected that this percentage can be further reduced, as the following must be taken into consideration:

Firstly, given the nature of its activities, EPSO is handling a very high number of low-value transactions (average amount paid is EUR 4 400). Examples of such transactions are the amounts paid for on line publicity and promotional material, or the contributions paid to candidates' travel expenses. As a result, the administrative costs of handling these transactions are relatively high. Secondly, given the staff composition of EPSO's

³⁴ In 2018, dealt with 10,078 queries within an average time to reply of 1.86 days. EPSO's public benchmark to reply to a question is five working days (see also https://epso.europa.eu/contact_en).

³⁵ As to EPSO, most of the staff concerned work in the Resources unit, but also in two operational units dealing with the management of important framework contracts. EPSO's Director is involved in the preparation and monitoring of EPSO's budget and in the ex post controls.

³⁶ This "all-in" cost includes not only the salaries, but also all other administrative costs linked to the employment of the person/agent, such as buildings, electricity and IT.

³⁷ All other payments were made on behalf of EPSO by PMO, OIB, OIL, DG HR and DIGIT according to internal rules (and based on Service Level Agreements (SLA) in the case of OIB and DIGIT).

financial sector - which is entirely composed of AST-officials and contractual agents of function group II - the estimated overall costs of our control activities would have been lower if the calculations had been based on the real (salary) costs of our staff, and not on the average cost of a Commission official.
More information is available in annex 10³⁸.

4. Conclusion on the cost-effectiveness, efficiency and economy of controls

Based on the most relevant key indicators and control results, EPSO has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost effectiveness of controls for which it is responsible.³⁹

2.1.2 Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

AUDITS BY THE INTERNAL AUDIT SERVICE (IAS)

Conclusion on the state of internal control by the IAS is that the internal control systems in place in EPSO for the audited processes are effective.

The IAS Limited review on the implementation of the new ICF did not identify any critical or very important observations. However, IAS identified two areas for improvement, firstly the need to take into account all relevant sources of information available when identifying deficiencies and link these to all affected control principles. Secondly, the internal control monitoring criteria need to better reflect certain key aspects of the IC principles and the sources of information used in the assessment have to be clearly identified.

EPSO has accepted all the recommendations of the IAS limited review without comments, and put in place an action plan to implement these.

One recommendation on the internal control monitoring criteria covering relevant aspects of the IC principles has been reported as implemented by management and has been sent for the IAS review.

All recommendations on the IAS Audit on IT programme and project management in the HR family have been implemented during 2019.

AUDITS BY THE EUROPEAN COURT OF AUDITORS (ECA)

During 2019, there were no audit recommendations from ECA. However, in September 2019 ECA has started with a performance audit of EPSO. The final report is expected end of 2020.

³⁸ Specific annexes related to "Financial Management"; 'fraud prevention, detection and correction' and 'cost effectiveness of controls'.

³⁹ Please refer to footnote 29 above.

2.1.3 Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

EPSO uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

The management of EPSO has conducted the assessment of the effectiveness of the internal controls system during a dedicated meeting on 25 February 2019, and in February 2020. In its assessment and approach it followed the methodology established in the "*Implementation Guide of the Internal Control Framework of the Commission*" and the recommendations from the IAS.

There are no major internal control deficiencies to be reported in 2019.

Conclusions:

EPSO has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed as **minor deficiencies** were identified related to:

- % of staff who participated to EC corporate training on ethics
- KPI dashboard is in place and regularly monitored by management

The improvements and/or remedial measures implemented or envisaged are the following (and reflected in the 2020ICMC table):

- Ethics information package will be made available to all EPSO staff (this new ICMC replaces the one on the staff following a training on ethics).
- Issues/ risks identified at the weekly EPSO operational meeting are reported and discussed at the management meeting of EPSO (this new ICMC replaces the KPI dashboard review as it is more efficient).

2.1.4 Conclusions on the assurance

This section reviews the assessment of the elements reported above (in Sections 2.1.1, 2.1.2 and 2.1.3), and the sub-conclusions already reached. It draws an overall conclusion to support the declaration of assurance and whether it should be qualified with reservations.

The information reported in sections 2.1, 2.2 and 2.3 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability reported and results in a complete coverage of the budget delegated to the acting Director of EPSO.

In 2019, EPSO ensured the follow-up of the ex post and ex ante evaluations that took place in 2017 with the aim of improving EPSO's organisational effectiveness, its capacity to deliver and provide a better service to its key partners.

In 2019, EPSO's acting Director received reports from the sub-delegated authorising officers and other officials under his responsibility. There was no instance in which EPSO's acting Director was obliged to issue a written reasoned instruction, as foreseen in Article 92(3) of the Financial Regulation.

EPSO puts suitable control measures in place to limit the risk of errors and guarantee that assets and information are safeguarded, as well as to prevent, detect and correct fraud and irregularities. Where necessary, improvements to the overall control strategy and processes were made in the course of the year.

In light of the above and taking into account the main findings and conclusions in Part 2, it can be concluded that there is reasonable assurance that the resources assigned to the activities described in this report were used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. EPSO has sufficient assurance that a reservation on the declaration is not seen as necessary.

Overall conclusion

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The acting Director of EPSO, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

2.1.5 Declaration of Assurance

I, the undersigned, Sari LEHKONEN

Acting Director of EPSO,

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view⁴⁰.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the limited conclusion of the Internal Auditor on the state of control, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Brussels, 28.02.2020

[signed]

SARI LEHKONEN

⁴⁰ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

2.2 Other organisational management dimensions

Organisational support is mainly provided by unit EPSO.03 Resources and Administrative Support. These activities cover the actions necessary for the functioning of the Office and include Human Resources management and training (excluding training for Selection Board members and markers), financial management, internal control and risk management, provision of local ICT support and proximity services (logistics).

In 2008, EPSO decentralised a portion of its resource administration through a Service Level Agreement with DG HR for the provision of support for routine administrative tasks relating to both human and financial resources, including the internal audit function. A revised SLA was signed in December 2017.

Since 2016, a number of HR services have been delivered to EPSO by DG HR through the Account Management Centre (AMC 7). All organisational measures required to allow for the new delivery model of HR services to be fully operational for EPSO are successfully implemented and have been functioning effectively throughout 2019.

As the European School of Administration (EUSA) is administratively attached to EPSO, administrative support is provided by DG HR to EUSA as well. The revenue and expenditure of the EUSA forms an integral part of the Office's budget. Staff of the EUSA is assigned to posts belonging to the Office and therefore the Office provides, in particular, coherent Human Resources Management, Financial Management and IT support.

2.2.1 Human resource management

The organisation of activities under the fit@work initiative and all operational aspects related to training of EPSO staff was delivered in cooperation with DG HR. Staff is kept aware of activities via different internal communication channels such as EPSO Intranet, WIKI, wallpapers and dedicated messages via e-mail. Over the course of 2019, some well-being activities continued, such as regular yoga classes. A lunchtime session on ergonomics took place on 6 December 2019 (with 19 participants attending) followed by 14 individual appointments.

EPSO colleagues were also encouraged through promotion campaigns to participate in the events organised at corporate level such as lunchtime conferences by the medical service, VeloMai, the Ekiden race as well as the EC Volunteering week in which four staff members took part. Special local events with EPSO volunteers were also organised in the frame of the European Week of Sports (such as running, visit of the Temple of Human Passions and a mindful break). The various aforementioned initiatives resonated very well with EPSO staff which is *inter alia* confirmed by the Commission Staff Survey in 2018 and reflected in the fact that 60% of EPSO staff believes that their organisation cares about their wellbeing at work which is 8 percentage points above Commission's average.

Following the publication of the results of the 2018 staff survey, working groups have been created and proposals endorsed by the management led to an Action Plan, which is progressively implemented.

One "Away Day" was organised in Brussels but outside of EPSO's premises in April 2019 and one "EPSO all" half day meeting took place on 11 November 2019.

EPSO's Learning and Development Strategy (2018-2020) continued to be implemented in 2019. 2 colleagues participated in the EPSO Management Potential Programme and 1 additional colleague has been selected to follow the programme in 2020.

Further details on the aforementioned HR related actions- including the evolution of the HR establishment plan - and others can be apprehended in annex 2 ('Human Resources' –

main outputs in 2019).

2.2.2 Better regulation (only for DGs managing regulatory acquis)

Not applicable to EPSO

2.2.3 Information management aspects

EPSO's intranet is accessible through MyIntracomm, the corporate site of the Commission. The intranet is partly open to colleagues from all EU Institutions and aims to attract colleagues from across all Institutions to become Selection Board members, EU Careers staff ambassadors, and to participate in the EPSO Academy. In addition to content that is shared with other DGs and Institutions, there is a section restricted to EPSO staff only, where important documents are published.

In light of the very specific and confidential nature of EPSO's activities, files are only shared between units and with other DGs/Institutions on a strict "need to know" basis. In 2019, EPSO the number of unfiled documents has slightly decreased from 59 to 53, with the relative share of 0.19% of all documents remaining stable when compared to figures of recent years. While EPSO did take contact with DIGIT.B2.004 in order to install and make use of AresBridge, the resources needed to set up this platform could not be provided and therefore the project had to be discontinued. More details are listed in annex 2 (information management aspects).

Internal "hands-on" training/support on ARES continued to be delivered to EPSO staff upon request in 2019 by the Document Management Centre.

Furthermore, in 2019 EPSO implemented the Data Protection Action Plan adopted by the Commission. In particular, the following measures were implemented: converting EPSO's legacy DPO notifications into records; raising awareness among management and staff about data protection; review and update of the IT systems and processes ensuring technical security of processing. In addition to the above, EPSO has re-submitted to its Data Protection Coordinator (DPC) draft internal rules governing the restrictions of data subjects rights, which are currently pending approval.

2.2.4 External communication activities

EPSO's continuous key challenge is to build and communicate an attractive employer brand to establish the Institutions as an employer of choice. This challenge is made more difficult by the diversity of the employment markets across the Member States, the global war for multilingual and mobile talent, the reputation of the EU as an employer, the attractiveness of Brussels and Luxembourg as places to live and work, and the work-life preferences of the generations entering the labour market.

Additionally, to support geographical balance of staff within the EU Institutions⁴¹ and in the context of the report issued by the Commission in 2018, EPSO further increased its targeted efforts towards the so-called focus countries.

These activities are described in more detail in both annex 2 (Communication) and annex 12 (specific objective 2).

⁴¹ Refers to COM (2018) 377 final.

2.2.5 Examples of initiatives to improve economy and efficiency of financial and non-financial activities of the DG

Video remote interview and video-recorded group exercise

EPSO launched a tender for the delivery of video-remote interviews at the end of 2018. Unfortunately, no contract could be concluded as the single remaining bidder did not fulfil even one of the essential minimal requirements. Regarding the preparation of a video-recorded group-exercise, the whole project was put on hold as it is currently unclear whether the use of the testing concept 'group exercise' will be continued in the frame of a modified linguistic regime in the future.

It was therefore decided to await the outcome of the Special Working Group on Personnel Selection (expected for 2020) to determine if and when both aforementioned projects should be continued.

Phasing out of scanning exercise

In 2019, candidates were asked to bring scanned copies of their documents, on a USB key. It represented a clear improvement for not only the candidates (no need to bring paper documents at Assessment Centre but also for EPSO (less resources involved in coordinating the workflows at AC stage). The next step, which is the upload of documents by the candidates into the IT system directly, could be integrated as a required functionality in the new IT pilot system for the selection procedure for Irish translators (Temporary Agents) as well.