



Annual Activity Report 2024 Annexes

DG BUDGET

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

1.1. Statement of the Chief Risk Officer for borrowing, debt management, lending and liquidity management operations

I declare that in line with the Commission Implementing Decision (EU, Euratom) 2023/2825 establishing the arrangements for the administration and implementation of the Union borrowing and debt management operations under the diversified funding strategy and related lending operations, and in particular the role of the Chief Risk Officer, I have reported on my activity directly to the European Commissioner for Budget and Administration. Since my function is organisationally placed into DG BUDG, I declare to have also reported to the Director-General for Budget to the extent such reporting is foreseen by the High Level Risk and Compliance Policy, allowing her to draw assurance from my reports and opinions.

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

Brussels, 27 March 2025

e-signed

Iliyana Tsanova

Chief Risk Officer

1.2. Statement of the Director 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 DG BUDG to the Director-General.

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

Brussels, 26 March 2025

e-signed

Reinder van der Zee

Director in charge of Risk Management and Internal Control

(1) C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

General objective: 3. AN ECONOMY THAT WORKS FOR PEOPLE			
<i>Specific Objective 3.1: Design, negotiate and manage EU budget expenditure and revenue that delivers efficiently on Union priorities and provides added value through the financing of EU public good.</i>			
Main outputs in 2024:			
Output	Indicator	Target	Last known results (31/12/2024)
Preparation of the next Multiannual Financial Framework (MFF).	Preparation, launch and completion of the spending review, preparation of the priorities, analytical and quantitative work.	Throughout the year.	Technical meetings with selected DGs and SG (SMM readout of 21/5). Launch of the impact assessments (SG note of 26/06/2024) Internal COM assessment of the outcome of the spending review.
Mid-term revision of 2021-2027 MFF	Adoption of revised MFF Regulation	Q1/2024	Adopted on 29 February 2024: COM(2024)765, COM(2024)792, COM(2024)795, COM(2024)1449.
Other important outputs			
Output	Indicator	Target	Last known results (31/12/2024)
Establish an annual budget for 2025 according to needs within legal deadlines respecting the political priorities.	Statement of Estimates adopted in June; Draft Budget by mid-July.	2025 budget adopted at the latest in the December 2024 plenary.	Adoption of: the Statement of estimates for 2025 (19 June 2024), the full draft budget for 2025 (12 July 2024), 2025 budget (27 November 2024).
Annual budget implementation making use of transfers and carryovers.	All budgetary authority transfers and Draft Amending Budgets adopted by the European Parliament (EP) and the Council.	Throughout the year.	All transfer proposals and 5 Draft Amending Budgets were adopted by the EP and the Council in 2024.

Output	Indicator	Target	Last known results (31/12/2024)
Regular monitoring of annual budget execution to ensure full implementation, including by providing guidance to the DGs.	Information notes on budget implementation. Working document on implementation and assigned revenue produced on time. Regular information to the EP and the Council in the framework of interinstitutional meetings on payments. Full implementation of the 2024 budget.	Throughout the year.	2 interinstitutional meetings on payments (in July and October)/ A point on the budget implementation at the Spring Triologue, with 2 Information notes and the working document V. Almost full implementation (99,41% for commitment and 99,98% for payment appropriations, incl. carry-overs) of the voted budget, including all transfers and 5 amending budgets.
Technical adjustments of the MFF in line with Articles 4, 5 and 6 of the MFF Regulation.	Implementation of the mid-term revision of the MFF Timely adoption for the annual budget procedure.	February 2024 June 2024.	Technical adjustment for 2024 (COM(2024)110 of 29 February 2024) and for 2025 (COM(2024)120 of 18 June 2024).
Enhance agility of the budget by strategic planning and foresight.	Long-term forecast report of revenue and expenditure produced.	June 2024.	Adopted on 26 June 2024 (COM(2024)276, SWD(2024)163).
ACOR forecast - Calculation of Own Resources basis.	Member States approval in the ACOR meeting: revised TOR, bases for VAT, non-recycled PPW and GNI own resources for 2024; forecasts of TOR, and bases for VAT, non-recycled PPW and GNI own resources for 2025.	May 2024.	Adopted on 23 May 2024 (Ares(2024)4010718).
Calculation of UK payments.	Calculation of the relevant amounts to be paid by the UK - 'the UK invoice' as specified in Article 148 of the Withdrawal Agreement.	April 2024 and September 2024.	2024 UK April invoice was sent to the UK on 15/04. 2024 UK September invoice was sent to the UK on 13/09.
Follow-up on the financial and legal issues of the implementation of the EU-UK Trade and Cooperation Agreement and the Withdrawal Agreement.	Preparation of the reports based on the relevant Articles of the Part V of the Withdrawal Agreement. Continuous support to policy DGs on implementation of the TCA (Union programmes).	March 2024. Throughout the year.	Withdrawal Agreement Reports on Articles 140, 142-144 and 147 were sent to the UK on 27/03. TCA invoices sent to UK in April and July were duly paid by UK. BUDG contributed to Annual TCA 2024 report in January 2025.

Output	Indicator	Target	Last known results (31/12/2024)
Call for the windfall profits from Euroclear, according to Council Regulation 2024/1469 and the related Commission implementing Regulation (EU) 2024/1673.	Timely call for funds to Euroclear to enable the making available of the appropriations to support Ukraine.	July 2024	The first call for funds for the financial contribution of Euroclear was successfully sent on 22 July 2024.

General objective: 3. AN ECONOMY THAT WORKS FOR PEOPLE

Specific Objective 3.2: Develop policy-relevant knowledge, performance and financial intelligence in order to optimize the use of resources, influence policy design and ensure efficient and effective implementation of the spending programmes.

Main outputs in 2024:

Output	Indicator	Target	Last known results (31/12/2024)
Publication of reinforced performance analysis, with focus on EU added value.	Timely publication of programme performance statements.	June 2024.	The programme performance statements were adopted in June 2024, and published as attachments to both the Annual Management and Performance Report and the Draft budget.
Tracking of climate, biodiversity and gender expenditure.	Third iteration of gender equality tracking pilot methodology. Second application of digital expenditure stocktake.	June 2024.	The programme performance statements published in 2024 included the EU budget contribution to climate, biodiversity, gender equality and the digital transition.
Enhanced economic and budgetary analyses.	Enhanced modelling capabilities to assess the socio-economic impact of the EU budget.	3 EU budget policy briefs in Q2, Q3, Q4 2024.	1 policy brief, on 25/04/2024.
Enhanced revenue policy analysis.	Analysis of developments of own resources and other revenue.	Throughout the year.	Refined plastic forecasting tool was sent to Member States in March 2024 (together with Eurostat). Art. 13a of Reg 1553/89 Report on VAT own resource: published in December COM(2024)569.
Coordination of internal procedures (legislative coordination, comitology, briefings, access to documents, citizens questions, ombudsman, corporate management board).	Quality in the running of procedures and respect of deadlines in the submission of quality documents.	Smooth running of procedures; timely submission of quality documents.	100% of legal deadlines met.

Output	Indicator	Target	Last known results (31/12/2024)
Coordination of inter-institutional activities (GRI, EXCO, EP questions, national parliaments opinions, consultative committees).	Quality in the running of procedures and respect of deadlines in the submission of quality documents.	Smooth running of procedures; timely submission of quality documents.	100% of legal deadlines met.

General objective: 3. AN ECONOMY THAT WORKS FOR PEOPLE

Specific Objective 3.3: Enhance agility of the budget by strategic planning and foresight, harmonized asset management as well as efficient use of financial instruments, budgetary guarantees and the budgetary headroom.

Main outputs in 2024:

Output	Indicator	Target	Last known results (31/12/2024)
Borrowing, debt management and lending activities for the EU.	<p>Implementation of robust governance procedures across borrowing and lending operations.</p> <p>Active liquidity management.</p> <p>Support of EU bonds' secondary market liquidity.</p> <p>Accounting of flows and budgetary reporting.</p> <p>Codified relations with bank counterparties.</p> <p>Reinforced communication channels with investor base.</p> <p>Comprehensive reporting to Parliament and Council.</p>	<p>Throughout the year.</p> <p>Minimum of four Risk and Compliance Committee meetings per year.</p> <p>Annual CRO report to the College.</p> <p>Monthly CRO risk report to top management.</p>	<p>Annual borrowing decision for 2025 (10/12/2024); Publication of bi-annual fund plans (latest on 10/12/2024); Launch of repurchase (repo) facility (07/10/2024); Launch of EU Issuance Service (08/01/2024); Initiation of active liquidity management operations (30/07/2024); Publication of: (i) semi-annual reports on EU borrowing and debt management operations (latest on 24/07/2024), quarterly report to EP and Council (latest on 13/11/2024); Ongoing investor outreach including publication of quarterly investor newsletters).</p> <p>4 meetings of the Risk and Compliance Committee were held in 2024.</p> <p>11 Monthly CRO risk reports were prepared.</p> <p>Annual CRO report for 2024 will be submitted in April 2025.</p>
NextGenerationEU green bonds.	<p>Third allocation report.</p> <p>Second impact report.</p>	<p>December 2024.</p> <p>December 2024.</p>	<p>2024 edition of comprehensive NGEU Green Bonds Allocation and Impact report published on 20 November 2024.</p>

Output	Indicator	Target	Last known results (31/12/2024)
Sound Governance of CPF (Common Provisioning Fund) assets.	Effective governance of the asset and financial risk management in DG BUDG.	Governance is in place. Regular review at Asset Management Board every 2-3 months. Monthly meetings of Risk Committee. Frequent reporting to top management, including on risk and performance.	Committees and reporting took place in line with the governance. AMB meetings took place on a quarterly basis in 2024 (4 meetings). There were also 8 Risk Committee meetings in 2024.
Asset Management.	1) Implementation of financial investments according to established asset management guidelines. 2) Performance comparable with relevant financial market benchmarks.	1) Ensure 100% compliance with guidelines. 2) Deliver performance in line with relevant benchmarks (long run).	1) As of end of December 2024, portfolios are compliant with the asset management guidelines. 2) As of end of December 2024, portfolios overperform their benchmarks.
Prudent management of budgetary headroom.	Monitor the sustainability of the EU fiscal capacity to cover borrowing liabilities by applying - independently of the borrowing management - a dedicated EU-adapted assessment methodology. Ensure that at any point of time, the headroom is sufficient to cover all contingent liabilities falling due in the same year in full respect of the Own Resources Decision in force. Ensure close coordination of relations and interactions with credit rating agencies and provide analytical support to underpin the EU credit rating.	Maintain high ratings, account being taken of evolving circumstances throughout the year. Positive headroom in every year.	First estimates of the headroom updated for the long-term payments forecast 2024 and to support the funding plan. Assessment of contingent liabilities backed by the headroom and its sustainability were performed in the report under Art. 256 of the Financial Regulation (8 November 2024).

General objective: 5. PROMOTING OUR EUROPEAN WAY OF LIFE

Specific Objective 5.1: Secure that the amounts allocated from the EU budget are invested for the intended purpose and ensure strict compliance with the financial rules in order to minimize errors, prevent fraud, enhance transparency, and pave the way to the discharge.

Related to all spending programmes.

Main outputs in 2024:

Output	Indicator	Target	Last known results (31/12/2024)
Continuous support to Commission DGs on association of third countries to any Union programme and on the implementation of association agreements.	BUDG agreement on the proposed association agreements. Support for the implementation of association agreements (ex. Ukraine, New Zealand etc).	Prompt reply by BUDG throughout 2024 depending on the interest expressed by third countries to be associated and on the demand of DGs. Prompt replies/guidance to specific consultations throughout 2024.	Support to 15 association agreements, including support in Switzerland's association to several Union Programmes and agencies, and association to Horizon Europe of newcomers third countries, such as Canada, Korea, and Japan. Contribution to specific guidance and notes to the Third Countries' ISG Group. Support for the coordination of the annual ISG meeting. Co-chairing of the specialised committee on UK participation in Union Programmes. (UK participates to EU programmes as a third country).
Increased use of simplified forms of funding.	BUDG agreement to proposed authorising decisions.	Prompt reply by BUDG throughout 2024 depending on demand of DGs.	BUDG agreement given to RAOs in relation to 15 draft decisions on which DG BUDG was consulted in 2024. Adoption of an amending Commission Decision on unit costs for travel, accommodation and subsistence that can be applied in any funding programme in 2024.

Output	Indicator	Target	Last known results (31/12/2024)
Provision of corporate grants and procurement guidance.	<p>Publication and updating of guidance documents.</p> <p>Development and updating of procurement and guidance documents and corporate templates in view of modifications introduced by the 2024 Financial Regulation.</p> <p>Enhancement of guidance on contract management and on sustainable and innovation procurement (ex. possible development of contractual clauses for the procurement of AI following the adoption of the AI act).</p>	Throughout 2024.	<p>Complete version 1 of annotated grant agreement (AGA) published in May 2024.</p> <p>VadeMecum on public procurement updated in April 2024.</p> <p>A survey was sent to the Commission's services in 2024 to map the use of social criteria in procurement procedures. Related guidance will be published in 2025.</p> <p>DG BUDG provided guidance on Green Procurement Procedures and supported GPP training.</p> <p>In 2024, DG BUDG contributed to the "Guidelines on the procurement of AI systems and AI-based services" of DG DIGIT.</p>
Continuous development and roll-out of eGrants, eProcurement, the Pillar Assessment Automated Workflow (PAAW) with support from contractors.	<p>Support to policy DGs for the onboarding to corporate IT tools in line with their policy objectives.</p> <p>Finalisation and roll-out of the eProcurement contract management solution.</p> <p>Further improvement of the new IT tool for the automation of the pillar assessment process (PAAW).</p> <p>Development and update of guidance and corporate templates used by the system.</p>	Throughout 2024.	<p>Roll-out completed for all EU programmes.</p> <p>The solution is rolled out for 73 FWCs with 45 DG and EAs already onboarded and 4307 specific contracts, order forms and direct contracts signed.</p> <p>Functionality to extract information from the tool was launched in the summer 2024.</p> <p>The user guide for the PAAW workflow was published in February 2024.</p>

Output	Indicator	Target	Last known results (31/12/2024)
Increased oversight in indirect management.	<p>Support to policy DGs in the pillar assessment of entities for cooperation under indirect management.</p> <p>Publication and updating of guidance and models for use of the AODs, as the need arises.</p> <p>Validation of decisions to apply (or not) supervisory measures and of the draft text proposed by lead DGs.</p> <p>Support for the adoption of exemption decisions.</p>	Prompt reply by BUDG throughout 2024.	<p>In 2024, DG BUDG replied to about 200 requests from policy DGs.</p> <p>The updated guidance on Pillar Assessments and the guidance on indirect management were published in the end of May 2024 to reflect the changes from the central repository to the PAAW tool. Further updates are foreseen to reflect the changes of the Financial Regulation recast ('2024 Financial Regulation') in the first quarter of 2025.</p> <p>In 2024, DG BUDG validated 31 decisions on supervisory measures.</p> <p>DG BUDG provided support for the adoption of 3 exemption decisions.</p>
Effective management of the EU's own resources (OR).	<p>Timely and correct revenue budgeting and calling of OR from MS.</p> <p>Follow-up of all OR due (recovery or contradictory procedure); correct recording of all transactions of the MS in respect of OR.</p>	<p>100%</p> <p>100%</p>	<p>100% cases of OR calling done by now were on time.</p> <p>100% of OR transactions done by now were checked and correctly recorded.</p>
Advising internal and external stakeholders on legal issues relevant for own resources matters and managing any questions with respect to the Protocol on the Privileges and Immunities of the EU.	Satisfaction by stakeholders with adequateness and timeliness of output delivered.	High satisfaction achieved.	94% satisfaction rate.

General objective: 5. PROMOTING OUR EUROPEAN WAY OF LIFE

Specific Objective 5.2: Strengthen the protection of the EU budget from financial risks including to the generalized deficiencies as regards the rule of law in the Member States by greater transparency, knowledge sharing, and accountability achieved by regular dialogue between all concerned stakeholders.

Main outputs in 2024:

Output	Indicator	Target	Last known results (31/12/2024)
Report to the European Parliament (EP) and the Council on the application of Regulation 2020/2092 on a general regime of conditionality.	Transmission of the report to European Parliament and Council.	By 12 January 2024.	15 January 2024 (COM(2024)17 final) with a corrigendum on 1 March 2024.
Effective management of the discharge process.	EP grants the 2022 discharge. Adoption of the follow-up report to the 2022 discharge.	May 2024. By 30 June 2024.	2023 discharge granted on 11 April. 2024. The follow-up report was adopted on 25 June 2024 (COM(2024)267final).
Maintain constructive relations with the ECA and the CONT Committee.	Ensure high-quality and timely Commission replies to numerous ECA reports. Streamline processes with the ECA	Throughout the year	All replies to ECA reports were provided on time. The new format of replies to ECA special reports, fully rolled out for two years now, has strengthened their quality and impact. The same approach was fully rolled out in May/June 2024 for the replies to the ECA 2023 annual report. This has had a positive impact on the efficiency of the adversarial procedures.

Output	Indicator	Target	Last known results (31/12/2024)
<p>For Arachne:</p> <p>Following the agreement on the compulsory feeding of the data-mining tool in the 2024 Financial Regulation, to finalise Phase 1 and commence Phase 2 of the Project "Arachne Corporate". These include definition of potential databases to be interconnected, consolidation of data in order to safeguard proper IT functionalities and identification of risk-indicators.</p>	<p>Assessment of COM databases compatibility with Arachne:</p> <p>Establish a baseline for technical interconnection of chosen databases with Arachne.</p> <p>Identification of personal data issues through the finalisation of the data protection questionnaire.</p> <p>Risk indicators to be reduced and improved.</p>	<p>Throughout the year.</p>	<p>Phase 1 was finished in January 2024. Phase 2 was launched.</p> <p>The revised project charter was approved by the Information Technology and Cybersecurity Board on 21/03/2024.</p> <p>Databases to be interconnected were assessed based on the meetings with DGs and finished in January 2024. Out of 21 databases, 8 were shortlisted for further assessment. The assessment of technical specifications for SUMMA, FTS and EDES has started.</p> <p>Data protection questionnaire was approved by the ITCB in March 2024. The risk indicators were regrouped and consolidated, or eliminated.</p>
<p>Update of the High-Level Risk Compliance Policy (HLRCP).</p>	<p>Incorporate last developments and ongoing projects – Alignment with Commission implementing Decision (EU, EURATOM) 2023/2825</p>	<p>By the end of 2024.</p>	<p>The HLRCP was reviewed, aligned and approved in July 2024.</p>
<p>Further enhancement of the central risk register in Centrics to facilitate use, reporting and analysis.</p>	<p>Regular use of the register by the DGs, new analyses carried out at corporate level.</p>	<p>By the end of 2024.</p>	<p>Centrics updated as planned. Register is in regular use. Analyses concerned external consultants and IT. Monitoring of non-critical risks to identify future possible critical and/or cross-cutting risks.</p>

General objective: 5. PROMOTING OUR EUROPEAN WAY OF LIFE

Specific Objective 5.3: Promote strong enforcement culture to protect the EU Budget including the revenue side.

Related to all spending programmes.

Main outputs in 2024:

Output	Indicator	Target	Last known results (31/12/2024)
Control of the VAT-based own resource.	Number of effective inspections in close cooperation with Member States, ESTAT and TAXUD.	12 inspections in 2024.	12 inspections done (1 carried out in January 2025 upon request of the Member State).
Control of Traditional Own Resources (TOR).	TOR inspections carried out.	21 inspections in 2024.	21 inspections were carried out.
Desk audits in Member states.	Desk audits carried out.	Ongoing desk audits finalised and new desk audits started in case of need.	No new desk audits have been initiated. 14 desk audits have been finalised. .
Assessment of TOR write-off reports (in coordination with TAXUD, OLAF and LS).	Number of cases assessed/re-assessed and reviewed and their financial impact (TOR).	Finalise the re-assessment of cases (7) sent to COM prior 3/5/2022 (entry into force of the New MAR - Increase the number of cases self-assessed by Member States in 2024 and their voluntarily making available to the EU budget.	7 cases completed. 92 cases self-assessed by Member States (TOR EUR 221.1 million).
Launching infringement procedures against Member States in breach of own resources rules.	Adoption by the College of the relevant documents: Letter of formal notice, Reasoned Opinion, Referral to Court.	Throughout the year.	One Letter of formal notice adopted. 2 infringement procedures formally closed by College decision after payment by Member States of principal and interest due.

General objective 7: A MODERN, HIGH PERFORMING, SUSTAINABLE COMMISSION

Specific objective: 7.1. Act as a centre of excellence and trusted partner for Commission services, other institutions, agencies and bodies, Member States and beneficiaries regarding:

- high performing financial governance, single (simplified) rulebook, transparency, smart reporting and derived intelligence, single audit approach, compliance, and accountability.- modern, sound, and efficient management of accounts, treasury, financial risks, and corporate financial and contract management IT systems.
- stronger central oversight and management of debt, assets, and contingent liabilities in view of ensuring sustainability of the EU budget.
- performance optimisation through developing, implementing, monitoring and evaluating policies in an evidence-based, transparent and collaborative way with stakeholders and experts.
- robust internal control that helps the Commission to achieve its objectives and sustain operational and financial performance.

Main outputs in 2024:

Other important outputs

Output	Indicator	Target	Last known results (31/12/2024)
Final adoption of Financial Regulation recast.	Formal adoption of the agreement between EP and Council.	End of March 2024.	The formal adoption took place on 23 September and the text entered into force on 29 September 2024.
Efficient treasury management.	Full execution of budget payments to ensure credibility and achievement of all policy objectives. Implementation of SWIFT ISO20022 standard.	All authorised payments executed without delay. 85% of payments and bank transfers executed via central and commercial banks are using the new ISO20022 XML format (end 2024).	100% of payments on time. 85% executed using the new ISO format.
Deliver EU, Commission, EDF and other accounts, as well as providing prompt, high quality guidance and support to all EU entities on accounting matters.	Annual accounts adopted on time by the Commission and by relevant other authorities and positive DAS on annual accounts from ECA.	30 June 2024.	2023 EU, Commission EDF and other accounts adopted before 30 June, positive DAS from ECA
Timely recovery of accounts receivable.	Proportion of ROs amounts fully 'cashed' on time.	> 95 %	99%
Reduction of doubtful & bad debts.	Amount of overdue ROs.	< EUR 500 million (aim = reducing following the measures of the debtors management strategy).	EUR 430 million
More systematic recovery by offsetting against next payments.	Number of offsetting opportunities not taken up ('exceptions').	< 5 'exceptional' cases per month.	3 exceptions per month

Output	Indicator	Target	Last known results (31/12/2024)
Increased management attention in authorising departments.	Number of pending AOD replies to the AccO's requests for taking stance.	< 100	98
Monitoring the authorising departments' compliance with the recovery performance standards. Recovery orders KPIs.	Regular reporting to the DGs and Corporate Management Board, with possible escalation levels. Formalisation of the recovery orders related key performance indicators and selection of 1 or 2 indicators to be integrated in the scorecard.	At least 2 times. Following the adoption of the new debtors management strategy (6.02.24).	After the adoption of the debtors management strategy in February 2024, first reporting to the DGs sent in October 2024.
Efficiency gains, inter alia through combined waiver decisions.	Number of combined waiver decisions taken.	2 (following the adoption of the debtors management strategy).	After the adoption of the debtors management strategy in February 2024, one combined waiver decision adopted on 25/09/2024 (C(2024)6633).
Business continuity (availability and reliability) of the BUDG corporate IT systems (ABAC, SUMMA, BadgeBud, EDES) and all BUDG local applications including the borrowing and lending activities.	Availability and reliability of the IT systems. Aligning the IT systems with legal obligations and business requirements.	Continuous availability (monitored during 2024). All.	ABAC: 99.47% SUMMA: 99.83% ABAC: 100% SUMMA: 99%
Implement the new Commission's corporate financial and accounting system SUMMA.	Level of completion and readiness of SUMMA, in view of its roll-out to the Commission in January 2025.	SUMMA core solution for the Commission completed and deployed to Pilot Agencies by January 2024. Further advanced functionalities developed and tested by end June 2024. SUMMA ready for the anticipated budget operations at the end of 2024.	Done in January 2024. Delivery released Mid-July 2024. Successfully completed November 2024
Strengthen the integration of the corporate financial systems with the other corporate and local systems and contribute to the rationalisation of the IT landscape.	Level of completion of the integration. Reduction of the number of local systems integrating with SUMMA compared to ABAC.	>90% integration completed. >10% reduction.	92% completion. 52% reduction.

Output	Indicator	Target	Last known results (31/12/2024)
Ensure the budgetary financial year transition.	Timely opening in ABAC of the budget year (appropriations + RAL).	Interruption of payment operations not to exceed 7 days. Complete carry-forward expenditure by 14 January.	No interruptions exceeded 7 days. Carry forward expenditure done by 14 January.
Annual data on the EU spending and revenue allocated to the Member States (for the year 2023).	The publication of the interactive chart with supporting data file on the Europa website.	June/July 2024.	Published on 29 July 2024, 15408 unique page visits between July 2024 and December 2024
CENTRICS: Further enhancement of the tool to facilitate use: namely bulk approve and sign, user management module, notification system, word template, fine-tuning of information required in the registers, .	Simplified use and reporting improved.	By the end of 2024, positive feedback from DGs.	Done. Main milestones for 2024 developments delivered and well received by user community. Further enhancements planned for 2025.
CENTRICS use by EU entities outside the Commission.	Decision taken and, if positive, SLAs signed with at least 5 of these entities.	By the end 2024.	5 entities onboarded at the end of 2024. Further communication and awareness raising.

Cross-cutting communication activities contributing to all three general objectives.

Main outputs in 2024:

External communication

Output	Indicator	Target	Last known results (31/12/2024)
Annual EU Budget Conference.	Number of participants Feedback received from participants.	500 At least 50% of good or excellent.	Took place on 29 April 2024. Around 500 people attended on site and an estimated 2500 people online
EU BUDG talks.	Number of participants. Feedback received from participants.	At least 3 talks. 50-100 At least 50% of good or excellent.	One BUDG Talk organised on April 18 - "MFF mid-term revision info session". Over 200 participants attended online.

Output	Indicator	Target	Last known results (31/12/2024)
EU budget policy briefs.	Importance of issues. Number of readers reached.	At least 2 issues. >250	One issue, published in April 2024 (no 5). Printed version circulated in the Annual Budget Conference (500) and 250 downloads by now.
EU budget website on Europa.	Number of visits [web analytics]. Number of page views [web analytics].	350 000 700 000	376.501 visitors 947.237 page views (of which 724.434 <u>unique</u> page views)
Sovereignty STEP Portal.	Number of visits [web analytics]. Number of page views [web analytics].	100 000 200 000	First version (V1) live on 29 April 2024, V2 live in September 2024 (with new sections, including for investors). Between 29/4 and 31/12, there were: 38.065 visitors 126.052 page views.
EU budget X (formerly Twitter) account.	Number of impressions. Number of followers. Number of posts.	100 000 / month 24 000. 3 per week.	60 000 / month (X continued to change their algorithm leading to worse results) 23 400 3.5 per week.
Posting on Haailo (formerly SMARP) with specific focus on borrowing and lending operations.	Number of posts.	At least one per syndicated transaction and other borrowing and lending communication milestones.	25 in total
Production and publication of the IFAR package including the overview brochure.	Number of readers of the publication or online readers [EDICS, OP orders, REPS].	1000 downloads.	2400 downloads, 4000 page views

Internal communication			
Output	Indicator	Target	Last known results (31/12/2024)
Promotion of BUDG related initiatives.	Number of articles on MyIntracomm.	At least 5.	10 articles, both in Commission en Direct and in other sections of MyIntraComm.
BUDG Times Newsletter.	Regular weekly publication. Openings per issue. Unique clicks per issue. Unsubscribe rate. Spam complaint rate.	> 90% > 400 (85% of all staff) > 350 (75% of all staff) < 5% of all staff < 5% of all staff	> 90 % 1400 openings on average 130 clicks on average 0% unsubscribe rate 0% spam complaint rate
Lunchtime presentations and learning seminars.	Organisation and communication of BUDG lunchtime conferences and learning activities.	At least 12.	18 internal conferences (4 wellbeing conferences, 11 info sessions, 1 induction training, 2 all staff events)
Internal communication network.	Number of meetings. Number of articles submitted by the members.	8 6 per month.	The network was not formal, so DG BUDG did not maintain the meetings and track articles. Despite that, members still widely contributed to internal communication activities, particularly with articles.
Support professionalisation of the budget and finance community.	Number of learning activities delivered. Average satisfaction rate. Average satisfaction rate of correspondents addressing questions to the Central Financial Service Helpdesk.	≥50 Learning activities per year on average. ≥80% average satisfaction rate for 90% of respondents. ≥80% average satisfaction rate for 90% of respondents.	122 learning activities delivered including 12 specific information sessions on the 2024 Financial Regulation. 88% average satisfaction rate. Helpdesk: ≥80% average satisfaction rate.
Communication and coordination activities as domain leader on financial management.	Number of RUF (Réseau des Unités Financières) meetings. Number of participants to the RUF meetings. Number of finance community newsletters published. Number of subscribers to the RUF newsletter. Number of openings of the newsletter.	10 meetings per year. ≥ 100 participants on average per month. ≥8 per year. Maintain ≥1400 subscribers. Maintain ≥ 5000 openings on average per month.	12 RUF meetings held, 180 participants on average per month. 10 newsletters published. 1722 subscribers. 5691 openings on average per month.

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 2024

Table 17 : RRF Loans Implementation - Cumulative View (All Years)

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2024 (in Mio €) for DG BUDG

			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.00	0.00	0.00 %
	01 02	Horizon Europe	0.00	0.00	0.00 %
Total Title 01			0.00	0.00	0.00 %
Title 02 European Strategic Investments					
02	02 02	InvestEU Fund	0.12	0.12	100.00 %
Total Title 02			0.12	0.12	100.00 %
Title 03 Single Market					
03	03 02	Single Market Programme	0.01	0.01	100.00 %
Total Title 03			0.01	0.01	100.00 %
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	10.18	7.50	73.69 %
	06 04	European Union Recovery Instrument (EURI)	3,380.24	3,334.00	98.63 %
Total Title 06			3,390.42	3,341.50	98.56 %
Title 07 Investing in People, Social Cohesion and Values					
07	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0.52	0.52	100.00 %
Total Title 07			0.52	0.52	100.00 %
Title 14 External Action					
14	14 01	Support administrative expenditure of the 'External Action' cluster	6.87	6.87	100.00 %
	14 06	European Instrument for International Nuclear Safety Cooperation (INSC)	2.53	2.53	100.00 %
	14 07	Ukraine Macro-Financial Assistance Plus (MFA+)	573.93	573.93	100.00 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
Total Title 14			583.33	583.33	100.00 %
Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	0.00	0.00	0.00 %
Total Title 16			0.00	0.00	0.00 %

Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	6.08	5.49	90.36 %
	20 03	Administrative operating expenditure	3.22	3.18	98.66 %
	20 04	Information and communication technology-related expenditure	20.05	18.50	92.31 %
Total Title 20			29.34	27.17	92.60 %
Title 30 Reserves					
30	30 04	Solidarity mechanisms (special instruments)	181.39	0.00	0.00 %
Total Title 30			181.39	0.00	0.00 %
Total Excluding NGEU			4,185.12	3,952.64	94.45 %
Title 02 European Strategic Investments					
02	02 01	Support administrative expenditure of the "European Strategic Investments" cluster	0.00	0.00	0.00 %
Total Title 02			0.00	0.00	0.00 %
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.00	0.00	0.00 %
Total Title 06			0.00	0.00	0.00 %
Total NGEU Only			0.00	0.00	0.00 %

Total DG BUDG	4,185.12	3,952.64	94.45 %
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* 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).

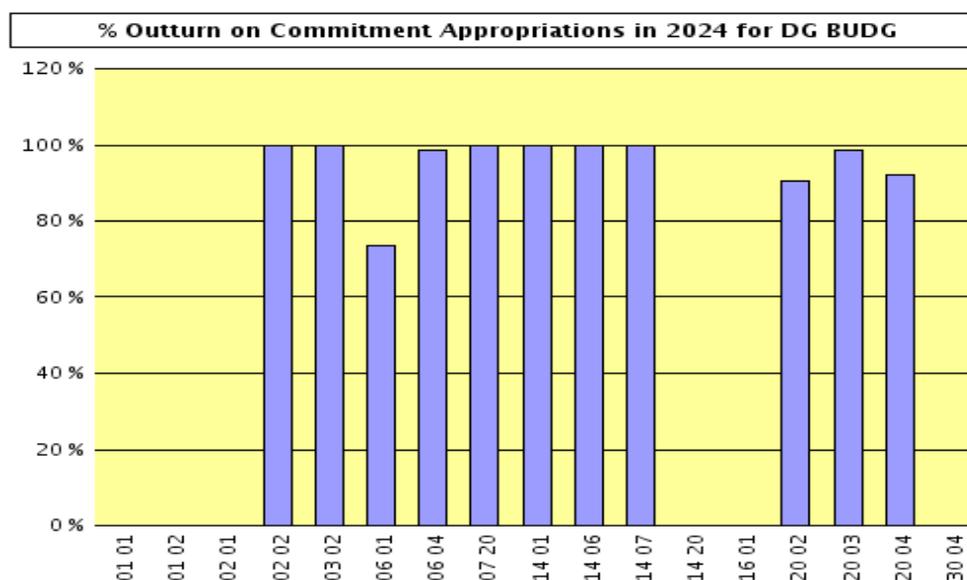


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2024 (in Mio €) for DG BUDG					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.30	0.30	100.00 %
	01 02	Horizon Europe	0.00	0.00	0.00 %
Total Title 01			0.30	0.30	100.00%
Title 02 European Strategic Investments					
02	02 02	InvestEU Fund	0.12	0.12	100.00 %
Total Title 02			0.12	0.12	100.00%
Title 03 Single Market					
03	03 02	Single Market Programme	0.00	0.00	0.00 %
Total Title 03			0.00	0.00	0.00%
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	17.28	11.15	64.53 %
	06 04	European Union Recovery Instrument (EURI)	4,023.77	2,116.22	52.59 %
Total Title 06			4,041.05	2,127.38	52.64%
Title 07 Investing in People, Social Cohesion and Values					
07	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0.54	0.54	100.00 %
Total Title 07			0.54	0.54	100.00%
Title 14 External Action					
14	14 01	Support administrative expenditure of the 'External Action' cluster	10.19	8.00	78.47 %
	14 06	European Instrument for International Nuclear Safety Cooperation (INSC)	2.53	2.53	100.00 %
	14 07	Ukraine Macro-Financial Assistance Plus (MFA+)	529.90	421.00	79.45 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.45	0.44	98.64 %
Total Title 14			543.08	431.97	79.54%
Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	0.00	0.00	0.00 %
Total Title 16			0.00	0.00	0.00%

Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	9.66	4.48	46.33 %
	20 03	Administrative operating expenditure	4.30	3.17	73.81 %
	20 04	Information and communication technology-related expenditure	28.81	18.89	65.57 %
Total Title 20			42.78	26.54	62.05%
Title 30 Reserves					
30	30 04	Solidarity mechanisms (special instruments)	181.39	0.00	0.00 %
Total Title 30			181.39	0.00	0.00%
Total Excluding NGEU			4,809.25	2,586.85	53.79%
Title 02 European Strategic Investments					
02	02 01	Support administrative expenditure of the "European Strategic Investments" cluster	0.00	0.00	0.00 %
Total Title 02			0.00	0.00	0.00%
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.00	0.00	0.00 %
Total Title 06			0.00	0.00	0.00%
Total NGEU Only			0.00	0.00	0.00%
Total DG BUDG			4,809.25	2,586.85	53.79 %

* 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).

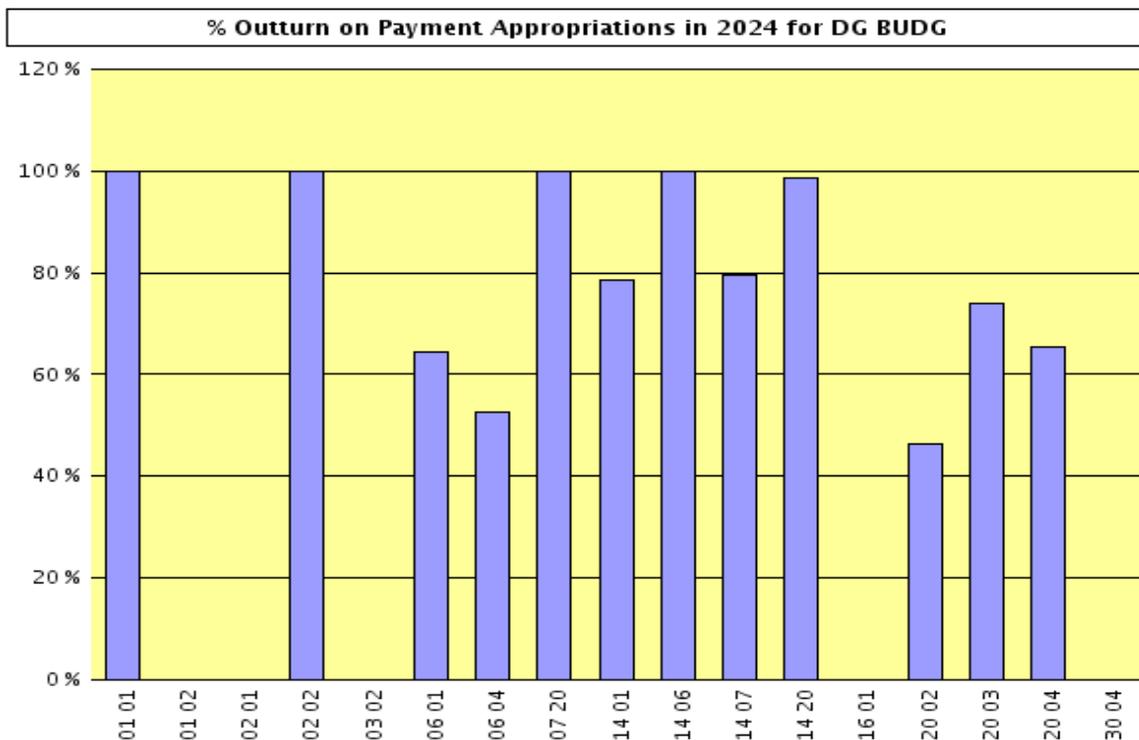


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 01	Support administrative expenditure of the "Research & Innovation" cluster	0.00	0.00	0.00	0.00%	0.00	0.00	0.30
	01 02	Horizon Europe	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Title 01			0.00	0.00	0.00	0.00%	0.00	0.00	0.30

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 02	InvestEU Fund	0.12	0.12	0.00	0.00%	0.00	0.00	0.00
Total Title 02			0.12	0.12	0.00	0.00%	0.00	0.00	0.00

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 02	Single Market Programme	0.01	0.00	0.01	100.00%	0.00	0.01	0.00
Total Title 03			0.01	0.00	0.01	100.00%	0.00	0.01	0.00

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 01	Support administrative expenditure of the 'Recovery & Resilience' cluster	7.50	4.05	3.45	45.98%	0.00	3.45	7.10
	06 04	European Union Recovery Instrument (EURI)	3,334.00	1,472.69	1,861.31	55.83%	0.00	1,861.31	643.53
Total Title 06			3,341.50	1,476.75	1,864.76	55.81%	0.00	1,864.76	650.63

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
07	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0.52	0.28	0.23	45.35%	0.00	0.23	0.26
Total Title 07			0.52	0.28	0.23	45.35%	0.00	0.23	0.26

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 01	Support administrative expenditure of the `External Action; cluster	6.87	4.76	2.11	30.71%	0.00	2.11	3.32
	14 06	European Instrument for International Nuclear Safety Cooperation (INSC)	2.53	2.53	0.00	0.00%	0.00	0.00	0.00
	14 07	Ukraine Macro-Financial Assistance Plus (MFA+)	573.93	421.00	152.93	26.65%	0.00	152.93	0.00
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00	0.00%	0.00	0.00	0.45
Total Title 14			583.33	428.29	155.04	26.58%	0.00	155.04	3.77

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG BUDG

			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Title 16			0.00	0.00	0.00	0.00%	0.00	0.00	0.00

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG BUDG

			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
Chapter			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	5.49	1.01	4.48	81.62%	0.00	4.48	3.58
	20 03	Administrative operating expenditure	3.18	2.28	0.89	28.15%	0.00	0.89	1.08
	20 04	Information and communication technology-related expenditure	18.50	10.24	8.27	44.68%	0.00	8.27	8.77
Total Title 20			27.17	13.53	13.65	50.22%	0.00	13.65	13.43

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
30	30 04	Solidarity mechanisms (special instruments)	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Title 30			0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Excluding NGEU			3,952.64	1,918.97	2,033.68	51.45%	0.00	2,033.68	668.40

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 01	Support administrative expenditure of the "European Strategic Investments" cluster	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Title 02			0.00	0.00	0.00	0.00%	0.00	0.00	0.00

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Title 06			0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total NGEU Only			0.00	0.00	0.00	0.00%	0.00	0.00	0.00

Total for DG BUDG	3,952.64	1,918.97	2,033.68	51.45 %	0.00	2,033.68	668.40
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Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2024 BUDG

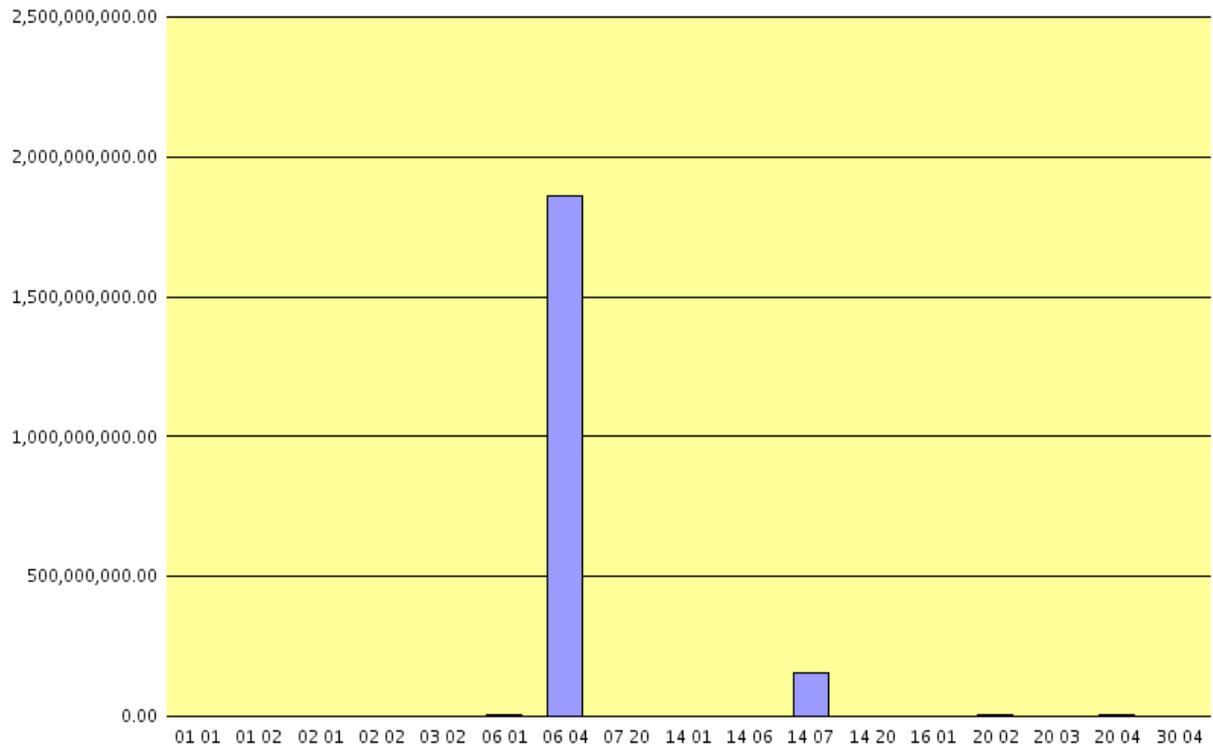


TABLE 4 : BALANCE SHEET for DG BUDG

BALANCE SHEET	2024	2023
A.I. NON CURRENT ASSETS	-80,558,275,941.47	1,540,582,013.76
A.I.1. Intangible Assets	113,731,358.00	80,725,085.07
A.I.2. Property, Plant and Equipment	0.33	0.33
A.I.4. Non-Current Financial Assets	164,868,284,121.56	168,800,607,379.96
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	-245,540,291,421.36	-167,340,750,451.60
A.II. CURRENT ASSETS	49,784,153,329.06	41,055,685,884.43
A.II.1. Current Financial Assets	15,639,789,874.04	9,025,377,603.98
A.II.2. Current Pre-Financing	-27,625,990.12	-27,919,776.27
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	9,007,664,048.09	8,524,514,603.91
A.II.6. Cash and Cash Equivalents	25,164,325,397.05	23,533,713,452.81
ASSETS	-30,774,122,612.41	42,596,267,898.19
P.I. NON CURRENT LIABILITIES	-237,835,648,612.88	2,711,018,224.44
P.I.1. Non-Current Pension & other Empl Benef	-92,803,701,341.51	2,711,018,224.44
P.I.2. Non-Current Provisions	0	0
P.I.3. Non-Current Financial Liabilities	-145,031,947,271.37	-154,035,643,046.48
P.I.4. Non-Cur Accrued Chrgs & Defrd Income	0	0
P.III. NET ASSETS/LIABILITIES	-593,413,594.61	-667,449,971.53
P.III.1. Reserves	-593,413,594.61	-667,449,971.53
P.II. CURRENT LIABILITIES	-40,753,043,089.63	-31,477,644,981.08
P.II.2. Current Provisions	0	0
P.II.3. Current Financial Liabilities	-11,440,715,120.50	-3,879,477,434.97
P.II.4. Current Payables	-28,643,567,508.59	-26,495,087,007.06
P.II.5. Current Accrued Charges & Defrd Income	-668,760,460.54	-1,103,080,539.05
LIABILITIES	-279,182,105,297.12	-276,690,432,735.40
NET ASSETS (ASSETS less LIABILITIES)	-309,956,227,909.53	-234,094,164,837.21
P.III.2. Accumulated Surplus/Deficit	-1,644,782,706,734.08	-1,503,555,030,316.67
Non-allocated central (surplus)/deficit*	1,954,738,934,643.61	1,737,649,195,153.88
TOTAL for DG BUDG	0	0

The balance sheet and statement of financial performance presented in Annex 3 to this AAR, represent the assets, liabilities, expenses and revenues that are locally under the control of DG BUDG, but also significant amounts such as own resource revenues and cash held in Commission bank accounts managed centrally by DG BUDG. 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 BUDG		
STATEMENT OF FINANCIAL PERFORMANCE	2024	2023
II.1 REVENUES	-137,633,177,427.05	-147,977,310,713.32
II.1.1. NON-EXCHANGE REVENUES	-134,713,387,226.29	-145,375,525,453.12
II.1.1.1. GNI RESOURCES	-95,037,416,194.79	-101,286,568,148.04
II.1.1.2. OWN RESOURCES	-20,711,998,439.31	-19,840,131,130.64
II.1.1.3. VAT	-24,546,633,046.86	-22,525,680,546.81
II.1.1.4. NEW OWN RESOURCES	-8,227,360,129.86	-7,225,075,485.11
II.1.1.7. UK WITHDRAWAL AGREEMENT	0.00	-681,145,643.75
II.1.1.8. OTHER NON-EXCHANGE REVENUES	13,810,020,584.53	6,183,075,501.23
II.1.2. EXCHANGE REVENUES	-2,919,790,200.76	-2,601,785,260.20
II.1.2.1. FINANCIAL INCOME	-2,900,264,072.14	-2,573,748,769.62
II.1.2.2. OTHER EXCHANGE REVENUE	-19,526,128.62	-28,036,490.58
II.2. EXPENSES	8,064,793,863.60	7,264,488,217.83
II.2.10. UK WITHDRAWAL AGREEMENT EXP	167,333,279.76	0.00
II.2.11. OTHER EXPENSES	60,995,569.58	44,572,789.41
II.2.1. EXP IMPLM BY MEMBER STATES (SHARED)	0.00	0.00
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	-30,849,698.67	-93,374,975.96
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	-4,906,122.16	11,313,425.28
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	10,783,989.95	8,075,816.12
II.2.5. EXP IMPLM BY OTHER ENTITIES (IM)	-2,048,840.78	8,755,830.95
II.2.6. STAFF AND PENSION COSTS	5,884,258,597.34	5,757,288,279.75
II.2.8. FINANCE COSTS	1,979,227,088.58	1,527,857,052.28
STATEMENT OF FINANCIAL PERFORMANCE	-129,568,383,563.45	-140,712,822,495.49

The balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent the assets, liabilities, expenses and revenues that are locally under the control of DG BUDG, but also significant amounts such as own resource revenues and cash held in Commission bank accounts managed centrally by DG BUDG. 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 BUDG		
OFF BALANCE	2024	2023
OB.1. Contingent Assets	36,056,764,623.38	38,139,654,186.55
GR for Financial Instruments	28,960,466,862.80	28,810,499,415.87
GR for fines pending	7,090,731,451.49	9,323,588,461.59
GR for other	2,173,762.31	2,173,762.31
GR for performance	1,408,895.90	1,408,895.90
GR for pre-financing	1,983,650.88	1,983,650.88
OB.2. Contingent Liabilities	-2,177,789,946.13	-2,230,930,801.64
OB.2.2. Budgetary Guarantees given	0.00	0.00
OB.2.4. CL Fines	-2,177,789,945.13	-2,230,930,800.64
OB.2.6. CL Other	0.00	0.00
OB.2.7. CL Legal cases OTHER	-1.00	-1.00
OB.3. Other Significant Disclosures	-3,802,257,131.35	-4,130,656,803.21
OB.3.1. Undrawn commitments and repos	-95,000,000.00	-95,000,000.00
OB.3.2. Comm against app. not yet consumed	-3,707,257,131.35	-4,035,656,803.21
OB.3.3.1 Structural operations	0.00	0.00
OB.3.3.8. Budgetary Guarantees Ceiling	0.00	0.00
OB.4. Balancing Accounts	-30,076,717,545.90	-31,778,066,581.70
OB.4. Balancing Accounts	-30,076,717,545.90	-31,778,066,581.70
OFF BALANCE	0.00	0.00

The balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent the assets, liabilities, expenses and revenues that are locally under the control of DG BUDG, but also significant amounts such as own resource revenues and cash held in Commission bank accounts managed centrally by DG BUDG. 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 6: AVERAGE PAYMENT TIMES

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	%	Average Payment Times (Days)	Nbr of Late Payments	%	Average Payment Times (Days)	Late Payments Amount	%
30	1,180	1,100	93.2%	17.90	80	6.78%	37.51	2,728,647.6	6%
60	13	13	100%	28.23				0	0

Total Number of Payments	1,193	1,113	93.3%		80	6.71%		2728647.56	6%
Average Net Payment Time	19.33			18.03			37.51		
Average Gross Payment Time	19.62			18.28			38.26		

Suspensions								
Average Report Approval Suspension Days	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	24	6	0.5 %	1,193	298,035.05	0.63 %	46,951,606.34	

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2024 for DG BUDG

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
11	Levies and other duties provided for under the common organisation of the markets in sugar	0.00	-6.17	-6.17	0.00	0.00	0.00	-6.17
12	Customs duties and other duties	20,299,248,943.48	-197,287,395.87	20,101,961,547.61	20,221,580,756.07	-155,132,435.70	20,066,448,320.37	35,513,227.24
13	Own resources based on value added tax	23,438,378,442.95	0.00	23,438,378,442.95	23,438,378,442.95	0.00	23,438,378,442.95	0.00
14	Own resources based on gross national income	90,333,902,377.03	0.00	90,333,902,377.03	90,333,902,377.03	0.00	90,333,902,377.03	0.00
16	Gni lump sum reductions granted to certain member states and their financing	22,974,957.20	0.00	22,974,957.20	22,974,957.20	0.00	22,974,957.20	0.00
17	Own resources based on non-recycled plastic packaging waste	7,185,220,055.14	0.00	7,185,220,055.14	7,185,220,055.14	0.00	7,185,220,055.14	0.00
20	Surplus from previous financial year	632,625,574.28	0.00	632,625,574.28	632,625,574.28	0.00	632,625,574.28	0.00
21	Balances adjustment	29,621,248.73	6,522,690.00	36,143,938.73	29,621,248.73	6,522,690.00	36,143,938.73	0.00

22	Adjustment for the non-participation of certain member states in specific policies	42,559.69	0.00	42,559.69	42,559.69	0.00	42,559.69	0.00
30	Revenue from staff	124,278,251.04	7,551,492.08	131,829,743.12	113,723,581.05	7,551,492.08	121,275,073.13	10,554,669.99
33	Other administrative revenue	9,664,928.08	1,461,041.63	11,125,969.71	9,514,928.08	1,461,041.63	10,975,969.71	150,000.00
40	Revenue from investments and accounts	251,307,285.83	0.00	251,307,285.83	251,307,285.83	0.00	251,307,285.83	0.00
41	Default interest	296,912,051.10	188,183,714.92	485,095,766.02	264,743,342.07	149,275,113.34	414,018,455.41	71,077,310.61
42	Fines and penalties	277,051,136.92	0.00	277,051,136.92	277,051,136.92	0.00	277,051,136.92	0.00
50	European union guarantee for borrowing-and-lending operations in member states	72,805,669,853.45	0.00	72,805,669,853.45	72,805,669,853.45	0.00	72,805,669,853.45	0.00
52	Special loans and risk capital granted by the commission	568,927,101.80	0.00	568,927,101.80	524,902,843.77	0.00	524,902,843.77	44,024,258.03
66	Other contributions and refunds	1,116,039,337.19	3,133,197,540.00	4,249,236,877.19	-3,592,465.07	3,133,197,540.00	3,129,605,074.93	1,119,631,802.26
Total DG BUDG		217,391,864,103.91	3,139,629,076.59	220,531,493,180.50	216,107,666,477.19	3,142,875,441.35	219,250,541,918.54	1,280,951,261.96

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in for DG BUDG (N/A)

N/A

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2024 for DG BUDG

	Number at 01/01/2024	Number at 31/12/2024	Evolution	Open Amount (Eur) at 01/01/2024	Open Amount (Eur) at 31/12/2024	Evolution
2015	7	5	-28.57 %	1,058,118.98	589,183.38	-44.32 %
2016	5	2	-60.00 %	18,509,223.75	12,468.85	-99.93 %
2017	8	4	-50.00 %	5,205,226.41	1,804,786.04	-65.33 %
2018	7	4	-42.86 %	1,772,908.62	1,766,452.30	-0.36 %
2019	44	11	-75.00 %	120,460,541.19	5,714,220.35	-95.26 %
2020	41	20	-51.22 %	43,825,041.48	19,259,548.10	-56.05 %
2021	20	8	-60.00 %	14,007,060.03	2,684,544.42	-80.83 %
2022	36	17	-52.78 %	14,503,203.07	4,405,525.83	-69.62 %
2023	60	18	-70.00 %	3,268,077,532.10	11,016,791.02	-99.66 %
2024		53			1,272,319,417.28	
	228	142	-37.72 %	3,487,418,855.63	1,319,572,937.57	-62.16 %

TABLE 10 :Recovery Order Waivers \geq 60 000 € in 2024 for DG BUDG

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

None.

TABLE 11 : Negotiated Procedures in 2024 for DG BUDG

The procedures are presented in the Annual Management and Performance Report of 2024.

TABLE 12 : Summary of Procedures in 2024 for DG BUDG

The procedures are presented in the Annual Management and Performance Report of 2024.

TABLE 13 : BUILDING CONTRACTS in 2024 for DG BUDG – none

TABLE 14 : CONTRACTS DECLARED SECRET in 2024 for DG BUDG - none

TABLE 15 : FPA duration exceeds 4 years - DG BUDG – none

TABLE 16 : Commitments co-delegation type 3 in 2024 for DG BUDG - none

TABLE 17 : RRF Loans Implementation - Cumulative View (All Years)

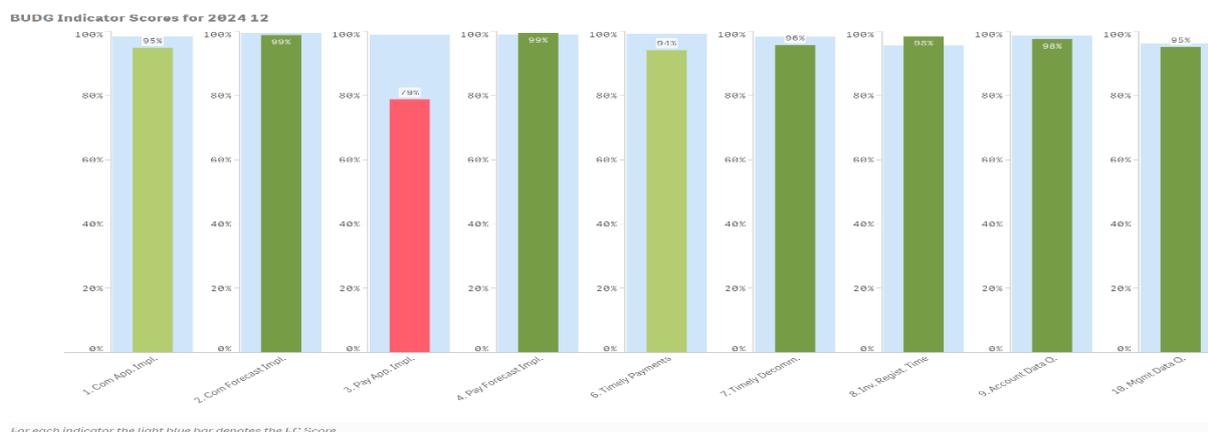
Country	Budget Position	Available Credits (All Years)	Contracted Loans (ECFIN) All Years	Disbursements (BUDG) All Years	Balance All Years
Cyprus	06.020100.13	200,320,000	200,320,000	26,041,600	174,278,400
Greece	06.020100.08	17,727,538,920	17,727,538,920	9,620,502,632	8,107,036,288
Italy	06.020100.12	122,601,810,400	122,601,810,400	75,675,230,004	46,926,580,396
Poland	06.020100.21	34,541,303,518	34,541,303,518	13,464,190,510	21,077,113,008
Portugal	06.020100.22	5,890,756,353	5,890,756,353	2,903,731,663	2,987,024,690
Romania	06.020100.23	14,942,153,000	14,942,153,000	3,662,552,664	11,279,600,336
Slovenia	06.020100.24	1,072,370,000	1,072,370,000	426,219,429	646,150,571
RRF Reserve	06.020100	94,912,443,633.59			
Belgium	06.020100.01	264,200,000	264,200,000	43,000,000	221,200,000
Croatia	06.020100.11	4,254,156,972	4,254,156,972	795,903,810	3,458,253,162
Czechia	06.020100.03	818,136,635	818,136,635	190,898,548	627,238,087
Hungary	06.020100.17	3,918,313,481	3,918,313,481	779,491,042	3,138,822,439
Lithuania	06.020100.15	1,551,672,358	1,551,672,358	758,656,943	793,015,415
Spain	06.020100.09	83,160,060,000.00	83,160,060,000.00	340,000,000.00	82,820,060,000.00
	ALBANIA			30,029,428.12	-30,029,428.12
	EGYPT			1,000,000,000.00	-1,000,000,000.00
	NMACEDONIA			24,436,680.36	-24,436,680.36
	UKRAINEII			35,111,521,428.00	-35,111,521,428.00
		385,855,235,270.59	290,942,791,637.00	144,852,406,381.48	146,090,385,255.52

RRF Loans Implementation - 2024 Financial Year

Country	Budget Position	Disbursements 2024 (BUDG)	Country	Budget Position	Contracted Loans 2024 (ECFIN)
Greece	06.020100.08	2,327,195,157.00	Cyprus	06.020100.13	0.00
Italy	06.020100.12	14,736,994,652.00	Greece	06.020100.08	0.00
Poland	06.020100.21	8,960,229,806.00	Italy	06.020100.12	0.00
Portugal	06.020100.22	1,249,907,706.00	Poland	06.020100.21	0.00
Romania	06.020100.23	37,055,259.00	Portugal	06.020100.22	0.00
Slovenia	06.020100.24	116,127,827.00	Romania	06.020100.23	0.00
Belgium	06.020100.01	43,000,000.00	Slovenia	06.020100.24	0.00
Croatia	06.020100.11	795,903,810.00	Belgium	06.020100.01	0.00
Czechia	06.020100.03	190,898,548.00	Croatia	06.020100.11	0.00
Lithuania	06.020100.15	648,830,796.00	Czechia	06.020100.03	0.00
Spain	06.020100.09	340,000,000.00	Hungary	06.020100.17	0.00
	EGYPT	1,000,000,000.00	Lithuania	06.020100.15	0.00
	UKRAINEII	13,111,521,428.00	Spain	06.020100.09	0.00
		43,557,664,989.00			0.00

ANNEX 4: Financial scorecard

The chart below presents the annual objective and result for BUDG and for the EC as a whole for each standard financial indicator, its value (in %) for BUDG is compared to the common target (in %).



Indicator	Objective	Comment	BUDG Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of financial year	-	95%	99%
2. Commitment Forecast Implementation	Ensure cumulative alignment of commitment implementation with forecast in a financial year	-	99%	99%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of financial year	Invoices received in the last trimester are paid in the next year.	79%	99%
4. Payment Forecast Implementation	Ensure cumulative alignment of payment implementation with payment forecast in a financial year	-	99%	99%
5. Global Commitment Absorption (2)	Ensure efficient use of earmarked commitment appropriations (at L1 level)	-	-	97%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	Transition to new financial system slightly slowed down the processing of invoices.	94%	99%
7. Timely Decommits	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle.	-	96%	98%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC	-	98%	96%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with focus on fields having a primary impact on accounts.	-	98%	99%
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	-	95%	96%
11. Timely Invoice PF clearing	Ensure efficient clearing by invoices of prefinancing payments within the invoice payment time limit	-	-	100%

(2) 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.

ANNEX 5: Materiality criteria

The criteria for making a reservation vary dependent on BUDG's activity:

- Materiality criteria related to the **budget executed by BUDG** directly (expenditure). The main control indicators for direct management are based on results of ex ante controls, exception reporting, work done by the IAS and feedback from the annual internal control assessment. Reservations would be made if the residual risk of error on legality and regularity of the underlying transactions is higher than **2%**.
- As regards revenue financial operations relating to the collection and making available of **own resources**, BUDG analyses the systems set up by Member States and assesses whether they provide reliable assurance as regards the accuracy of the information provided and the legality and regularity of these operations. In case BUDG determines that it cannot rely on some of these systems for assurance purposes, it would qualify its annual Declaration of Assurance in case the amount of revenue concerned has the potential to exceed **1%** of the total relevant resource-segment (i.e., TOR, or VAT/GNI/plastics-based own resources).
- In addition to the management of its own appropriations, BUDG also does **off-budget management** - horizontal financial activities such as treasury, asset management, borrowing and lending operations, guarantees such as those related to competition fines and VAT reimbursement. While the target error rate is 0%, materiality for reservation purposes has been set at **1%** for these activities. As these transactions are not directly linked to expenses, reservations would be made if fraud or improper safeguarding of assets has been observed during the processing of the related transactions in BUDG.
- Materiality criteria related to **systemic responsibilities for BUDG**. BUDG has the responsibility at Commission level for: securing of resources needed to implement the European Union's policies; management of the budgetary regulatory framework; implementation of the budget in compliance with the rules; provision of the treasury and accounting services to the institutions; provision of a corporate financial reporting; contributing to sound financial management in Commission departments; management of the Trust Funds on behalf of other Commission departments. Beyond its own operational responsibilities, it is a horizontal department operating as a service provider and thus also bears responsibility for the development and quality of the relevant processes. BUDG would consider issuing a reputational reservation (see below) if the review of the relevant processes, including those related to the Accounting Officer's responsibilities, identifies important weaknesses in the implementation of the underlying systems and tools or, in case of major changes, if the evidence on the outcome of the change was not yet available.
- Materiality criteria related to **reputational issues**. In line with the Commission's instructions, a combined or separate reputational reservation will be made for events that could cause serious damage (in terms of 'duration' + 'scope' of political/press/citizen attention) to the Commission's image due, for example, to financial fraud inside BUDG or serious breaches on provisions of the Treaty, linked to BUDG's activities.

Since 2019 ⁽³⁾, 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.

⁽³⁾ Agreement of the Corporate Management Board of 30/4/2019.

ANNEX 6: Relevant Control Systems for budget implementation

Revenue: TOR, VAT, GNI and plastics

A –MS statements and collection of resources

Main control objectives: Timely and accurate collection of Own Resources from Member States

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Member States do not provide the corresponding underlying data</p> <p>Member States (MS) not paying amounts of Own Resources due or not paying them promptly.</p> <p>(This risk is common to all own resources. BUDG monitors receipt of timely and full making available of resources)</p>	<p>Calculation of the amounts requested in the monthly call for funds (VAT, GNI, plastics and GNI lump sum corrections)</p> <p>Control of the TOR statements and introduction of information in the unit's database</p> <p>Control of receipt of VAT annual statements and entry of the data to the relevant data base</p> <p>Follow-up of related payments by using information received from the treasury: control of the correct amount and the respect of the due date.</p> <p>Delays in paying own resources give rise to payment of interest by the MS concerned.</p> <p>Immediate reminders for the outstanding payments are sent, supported with contacts at high level.</p> <p>Infringement procedures are launched when necessary.</p> <p>Communication of elements that are considered relevant for units in charge of control of own resources (enrolment due to a specific demand resulting from a control report) in line with the internal rules.</p> <p>Contacts with MS aimed at preventing the risk materialising and to anticipate information on a possible delay on payments.</p> <p>Pre- and post-event reminders (VAT)</p>	<p>Exhaustive control (100 %)</p> <p>100 % of MS contributions</p> <p>100 % of standing amounts are followed- up</p> <p>100 % of relevant elements identified</p> <p>In case there is information that Member States might delay payments.</p> <p>100 % of MS</p>	<p>Costs: estimation of cost of staff involved</p> <p>Effectiveness: % of national contributions and TOR amounts reported in the A statements made available timely</p> <p>Number of accounting documents generated for actual/potential corrective payments by Member States of principal amount or interest amount.</p> <p>Number of open infringement files and their annual variation.</p> <p>Number of Commission infringement decisions taken (Art. 258 TFEU)</p> <p>Efficiency: Timely and comprehensive collection of Own Resources, considered free from material error (n.q)</p> <p>Economy</p> <p>Low Proportion of overall cost of controls over total value of contributions dully collected and on time</p>

B – Verification of TOR collected and VAT OR base calculation by MS/ Calculation of GNI and plastic based OR contributions (21)

Main control objectives: Obtain assurance on:

- a) The key procedures and systems in each MS ensuring correct and timely collection and making available of TOR.
- b) The data on which VAT, GNI and Plastic based OR contributions are calculated has been correctly compiled by Member States (including scrutiny of the adequacy of relevant systems and procedures).

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)	
<p>Irregularities/errors in MS systems and/or statements might remain undetected, and funds not duly collected. (TOR)</p> <p>Economical operators are not providing complete and correct customs declarations reducing the amount of import duties payable and, consequently the TOR available to the EU budget</p>	<p>On-the-spot TOR inspections in Member States according to an annual programme, covering risk based selected customs areas and Member States' TOR accounting (A and B accounts).</p>	<p>Risk based annual inspection programme</p>	<p>Costs: estimation of cost of staff involved and travel and subsistence budget for on-the-spot controls.</p> <p>Effectiveness: Timely assessment of MS' write-off reports for irrecoverable amounts of TOR and of individual cases of financial responsibility.</p> <p>Reasonable assurance can be given on the compliance of total value of TOR collected with relevant regulation (q.)</p> <p>Continuous improvement of MS internal control systems for TOR collection for instance by providing common audit tools. (n.q.)</p> <p>Amounts of TOR corrected and recovered from MS derived from irregularities detected by controls (q.)</p> <p>Efficiency: Complete and timely implementation and reporting of TOR inspections in accordance with the annual programme</p>	
	<p>Inspections are specially focused on Member States control systems and risk assessment for the performance of these controls.</p>			<p>100 % of Write- Off reports communicated via the WOMIS IT application</p>
	<p>A database is maintained with reported cases of irregularities and fraud (it serves as an input to risk-based analysis of inspection programmes)</p> <p>Assessment of Member States' write-off reports</p>			
	<p>Follow-up of individual cases of financial responsibility and the ECA's findings following its audits carried out in the Member States</p>	<p>100 % of cases detected</p>	<p>Economy: Proportion of cost of controls over total value of TOR collected and/ or over the total amount of errors detected and recovered from MS.</p>	
<p>Member States may not have compiled their annual VAT statements in compliance with the legal requirements leading to incorrect VAT OR contributions being collected.</p> <p>Time-barring may be activated before statements are subject to verification</p>	<p>Annual programme of on-the-spot inspections (in conjunction with ESTAT for some areas) ensuring that every annual VAT statement furnished by every Member State is subject to checks on its accuracy and completeness.</p> <p>Annual programmes assembled on basis of risk of statements going out of time.</p>	<p>Annual programmes of inspections covering 100 % of statements for all Member States over a 2-to-3-year cycle</p>	<p>Costs: estimation of cost of staff involved and travel and subsistence budget for on-the-spot controls.</p> <p>Effectiveness: Obtain reasonable assurance that total value of VAT OR collected has been calculated on compliant VAT OR bases (q.).</p> <p>Provide reassurance to Member States that all are measured against the legal standard (n.q)</p>	

<p>Incorrect amounts of VAT own resources being obtained because Member States fail to enact EU VAT legislation correctly</p>	<p>Scrutiny of infringement action taken by TAXUD to identify and follow-up all cases with the potential to affect the VAT base.</p>	<p>100 % of infringements are analysed and followed up if considered relevant to VAT OR.</p>	<p>Deter non-compliant behaviour and motivate Member States to fulfil obligations (n.q) Fulfilment of Commission legal obligation under Regulation 1553/89 (n.q) Ensure compliance of MS regulations on VAT with EU Regulation. (n.q.) Number of statements not subject to verification prior to becoming time-barred Efficiency: Complete and on time implementation of agreed programme of inspections throughout the cycle. Economy: Proportion of overall cost of controls over total value of VAT resources collected compliant with regulations.</p>
<p>Incorrect GNI contributions are calculated because of poor data from Member States</p> <p>Incorrect GNI contributions are calculated because ESTAT provides BUDG with incorrect GNI OR data (B2)</p> <p>(GNI resource is the balancing resource and therefore there is no question of a shortfall in receipts but merely in the question of properly allocating their distribution across the MS)</p>	<p>Member State provision of GNI data is subject to a peer-review system in the GNI expert group supplemented by ESTAT verification programme ensuring that data furnished by Member States is comparable, reliable and exhaustive.</p> <p>MOU between ESTAT and BUDG covering respective, roles, parameters for setting reservations and flows of information.</p> <p>Information received from GNI expert group and via digest from ESTAT – reconciliation possible.</p>	<p>Number of GNI expert group organised (twice a year)</p>	<p>Costs: Estimation of cost of staff involved and travel and subsistence budget for on-the-spot controls. Effectiveness and Efficiency: See indicators reported by ESTAT in the ICT on the verification of GNI data Correct and compliant distribution of Member States share of GNI is calculated (n.q.) Economy: Compliant distribution of GNI achieved with a reasonable cost.</p>
<p>Incorrect plastic-based contributions are calculated because of poor data from Member States</p> <p>Incorrect plastic based contributions are calculated because ESTAT provides BUDG with incorrect Plastic OR data</p>	<p>Member State provision of plastic and packaging waste data is subject to a peer-review system in the expert group on statistics on plastic packaging waste supplemented by ESTAT verification programme ensuring that data furnished by Member States is comparable, reliable and exhaustive.</p> <p>MOU between ESTAT, ENV and BUDG covering respective roles, parameters for setting</p>	<p>Number of expert group meetings on statistics on plastic packaging waste organised (three per year)</p>	<p>Costs: Estimation of cost of staff involved and travel and subsistence budget for participating to the expert groups meeting Effectiveness and Efficiency: Annual opinion and number of reservations set and lifted. Correct and compliant distribution of Member States share of plastic OR is calculated Economy: Compliant distribution of Plastic OR achieved with a reasonable cost.</p>

	<p>reservations and flows of information.</p> <p>Reconciliation of data received from ESTAT to the data from the annual opinion of the expert group on statistics on plastic packaging waste.</p>		
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C – Follow-up of verification results

Main control objectives: Ensure that results from inspections are implemented (Funds recovered, corrections made, infringements initiated).

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
Anomalies identified might not be explained or resolved.	Following up financial consequences of TOR control activity: on the spot inspections, assessment of Member States Write-Off reports and of individual cases of financial responsibility.	100 % of irregularities detected, MS write-off reports and individual cases of financial responsibility	<p>Costs: estimation of costs of staff involved</p> <p>Effectiveness: Financial irregularities detected are corrected / recovered (q.)</p> <p>Deficiencies (administrative, legal and financial) detected in Member States local systems and procedures are corrected (n.q)</p> <p>Efficiency: % of financial irregularities followed up via recovery orders created and paid (TOR)</p> <p>Proportion of VAT reservations in place for more than 5 years.</p> <p>Economy: Proportion of overall cost of controls over total TOR/ VAT resources collected compliant with regulations and/ or over TOR irregularities recovered</p>
	Submit TOR and VAT inspection reports to ACOR for scrutiny and discussion in Committee	100 % of TOR and VAT inspection reports presented at ACOR	<p>Costs: estimation of cost of staff involved</p> <p>Effectiveness: Provide transparency of the control activity and assurance to Member States of equal measurement against agreed standards and equal treatment when performing controls.</p> <p>Areas for improvement detected are shared with all Member States (n.q.)</p> <p>Efficiency: % of VAT and TOR reports presented at first available ACOR meeting.</p>
	Follow up of apparent VAT anomalies and identified infringements via notification of reservations and monitoring progress until the reservation can be lifted and any necessary corrective action taken (follow-up database)	100 % of reservations are followed-up	<p>Costs: estimation of cost of staff involved.</p> <p>Amounts to be verified don't become time-barred (n.q)</p>

	Initiate infringements procedures against non-compliant Member States	100 % of applicable cases	<p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: Ensure compliance with Own Resources EU regulation (n.q)</p> <p>Provide legal clarity on the application and interpretation of the legal framework for Traditional Own resources (case law) (n.q)</p> <p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: Ensure implementation of corrective/remedial action to resolve detected shortcomings and the recovery of amounts related to the errors detected (n.q)</p>
	Follow-up of TOR findings made by the ECA during its audits in Member States	100 % of findings followed-up	<p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: Ensure implementation of corrective/remedial action to resolve detected shortcomings and the recovery of amounts related to the errors detected (n.q)</p>
GNI irregularities/potential irregularities detected are not properly followed-up because no reservation is set	Guidelines agreed by ESTAT and BUDG on the correct use of GNI reservations (annex of MOU between the two DG's).	100 % of reservations requested by ESTAT are properly and timely notified to MS	<p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: GNI data used for own resources calculation is correct and necessary corrective action is not time-barred.</p> <p>Percentage of communications from ESTAT regarding setting, lifting or varying GNI processed within 4 working weeks</p> <p>Efficiency: Compliant and timely management of GNI reservations</p> <p>Economy: results achieved with a reasonable cost.</p>
Plastic OR potential data inaccuracies detected are not properly followed-up because no reservation is set.	Guidelines agreed by ESTAT and BUDG on the correct use of Plastic reservations (described in the MOU between the DGs).	100 % of reservations requested by ESTAT are properly and timely notified to MS	<p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: Plastic data used for own resources calculation is correct and necessary corrective action is not time-barred.</p> <p>Percentage of communications from ESTAT regarding setting, lifting or changing Plastic reservations processed within 2 working weeks</p> <p>Efficiency: Compliant and timely management of plastic reservations</p> <p>Economy: results achieved with a reasonable cost.</p>

2- UK correction calculation

Main control objectives: Ensure that calculations on UK correction are correctly made.

Main risks	Mitigating controls	How to determine coverage frequency and depth*	Cost-Effectiveness indicators (three E's)
<p>UK correction is incorrectly calculated</p>	<p>Calculation of the correction is conducted separately by two different officials of the unit in charge.</p> <p>One of the main inputs for the calculation (allocated expenditure information) is checked and reconciled with accounting information.</p> <p>Parallel calculation is made by two additional officials from a different unit in the DG.</p>	<p>Yearly calculation</p>	<p>Costs: estimation of cost of staff involved. Effectiveness: % error rate detected after calculation.</p> <p>Efficiency: Calculation is made correctly and on time.</p> <p>Economy: Proportion of overall cost of controls over total amount of amounts correctly calculated and paid. Amounts paid to the Member State concerned are accurate and ulterior corrections are avoided. (q)</p>

Revenue: Verification of GNI data – ESTAT ICT³

Stage 1: GNI Verification - multiannual

Main control objectives: Ensure GNI data are consistent with ESA

Main risks	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>GNI inventories of MS are not submitted on time in sufficient quality</p> <p>Reservations on GNI data are incorrectly set or not set at all</p> <p>Member States do not perform the work required to address action points and reservations</p>	<p>Detailed GNI inventory guidelines and GNI Inventory Assessment Questionnaire</p> <p>Detailed checks of inventories, cross-country analyses, carrying out of information visits including direct verification exercises.</p> <p>Peer review through participation of GNI Expert Group (GNIEG) experts in GNI visits and communication of mission reports to the GNIEG.</p> <p>Detailed checks of applied methodology in MS's reports and other available information</p>	<p>GNI inventories of all MS, depth of controls based on risk assessment</p> <p>Sources and methods for estimation of GNI for all MS, depth of controls based on risk assessment</p> <p>Coverage: all MS</p>	<p>Effectiveness: Number of inventories available by the agreed deadline, number of requests to MS to submit revised inventories.</p> <p>Effectiveness: Number of action points and reservations placed</p> <p>Effectiveness: Regular GNIG documents (twice a year) on the state of play of action points and reservations</p>

Stage 2: GNI verification annual

Main control objectives: Annual opinion of the GNIC that GNI data are fit for purpose

Main risks	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>GNI data and/or reports on quality are not submitted on time</p> <p>GNI data or reports on quality are not of sufficient quality</p> <p>Opinion of GNI Expert Group is negative</p>	<p>Annual procedure to collect questionnaires and reports on quality</p> <p>Quality checks done according to checklist (e.g., for completeness, plausibility, against published data)</p> <p>Checks by GNI team for possible deficiencies that might lead to a negative opinion</p>	<p>Receipt of annual GNI questionnaire and report on quality for all MS by the regulatory deadline</p> <p>GNI questionnaire and report on quality for MS with need to resubmission</p> <p>Advance contact with MS leading to submission of revised GNI data or report on quality with deficiencies corrected</p>	<p>Effectiveness: Number of MS sending data and report on quality by the regulatory deadline with no need to resubmit</p> <p>Effectiveness: Number of requests for MS to resubmit data or report on quality</p> <p>Effectiveness: Positive opinion of GNI Expert Group issued</p>

Revenue: Verification of Plastic OR data (4) -

Stage 1: Plastic Own Resource Verification - multiannual

Main control objectives: Ensure that non-recycled plastic packaging waste amounts are calculated with sound data sources and methods

Main risks	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
Plastic own resource inventories of MS are not submitted on time in sufficient quality	Plastic own resource inventory template, guidelines and plastic own resource inventory assessment questionnaire	Plastic own resource inventories of 9 MS/year (3 in 2023), depth of controls the same for all MSs in the first multiannual cycle	Effectiveness: Number of inventories available by the agreed deadline, number of requests to MS to submit revised inventories.
Reservations on plastic packaging waste data are incorrectly set or not set at all	Detailed checks of inventories, cross-checks with other data, cross-checks with other countries, carrying out of inspection visits. Peer review through participation of SPPW Expert Group experts in Plastic own resource visits and communication of mission reports to the SPPW Expert Group.	9 MSs are inspected each year (3 in 2023). Depth of controls is the same for all MSs in the first multiannual cycle. The level of detail of reservations is modulated by the quality of the inventories and evidence shown by the inspected MSs	Effectiveness: Number of action points and reservations placed
Member States do not perform the work required to address reservations	Inclusion of milestones in reservations. Checks for changes in the applied methodology in MS's submitted yearly data and quality reports. Regular SPPW documents on the state of play of reservations	Coverage: MSs with reservations	Effectiveness: Regular SPPW documents on the state of play of reservations

(4) In order to present the whole control activity performed on Plastic OR data at Commission level, and purely for information purposes, the relevant control system of controls performed by ESTAT has been included.

Stage 2: Annual plastic verification

Main control objectives: Annual opinion of the SPPW expert group that Plastic Packaging Waste data are fit for purpose

Main risks	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
Plastic own resource statements are not submitted on time	Annual procedure to collect questionnaires and reports on quality. Reminders and follow-up	Receipt of annual statements for all MS by the regulatory deadline	Effectiveness: Number of MS sending data and report on quality by the regulatory deadline with no need to resubmit
Plastic own resource statements show differences with PPWD reported	Cross-checks done automatically with immediate follow-up with the MS	Annual statements not presenting differences with PPWD or with plausible explanations where the difference does not persist over time	Effectiveness: Number of requests for MS to correct discrepancies between plastic own resource statements and PPWD reported.
PPWD data or reports on quality are not of sufficient quality	Quality checks done according to checklist (e.g., for completeness, plausibility, against published data)	PPWD questionnaire and report on quality for MS with need to resubmission	Effectiveness: Number of requests for MS to resubmit PPWD data or report on quality because of plastic packaging
Opinion of SPPW Expert Group is negative	Checks by waste statistics team for possible deficiencies that might lead to a negative opinion	Advance contact with MS leading to submission of revised PPWD data or quality reports and/or plastic own resource statements with deficiencies corrected	Effectiveness: Positive opinion of SPPW Expert Group issued

Procurement and Administrative Expenditure

Stage 1 – Procurement

A - Planning

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The needs are not sufficiently defined and or/budgeted (operationally and economically) and that the decision to procure was inappropriate to meet the operational objectives</p> <p>Discontinuation of the services provided due to a late contracting (poor planning and organisation of the procurement process)</p>	<p>Establishment of an annual detailed procurement plan during the year n-1 validated by the hierarchy</p> <p>Continuous training and raising awareness sessions addressed to project officers and/or other uses of DG BUDG FWCs</p> <p>Monitoring on contracts end date and follow-up actions by Procurement sector</p>	<p>100 % of all the forecast procurements are justified in a note addressed to the AO (D)</p> <p>The plan is made once per year with a continuous monitoring and mid-term review</p> <p>100 % of the forecast procurements</p>	<p>Costs: estimation of cost of staff involved</p> <p>Effectiveness: Number of projected tenders cancelled.</p> <p>Number of contracts discontinued due to lack of use (poor planning).</p> <p>Compliance with Internal procurement procedures and regulations and avoid missed opportunity of getting the wished services via internal resources or a framework contract already in place (n.q)</p> <p>Estimated value of contracts published in procurement process which will be spent (as a maximum) on correctly identified needs. (q.)</p> <p>Needs understood by the tenderer and maximise the probability of getting the right deliverable (n.q)</p> <p>Efficiency: Timely definition of needs.</p> <p>Economy: Proportion of overall cost of controls over total estimated (maximum) value of contracts.</p>

B - Needs assessment & definition of needs

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
Quality tenders are not submitted due to the poor definition of the tender specifications	Procurement Sector leads/coordinates the drafting of the tender specifications and ensuing procedure. Project Officer (technical know-how) in charge of technical specifications.	The control covers every procedure in all its stages/aspects	Costs: estimation of cost of staff involved Effectiveness: N° of 'open' or procedures where only one or no offers were received. N° of complementary questions regarding the tender. Economy: Proportion of cost of controls over total estimated (maximum) value of contracts Estimated average cost of controls per procurement procedure. The quality of specifications approved is optimal to receive offers with prices and conditions according to internal expectations and market prices (n.q).
	AOSD supervision and approval of specifications	Risk based, taking as criteria the level of sensitivity and complexity of the procurement process	
	Consultation of legal experts of the DG and the Legal Service		

C – Selection of the offer & evaluation

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
The most economically advantageous tender not being selected, due to a biased, inaccurate or 'unfair' evaluation process	Formal evaluation process: Opening committee and Evaluation committee	100 % of the tenders analysed.	Costs: estimation of costs of staff involved Effectiveness: Numbers of 'valid' complaints or litigation cases filed. Value of contracts as a maximum) will be granted to the best tender (value free of error) (q.) Efficiency: Timely selection of tenders Economy: Proportion of overall cost of controls over total estimated (maximum) value of contracts.
	Every single procurement is actively coordinated and monitored by the Procurement Sector which expressly recalls of rules (procedures and ethics) and ensure full compliance with Financial Regulation principles.	100 % of procurement procedures	
	Opening and Evaluation Committees' members sign a declaration of absence of conflict of interests	100 % of the members of the opening committee and the evaluation committee	
	Exclusion criteria documented	100 % checked	
	Final verification /desk review on compliance with procurement procedures Authorisation by AO/AOD/AOSD	100 % of selected tenders by committee	

	Publication of the tenderer finally selected Standstill period (opportunity for unsuccessful tenderers to put forward their concerns on the decision)	100 % of procurement procedures	Estimated average cost of controls per procurement procedure. Compliance with FR and internal rules designed to guarantee that the best value for money offer is selected (n.q)
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Stage 2 – Financial transactions (EX- ANTE control)

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The products/services/works foreseen are not, totally or partially, provided in accordance with the tendering specifications/technical requirements foreseen in the contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p> <p>Business discontinues because contractor fails to deliver</p>	<p>Procurement Sector ensures proper communication and support regarding contract management. Operational and financial checks in accordance with the financial circuits.</p> <p>Validation by AOSD</p>	<p>100 % of financial transactions controlled (commitments, signature of contracts and payments)</p>	<p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: % error rate prevented (number of errors/irregularities averted over total payments)</p> <p>Number of irregularities, errors and overpayments prevented by the controls (q).</p> <p>Total amount of correct payments made during the year.</p> <p>Deterrence effect of controls (n.q)</p> <p>Efficiency:</p> <p>% of payments made on time</p> <p>Average time for payment</p> <p>Economy:</p> <p>Proportion of overall cost of controls over total amount of payments made</p> <p>Average control cost per financial transaction (commitments, signature of contracts and payments)</p>
	<p>Management of sensitive functions</p>	<p>Review of sensitive posts every five years or in case structure changes happen.</p>	

Stage 3 – Supervisory measures (EX-POST controls; N/A)

Financial Asset management operations / Non-expenditure items

Stage 1: Selection of counterparties and investment instruments for the Treasury and Asset Management

Main control objectives: Ensuring that the legal framework for the management of the relevant funds complied and sound financial management and principals are coherent (Legality and Regularity/ Sound financial management).

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Risk of decision-making latitude in the initiation of the asset management transactions. By their nature, i.e. need for quick decisions by the portfolio managers, these operations are initiated and authorised in a tight timeframe and, for reasons of timing, they cannot be subject to independent centralised ex-ante verifications as in the case of the budgetary transactions. The activity is also highly dependent on a sophisticated software platform (Bloomberg and SAP).</p>	<p>There are comprehensive rules concerning the type of investments that can be made and the limits of financial risk (e.g. credit risk) that can be assumed in the portfolios under management.</p> <p>The strategical decisions are supervised by the Asset Management Board (AMB) chaired by the Director of the responsible Directorate. The role of the AMB is to make strategical proposals to the senior management following discussion and input received from the Investment Committee and Risk Committee. The Investment Committee is in charge with the Tactical Asset Allocation (TAA) and the Risk Committee is in charge with the Strategical Asset Allocation.</p> <p>There is a transparent method for selecting and renewing the list of possible counterparties for deposit placements and bond issuers.</p> <p>Operations are carried out in line with best execution, good banking practice, in particular there is segregation of duties, four-eye principle, daily cash account reconciliation, monthly securities account reconciliation, avoidance of conflicts of interest by rules implemented by the Compliance Committee, etc.</p> <p>Exceptions from the procedures are documented, followed and signed off at senior level (usually Director). Detailed manuals of procedure are regularly updated.</p>	<p>The AMB is regularly informed and provides feedback on the design and implementation of the investment strategy. It also approves proposals of strategical nature before submission to the senior management.</p> <p>A dedicated financial risk management function is placed in a unit independent from the portfolio management unit. It monitors compliance with internal rules (e.g. manuals of procedures, respect of credit limits with counterparties, limits concerning the credit quality of securities purchased, etc.). Risk Management produces a monthly risk and performance report to the AMB.</p>	<p>Effectiveness:</p> <p>Control results: Number of incidents. Number of material audit findings. Benefits: Absence of material errors</p> <p>Efficiency: N/A</p> <p>Economy: Estimation of cost of staff FTE involved in the controls</p>

Stage 2 - Protection: recording, follow-up and accounting of the Commission's rights in terms of Asset Management operations

Main control objectives: Ensuring that the Commission registers and protects its revenue entitlements, assets ownership and liabilities correctly, reports transparently and protects its information security. (Safeguarding of assets and information / Reliability of financial reporting).

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The implementation of the legal bases or equivalent rules and legal documents entails weaknesses, which lead to the Commission's legal rights in terms of revenue entitlements, assets ownerships, liabilities or information security not being duly protected and/or registered and/or reliably reported.</p>	<p>A dedicated risk management team reports on financial risks and ensures compliance with the principles and limits as defined in the individual asset management guidelines and the Risk Management policy and Manual.</p> <p>The asset management is supported by accountants, back office and specialised lawyers EU Accounting rules are properly followed. Updates to the EU Accounting rules and accounting instructions are timely communicated by BUDG. Changes are analysed and information is shared among officials concerned.</p> <p>Segregation of duties and four eyes principle are systematically applied. Formalised supervision and review procedures are in place for all accounting activities. Documentation of legal rights of COM reflected in Loan Facility Agreements</p>	<p>Risk Management maintains and monitors counterparty limits and provides regular risk and performance reporting</p>	<p>Effectiveness: Control results: - Number of control failures. - Number of internal and external auditors findings - Number of exceptions (bank reconciliation incidents)</p> <p>Benefits: The value of errors prevented or detected within the portfolio management activities.</p> <p>Efficiency: N/A Economy: Estimation of cost of staff FTE and missions involved. Cost of the contracted (legal, IT, advisory) services</p>

Stage 3: Sound financial management and assurance building on the process and systems of DG BUDG in terms of Asset Management operations

Main control objectives: Verification that processes are working as designed / Feedback on adequacy of the system, reliability of financial reporting; anti-fraud strategy)

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Processes might be weak or not working as designed. The system might provide poor adequacy. Undue or erroneous financial operations</p>	<p>Supervision by responsible Heads of Unit and senior management. Oversight by the AMB. Financial risk management verification includes ex ante and ex post transactional controls. Annual financial audits are performed by external audit firm on the financial statements of ECSC, BUFI, H2020, EFSD GF and EFSI GF. Audit and consultancy work is performed by the Commission's Internal Audit Service, the European Court of Auditors. Past recommendations made by these bodies have been followed up systematically.</p>	<p>According to the annual work plans of the IAS and the ECA. Annual ECA audits Reports are made to the Asset Management Board (meetings every two months). Past recommendations made by ECA and IAS have been followed up systematically. Annual external audits on ECSC, BUFI, H2020, EFSI GF, EFSD GF</p>	<p>Effectiveness: Control results: Ex-ante and ex-post control of compliance limit breaches; Number of recommendations from the audit bodies, followed up systematically. Benefits: The benefits of controls are not quantifiable other than through the low number of incidents and the existing full compliance with internal rules and procedures. Given that the off-budget activities are by nature not following the budgetary ex-ante validation circuit, it is important to have the existing internal control environment in place. The absence of material errors. Efficiency: N/A Economy: Estimation of cost of staff FTE and other costs (audit fees, evaluation costs) involved. Cost of the contracted audit services.</p>

Borrowing and Lending operations for NextGenerationEU

Stage 1 a: Borrowing operations under NGEU

Main control objectives: Ensuring that the money raised under NGEU is based on a proper legal framework and is sufficient to fulfil liquidity needs and payment obligations in line with a sound financial management (Legality and Regularity / Sound financial management).

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Risk that the Commission cannot fulfil due to:</p> <ul style="list-style-type: none"> -its disbursement obligations in connection with non-repayable financial support and loans to the Member States or under other NGEU spending programmes; or -its interest and repayment obligations on outstanding debt due to: -insufficient liquidity planning or -insufficient funding planning or - inability to raise sufficient money in the markets. 	<p>The projected disbursement needs are collected in an NGEU forecasting tool on a short and long-term basis, which feed to a report indicating the NGEU disbursement needs. Based on that report and the prevailing liquidity situation, the Director-General of DG BUDG takes a decision on the amounts to be borrowed on the market.</p> <p>The amounts to be borrowed in the markets are determined by:</p> <ul style="list-style-type: none"> - the annual borrowing decision adopted by the college, setting out the annual borrowing ceilings, - the annual financing decision adopted by the college, setting out the maximum Union contribution for the implementation of the programme, - the funding plan decision adopted by the Director General BUDG, setting out a target funding volume and the issuance calendar, - borrowing schedules endorsed by the Director General BUDG, which further frame the transactions planning. <p>The borrowing operations under NGEU are implemented through a diversified funding strategy which comprises the tools and flexibility to address any possible liquidity shortfall quickly and in sufficient amounts. For this:</p> <ul style="list-style-type: none"> - transparent relations with the banks (i.e., Primary Dealer Network), to facilitate the efficient execution of auctions and syndicated transactions, support liquidity in the secondary markets, and ensure the placement of EU debt with the widest possible investor base - a set of funding instruments with maturities starting from a few days up to 30 years and - different funding operations including syndications, auctions and money market transactions have been implemented. <p>To further reduce the risk of a liquidity shortfall a secure and purpose-specific prudential cash holding for payments (liquidity buffer) is maintained.</p> <p>Detailed manuals of procedure in place are regularly updated. The function of a Chief Risk Officer ('CRO') was implemented to ensure that the systems and processes are designed to protect of the financial interests of the Union and the sound financial management of the operations. The CRO's High Level Risk and Compliance Policy was approved by the College member responsible for the Budget on 31/11/2021, and which includes: dedicated governance arrangements for borrowing and lending (three lines of defence), risk appetite for identified risks and the risk management framework. A Risk and Compliance Committee was established to support the CRO in her role.</p>	<p>The disbursements needs are collected on a weekly basis feeding into the monthly reports of disbursements needs. The borrowing activities in the markets are based on:</p> <ul style="list-style-type: none"> -the annual borrowing decision -the annual financing decision -the biannually funding plan decision and -monthly borrowing schedules. <p>Syndications and auctions are operated on a regularly basis, complemented by the conclusion of money market transactions in the case of need. Update process for each manual on a at least yearly basis.</p>	<p>Effectiveness :</p> <p>Control results: Number of incidents. Number of material audit findings. Benefits: Absence of material errors</p> <p>Efficiency: N/A</p> <p>Economy: Estimation of cost of staff FTE involved in the controls.</p>

Stage 1 b: Disbursements and payment management under NextGenerationEU

Main control objectives: Ensuring that the money raised under NGEU is disbursed to the beneficiary Member States without undue delay and that the costs of the borrowing operations are calculated and allocated to the appropriate beneficiaries. Ensuring that the legal framework for the disbursement of the relevant funds and the cost allocation are fully compliant and regular (legality & regularity), delegated to an appropriate entity (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy).

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> • Risk that the money is not disbursed to the appropriate Member State at the agreed date in the agreed amount • Risk that the funding costs, liquidity management costs or administrative costs are not calculated and allocated in the agreed way to the appropriate recipients • Risk that the funding costs, liquidity management costs or administrative costs are not charged in the agreed way to the appropriate recipients 	<p>To receive support a Council Implementing Decision on a Recovery and Resilience Plan (assessed by the Commission) and a Financing Agreement /Loan Agreement between the Commission and the MS State is necessary.</p> <p>For a specific disbursement two conditions need to be fulfilled:</p> <ul style="list-style-type: none"> • The confirmation that an amount has to be disbursed to an EU Member state (based on the signature of a Financing Agreement, a Decision on Disbursement based on the review of the completion of milestones and targets or the signature of a Loan Agreement). • The confirmation that a corresponding amount of cash is available in the liquidity pool, and earmarked by BUDG.E for that specific disbursement (in case of non-repayable support). <p>For the disbursement process a four eyes principle for the main steps is implemented, followed by the signing of all relevant documents by the authorised officials.</p> <p>The Cost of Funding rates for the funding and liquidity management costs are calculated via systems which are subject to individual control strategies to ensure accuracy and reliability.</p> <p>Processes related to the invoicing of costs are set out in dedicated manuals.</p>	<p>The disbursements needs are collected in a monthly report. Each disbursement depends on the agreed timeline between the Commission and the beneficiary Member State.</p> <p>The calculation of the Cost of Funding rates for the funding and liquidity management costs are processed on a permanent basis and checked regularly.</p> <p>The cost of funding is charged:</p> <ul style="list-style-type: none"> • to the EU budget on a quarterly basis and • to the MS at each interest payment date. <p>The liquidity management costs are charged to the EU budget and the MS annually for the previous calendar year.</p> <p>The administrative costs are charged to the MS annually for the previous calendar year.</p> <p>Update process for each manual on a at least yearly basis.</p>	<p>Effectiveness: Control results: Number of incidents. Number of material audit findings. Benefits: Absence of material errors</p> <p>Efficiency: N/A</p> <p>Economy: Estimation of cost of staff FTE involved in the controls.</p>

Stage 2 – Monitoring the execution

Main control objectives: Ensuring that the operational results 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 and regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information).

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The measures carried out are not, totally or partially, in accordance with the requirements and description foreseen in the NGEU programme, the different agreements between the Commission and the beneficiary Member States and/or the amounts paid exceed the amounts that are due in accordance with the applicable contractual and regulatory provisions.</p>	<p>To ensure compliance of the activities carried out with the NGEU requirements and their effective control, a multilevel reporting system was implemented.</p> <p>The following reporting obligations under NGEU have been established:</p> <ul style="list-style-type: none"> • annual report on the implementation of EURI and budgetary transparency • semi-annual report on the execution of NGEU operations • quarterly update on the NGEU issuances, financial assets and liabilities • annual allocation reporting and annual impact reporting under the green bond framework • weekly liquidity monitoring report to inform the management of DG BUDG about the current liquidity situation and key risk indicators. <p>Additionally, the independent risk management function reports on a regular basis on material risks and on the compliance with rules and procedures (among others for the operational implementation and execution of the diversified funding strategy conformity and for the prevention of money laundering and terrorist financing).</p> <p>All members of staff involved are responsible for reporting risk events to the CRO and the Risk management function that have occurred in their operational units. The Risk management function assess the residual risks and implemented mitigants and provides advice on additional mitigants. In addition, the Risk management function monitors the implementation of mitigants.</p>	<p>Reporting obligations are carried out on an annual, semi-annual, quarterly and weekly basis to</p> <ul style="list-style-type: none"> • the European Parliament, • the Council of the European Union, • the Economic and Financial Committee • the College of the European Commission • the Member of the College responsible for the Budget • the Director General DG BUDG. <p>Operational risk events (RE) and near misses are reported to the Chief Risk Officer and the Risk management function. The CRO reports on it regularly (monthly and quarterly reports) to the Director-General DG BUDG, Accounting Officer, member of the College responsible for the Budget, depending on the material consequences of the reported risk.</p>	<p>Effectiveness: Control results: Number of incidents. Number of internal and external audit findings. Benefits: Absence of material errors</p> <p>Efficiency: N/A</p> <p>Economy: Estimation of cost of staff FTE involved in the controls</p>

Stage 3: Review, audits and monitoring

Main control objectives: Verification that processes are working as designed / Feedback on adequacy of the system, Reliability of financial reporting; anti-fraud strategy)

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Processes might be weak or not working as designed. The system might provide poor adequacy.</p>	<ol style="list-style-type: none"> 1. Specifications, ceilings and limitations for the NGEU operations are provided on a regular basis by the College up to the Director General BUDG, taking into consideration the information provided by the regular reports described under stage 2 2. A 'three lines of defence' model for risk management was established to: (i) ensure the appropriate segregation of powers and duties; (ii) clearly define lines of authority; and (iii) ensure distinct roles and responsibilities for the management and control of risk. 3. As the first line of defence the Director-General of DG BUDG and the staff responsible for the NGEU operations ensure that all risks are well managed. All activities are supervised by responsible Heads of Unit and senior management. The four eyes principle is established in the main steps for liquidity and funding planning, borrowing activities including settlement, disbursements to the Member States as well as for the calculation and allocation of costs. 4. First and second line regularly review and validate processes, with particular attention to appropriate and meaningful control points. 5. CRO and Risk management function as the second line of defence ensure an independent oversight of the activities, including independent reporting lines and the avoidance of any other activities that present a conflict of interest with regard to their risk management responsibilities. 6. As the third line of defence audit and consultancy work is performed by the Commission's Internal Audit Service (IAS). 7. The European Court of Auditors audits whether the Union budget is properly accounted for; whether financial operations are legal and regular; and whether Community policies are effectively, efficiently and economically carried out. 8. Implementation of a "Risk and Control Self-Assessment (RCSA)" for all relevant business processes concerning NGEU to assess the risk areas of the business processes and to conduct a self-assessment in respect of measures and the adequacy of controls. 9. Annual financial audits are performed by external audit firm on the financial statements of ECSC, EFSM, BoP, MFA, Euratom, BUFI, MIM, CPF, NGEU and SURE. 	<ol style="list-style-type: none"> 10. Reviews of the specifications, ceilings and limitations are carried out on an annual, semi-annual and monthly basis 11. Permanent check by the first line of defence during the execution of their processes 12. Reports of the Risk management function on an at least quarterly basis 13. Annual ECA audits 14. Annual RCSAs. 	<p>Effectiveness: Control results: Number of incidents. Number of internal and external audit findings. Benefits: Absence of material errors RCSA: integrate operational risk management practices and culture into the way staff undertake their functions</p> <p>Efficiency: N/A</p> <p>Economy: Estimation of cost of staff FTE involved in the controls.</p>

Stage 4: Sound financial management in terms of NextGenerationEU operations

Main control objectives: Avoiding errors that may occur during the financial process (Sound financial management).

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Undue or erroneous financial operations or payments. Default of payment from a loan beneficiary.</p>	<ol style="list-style-type: none"> 1. There is a variety of legal frameworks / contractual arrangements on the borrowing (annual borrowing/financing decision, funding plan decisions, borrowing schedules) and the lending operations (CID on a RRP, Financing / Loan Agreement, Financing Decision). 2. Specific procedures are in place creating a clear framework of controls to be performed by the Financial Unit. The various documents to be provided as well as the controls performed by the financial and the verifying agents are detailed in these procedures. 3. The financial complexity of the instruments used (bonds, bills, unsecured money market borrowings and loans) is moderate. 4. In case of a default of payment from a loan beneficiary the EU budget is protected against these consequences in two ways: Article 14(3) of Council Regulation (EU, Euratom) No 609/2014 allows calls on cash from the Member States if the Union needs to meet its obligations towards investors. Furthermore, Article 9(4)-(8) of the Own Resources Decision contains additional mechanism allowing call on cash. 	<p>Ex-ante verification of prerequisites for each borrowing and lending operation Ex-post controls for each borrowing and lending operation.</p>	<p>Effectiveness: Control results: Number of incidents. Number of internal and external audit findings. Benefits: Absence of material errors</p> <p>Efficiency: N/A</p> <p>Economy: Estimation of cost of staff FTE involved in the controls.</p>

^[1] Number generated by all control activities covering TOR.

^[2] Verification of the underlying data for GNI OR is managed by ESTAT with BUDG managing and undertaking only those aspects directly applicable to budget accounting. BUDG draws assurance of the correctness of the underlying data by attending GNI Experts Group and Sub Groups meetings so as to be informed about the content and results of the verification programme operated by ESTAT. In order to present the whole control activity performed on GNI data at Commission level, and purely for information purposes, the [Internal Control Template of controls performed by ESTAT has been included](#).

^[3] In order to present the whole control activity performed on GNI data at Commission level, and purely for information purposes, the Relevant Control System of controls performed by ESTAT has been included.

ANNEX 7: Specific annexes related to financial management

7.1. Description of control systems on the area of Own Resources and results.

The starting point for four Own Resources collected (Traditional Own Resources, VAT-, Plastics- and GNI-based Own Resources) ⁽⁵⁾ is the provision of data by the Member States, which are subject to verification that includes for TOR and VAT on the spot inspections by the Commission. It is an inherent feature of these arrangements that there will be subsequent revisions to amounts paid after the end of any budget year.

Most own resource systems have a 4-year cut-off after which no corrections may be made due to the time-lag in reporting by Member States, the Plastic own resource has a 5-year cut-off. However, to protect the EU's financial interests the cut-off does not apply to those points notified by the Commission or the Member State concerned prior to the deadline. In these instances, corrective action may still be taken. Although the possible financial impact of these items can rarely be quantified until they are resolved, experience shows that compared with the overall amounts paid their impact is rarely material.

The control arrangements for each own resource vary. The Relevant Control System for own resources in annex 6 informs how the control system in place in the DG addresses the risks related to own resources as well as the indicators used to measure the effectiveness, efficiency and economy of these controls.

Traditional Own Resources (TOR)

Member States are autonomously responsible for i) establishing Traditional Own Resources (TOR), accounting for it, and collecting and making it available within prescribed time limits; and ii) implementing EU customs legislation and operating a framework of customs checks and controls to ensure that they collect the correct value of customs duties at the right time. Failure to comply with the rules may lead to a financial liability to the EU budget and give rise to payment of interest.

Contributions for TOR are based on Member States' actual collection of the relevant duties and levies which Member States declare via a monthly statement.

Reasonable assurance concerning the accuracy and completeness of Member State data is provided by an annual inspection programme by which BUDG checks that Member States' administrations have complied with EU law when collecting TOR. The annual inspection programme is risk-based. BUDG monitors the timely and full receipt of TOR statements and the corresponding payments and manages the recovery of the amounts related to detected errors resulting from the TOR control activity, including the financial follow-up to preliminary findings by the European Court of Auditors. Additional risks may be evaluated during ad hoc inspections or desk audits.

⁽⁵⁾ The inspections on the plastics-based OR started in 2023 after the Member States submitted the first annual statements.

VAT-based own resource

Contributions for the VAT-based own resource are based on the value of supplies in a Member State that are chargeable with VAT according to EU law (the harmonised VAT base). This is expressed as the total amount of VAT collected in a given calendar year. Member States provide the Commission with an annual statement showing how they have calculated their base and its value.

As VAT-based own resource data is only available annually and in arrears, VAT own resource payments during any particular year are based on forecasts (each month the Commission requests each Member State to pay one twelfth of the budgeted forecast amounts). Adjustments are made in the year n+2 (and in future years if corrections to the data first supplied are necessary) to adapt payments to reflect the actual VAT data.

Reasonable assurance concerning the accuracy and completeness of Member State data is provided by an annual inspection programme in which BUDG checks that Member States' administrations have complied with own resources regulations when calculating the value of their harmonised VAT base. Statement data is analysed and verified in-house and during on-the-spot checks (assisted by ESTAT for the most statistically reliant aspects of the calculation). Member States receive and react to reports of these controls. BUDG monitors the receipt of VAT own resource base data from Member States. It also monitors proactively that amounts of own resources are paid promptly. Delay in paying own resources gives rise to payment of interest by the Member State concerned. Reservations are placed where Member States' data cannot be accepted and lifted when the concern is overcome.

GNI-based own resources

GNI OR has a particular role to play as the balancing resource. Once the amount of agreed EU expenditure that will be funded by the TOR and VAT OR is known then GNI contributions are fixed to fund the remainder within the ceiling of no more **than 1.4 % of total EU GNI** (and in addition 0.6% of total EU GNI for NextGenerationEU liabilities). Member States provide the Commission (Eurostat) with their GNI figures annually accompanied by a report on the quality of GNI data and supplemented for each verification cycle with a GNI inventory of the sources and methods used to produce GNI aggregates. As GNI own resources data is only available annually and in arrears the own resources payments during that year are based on the amounts entered in the budget for the year concerned (i.e. each month the Commission BUDG - requests each Member State to pay one twelfth of the budgeted forecast amounts). Adjustments are made in subsequent years by BUDG to adapt payments to reflect the GNI data. BUDG monitors proactively that GNI own resource contributions are paid promptly. Any delay in paying own resources gives rise to payment of interest by the Member State concerned.

ESTAT – Verification of GNI data

The arrangements for the collection and verification of GNI own resources are governed by a Memorandum of Understanding (MOU) agreed between ESTAT and BUDG. The data provided by Member States is analysed and verified by ESTAT which also carries out GNI information visits in order to verify the quality of GNI aggregates, their components, and the compliance with ESA 2010 (observers from Member States may choose to participate in these visits). Member States receive and react to reports of these visits and oversee their treatment in the GNI Expert Group. To prevent possible time barring, reservations are placed where Member States' data do not comply with the principles of reliability, comparability and exhaustiveness. Reservations are a protective measure. A reservation should not be assumed to imply that a MS's contribution to the Union's budget has necessarily been affected. Reservations are lifted when the concern is overcome and any necessary corrective action concerning past payments is made.

The MOU with ESTAT has been upgraded in 2023 including the good practice to be observed when setting (GNI) reservations and the information to be provided to BUDG when lifting the reservations. To inform on the whole control activity performed on GNI data at Commission level, the Relevant Control System of DG ESTAT was included in Annex 6 together with the controls of DG BUDG.

Reasonable assurance on the accuracy and completeness of Member States' data is provided by the opinion of the GNI Expert Group, and the results of ESTAT's verification activities to which Member States contribute sending observers to GNI visits in other Member States. The annual opinion of the GNI Expert Group is a key element of assurance since it refers to the appropriateness of using the GNI data provided by Member States for own resources purposes, and it means the acceptance of the data by all the Member States together with the Commission.

Plastic based own resource

Contributions for the plastic-based own resource are based on non-recycled plastic packaging waste in a Member State defined in accordance with relevant EU law. This is expressed as the plastic waste generated minus plastic recycled. Member States provide the Commission with an annual statement showing how they have calculated their base.

As plastic-based own resource data is only available annually and in arrears, plastic own resource payments during any particular year are based on forecasts (each month the Commission requests each Member State to pay one twelfth of the budgeted forecast amounts). Adjustments are made in the year $n+3$ (and in future years if corrections to the data first supplied are necessary) to adapt payments to reflect the actual plastic data.

Reasonable assurance concerning the accuracy and completeness of Member State data is provided by DG ESTAT through an annual inspection programme. Statement data is analysed and verified in-house and during on-the-spot checks performed by DG ESTAT. Member States receive and react to reports of these controls. DG BUDG monitors proactively that amounts of own resources are paid promptly. Delay in paying own resources gives rise to payment of interest by the Member State concerned. Reservations are placed by DG BUDG at the request

of ESTAT where Member States' data cannot be accepted and lifted when the concern is overcome.

The arrangements for the collection and verification of plastic own resource are governed by a Memorandum of Understanding (MOU) agreed between ESTAT, ENV and BUDG. The data provided by Member States is analysed and verified by ESTAT which also carries plastic inspections to verify the quality of plastic statements. Member States receive and react to reports of these visits and oversee their treatment in the Expert Group on statistics plastic packaging waste. To prevent possible time barring, reservations are placed where aspects of the data provided are not satisfactory or where the verification of the Plastic Own Resource statement is not complete. Reservations are a protective measure. A reservation should not be assumed to imply that a MS's contribution to the Union's budget has necessarily been affected. Reservations are lifted when the concern is overcome and any necessary corrective action concerning past payments is made. To inform on the whole control activity performed on plastic data at Commission level, the Relevant Control System of ESTAT has been included in Annex 6 together with the controls of DG BUDG.

Reasonable assurance on the accuracy and completeness of Member States' data is provided by the opinion of the Expert Group on statistics on plastic packaging waste and the results of ESTAT's inspections. The annual opinion of the Expert Group is a key element of assurance since it refers to the appropriateness of using the plastic data provided by Member States for own resources purposes, and it means the acceptance of the data by all the Member States together with the Commission.

A – Member State statements and collection of resources

During 2024, all national contributions were made available on time whereas the customs duties amounts reported in Traditional Own Resources A-statements by Member States were made available to the EU budget two months after establishment as required by the EU legislation. Verification of the amounts declared in the A-Statements is ensured through on the spot inspections by BUDG and through regular checks on potential unusual patterns.

B – Verification of Traditional Own Resources collected and VAT-based OR calculated by Member States/ Calculation of GNI contributions

Traditional Own Resources (TOR)

For TOR, Member States are responsible for operating an appropriate administrative framework by which they collect customs duties to finance the EU budget. BUDG assesses this administrative framework by carrying out an annual inspection programme which covers various customs regimes and control methods. It also covers the procedures for accounting, recovering and making available of TOR. The programme varies from year to year based on a risk analysis. The focus of the inspections is to collect evidence of the adequacy of the key procedures and systems in each Member State that ensure correct and timely collection of TOR and making available to the Commission.

21 inspections were scheduled and carried out in 2024 (plan completion: 100%): The control strategy for trade defence measures and the reliability of the normal and separate account

statements were the main inspection topics. Shortcomings identified during the inspections are being closely followed up by BUDG in collaboration with other Commission services and the Member States.

BUDG continued its ongoing desk audits in several Member States with a view of closing them in 2025. Member States forward to the Commission services write-off reports stating that TOR could not be recovered for reasons not attributable to them. During 2024, a total of 92 write-off reports involving an amount of €221.1 million were either assessed or reassessed by the Commission (BUDG in co-operation with the Legal Service, TAXUD and OLAF) within the legal three-month deadline for initial assessment. As a result of this evaluation, it was found that an amount of €170.4 million (55.4% - 51 cases out of 92) should have been made available by Member States and the amounts were claimed or the existing claims upheld. 35 new write-off reports were forwarded to the Commission in 2024 (new cases, reassessments or requests for review) with a total value of 97.6 million.

Another source of assurance is the ECA's annual report. For financial year 2024, ECA concluded that the revenue systems examined were overall effective and that the level of error in revenue was not material. In addition, no errors were found in the transactions tested.

Regarding the enforcement strategy on undervaluation, the Commission closed the infringement procedure against the UK following payment in full by the UK of principal and interest due (combined close to EUR 3 billion). The recalculation of the amounts ultimately due by Member States has been resolved for seven Member States in 2024. The final quantification for the remaining Member States is ongoing in close cooperation with the national authorities concerned. This exercise is expected to be finalised for all Member States in 2025.

VAT-based Own Resource

All Member States are obliged to administer a value added tax system. The own resources legislation requires Member States to provide an annual statement detailing the calculation of their harmonised VAT base. BUDG monitors the timely receipt of these annual statements and checks their completeness and coherence with previous years, primarily by a yearly inspection programme. An indicator of good performance of BUDG controls is the timely execution of the inspection programme and the avoidance of Member States' statements becoming time barred (corrections can still be made). The objective is to guarantee that complete and accurate information is recorded in the VAT OR database that will serve for further calculations.

In 2024, 12 inspections VAT-based own resource inspections were planned and carried out. The results of inspections also show that 100% of statements have been subject to verification prior to becoming time barred. It is usual practice not to inspect all Member States in a given year but to do so by inspecting several financial years per inspection before time barring. A risk-based approach is used when deciding on a year's work programme.

7.2. Reports and documentation considered for the assessment of DG BUDG's functioning in view of the Authorising Officer's by Delegation assurance:

- Reports from Authorising Officers by Sub-Delegation and the reports from Authorising Officers in other DGs managing appropriations in cross-delegations,
- Reports on control results from the European Investment Bank (indirect management), as well as the results of the DG's supervisory controls on the activities of this body,
- The contribution by the Director in charge of Risk Management and Internal Control, including the results of internal control monitoring at DG level,
- Reports on recorded exceptions and non-compliance events,
- Reports on ex-post supervision and/or audit results,
- The limited conclusion of the Internal Auditor on the state of internal control, and the observations and recommendations reported by the Internal Audit Service (IAS),
- The observations and the recommendations reported by the European Court of Auditors (ECA),
- Report on the validation of local financial systems for 2024.

7.3. Financial Regulation: Additional reporting requirements resulting from the 2018 and 2024 revisions.

In line with the requirements of the Financial Regulation, DG BUDG reports for the year 2024:

- No cases of any in-kind donation made to the Union, for the purposes of humanitarian aid, emergency support, civil protection or crisis management aid (Article 25(3) FR),
- No cases of "confirmation of instructions" (Article 92(3) FR),
- No cases of financing not linked to costs (Article 125(3) FR),
- No Financial Framework Partnerships >4 years (Article 131(4) FR),
- No cases of flat-rates >7% for funding indirect costs (Article 184(6) FR),
- No derogations from the principle of non-retroactivity (Article 196 FR),
- No cases of financial support to third parties >EUR 60 000 (Article 207 FR),
- No cases of non-financial donations provided in the form of services, supplies or works (Article 244(3) FR).

7.4. Table Y on the estimated “cost of controls” at Commission level (part. updated)

Overview of department ’s estimated cost of controls at Commission (EC) level:

EXPENDITURE

DG BUDG	Ex ante controls			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System as defined in Annex 6	EC total costs	related payments made (EUR)	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)
Expenditure	1,604,143 €	2586849637	0.06%	N/A	N/A	0.00%	1,604,143€	0.06%
Horizontal accounting checks on expenditure	N/A	2586849637	0.00%	N/A	N/A	N/A	13,490€	0.00%
OVERALL estimated cost of control at EC level for expenditure	1,604,143 €	2586849637	0.06%	N/A	N/A	0.00%	1,739,043€	0.06%

NON-EXPENDITURE ITEMS

DG BUDG	Ex ante controls			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) as defined in Annex 6	EC total costs	related amounts	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)
TOR and VAT revenue	N/A	44,619,604,057€	N/A	4,334,920 €	N/A*	N/A	4,334,920€	0.01%
Horizontal accounting controls on revenue	N/A	44,619,604,057€	N/A	N/A	N/A	N/A	29,810.00€	0.00%
Financial assets and lending financed via borrowing: operational and financial control	N/A	150,299,782,266€	N/A	N/A	N/A	N/A	2,305,439€	0.00%
Financial assets and lending financed via borrowing: horizontal accounting controls	N/A	150,299,782,266€	N/A	N/A	N/A	N/A	339,930€	0.00%
Financial assets and lending financed via borrowing: CRO's oversight	N/A	150,299,782,266€	N/A	N/A	N/A	N/A	744,480€	0.00%

* The annual programmes of traditional own resources (TOR) target specific areas with high financial risk on the EU budget. Furthermore, Member States report irregularities and irrecoverable amounts which are checked by DG Budget. In addition, all TOR statements are verified for consistency, completeness, and accuracy and monitored for unexpected changes. VAT-based own resources inspections cover 100% of statements for all Member States during a 3-year cycle.

ANNEX 8: Reporting on the internal and external audits and assessing the effectiveness of Internal control systems

8.1. Status of the IAS audits and recommendations

The table below presents the status of the IAS audits in the end of the year.

Title of engagement	Status
Limited review on the controls set up by DG BUDG on the SUMMA program in preparation for 'going live'.	Report received.
Multi-DG (DG HR, SG, BUDG) audit on the assessment of HR needs in the Commission at corporate level.	Report received.
Multi-DG (RTD, BUDG and LS) audit on the design and early implementation of the control strategy for Horizon Europe.	No recommendations issued to DG BUDG.
Multi-DG (BUDG, DIGIT,EMPL,REGIO) IT audit on Arachne corporate.	Announcement letter received.

The IAS' contribution to the 2024 Annual Activity Report process lists 5 'very important' IAS recommendations from 2 audits: on SUMMA preparedness for "going live" and assessment of HR needs, not reported as implemented by management and/or closed by the IAS.

Limited review of SUMMA in preparation for 'going live': 3 very important recommendations were reported as implemented by DG BUDG, and 1 of them has been reviewed and closed by the IAS (on monitoring of the readiness of the SUMMA solution). 2 recommendations concern the integration of local IT systems and the IT security, and they are being reviewed by the IAS.

The IAS issued 2 very important recommendations from the audit on the assessment of HR needs in the Commission at corporate level. They concern i) the support to the assessment of (local) HR needs by the corporate services, due in September 2025, and ii) the quality checks of the Commission's HR needs by the corporate services, due in 2026. Their implementation started, mainly with the introduction of a revised Legislative Financial and Digital Statement to accompany each new legislative proposal, which was adopted as part of the revision of the Internal Rules in 2024.

8.2. Status of the ECA audits and recommendations

The topics of 3 European Court of Auditors' (ECA) performance audits in DG BUDG (results thereof published by the ECA as special reports in 2024) span the rule of law in the EU, recovery of irregular EU expenditure, the new own resource based on non-recycled plastic packaging waste, budget flexibility in times of crisis and EU funding to NGOs.

The table below presents the end-of-2024 status of the ECA's recommendations open in 2024.

ECA reports with recommendations assigned to DG BUDG as chef de file	All rec.(BUDG)	Still open
Annual reports: on the implementation of the EU budget for the 2022 financial year; on the activities funded by the 8th-11th EDF for the 2022 financial year	7	2
Annual Report on Compliance concerning the financial year 2021	4	1
Annual Report on Performance concerning the financial year 2021	6	3
Special Report No 03 2024 - The rule of law in the EU - An improved framework to protect the EU's financial interests, but risks remain	9 (of which 1 rejected)	18
Special Report No 05 2023 - The EU's financial landscape - A patchwork construction requiring further simplification and accountability	3	0
Special Report No 06 2023 - Conflict of interest in EU cohesion and agricultural spending - Framework in place but gaps in transparency and detection measures	4	1
Special Report No 07 2024 - The Commission's systems for recovering irregular EU expenditure - Potential to recover more and faster	2	2
Special Report No 08 2024 - EU Artificial intelligence ambition - Stronger governance and increased, more focused investment essential going forward	2 (of which 2 rejected)	20
Special Report No 09 2022 Climate spending in the 2014-2020 EU budget: Not as high as reported	4 (of which 1 rejected)	11
Special Report No 10 2021 Gender mainstreaming in the EU budget: time to turn words into action	8	2
Special Report No 11 2022 Protecting the EU budget: Better use of blacklisting needed	15	2
Special Report No 16 2023 - NGEU debt management at the Commission - An encouraging start, but further alignment with best practice needed	7	0
Special Report No 17 2016 The EU institutions can do more to facilitate access to their public procurement	6	0
Special Report No 17 2022 External consultants at the European Commission Scope for reform	11	0
Special Report No 22 2020 Future of EU agencies - Potential for more flexibility and cooperation	3	1
Special Report No 26 2023 - The RRF's performance monitoring framework - Measuring implementation progress but not sufficient to capture performance	2	2
Special Report No 14 2024 - Green transition Unclear (...)	2	2
Grand Total	93	27

The Commission rejected the following 4 ECA's recommendations (the full text of the replies were published in the relevant ECA's reports):

- Reporting on tools available to address risks to the EU's financial interests and on the measures taken against breaches of the principles of the rule of law in Member States: rejected as it was additional reporting obligation to the one under the Conditionality Regulation, which should not be linked to reporting on other procedures with different main objectives. The reporting on the rule of law in the Member States is already done in the Rule of Law Report.
- Tagging AI investments in all EU spending: rejected since the AI spending is not among the current MFF priorities, and there are no provisions in the programme regulations guaranteeing data availability.
- Setting out AI-specific performance targets and indicators: rejected as funding to actions supporting the EU AI Research and Innovation is mainly provided via the Horizon Europe and Digital Europe programmes, and it is already including related impact indicators.
- Reporting on EU spending with a potentially negative impact on climate: rejected as all the basic acts impose compliance with the "do no harm" principle, and the EU Climate Law requires assessment of

the consistency of any draft measure or legislative proposal with the EU's 2050 climate-neutrality objective and the EU 2030 and 2040 climate targets before adoption.

In 2024, there were 13 accepted ECA's recommendations, which related to DG BUDG's control system.

Out of these 13 ECA's recommendations, 7 remained open (partially implemented), concerning i) improving the management of VAT reservations, to set stricter deadlines for national authorities (1 recommendation from the 2021 report; due in 2026), ii) reviewing the procedures for managing cases of non-application of the VAT Directive that could impact the EU budget (2 recommendations from the 2022 report on cross-cutting non-conformity and reservations, due in 2026) and iii) 4 recommendations from the 2024 special report on rule of law, on assessing the human resources necessary to effectively apply the Conditionality Regulation across all Member States, on finishing developing the IT case-management system, on reviewing the guidelines and clarifying the issues identified during this ECA audit, and on assessing if these issues constitute breaches of the rule of law and their financial impact.

In 2024, DG BUDG implemented 7 ECA's recommendations related to its control system: i) ensuring that Italy solves its long-outstanding weaknesses in Traditional Own Resources accounting (confirmed by the inspection), ii) publishing information on all instruments of the EU's overall financial landscape (DG BUDG explained the scope of its reporting), iii) assessing the impact on the EU budget of high inflation and identify tools to mitigate the risks (done in the context of the mid-term review of the MFF), iv) reassessing the Member States' disagreements with the Commission's initial assessment of TOR write-off cases (done), and v) closure of 3 remaining ECA recommendations NGEU debt management, on establishing a separate middle-office function and reinforcing the role of the CRO: CRO charter and backups (completed by reorganisation in December 2024).

Since these recommendations do not indicate any major weaknesses in DG BUDG's control system, it has been assessed that they do not impact the assurance.

8.3. Assessment of the effectiveness of Internal control systems and actions to address the deficient aspects.

Conclusion on the functioning	PRINCIPLES																
	I					II				III			IV			V	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Principle is present and functioning well	X	X					X	X	X	X		X	X	X	X	X	X
Principle is present and functioning but some improvements are needed			X	X	X	X						X					
Principle is partially present and functioning, major improvements are needed																	
Principle is not present and functioning																	

Internal control principle	Deficient aspect	2025 actions
ICP3: structures, reporting lines, responsibilities.	Clarity of decision-making structure. Effectiveness of organisation of work among unit members.	Revision of the mission statements and unit procedures, introduction of a task finder, inventory of collaborative spaces.
ICP4: attract, develop, and retain competent individuals.	Learning and development opportunities. Seriousness of taking the HR matters by DG BUDG management.	Communication promoting the measures included in the learning and development strategy of DG BUDG, mobility exercise.
ICP5: accountability, appraisal and promotion.	Guidance on career options. Relation between performance and career progression.	Job fair at Reflection Day, promotion of the career-related measures from the learning and development strategy, mobility exercise providing new career opportunities
ICP6: objectives are set with clarity.	Communication on objectives.	Communication campaign on the objectives established in the Management Plan 2025.
ICP11: control activities over technology.	% of IT security plans up to date. % of IT procedures up to date. Issues described in DPO's recommendations (IT-related). Management of data after the retention period.	Update of the IT procedures, update of the IT security plans, addressing the data protection-related issues in two BUDG IT systems (two DPO's recommendations and decide on old data entries).

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

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

Table X: Estimated risk at payment and at closure (amounts in mEUR)

DG BUDG	Payments made (2024;MEUR)	minus new prefinancing [plus retentions made] (in 2024;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2024;MEUR)	Relevant expenditure (for 2024;MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2024;MEUR)	Adjusted Recoveries and Average Corrections (adjusted ARC, %)	Estimated future corrections [and deductions] (for 2024;MEUR)	Estimated risk at Closure (2024;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
Expenditure	2 586.85	0.00	0.00	2 586.85	0.50% - 0.50%	12.93 - 12.93	0.00% - 0.00%	0.00 - 0.00	12.93 - 12.93
DG total	2 586.85	0.00	0.00	2 586.85		12.93 - 12.93	0.00% - 0.00%	0.00 - 0.00	12.93 - 12.93
					Overall risk at payment in %	0.50% - 0.50% (7) / (5)		Overall risk at closure in %	0.50% - 0.50% (10) / (5)

Notes to the table X

(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) and (4) DG BUDG's transactions are not concerned by pre-financing.

(6) In this column, we disclose the detected error rates or equivalent estimates. For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. administrative expenditure), 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 average recovery and corrections percentage is mostly 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. In last 3 years, DG BUDG's corrections were 0%.

B. Reservations: none.

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

PART 2. Modernising the administration: main outputs for the year

A. Human resource management

Objective: DG BUDG 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.			
Main outputs in 2024:			
Output	Indicator	Target	Last known results (31/12/2024)
BUDG staff engagement.	DG BUDG staff engagement index. Revision of HR action plan by the Implementation Working Group, following the Staff Survey results.	≥74% By the end of 2024.	76% 85% of actions completed, remaining are ongoing. Revision done.
Promotion of equal opportunities.	% women in senior and middle management positions (43.2% on 31/12/2023). First female appointments to middle management positions.	≥45% 1 for the period 2023-2024	45% (01/01/2025 based on HR scoreboard). 3 first female appointments in 2024 (60% of total first female appointments).
Reach gender parity in middle management positions.	Level of representation of women in middle management positions (42.9% on 31/12/2023).	+/- 50%	43.3% females (01/01/2025 based on HR scoreboard).
Sound allocation of human resources ensuring effective and efficient operation of the DG.	Occupation rate of posts in the DG.	>95%	94.4%

B. Sound financial management

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions.			
Main outputs in 2024:			
Output	Indicator	Target	Last known results (31/12/2024)
Effective controls: Legal and regular transactions.	Risk at payment.	Remains: <2% of relevant expenditure.	0.5%
	Estimated risk at closure.	Remains <2% of relevant expenditure.	0.5%
Effective controls: Safeguarded assets. Safeguarded information.	1) Implementation of financial investments according to established asset management guidelines. 2) Performance compared with relevant financial market benchmarks (mix of fixed income indices, source: Bloomberg, covering government bonds, covered bonds, corporate bonds).	1) 100% compliance with guidelines. 2) Performance in line with relevant benchmarks (long run) (mix of fixed income indices, source: Bloomberg, covering government bonds, covered bonds, corporate bonds).	1) 100% compliant with established asset management guidelines 2) Performance in line with benchmarks.
Efficient controls.	Timely payments.	Remains, at least 95% of payments (in value) made on time.	96% on time
	Time to pay.	Remains, at least, 95% of payments (in number) made on time.	94% on time
Economy of controls.	Overall estimated cost of controls. 1) Administrative expenditure implementation. 2) Own Resources collection. 3) Fin. assets and loans.	Remains: 1) <4% of funds managed. 2) <0.01% of funds managed. 3) <0.01% of funds managed.	Expenditure: 0.06% 0.01% Fin. assets and loans: 0.002%

C. Fraud risk management

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) ⁽⁶⁾ aimed at the prevention, detection, and correction ⁽⁷⁾ of fraud.

Main outputs in 2024:

Output	Indicator	Target	Last known results (31/12/2024)
Awareness raising about ethics and fraud matters.	Percentage of staff included in awareness-raising activities. BUDG Times articles for all BUDG Staff.	>20% of staff. At least 4 per year.	Anti-fraud training took place in July, target reached with approx. 45% staff attending. 4 articles.
Actions are implemented as described in the AFS Action Plan.	Degree of implementation.	100% for each year covered by the Action Plan.	95% of actions implemented.
Implementation of actions, for which BUDG is in the lead in the CAFS Action Plan.	% of implemented actions due in 2024.	100%	1 action (16: best practice and guidance for MS on COI) due in 2024: the guidance document is finalised.

⁽⁶⁾ [Communication from the Commission 'Commission Anti-Fraud Strategy Action plan - revision 2023 COM\(2023\) 405 of 11 July 2023 – 'the Communication on the 2023 revision' – and the accompanying document, SWD\(2023\) 245 – 'the revised Action Plan'.](#)

⁽⁷⁾ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

D. Digital transformation and information management

Objective: DG BUDG is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission			
Main outputs in 2024:			
Output	Indicator	Target	Last known results (31/12/2024)
Transition of DG BUDG knowledge management, intranet, collaboration and document management to the new corporate collaborative tools based on Microsoft 365.	Completion of transition of DG BUDG intranet and collaborative sites, BUDGpedia and document management.	DG BUDG intranet and all collaborative sites by Q3/2024 (about 100 items). At least 70% of BUDGpedia and document management by Q4/2024.	Completed: BUDG Intranet and all collaborative sites are on M365. BUDGpedia to migrate by 02/2025, document management transition moved to 2025 due to re-organization.
<p>Digital Culture</p> <p>Digital literacy.</p> <p>Cybersecurity awareness and training.</p> <p>Ensuring active knowledge management in DG Budget and promoting knowledge management in the budget and finance domain.</p>	<p>Promotion of training in M365, and tools using AI and data visualisations.</p> <p>Percentage clicking rate for BUDG on phishing exercise emails compared to the average for the Commission.</p> <p>BUDGpedia: Number of active gardeners. Number of communication activities and interactive content featured via BUDGpedia. Number of visits (source: site analytics) Number of unique visitors (source: site analytics) Number of page views (source: site analytics) % of users satisfied with the completeness of information (source: user survey)% of users satisfied with the quality of information (source: user survey).</p>	<p>All BUDG units involved in discussion with M365 Task Force in the preparation of M365 migration.</p> <p>At least 2 % lower than the Commission average for each exercise. If 4% higher than the average for an exercise, organisation of specific awareness sessions in BUDG in collaboration with DIGIT.</p> <p>≥ 80 active gardeners (average) ≥ 40 news items published per year; ≥ 25,000 visits per month ≥ 5,000 unique visitors >25,000 page views ≥ 75 ≥ 75</p>	<p>2 BUDG-all conferences organized with BUDG staff (22 February, 7 March), regular Q&A sessions are organized every Friday since 22 March, at least one meeting of BUDG M365 Task Force with all BUDG entities have taken place.</p> <p>Clicking rate 1% lower than EC average 97 gardeners 83 news items and 10 newsletters to RUF published 34,200 (average per month) 8,500 (average per month) 106,200 (average per month) No survey in 2024 due to the site phase-out and transition to a new platform. No survey in 2024 due to the site phase-out and transition to a new platform.</p>

Output	Indicator	Target	Last known results (31/12/2024)
<p>Business-driven Digital Transformation</p> <p>Effective implementation of e-Domec rules.</p> <p>Continuous roll-out of eGrants to Union programmes.</p>	<p>Completion of awareness raising activities.</p> <p>% of documents filed.</p> <p>Number of Union programmes onboarded and share of grant budget managed in eGrants.</p>	<p>2 meetings with Document Management Correspondents (DMC) per year.</p> <p>% filed timely by the year end.</p> <p>Finalisation of onboarding by Q3 2023 corresponding to ~69 programmes using eGrants representing at least 90% of grant budget.</p>	<p>13 meetings with DMC in 2024.</p> <p>99.5% of documents are filed.</p> <p>16 training sessions delivered for DG's staff, over 165 people attended. 2 new Guidelines are now available on BUDGpedia. A new website for Document Management. File management was decentralised to the units following appropriate training for all correspondents.</p> <p>Integration of Summa in Ares/Hermes.</p> <p>Support in eGrants system to all onboarded programmes including integration of new initiatives and policy priorities.</p> <p>100% of the programmes using eGrants onboarded.</p>
<p>Green, Resilient and Secure Digital Infrastructure.</p> <p>Continuous improvement of the department's performance as captured in the risk maturity quadrant (RMQ).</p> <p>IT Security Strategy 2023-2024 actions that concern DG BUDG.</p> <p>Re-usable IT solutions.</p> <p>Automation of processes.</p> <p>Interoperability of new IT systems.</p>	<p>Attestation of compliance for the 55 IT priority controls for all IT systems, reported in corporate Governance Risk and Compliance module.</p> <p>% of the IT security plans up to date.</p> <p>% of newly developed systems in line with Dual Pillar Approach.</p> <p>Creation of IT support tool(s) for next-MFF.</p> <p>Ensuring widest possible interoperability of the future Arachne Corporate tool with other BUDG systems, in particular EDES and FTS.</p>	<p>100%</p> <p>100%</p> <p>100%</p> <p>Solution operational in Q2/2024.</p> <p>Reflection in Arachne Corporate updated Project Charter to be presented to the ITCB in Q1/2024.</p>	<p>99.45% attested.</p> <p>91% plans up to date</p> <p>All BUDG new systems respect DPA.</p> <p>Specific MFF SharePoint On-line site has been created in January 2024.</p> <p>21 databases identified for potential interconnection with Arachne Corporate. 8 were shortlisted and will be further assessed. For instance, EDES, SUMMA and FTS reflected in the updated Project Charter approved by the ITCB on 21 March 2024.</p> <p>Positive opinion of ITCB of 21/03/2024 on the updated Project Charter.</p>

Output	Indicator	Target	Last known results (31/12/2024)
List of key actions on information management and data protection.	Percentage of staff included in awareness-raising activities. BUDG Times articles for all BUDG Staff.	>30 % of staff annually. At least 4 per year.	85% with training planned for 2025 that will target the remaining staff. Approx. 10: ITCB flash notes/minutes included in BUDGTimes, highlighting the data protection aspects.
List of actions to implement the corporate principles for data governance for DG BUDG key data assets ⁽⁸⁾ .	Percentage of implementation of the corporate principles for data governance for DG BUDG key data assets. <ul style="list-style-type: none"> • For SUMMA. • All BUDG systems. 	100 % (2024 target). 80 % (2024 target).	SUMMA: 90% All BUDG systems: 80%

E. Sound environmental management

Objective: DG BUDG takes account of the environmental impact of its day-to-day actions, taking measures to reduce the impact of the administration work, supported by their respective EMAS Correspondents or EMAS Site Coordinators.

Main outputs in 2024:

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

Output	Indicator	Target (2019 as baseline)	Last known results (31/12/2024)
Staff awareness events on reduction of GHG emissions (Velo-Walk-, Ekiden-event, bike parking and availability of showers and lockers).	Number of events. Increase of the number of staff participating in the 3 events.	3 +10%	3 events were promoted. Walking challenge: +1925% (81 persons in 2024, 4 in 2023). Velo: +36% (47 persons in 2023->64 in 2024) EKIDEN: +33% (48 persons in 2024, 36 in 2023).
Communication to staff through intranet to raise awareness about more efficient use of resources.	Number of communication actions organised.	1	2 (on energy savings at work and on DG BUDG databases). Digital Mindfulness conference; 30 participants (30/05)

⁽⁸⁾ For each key data asset, departments should assess if the following principles have been respected:

- Identify and designate the data owner and the data steward(s).
- Instruct their data stewards to share the metadata of their data assets in the Commission's data catalogue and to keep them up to date.
- Design and document processes for data collection/creation, acquisition, access, sharing, use, processing preservation, deletion, quality, protection, and security. Information concerning these processes should be made available to anyone interested, as long as any confidentiality restrictions are respected.
- Make any necessary changes and updates to the IT systems used for storing, managing, and disseminating these data assets to implement the aforementioned requirements and processes.

II. Reducing CO2, equivalent CO2 and other atmospheric emissions.

Output	Indicator	Target	Last known results (31/12/2024)
Reduction of emission of the missions resulting from staff and experts' travel, by using online meetings and train travel wherever possible.	Level of the carbon footprint of the missions (influenced by the choice of transport used in the missions).	Reduction of 2% of the emissions of the missions compared to 2019.	46% of increase of emission of the missions compared to 2019. The statistics are biased by reorganisation in 2020, when part of ECFIN (Luxembourg) joined DG BUDG.
End of the year energy saving action: closure of the DG buildings during the Christmas and New Year's holiday period. Staff awareness actions and communication on energy saving, greener working methods and organisation of sustainable meetings.	Number of DG buildings which take part in the action. a. Number of communication actions. b. Number of staff reached.	MO15 building will remain closed during the end-of-year period. a. 3 actions b. 300	1 Regular communication on energy savings to all staff, on missions, on sustainable meetings. >500

III. Reducing and management of waste.

Output	Indicator	Target	Last known results (31/12/2024)
Implementation of the EC guidelines for sustainable meetings and events, e.g. sustainable catering, reduce single-use plastics, gadgets/gifts.	Percentage of BUDG events in which the guidelines are implemented.	100%	100% in professional events (Annual Budget conference and reflection day).
Paperless: DG Budget is using digital tools for e-signatories, colleagues are using collaborative tools and financial circuits are digital.	a. Percentage of staff using collaborative tools. b. Percentage of staff informed through internal communication.	a. 100% b. 100%	100% 100%
Campaign for reduction of waste and paper.	Number of communication actions. Number of staff reached.	3 300	4 (1 on managing waste, 1 on collecting old electrical appliances, 1 on paper, 1 recycled art exhibition. All staff (>500)

IV. Promoting green public procurement (GPP).

Output	Indicator	Target	Last known results (31/12/2024)
Green Public Procurement (GPP): Increase awareness of the criteria through the trainings and through communication tools.	Number of articles promoting GPP. Number of staff reached.	1 300	1 article sent to all staff (>500 staff). in GPP working group at EC level.

V. Supporting biodiversity

Output	Indicator	Target	Last known results (31/12/2024)
DG BUDG will explore the possibility of the creation of a collaborative vegetable garden in Montoyer 15 building.	Communication action. Number of staff involved in the action.	2 10	2 articles: "BUDGarden needs you!" and "Cycling and gardening in BUDG". 24 volunteers

ANNEX 11: Implementation through non-EU entrusted entities and/or EU Trust Funds (not applicable)

ANNEX 12: EAMR of the Union Delegations (not applicable)

ANNEX 13: Decentralised agencies and other EU bodies (not applicable)

ANNEX 14: Reporting on the Recovery and Resilience Facility (not applicable)

