Ref. Ares(2020)1829653 - 30/03/2020

European Commission

2019

Annual Activity Report

Annexes

Internal Audit Service
(DG IAS)

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

Following the Section 2.5 of the Service Level Agreement on the provision of support to the Internal Audit Service (IAS) by DG HR, revised on 27th May 2010,

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

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

Date: 30 March 2020

[Signed]

Reinder van der Zee

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[1] C(2017)2373 of 19.04.2017.

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

Ref. Ares(2020)1266614 - 28/02/2020

Annex 1: Annual Activity Report

Statement of Assurance for "Shared Resources Services"

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 aspects of financial management and internal control in the IAS that fall under the responsibility of DG HR.

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

Date: 28 February 2020

Christina VLASSIS

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

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[1] C(2017)2373 of 19.04.2017.

Annex 2

DG HR's Services to the IAS in 2019

Internal Control and Accounting Services

Internal Control Services

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

I) Ex-Post Control on Financial Transactions

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

A second objective of the ex-post control campaigns is to identify and remedy any control weaknesses in financial management. The results of ex-post control performed in DG HR, although not specifically designed to focus on IAS financial management, covered the key processes and individual transactions (commitments, payments and recoveries) that would affect the assurance statement of the IAS. The results of the controls, based on an estimated 49% of the budget, indicate an error rate (RER) of 0%. The errors were generally linked to procedural issues as opposed to material losses or 'amounts at risk'. This reassuring result would confirm the findings of the Court of Auditors in recent years. The Court has found a limited number of minor weaknesses in lower value procurement in the security directorate. The Court did not issue a recommendation; however, DG HR is taking the necessary steps to improve its internal control in this area.

II) Assurance Reports and Exceptions or Noncompliance Reports

DG HR's active authorising officers submitted reports to support the assurance statement of the Director General. Those who took over the functions from the departing staff also provided assurance regarding the smooth-running of the handover. The reports did not highlight any problems or weaknesses that had not already been identified and addressed through the exception reports.

DG HR's register of exceptions and non-compliance events highlights some issues related to the non-respect of standard procedures in financial management. The amount at risk associated with the exceptions is limited. The exceptions were generally associated with non-standard measures taken to ensure business continuity in the area of renewal of procurement contracts. None of the exceptions were related to the systems or transactions of the IAS.

Accounting Services

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

The new approach launched by DG BUDG in 2018 to assess the accounting quality and the risks related to the validation of local systems, has been reviewed for 2019. As a result, the criteria used by DG BUDG, assess the risk to which DG HR is exposed to as high. However, the criteria contributing to the score, are related to DG HR, not to the IAS. Only the criterion on accounting quality has an impact on the IAS, where the performance for both DG HR and the IAS is outstanding. As a result, no risk score was assigned to the accounting quality. Thus, the IAS accounting quality is considered outstanding.

Overall Result for the AAR of the IAS

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

Christina VLASSIS

DG HR's Internal Control Coordinator

Head of Finance, Procurement & Internal Control Unit (HR.R1)

Cc. E. Boersma, Head of Internal Control Sector;
M. Schools, Accounting Correspondent

ANNEX 2: Reporting – Human Resources, Better Regulation, Information Management and External Communication

See also AAR section 2.2 "Other organisational management dimensions".

Human Resources Management

Objective (mandatory): The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.		
Indicator 1 (mandatory): **Percentage of female representation in middle management** Source of data: data provided by DG HR		
Percentage of female representation in middle management		
Baseline 2016: IAS: 22.2% Commission: 31.9%	Commission-wide target by end 2019: 40%	**Latest known results (2019)** IAS: 36% Commission: 42%
Number of first appointments of female managers		
	IAS target by end 2019, one additional first female appointment	**Latest known results (2019)** Target reached in 2017 and surpassed in 2019, i.e. two female appointments between 1 May 2017 and 1 January 2020.
Indicator 2 (mandatory): **Percentage of staff who feel that the Commission cares about their well-being at work** Source of data: Commission Staff Survey – data provided by DG HR		
Baseline 2014: IAS: 37.5% Commission average not communicated for 2014 survey	Target: To be in line with the Commission average	**Latest known results (2018 staff survey)** IAS indicator: 73% Commission average: 52%
Indicator 3 (mandatory): **Staff engagement index** Source of data: Commission staff survey – data provided by DG HR		
Baseline 2014: IAS: 65.5% Commission: 65.3%	Target: To be in line with the Commission average	**Latest known results (2018 staff survey)** IAS indicator: 75% Commission average: 69%

Main outputs in 2019:			
Description	***Indicator***	***Target***	***Latest known results (situation on 31/12/2019)***
Initiatives to increase the pool of female candidates for middle management positions	Percentage of women in middle management positions	Increase the current performance (27%), [dependent on the opening of new middle management vacancies]	Target met (36% as per year end 2019).
Creating a good working environment and promoting good work/life balance, in the frame of the Fit@work programme [with the support of responsible central services in relevant actions]	Participation of staff in Fit@work and other staff engagement related activities Percentage/result for well-being in the next staff survey	>30% of staff to participate in one or more activities in 2019. Increase the next staff survey result for well-being to the new Commission average (at least 35%, i.e. old Commission average)	Target met: >90% participation in the 2019 IAS volunteering away-day and very high IAS staff participation in VéloMai 2019, ergonomics workshops and other fit@work initiatives. 2018 staff survey: IAS indicator: 73% Next staff survey in 2020
Action plan to follow up on the outcome of the 2018 corporate staff opinion survey	Approval of the action plan by the Director General	1st half of 2019	Target met
Implementation of the follow-up action plan to the 2018 Staff Survey	% of actions planned for 2019 implemented	100%	Target met (100%)
Initiatives to actively involve staff in the preparation of	Participation of staff in relevant meetings	At least one dedicated staff meeting in 2019	Target met

the audit plan			
Away-day for all IAS staff	Number of Away Days per year	At least one in 2019	Target met
Drafting and Implementation of the Staff Engagement Committee workplan 2019	% of actions planned for 2019 implemented	100%	Target met. SEC uses a rolling plan.

Specific objective 2.1: Increased capacity and the level of professionalism of internal auditors of the IAS and the EU autonomous bodies

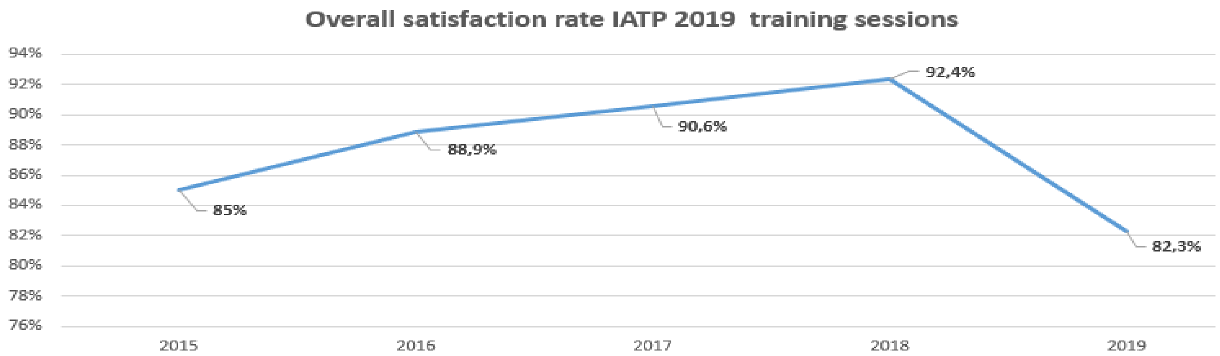
Indicator 1:
Percentage of staff certified
Source of data: Internal calculations

Baseline	**Interim Milestone**			**Target**	**Latest known results**
2015	2016	2017	2018	2019	
64% Result:66%	66% Result: 66%	67% Result: 72%	68% Result: 73%	70%	(2019) 79.5%

Result indicator 2:
Internal auditors are kept abreast of the latest developments in the Commission and the profession relevant for their work through structured opportunities for continuous learning
Source of data: Internal calculations

Baseline	**Target**	**Latest known results**
2014 6 Auditors Forum seminars	2016-2020 (yearly target): At least six seminars per year Average satisfaction rate of > 85%	Seven seminars in 2019 78% average satisfaction rate
Baseline 2014 Auditnet EU agencies	**Target** 2016-2020 (yearly target) At least two meetings per year	**Latest known results** Target met 14 June 2019 (plenary meeting for all EU bodies) 26 November 2019 (meeting limited to internal audit capabilities of EU bodies)
Baseline 2014 Hosting annual international audit conference	**Target** 2016-2020 (yearly target) One day conference (per year)	**Latest known results** 2014: 87% 2015: 91% 2016: (no conference held)

Satisfaction of 84%	Satisfaction rate of participants > 85%[2]	2017: 98% 2018: 96% 2019: 93%[3]
The three sub-indicators under the objective above show that in general the IAS is successful. Nevertheless, the specific target for the satisfaction rate of participants in the auditors' fora was not completely met (78% instead of 85%). The IAS continues to make an effort to organise original, challenging and appealing sessions, but it is difficult to please all participants.		
Result indicator 3: **The Internal Audit Training Programme covers the necessary needs** Source of data: Internal annual training needs survey		
Baseline 2015 Needs are covered (as defined by the Internal Audit Training Steering Committee)	**Target** 2016-2020 (yearly target) IAS Management confirming that 100% of all approved training needs are covered	**Latest known results (2019)** 100% of approved training needs covered



Main outputs in 2019:			
Description	***Indicator***	***Target***	***Latest known results (situation on 31/12/2019)***
Internal Audit Training Programme	Timely delivery	January 2019	Target not met, the revised training programme was published later in 2019.

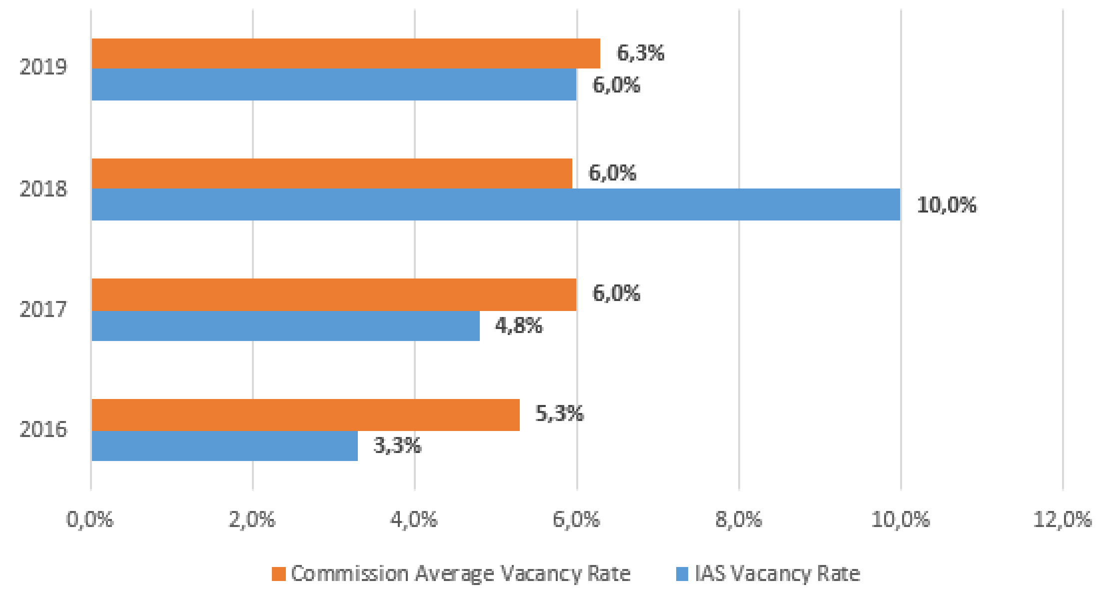
[2] This calculation is based on the average level of satisfaction of (1) the conference met its objectives and (2) the expectations of the participants were met. Source of data: evaluation questionnaire filled in by Conference participants.

[3] This figure corresponds to the percentage of respondents who rated the Conference as good/very good, by answering the following question: "What is your overall rating for this Conference?". In order to avoid redundancy, the evaluation questionnaire for the IAS 2019 Conference was simplified and the question on whether the conference met its objectives omitted.

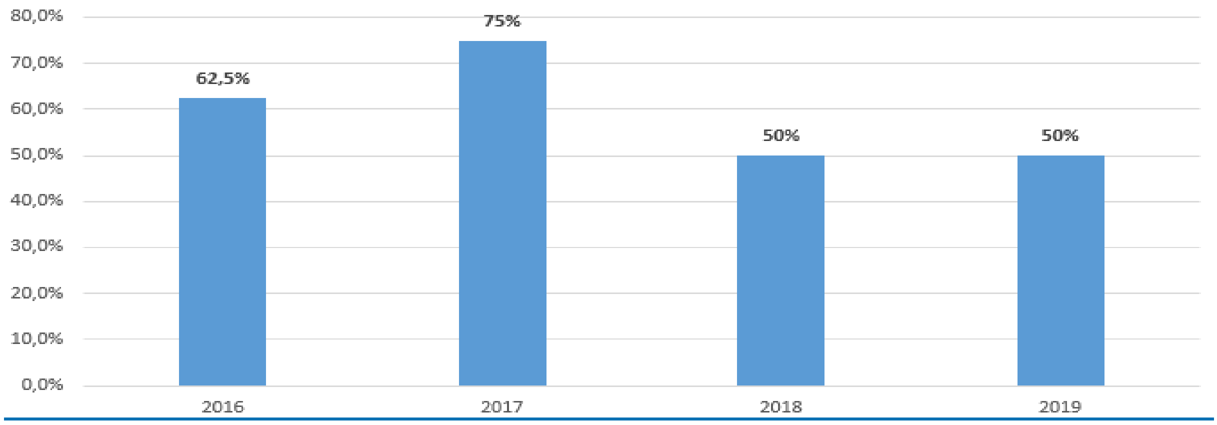
Finalise list of topics for Auditors' Forums	Timely delivery	January 2019	Target not met, the list was finalised in the first quarter.
Organise 6 Auditor Forum sessions	Timely delivery	December 2019	Target met 7 Auditor Forum sessions in 2019
Annual Audit Conference	Timely delivery	November 2019	Target met 27 November 2019
Auditnet for EU agencies and other bodies	Timely delivery	Spring and Autumn 2019	Target met 14 June 2019 (plenary meeting for all EU bodies) 26 November 2019 (meeting limited to internal audit capabilities of EU bodies)
"Welcome coffee" and/or "Induction Training" for new staff	Number of Welcome coffee or induction training per year	At least one by December 2019 [depends on the number of new recruits]	Target met
Organise AudiTED talks (lunch-time presentations of specific audits).	Timely delivery	5 AudiTED talks by December 2019	Target met 7 AudiTED talks

Specific objective 2.2: **Provide effective HR services in order to recruit, to support and to maintain a high-performance work force in the IAS**		
Result indicator 1: **Vacancy rate** Source of data: Internal calculations, HR.A1 calculations		
Baseline 2015 8%	Target: To be in line with the Commission average <u>2016</u>: 3.3% at 31/12/2016 Commission average 5.3% <u>2017</u>: 4.8% at 31/12/2017, Commission average 6.0% <u>2018</u>: 10% at 31/12/2018, Commission average 5.95%	**Latest known results (2019)** 6% at 31/12/2019, Commission average 6.3%

Thanks to an intense recruitment campaign during 2019, at the end of 2019, the vacancy rate of the Internal Audit Service was at 6%, in line with the Commission average, while it had started in the beginning of the year at 10%. A relatively high staff turnover is inherent to any audit function and as a consequence a solid and efficient recruitment process is very important for the IAS. More resources will be available for recruitment in summer 2020, once the results of the ongoing specialist competition for auditors will be published. The competition was launched by the IAS in 2018, in cooperation with DGs employing external auditors.



Result indicator 2: **Encourage AD8 and above female administrators to follow a management training course** Source of data: Internal calculations		
Baseline 2016: IAS: 62.5%	Target 2019: 75% <u>2016</u>: 62.5% <u>2017</u>: 75% (9 out of 12) <u>2018</u>: 50% (6 out of 12)	**Latest known results (2019)** 50% (6 out of 12)
Due to staff mobility, this objective requires a continuous effort. During 2019 one of the trained colleagues became Head of Unit, which demonstrates the success of the initiative. Another trained colleague left the Commission for another institution. Two female administrators were promoted to AD8 and are now included in this monitoring. One of them registered for a management course in Q1 2020.		



Main outputs in 2019:			
Description	***Indicator***	***Target***	***Latest known results (situation on 31/12/2019)***
Update Learning and Development Strategy	Timely delivery	February 2019	Target met
HR plan 2016-2020	Timely update	March 2019	Target not met The HR plan will be updated in the context of the preparation of the 2020-2024 strategic plan
Management of vacancy rate	Vacancy Rate	December 2019: 6.3% Commission average	Target met
Participation in the organisation of a horizontal EPSO competition for auditors together with the other DGs with Audit Directorates	Timely delivery	Lists to be available 18 months after the publication of the competition notice.	EPSO competition for auditors is ongoing
Talent management campaign to encourage female AD staff to apply for management positions	% of AD8 and above female administrators following a management training course	75% by end 2019	(50%), Target not met due to staff mobility.

Better Regulation

N/A

Information Management

Objective (mandatory): **Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable**		
Indicator 1 (mandatory): **Percentage of registered documents that are not filed[4] (ratio)** Source of data: *Hermes-Ares-Nomcom (HAN)[5] statistics* – provided by DG DIGIT		
Baseline	**Target 2016-2020**	**Latest known results**
2015 1.2% (3.51% at Commission level)	< 1%[6] 2016: 0.33% (2.09% at Commission level) 2017: 0.36% (1.20% at Commission level) 2018: 0.26% (1.23% at Commission level)	2019: 0.21% (0.47% at Commission level)
Indicator 2 (mandatory): **Percentage of HAN files readable/accessible by all units in the IAS** Source of data: *HAN statistics*- provided by DG DIGIT		
Baseline	**Target 2016-2020**	**Latest known results**
2015 85.1% (77.88% at Commission level)	85% 2016: 88.95% (71.76% at Commission level) 2017: 90.61% 2018: 91.04%	2019: 90.81%[7] (46.92% at Commission level)
Indicator 3: **Percentage of HAN files shared with other DGs** N/A: Given the restrictive nature of the IAS work, the IAS does not share files with other		

[4] Each registered document must be filed in at least one official file of the *Chef de file*, as required by the e-Domec policy rules (and by ICF principle 13 of Part IV). The indicator is to be measured via reporting tools available in Ares.

[5] Suite of tools designed to implement the e-Domec policy rules.

[6] 1% is an ambitious target. In any case, 0% is not feasible because there is always a turnover of registers waiting for the opening of files.

[7] To promote the knowledge sharing amongst IAS auditors, the IAS has chosen to give a maximum of access to IAS documents. However, the remaining 9.19% concern restricted files related to management, horizontal, QA and HR issues.

DGs. Occasionally, there might be an exception (see baseline). Source of data: *HAN statistics* - data provided by DG DIGIT		
Baseline	**Target 2016-2020**	**Latest known results**
2015: 0.05% (represents 1 file) 6.25% at Commission level	0%[8] 2016: 0.04% (7.62% at Commission level) 2017: 0.04% 2018: 0.04%	2019: 0.04% (corresponds to 1 file)

Indicator 4 (IAS specific): **Finalisation of the timely implementation of new IT audit tool (Continuous development of the audit management tool)** Source of data: internal			
Baseline	**Interim Milestone**	**Target 2020**	**Latest known results**
2017 New indicator Tool operational in October 201	Target 2018: Completion of customisation of TeamMate modules: TeamRisk, TeamSchedule and TeamCentral reporting	N/A	Delivered on time (target 2018).
Indicator 5 (IAS specific): **Knowledge management system: identification of potential software tools** Source of data: internal			
Baseline	**Interim Milestone**	**Target 2020**	**Latest known results**
New indicator	Results by Q4 2016 Target 2018: Implementation of knowledge management initiatives	N/A	Delivered on time. Were put into practice: MyIntracomm collaborative sites for audit permanent files, and collaborative workspaces in several audit units.

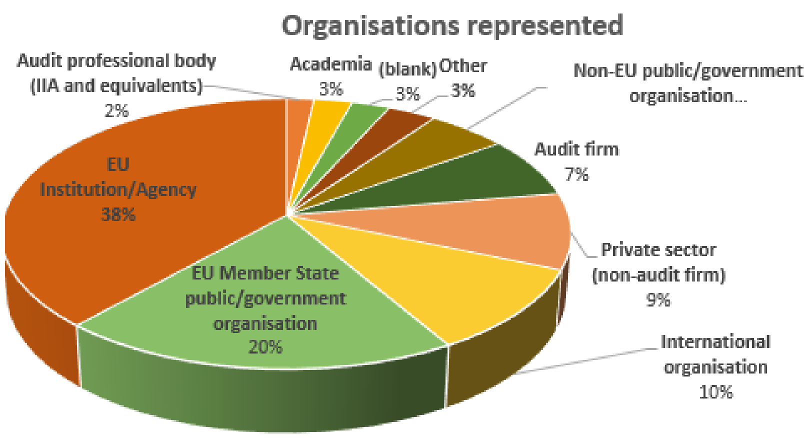
Main outputs in 2019:			
Description	***Indicator***	***Target***	***Latest known results (situation on 31/12/2019)***
2018 Annual report on document management	Timely delivery	March 2019	Target met 2018 report on 29/03/2019
Staff trained on the use of TeamMate	No of participants Timely delivery	All auditors	Target met already in 2017, as all auditors have been trained in due time.

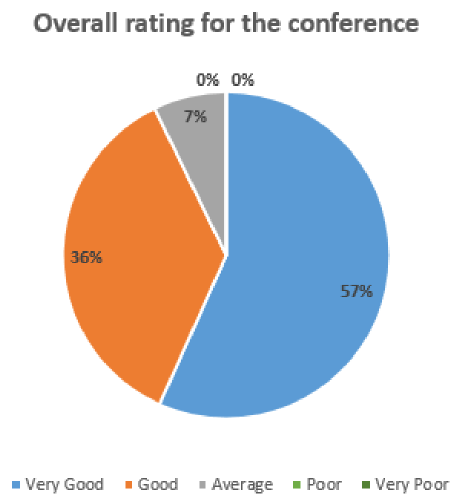
[8] The IAS Audit files contain sensitive information and cannot be shared at Commission level.

			By the end of 2019, 35 persons were trained: - 19 newcomers - 4 persons from the Council - 12 IAS members of staff ('refresher' course)
Re-assessment of the use of TeamSchedule (working procedures to be implemented)	Timely delivery	Q2 2019	Target met TeamSchedule use guidelines have been implemented in Q1 2019
TeamMate migration to 12.3 version	Timely implementation	Q4 2019	Target met
2019 Business case – New IT audit techniques and Data Analytics	Preliminary analysis of the IAS needs	Q4 2019	Target met
2019 Report on TeamMate satisfaction survey	Timely delivery	Q4 2019	Target not met. The satisfaction survey will be launched in Q1 2020

External communication activities

The IAS is not directly involved in any external communication activities except for its Annual Conference.





ANNEX 3: Draft annual accounts and financial reports

All IAS budget lines are co-delegated TYPE2 (DGA > DGB) to DGs DIGIT and HR. Consequently, all payments are reported in the AARs of DGs DIGIT and HR.
See attached Annex 3.

IAS_AAR2019_DG_annex3.pdf

Delegation and co-delegation

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

The IAS budget allocation is included under the heading "Administrative expenditure of the Audit policy area" and totalled €19.66m in 2019. 96.95% of this expenditure was directly delegated to the PMO, HR and DIGIT in accordance with the Commission's Internal Rules. The IAS was therefore accountable for the remaining 3.05%, which is however, co-delegated[9] to DGs HR and DIGIT.

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

Mission budget

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

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

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

[9] Type II co-delegation, whereby the IAS is the primary AOD, while DGs HR and DIGIT are the secondary AODs. DG HR (missions, meetings and training, 2.40%) and DG DIGIT (IT development, 0.65%).

ANNEX 4: Materiality criteria

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

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

Qualitative assessment

- Non achievement of an important objective/obligation

Quantitative assessment

- In order to be considered "material" in quantitative terms, failings must have a direct financial impact on the budget, affecting a significant proportion of total commitment appropriations or payments. In line with internal guidelines a weakness would have been considered 'material' only if there is a direct financial impact or risk of loss of more than 2% of the overall IAS budget (Title 28).

Assessment of reputational events

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

De minimis' threshold for financial reservations

As from 2019[10], a 'de minimis' threshold for financial reservations is introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

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

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

ANNEX 5: Relevant Control System(s) for budget implementation (RCSs)

Mission expenses: Main internal control objectives: To ensure compliance of the mission expenses with the Commission's Guide to Missions and Authorised Travel and IAS specific guidance[11].

Ex-ante

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

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

Main risks It may happen (again) that…	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	reimbursement		irregularity or divergence from best practice identified and corrected (3) number/% of complaints (from travellers and PMO) Efficiency (1) Time to approve (2) number/% of complaints (3) number/% of missions rescheduled because of missed deadlines in ex-ante approval). Economy = estimation of cost of staff involved + ratio between cost of staff and total amount spent on missions reputational damage.

Ex-post

	Independent ex-post control	Ex-post control of representative sample of expenses (9.49%) by the resources team	Effectiveness (1) ineligible amounts identified by ex-post control (2) number/% of cases rejected/returned for correction by PMO (3) number/% of irregularities or divergence from best practice identified Efficiency Timeliness of the ex-post controls. Economy = estimation of cost of staff involved + ratio between cost of staff and total amount spent on missions Benefits (1) Qualitative assessment of the preventive effect (2) Qualitative assessment of the avoidance of reputational damage.
	Exception reporting	See ex-ante verification and	Cost = estimation of cost of staff involved

		ex-post control	Benefits = Qualitative assessment of the value of transparent reporting of exceptions and its learning effect.

ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (not applicable)

ANNEX 7: EAMR of the Union Delegations (not applicable)

ANNEX 8: Decentralised agencies and/or EU Trust Funds (not applicable)

ANNEX 9: Evaluations and other studies finalised or cancelled during the year (not applicable)

ANNEX 10: Specific annexes related to "Financial Management"

Table Y - Overview of the estimated cost of controls at Commission (EC) level:

IAS Mission Expenditure – Control System[12]	Ex-ante controls			Ex-post controls			Total**	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	EC total costs (in EUR)	**Funds managed** (in EUR)[13]	**Ratio (%)*** *(a)/(b)*	**EC total costs** (in EUR)	**Total value verified and/or audited** (in EUR)	***Total ex-post control cost in EUR ÷ total value verified and/or audited*** *(in EUR)* **Ratio (%)** (d)/(e)	**EC total estimated cost of controls** (in EUR) (a)+(d)	**Ratio (%)*** *(g)/(b)*
	€21.880/year (20% of AST FTE €109,400)	€237,886.03	9.2%	€1.094/year (1% of AST FTE)	€22,569.59	4.85%	€22,974	9.66%

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

[13] Funds managed = payments made, revenues and/or other significant non-spending items such as e.g. assets, liabilities, etc.

ANNEX 11: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

Financial Management (including risk management and internal control)

General objective (mandatory): **The Authorising Officer by Delegation should have reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions including prevention, detection, correction and follow-up of fraud and irregularities.**

Objective 1 (mandatory): **Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions**		
Indicator 1 (mandatory): **Estimated residual error rate** Source: IAS internal *As explained in the narrative, the IAS will rely on the assurance provided by the AOSDs and its additional own controls regarding mission expenditure. As in the past, a qualitative approach will be employed to judge on the legality and regularity of expenditure taking into account all of the above.*		
Baseline	**Target** 2016-2020 (annual target)	**Latest known results**
2014: judged to be close to 0 %	*Below the materiality threshold of 2% each year* 2016: 0.15% 2017: 0% 2018: 0%	2019: 0%
Indicator 2 (mandatory): **Estimated overall amount at risk for the year for the entire budget under the DGs responsibility.** Source: internal *Rf. to indicator 1 above*		
Baseline	**Target** 2016-2020 (annual target)	**Latest known results**
2015: judged to be close to € 0	*Below materiality threshold of 2% each year* 2016:Target reached (€0) 2017: €0 2018: €0	2019: €0

Indicator 3 (mandatory): **Estimated future corrections** Source: internal		
Baseline	**Target**	**Latest known results**
2015: €0	Given the target on the amounts at risk, no corrections are likely to be made ex-post. However, if needed, IAS is determined to ensure full recovery of undue amounts paid out.	2016: €0 2017: €0 2018: €0 2019: €0

Objective 2 (mandatory): **Effective and reliable internal control system in line with sound financial management.**		
Indicator 1 (mandatory): **Conclusion reached on cost effectiveness of controls** Source: IAS estimation of the costs of controls on missions and other expenditure		
Baseline: 2014	Target 2016-2020: (annual target)	**Latest known results**
Yes (0.25 AST FTE)	No more than 0.25 AST FTE 2016: Yes – Target met (0.25 AST FTE) 2017: Yes – Target met (0.25 AST FTE) 2018: Yes – Target met (0.25 AST FTE)	2019: Yes - Target met (0.21 AST FTE)
Indicator 2: **Conclusion reached on reliability, effectiveness of controls within the IAS** Source: Qualitative analysis of exception register, transactions rejected by PMO, errors reported by DG HR, errors detected in sample of missions verified by the IAS in its ex-post control		
Baseline (2015) Errors identified as a percentage of total mission costs = 0.1%	Target 2016-2020 (annual target) Below materiality threshold of 2% each year 2016: Target met 2017: Target met 2018: Target met	**Latest known results** 2019: Target met

Overview of the main outputs in 2019

Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions			
Description	***Indicator***	***Target***	**Latest known results (situation on**

			31/12/2019)
Ex-post controls on missions	Error rate	Below 2% materiality threshold	0% (target met)
Effective and reliable internal control system in line with sound financial management			
Description	***Indicator***	***Target***	**Latest known results (situation on 31/12/2019)**
Errors identified in mission costs	Errors identified as a percentage of total mission costs	Below 2% materiality threshold by end of 2019	0% (target met)
Implementation of the Internal Control Framework (ICF)	Completion status of the implementation of the revised internal control framework	All principles rated as "Fully implemented" by end of 2019	Target reached

Objective 3 (mandatory): Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.			
Indicator 1 (mandatory) **Implementation of the action plan stemming from the updated 2017-2019 anti-fraud strategy of DG IAS, elaborated on the basis of the methodology provided by OLAF** Source: information available in DG's AFS			
Baseline: period 2014-2016	Interim Milestone (2016-2017)	Target by 2020	**Latest known results**
IAS Anti-fraud strategy released on 20 January 2014	(low fraud risk profile) 100% Implementation of actions planned for each year in the anti-fraud strategy	Keeping in place adequate controls	Target met Updated AFS 2017-19[14] IAS AFS further updated in Q1 2020, to be

[14] Circulated to IAS staff on 19/12/2016 - Ares(2016)7038376.

			formally adopted in Q2 2020

Overview of the main outputs in 2019

Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.			
Description	***Indicator***	***Target***	**Latest known results (situation on 31/12/2019)**
Implementation of the anti-fraud strategy as planned for 2019	% of implementation of actions planned for 2019 in the anti-fraud strategy	100%	100% (delivered in time)

Follow-up to mitigating measures as regards potential conflict of interests (international internal auditing standards)

The current Director-General of the IAS, Internal Auditor of the Commission, Mr Manfred Kraff, took office on 1 March 2017. Mr Kraff was previously Deputy Director-General (DDG) and Accounting Officer of the Commission in the Commission's Directorate General, DG Budget.

In line with IIA standards[15], on 7 March 2017, following his appointment as Director-General and Internal Auditor, Mr Kraff issued instructions on the arrangements to be put in place in order to mitigate and/or avoid any potential or only perceived conflict of interest as regards IAS audit work in relation to his former responsibilities. These arrangements were prolonged in 2018 (for the period 1 March 2018 to 1 March 2019) and in 2019 through instruction notes to all Internal Audit Service staff issued by Mr Kraff on 1 March 2018 and 1 March 2019. According to the arrangements, which have now been prolonged until 1 March 2020, Mr Kraff would not be involved in the supervision of audit work relating to operations that he was responsible for before joining the IAS. The supervision of the audit work related to such cases ultimately fell under the responsibility of Mr Jeff Mason, former Internal Audit Service Acting Director-General (September 2016-February 2017) and current Director in the Internal Audit Service (IAS.B, Audit in Commission and executive agencies I). The

[15] The international audit standards, to which the Financial Regulation expressly refer to in Article 98 ("Appointment of the Internal Auditor"), state that: "If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment." (IIA-IPPF standard 1130). Moreover, the standards state that: "internal auditors must refrain from assessing specific operations for which they were previously responsible. Objectivity is presumed to be impaired if an internal auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous year" (IIA-IPPF standard 1130.A1).

arrangements also provided that the Audit Progress Committee would be informed of these instructions and of their implementation and that Mr Mason would refer to the Audit Progress Committee as regards the assessment of any situation that may be interpreted as impairing Mr Kraff's independence or objectivity. In those cases, Mr Kraff would refrain from any supervision of the related audit work.

The arrangements in place were discussed with the Audit Progress Committee at its meeting of March 2018. The committee considered that the measures defined by the Internal Audit Service adequately address the risk of conflict of interest in line with the international standards and best practice and noted with satisfaction that arrangements to ensure organisational independence have been implemented in practice in the relevant audits. The Audit Progress Committee further took stock of the actual implementation in 2018 of these arrangements in its meetings of January (preparatory group) and March 2019. The APC noted with satisfaction that these arrangements had been implemented in practice in a number of audits and considered that this was leading practice in the internal audit profession.

In the period 2018-2020, during the hearings as part of the reporting year discharge, Mr Kraff presented to the European Parliament's Budgetary Control Committee (CONT) the arrangements in place. These arrangements were also made public in the Internal Audit Service's 2017 and 2018 annual activity reports and in the Commission's annual reports on internal audits of September 2018 and June 2019.

On 4 December 2017, the European Ombudsman sent a letter to the European Commission informing that, following a complaint from a member of the public, an inquiry would be opened in order to assess the appropriateness of the measures taken by the Commission to prevent any conflict of interest (or a perception thereof) as regards the appointment of the new Director-General of the Internal Audit Service. The Internal Audit Service and the Commission's central services replied to the various questions raised by the Ombudsman, and provided all relevant supporting documents and information requested.

The inquiry was closed by the Ombudsman on 23 July 2019. The Ombudsman closed this case[16] concluding that the Commission has put in place appropriate measures to avoid potential conflicts of interest and to safeguard the objectiveness of the internal auditor's function, and that there was no maladministration by the Commission in how it appointed the Director-General of its Internal Audit Service.

[16] Decision of 23 July 2019 in case 1324/2017/LM on how the European Commission appointed the Director General of its Internal Audit Service.

ANNEX 12: Performance tables

See section 1.1 "Internal Auditing"

The IAS, as a horizontal service in the Commission contributes to the following general objective of the Commission:

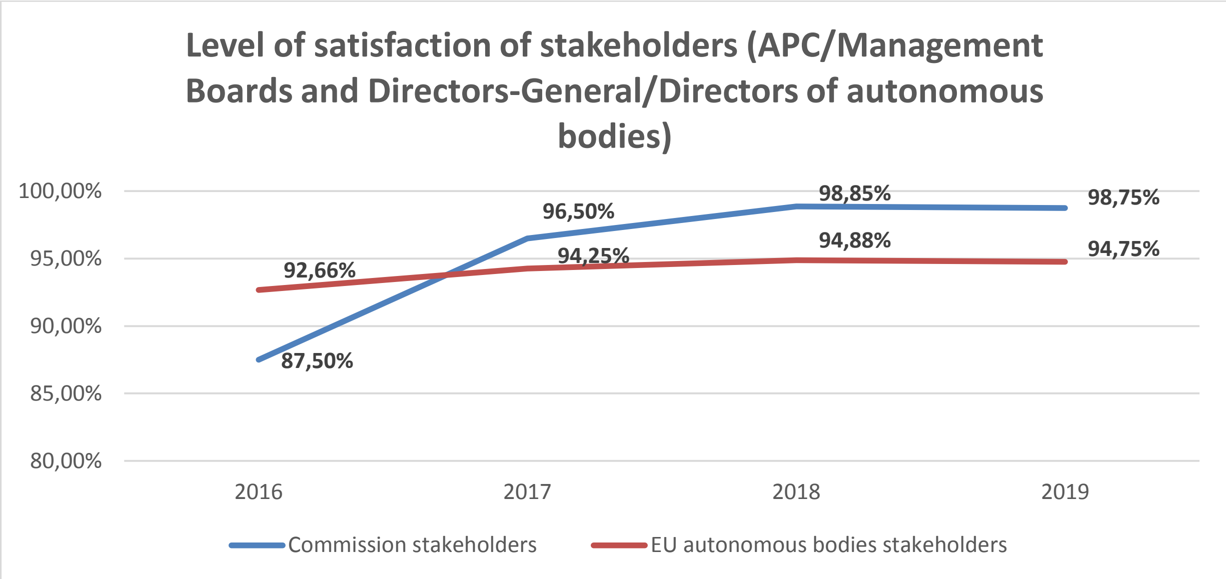
General objective No 11: **To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.**		
Impact indicator: **Trust in the European Commission** Source of the data: Eurobarometer on Public Opinion in the European Union		
Baseline (Spring 2015)	**Target** (year 2020)	**Latest known results** (2019)
40% tend to trust (EB 83)	Increase Spring 2016: 37% tend to trust(EB 85) Spring 2017: 41% tend to trust (EB 87) Autumn 2018: 43% tend to trust (EB90)	Autumn 2019: 43% tend to trust (EB 92)
Impact indicator: **Staff engagement index in the Commission** Source of the data: European Commission		
Baseline (2014)	**Target** (2020)	**Latest known results** (2018)
65.3%	Increase 2016: Commission: 64.3% IAS: 68%	2018: Commission: 69% IAS: 75%

This Commission's general objective can be broken down into three **specific IAS operational objectives**[17] as described below.

Specific objective 1: **To ensure that the work of the IAS adds value to the Commission services and EU agencies and other autonomous bodies and contributes to the improvement of their operations (external dimension).**

[17] The 2015 Management Plan was structured in accordance with the ABB-activity structure of the IAS in 2014. The introduction of these three specific objectives resulted from the preparation of the 2016-20 Strategic Plan and the 2016 Management Plan.

Result indicator 1.1: **Level of satisfaction of stakeholders (APC/Management Boards and Directors-General/Directors of autonomous bodies)** Results of the annual satisfaction survey to show a minimum level of satisfaction Source of data: 2019 IAS annual Stakeholder Survey		
Baseline (2015)	**Target** (2016-2020, annual target)	**Latest known results** (situation on 31/12/2019)
Commission stakeholders: 88%[18]	Commission stakeholders: minimum 90% 2016: 87.5% 2017: 96.5% 2018: 98.85%	Commission stakeholders: 2019: 98.75%
EU autonomous bodies stakeholders: 91%[19]	EU autonomous bodies stakeholders: minimum 90% 2016: 92.66% 2017: 94.25% 2018: 94.88%	EU autonomous bodies stakeholders: 2019: 94.75%



[18] This calculation is based on the average level of satisfaction of: (1) APC PG members and (2) Commission DGs and Directors of executive agencies, in respect of the following two statements (a) IAS covering the mains risks and processes and (b) IAS work adding value.

[19] This calculation is based on the average level of satisfaction of: (1) Board members of the EU autonomous bodies and (2) Directors of the EU autonomous bodies, in respect of the following two statements (a) IAS covering the mains risks and processes and (b) IAS work adding value.

<table>
<tr><td colspan="3">Result indicator 1.2:
Level of auditee satisfaction
Source of data: Satisfaction survey addressed to the audited services in the Commission and the executive agencies and EU autonomous bodies after each engagement.</td></tr>
<tr><td>Baseline</td><td>Target
(2016-2020, annual target)</td><td>Latest known results
(situation on 31/12/2019)</td></tr>
<tr><td>Average score of 1.5 on a scale from 1 (strong agreement) to 4 (strong disagreement)</td><td>Average score of 1.5 Commission and the executive agencies
<u>2016</u>: 1.5
<u>2017</u>: 1.53
<u>2018</u>: 1.62</td><td>Average score of <u>2019</u>: 1.57</td></tr>
<tr><td>Average score of 1.5 on a scale from 1 (strong agreement) to 4 (strong disagreement)</td><td>Average score of 1.5 EU autonomous bodies
<u>2018</u>: 1.59</td><td>Average score of <u>2019</u>: 1.53</td></tr>
<tr><td colspan="3">EU autonomous bodies stakeholders: Until 2017 Directorate A had only used an annual auditee satisfaction survey. As from 2018, for engagements started under the new audit software, TeamMate, a survey was launched after each assignment.</td></tr>
<tr><td colspan="3">Output indicator 1.3 (effectiveness):
Timely delivery of IAS overall opinion on financial management in the Commission
Source of data: Regular IAS internal monitoring</td></tr>
<tr><td>Baseline</td><td>Target
(2016-2020, annual target)</td><td>Latest known results
(situation on 31/12/2019)</td></tr>
<tr><td>Target met (2015)</td><td>By 15 May of year n+1</td><td>Overall opinion issued on 19 June 2019[20]</td></tr>
<tr><td colspan="3">Output indicator 1.4 (effectiveness):
Timely delivery of IAS conclusion on the state of internal control as a contribution to the preparation to the AARs of Directorates-General/services/executive agencies
Source of data: Regular IAS internal monitoring</td></tr>
<tr><td>Baseline</td><td>Target
(2016-2020, annual target)</td><td>Latest known results
(situation on 31/12/2019)</td></tr>
<tr><td>New indicator</td><td>By 15 February of year n+1</td><td>Delivered on time</td></tr>
</table>

[20] The Internal Auditor adopted the overall opinion after its presentation to the APC in a written procedure in June 2019.

Main outputs in 2019:			
Internal audit of the Commission and the executive agencies, and EU agencies and other autonomous bodies			
Output description	**Indicator**	**Target (2016-2020, annual target)**	**Latest known results (situation on 31/12/2019)**
Stakeholder satisfaction survey Commission and the executive agencies	Level of satisfaction	90% (2019)	Target reached
Stakeholder satisfaction survey EU agencies and other autonomous bodies	Level of satisfaction	90% (2019)	Target reached
Limited assurance conclusion on the state of control as a contribution to the preparation of the AARs (Commission and the executive agencies)	Conclusions issued	By 15 February of year n+1	Delivered on time Conclusions issued before 15 February 2019
Overall Opinion on the financial management of the European Commission for the year (Commission and the executive agencies)	Opinion issued	By 15 May of year n+1	Opinion issued on 19 June 2019[21]

Specific objective 2: **To ensure that the work of the IAS adds value by being conducted in accordance with the Financial Regulation, its internal methodology and guidelines and international auditing standards (internal dimension).**		
Result indicator 2.1 (effectiveness): **Successful compliance with the internal methodology and guidelines of the IAS and with international internal auditing standards as assessed through the internal quality assessment (IQA)** Source of data: Report of the internal quality assessment carried out by IAS.01 for all three Directorates		
Baseline (2015)	**Target** (2016-2020, annual target)	**Latest known results (2019 IQA)**
IQA of 2015 No non-conformance issues raised	No non-conformance issues raised	No non-conformance issues raised
Result indicator 2.2 (effectiveness): **General compliance with the internal methodology and guidelines of the IAS and with international internal auditing standards as assessed through the external quality assessment (EQA)** Source: Report of the independent External Quality Assessor		

Baseline (EQAs of 2011 and 2013[21])	**Target** (2016-2020, periodical, i.e. at least every five years)	**Latest known results** (2016 EQA – VALID FOR 5 YEARS)
No non-conformance issues raised	No non-conformance issues raised	No non-conformance issues raised

Main outputs in 2019:			
Internal audit of the Commission and the executive agencies, and EU agencies and other autonomous bodies			
Output description	**Indicator**	**Target (2016-2020, annual target)**	**Latest known results (situation on 31/12/2019)**
Internal quality assessment (yearly)	Generally conforms	December 2019	IQA 2019 completed March 2019 Generally conforms, no issues of non-conformance
External quality assessment (valid for 5 years)	Generally conforms	December 2016 (next EQA 2021)	Generally conforms, no issues of non-conformance
Update of the IAS audit manual and guidance in order to ensure compliance of the IAS practice with the new data protection rules	Timely revision of the relevant guidance (e.g. audit manual) and staff-awareness	Q2 2019 (including staff-awareness events)	Target met. Specific guidance on data protection issued and staff meeting held with the Data Protection Officer

Specific objective 3: **To ensure efficiency and effectiveness in delivering the strategic audit plans through the annual audit plans.**		
Output indicator 3.1 (effectiveness): **Completion rate of the annual audit plan** Source: Regular IAS internal monitoring.		
Baseline 2015	**Target** (2016-2020, annual target)	**Latest known results**

[21] For audits in the decentralised agencies and other autonomous bodies, the previous EQA was carried out in 2011, while for the audits in the Commission and executive agencies, the previous EQA was carried out in 2013.

100% Each year, completion of 100 % of C1 engagements (i.e. engagements to be completed during the year) included in the (revised) audit plans in both Commission and EU autonomous bodies	Commission: 2016: 100% 2017: 98%[22] 2018: 100% EU bodies: 2016: 100% 2017: 100% 2018: 100%	Commission: 2019: 100% (1) EU bodies: 2019: 100% (2)
(1) Directorate B, auditing the Commission services, completed in 2019 one additional engagement that was initially planned to be finalised in 2020. (2) As per the revised audit plan at mid-term, Directorate A planned to finalise 33 C1 engagements by the end of the year. The early completion of one C2 consulting engagement, which was originally planned to be finalised in 2020, compensates the delayed completion of one audit engagement. The overall number of finalised engagements, 33, is detailed below.		

Engagements in the Commission and executive agencies finalised in 2019[23]

No	Entity	Topic	Type
1	AGRI	Fruit and vegetables programmes in DG AGRI	comprehensive audit
2	COMM	Audit/Limited review on the implementation of the new internal control framework (ICF) in DG COMM	limited review
3	CONNECT	Implementation of Better Regulation principles in the preparation of Digital Single Market policy proposals	performance audit
4	DEVCO	Annual Audit and Verification Plans and implementation of audit results in DEVCO	comprehensive audit
5	DGT	Audit/Limited review on the implementation of the new internal control framework (ICF) in DGT	limited review
6	EAC	IT governance and project management in DG EAC[24]	IT audit
7	EASME	LIFE project management (project monitoring, payments and amendments) in EASME	comprehensive audit
8	ECFIN	Effectiveness and efficiency of DG ECFIN's performance management system	performance audit
9	ECHO	DG ECHO’s Control Strategy for Humanitarian Aid Actions	performance audit
10	EMPL	Management of EASI (Employment and Social Innovation) programme	comprehensive audit
11	ENER	Audit on the implementation of DG ENER’s control	performance audit

[22] One management letter was postponed to 2018.

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

[24] Initially planned to be finalised in 2020 but completed earlier in 2019.

		strategy for the delegated bodies implementing the NDAP	
12	ENV	International activities in DG ENV	comprehensive audit
13	EPSO	Audit/Limited review on the implementation of the new internal control framework (ICF) in DG EPSO	limited review
14	ERCEA	Governance Structure in ERCEA	performance audit
15	ESTAT	ESTAT's quality management of statistical processes	performance audit
16	FPI	Common Foreign and Security Policy (CFSP)	comprehensive audit
17	HOME	DG HOME's audit activity and clearance of accounts	comprehensive audit
18	JRC	Site Management & Management of Investment Programmes in JRC	comprehensive audit
19	JUST	Impact assessment in DG JUST	performance audit
20	MOVE	Governance and supervision of the autonomous EU entities (EASA, ERA, EMSA, SESAR, S2R) by DG MOVE	comprehensive audit
21	Multi-DGs	IT Project management practices for multi-DGs projects in DGs DIGIT	performance audit
22	Multi-DGs	Innovation and digital auditing	other
23	Multi-DGs	Evaluation and Studies in DG ENV and DG CLIMA	comprehensive audit
24	Multi-DGs	Monitoring the implementation and performance of 2014-2020 OPs by DGs REGIO, EMPL and MARE	comprehensive audit
25	Multi-DGs	Recovery orders and bank guarantees for fines - PART 2 (BUDG and COMP)	comprehensive audit
26	Multi-DGs	Consulting on policy feedback in research	consulting
27	Multi-DGs	Consultancy on governance and supervision of executive agencies (SG, BUDG, CNECT, EAC, GROW, MOVE, RTD, AGRI, SANTE)	consulting
28	NEAR	Annual Audit Plans in DG NEAR	comprehensive audit
29	NEAR	Ex-ante Control on Payments under ENI in DG NEAR	comprehensive audit
30	OIB	Limited Review on ICF in OIB	limited review
31	OIL	Limited Review on ICF in OIL	limited review
32	OLAF	Review of IT project management practices in DG OLAF	performance audit
33	OLAF	OLAF's human resources strategy	performance audit
34	OP	IT Governance & Project management in OP	performance audit
35	RTD	Innovfin in RTD	comprehensive audit
36	SANTE	Efficiency and effectiveness of the Health and Food audits and analysis service	comprehensive audit
37	SANTE	The management of Food and Feed programmes (including emergency measures) in DG SANTE	comprehensive audit
38	SCIC	Limited Review on ICF in SCIC	limited review
39	TAXUD	Monitoring of EU law implementation in DG TAXUD	comprehensive audit
40	TAXUD	HR management in DG TAXUD	comprehensive audit
41	TRADE	HR management in DG TRADE	performance audit

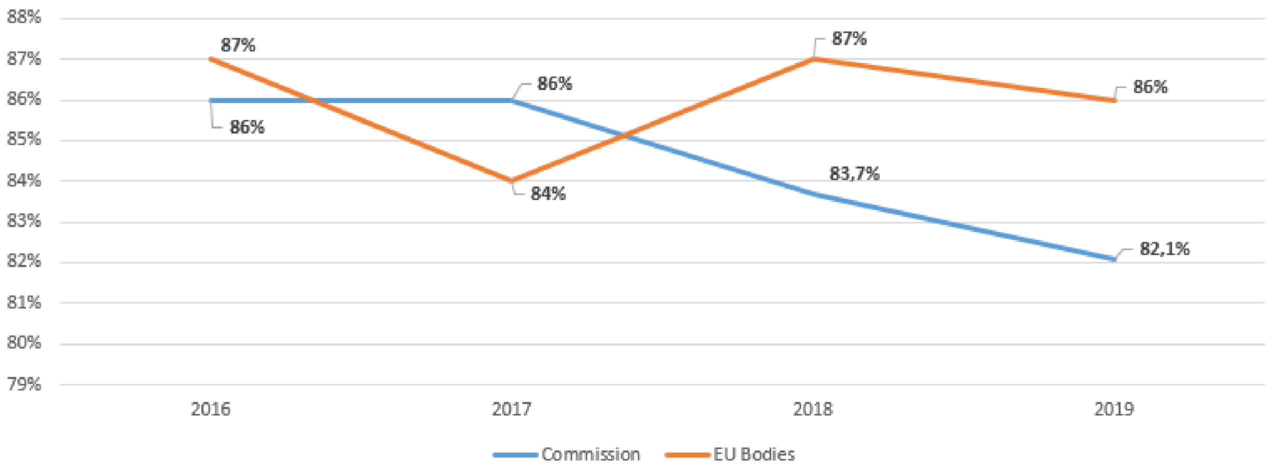
Engagements in the decentralised EU agencies and other autonomous bodies finalised in 2019[25]

No	Entity	Topic	Type
1	CdT	e-CDT	Performance audit
2	EASA	Ethics, Fraud Prevention & Conflict of Interest	Comprehensive audit
3	EASA	Outsourcing, partnership agreements, applicant services	Performance audit
4	ECDC	Preparedness & Response	Comprehensive audit
5	ECHA	Performance Management	Performance audit
6	EEA	Procurement and contract management	Comprehensive audit
7	EFCA	Implementation and Impact Assessment of JDPs	Performance audit
8	EIOPA	Human Resources Management & Ethics	Comprehensive audit
9	EMA	Strategic Risk Assessment incl. IT	Risk Assessment
10	EMSA	Strategic Risk Assessment incl. IT	Risk Assessment
11	ENISA	Human Resources Management	Comprehensive audit
12	ESMA	Information Security and related IT Governance Processes	IT audit
13	ETF	Human Resources & Ethics	Comprehensive audit
14	EUROFOUND	Strategic Risk Assessment incl. IT	Risk Assessment
15	EU-OSHA	Planning and Budgeting	Comprehensive audit
16	GSA	Exploitation of EGNOS	Performance audit
17	HOR	Horizontal report on HR Management & Ethics	Horizontal report
18	BBI JU	H2020 grant process (from the identification of the call topics to the signature of the grant agreement)	Performance audit
19	CEPOL	Training Implementation, Knowledge Sharing and Monitoring of Results	Performance audit
20	CLEANSKY JU	Strategic Risk Assessment including IT	Risk Assessment
21	EASO	Consulting on Financial Decentralisation	Consulting
22	ECSEL JU	Strategic Risk Assessment including IT	Risk Assessment
23	EEAS	Strategic Risk Assessment including IT	Risk Assessment
24	EIT	Strategic Risk Assessment including IT	Risk Assessment
25	EMCDDA	Publications Management	Performance audit
26	EMCDDA	Strategic Risk Assessment including IT	Risk Assessment
27	EUROJUST	Cooperation with Europol	Performance Audit

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

28	EU-SCHOOLS	Consulting on human resources allocation and distribution of non-teaching tasks[26]	Consulting
29	FCH JU	Strategic Risk Assessment including IT	Risk Assessment
30	FRONTEX	IT Governance and Project Management	IT Audit
31	IMI JU	Strategic Risk Assessment including IT	Risk Assessment
32	SESAR JU	Strategic Risk Assessment including IT	Risk Assessment
33	SHIFT2RAIL JU	H2020 grant process (from the identification of the call topics to the signature of the grant agreement)	Performance audit

Result indicator 3.2 (efficiency): **Percentage of time spent on direct audit work and audit support work by auditors** Source of data: Regular IAS internal monitoring		
Baseline (31/12/2015)	**Target 2016-2020**	**Latest known results**
Commission: 87% EU bodies: 86%	Annual target: 86% 2016: Commission: 86%; EU bodies: 87% 2017: Commission: 86%; EU bodies: 84% 2018: Commission: 83.7%; EU bodies: 87%	2019: Commission: 82.1% ; EU bodies: 86%
In the Commission the average was slightly below the target, due in part to the need to train and integrate newcomers to the Commission, an increasing focus in recent years on staff engagement related activities and time spent on the organisation of the audit competition.		

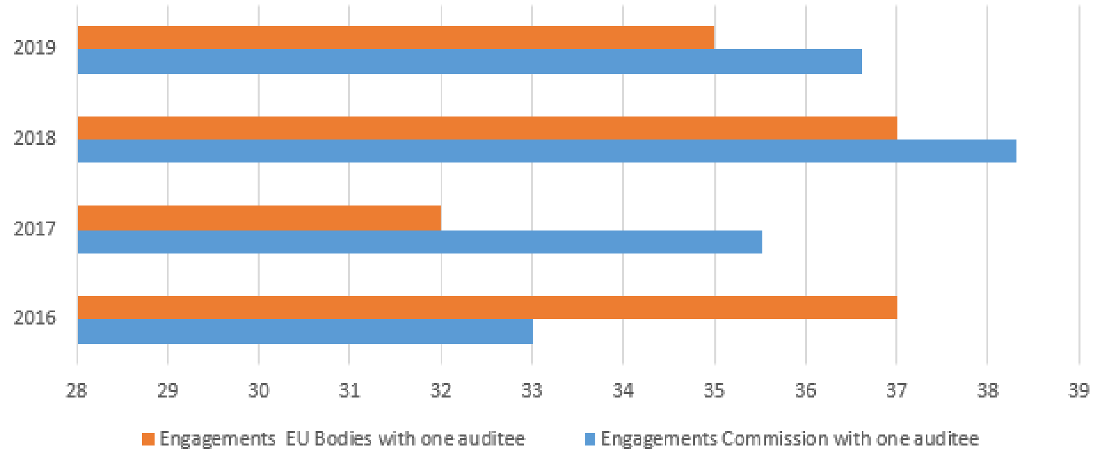


[26] Initially planned to be finalised in 2020 but completed earlier in 2019.

Output indicator 3.3 (efficiency):

Timeliness of the completion and the delivery of audit reports (time elapsed in working days between the findings validation meeting and the final report)

Source of data: Regular IAS internal monitoring



Baseline (31/12/2015)	**Target 2016-2020**[27]	**Latest known results**
<u>Commission</u>: 35 days for engagements with one auditee 40 days for engagements with multiple auditees	Annual target: 30 days for engagements with one auditee 35 days for engagements with multiple auditees <u>2016</u>: 33 days for engagements with one auditee 38 days for engagements with multiple auditees <u>2017</u>: 35.53 days for engagements with one auditee 40.56 days for engagements with multiple auditees <u>2018</u>: 38.32 days for engagements with one auditee 45.10 days for engagements with multiple auditees	<u>2019:</u> 36.61 days for engagements with one auditee 45.00 days for engagements with multiple auditees
<u>EU Bodies:</u> 32 days	Annual target: 30 days for engagements with one auditee <u>2016:</u> 37 days <u>2017:</u> 32 days <u>2018:</u> 37 days	<u>2019:</u> 35 days
In several cases, the extended validation process was due to required additional		

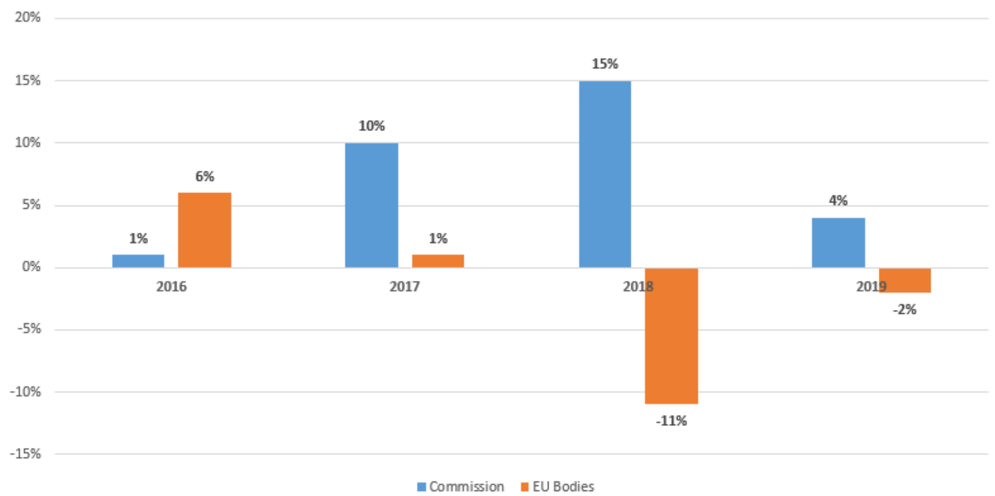
[27] Following the centralisation of the internal audit function on 1 January 2015, the IAS was re-organised leading to new working practices, in particular for the quality review of audit deliverables. The new target now reflects the additional time spent on this specific task

documentary analysis to respond to auditees' remarks combined with delays in receiving responses to draft audit reports.

Output indicator 3.4 (efficiency):

Difference between actual time and budgeted time for each audit engagement.

Source of data: Regular IAS internal monitoring



Baseline (31/12/2015)	**Target 2016-2020** (Annual target)	**Latest known results**
Commission: 5% EU Bodies: 6%	Actual execution within the margin of ±10% of budgeted number of man-days (+ indicating an overrun and – indicating an underrun) 2016: Commission: +1% EU Bodies: +6% 2017: Commission: +10% EU Bodies: +1% 2018: Commission: +15% EU Bodies: -11%	2019: Commission: +4% EU Bodies: -2%

Overview of the main outputs in 2019

Internal audit of the Commission and the executive agencies			
Description	***Indicator***	***Target***	***Latest known results***
Updated Audit Plan for 2019 (2019-2021Strategic Audit Plan)	Timely finalisation	February 2019 [Adoption by the Internal Auditor in March 2019]	Delivered on time - 94th APC 1st PG meeting, 30 January 2019 - 94th APC 2nd PG

			meeting, 20 February 2019 - 94th APC meeting, 26 March 2019
Audit, consulting and follow-up engagements reports planned for 2019	Completion of the 2019 Audit Plan	January 2020	Delivered on time
Overview Reports / Information Notes on the follow-up of the IAS recommendations issued to APC throughout 2019	Reports finalised and transmitted to APC (four in total)	March 2019 May 2019 September 2019 November 2019	Delivered on time
2018 Annual Report of the Internal Auditor Art 118(4) of the FR	Report issued	May 2019	Annual report issued on 19 June 2019[28]
Internal audit of the EU autonomous bodies			
Strategic Internal Audit Plans (SIAPs) to be prepared for those entities where the previous strategic audit plan is completed or has become obsolete	Timely preparation	January 2019	Delivered on time
Audit, consulting reports and follow-up engagements planned for 2019	Completion of the 2019 Audit Plan	January 2020	Delivered on time
Reports on the status of open critical or significantly delayed very important IAS recommendations issued to Agency Directors and management Boards in case their agency has such recommendations	Reports/ Notes finalised and transmitted to Directors and Management Boards	March 2019	Target met for all six reports issued.

[28] The Internal Auditor adopted the overall opinion, with the Annual Report of the Internal Auditor (Art 118(4) of the FR) in annex, after its presentation to the APC in a written procedure in June 2019.