



Annual activity report 2022 annexes

DG JUST

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

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 DG/Executive Agency to the Director-General/Executive Director.

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."

Date 31.03.2023

Carlo Pettinelli

Risk Management and Internal Control Coordinator, Director, DG JUST Dir H

(Signed)

⁽¹⁾ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

General objective:

A new push for European democracy



General objective 6: A new push for European democracy

Impact indicator: Perceived independence of the national justice systems in the European Union

Source of the data: [EU Justice scoreboard 2019](#) (based on Eurobarometer survey)²

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
56%	Increase	Increase	53% While the situation varies from one Member State to another, compared to 2021, the general public's perception of independence decreased in more than half of all Member States and in a few Member States, the level of perceived independence remains particularly low. Poor results revealed by the surveys always require a deeper analysis of the reasons behind. The effectiveness of the legal safeguards to protect judicial independence is crucial to dismiss any doubt in the minds of people in this respect.

² Flash [Eurobarometer survey no. 474 \(2019\)](#) and [no. 503 \(2022\)](#) on perceived judicial independence among the general public.

Specific objective 1: Strengthened rule of law in the Union*Related to spending programme(s): Justice Programme***Result indicator 1.1:** Degree of establishment of the new European Rule of Law Mechanism in line with the Political Guidelines SP**Source of the data:** DG JUST monitoring

Baseline (June 2020)	Interim Milestone (2021)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
Preparation of the first Annual Rule of Law Report	Fully established European Rule of Law Mechanism. First annual Rule of Law Report published and discussed in the Council and Parliament.	Fully functioning European Rule of Law Mechanism. Yearly publication of the Annual Rule of Law Report. Rule of Law Report is used as a basis in the discussions at the Council, Parliament and national level.	Publication of the third annual Rule of Law Report in July 2022. In the General Affairs Council a general follow-up discussion and two sets of country-specific discussions covering 10 Member States took place, as well as presentations in the European Parliament and discussions in numerous national Parliaments (related to the 2021 Rule of Law Report in the first half of 2022 and the 2022 Rule of Law Report in the second half of 2022). Furthermore, the first two 'national rule of law dialogues' with different stakeholders, co-organised with FRA and national Commission Representations, were organised in Germany and Belgium in 2022. They also take the Report as their basis.

Result indicator 1.2: Strengthening of judicial independence in the Member States**Source of the data:** Annual Rule of Law report, European Semester Country Specific Recommendations, EU Justice Scoreboard, DG JUST monitoring

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
5 MS for which challenges related to the structural independence of courts and judges have been identified by the Commission.	80% of the previously or newly identified challenges have been addressed through the Rule of Law Toolbox and are in the process of being resolved.	100% of the previously or newly identified challenges have been addressed through the Rule of Law Toolbox and are in the process of being resolved.	The exchange on structural independence has continued with the Member States through the new Rule of Law Mechanism and the assessments in the country chapters of the annual Rule of Law Report. The Commission also initiated and proceeded to two infringement proceedings regarding judicial independence against one Member State and contributed to a successful request for interim measures concerning the functioning of the justice system in one Member State, which the Court of Justice granted on 14 July 2021. In addition, in order to address the challenges in all five Member States, binding milestones have been included in their Recovery and Resilience Plans.

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
2022 Rule of Law Report (JUST co-CdF with SG)	Adoption by the Commission	Q3 2022	13/07/2022.

External communication actions

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Increased awareness on the rule of law among the defined target audiences.	Reach: Number of contacts made during the campaign (audited circulation and audience analytics) Other indicators to be defined in function of target audiences, countries and channels selected.	To be defined when media buying plan completed	Defined target audiences (Member States + age groups) Signed contract for implementation in 2023

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
2022 EU Justice Scoreboard	Adoption by the Commission	Q2 2022	19/05/2022.
Actions promoting the rule of law	Number of action grants Number of operating grants	Number of action grants: 15 Number of operating grants: 2	Action grants: 16 projects awarded (EACEA CERV-2022-CITIZENS-VALUES) Operating grants were awarded to three judicial networks (ACA-Europe, Network of the Presidents of the Supreme Judicial Courts of the EU, European Network of Councils for the Judiciary).

General objective 6: A new push for European democracy

Impact indicator: Citizens satisfied with how democracy works in the European Union

Source of the data: Eurobarometer

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (year 2022)
54%	Increase	Increase	54% (Special EB (Euro Barometer) EB98.1, EBO42EP autumn 2022)

Specific objective 2: Strengthened application of fundamental rights

Related to spending programme(s): Prerogative Annual Work Programme

Result indicator 2.1: Higher awareness of people's rights enshrined in the EU Charter of Fundamental Rights and where to turn in case of violation

Source of the data: Eurobarometer

Baseline (2019)	Interim Milestone	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
42% of citizens are aware about the EU Charter of Fundamental Rights. Out of those 12% know what it is.	-	20% of citizens know what the EU Charter of Fundamental Rights is.	Awareness raising campaign held in December 2021-December 2022 in Sweden, Netherlands, Cyprus, Malta.

Main outputs in 2022:

Enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Infringement proceedings on the 2008 Framework Decision on combating racism and xenophobia	Reasoned opinions	Q1 / Q2 2022	None Most processes are ongoing.

External communication actions				
Output	Indicator	Target	Latest results	known on
			(situation on 31/12/2022)	
Increased awareness on the EU Charter of Fundamental Rights and concrete ways to claim Charter rights among target audiences in Cyprus, Sweden, Malta and the Netherlands.	Landing page: users per campaign, conversation rate, average time per user, number of unique visitors etc. Social media; Facebook, Instagram, Youtube and Spotify: reach per country, impressions per country, engagement rate per country, CPC – CPM per country etc. Media relations: Number of press articles published due to media relations activities (per country), sentiment analysis of media coverage (per country) etc. Testimonials/ambassadors: Number of ambassadors (per country), engagement rate generated by testimonials' activities on social media endorsing the campaign: shares, likes, comments etc. Events: Number of attendees: physical and online; media reach of the event, overall usefulness of the event for attendees [survey] etc.	<p>Targets for KPIs:</p> <p>Landing page:</p> <p>Users per campaign [Non-discrimination], , 4515</p> <p>Users per campaign [Effective remedy and fair trial] , , 1401</p> <p>Users per campaign [Freedom of expression and information], , 456</p> <p>Users per campaign [Gender Equality], , 341</p> <p>Users per campaign [Rights of the child], , 845</p> <p>Average time per user >00:01:10</p> <p>Number of unique visitors >30.000</p> <p>Social media (global):</p> <p>Reach: 6,954,981</p> <p>Impressions: 54,037,522</p> <p>Engagement rate per country, >1,5%</p> <p>CPC: 0.74 EUR</p> <p>CPM: 5.34 EUR</p> <p>CTR: 0.72%</p> <p>Number of clicks: 389,082</p> <p>Media relations:</p> <p>Number of press articles published due to media relations activities: 20</p> <p>Sentiment analysis of media coverage (per country): Neutral / Positive</p> <p>Testimonials/ambassadors</p> <p>Number of ambassadors (per country): 4</p> <p>engagement rate generated by testimonials' activities: 6-10%</p> <p>Events: N/A (activity was cancelled)</p>	29.9% increase in awareness of the EU Charter of Fundamental rights	
			3,68% increase in awareness of concrete redress mechanisms	

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Increased awareness on combating antisemitism and fostering Jewish life	Reach: Number of contacts made during the campaign (audited circulation and audience analytics). Other indicators to be defined in function of target audiences, countries and channels selected.	To be defined before launching the project	Terms of reference drafted. Contract expected to be signed in Q2 2023. The campaign is not launched yet, so the results are not available for reporting

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
2022 Charter report	Adoption by the Commission	Q4 2022	Adoption of report on 6 December 2022
Charter training	Training modules implemented: EU Learn training targeted at EU staff on how to ensure that all EU policy and initiatives comply with the Charter	Q3-Q4 2022	Training material has been developed. 4 Courses are planned in May, Sept, Oct, Nov 2023
EU Children's Participation Platform	Contract signed after open tender procedure	Q2-Q3 2022	Contract signed in September 2022
EU Child's Rights Network	Official launch and first activity organised	Q1 2022	Network officially launched on 31 March 2022 by VP Šuica.
The 14th EU forum on the Rights of the Child Q3 2022	Meeting organised	Q4 2022	Meeting organised on 27-29 September 2022, gathering 300 participants (including 50 on-site, notably 12 children as speakers), plus 170 web-streamed peak connections
Renewed Code of conduct on countering illegal hate speech online	New text of the Code of conduct agreed with the IT Companies	Q4 2022	The annex to the Code has been presented on 24 November 2022 along with the results of the 7th monitoring exercise on the Code. Further expansion of the Code may be envisaged for 2023.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Working Group on the implementation of the EU Strategy on combating antisemitism and fostering Jewish life	Two meetings	Q2 and Q4 2022	Meetings took place on 1-2 June in Brussels and 6-7 December in The Hague.
Civil society forum on combating antisemitism	Meeting organised	Q3 2022	Organised on 16-17 November in Brussels.
Funding actions promoting the rights of the child and preventing and combatting racism, xenophobia and other forms of intolerance as well as actions to promote capacity building and awareness on the EU Charter of fundamental rights	Number of action grants Operating grants	Action grants: 58 Operating grants: 10 (Action grants: 57 projects awarded (JUST CERV-2022-EQUAL 40 + JUST CERV-2022-CHILD 10 + EACEA CERV-2022-CHAR-LITI 7) Operating grants: 10 partners (CERV-2022-OG-SGA) of which 5 under the priority "Combat racism and xenophobia" and 5 under the priority "Promote the rights of the child"

Specific objective 3: Improved framework to protect democracy in the European Union

Related to spending programme(s): REC/CERV Programme

Result indicator 3.1: Citizens' perception on democratic participation "my voice counts"

Source of the data: Eurobarometer

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
56%	Increase	Increase	47% There is no specific event/reason for the trend observed.

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
EU action against abusive litigation (SLAPP) targeting journalists and rights defenders – Directive	Adoption by the Commission	Q2 2022	Adopted on 27 April 2022
Recommendation on the protection of journalists and rights defenders facing strategic lawsuits against public participation (SLAPP)	Adoption by the Commission	Q2 2022	Adopted on 27 April 2022

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Increasing citizens' participation, including town twinning and network of towns as well as in the area of remembrance and Union Values.	Number of action grants Number of operating grants	Number of action grants: 118 Number of operating grants: 30	Action grants: 133 projects awarded (EACEA CERV-2022-CITIZENS-REM 33 + EACEA CERV-2022-CITIZENS-CIV 69 + EACEA CERV-2022-CITIZENS-TOWN-NT 31) ³ Operating grants: 44 partners (CERV-2022-OG-SGA) of which 36 under the priority "Promote citizens engagement" and 8 under the priority "Promote European remembrance"
Joint mechanism - resilient electoral processes	Start of operation (launch of call to MS experts)	Q1 2022	2 exchanges took place in 2022

³ Excluding 161 projects awarded under the call town twinning EACEA CERV-2022-CITIZENS-TOWN-TT.

General objective 6: A new push for European democracy

Impact indicator: Rights as citizens of the European Union

Source of the data: Eurobarometer

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
55%	Increase	Increase	56% (Standard EB 96, winter 2021-2022)

Specific objective 4: Increased perception of the status and of the rights conferred by European citizenship

Related to spending programme(s): REC /CERV Programme

Result indicator 4.1: Feeling being a citizen of the EU

Source of the data: standard Eurobarometer

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
73%	Increase	Increase	71% (standard EB 96 winter 2021-2022 There is no specific event/reason for the trend observed)

Main outputs in 2022:

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Consular protection – review of EU rules	Adoption by the Commission	Q3 2022	Postponed to 2023 due to change of political priorities; defence of democracy package.

Enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Consular Protection Directive Implementation Report	Adoption by the Commission	Q2 2022	Adopted on 2/9/2022

Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Guidelines on the implementation of Directive 2004/38 – free movement of persons	Adoption by the Commission	Q4 2022	Q1/Q2 2023 A second round of consultation of Member States was necessary; in addition, the document is very lengthy which will entail translation delays.

Specific objective 5: High level of personal data protection achieved and EU data protection promoted as a global model

Related to spending programme(s): REC/CERV Programme

Result indicator 5.1: Awareness of individuals of the General Data Protection Regulation

Source of the data: Eurobarometer

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
67%	Increase	Increase	77% in 2021 (source: EB n. 514)

Result indicator 5.2: Number of international transfer mechanisms (including adequacy decisions) concerning data protection in third countries

Source of the data: European Commission

Baseline (2019)	Interim Milestone (2021)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
1	Increase	Increase	Following the adoption of the most recent adequacy decisions for the UK (June 2021) and Korea (December 2021), DG JUST finalised the negotiations with the US and launched the adoption procedure for an adequacy decision in December 2022.

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Adequacy decision for Colombia	Adoption by the Commission	Q4 2022	Adequacy dialogue with Colombia is ongoing but has been delayed because for an extended period there was no interlocutor on the Colombian side following the resignation of the head of the Supervisory Authority. Adequacy talks with Mauritius and Taiwan are ongoing. In addition, the intention is to trigger formal adequacy talks with Brazil and two International Organisations (EPO, OECD) in early 2023 (following informal contacts throughout 2022).

Evaluations and fitness checks			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Review of 11 existing adequacy decisions under Directive 95/46 and of Japan adequacy decision	Adoption of report (Commission Communication and Staff Working Document)	Q2 2022	Review completed (draft report) for Japan and nearly finalised for the 11 pre-GDPR adequacy decisions. Reasons for the delay include the need for a common review report for all 11 countries, delays by certain of them in providing complete information for the assessment, legislative developments in several of the countries and the need to negotiate additional safeguards and other solutions for problems identified as regards a number of them (e.g., Canada, Israel, New Zealand).
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
(Model) Framework Agreement for DPA Enforcement Cooperation	First signature with third country	Q2 2022	In preparation (delay due to ongoing discussions in EDPB on data protection requirements for such forms of cooperation which should be reflected).
Report on the application of Law Enforcement Data Protection Directive (LED)	Adoption by the Commission	Q2 2022	Adopted Q3
Report on the evaluation of the application of the Regulation on Data Protection for EU Institutions and Bodies (EUDPR)	Adoption by the Commission	Q2 2022	Adopted Q4
Schengen evaluations (assessment of data protection laws)	Five to six evaluations	By end 2022	6 evaluations (on-site visits, reporting on-going)

Specific objective 6: Eliminate inequalities and discrimination, and promote equality for all

Related to spending programme(s): REC /CERV Programme

Result indicator 6.1: Degree of implementation of Gender Equality Strategy

Source of the data: European Commission

Baseline (2020)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
Strategy adopted	All measures within DG JUST competence due by 2022 implemented	All measures within DG JUST competence due by 2024 implemented	Measures implemented in 2022: Proposal for a Directive combating violence against women and domestic violence Adoption of Directive on gender balance on corporate boards Political agreement on Directive on Pay Transparency Revision of the Barcelona targets on early childhood education and care

Result indicator 6.2: Percentage of EU citizens reporting having personally felt discriminated against or harassed within the previous 12 months in DG JUST area of competence

Source of the data: Special Eurobarometer on Discrimination in the EU (most recent: special EB 493, 2019) In addition, the Fundamental Rights Agency collects data on experiences of discrimination on several grounds through large-scale surveys, such as EU-MIDIS II or EU LGBT survey.

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
17% of the general population 58% of LGBTI people 49% of Roma population	Decrease	Decrease	The next Eurobarometer will be published in 2023

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Recommendation on the revision of the Barcelona targets for the provision of early childhood education and care arrangements for children	Adoption by the Commission	Q3 2022	Commission proposal adopted on 7/9/2022; Council Recommendation adopted on 8/12/2022
Legislative proposal on Binding standards for equality bodies	Adoption by the Commission	Q3 2022	Commission proposal adopted on 9/12/2022
Legislative proposal on preventing and combating violence against women and domestic violence	Adoption by the Commission	Q1 2022	Commission proposal adopted on 8/3/2022
Recommendation on the prevention of harmful practices against women and girls	Adoption by the Commission	Q4 2022	Postponed to end 2023 due the need to prioritise the ongoing legislative negotiations on the Directive combating violence against women.,

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Possible initiative to address gaps in the Racial Equality Directive	Adoption by the Commission	Q4 2022	Study published in November 2022 and legislative initiative to strengthen equality bodies adopted in December 2022.
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Increased awareness on gender stereotypes and on how to challenge them among target audiences in Bulgaria, Czechia, Croatia, Cyprus, Greece, Hungary, Italy, and Poland	Reach: Number of contacts made during the campaign (audited circulation and audience analytics) Other indicators to be defined in function of target audiences, countries and channels selected.	To be defined when media buying plan completed.	Work with contractors ongoing (launch date 2023 tbd) The campaign is not launched yet, so the results are not available for reporting
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Promoting actions in the area of anti-discrimination and gender equality as well as in the area of combating violence.	Number of action grants Number of operating grants	Number of action grants: 85 Number of operating grants: 17	Action grants: 76 projects awarded (JUST CERV-2022-GE 21 + JUST CERV-2022-DAPHNE 46 + JUST CERV-2022-NRCP 9) Operating grants: 17 partners (CERV-2022-OG-SGA) of which 4 under the priority "Prevent gender-based violence", 2 under the priority "Prevent violence against children", 9 under the priority "Promote equality, combat discrimination" and 2 under the priority "Promote gender equality".

General objective:

A European Green Deal



General objective 1: A European Green Deal				
Impact indicator 1: Size of the green economy				
Source of the data: Eurostat (Eurostat online data code: env_ac_egss3)				
Baseline (2017)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest results (2019)	known
Gross value-added: €293 705 million	Increase	Increase	Gross value added: € 325 874 million	
Full-time equivalent employment: 4 260 000 ⁴	Increase	Increase	FTE: 4 535 000	
Impact indicator 2: Circular materials use rate				
Source of the data: Eurostat (Eurostat online data code: sdg_12_41)				
Baseline (2017)	Interim Milestone (2022)	Target (2025 + explanation how the target was agreed)	Latest results (2021)	known
11.5% ⁵	Increase	Increase	11.7% ⁶	

⁴ Corrected based on extraction from ESTAT data in January 2023.

⁵ Corrected based on extraction from ESTAT data in January 2023.

⁶ Eurostat estimate

Specific objective 1: Improved sustainable consumption by empowering consumers and improved integration of sustainability considerations into companies' and companies' boards behaviour through an upgraded corporate governance framework

Related to spending programme(s): Consumer / Single Market Programme (only for result indicator 1.1)

Result indicator 1.1: Percentage of consumers declaring they opted for environmentally sustainable (based on label, logo, footprint or durability/reparability information, etc.) goods and services influenced their choice during their purchases in the last month.

Source of the data: Consumer Conditions scoreboard

Baseline (2018)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
55% overall ⁷ , 19% for most purchases (EU27)	Increase	Increase	56% overall, 20% for most purchases (EU27)

Result indicator 1.2: Percentage of companies carrying out due diligence to prevent, mitigate and account for adverse sustainability impacts in their value chain

Source of the data: DG JUST

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
33 % of business respondents to Commission study	-	Increase	N/A

⁷ 2018 baseline figures corrected to refer to EU27 (the initial figures included the UK).

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Proposal for a legislative initiative to empower consumers for the green transition	Adoption by the Commission	Q1 2022	30/03/2022
Proposal for a legislative initiative on sustainable corporate governance Co-lead with DG GROW	Adoption by the Commission	Q1 2022	Proposal for a Directive on Corporate Sustainability Due Diligence (COM(2022)71) adopted on 23 February 2022
Proposal for a legislative initiative to promote sustainability in consumer after-sales and a new consumer right to repair	Adoption by the Commission	Q3 2022	Proposal postponed to Q1 2023 in order to further develop and revise the accompanying impact assessment.

Enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Coordinated enforcement actions by the Consumer Protection Cooperation (CPC) Authorities to address unfair green claims and unfair obsolescence	Number of coordinate actions Availability of specific enforcement guidelines	Continuous	2 relevant CPC coordinated actions are on-going, regular discussions on these issues are held at CPC network meetings (3 per year), Member States presenting their own relevant actions and where possible requiring businesses to extend their change of practices to the entire EU

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Support to interinstitutional negotiations on the banking package	Progress/adoption by co-legislators	Q4 2022 / Q1 2023	Council General Approach of 8 November 2022

General objective:

A Europe fit for the digital age



General objective: A Europe fit for the digital age

Impact indicator: Consumer conditions index⁸

Source of the data: Consumer Conditions Scoreboard (based on consumer and retailer surveys with biennial frequency)

Baseline (2018)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
63	Increase	Increase	-0.85 points compared to baseline (based on fully comparable indicators) ⁹

Specific objective 1: Consumers are empowered and better protected

Related to spending programme(s): Consumer / Single Market Programme

Result indicator 1.1: Percentage of consumers who think that in general retailers/providers respect their rights as consumers.

Source of the data: Consumer Conditions scoreboard

Baseline (2018)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
71,3% ¹⁰	Increase	Increase	76.2%

⁸ Reassessment of the Consumer Conditions Scoreboard is envisaged before 2024.

⁹ The methodology for the Consumer Conditions Index has changed. For the purpose of this report, the comparison of the 2022 results with the baseline (2018) is done based on fully comparable indicators for the EU27 and without including Trust in product safety.

¹⁰ The figure corrected to refer to EU27 in 2018 (previous referred to EU28).

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Proposal for a directive amending Directive 2002/65/EC on the Distance Marketing of Consumer Financial Services- Review of EU rules	Adoption by the Commission	Q2 2022	11/05/2022
Commission Decision on the safety requirements to be met by European standards for certain children's and related products pursuant to Directive 2001/95/EC of the European Parliament and of the Council	Adoption by the Commission	Q1 2022	Scrutiny period ending in February 2023

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Review of the Package Travel Directive	Adoption by the Commission	Q4 2022	Evaluation and IA commenced. The adoption is foreseen for Q3 2023. The target date of this initiative was moved to 2023 in order to coordinate its timing with the related review of passenger rights carried out by the Directorate-General for Mobility and Transport

Evaluations and fitness checks

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Evaluation: Reports on the functioning of the ADR/ODR legislation as requested by the legislation (art 26/art 21)	Draft ADR/ODR report(s) finalised	Mid 2022	Reports have been completed end 2022 and contracts closed. Due to the inclusion in the 2023 Commission work programme, adoption of these reports is now foreseen for May 2023 as supporting documents for the package.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Evaluation: Report on the functioning of CPC Regulation as requested by the Regulation (art 40)	Draft CPC report finalised	Mid 2022	Reports have been completed end 2022 and contracts closed. Due to the inclusion in the 2023 Commission work programme, adoption of these reports is now foreseen for May 2023 as supporting documents for the package.
Public consultations			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Public consultation on ADR/ODR and CPC legislation	Summary report on ADR/ODR and CPC legislation PA	Mid 2022	Published. Sept 2022
Public consultation on the review of the Package Travel Directive	Publication of the summary of the public consultation	Q3 2022	The summary of the public consultation was published in Q3 2022.
Enforcement actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Daily management and running of Safety Gate, the rapid alert system of dangerous goods	Timely treatment of information respecting deadlines for action Commission included in Commission Decision 2019 (417)	Business Continuity ensured	Business continuity ensured
Coordinated Activities on the Safety of Products (CASP) 2022	6 Product activities and 4 horizontal activities and an extra Coordinated Activities on the Safety of Products (CASP) focusing on child appealing and food imitating products. Participation covering all MSs.	Conclusion Q4 2022	Activities running or completed
Support Member states in their work on the transposition of the Directive (EU) 2020/1828 representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC	3 transposition workshops with Member States	in Q1, Q2 and Q4 2022	All workshops took place as scheduled

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Coordinated actions, including sweeps, carried out by the CPC (Consumer Protection Cooperation) network	Number of actions published	End 2022	10 CPC actions published (26 ongoing)
Publication of a report on Consumer law enforcement priorities 2022-2023	Report published	End of Q1 2022	Published. March 2022
Informal EU/US cooperation on enforcement of consumer law vis à vis platforms	Report on topics covered presented in a public event with the Commissioner participation	End 2022	The event is now planned for mid-2023 as the dialogue started only mid-2022
E-lab	Number of users of the E-lab	End 2022	113

External communication actions

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Safety Gate annual event to present the 2021 results of the Safety Gate rapid alert system for dangerous products	Participation of 20 journalists	Q1 2022	The event took place on 25 April 2022 due to the outbreak of the war against Ukraine
Increased awareness of consumers and SMEs about specific changes in consumer rights	Reach: number of contacts made during the campaign	300.000 Q1 and Q3 2022	Strand targeting consumers (channels used – GDN (Google Display Ads) Impressions – 144,193,247, Clicks 2,221,985, CTR (Click-through rate) 1.54%, CPC (Cost per Click) 0.04 Strand targeting SMEs (channel used GDN) Impressions – 91,774,438, Clicks 1,935,000, CTR 2.11%, CPC 0.03.
International Product Safety Week	500 participants worldwide	Q4 2022	The event took place 14-17 November 2022 with over 640 participants

Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
eSurveillance webcrawler: tool to help national authorities trace dangerous products online	Testing phase by national authorities will conclude end 2021	Launch of the tool Q1 2022	Launched officially 25/04/2022. Working in good conditions with the participation of all the concerned national authorities
Collaboration tool to support the functioning of the Directive (EU) 2020/1828 representative actions for the protection of the collective interests of consumers	Beta testing	Q4 2022	Developing of the IT tool and testing ongoing
Consumer Law ready (training of SMEs in consumer law)	Trainings of lead trainers and local trainers	During the year	56 trainings in various Member States
Financing of specific actions to promote the protection of children's economic interest in online markets	Contract signed under CNECT management	Q3 2022	Money transferred to DG CNECT, contract launched, evaluation planned for Q1 2023
New Consumer scoreboard focus on foresight report		Q1 2022	Report on foresight to be published early 2023
Continuous support to various networks: ADR entities, ECC-Net, ADR/ODR contact points, CPC authorities	Nb of Workshops to exchange knowledge organised Credits granted efficiently	Continuous	All credits planned have been granted on time. 47 meetings and workshops organised with the various networks
Consumer Law Pledge	Signature by all present Product Safety Pledge signatories	Signature by online platforms by end 2022	Discussions on the extension of the Product Safety Pledge to a Consumer Protection Pledge are still ongoing. As part of these discussions an innovative Pilot project was launched in Q3 of 2022 exploring stronger cooperation between consumer organisations and online marketplaces.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Action Plan on the safety of products sold online – to be signed between the General Administration of China Customs (GACC) and DG JUST	Regular rapid exchanges on products sold online in the framework of the RAPEX-China scheme, information exchange and awareness raising during workshops and trainings.	Endorsement in Q1, followed by implementation. Signature is expected later, together with the Administrative Arrangement (in Q4).	Inter-service consultation concluded with positive opinion of all concerned services in August 2022.
Administrative Arrangement on non-food product safety cooperation between the General Administration of China Customs (GACC) and DG JUST	Renewing the Memorandum of Understanding on product safety cooperation, enabling to continue the existing information exchange in the framework of the RAPEX-China scheme.	Signature in Q4 during the International Product Safety Week.	Inter-service consultation concluded with positive opinion of all concerned services in January 2023.

General objective 2: A Europe fit for the digital age

Impact indicator: The share of companies adopting artificial intelligence

Source of the data: European Commission Study on AI

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
25%	Increase	Increase	No data published in 2022

Specific objective 2: A human-centric legal framework for Artificial intelligence that protects citizens and promotes cross border trade

Related to spending programme(s): Not applicable

Result indicator 2.1: A high level of prevention of AI-related breaches of citizens' fundamental rights and effective enforcement of fundamental rights where AI is used

Source of the data: The target will be assessed based on Member States' application of new legislation with respect to the human and ethical dimensions of AI use

Baseline (2020)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
<p>Lack of coordinated approach to the human and ethical dimensions of AI use. [The EU has a comprehensive framework to protect fundamental rights and ensure a high level of consumer protection. However, it can be challenging to ascertain AI compliance with this framework, as AI applications can be difficult to understand (opacity) or foresee in their "behaviour". Further issues relating to effective enforcement need to be explored during the impact assessment.]</p>	<p>The Commission's proposal for a coordinated approach to the human and ethical dimensions of AI use</p>	<p>Application of new EU legislation with the aim that AI systems posing risks to fundamental rights are adequately documented and competent third parties can test the systems</p>	<p>Legislation not yet adopted.</p>

Result indicator 2.2: Civil liability challenges posed by AI are addressed through harmonised rules.

Source of the data: With respect to liability for AI, the baseline relies on the report from the Expert Group on Liability and New Technologies (New Technologies Formation) as well as the White Paper on AI and the Commission Report on the safety and liability implications of AI. The target will be assessed based on the transposition measures to be notified by Member States in accordance with a possible Directive.

Baseline (2020)	Interim Milestone (2023)	Target (2025 + explanation how the target was agreed)	Latest known results (2022)
Lack of AI-specific civil liability rules addressing the challenges posed by AI.	Adoption of an EU-instrument with harmonised civil liability rules addressing the specific challenges posed by AI.	Implementation / transposition of harmonised civil liability rules addressing the specific challenges posed by AI.	The Commission adopted on 28 September 2022 the Proposal for an AI Liability Directive (COM/2022/496 final).

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Proposal for a Directive on civil law liability for Artificial Intelligence applications (together with DG GROW work on the product liability directive)	Adoption by the Commission	Q3 2022	The Commission adopted on 28 September 2022 the Proposal for an AI Liability Directive (COM/2022/496 final).

General objective 2: A Europe fit for the digital age

Impact indicator: Enterprises selling online

Source of the data: Eurostat (Eurostat online data code: isoc_ec_eseln2)

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
15.5% ¹¹	Increase	Increase	17% ¹²

Specific objective 3: Company law improves conditions for companies, including SMEs, in particular to operate and expand cross-border and to use digital tools.

Related to spending programme(s): Prerogative Annual Work Programme 2020 and SMP as from 2021

Result indicator 3.1: Number of cross-border operations of companies (mergers, conversions, divisions)

Source of the data: Business registers interconnection system (BRIS)

Baseline (2019)	Interim Milestone	Target (2024+ explanation how the target was agreed)	Latest known results (2022)
(2019) 499 Cross-border mergers (N.B. this figure includes cross-border mergers of UK companies)	-	(2024) Increase	372 Cross- border mergers (N.B. this figure does not include cross- border mergers of UK companies)

¹¹ Corrected based on extraction from ESTAT data in January 2023.

¹² Eurostat estimate

Baseline (2019)	Interim Milestone	Target (2024+ explanation how the target was agreed)	Latest known results (2022)
(2018) 162 Cross-border conversions (N.B. this figure includes crossborder conversions of UK companies)		Increase	This data will start to be collected by BRIS (Business Register Interconnection System) starting from 31 January 2023, and may not be complete until all Member States implement Directive (EU) 2019/2121
(2018) 235 Cross-border divisions (N.B. this figure includes cross-border divisions of UK companies)		Increase	This data will start to be collected by BRIS starting from 31 January 2023, and may not be complete until all Member States implement Directive (EU) 2019/2121

Result indicator 3.2: Number of simple searches for company information in Business Registers Interconnection system (BRIS)

Source of the data: Business registers interconnection system

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
334,490 ¹³ of company simple searches, including UK companies	Increase	Increase	306,638 835 of company simple searches, excluding UK companies

Main outputs in 2022:

Public consultations

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Public consultation on upgrading digital company law	Summary report	Q2 2022	Public consultation in all languages launched in January 2022. Feedback statement published in June 2022.

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Impact assessment supporting the proposal for a legislative initiative on upgrading digital company law	Submission to RSB or Impact assessment ready	Q4 2022	Positive opinion of the RSB (Regulatory Scrutiny Board) on 14 October 2022
BRIS implementation report	Publication of the Report	Q4 2022	Postponed to Q1 2023

¹³ The searches created by attempts to connect automatically to the system have been removed.

General objective 4: Promoting our European way of life

Specific objective 1: Improved cross-border cooperation in civil and criminal matters

Related to spending programme(s): Justice Programme, Digital Europe Programme

Result indicator 1.1: Annual number of legal practitioners participating in training on EU law in the EU

Source of the data: DG Justice Annual report on European judicial training, based on data collected from the national training institutions for legal practitioners

Baseline (2018)	Interim Milestone (2022)	Target (2024+ explanation how the target was agreed)	Latest known results (2022 report – 2021 data)
190 000	245 000	300 000 The target is based on the number of justice professionals in EU and differences in training absorption by profession.	240 000 The 245.000 milestone is for 2022 data and the reported 240.000 is for 2021 data (2022 report). 2022 data will be included in the next year's report due to reporting cycle. The decrease reported is the consequence of the unexpected pick-up of participation in 2020 reported in 2021 report that was caused by the pandemic: activities moved online and professionals were available to participate in big numbers.

Result indicator 1.2: Number of hits on the e-Justice Portal / pages addressing the need for information on cross-border civil and criminal cases

Source of the data: European e-Justice Portal

Baseline (2020)	Interim Milestone (2022)	Target (2024+ explanation how the target was agreed)	Latest results (2022)	known
4.6 million visits	5.6 million visits	6.7 million The target is based on previous historical trends, assuming 10% annual growth rate	5.7 million visits	

Result indicator 1.3: Number of exchanges via the European Criminal Records Information System (ECRIS)

Source of the data: Member State and eu-LISA statistics

Baseline (2020)	Interim Milestone (2022)	Target (2024+ explanation how the target was agreed)	Latest results (2022)	known
4.1 million	4.5 million	5 million The 2024 target was established in 2019 knowing that the UK would leave. Despite Brexit, we envisage yearly increases of circa 200 000 between 2019 and 2024, except in unusual (COVID) periods.	4.77 million	

Result indicator 1.4: Number of the hits on the guides and factsheets on the e-Justice Portal

Source of the data: e-Justice Portal

Baseline (2019)	Interim Milestone (2022)	Target (2024+ explanation how the target was agreed)	Latest results (2022)	known
963 428	Increase	Increase	2 254 200	

Result indicator 1.5: The average time of the surrender procedure (number of days between the arrest and the decision on the surrender of the person sought) under the European Arrest Warrant in cases where the person consents to the surrender

Source of the data: EAW annual statistics

Baseline (2018)	Interim Milestone (2022)	Target (2024+ explanation how the target was agreed)	Latest known results (2022)
16,5	14	10	44.6 This increase is mainly due to the very high number reported by Greece for 2020 (521 days). Greece did not provide any information/additional comment related to the considerable increase compared to 2019 (when Greece reported an average of only 20.66 days). Another reason for the longer duration in 2020 is the COVID-19 crisis.

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Proposal for an initiative on Enhancing the convergence of insolvency laws	Adoption by the Commission	Q3 2022	Adopted on 7 December 2022
Proposal for Recognition of parenthood	Adoption by the Commission	Q3 2022	Adopted on 7 December 2022
Proposal for a Directive on transfer of proceedings in criminal matters	Adoption by the Commission	Q3 2022	To be adopted in Q2 2023
Recommendation of the Commission on detention	Adoption by the Commission	Q4 2022	Adopted on 8 December 2022

Initiatives linked to regulatory simplification and burden reduction			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Proposal for the amendment of the Victims' Rights Directive	Adoption by the Commission	Q4 2022	Planned date for adoption: 28 June 2023
Enforcement actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Recommendation on cooperation agreements between the European Public Prosecutor's Office (EPPO) and selected third States	Adoption by the Commission	Q4 2022	Postponed in order to further discuss the issue with the EPPO
Report on the implementation of the Directive on procedural safeguards for children	Adoption by the Commission	Q3 2022	Finalised in December 2022
Report on the implementation on the Directive on Legal Aid	Adoption by the Commission	Q2 2022	To be adopted in Q1 2023
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Increased awareness of citizens about victims' rights	Reach: total number of contacts made during the campaign	15 mil Q1 & Q2 2022	The campaign is launched in January 2023.
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
DG Justice and consumers Annual report on European judicial training	Annual number of justice professionals participating in training on EU law in the EU	201 000 (2021 report–2020 data) 278 000 (2025 report–2024 data)	240 000 ¹⁴ (2022 report ¹⁵ –2021 data).

¹⁴ This figure is a lower estimate, due to some gaps in the data. The data are based on information received from Member States, training providers and professional organisations and may be incomplete.

¹⁵ [European-judicial-training-2022.pdf \(europa.eu\)](#)

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Actions in the area of judicial cooperation and judicial training	Number of action grants Number of operating grants	Action grants: 27 Operating grants: 8	Action grants: 23 projects awarded (JUST-2022-JCOO 12 + JUST-2022-JTRA 11) Operating grants for 2023 under Framework Partnership Agreements (JUST-2022-JCOO-JACC-OG-SGA) in the area of facilitating and supporting judicial cooperation in civil and/or criminal matters: 8 Operating grant to beneficiary identified in the legal base – EJTN: 1
Support discussions and negotiations in the Council of Europe on a new legal instrument on the cooperation between the EPPO and the competent authorities of the States Parties to the 1959 European Convention on Mutual Assistance in Criminal Matters	Adoption of a mandate to negotiate a new Convention/Protocol by the Council of Europe's Committee of Ministers	Q1/Q2 2022	Postponed in light of further discussions with Member States and the EPPO
Implementation of ECRIS-TCN and ECRIS- adoption of implementing acts referred to in Regulation 2019/816 and Directive 2019/884	Adoption by the Commission	Q1/Q2 2022	Adopted on 14 December 2022

General objective 4: Promoting our European way of life

Specific objective 2: Improved access to justice for citizens and facilitated cross-border cooperation for judicial authorities through better use of digital technologies

Related to spending programme(s): Digital Europe Programme, Justice Programme, other relevant MFF 2021-2027 funding instruments

Result indicator 2.1: Availability of electronic means in courts

Source of the data: EU Justice Scoreboard

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
Baseline redefined, following the review of the Justice Scoreboard's indicators: Availability of digital solutions to initiate and follow proceedings in civil/commercial and administrative cases in at least 75% of the explored use cases - 10 Member States	Interim Milestone defined, following the review of the Justice Scoreboard's indicators: Availability of electronic means covering at least 75% of the explored used cases in more Member States	Target redefined, following the review of the Justice Scoreboard's indicators: Availability of electronic means covering at least 75% of the explored used cases in most Member States	75% of the explored used cases in 12 Member States

Result indicator 2.2: Proportion of proposed legislative revisions that include burden reduction measures

Source of the data: DG JUST

Baseline (2019)	Interim Milestone (2022)	Target (2024 + explanation how the target was agreed)	Latest known results (2022)
Baseline redefined, following the review of the Justice Scoreboard's indicators: Availability of digital solutions to conduct and follow court proceedings in criminal cases in at least 75% of the explored used cases - 3 Member States	Interim milestone redefined, following the review of the Justice Scoreboard's indicators: Availability of electronic means covering at least 75% of the explored used cases in more Member States	Target redefined, following the review of the Justice Scoreboard's indicators: Availability of electronic means covering at least 75% of the explored used cases in most Member States	75% of the explored used cases in 4 Member States

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
e-CODEX implementing act	Implementing act adopted	Q4 2022	Two of the three acts were adopted. The adoption of the third act took place in January 2023.

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Webinars on practical uses of Artificial Intelligence applications in the justice field	Number of organised webinars	At least two webinars organised by the end of Q4 2022	Three thematic webinars were organised.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Actions improving access to justice including e-Justice	Number of action grants Number of operating grants	Number of action grants: 4 Number of operating grants: 8	Action grants: 4 projects awarded (JUST-2022-EJUSTICE) Operating grants for 2023 under Framework Partnership Agreements (JUST-2022-JCOO-JACC-OG-SGA) in the area of access to justice: 7
Task force bringing together the Commission and JHA actors to support the implementation of 'hit/no-hit' mechanisms between relevant agencies	Final report produced	Q4 2022	The Task Force did not meet in 2022 and did not conclude its work. No final report was produced. Instead, the Commission has started to work on a solution combining the hit/no-hit mechanism between relevant agencies with a judicial cases cross-check mechanism for the Member States.
Conclusion of the negotiations with the co-legislators on the Commission proposal on the Digitalisation EU cross-border judicial cooperation	Adoption	Q4 2022	In December the Council adopted its General Approach. The European Parliament's position is expected in February 2023.

ANNEX 3: Draft annual accounts and financial reports

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

Table 16 : Commitments co-delegation type 3 in 2022

Additional comments

1. Financial Reports

Commitments (Table 1)

In terms of the use of commitment appropriations, the implementation rate reached 98% which amounts to EUR 269.68 million out of EUR 275.41 million including both decentralised and executive agencies, which is in line with previous years' implementation rates (97%).

Payments (Table 2)

As far as payment appropriations are concerned 98% (EUR 248.8 million out of EUR 253.62 million) have been implemented during the year 2022.

Breakdown of commitments to be settled (Table 3)

The total amount of open commitments to be settled increased by 1% as compared to 2021 and a rate of settled commitments which reached 30.8%

Income (Table 7)

The DG JUST income increased by five times comparing with 2020 (EUR 360,9 million vs EUR 30,9 million). This increase is mainly due to two infringement cases for Poland.

2. Draft Annual Accounts

Methodology

The annual accounts of DG Justice have been prepared in accordance with the general accounting principles. Estimations have been made where necessary as laid out by the Accountant of the European Commission.

It should be noted that the balance sheet and economic outturn account presented in Annex 3 to this Annual Activity Report, represent only the (contingent) assets, (contingent) liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and economic outturn account they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Balance Sheet (Table 4)

The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer. Non-current assets show the long-term share of pre-financings. In 2021, there is an increase of 46% of current assets compared to 2020 explained by the increase in current pre-financing

Economic outturn account (Table 5)

Operating Revenues

Operating revenues increased in respect with last year mainly due to the increase in the exchange revenues

3. Management reporting

Payment times (Table 6)

Very good performance in registering payments , with no % late payment during 2022. Due to sustained efforts that were put in place and actions taken to closely monitor the payments

Recovery Context (Table 8)

This table shows recovery orders and invoices recorded in the financial system 2022 with a mentioning of error or irregularity as reason for issuing the recovery or reducing the invoice.

Most of the undue payments recovered in 2022 amounts at EUR 1 million and comes from recovery from pre-financing

Negotiated Procedures (Tables 11 and 12)

4 open procedure contracts with a total value of EUR 9,3 million were awarded by the relevant Authorising Officer

1 Negotiated procedure middle value contract (Annex 1 - 14.2) with a value of EUR 0,05 million

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for DG JUST					
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
Title 02 European Strategic Investments					
02	02 03	Connecting Europe Facility (CEF)	0,00	0,00	0,00 %
	02 04	Digital Europe programme	4,14	4,14	100,00 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0,59	0,59	100,00 %
Total Title 02			4,73	4,73	100,00 %
Title 03 Single Market					
03	03 01	Support administrative expenditure of the 'Single Market' cluster	0,04	0,04	100,00 %
	03 02	Single Market Programme	6,29	6,29	100,00 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00	0,00	0,00 %
Total Title 03			6,33	6,33	100,00 %
Title 07 Investing in People, Social Cohesion and Values					
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	1,03	0,97	94,94 %
	07 02	European Social Fund Plus (ESF+)	0,00	0,00	0,00 %
	07 06	Rights and Values	74,12	73,28	98,86 %
	07 07	Justice	50,71	47,29	93,25 %
	07 10	Decentralised agencies and European Public Prosecutor's Office (EPPO)	135,51	134,11	98,97 %
	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0,85	0,85	100,00 %
Total Title 07			262,22	256,50	97,82 %
Title 10 Migration					
10	10 02	Asylum, Migration and Integration Fund (AMIF)	2,02	2,02	100,00 %
Total Title 10			2,02	2,02	100,00 %
Title 12 Security					
12	12 02	Internal Security Fund (ISF)	0,06	0,06	100,00 %
Total Title 12			0,06	0,06	100,00 %
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0,06	0,04	73,05 %
Total Title 20			0,06	0,04	73,05 %
Total Excluding NGEU			275,41	269,68	97,92 %
Total DG JUST			275,41	269,68	97,92 %

* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

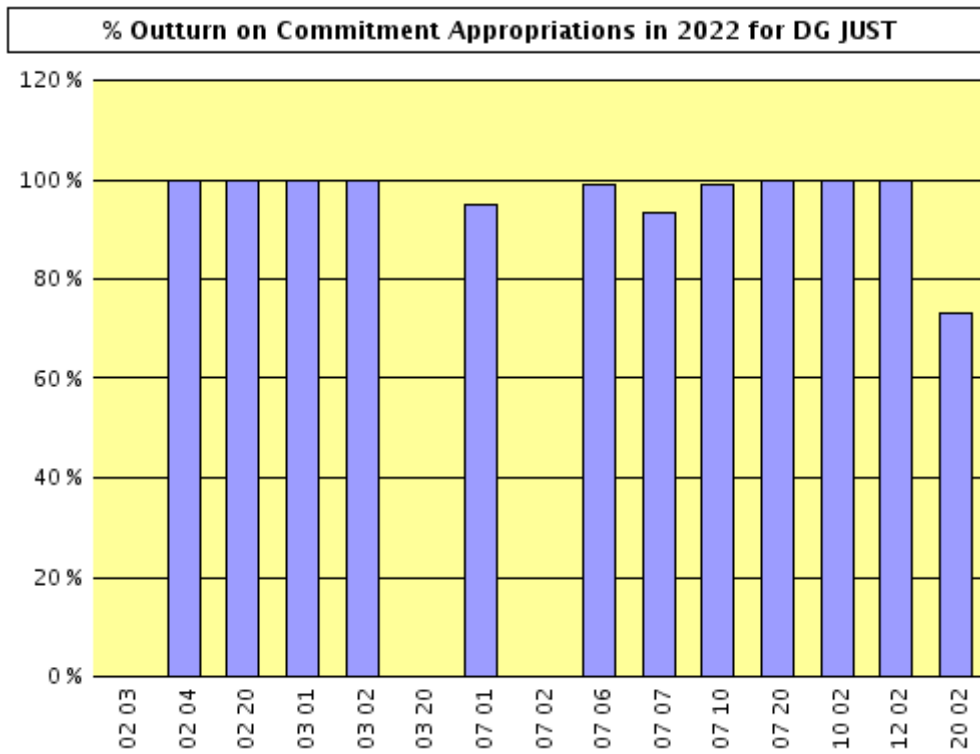


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2022 (in Mio €) for DG JUST					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 European Strategic Investments					
02	02 03	Connecting Europe Facility (CEF)	2,27	2,01	88,35 %
	02 04	Digital Europe programme	0,76	0,76	100,00 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00	0,00	0,00 %
Total Title 02			3,03	2,77	91,27%
Title 03 Single Market					
03	03 01	Support administrative expenditure of the 'Single Market' cluster	0,54	0,27	49,95 %
	03 02	Single Market Programme	6,01	5,79	96,37 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0,07	0,07	100,00 %
Total Title 03			6,61	6,13	92,65%
Title 07 Investing in People, Social Cohesion and Values					
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	1,54	1,03	66,88 %
	07 02	European Social Fund PLus (ESF+)	0,00	0,00	0,00 %
	07 06	Rights and Values	59,42	58,27	98,07 %
	07 07	Justice	46,18	45,26	97,99 %
	07 10	Decentralised agencies and European Public Prosecutor's Office (EPPO)	134,42	133,02	98,96 %
	07 20	Pilot projects, preparatory actions, prerogatives and other actions	1,13	1,11	98,46 %
Total Title 07			242,69	238,69	98,35%
Title 10 Migration					
10	10 02	Asylum, Migration and Integration Fund (AMIF)	1,04	1,02	98,22 %
Total Title 10			1,04	1,02	98,22%
Title 12 Security					
12	12 02	Internal Security Fund (ISF)	0,14	0,14	100,00 %
Total Title 12			0,14	0,14	100,00%
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0,12	0,07	58,82 %
Total Title 20			0,12	0,07	58,82%
Total Excluding NGEU			253,62	248,80	98,10%
Total DG JUST			253,62	248,80	98,10 %

* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

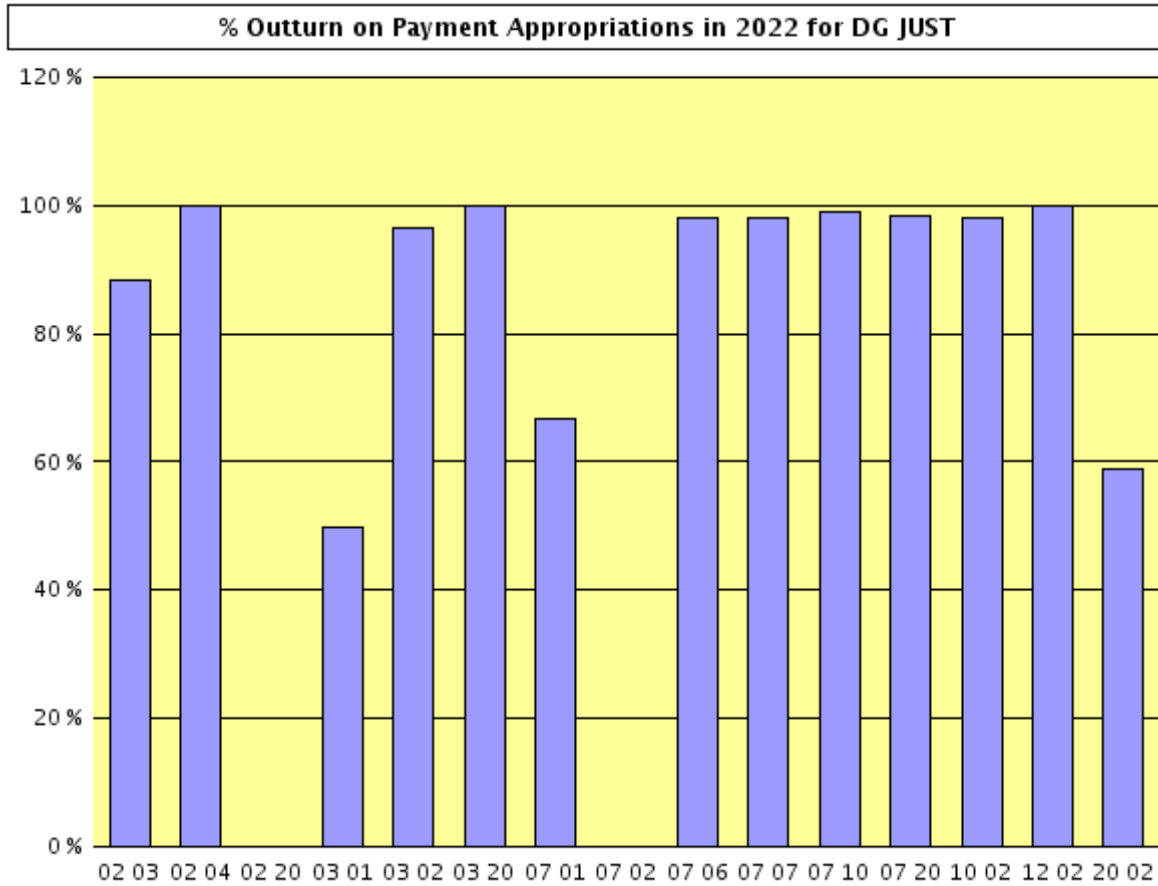


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG JUST									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 03	Connecting Europe Facility (CEF)	0,00	0,00	0,00	0,00%	2,77	2,77	4,78
	02 04	Digital Europe programme	4,14	0,00	4,14	100,00%	4,33	8,46	5,09
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0,59	0,00	0,59	100,00%	0,35	0,94	0,35
Total Title 02			4,73	0,00	4,73	100,00%	7,45	12,18	10,22
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG JUST									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 01	Support administrative expenditure of the 'Single Market' cluster	0,04	0,02	0,02	38,95%	0,00	0,02	0,50
	03 02	Single Market Programme	6,29	0,15	6,14	97,61%	5,87	12,01	13,21
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00	0,00	0,00	0,00%	0,56	0,56	0,63
Total Title 03			6,33	0,17	6,15	97,24%	6,43	12,59	14,33
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG JUST									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0,97	0,73	0,25	25,57%	0,00	0,25	0,51
	07 02	European Social Fund Plus (ESF+)	0,00	0,00	0,00	0,00%	0,00	0,00	0,00
	07 06	Rights and Values	73,28	28,85	44,43	60,63%	47,17	91,60	80,08
	07 07	Justice	47,29	26,45	20,84	44,07%	40,02	60,86	71,76
	07 10	Decentralised agencies and European Public Prosecutor's Office (EPPO)	134,11	130,32	3,79	2,83%	8,15	11,94	10,85
	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0,85	0,00	0,85	100,00%	2,94	3,79	4,17
Total Title 07			256,50	186,34	70,16	27,35%	98,28	168,44	167,36
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG JUST									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
10	10 02	Asylum, Migration and Integration Fund (AMIF)	2,02	0,02	2,00	98,84%	1,62	3,62	2,76
Total Title 10			2,02	0,02	2,00	98,84%	1,62	3,62	2,76
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG JUST									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
12	12 02	Internal Security Fund (ISF)	0,06	0,00	0,06	100,00%	0,01	0,06	0,18
Total Title 12			0,06	0,00	0,06	100,00%	0,01	0,06	0,18
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG JUST									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 02	Other staff and expenditure relating to persons	0,04	0,03	0,02	38,31%	0,00	0,02	0,06
Total Title 20			0,04	0,03	0,02	38,31%	0,00	0,02	0,06
Total Excluding NGEU			269,68	186,57	83,11	30,82%	113,79	196,90	194,92
Total for DG JUST			269,68	186,57	83,11	30,82 %	113,79	196,90	194,92

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2022 JUST

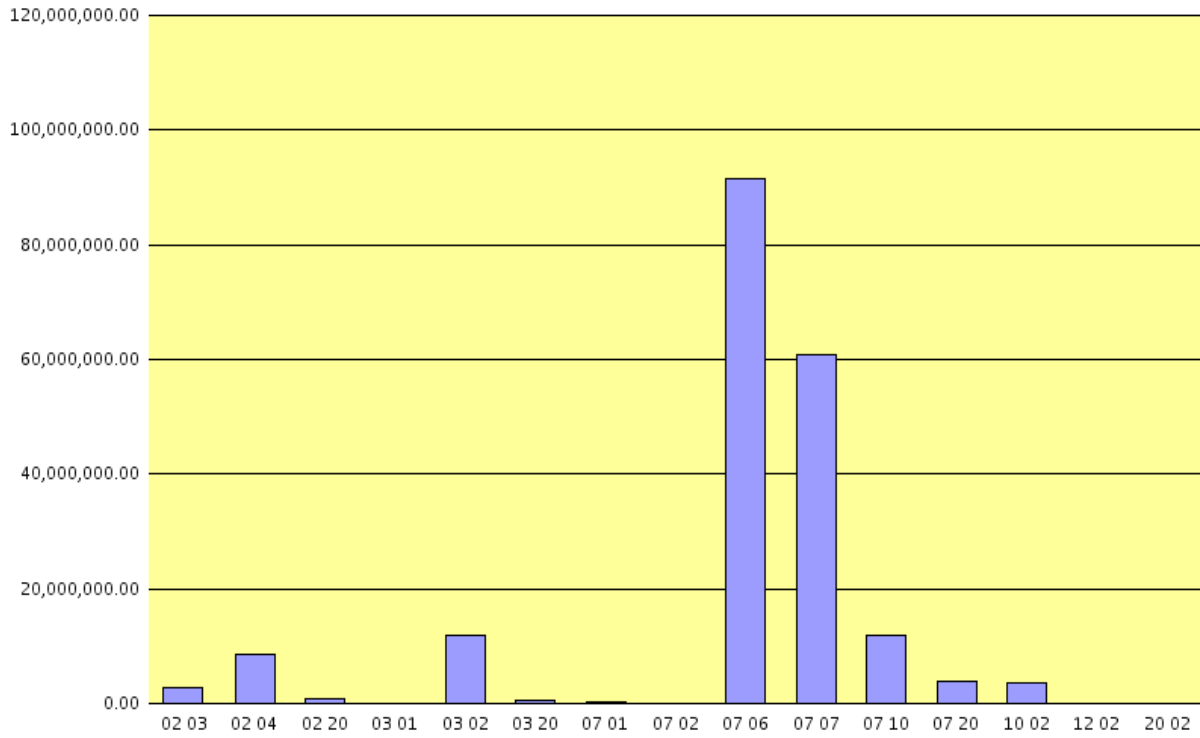


TABLE 4 : BALANCE SHEET for DG JUST

BALANCE SHEET	2022	2021
A.I. NON CURRENT ASSETS	10.560.586,92	11.076.559,85
A.I.1. Intangible Assets	10.560.586,92	11.076.559,85
A.II. CURRENT ASSETS	540.901.635,03	179.574.536,32
A.II.2. Current Pre-Financing	179.625.126,59	177.737.021,02
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	361.276.508,44	1.837.515,30
ASSETS	551.462.221,95	190.651.096,17
P.II. CURRENT LIABILITIES	-504.171,73	-877.507,81
P.II.4. Current Payables	-504.171,73	-877.507,81
P.II.5. Current Accrued Charges & Defrd Income	0,00	0,00
LIABILITIES	-504.171,73	-877.507,81
NET ASSETS (ASSETS less LIABILITIES)	550.958.050,22	189.773.588,36
P.III.2. Accumulated Surplus/Deficit		1.328.190.623,67
Non-allocated central (surplus)/deficit*	-1.879.148.673,89	-1.335.331.558,74
TOTAL DG JUST	0,00	0,00

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG JUST

STATEMENT OF FINANCIAL PERFORMANCE	2022	2021
II.1 REVENUES	-360.603.533,24	-20.426.935,51
II.1.1. NON-EXCHANGE REVENUES	-360.675.976,96	-23.744.449,39
II.1.1.5. FINES	-360.000.000,00	-23.099.000,00
II.1.1.6. RECOVERY OF EXPENSES	-105.226,96	-96.116,39
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-570.750,00	-549.333,00
II.1.2. EXCHANGE REVENUES	72.443,72	3.317.513,88
II.1.2.2. OTHER EXCHANGE REVENUE	72.443,72	3.317.513,88
II.2. EXPENSES	242.188.096,47	203.059.588,80
II.2. EXPENSES	242.188.096,47	203.059.588,80
II.2.10. OTHER EXPENSES	10.064.394,86	14.716.771,59
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	101.214.337,23	85.730.829,31
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	130.907.949,44	102.728.278,75
II.2.6. STAFF AND PENSION COSTS	0,00	-116.593,98
II.2.8. FINANCE COSTS	1.414,94	303,13
STATEMENT OF FINANCIAL PERFORMANCE	-118.415.436,77	182.632.653,29

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5bis : OFF BALANCE SHEET for DG JUST

OFF BALANCE	2022	2021
OB.1. Contingent Assets	135.082,10	99.957,10
GR for performance	135.082,10	99.957,10
GR for pre-financing	0,00	0,00
OB.4. Balancing Accounts	-135.082,10	-99.957,10
OB.4. Balancing Accounts	-135.082,10	-99.957,10
OFF BALANCE	0,00	0,00

TABLE 6 : Payment time for DG JUST

Payment time- Table 6

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	862	857	99,42 %	14,49	5	0,58 %	37,60	413.100,79	0, %
45	9	9	100,00 %	23,11				0,00	0, %
60	111	111	100,00 %	28,68				0,00	0, %
90	202	198	98,02 %	64,69	4	1,98 %	100,25	232.205,11	2, %

Total Number of Payments	1.184	1.175	99,24 %		9	0,76 %		645305,9	0, %
Average Net Payment Time	24,66976351			24,36			65,44		
Average Gross Payment Time	31,19763514			30,868936			74,11111		

Suspensions							
Average Report Approval Suspension	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	36	215	18,16 %	1.184	15.457.361,15	6,22 %	248.699.066,70

Late Interest paid in 2022			
DG	GL Account	Description	Amount (Eur)
JUST	65010100	Interest on late payment of charges New FR	1.414,94
			1.414,94

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2022 for DG JUST

Chapter	Revenue and income recognized			Revenue and income cashed from			Outstanding balance	
	Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total		
	1	2	3=1+2	4	5	6=4+5	7=3-6	
40	Revenue from investments and accounts	0,00	272,19	272,19	0,00	0,00	0,00	272,19
42	Fines and penalties	360.023.750,00	15.327,26	360.039.077,26	7.750,00	0,00	7.750,00	360.031.327,26
61	Cohesion, resilience and values	5.979.378,04	77.352,21	6.056.730,25	5.367.859,48	77.352,21	5.445.211,69	611.518,56
65	Neighbourhood and the world	547.000,00	0,00	547.000,00	547.000,00	0,00	547.000,00	0,00
66	Other contributions and refunds	0,00	0,00	0,00	0,00	0,00	0,00	0,00
67	Completion for outstanding recovery orders prior to 2021	-997.747,14	2.071.391,44	1.073.644,30	-997.747,14	1.111.173,21	113.426,07	960.218,23
Total DG JUST		365.552.380,90	2.164.343,10	367.716.724,00	4.924.862,34	1.188.525,42	6.113.387,76	361.603.336,24

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2022 for DG JUST

EX-ANTE CONTROLS	Irregularity	OLAF notified	Total undue payments recovered
NON ELIGIBLE IN COST CLAIMS	-546.408,26		-546.408,26
CREDIT NOTES	73.970,19		73.970,19
RECOVERY ORDERS ON PRE-FINANCING		597.600,00	597.600,00
Sub-Total	-472.438,07	597.600,00	125.161,93

* a correctipn of 824 253 was consequently apply

EX-POST CONTROLS	Irregularity	OLAF notified	Total undue payments recovered
INCOME LINES IN INVOICES			
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING	90.250,04		90.250,04
Sub-Total	90.250,04		90.250,04
GRAND TOTAL (EX-ANTE + EX-POST)	-382.188,03	597.600,00	215.411,00

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2022 for DG JUST

	Number at 1/1/2022 1	Number at 12/31/2022	Evolution	Open Amount (Eur) at 1/1/2022 1	Open Amount (Eur) at 12/31/2022	Evolution
2002	1	1	0,00 %	326.827,80	326.827,80	0,00 %
2012	2	1	-50,00 %	334.205,58	160.711,60	-51,91 %
2013	1		-100,00 %	8.894,55		-100,00 %
2014	2	2	0,00 %	432.637,97	339.881,52	-21,44 %
2015	1		-100,00 %	953.059,68		-100,00 %
2017	2	2	0,00 %	79.024,77	79.024,77	0,00 %
2020	2	1	-50,00 %	81.147,06	69.371,99	-14,51 %
2021	3		-100,00 %	77.352,21		-100,00 %
2022		15			360.627.518,56	
	14	22	57,14 %	2.293.149,62	361.603.336,24	15668,85 %

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2022 for DG JUST

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
3233220179	3241208565	-173.493,98	Private Companies		

Total DG JUST	-173.493,98
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Number of RO waivers	1
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TABLE 11 : Negotiated Procedures in 2022 for DG JUST

External Procedures > € 20,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	1	53.000,00
Total	1	53.000,00

TABLE 12 : Summary of Procedures in 2022 for DG JUST

External Procedures > € 20,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure without prior publication (Annex 1 - 11.1)	1	53.000,00
Total	1	53.000,00

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Open procedure (FR 164 (1)(a))	4	9.302.015,50
Total	4	9.302.015,50

TABLE 13 : BUILDING CONTRACTS in 2022 for DG JUST

Legal Base	Procedure subject	Contract Number	Contractor Name	Contract Subject	Contracted Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET in 2022 for DG JUST

Legal Base	LC Date	Contract Number	Contract Subject	Contracted Amount (€)

TABLE 15 : FPA duration exceeds 4 years - DG JUST

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TABLE 16 : Commitments co-delegation type 3 in 2022 for DG JUST

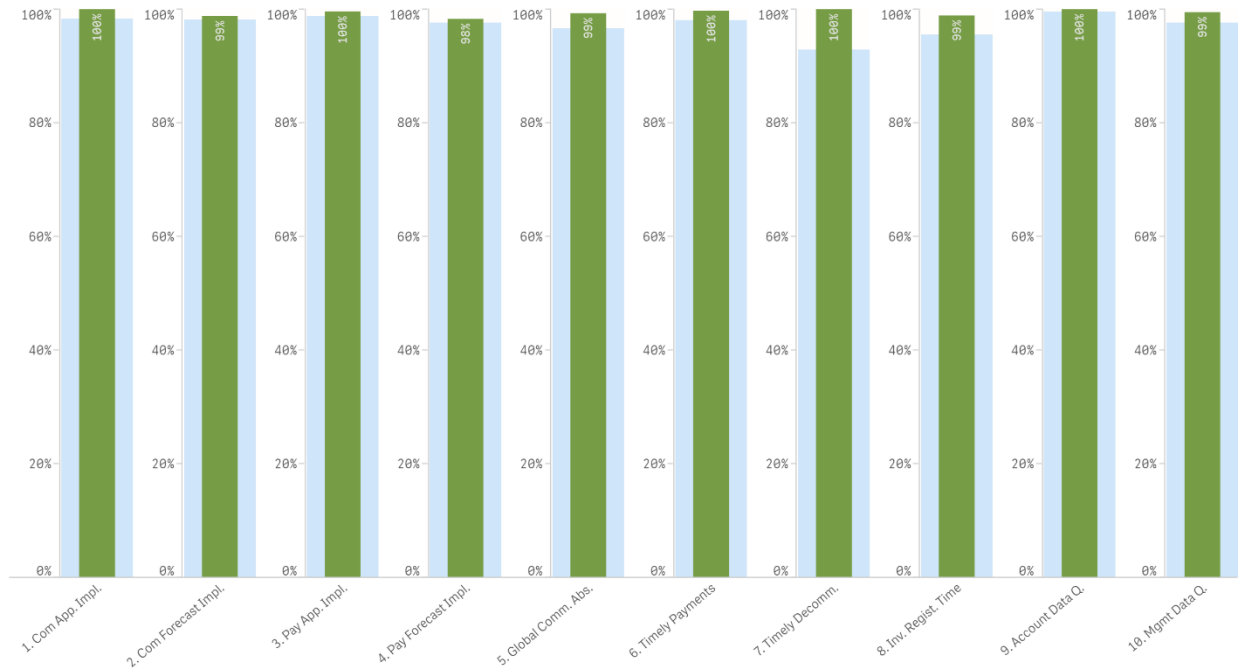
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ANNEX 4: Financial scorecard

DG JUST

The detailed definitions of the indicators are available on the internal DG BUDG site (BudgPedia) and managed by unit BUDG.C5 Financial Reporting.

JUST Indicator Scores for 2022 12



For each indicator the light blue bar denotes the EC Score.

Indicator	Objective	Comment¹⁶	JUST Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		100%	98%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		99%	98%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		100%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		98%	98%
5. Global Commitment Absorption ¹⁷	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		99%	97%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines		100%	98%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at		100%	93%

¹⁶ An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

¹⁷ Due to technical limitation: 1. the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

	the end of commitment life cycle			
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		99%	95%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		100%	100%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		99%	98%

ANNEX 5: Materiality criteria

INTRODUCTION

Deciding whether a weakness is significant is a **matter of judgement** by the Authorizing Officer by Delegation, who remains responsible for the declaration of assurance, including any reservations to it. In doing so, he should **identify the overall impact of a weakness** and **judge whether it is material** enough so that the non-disclosure of the weakness is likely to have an influence on the decisions or conclusions of the users of the declaration. The benchmark for this judgement is the materiality criteria which the AOD sets at the moment of designing the internal control system under his/her responsibility.

For DG JUST, the materiality of residual weaknesses identified (i.e. after mitigating and corrective measures) is assessed on the basis of qualitative and/or quantitative criteria, in line with the instructions for the preparation of the Annual Activity Report.

Since 2019 (¹⁸), 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.

The **qualitative assessment** includes an analysis of the causes and the types of error (including whether they are repetitive) to conclude on the nature, context and/or scope of the weaknesses identified. This may refer to significant control system weaknesses or critical issues reported by the Authorizing Officers by Sub-Delegation (or as part of the ICAT exercise), the European Court of Auditors (ECA), the Internal Audit Service (IAS), DG BUDG or OLAF. Also, the duration and any mitigating controls or corrective actions are taken into consideration.

The **quantitative assessment** aims at estimating any financial impact ("amount at risk") resulting from the errors detected. In line with the standard materiality threshold proposed by the instructions for the preparation of Annual Activity Reports, DG JUST has set the materiality level for each distinct control system with coherent risk characteristics for the amount at risk resulting from the *residual* errors at 2% of relevant payments made in the reporting year, or in case of multi-annual approach over the programming period.

This analysis and the conclusions are presented concisely in the body of the Annual Activity Report where the information reported under each building block is summarised and **which logically supports the five statements** included in the Declaration of Assurance (true and fair view, resources used for the intended purpose, sound financial management, legality and regularity, and non-omission of significant information) **for all significant expenditure categories and control systems**.

¹⁸ Agreement of the Corporate Management Board of 30/4/2019

DG JUST implements its operational budget through two main different methods of implementation: direct management (grants, procurement, sometimes cross-subdelegated to other DGs) and indirect management (payments to traditional agencies). As these methods of implementation have a different risk profile and its own control and supervision arrangements, the observed quantified weaknesses should be assessed per each distinct control system grouped as follows:

- 1) Direct management – grants
- 2) Indirect management – subsidies to EU Agencies
- 3) Direct management - Procurement and other expenditure

In addition to and separately from the materiality assessment as described below, DG JUST calculates the weighted *average error rate* for its total annual payments and the resulting "overall amount at risk" by applying the relevant (cumulative) *detected* error rate to the relevant annual payments, for each management mode and type of activity. This weighted average error rate is disclosed along the *average recoveries and financial corrections* implemented within the last five years to reach a conclusion on the risk exposure and "estimated future corrective capacity" of the DG, which is presented in the AAR Chapter 2.1.

CHAPTER A – QUALITATIVE CRITERIA FOR DEFINING SIGNIFICANT WEAKNESSES

For all methods of implementation under its operational budget, the different parameters relevant in DG JUST for determining significant weaknesses are the following ones:

- ✓ Significant control system weaknesses: significant control system weakness detected during the period, in reports made by Authorizing Officers by Sub-delegation and/or by the ex-post audits carried out.

As far as traditional agencies are concerned, and in the framework of the single audit model, the DG's assurance is mainly based on supervisory and monitoring activities, and a verification of the functioning of the control system performed by the Internal Audit Service of the Commission and the European Court of Auditors (DAS), and the outcome of the discharge procedure

- ✓ Significant shortcoming in internal control standards appearing in the yearly survey on internal control standards implementation by management.
- ✓ Insufficient audit coverage and/or inadequate information from the internal control systems.
- ✓ Critical issues outlined by the European Court of Auditors, the Internal Audit Service, DG BUDG and OLAF.

When assessing the significance of any weaknesses, the following factors are taken into account:

- the nature and scope of the weakness;
- the duration of the weakness;

- the existence of compensatory measures (mitigating controls which reduce the impact of the weakness)
- the existence of effective corrective actions to correct the weaknesses (action plans and financial corrections) which have had a measurable impact.

When significant weaknesses are identified, a quantification of the amount at risk should be carried out when possible (See Chapter B).

In addition, **events** or weaknesses which have a significant *reputational* impact on DG JUST, or indirectly on the Commission, will be reported irrespective of the amount of damage to the DG JUST' administrative and operational budget and will be considered for issuing a reservation on a reputational basis.

CHAPTER B – QUANTITATIVE CRITERIA FOR DEFINING RESERVATIONS

To quantify the potential financial impact of errors detected, it is necessary:

- ✓ **STEP 1: To determine the residual error rate** by
 - Determining the percentage of error in the audited sample of the population;
 - Determining the level of exposure across the entire population (by applying the detected error rates to the whole value of the population and to deduct the amounts corresponding to any corrective actions taken that have already effectively reduced the exposure);
- ✓ **STEP 2: To determine the "amount at risk";**
- ✓ **STEP 3: To determine the (financial) materiality**, compared to the relevant payments for a given control system

Steps 1, 2 and 3 differ from one control system to another, and are presented in this Chapter.

In addition, considering the multi-annual aspects of the programmes managed for grants under direct management, for this type of expenditure DG JUST favours a *multi-annual approach* by evaluating the *cumulative* budgetary impact of the *residual* errors over the whole programming period. As a consequence, the calculation of errors, corrections and materiality of the residual amount at risk are done on a "cumulative basis". For other activities, the materiality and risk are assessed on an annual basis.

1. DIRECT MANAGEMENT – GRANTS

For the direct management of grants, the assessment of the residual error rate and amount at risk not detected by the supervision and ex-ante elements of the internal control system is carried out through an analysis of the accumulated results of the ex-post audits.

STEP 1 – Cumulative Residual Error Rate

A. Adequacy of the audit scope

Auditable population (scope of the analysis) = value of all relevant payments (i.e. interim and final payments, plus related cleared pre-financing) relating to the programming period for which the payment was made and/or the pre-financing cleared before 31st December of the reporting year (= "closed" grants)

Audited population = value of "closed" grants audited, relating to the programming period, and for which the audit report was finalised before 31 December of the reporting year

Unit F.1 of DG HOME performs audits for (a) direct management for DG HOME and DG JUST and for (b) shared management audits for DG HOME. Both Director Generals, therefore, decided to invest the scarce ex-post resources into a maximum-return & maximum-assurance ex-post strategy. As a consequence, the "targeted" sampling strategy is *not risk-based* but rather "maximum-assurance"-based. It aims at detecting and correcting a maximum of anomalies in the DG's operational expenditure and maximising the deterrent effect, by auditing recurrent beneficiaries and/or high-value grants, regardless of their either low, medium or high expected error rates in %.

Over the years, such an approach is considered representative enough if a sufficient coverage, set at 10% of the auditable population, is reached. Indeed, even with "annual" programmes, a cumulative approach is possible, per (fairly homogeneous) "generation" of programmes.

The selection of the grants to be audited is based on a statistical selection method - the Monetary Unit Sampling (MUS). If necessary, a complementary sample (non-statistical risk-based) may be selected with a view to address specific risks of a programme, coverage issues, project area and/or a specific project.

Statistical sample selection – MUS

Statistical sampling methods provide for the selection of a sample that represents the population and therefore allow to project (extrapolate or estimate) to the population the value of a parameter (the "variable") observed in the sample. On this basis, statistical sampling methods allow to conclude whether a population is materially misstated or not, and if so, by how much (error amount).

The Monetary Unit Sampling [MUS] is a statistically representative method in line with DG BUDG AAR Instructions - Guidance on the calculation of error rates, the financial exposure as amount at risk, the materiality for a potential reservation and the impact on the AOD's declaration – 2015 version

The MUS technique presents the following advantages:

- the selected samples have a good level of representativeness of the whole population. The conclusions of the audited sample of grants (i.e. as presented in the respective audit reports) can therefore provide useful indicators for the evaluation of the granting activity of the DG that has to be reported in the Annual Activity Report (AAR);

- all the grants that are present in the population can be selected, irrespective of the level of risk they present.

Complementary sample

When deemed appropriate, a complementary sample may be selected on a non-statistical basis (e.g. risk-based) in order to address specific areas of concern. This selection of the complementary sample may take into account specific risk indicators as (i) the presence of grants governed by regulations/conditions that are particularly complex or that have been object of recent significant changes, (ii) operating Grants referring to recurrent beneficiaries that have not been audited during the last 3 years; (iii) 'first year' Operating Grant, (iv) the presence of several grants referring to the same beneficiary; (v) the beneficiary has been recently audited and the errors/irregularities detected by the auditors could be present also in other grants etc.

Each detailed list of grants to be audited per programme is subsequently presented to the AOSD in charge, which could identify other grants with a high risk profile which were not included in the annual draft audit plan.

B. Results of the audits finalised since the start of the programming period

(Cumulative) detected error (amount) = For audited grants, total grant value as initially paid after the ex-ante controls minus grant value as calculated after the ex-post control¹⁹

(Cumulative) detected error rate (%) = Detected error divided by the grant value as initially paid after the ex-ante controls

*Following ECA observation on the error rates for the Research family, the error rates was recalculated. As per instructions, the detected error rate is to be calculated based on the following methodology: final errors detected/audited amount of the grant (as amount declared by the beneficiary * percentage of audit coverage as indicated in the final audit reports).*

The European Court of Auditors in its 2018 Annual Report and its review of the Commission's ex-post audits observed that the Commission's methodology for calculating the error rate leads to an understatement of the error rate the extent of which cannot be quantified. As a result, the Commission will adapt its methodology for the calculation of the grants in the Rights, Equality and Citizenship and Justice Programme error rate in line to the Court's observations starting with the implementation of the 2020 ex-post audit campaign

C. Determination of the residual error rate

¹⁹ Positive amounts only. In case, following this calculation, the result would be a negative amount, it should be brought back to zero.

Uncorrected detected errors (amount) = All detected errors pending recovery

Cumulative residual error rate in the audited population (%) = Uncorrected amount divided by the audited population

Residual error rate in the entire population (%) = Uncorrected errors detected in the audited population plus detected error rate multiplied by the non-audited population divided by the auditable population

STEP 2: Financial exposure from errors in terms of cumulative "amount at risk"

Cumulative Amount at risk (net amount) = uncorrected errors detected plus non-audited population multiplied by (cumulative) detected error rate

STEP 3: Materiality and potential reservation

Since 2019 ⁽²⁰⁾, 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.

When the residual error rate is not to below 2% set as a multiannual target, a reservation should be considered.

In the present case this multi-annual analysis leads to a reservation. The related actual financial exposure on the authorised payments of the reporting year is calculated by multiplying the cumulative residual error rate by the sum of direct grants payments based on cost statements actually processed and pre-financings cleared in the reporting year.

2. INDIRECT MANAGEMENT: PAYMENTS TO TRADITIONAL AGENCIES

STEP 1 –Residual Error Rate

The Community subsidy is paid to the Agencies through maximum four payments a year, on the basis of an analysis of the real cash flow needs of the Agencies. Once an admissible payment request is registered by DG JUST, payments are made within 30 calendar days. If information comes to the notice of DG JUST which puts in doubt the eligibility of expenditure appearing in a payment request, DG JUST may suspend the time limit for payment for further verifications and/or take any appropriate measures in accordance with the principles of sound financial management. This above mentioned information includes suspicion of irregularity committed by the Agency in the implementation of the subsidy and

²⁰ Agreement of the Corporate Management Board of 30/4/2019

suspected or established irregularity committed by the Agency in the implementation of a contract or another grant agreement or grant decision funded by the General Budget of the European Union or by any other budget managed by the Agency. If the balance of the budgetary outturn account is positive, it shall be repaid by the Agency to the Commission during the first semester of year N+1 on the basis of a debit note issued by the Commission.

The controls operated on the use of these payments, i.e. either management's supervision of audits carried out by the Internal Audit Service (IAS) or the European Court of Auditors (ECA) may result in the detection of compliance errors or irregularities. These are mainly **payment or recovery (amount) errors**: i.e. cases where, without the error, the amount paid to or recovered from beneficiary would have been different. In this case, as long as it remains uncorrected, the difference in amount is to be treated as an error with its consequences on the (cumulative) error rate.

STEP 2: Financial exposure from errors in terms of "amount at risk"

The real actual 'net'²¹ financial impact of the errors defined under step 1 is considered as amount at risk, and (if very significant) its 'quantitative' materiality is considered for a potential financial reservation.

Step 3: Materiality and potential reservation

To determine the materiality of the amount at risk the total amount at risk is divided by the total value of payments made in a given year for each Agency. If the amount at risk exceeds 2%, a reservation should be considered.

Besides a financial risk, other elements are considered for issuing a reservation due to a reputational risk in relation to Agencies' activities. Such information may stem, for example, from critical issues raised by the Internal Audit Service or Court of Auditors on the Agencies' management and control systems. In view of the seriousness of the findings, a reputational reservation is considered e.g. when affecting a significant part of the related activity, when being systemic, when causing a (risk of) fall-out in press and/or public, etc.

Following ECA observation on the error rates for the Research family, the error rates was recalculated. As per instructions, the detected error rate is to be calculated based on the following methodology: final errors detected/audited amount of the grant (as amount declared by the beneficiary * percentage of audit coverage as indicated in the final audit reports).

²¹ Any correction actually made by the Commission should be deducted from the detected error.

The European Court of Auditors in its 2018 Annual Report and its review of the Commission's ex-post audits observed that the Commission's methodology for calculating the error rate leads to an understatement of the error rate the extent of which cannot be quantified. As a result, the Commission will adapt its methodology for the calculation of the grants in the Rights, Equality and Citizenship and Justice Programme error rate in line to the Court's observations starting with the implementation of the 2020 ex-post audit campaign.

3. PROCUREMENT AND OTHER EXPENDITURE

STEP 1 –Residual Error Rate

Procurement-related errors can occur both in contracts awarded by the Commission and in contracts awarded by grant beneficiaries who subsequently submit the expenditure for reimbursement.

Errors incurred by grant beneficiaries are covered under the section related to grants, whereas this section covers the errors potentially occurring in contracts awarded by DG JUST.

The DG's own controls and/or internal and external audits (Internal Audit Service or the European Court of Auditors) carried out on these operations, may result in the detection of compliance errors or irregularities. These can be classified in two categories for the purpose of assessing their impact on the assurance:

- ✓ **Payment (amount) errors:** i.e. cases where, without the error, the amount paid would have been different. In this case, as long as it remains uncorrected, the difference in amount is to be treated as an error with its consequences on the error rate;
- ✓ **Procedural (contract selection and award) errors** are those which seriously impair the application of the principles of “open, fair, transparent competition” and “award to the best qualified bidder”, i.e. cases where the contractor selected might have been different if the procedure would have been correct. In these cases, the size of the error is, by default, set at 100% of the transaction amount and included into the calculation of DG JUST's error rate. This is in line with ECA's new approach and is necessary to comply with the principle of transparency and allow stakeholders to compare the Commission's error rate with the one published by the ECA.

STEP 2: Financial exposure from errors in terms of "amount at risk"

The financial exposure differs depending on the type of errors:

- ✓ For **payment (amount) errors**: the amount at risk is the real actual 'net'²² financial impact of the errors and its 'quantitative' materiality is considered for a potential financial reservation. These financial procurement errors are taken into consideration for the application of the quantitative materiality criteria
- ✓ For **procedural (contract selection and award) errors**, DG JUST considers that even when the contractor should/could have been different, this does not always mean that the full (100%) value of the contract is 'at risk' (or that the taxpayer's money would be entirely 'lost'). Consequently, these kinds of errors cannot be considered for making a financial reservation (given that in terms of materiality the actual financial impact cannot be quantified in a consistent way with the payment errors) and are therefore not included in the calculation of the actual financial exposure (amount at risk). However, given that DG JUST acknowledges the seriousness of breaching any of the key principles of public procurement, these types of procurement errors are considered for making a potential *reputational* reservation, rather than a financial one (*e.g. when affecting a significant part of the related activity, when being systemic and affecting more/all of DG JUST's procurement processes, when causing a fall-out in press and/or public, etc. – see below*).

Step 3: Materiality and potential reservation

For payment (amount) errors: The materiality of the amount at risk is obtained by dividing the total amount at risk by the total value of payments made in a given year for procurement and other expenditure. If the amount at risk exceeds 2%, a *financial* reservation should be considered.

For **procedural (contract selection and award) errors**, in view of the seriousness of the (type) of procurement error, a *reputational* reservation is considered e.g. when affecting a significant part of the related activity, when being systemic and affecting more/all of DG JUST's procurement processes, when causing a fall-out in press and/or public, etc.

²² Any correction actually made by the Commission should be deducted from the detected error.

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

The main distinct internal control systems are (a) direct management – grants, (b) direct management – procurement and (c) indirect management (EU subsidies to Union Agencies). These layers are determined by the differences in the ex-ante and ex-post control approach put in place in DG Justice and Consumers to control and obtain assurance for each type of expenditure

RCS 1: Grants direct management

Stage 1: Programming, evaluation and selection of proposals

A - Preparation, adoption and publication of the Work Programme and Calls for proposals

Main control objectives: Ensuring that the Commission selects the proposals that contribute the most towards the achievement of the policy or programme objectives (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy) provide a brief description of the main control objectives.

Main risks It may happen (again) that ...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Delays occur in adopting the Financing Decision or WP. The WP is published later than 31 March of the year of implementation. The WP/Call does not adequately reflect the objectives pursued and/or the eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals</p>	<p>Detailed Roadmap developed Communication between the financial and policy units on objectives/ instruments (regular meetings) Hierarchical validation within the authorising department Inter-service consultation, including all relevant DGs</p>	<p>Coverage: 100% of all WPs/calls Frequency: during the preparation of each WP/call Depth: Templates includes a list of the requirements of the regulatory provisions identified.</p>	<p>Effectiveness: Awarded budget over available budget Average points elected over average total eligible Number of litigation cases over redress procedures Efficiency: Time to publication Cost-effectiveness: Total costs for Stage 1 over number of projects evaluated</p>

Main risks It may happen (again) that ...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The WP/Call overlaps or is incompatible with other programmes (by own DG or other DGs)</p> <p>The WP/Call does not contain the information required in the regulatory framework (FR 110, 194)</p> <p>Calls for proposals and WPs are not adequately published.</p> <p>Calls for proposals might support projects not compliant with EU values</p>	<p>Adoption by the Commission</p> <p>Use of templates based on DG BUDG templates</p> <p>Templates-based verification;</p> <p>Comitology procedure</p> <p>Publication procedure</p> <p>Eligibility condition ensuring projects' adherence to EU values included in all published Call documents</p>		<p>Total costs for Stage 1 over value of projects evaluated</p> <p>Costs: estimation of cost of staff involved in the preparation and validation of the annual work programme and calls.</p> <p>Benefits: higher performance of reaching the objectives/better quality results of the call</p>

B - Selecting and awarding: Evaluation, ranking and selection of proposals

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among (a good balance of) the proposals selected (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Delays due to request of missing documents (the grant application does not contain all information and supporting documents required for its evaluation)</p>	<p>Detailed procedures for calls foresee time to gather missing documents</p> <p>Where relevant, cross-checks with other DGs on possible double-</p>	<p>Coverage: All proposals checked (checked at least by 2-3 independent evaluators) and double checked by internal</p>	<p>Please refer to the indicators above for stages 1A and 1B</p> <p>Costs: estimation of cost of staff involved in the evaluation and selection of</p>

<p>Main risks It may happen (again) that...</p>	<p>Mitigating controls</p>	<p>How to determine coverage, frequency and depth</p>	<p>Cost-Effectiveness indicators (three E's)</p>
<p>A beneficiary is awarded several grants from the EU budget for a single action (Risk of double financing/ risk of non-cumulative award)</p> <p>The pre-announced selection and award criteria are not adequately and consistently applied for the evaluation of proposals</p> <p>The action is not clearly defined in the grant application</p> <p>A grant is awarded for an action which has already begun but the applicant cannot demonstrate the need for starting the action prior to signature of the grant agreement or notification of the grant decision</p> <p>A grant is awarded for an action which is not compliant with EU values</p>	<p>financing if grants have been awarded to the same beneficiary from by other DG (ABAC/LEF)</p> <p>Info sessions for applicant and detailed call document descriptions ensure a common understanding of the requirements.</p> <p>Very detailed application forms have been developed and used since 2013 calls.</p> <p>Since 2013, we make clear that the actions starts after the signature of the grant agreement. In case an action must start before the grant agreement signature date the need of this prior starting date must be clearly explained by the beneficiary and is reflected in the grant preparation report.</p> <p>EU values check introduced into the framework of quality evaluation of proposals: horizontal coordinator of the adherence to EU</p>	<p>committee.</p> <p>Where relevant, proposals are cross-checked with other DGs, checks made depending on programme</p> <p>Depth: cross checking where appropriate for specific cases (FTS)</p>	<p>proposals. Cost of the appointment of experts and of the logistics of the evaluation.</p> <p>Benefits: best quality projects, with <u>qualitative</u> measures and policies in place to guarantee full compliance with EU values selected;</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	values appointed to coordinate supporting mitigation measures (guidance materials, Info sessions to applicants, training to CERV National Contact Points, call coordinators, expert evaluators, project officers)		

Stage 2: Contracting and monitoring: Transformation of selected proposals into legally binding grant agreements and monitoring the operational, financial and reporting aspects related to the project and grant agreement

Main control objectives:

- Ensuring that the actions and funds allocation is optimal (best value for public money; effectiveness, economy, efficiency); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy).
- ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The beneficiary lacks operational and/or financial capacity to carry out the actions. Budget resources are not sufficiently available (on time)</p> <p>The grant agreement is signed late; the time to grant is not respected.</p> <p>The grant agreement does not contain all applicable provisions</p> <p>Complexity due to the obligation to have multi partners structure for each project</p> <p>The estimated budget of the grant application significantly overestimates the amounts necessary</p>	<p>Review and checks during the contracting phase of technical action plan and budget for consistency and plausibility; in-depth financial verification and taking appropriate measures for high risk beneficiaries.</p> <p>Project Officers implement evaluators' recommendations in discussion with selected applicants.</p> <p>Strict follow up of budget appropriations; the payment clause is customized if the payment appropriations are not available on time.</p> <p>Internal reporting</p> <p>Hierarchical validation within the authorising</p>	<p>Coverage</p> <ul style="list-style-type: none"> - 100% of the selected proposals and beneficiaries are scrutinised. - 100% of drafts grant agreements. <p>Depth may be determined after considering the type or nature of the beneficiary and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant.</p>	<p>Effectiveness:</p> <p>Value of grant agreements signed over grant amounts requested in applications (%)</p> <p>Efficiency Indicators:</p> <p>Time-to-Contract</p> <p>Cost effectiveness:</p> <p>Total cost of staff for Stage 2 over total value of grant agreements signed</p> <p>Total cost of staff for Stage 2 over total number of grant agreements signed</p> <p>Costs:</p> <p>Estimation of cost of staff involved in the contracting process.</p> <p>Benefits:</p> <p>Difference between</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
to carry out the action or WP and this is not identified in the recommendations of the evaluation committee	department. Use of Commission contractual templates. The budget is checked before the award decision, which increases the economy and efficiency of the distributions of funds.		the budget value of the proposals and that of the corresponding grant agreements. No/value of awards decisions transformed into grant agreements Maximize the use of available commitments

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
Risk of poor financial management by beneficiaries and intermediaries The Commission reimburses non eligible costs; risk of irregular transactions to be proceed The beneficiary unduly obtain financial profit as a result from systemic or recurrent errors, irregularities, fraud, etc. Changes to contracts are not properly documented or authorised	Programme website, guidance notes, ex-ante sector guidance, information meetings with beneficiaries, helpdesk at COM Controls carried out by project officers on technical implementation and on the basis of the continuous reporting module in order to deliver the “conforme aux faits” Controls carried out by project officers on financial and legal matters in order to deliver the “bon à payer” New checklists have been developed in 2012 to better reflect	Coverage: 100% of files Depth: - for desk checks of expenditure: control with reference to corroborative documents (progress reports and final technical implementation report but no reference to underlying documents in case of desks checks- - for controls carried out for “conforme aux faits”: control with reference to	Effectiveness: Budget amount of the cost items rejected (ineligible costs in cost claims) over total value of cost claims Efficiency indicators: Time-to-payment Cost-effectiveness: Total costs for Stage 3 over total number of claims processed Total costs for stage 3 over total value of claims processed Costs: estimation of cost of staff involved in the actual management of running projects. Benefits: budget value of the costs claimed by the beneficiary, but rejected by the project

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Payments are made late (interest claims)</p> <p>The actions of beneficiary are not compliant with EU values, which may provoke negative media coverage and consequently reputational damage for the DG/COM</p>	<p>the roles of the parties involved in the financial circuits</p> <p>Clarifying procedure on verifying the non-profit rule</p> <p>Procedure for registration of exceptions</p> <p>Monthly reporting to management on late payments</p> <p>Obligation to respect 'EU values' is included into the corporate Commission model grant agreement (Article 14.2).</p> <p>As in case of any other breach of a grant agreement, the Commission has a number of corrective options (rejection of costs, reduction of the grant, suspension of the payments, suspension and termination of the grant agreement).</p> <p>Internal Early Warning Protocol allows for quick response in case of signalled non-compliance with EU values.</p> <p>For projects in higher risk areas, additional</p>	<p>corroborative documents (technical implementation report) and eventually corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification) but no reference to underlying documents</p> <p>- for controls carried out for "bon à payer": control without reference to underlying documents, but with reference to and including access to the underlying documentation (e.g. timesheets, invoices, physical verification, etc)</p> <p>corroborative documents (technical implementation report) and eventually corroborative information incorporating an element of independent</p>	<p>officers. (ineligible amounts in cost claims)</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	guidance on adherence to EU values is provided and additional control measures are taken.	oversight (e.g. audit certificate or other verification)	

Stage 3: - Ex-Post control

A - Reviews, audits and monitoring

Main control objectives: Measuring the effectiveness of ex-ante controls by ex-post controls; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management); Ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Risk of irregular expenditure co-financed remaining undetected</p> <p>Risk of fraudulent activities remaining untracked</p> <p>Risk of undetected non-compliance with EU values</p>	<p>At any time during the implementation period and for 5 years after partial or final payment, the Commission can carry out on the spot controls and/or audits with substantive testing of a sample of transactions.</p> <p>Ex-post controls are performed by the DG HOME F1 in accordance with MoU for DG Justice. The auditable population is represented by files where final payment was made in year N to N-4.</p> <p>Internal Early Warning Protocol will be activated based on external notification/negative media coverage on closed projects.</p>	<p>Coverage: As a general rule, between 15 and 25% of the expenditure of an annual programme checked over the 5 years period.</p> <p>Ex-post controls are made based on a risk assessment</p> <p>Depth: Control with reference to and including access to the underlying documentation that is available at the stage of the process in question, for all inputs and outputs (e.g. timesheets, invoices, physical verification, etc.).</p> <p>Possibly, the auditors will also perform controls with reference to fully independent corroborative information (e.g., database which</p>	<p>Effectiveness:</p> <p>Residual error rate</p> <p>Number of projects with errors;</p> <p>Follow-up ratio: Number of files followed up by AOSD within 3 months (target 90%)</p> <p>Efficiency indicators:</p> <p>Success ratio;</p> <p>Recovery Implementation ratio: N° of recovery orders (RO) issued after ex-post audit (target set as 75% by end-March N+1)</p> <p>Cost effectiveness</p> <p>Total (average) annual cost of audits compared with benefits (%)</p> <p>Costs:</p> <p>Estimation of cost of staff involved in the coordination and execution of the audit strategy. Cost of the appointment of audit firms for the outsourced</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
		justifies certain elements of the claim, 3 rd party or Commission assessment of milestones achieved, etc.)	audits. Benefits: Prevented amount (deterrent effect), not quantifiable Detected amount

B - Implementing results from ex-post audits/controls

Main control objectives: Ensuring that the (audit) results from the ex-post controls lead to effective recoveries (legality & regularity; anti-fraud strategy); Ensuring appropriate accounting of the recoveries made (reliability of reporting)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p>	<p>Systematic registration of audit/control results to be implemented by the operational units.</p> <p>Financial and operational validation of recovery in accordance with financial circuits.</p> <p>Authorisation by Authorising Officer</p> <p>Working Group on the coherence of ex-post/ex-ante controls in DG JUST/DG HOME F1</p> <p>Through a regular analysis, the audit team ensures that the recommendations (issue of recovery orders or supplementary payments) were implemented.</p>	<p>Coverage: 100% of final audit results <i>with a financial impact.</i></p>	<p>Please refer to the indicators above for stages 4A and 4B</p> <p>Costs: estimation of cost of staff involved in the implementation of the audit results.</p> <p>Benefits: corrected amount.</p>

RCS 2 - Procurement direct management

Stage 1: Procurement procedure

A - Planning Needs assessment & definition of needs

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity).

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Precise procurement needs not clearly defined</p> <p>Inappropriate choice of procurement procedure and calculation of threshold due to the in-depth knowledge necessary.</p> <p>Procurement is highly regulated. Detailed rules exist with even more in depth guidance based on experience and jurisprudence of court judgements</p> <p>The best offer/s are not submitted due to the poor definition of the tender specifications</p> <p>Technical options can be influenced by political considerations (large scale IT systems)</p>	<p>Procurement needs are clearly defined and justified from an economic or operational point of view and approved by the Authorising Officer.</p> <p>Technical training in procurement. Ex-ante sector ensures continuous support in procedural matters</p> <p>Financial circuits involving ex-ante verifications with procedural expertise still in place even after 2017 reorganisation.</p> <p>Financial checklists have been updated in 2017 to better reflect the roles of the parties involved in the financial circuits (OIA in policy units and AOSD are Directors/DDG for commitments)</p> <p>Selection criteria clearly defined and approved by the Authorising officer</p>	<p>Coverage: 100% of calls for tender</p> <p>Frequency: every time necessary, during the preparation of a call</p>	<p>Effectiveness: Number of projected tender cancelled; Numbers of "valid" complaints or litigations cases filed</p> <p>Efficiency/cost-effectiveness: average cost per tender</p> <p>Costs: estimation of cost of staff involved</p> <p>Benefits: Enough and good quality offers received, (partly quantifiable)</p>

B – Evaluation and selection of the offers

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity). Fraud prevention and detection

<p>Main risks It may happen (again) that...</p>	<p>Mitigating controls</p>	<p>How to determine coverage, frequency and depth</p>	<p>Cost-Effectiveness indicators (three E's)</p>
<p>Risk of delay and lengthy evaluation process;</p> <p>Insufficient quality of the evaluation report, which may have impact on the award decision; errors or mismanagement risk costing substantial resources (human and financial), if they are contested, even unsuccessfully, especially if they reach the courts;</p> <p>Conflict of interests</p> <p>Non-compliance with legal and regulatory formalities (publication, transparency, time limits, opening of tenders, etc.)</p> <p>The risk of over-dependency of contractors is high due to the limited number of economic providers/need for specialist</p>	<p>Evaluation committees are set up to prepare the selection of the contractors, except for low value contracts;</p> <p>Until June 2017, an advisory body (Joint Procurement Committee) is consulted with regard to procurement files above the Directive thresholds. After June 2017, an internal control process (2nd analysis of files within Unit 04) is put in place as a replacement of the JPC. s (JPC).</p> <p>Adequate communication to unsuccessful tenderers is systematically guaranteed.</p> <p>Declaration of lack of conflict of interest (required for each member of committee but also for the manager); Every member of staff with significant financial responsibility may be defined as occupying a “sensitive post”. Staff should not occupy a</p>	<p>Coverage: 100% of the offers analysed.</p> <p>Depth: all documents transmitted; in terms of justification of the draft award decision</p> <p>100% of the members of the opening committee and the evaluation committee</p> <p>100% checked.</p>	<p>Please refer to indicators above for stages 1A and 1B</p> <p>Costs: estimation of staff costs involved</p> <p>Benefits: Compliance with Financial Regulation (rejected files HPC) Number of litigations/complaints to courts/ Ombudsman. The best offer is selected (Quantified benefit).</p>

<p>Main risks It may happen (again) that...</p>	<p>Mitigating controls</p>	<p>How to determine coverage, frequency and depth</p>	<p>Cost-Effectiveness indicators (three E's)</p>
	<p>sensitive post for more than five years.</p> <p>Transparency measures: calls for tender are published in the Official Journal and on the Europa website.</p> <p>Updated information and FAQ are posted regularly on the website; e-submission now used.</p> <p>Procedures are set up to analyse the risk of over-dependency of contractors. Sound competition among providers together with quality and affordability of services of providers is ensured by periodic reviews (development of prices, business trends, main players, market shares, any barriers to entrants, etc.)</p>		

Stage 2: Financial transactions monitoring

Main control objectives: Ensuring that the implementation of the contract is in compliance with the signed contract

<p>Main risks It may happen (again) that...</p>	<p>Mitigating controls</p>	<p>How to determine coverage, frequency and depth</p>	<p>Cost-Effectiveness indicators (three E's)</p>
<p>Non-compliance with the legal and regulatory requirements</p> <p>Lack of necessary experience and skills or inadequate arrangements for monitoring the contractor's performance and for verifying the final services/supplies work</p> <p>Delayed payments causing late interests</p>	<p>Standards contracts of DG BUDG are used. Computerized systems (Excel, ABAC, Ares) are used to record the contracts and related transactions.</p> <p>Financial circuits put in place in DG Justice are organised as follows: OIA in policy units, OVA, FIA and FVA in Just04, AOSD in policy directorates for commitments and in 04 for payments</p> <p>Monthly follow-up of time to pay through reporting (monitoring of invoices due to avoid late interest)</p>	<p>Coverage: 100% of the contracts are controlled.</p> <p>Depth: all documents transmitted</p>	<p>Effectiveness: Amount of penalties Amount of errors and regularities averted over total payments (credit notes/recovery context)</p> <p>Efficiency: Time-to-pay Late interest payment</p> <p>Cost-efficiency % of costs over annual amount disbursed</p> <p>Costs: estimation of cost of staff involved</p> <p>Benefits: Amount of irregularities, errors and overpayments prevented by the controls (credit notes) Partly non-quantifiable</p>

Stage 3: Supervisory measures

Main control objectives: Ensuring that any weakness in the procedures (tender and financial transactions) is detected and corrected

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>An error or non-compliance with regulatory and contractual provisions, including technical specifications, or a fraud is not prevented, detected or corrected by ex-ante control, prior to payment</p>	<p>Verification that processes are working as designed:</p> <ul style="list-style-type: none"> • Risks are assessed at the programme level within the yearly risk analysis exercise. A follow-up of critical risks for DG Justice is ensured every 6 months. For important risks corrective measures are taken to mitigate the risks • Internal control standards are complied with. Exceptions and non-compliance events are recorded in a monitoring table and communicated to the Internal Control Coordinator. <p>All audit instances are entitled to perform audits on procurement (Court of Auditors, Internal Audit Service, or BUDG).</p>	<p>Coverage: Court of Auditors' audit based on MUS sample on all payments in a year and the IAS audit plan</p> <p>Depth: review of the procedures implemented (procurement and financial transactions)</p>	<p>Results of the assessment of implementation of Internal Control Standard 8 "Processes and procedures"</p> <p>Costs: estimation of cost of staff involved.</p> <p>Benefits: Amounts detected associated with fraud & error. Deterrents & systematic weaknesses corrected.</p>

RCS 3 – Expenditure in indirect management- Entrusted entities/ decentralised agencies

Stage 1: - Operations: monitoring, supervision, reporting Ex-Post controls

Main control objectives: Ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, in order to possibly mitigate any potential financial and/or reputational impacts (legality & regularity, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The agency does not respect the provisions of Article 60.2 of FR, Art. 38 of RAP</p> <p>The agency does not respect the provisions of Article 60.3 of the FR</p>	<p>The agencies are audited by IAS of the Commission (as internal auditor) and by the Court of Auditors (as external audit)</p> <p>The COM is member in the Management Board of the agency</p> <p>The Memoranda of Understanding signed with agencies regulate financial relations between the parent DG and the agency</p>	<p>Coverage: 100% of agencies are supervised</p> <p>Frequency: management board meetings, yearly CoA report; IAS audits</p>	<p>Effectiveness:</p> <p>Number of serious IAS and CoA findings of control failures; budget amount of the errors concerned;</p> <p>Efficiency/cost-efficiency indicators:</p> <p>Cost over amount entrusted to agency</p> <p>Costs: estimation of cost of staff involved in the actual monitoring of the agency</p> <p>Benefits: the (average annual) total budget amount entrusted to agency</p>

Stage 2: Commission contribution: payment or suspension/interruption

Main control objectives: Ensuring that the Commission fully assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution (legality & regularity, sound financial management, anti-fraud strategy).

<p>Main risks It may happen (again) that...</p>	<p>Mitigating controls</p>	<p>How to determine coverage, frequency and depth</p>	<p>Cost-Effectiveness indicators (three E's)</p>
<p>The Commission does not suspend/interrupt payments despite the detection of systemic errors which call into question the reliability of the ICS of the agency, the L&R of transactions.</p>	<p>Memoranda of Understanding signed with each agency specify the conditions for interruptions/suspension of payments</p>	<p>Coverage: 100% of the payments made to agencies Frequency: quarterly. Depth: information provided by internal/external auditors</p>	<p>Effectiveness: Budget amount of the suspended/interrupted payments Efficiency indicators: Time-to-pay Cost effectiveness: Average cost per agency Costs: estimation of cost of staff involved in the OV and FV of the contribution payments/recoveries Benefits: the (average annual) total budget amount entrusted to the agency; budget recovered or not paid out;</p>

ANNEX 7: Specific annexes related to "financial management"

- The **budget implementation of DG JUST is 98% (EUR 269.68 million) of which EUR 231.88 million before the global commitment** in end November/beginning December 2022. The remaining commitment appropriations in 2022 to reach 100% implementation are EUR 5.73 million consisting of EUR 0.08 million coming from **administrative credits** (that cannot be used in 2023) and EUR 5.65 million carried over to and can be committed in 2023.
 - EUR 275.4 million represents commitment appropriations for which DG JUST is responsible for implementation while EUR 150.1 million is co-delegated credits to executive agencies and other DGs which are in charge of consumption.
 - This outcome is the result of good planning and a constant monitoring of the commitments implementation, as well as sustained efforts by JUST/04 in particular in December in order to ensure full absorption by year-end.
- **Payment implementation 2022 credits without co-delegation** – payment appropriations implemented at **98%**, which amounts to EUR 248.8 million out of EUR 253.62 million.
 - Out of remaining **2%** (namely EUR 4.82 million) to reach **100% implementation**:
 - **EUR 3.81 million** will be carried over to **2023** and re-used. EUR 1.01 million are lost (vs. EUR 0.68 million in 2021). Out of this, EUR 0.52 million refers to operational credits and EUR 0.49 million to administrative ones).

During the year 2022 the three Entrusted Agencies (EUROJUST, FRA, EIGE) and EPPO have together used nearly all of their commitment appropriations 94%, and 80% of the payment appropriations. The unused amount for payments will be carried forward and used during 2023. This is a result very similar to 2021 (96% in commitment appropriations and 78% in payment appropriations).

		2022	2021		
Stage 1	1	Available budget for calls	88.065.575 €	66.290.209,00 €	
	2	Number of projects evaluated	930	520	
	3	Value of projects evaluated	447.821.167 €	266.481.869,51 €	
	4	Number of projects selected	170	139	
	5	Value of projects selected	83.804.312 €	62.433.860,66 €	
	6	budget selected projects/available budget	95,16%	94,18%	
	7	Number of litigation cases/redress procedures	0	0	
	8	EC Contribution requested in the awarded application	66.098.019 €	43.305.216,00 €	
	9	Number of Grant agreements signed	137	99	
	10	Value of Grant agreements signed	65.582.962 €	43.070.604 €	
	11	Average amount of a grant signed	478.708 €	413.930 €	
	12	Reduction in EC contribution	515.057 €	571.527 €	
	13	% Reduction in EC contribution	-0,78%	-0,99%	
	16	Exceptions	0	1	
	17	No of unfavourable ex-ante opinions	0	0	
	18	No of files transmitted to OLAF	1	1	
	Stage 2&3	20	Budget implementation rate	74,47%	86,17%
		21	Number of final cost claims processed	244	215
22		Value of final cost claims processed	85.969.110 €	66.508.979 €	
23		Value of pre-financed amounts cleared	51.759.387 €	55.450.010 €	
27		Number of PF recoveries	51	53	
28		Value PF recoveries	6.560.285 €	8.993.881 €	
29		Number of payments made	445	295	
Stage 4	30	Amount of payments made	88.764.349 €	52.060.430 €	
	34	Number of ex-post controls	13	20	
	35	Average amount of a grant audited	330.712,71	321.944,36	
	36	% of projects audited that contained errors detected by ex-post controls	58,33%	80,00%	
	40	No of projects with errors	7	16	
	44	Cumulated detected error rate (2007-2014-2020)	2,46	2,24%	
	45	Cumulated residual error rate (2007-2014-2020)	2,14%	1,83%	
Procurement					
		2022	2021		
Stage 1	1	Available budget for procurement	35.602.276,05	32.486.772 €	
	2	Number of open calls	11	4	
	5	Number of contracts signed	181	255	
	6	Value of contracts signed	36.446.891 €	37.954.604 €	
	7	Average amount of a contract signed	201.364 €	148.842 €	
	8	Unfavourable ex-ante opinions	0	0	
	Stage 2	9	Exceptions and non-compl.events	10	9
		10	Number of payments made	676	685
11		Value of payments	24.071.169 €	27.487.250 €	
Indirect management					
		2022	2021		
	2	Amounts paid (decentralised agencies)	133.016.780 €	104.128.837 €	
	3	Amount paid (SLA/AAR)	145.427 €	2.419.045 €	
	4	Amount paid (executive agencies)	6.292.002 €	5.272.458 €	
	5	Total amount paid	133.162.207 €	114.086.868 €	

Additional comments on Indirect management -Union agencies/ decentralised agencies – Part 2.1.1. legality and regularity of the transactions

"The Internal Control Template (ICT) on indirect management-Union agencies in Annex 6 details the applicable supervision and reporting activities, details of which are reported below.

Stage 1: Operations: monitoring, supervision and reporting

The overall control objective of this stage is to ensure that DG Justice and Consumers is timely and fully informed of any relevant management issues encountered by the agencies, in order to possibly mitigate any potential financial and/or reputational impacts.

DG Justice and Consumers takes part in the governance of the agencies by participating as a member in the Management Boards with one voting right, when the governing rules allow for this. Membership rules are laid down by the founding regulations of each agency.

However, the Commission's representation on the Management Board is not the only way to reflect the particular responsibility that the Commission holds in implementing EU legislation. DG Justice and Consumers ensures the following monitoring activities:

- Monitoring of the agencies' policy activities:

The monitoring of the agencies' activities is the main responsibility of the relevant policy units. They are involved in numerous contacts at working level, coordination meetings, providing opinions on annual work programme, draft budget, Establishment plan and monitoring of their implementation.

- Budgetary monitoring:

The agencies have full responsibility for the implementation of their budget, DG Justice and Consumers being responsible for the regular payment of the contributions established by the Budgetary Authority. Memoranda of Understanding have been signed with each agency, clarifying the conditions for the payment of the EU subsidy by the Commission and allowing the partner DG to access ABAC data of agencies for budget implementation purposes.

The programme management unit of DG Justice and Consumers and the programming, planning and legal advice sector in Unit.01 are involved in the analysis of the annual budgets proposed by agencies and also participated in the programming of the agencies' budgets.

Unit JUST/04 is involved in the revision of the annual budget proposed by agencies and also participates in the programming of the agencies' budgets.

The AOS ensures that the requests for appropriations from the agencies are in line with their needs for their current cash-flow. To this end, unit JUST/04 validates the cash-flow requests from the agencies on the basis of their needs for the forthcoming months in close collaboration with the agencies' staff.

Stage 2: Commission's contribution

The control objective is to ensure that all elements of the payment request is fully assessed before paying the subsidy or decide to suspend or interrupt payments.

DG Justice and Consumers ensures that the requests for appropriations from the agencies are in line with their needs for current cash flow. To this end, the financial unit validates the

cash-flow requests from the agencies on the basis of their needs for the forthcoming months in close collaboration with the agencies staff.

Stage 3: Audit, evaluations and discharge

The IAS acts as the internal auditor for the agencies, while the European Court of Auditors gives yearly a statement of assurance as to the reliability of the annual accounts of the agency and the legality and regularity of the transactions underlying them. Based on these, the European Parliament grants discharge directly to the agencies.

Court of Auditors' reports for 2022

In the Court of Auditors opinion, the accounts of EUROJUST, FRA and EIGE for the year ended 31 December 2021 present fairly, in all material respects, the financial position at 31 December 2021, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer.

Audits performed by Internal Audit Service (IAS)

DG JUST's representatives in the management Boards of the Agencies have not been informed of any critical issues arising from audits performed by the IAS or other assurance providers that would be very significant from a reputational perspective.

EIGE closed in February 2022 the two very important recommendation on the IAS "audit on the implementation of project led organisation" referring to "implementation of the project management process" and "the institute's project management framework"

The relevant information provided by the agencies in relation to the issues identified as a result of the Commission's involvement in the Management Boards of the agencies and the results of DG JUST's supervision arrangements are deemed reliable and assessed as sufficient to draw the reasonable assurance conclusion.

Executive agencies:

DG JUST was constantly monitoring the implementation of the calls by EACEA through weekly coordination meetings.

DG JUST in collaboration with EACEA tries to maximise the implementation of payment appropriations to reach full execution by year-end also using the tools at disposal such as the Global transfer exercise (September) and the end-of-the year transfer (if applicable). The supervision arrangements are defined in the general Memorandum of Understanding between EACEA and its parent DGs. In practice, the coordination EACEA-DG JUST is at different levels: Steering Committee meetings, coordination meetings and regular meetings at Operational level.

DG JUST participates in the governance of the Executive Agency (EISMEA) which started its mandate on the 1 April 2021 and contributed to the preparation of the act establishing the new Agency and of the delegation instrument for the new MFF. DG JUST In close cooperation with other parent DGs elaborated and signed with the Agency the Memorandum of Understanding, which defines working methods, repartition of tasks and

responsibilities, interactions and cooperation modalities, procedures and supervision mechanism between EISMEA and the Commission.

EISMEA implements around 70% of the Consumer budget. DG JUST receives monthly reports from EISMEA with updated information on the implementation of each action delegated to the Agency.. DG JUST is a member of the EISMEA Steering Committee and participates in the meetings (four times a year) where the most important issues are discussed and where the decisions are taken by vote of all parent DGs. There are no open audit recommendations related to the Consumer part of the SMP budget implemented by EISMEA

1. Table Y on the estimated “cost of controls” at Commission level

It should be noted that allocating the staff by programme would create an unnecessary workload and would not bring proportionate advantage since the activities are same (same percentage) and **same** actions.

Consequently, DG JUST chose to calculate the estimated cost of control by type of activity: direct management with grant and procurement and indirect management for the agencies. Other costs are mainly represented by service legal agreement and sub-delegations.

Table Y - Overview of DG's/EA's estimated cost of controls at Commission (EC) level:

NB. The absolute values are presented in million EUR.

- Overview of JUST's estimated cost of controls at Commission (EC) level

EXPENDITURE

The absolute values are presented in EUR

JUST	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	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)
Grant - direct management	5.183.978,00 €	88.764.348,89 €	5,84%	615.515,30 €	3.212.589,20 €	19,16%	5.799.493,30 €	6,53%
Procurement - direct management	4.337.078,00 €	26.758.363,30 €	16,21%	- €	- €	0,00%	4.337.078,00 €	16,21%
Entrusted Entities Decentralised Agencies- indirect management	601.380,00 €	133.136.779,82 €	0,45%	- €	- €	0,00%	601.380,00 €	0,45%
Other: DG-horizontal control tasks not attributable to a single RCS	N/A	145.427,00 €	0,00%	- €	- €	0,00%		0,00%
OVERALL total estimated cost of control at EC level for expenditure	10.122.436,00 €	248.804.919,01 €	4,07%	615.515,30 €	3.212.589,20 €	19,16%	10.737.951,30 €	4,32%

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

All relevant information is included in section 2.1.3 of the AAR.

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

DG JUST -1	Payments made (2022;MEUR) -2	minus new prefinancing [plus retentions made] (in 2022;MEUR) -3	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2022;MEUR) -4	Relevant expenditure (for 2022;MEUR) -5	Detected error rate or equivalent estimates -6	Estimated risk at payment (2022;MEUR) -7	Adjusted Average Recoveries and Corrections (adjusted ARC; %) -8	Estimated future corrections [and deductions] (for 2022;MEUR) -9	Estimated risk at Closure (2022;MEUR) -10
Grants	88,76	- 74,83	70,41	84,35	2,46% - 2,46%	2,08 - 2,08	0,24% - 0,24%	0,20 - 0,20	1,87 - 1,87
Procurement	26,76	- 0,62	0,36	26,50	0,50% - 0,50%	0,13 - 0,13	0,00% - 0,00%	0,00 - 0,00	0,13 - 0,13
Subdelegations & service level agrmnts.	0,15	0,00	0,00	0,15	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
Indirect Management- Entrusted Entities	133,14	- 133,14	106,23	106,23	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
Total without contribution to EA's operating budget	248,80	- 208,58	177,01	217,23		2,21 - 2,21	0,09% 0,09%	0,20 - 0,20	2,00 - 2,00
					Overall risk at payment in %	1,02% - 1,02% (7)/(5)		Overall risk at closure in %	0,92% - 0,92% (10)/(5)
EACEA	0,00	0,00	5,17	5,17	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
Sub-total contributions (if more than one)	0,00	0,00	5,17	5,17		0,00 0,00		0,00 0,00	0,00 0,00
Total DG (with contributions to EAs)	248,80	- 208,58	182,18	222,40					

Notes to the table X

(1) Relevant Control Systems [if possible] differentiated per relevant portfolio segments and at a level which is lower than the total.

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.

In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are reported by the Delegated departments. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating departments.

(3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department). as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated departments, even for Cross-SubDelegations.

Retentions: in Cohesion, the 10% retention applied during the year.

(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').

Retentions: in Cohesion, the retentions released during the year by the Commission.

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out [& adds the retentions made], and adds the pre-financing actually cleared [& subtracts the retentions released; and any deductions of *expenditure made by MS*] during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In this column, we disclose the detected error rates or equivalent estimates. [*Equivalent might be e.g. the "adjusted error rates", AGRI, or the "residual total error rates", REGIO, EMPL, MARE. In other cases, e.g. DEVCO and NEAR, they are derived by a backwards calculation based on results from the residual error rate studies; i.e. by adding the estimated future corrections (if not assumed to be zero) to the risk at closure.*]

For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. *administrative expenditure, operating contributions to agencies*), the rate which should be used is 0.5% as a conservative estimate, unless the department has a more precise estimate based on evidence.

(8) The adjusted average recovery and corrections percentage is [*mostly / to some extent*] based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective measures each department applied over the past years as a result of ex post controls. *This may include considering less and more recent years than the full 7-years-period, using an alternative estimation basis [e.g. AGRI, REGIO, EMPL, Research family, or even assuming that the ex-post future corrections would be 0.0% e.g. DGs with entirely ex-ante control systems].*

The average amount of the implemented corrections over the past 2 years (2021-2022, we did not use 2020 because the basis for calculating the RER was changed in the AAR 2020) is 145.875 euros (0.19% of the average amount of relevant expenditure grants 2022 and for grants 2021), compared to an average amount of estimated future corrections during the same period of 203.400 euros (0.27% of the average amount of relevant expenditure of that period). The deviation of 0.08% between the two averages is considered marginal

(9) For some programmes with no set *closure* point (e.g. EAGF) and for some multiannual programmes for which corrections are still possible afterwards (e.g. EAFRD and ESIF), all corrections that remain possible are considered for this estimate.

2. Reservations

A. Reservation fiche (template to be adhered to)

DG	Justice and Consumers.
Title of the reservation, including its scope	Financial risk corresponding to the residual error rate in the non-audited population of grants in the programmes managed by DG JUST .
Domain	Centralised direct management - grants (20014-2027 programmes)
Programme (or other relevant segment) in which the reservation is made and total (annual) amount of this programme	07 06 - Rights and Values and 07 07 – Justice. Total payments related to grants (20014-2027 programmes) in 2022: € 88.76 million out of € 248.8 million total payments for DG JUST
Reason for the reservation	At the end of 2022, the residual error rate is above the materiality threshold of 2% and the segment involved, grants, represent more than 5% of the DG JUST total payments.
Materiality criterion/criteria	The materiality criterion is the cumulative residual error rate, i.e. the level of errors that remain undetected and uncorrected, by the end of the management cycle. The control objective is to ensure that the residual error rate on the overall population is below 2% at the end of the management cycle.
Quantification of the financial impact (amount at risk)	The estimated multiannual residual error rate for DG JUST directly managed grants for 2022 is 2.14%, euro 1.9 million and increases compared to last year (1.83%) notwithstanding the new calculation method ²³ . This shows the results of the efforts made by DG JUST to reduce the errors in its funding programmes. Indeed, for the sole year 2020 the detected errors significantly decreased. The maximum impact is calculated by multiplying the multiannual residual error rate by the sum of direct management payments based on cost statements actually processed and pre-financings cleared in 2022 (€ 84.35 million). The estimated impact in 2022 is € 1.8 million.
Impact on the assurance	Legality and regularity of the affected transactions, i.e. only payments made against cost claims (interim payments and payments of balance). The assurance is affected within the scope of the quantified budgetary impact, which represents 0.90% of payments made by DG JUST in 2022.
Responsibility for the weakness	The main cause for error in the grant segment is the absence of supporting documents. The evidence being stored in the IT systems of beneficiaries or sometimes with intermediaries processing payments for the account of beneficiaries. This makes

²³ It is to be noted that following an ECA observation on the error rates for the Research family, the error rates was recalculated. As per instructions, the detected error rate is to be calculated based on the following methodology: final errors detected/audited amount of the grant (as amount declared by the beneficiary * percentage of audit coverage as indicated in the final audit reports) and no longer on the basis of the total payments made on the grants. This new calculation method negatively impacts the error rate compared to the previous years as it is calculated on a reduced basis.

	<p>sometimes difficult for beneficiaries to provide the supporting evidence requested by the auditors. As a mitigation measure DG JUST on the one hand reminded beneficiaries that supporting evidence must be kept after the completion of the project in case of ex post audit and also contacted the auditors to make them aware that in view of the circumstances (COVID and remote audits and intermediaries processing payments for public bodies) it is not always possible to provide the supporting evidence;</p>
<p>Responsibility for the corrective action</p>	<p>Actions taken in 2022 to address these weaknesses were:</p> <ul style="list-style-type: none"> - Some simplifications for the eligible rules have been introduced mainly as regards the centralisation of the guidance - there will be only one Annotated Grant Agreement for all programmes using the SYGMA/COMPASS tools and the introduction of the unit costs for travel, accommodation and subsistence. DG JUST is working on further simplifications for the future for eligibility rules where possible as allowed by the new MFF and the new MGA. - Ensure a close follow up of the projects with the continuous reporting tool. - Use the reinforced monitoring option available in SYGMA/COMPASS to ensure a better follow up some of the beneficiaries and that will allow better risk based ex ante control strategy. Projects are flagged for reinforced monitoring based on a case-by-case analysis. The projects under reinforced monitoring are reviewed on a regular basis, during each sector meeting. - Keep organising kick off meetings where the rules are explained to beneficiaries and they are given the opportunity to raise questions.

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

Human resource management

Objective: DG JUST 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 1: Number and percentage of first female appointments to middle management positions Source of data: SEC(2020)146			
Baseline (2019)	Target: (2022) + (2024)	Latest known results (31/12/2022)	
10 out of 21 (48 %)	2022: 1 new first female appointment 2024: still to be defined	No new first female appointed in 2022, 3 appointments in total since target set (2 beyond target)	
Indicator 2: DG JUST staff engagement index Source of data: Commission staff surveys 2018 and 2021.			
Baseline (2018)	Target: (2024)	Latest known results (31/12/2022)	
67 %	increase to reach at least the Commission's average	70%	
Main outputs in 2022:			
Description	Indicator	Target	Latest known results
Targeted actions under the DG JUST HR policy oriented towards staff well-being and L&D efforts	Number of activities	4 welcome sessions by end of the year 6 online wellbeing activities by then end of the year	4 welcome sessions were organised A weekly online WOSSIP programme session took place (except for summer break) Two information sessions on well-being topics were also organised...
Implementation of annual HR Plan under the DG JUST HR Strategy	Implementation	2022	All actions were implemented except for one info session on job descriptions (postponed for after the entry into force of the reorganisation of the DG)

Digital transformation and information management

Objective: DG JUST is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and datadriven Commission

Indicator 1: Degree of implementation of the digital strategy principles by the three most expensive IT solutions

Source of data: DG JUST Information Resources Manager

eEvidence Digital Exchange System

Baseline (2020)	Target (2024)	Latest known results (31/12/2022)
75 %	90 %	85%

Online Dispute Resolution System

Baseline (2020)	Target (2024)	Latest known results (31/12/2022)
80 %	90 %	83%

Safety Gate

Baseline (2020)	Target (2024)	Latest known results (31/12/2022)
85 %	95 %	90%

Indicator 2: Percentage of DG JUST key data assets for which corporate principles for data governance have been implemented

Source of data: DG JUST Local Data Correspondent

0 %	80 %	79% (2022)
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Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance

Source of data: Statistics on attendance at awareness raising events

Baseline (2018)	Target (2024)	Latest known results (31/12/2022)
0 %	100 % of staff	60 %

Main outputs in 2022:

Description	Indicator	Target	Latest known results
Implementation of the corporate principles for data governance for DG JUST's key data assets	Percentage of implementation of the corporate principles for data governance for DG JUST's key data assets	Interim milestone by 2022: 70%	79% (2022)

Description	Indicator	Target	Latest known results
Awareness raising in the DG on data protection rules	Number of staff participating	100 staff	60 persons
Technical migration of Drupal 7 systems/websites to Drupal 8	Degree of migration completed	100% of the technical upgrade done	60% Reason: The war in Ukraine led to shifting the focus and resources from migration to Drupal 9 to development of a new, urgent IT system. As a result, the planned migrations were delayed while Drupal 7 assets increased.

Sound environmental management

Objective: DG JUST takes account of its environmental impact in their actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work, with the support their respective EMAS Correspondents/EMAS Site Coordinators.

Main outputs in 2022:

Description	Indicator	Target	Latest known results
I. More efficient use of resources (energy, water, paper): Participation in the end of the year energy saving action, by closing down DG's buildings during the Christmas and New Year's holiday period.	Number of buildings participating	100 % of DG buildings participating	100 %
II. Reducing CO2, equivalent CO2 and other atmospheric emissions: Gradual increased use (and number of) VC meeting rooms for meetings with stakeholders (avoiding business trips) in the DG, in collaboration with DG SCIC, OIB and OIL	Number of VC meeting rooms	8 VC meeting rooms	7 VC meeting rooms
III. Reducing and management of waste:	Number or % of staff informed/participated	100 % of staff informed/participated Reduce waste generation (5 %) Increase waste sorting (%)	100 % of staff informed Waste generation figures for 2022 not yet available
Implementation of the EC Guidelines for sustainable meetings and events, e.g. reduce/eliminate single-use plastics, gadgets/gifts.	Number of green events	100%	100 % of events in compliance with EC Guidelines

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

"not applicable"

ANNEX 12: EAMR of the Union Delegations (if applicable)

"not applicable"

ANNEX 13: Decentralised agencies and/or EU Trust Funds (if applicable)

Decentralised agencies

DG JUST acts as partner DG for three agencies that received budget implementation tasks from the legislative authorities: the Institute for Gender Equality (EIGE), the Fundamental Rights Agency (FRA), the European Agency for Judicial Co-operation (EUROJUST).

EIGE

The European Institute for Gender Equality (EIGE) is an autonomous body of the European Union, established to contribute to and strengthen the promotion of gender equality, including gender mainstreaming in all EU policies and the resulting national policies, and the fight against discrimination based on sex, as well as to raise EU citizens' awareness of gender equality.

FRA

The Fundamental Rights Agency is an independent centre of reference and excellence for promoting and protecting human rights in the EU. We help make Europe a better place to live and work. We help defend the fundamental rights of all people living in the EU

EUROJUST

The European Union Agency for Criminal Justice Cooperation, is a unique hub based in The Hague, the Netherlands, where national judicial authorities work closely together to fight serious organised cross-border crime. The role of EUROJUST is to help make Europe a safer

place by coordinating the work of national authorities – from the EU Member States as well as third States – in investigating and prosecuting transnational crime.

The agencies have full responsibility for the implementation of their budget, DG Justice and Consumers being responsible for the regular payment of the contributions established by the Budgetary Authority.

An overview of payments made in 2020 by DG JUST to the agencies is presented in the table below:

Decentralised Agency	Contribution to the Operating (administrative and operational) budget
European Institute for Gender Equality (EIGE)	8.432.919
Fundamental Rights Agency (FRA)	24.295.170
European Union agency for Criminal Justice Cooperation (EUROJUST)	49.086.843
The European Public Prosecutor's Office ²⁴ (EPPO)	51.201.846

²⁴ However, EPPO is still logistically linked to DG JUST in its handling of certain IT applications, such as those related to staff management, until it becomes IT independent from the Commission (planned for end 2022).

ANNEX 14: Reporting on the Recovery and Resilience Facility

"not applicable"