

Annual Activity Report 2020

EUROPEAN PERSONNEL SELECTION OFFICE

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EPSO IN BRIEF

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

The European Personnel Selection Office (EPSO) is an interinstitutional office, which was created on 26 July 2002 and became operational as of January 2003¹. EPSO is administratively attached to the European Commission, but governed by its interinstitutional Management Board as explained further below.

EPSO's mission is to serve the client EU institutions by providing them with a pool of highly talented laureates thanks to high quality, efficient and effective selection procedures. EPSO provides a range of services to help select staff, in particular, for administrator, assistant, contract agent or temporary agent positions. The work of EPSO's own staff is guided by six values: integrity, ambition, professionalism, quality service, diversity and respect. The change management process in 2020 also placed a strong emphasis on collaboration.

EU institutions count on their talented, committed and high performing staff in the delivery of their ambitious and challenging objectives. It is the role of the European Personnel Selection Office to go and find these people and to optimise its selection procedures based on client feedback.

In 2020, EPSO launched a comprehensive change management process in full consultation with its staff and its interinstitutional Management Board. This transition led to some changes in the focus of EPSO's service delivery which are best described as follows:

Client-centric selection procedures through a process of continuous improvement based on feedback from recruiting institutions, best practices as well as international standards and developments in selection policy and practice;

Greater attention to diversity so as to provide a European Civil Service that is of the highest quality and representative of European societies that EU institutions serve.

Digital-based service delivery solutions, to cater for business continuity during the 2020 pandemic and as a basis for the modernisation and environmental sustainability of EPSO's business processes for the long haul.

In 2020, EPSO handled a budget of around EUR 26.2M (entirely under Heading V – Administrative Expenditure), which also included the budget of the European School of

¹ Founding text of EPSO from 2020 http://eur-lex.europa.eu/resource.html?uri=cellar:14469e18-7552-43d7-bfe0-7dfb66b157c7:0004.02/DOC_1&format=PDF.

Administration (EUSA, approximately EUR 6.0M). This includes several important framework contracts that EPSO has in place - the most important of which relate to computer-based testing and test development. In 2020, EPSO and DG HR were far advanced in renewing a Service Level Agreement (first established in 2008) whereby DG HR provides support for routine administrative tasks relating to both human and financial resources. This Agreement was finalised in January 2021.

The rules regarding the organisation and operation of EPSO state that the Management Board is its highest decision-making body, and to which EPSO reports regularly. The Director of EPSO is responsible for the overall internal control system and the design, implementation and monitoring of the internal control measures applied in EPSO. It should be noted that following almost three years of *interregnum*², a new Director was appointed in May 2020.

² Succession of three different acting Directors from September 2017 to May 2020.

EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Director of EPSO to the College of Commissioners (by virtue of its administrative attachment).. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties³.

This Annual Activity Report is also a management report to EPSO's interinstitutional Management Board. 2020 was an exceptional year as will be explained further in this report.

A. Key results and progress towards the achievement of the Commission's general objectives and EPSO's specific objectives (executive summary of section 1)

Policy highlights of the year

The year 2020 can be seen as a turning point for EPSO: the appointment of a new director, the switch to remote assessment centres due to COVID-19, the publication of special report of the European Court of Auditors (ECA), first steps in implementing the inter-institutional Special Working Group's ambitious recommendations, and the preparation of EPSO's internal restructuring for 2021.

EPSO's new Director took office in mid-May 2020, when competition activity had ground to a halt. Due to national contingency measures across Europe, pre-selection test centres were closing and air travel was very limited. The EU institutions also responded by asking staff to telework. Two competitions were interrupted in the middle of assessment centre tests in March 2020.

The first priority was to unblock the situation through strategic guidance to prepare for the resumption of assessment centres online. This was possible in November after intense operational and legal preparations, not least in terms of data protection compliance. Since then, candidates and selection board members participate in assessment centres in any location of their choice through a computer or laptop, as they prefer. One test (the group exercise) was replaced with the situational competency-based interview using fewer simultaneous online connections.

In parallel, EPSO started to work on its own reform. Both the ECA special report of 29 October 2020 and the interinstitutional Special Working Group report of December 2019

³ Article 17(1) of the Treaty on European Union.

pointed to a need for EPSO to be more precise, more agile and faster in delivering talented laureates and quality selection procedures. EPSO also continued activities aimed at preparing the switch to new IT tools.

Despite the above situation, EPSO's outputs for the year 2020 did help achieve the EU institutions' overall political objectives by effectively managing and safeguarding assets and resources as well as attracting and selecting high performing laureates. Thus, EPSO went beyond mere business continuity in light of the COVID-19 pandemic and delivered several key policy achievements in 2020:

1. A growing number of testing operations – starting with Assessment Centres – were migrated to remote online delivery. In parallel, preparations started by the end of 2020 to test the feasibility of internet-based and remotely proctored pre-selection tests as an alternative to physical test centres presently located in all EU Member States. As regards the 2020 Certification exercise, both the training module as well as the exam itself were organised entirely online.
2. EPSO's current competition model dates back to 2010. The Special Working Group provided comprehensive recommendations on the changes EU institutions want to see going forward. To translate these recommendations into concrete actions, EPSO set up in mid-2020 five internal task forces looking into key areas of action, notably candidate diversity (including geographical balance of the candidate pool), the language regime (including elements of a possible new competition model), optimal selection board functioning, transparency of the selection process and enhanced collaboration with client institutions. Each task force has advanced well, at its own respective pace. By the end of 2020, all task forces welcomed the input of EPSO's client institutions and continued their activities with a view to reaching maturity in their reflections in 2021. First concrete actions have already materialised, for example, a proposal for a new language regime was presented to EPSO's Management Board in November 2020, which in turn provided strategic guidance to prepare for implementation within a reasonable timeframe. Questions and instructions to respondents in a pilot diversity survey were finalised by end-2020 leaving the data protection review and IT aspects for early 2021. A few changes were implemented in EPSO's own correspondence with candidates, in line with the early findings of the transparency task force. Furthermore, horizontal reflection has started under the guidance of the Management Board on the duration of the competitions.
3. Concerning IT projects, in 2020, EPSO joined the HR modernisation and transformation programme (HRT) to benefit from a robust and a fully integrated HR platform, engage in lifelong talent management and reinforce its capacity to make use of reusable solutions, with effective access to the offer from the market. HRT is a multiannual programme and in parallel, EPSO has established a project team to review its internal use of technology and identify processes where the existing use of IT can be improved or where readily-available or low-code solutions can be introduced at a low cost in terms of time and resources.

EPSO took advantage of the exceptional externalities of 2020 and the recommendations from EU institutions and the European Court of Auditors to innovate parts of its activities and create a basis for long-lasting transformation. It carried out a business process review and launched a comprehensive set of staff consultations to guide preparations for the new organigramme. EPSO's reorganisation is managed by an internal Steering Board. A Strategic and Capacity Planning Group was established at the end of 2020 to introduce deeper internal coordination of competition planning pending a more permanent system in 2021.

In many respects, 2020 has been a foundational year. Comprehensively, the changes launched in 2020 seek to enable EPSO in future to develop more precise tests and selection procedures to deliver high performing laureates who match the requirements of recruiting institutions within much shorter timeframes. For example, EPSO partnered with two EU institutions to identify pilot specialist competitions reflecting these principles that could be launched in 2021⁴. Also, more customisation and flexibility to accommodate different client needs will be embedded all EPSO selections going forward in line with first attempts started in 2020.

In 2020, EPSO received nearly 31,000 validated applications (compared to 45,000 in 2019). What is more, EPSO also completed 13 internal competitions for the European Commission with a very positive outcome of 241 laureates delivered as opposed to the 210 requested (*i.e.* a delivery rate of 114%). Two internal competitions for EUIPO were at an advanced stage of completion by the end of 2020.

In parallel, EPSO evaluated 548 qualifications and dealt with 253 language test requests in the framework of the compulsory assessment of third language skills (Art 45(2) of the Staff Regulations). Last but not least, EPSO contributed to the successful completion of the annual certification exercise in which 127 AST Officials from 10 Institutions and EU Bodies were tested on their suitability for appointment to the AD function group.

Headline objectives of 2020

Throughout 2020, EPSO successfully worked towards achieving three strategic goals:

- **Mainstream client orientation**

EPSO continued to focus on further developing the client orientation of EPSO's activities. The ECA special report recommends that EPSO improve the feedback loop with recruiting EU institutions by the end of 2021. The resumption of interrupted competitions provided an opportunity for closer cooperation, mutual understanding and shared operational results. The planning of 2021 competitions and management of the eight-month backlog accumulated in 2020 also contributed to developing new relations. EPSO also

⁴ One of the recommendations in the ECA special report requires EPSO to introduce a new selection framework for specialist competitions by the first quarter of 2023.

handled positively its relations with the staff committees of all institutions and participated in a number of key dialogues in the last quarter of 2020. As an important source of selection board members, staff committees contribute to further enhancing EPSO's delivery capacity.

Since end-2020, EPSO's internal task force on improving relations with EU institutions is receiving input directly from all EU institutions. The outcomes of the task force should help EPSO meet the expectations of the Court of Auditors by end-2021. This joint reflection is expected to deliver new ways of working and concrete proposals on how to further expand the attractiveness of EU careers and support the efforts of EU institutions themselves in improving the diversity of their staff, including in terms of nationalities.

In close cooperation with the Member States, EPSO continued to increasingly target applicants from those countries which to-date are under-represented in the candidate pool, namely, Austria, Czech Republic, Denmark, Finland, France, Germany, Ireland, Luxembourg, Netherlands, Poland, Portugal and Sweden, to discuss different actions (including roadmaps for each Member State and measuring of promotional activities). These efforts seek to support recruiting institutions in their efforts to improve the geographical balance of staff within EU Institutions.



In order to continually improve and professionalise its practices in terms of reasonable accommodations for candidates with a disability and/or specific requirements, and in line with international best practice and the United Nations Convention on the rights of Persons with a Disability, EPSO implemented several actions in 2020 to increase its outreach to a more diverse population. To this end, a call for co-operation to all EU diversity and inclusion organisations was published on EPSO's home page and remains open to-date. EPSO further launched a network of Equality and Diversity coordinators nominated by each Member State to improve collaboration on diversity issues on national level. Lastly, EPSO updated its policy on reasonable accommodations for pregnant and breastfeeding candidates and published a detailed guide on how to request special adjustments in EPSO's selection.

**ADAPT AND
IMPROVE
SELECTION
METHODS**

- **Adapt and improve selection methods**

EPSO continued throughout 2020 to focus on improving its selection methods based on best practices and international standards. Most of the envisaged improvements (such as split assessments, video remote testing, multi-mini interviews, internet based testing, etc...) will further support remote and paperless solutions, allowing substantial gains in terms of logistical and human resources. together with even more objective and fair selection methods. The ECA special report contains a recommendation for EPSO to acquire an improved capacity by end-2021 to adapt to a fast-changing recruitment environment. The digitalisation of EPSO's testing methods helps bring about the change that is needed.

More specifically, to meet the challenging needs of the EU institutions and faced with the pandemic, EPSO test development and document management has gone increasingly paperless. As explained earlier, assessment centres were resumed in November 2020 using a remote (online) delivery of tests. Still in 2020, EPSO analysed scoring patterns before and after the interruption with no discernible differences.

In line with the efforts on shifting to remote testing, a first pilot trial for ‘split assessment’ approach – where each assessor scores candidates individually was successfully carried out as a mock exercise with the support of the EPSO Permanent Selection Board Members. The encouraging results showed that the approach is both qualitatively efficient and suitable for remote testing conditions as both the validity and reliability of the final scores proved to be satisfactory. The method has therefore been incorporated on a new platform in partnership with an external service provider and will be deployed in the first suitable competition to be published.

- **Contributing to strengthening inter-institutional co-operation in the field of personnel selection by delivering organisational efficiency and cost-effectiveness**

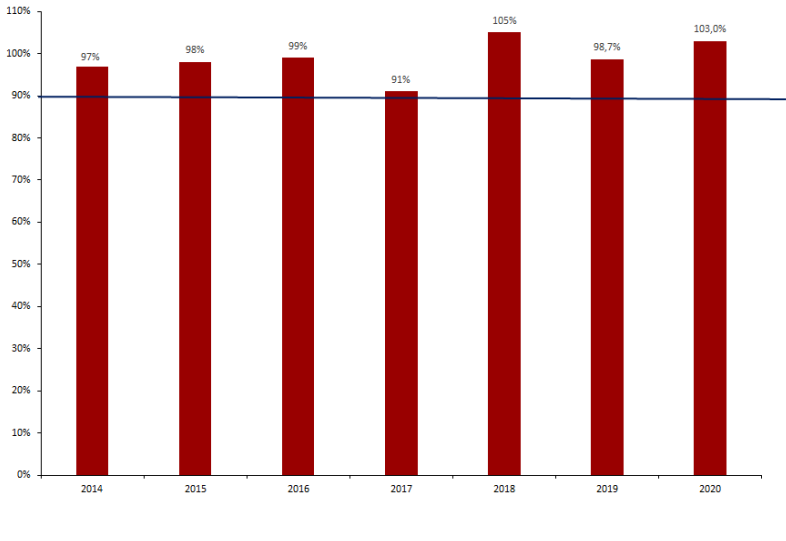
**IMPROVE
ORGANISATIONAL
EFFICIENCY AND
COST-
EFFECTIVENESS**

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

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

Last but not least, EPSO continued to work intensively on the CAST Permanent procedures in order to align these as closely as possible to the needs of the Institutions. There is now a new service available to recruiters – practical tests for drivers – allowing recruiters to test 30 candidates. To date, the CAST Permanent Selection procedure for contract agents contains 22 profiles across all 4 function groups. Albeit delays were incurred for the profile for building experts in 2020, this will be introduced along with other profiles requested by EPSO's stakeholders during the course of 2021.

B. Key Performance Indicators (KPIs)

<p>KPI 1</p> <p>Laureate delivery rate (administrators, assistants, linguists, specialists: meeting the targets set out in the Notices of Competition).</p>	<p style="text-align: center;">Number of laureates vs requested number (source: Recruiter Portal)</p>  <table border="1"><thead><tr><th>Year</th><th>Delivery Rate (%)</th></tr></thead><tbody><tr><td>2014</td><td>97%</td></tr><tr><td>2015</td><td>98%</td></tr><tr><td>2016</td><td>99%</td></tr><tr><td>2017</td><td>91%</td></tr><tr><td>2018</td><td>105%</td></tr><tr><td>2019</td><td>98,7%</td></tr><tr><td>2020</td><td>103,0%</td></tr></tbody></table> <p>In total, 308 laureates were delivered versus 299 laureates requested in EPSO open competitions completed during 2020. Hence, the overall delivery rate amounts to 103%, which is above the target established for 2020.</p> <p>Additionally EPSO also completed 13 internal competitions for the European Commission. The positive outcome of these selections was 241 laureates delivered vs. 210 requested, which corresponds to a delivery rate of 114 %.</p> <p>Two internal competitions for EUIPO are still ongoing.</p>	Year	Delivery Rate (%)	2014	97%	2015	98%	2016	99%	2017	91%	2018	105%	2019	98,7%	2020	103,0%
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KPI 2

Candidate satisfaction rate

with EPSO's selection procedures: pre-selection-stage (CBT) and Assessment Centre (AC).

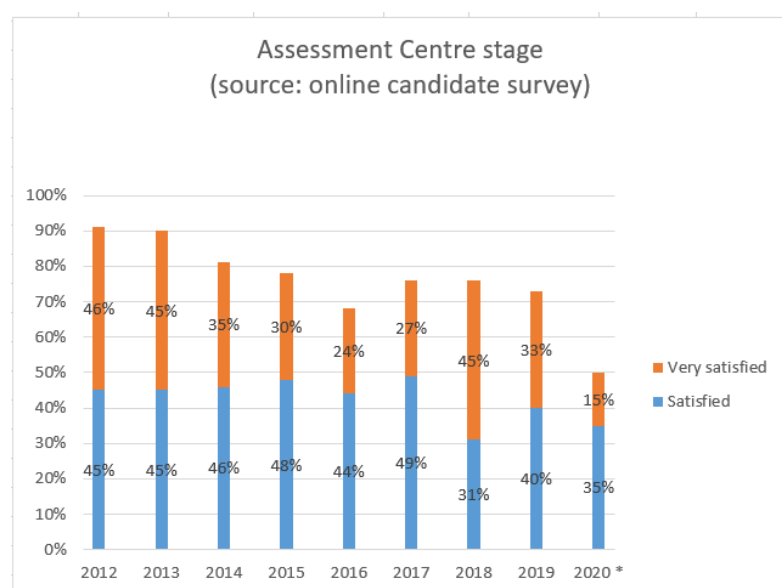
Pre-selection stage

source: CBT candidate satisfaction survey delivered at test centres.

Target: 90%

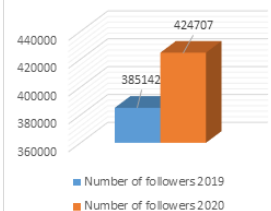
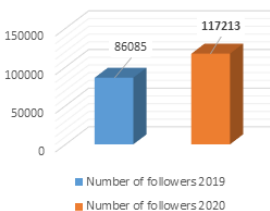
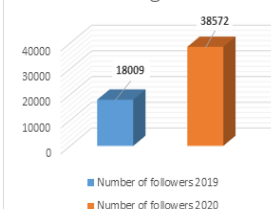
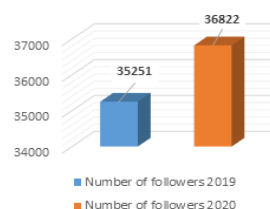


Since 2016, EPSO has also been reporting on satisfaction at the pre-selection stage, which remains well above target (96% versus target of 90%). Despite the restrictions related to the COVID-19 pandemic, the satisfaction rate was very high for all test events delivered via our test delivery contractor.



Although Assessment centres had to be abruptly interrupted on the 16th March, and no candidate survey could be sent afterwards, a hundred of candidates replied to our survey. Due to the disruption and the uncertainties about the next steps the level of satisfaction was lower than the previous years.

In view of the very low number of replies received, a satisfaction rate would have no statistical value.

<p>KPI 3</p> <p>Strong awareness of the EU Careers brand, especially online and on-campus</p> <p>Awareness of EU Careers brand measured by three sub-indicators, namely 1) visits of the EU Careers website, 2) total number of followers on all communication channels (-> social media engagement) and 3) outreach via promotional activities (number of events and visitors, number of applicants). All units are measured in absolute numbers (visits, followers, events, applicants, etc.).</p>	1. Visits of EU Careers website															
	Baseline:2019:	Interim 2022	Target 2024	Results 2020												
	4,519,990	General target: Annual increase of visits by 10%	Maintain the same annual increase rate for the number of visits of the EU Careers website, aligned with the number and nature of selection procedures published.	4,837,317 (7% increase p.a.) The 10% target was not reached because of the lack of publications of new competitions for approximately six months, due to the pandemic.												
	2. Total # of followers on all communication channels															
	<ul style="list-style-type: none">Baseline figures: year 2019Target for 2024: Maintain the same rate of growth for the number of followers and the monthly average target for engagement															
	<p>Facebook</p>  <table><caption>Facebook Followers</caption><tr><th>Year</th><th>Number of followers</th></tr><tr><td>2019</td><td>385,142</td></tr><tr><td>2020</td><td>424,707</td></tr></table>		Year	Number of followers	2019	385,142	2020	424,707	<p>LinkedIn</p>  <table><caption>LinkedIn Followers</caption><tr><th>Year</th><th>Number of followers</th></tr><tr><td>2019</td><td>86,085</td></tr><tr><td>2020</td><td>117,213</td></tr></table>		Year	Number of followers	2019	86,085	2020	117,213
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<p>Instagram</p>  <table><caption>Instagram Followers</caption><tr><th>Year</th><th>Number of followers</th></tr><tr><td>2019</td><td>18,009</td></tr><tr><td>2020</td><td>38,572</td></tr></table>		Year	Number of followers	2019	18,009	2020	38,572	<p>Twitter</p>  <table><caption>Twitter Followers</caption><tr><th>Year</th><th>Number of followers</th></tr><tr><td>2019</td><td>35,251</td></tr><tr><td>2020</td><td>36,822</td></tr></table>		Year	Number of followers	2019	35,251	2020	36,822	
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<p>Results per 31/12/2020:</p> <p>Growth of followers per channel in 2020: Facebook: 9,8%, LinkedIn: +35%, Instagram: +102%, Twitter: 4,3%)</p> <p>Engagement rate (monthly average): Facebook: 1820, LinkedIn: 1576, Instagram: 3860, Twitter: 230 (Engagement/interaction rates were measured with a different platform in 2020: Socialbakers. In 2019 rates were measured with Hootsuite).</p>																
3. Outreach via promotional activities (# of events)																
Baseline:2019:	Target: 2024		Results 2020													
1. 970 events (including Ambassador events)	Maintain the number of activities (events organised by ambassadors and visitors/participants of other events). Establish possible links between the number of events and number of applicants in selection procedures.		501 events took place during the year. Due to the pandemic, many events in which EPSO staff usually participates were cancelled. The number of events by Student Ambassadors decreased drastically since March 2020, as campuses were closed													

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

In accordance with the governance arrangements of the European Commission, to which EPSO is administratively attached, while it provides service to all EU institutions, (the staff of) EPSO conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

To ensure the achievement of policy and management objectives, the Commission, to which EPSO is administratively attached, while it provides service to all EU institutions, has adopted a set of internal control principles, based on international good practice. The financial regulation requires that the organisational structure and the internal control systems used to implement the budget be set up in accordance with these principles. EPSO has assessed its internal control systems during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified. Please refer to AAR section 2.1.3 for further details.

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

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

D. Provision of information to the Commissioner⁵

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

EPSO also sought guidance from its Management Board on main elements of this report. Regular meetings were held with recruiting institutions through bilateral senior-level contacts and the EPSO Working Group.

E. Specific actions on COVID-19

In 2020, Europe was strongly impacted by the Covid-19 pandemic. The European institutions have proposed a strong and coordinated response to the health crisis as well as to the impact on Europe's economy and society. Covid-19 has also posed challenges as regards performance, control, audit and assurance in relation to the 2020 EU budget. In an exercise coordinated at corporate level, all European institutions have promoted the consistent and rigorous protection of the EU budget ensuring that appropriate mitigating measures were put in place.

Between March and October, competition activity was halted as a result of public contingency measures to contain the COVID-19 pandemic. With much fewer competitions being published, there was a more limited number of applicants. Against the backdrop of a challenging environment, EPSO nevertheless delivered 308 successful candidates (compared to an initial request of 299 by the EU Institutions, hence an overall delivery rate of 103%) in 2020.

The EU Careers website was also used as a means of communication informing candidates and potential candidates on the effects of the pandemic on EPSO's testing procedures for ongoing and future competitions. More specifically, a "Coronavirus page" was created, published on the Homepage and regularly updated with the latest information and developments.

What is more, more efficient workstreams were established in administrative processes in EPSO – something which was in line with a general push towards digitalisation. This included *e.g.* paperless workflows for financial affairs and the extended use of the electronic signature of documents, thereby further consolidating the use of electronic documents as a whole. As a result, the administrative burden on staff could be reduced with printed pages significantly lower compared to previous years.

Throughout the pandemic, EPSO has fully implemented all protective measures to provide safety for its staff, stakeholders and candidates (social distancing, teleworking

⁵ The Commission is a member of EPSO's Management Board. Since 23 February 2021, the Commission also chairs the Management Board.

arrangements for all staff in place) without compromising on any critical function at the same time. To that end, a first wave of Assessment Centres was run on a remote basis in November 2020 while safeguarding the integrity of the competition (connectivity trials for candidates, updates on EPSO's website, special training to assessors, etc.). The principle of prudent and sound financial management in managing EPSO's budgetary resource allocation was provided for at all times during 2020. Many more examples of EPSO's response to the COVID'19 challenges are provided elsewhere in this report. A number of changes introduced in 2020 are likely to form the basis of EPSO's transformation going forward.

1. Key results and progress towards the achievement of the Commission's general objectives and DG's specific objectives

EPSO managed to maintain publication of the open competitions thanks to online collaborative effort involving DG HR and the Legal Service of the Commission.

Specific objective 1: Highly qualified staff is made available to all EU institutions by organising open competitions and selection procedures in an inter-institutional context – covering thereby the services' evolving needs.

In total, 308 laureates were delivered versus 299 laureates requested in EPSO open competitions completed during the year. Hence, the overall delivery rate accounted for 103%, which is above the target established for 2020. In addition, it is to be noted that during the year EPSO also completed 13 internal competitions for the European Commission. The positive outcome of these selections was 241 laureates delivered vs. 210 requested which corresponds to a delivery rate of 114 %. Two internal competitions for EUIPO are still ongoing.

To-date, the CAST Permanent selection procedure for contract agents contains 22 profiles across all function groups (FG I-IV). Due to the Covid-19 situation, the introduction of the profile for building experts is delayed and will be introduced in the course of 2021, together with other profiles requested by the institutions. Renewed test content for some profiles was introduced in 2020, and the work will continue in 2021 alongside wider reflections on improving competency testing in the CAST procedure.

By the end of 2020, the CAST Permanent database contained 41,638 valid applications corresponding to 23,031 candidates. In 2020, recruiting institutions and agencies issued 7,544 requests for candidates to be tested, and 6,661 tests were delivered. The turn up rate amongst candidates was lower due to restrictions related to the Covid 19 pandemic.

Since the beginning of 2020, EPSO offered a new service to recruiters– practical tests for drivers – allowing recruiters to test 30 candidates.

Technical assistance for CAST JRC continued, but not all candidates invited could test given the local and travel restrictions related to the COVID-19 pandemic. Facing the unprecedented operational constraints resulting from the COVID-19 pandemic, EPSO focused its coordination efforts in the three areas, namely delivering as quickly as possible for the ongoing competitions, re-inventing the business model to enable mid-term operation in the new reality of limited physical contacts, and working toward a strategic vision of future pandemic-proof testing methods. The main contribution under this objective consisted of reinforced, remote operational coordination, as well as amending and (re)drafting new notices of competitions to enable business continuity despite the constraints imposed by the COVID pandemic. EPSO's efforts concentrated on getting the stakeholders on board to validate and support the new approach, as well as to complete all the steps needed for the formal approval of the processes and documents. These efforts resulted in a portfolio of 17 competition notices that are ready to be published and opened for registration as soon as the capacity constraints allow. The drafting effort hugely contributed to casting of a model for future selection procedures that are better aligned with the needs of the client institutions, and are more efficient, modern and resilient against disruptive factors.

Under Article 45a of the Staff regulations AST officials of grade 5 or higher are proposed by each Institution based on their own implementing rules, to participate in the Certification exercise. The list of proposed candidates follow a specific training programme organised by EUSA and have to successfully pass the certification exams organised by EPSO. In the 2020 Certification exercise, 127 candidates (73 new candidates and 54 re-sitters) followed the training and participated in the three exams organised entirely online due to specific conditions imposed by the Covid 19 pandemic. The overall pass rate was 44% for the entire population (56 out of 127 candidates) and 43,84% for new candidates (32 out of 73 candidates).

Specific objective 2: EPSO's communication with citizens is positive and proactive, strengthening the employer brand for the EU Institutions and improving the attractiveness of an EU career for the right and diverse talent across the EU.

In 2020, EPSO's Candidate Contact Service received 14,662 written requests (compared to 15,300 in 2019) in all 24 official EU languages from candidates and citizens interested in an EU career. The Europe Direct Contact Centre, with whom EPSO has cooperated since 2016, replied to less queries on EU careers in 2020 (2,782 questions compared to more than 5,000 in 2019). EPSO staff regularly update and train agents at the Europe Direct Contact Centre.

The communication with citizens and candidates and available information on EU selection processes continued to be supported in 2020 via the following channels:

1. An [online job search tool](#)⁶, with access to details on vacancies within EU Institutions and agencies, including traineeships.
2. Regularly updated online information on ongoing [EPSO selection procedures](#)⁷.
3. An [on-line Customer Relationship Management system](#)⁸:
 - Candidates can find answers themselves and do not always need to contact EPSO.
 - A FAQ section in all EU official languages on the EPSO website.
 - Statistical feedback is given to the Office, leading to improved procedures.
 - Fully accessible to special needs candidates.
4. Citizens and candidates can [contact the EU on job opportunities](#) via:
 - A citizens' hotline ([Europe Direct Contact Centre](#)⁹) that responds to all EU-related queries by phone and e-mail in 24 languages.
 - An [EPSO online contact form](#)¹⁰ in 24 languages for queries on candidates' specific applications and personal data.

EU Careers website

Attracting more than 12,300 visits per day, the EU Careers website continues to be one of the most visited europa.eu sites and the number one source of information for applicants interested in a career in the EU Institutions. Even though there were no new publications of competitions on the website for several months, the number of visits remained high during 2020 (4,837,317 in 2020, compared to 4,520,000 in 2019).

In terms of web activities, routine improvements were made on the EU careers website and the focus remained on user-friendliness.

The web-team also started publishing new content linked to remote testing, updates on new sample tests and developed new features to accommodate the publication of information for specific competitions and “Remote Assessment Centre” related documents.

Improvements were made on the look and feel of the Job search engine (more user friendly, added search criteria on recently published job opportunities). In terms of web accessibility, following the previous screening in 2020 and fixing the flagged accessibility errors found, the web-team will request a second screening of EPSO's website in the first half of 2021.

⁶ https://epso.europa.eu/job-opportunities_en

⁷ https://epso.europa.eu/job-opportunities/ongoing_en

⁸ https://epso.europa.eu/help_en

⁹ https://europa.eu/european-union/contact_en

¹⁰ https://epso.europa.eu/contact/form_en

EPSO launched in February 2020 a project for a new publication tool, which had started being developed in 2019, in collaboration with the HR services of the different institutions and mostly the agencies. With the launch of this new publication tool, it is now possible for those services to post their job vacancies themselves on EPSO's website. This has sped up and streamlined the publication process making it more efficient both for HR colleagues in the institutions and agencies, and for the managers of EPSO's website.

The web-team started working intensively on the Migration and revamping of EPSO's website to the new Drupal 8/Drupal 9 platform. The project will run until the end of 2021/beginning of 2022.

Social media

Throughout 2020, the EU Careers presence on social media kept on increasing significantly, in comparison to previous years. This resulted in more followers, and for some channels the increase was very substantial (e.g. Instagram +102% and LinkedIn +35%) and an increased engagement with citizens and candidates. EPSO also boosted synergies with the other EU institutions, bodies and agencies on social media by sharing material, visuals, campaigns and posts, and by helping them in promoting their traineeships and vacancies for temporary and contract agents.

Internal Communication

EPSO's intranet is partly open to colleagues from all EU Institutions and aims to promote EPSO's catalogue of services and to attract colleagues from across all Institutions to become Selection Board members, Subject Matter Experts or EU Careers Staff Ambassadors. It also promotes internal communication campaigns, learning offers and various events.

During 2020, EPSO's web-team published regular updates related to the Covid-19 pandemic on the Intranet to inform staff of new working conditions and safety measures taken by the Commission. In addition to content that is shared with other DGs and Institutions, there is a section restricted to EPSO staff only, the 'Insidepso' newsletter. The web-team launched this newsletter in digital format, as part of its Intranet platform. The recent crisis accelerated the evolution of this digitalisation. Online technologies have helped to stay productive and preserved social connectedness, albeit in a different way. This digital space has replaced the "Social corner" and is divided into two areas of news/articles: "Professional topics" and "Social topics".

External communication and outreach

EPSO's continuous key challenge is to reach out to more diverse talent, to communicate the EU employer brand and to promote the institutions as an employer of choice. This challenge is made more difficult by the diversity of the employment markets across the Member States, the global war for multilingual and mobile talent, the perception of the EU as an employer, the attractiveness of Brussels and Luxembourg as places to live and work, and the work-life preferences of the generations entering the labour market. EPSO focused on

further developing the outreach strategy created around the new Employee Value Proposition (EVP) *Shaping Europe together*.

As a crucial part of this development, EPSO organised a seminar on employer branding for HR and communication senior management of all Institutions. The purpose was to engage the Institutions to adapt the EVP *Shaping Europe together* to their local activities.

In close cooperation with the Member States concerned, EPSO continued to increasingly target applicants from those countries which to date have been under-represented in the candidate pool (12 focus countries) to support geographical balance of staff within the EU Institutions.

EPSO maintained and strengthened the EU Careers Student Ambassadors programme. This network of student ambassadors ensures a visible presence on campuses in all EU Member States. Likewise, did it continue the EU Careers Staff Ambassadors programme. Staff ambassadors are colleagues from all Institutions who share topics about their life and work in Brussels, Luxembourg or Delegations through blogs and social media posts.

Legal Matters

The Legal Sector had to cope with a heavily increased workload throughout 2020, all the while being continuously under-resourced – by 25% since August 2019, and by 50 % since November 2020 – as a result of staff mobility. In particular, an extreme peak in Art. 90(2) complaint caseload (approximately double the average) during the first semester, and the need to provide continued, timely legal support to the very challenging task of launching the remote assessment centre in the second semester, put heavy pressure on the team. In parallel, the transition to full-scale teleworking due to lockdown required colleagues to adapt swiftly to new ways of working within an IT environment that was at times unstable, all the while maintaining productivity and coping with the added stress and uncertainty of the pandemic and resulting restrictions.

Despite these difficulties, the team managed to deliver a steady performance over the past year. While due to the understaffing and turnover it was not always possible to meet the statutory deadlines on administrative complaints, all decisions were notified before the expiry of the judicial appeal deadline to preserve the complainants' appeal rights. On the positive side, the sustained, timely and relevant legal guidance provided by the team played an important role in the successful setup and completion of EPSO's first remote assessment centre.

Equal Opportunities & Diversity

Diversity and inclusion were amongst the political priorities of the EU institutions in 2020. Consequently, EPSO aimed at reaching out to more diverse talent to broaden the representation of EU diversity within its applicant pool and ultimately within the EU Institutions.

Subsequently, EPSO has continuously adapted its targeted communication plan and implemented several actions in 2020 to increase its outreach to a more diverse population. A call for cooperation to all EU diversity and inclusion organisations was published in December 2020 on EPSO's home page and remains open on the dedicated web page for Equal Opportunities. The existing database of national and EU disability organisations was consequently extended by a number of diversity organisations, and thus broadening the range diversity aspects.

EPSO further launched a network of Equality and Diversity coordinators nominated by each Member State to improve collaboration on diversity issues on national level, for benchmark purposes and to provide additional contacts for national disability organisations to further increase the outreach.

The Equal Opportunities web page has been updated throughout the year, with the publication of a new manual on how to request special accommodations for selection tests and an overview of possible accommodation.

The revision of the reasonable accommodations procedure for candidates with specific needs due to a disability or a medical condition continued in 2020. This involved various requests and developments for IT improvements aiming at enhancing the accessibility of the candidate experience during the application process and improving information of candidates. For example, EPSO updated its policy on reasonable accommodations for pregnant and breastfeeding candidates and published the overview of possible accommodations and a detailed guide on how to request special adjustments in EPSO's selection tests.

Specific objective 3: EPSO's selection methods are improved by means of innovative technologies and collaborative tools.

A first pilot of the "split assessment" (each assessor scores candidates individually) approach was tested with the EPSO Permanent Selection Board Members, on a mock scoring exercise. The results indicated that the approach is qualitatively efficient and very much indicated in case of remote working conditions. Moreover, coupled with the normalisation of the scores, as applied since years in marking, the validity and the reliability of the final scores are satisfactory. Based on the pilot, the definition of the new technical features were communicated to the provider (Hudson) and the new platform, embedding the single scoring features, was produced in September 2020. As there was no new competition to be foreseen before the end of 2020, the decision was taken to introduce it as from the next new competition.

The model inspired by the MMI method (Multi Mini Interview/Speed Assessment)¹¹ deployed in open competition EPSO/AST-SC/07/18 revealed that the method is valid and reliable and

¹¹ Multi Mini Interviews (MMI) method consists of replacing the traditional panel interview with a series of short interviews, with different pairs of assessors. Each interview is short and focuses on a limited number of well-defined aspects of the candidate.

can be used in other competitions. Moreover, the use of repeated but shorter interviews, is likewise compatible with the remote assessment.

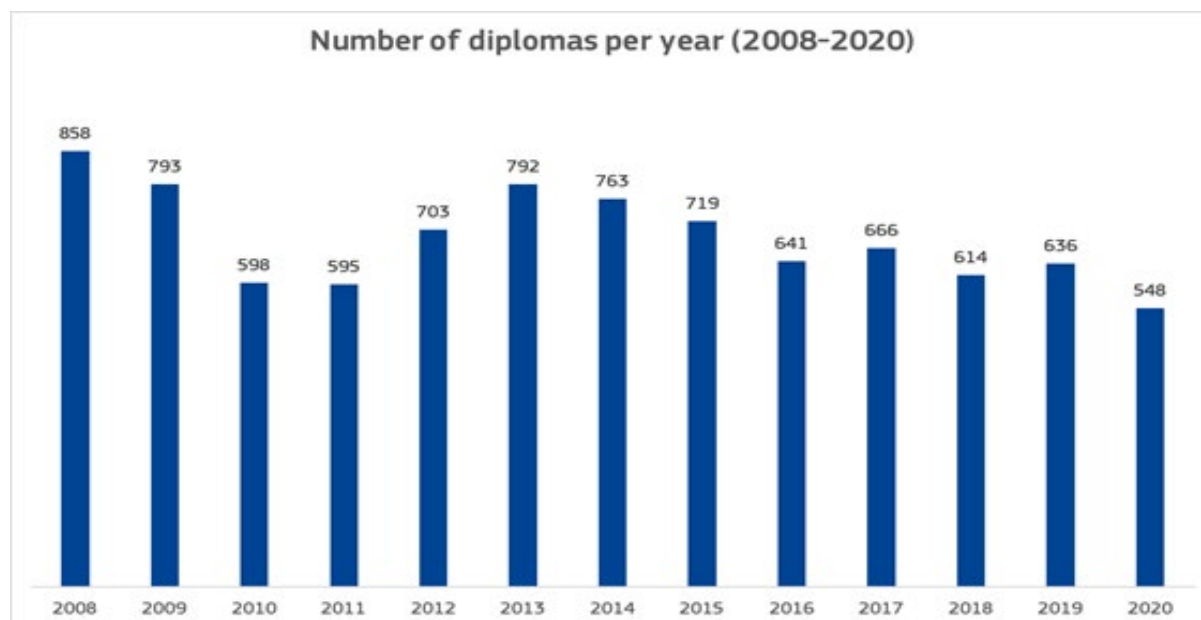
EPSO has further enhanced the use of machine assisted screening tools in order to assist and complement the Selection Board in the screening of thousands of applications. Machine Assisted Content Screener (MACS) is part of the package offered to Institutions for specialist competitions subject to a substantial number of applications (>1,000) using Talent Screener as a preliminary phase.

EPSO test development and document management has gone 100% paperless. All assessment centre testing has been transformed in remote testing, and the assessment centre resumed in November 2020, with the delivery of 486¹² remote assessments in total and the completion of several competitions.

Specific objective 4: The linguistic abilities in a third language of staff eligible for a first promotion are evaluated in a harmonised, consistent and cost-efficient manner.

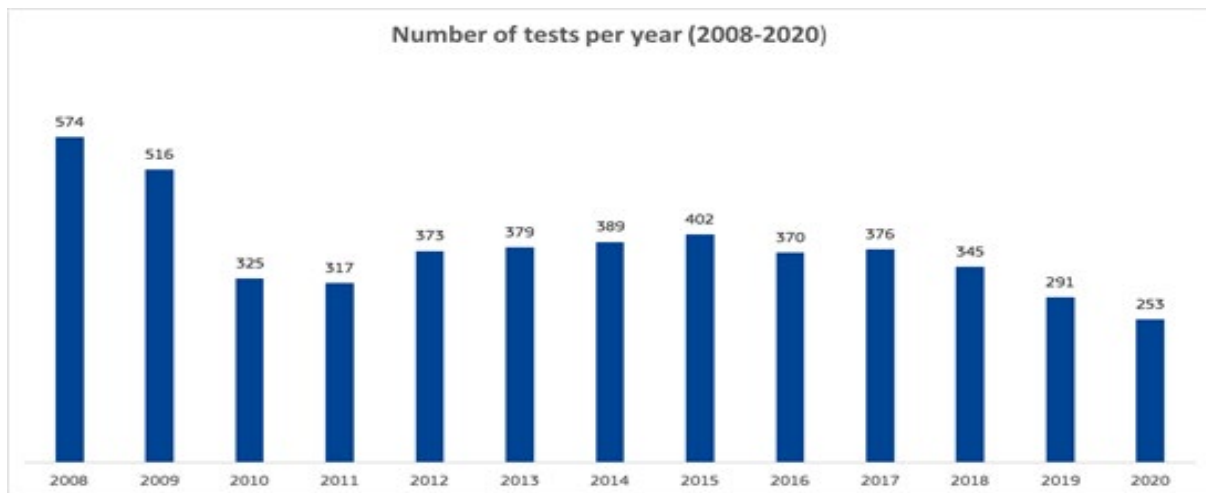
In 2020, 548 diplomas were assessed across various languages within the set deadlines: 82% of the diplomas assessed were accepted by the evaluation committees as valid proof of linguistic ability in a third language; 16% were refused; and 2% of the initial submissions were annulled.

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



¹² The number of candidates tested in remote in 2020: 390, however, as some candidates had to be tested twice, the exact number is 390+96= 486.

253 tests were delivered across various languages in 2020 within the set deadlines and with an overall pass rate of 66% (which is 5.5 percentage points below the 2019 figure). (These numbers include pass, fail, absent and withdrawal in both years).



The satisfaction survey sent in 2020 to all staff members who made use of the third language assessment facilities over the period of reference shows that the satisfaction rate of end-users remains high with 91%.

Two procurement procedures were prepared in 2020 to ensure the continuity of EPSO's capacity to test linguistic abilities in a third language for staff eligible for a first promotion. The first Call for Tender resulted in a Framework contract which is currently in use. It covers all the EU languages and an option for remote testing with a separate lot dedicated for it (N 8°). Capacity of the latter is very low and will be exhausted by July 2021. The second Call for tender concerns covering the remote testing possibility after capacity of the lot 8 will have been exhausted and is due for publication in February 2021. Once awarded, this Framework contract is envisaged to run for 48 months.

2. Modern and efficient administration and internal control

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

The first subsection reports the control results and other relevant information that supports management's assurance on the achievement of the financial management and internal control objectives¹³. It includes any additional information necessary to establish that the available evidence is reliable, complete and comprehensive. It covers all activities, programmes and management modes relevant to EPSO.

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

2.1 Financial management and internal control

Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes.

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

1. the reports from AOSDs;
2. the contribution by the Head of Unit in charge of Risk Management and Internal Control, including the results of internal control monitoring at DG level;
3. the observations and the recommendations reported by the European Court of Auditors (ECA);
4. the reports on recorded exceptions and non-compliance events;
5. the reports of ex-post supervision and/or audit results;
6. the limited conclusion of the Internal Auditor on the state of internal control, and the
7. observations and recommendations reported by the Internal Audit Service (IAS)

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

¹³ Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; and e) adequate management of risks relating to the legality and regularity of underlying transactions.

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

2.1.1 Control results

This section reports and assesses the elements identified by management which support the assurance on the achievement of the internal control objectives¹⁴. The office's assurance building and materiality criteria are outlined in AAR Annex 5. Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

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

General context

In 2020, EPSO received a budget of around EUR 26.2m, which also included the budget of the European School of Administration (EUSA). EPSO has responsibility for administrative credits only. These are committed under its sole responsibility, except for transactions made on behalf of EPSO by PMO (personnel expenditure), OIB and OIL (expenditure for buildings in Brussels and Luxembourg), DG HR (expenditure for security) and DIGIT (expenditure for IT) according to Internal Rules and based on Service Level Agreement (SLA) in the case of DIGIT. The co-delegated budget to the services indicated above (around EUR 18.1m) is covered by the internal control measures of those entities and covered in their respective AARs.

The remaining budget was used for operational activities of EPSO and the European School of Administration (EUR 2.9m¹⁵), for example for computer-based testing (CBT; EUR 1.9m), test development, management training (EUSA), induction courses (EUSA) and for contributions to travel and subsistence expenses of candidates at the written and oral stages of selection procedures. Additional expenditure of EUR 0.9m covered also the organisation of the Assessment Centres.

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

¹⁵ Expenditure employed for funding EUSA training courses.

The SLA with DG HR – for the provision of administrative support services to EPSO in the area of internal control and financial management (especially ex-post verifications, procurement, financial reporting and accounting) – was first revised in December 2017, and more recently at the end of 2020. The SLA is accompanied by a co-delegation between Authorising Officers by Delegation. The co-delegation agreed with the Director General of DG HR covers administrative credits in a limited number of areas. A charge back process has also been integrated into the SLA in compliance with the corporate applicable rules in order to accurately reflect and compensate the costs of services provided by DG HR to EPSO in this context.

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

EPSO has chosen to operate using a partially decentralised financial circuit for its operational expenditure. According to this model, the finance team of the Resources and administrative support unit carries out financial initiation and ex-ante verification; other units are responsible for operational initiation and verification, as well as the function of authorising officer by sub-delegation for operational expenditure. DG HR manages expenditure¹⁶ on behalf of EPSO in the framework of above-mentioned SLA.

DG BUDG has decided that in order to close the 2020 budget, EPSO, amongst other low-spending DGs, must continue to use a simplified cut-off procedure.

In terms of additional AAR reporting requirements within the meaning of the 2018 Financial Regulation, no such cases did occur in EPSO in 2020.

1. Effectiveness – the control results and benefits

• Legality and regularity of the transactions

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

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

¹⁶ Types of expenditures include representation costs, payments to experts, financial commitments for missions and AMC – expenditure for training.

EPSO's portfolio consists of segments with a relatively low error rate, i.e. 0%.

This is, respectively, thanks to the inherent risk profile of EPSO's budget and the performance of the related control systems.

The estimated overall risk at payment for 2020 expenditure is EUR 0.035 m, representing 0.5% of EPSO's total relevant expenditure for 2020. This is the AOD's best, conservative estimation of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

This expenditure will subsequently be the subject of ex-post controls and a proportion of the underlying errors is 0%. The conservatively estimated future corrections for 2020 payments are thus negligible. This is the amount of errors that the DG conservatively estimates will be identified and corrected by controls planned to be carried out in subsequent years.

The difference between those two amounts results in the estimated overall risk at closure of EUR 0.0035 m, representing 0.5% of EPSO's total relevant expenditure for 2020.

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

EPSO has therefore reviewed the following indicators on legality and regularity grounds as well as on sound financial management. More information is covered in annex 7¹⁷.

In 2020, extraordinary measures were taken in response to the COVID-19 crisis. Some of which, e.g., a push for paperless workflows, have accelerated a process towards greater efficiency (and economy of paper and human resources). The impact of these exceptional measures has proven to be beneficial, impacting the quality of work and reducing administrative burden on staff. There is a clear way forward in digitalising the administrative services in EPSO: generalising the electronic signature of documents and cementing the use of electronic documents. These measures will be further consolidated in 2021, building on the experience and results achieved this year. All these steps were undertaken without compromising on the principle of prudent and sound financial management in the management of EPSO's budgetary resource allocation in 2020.

- **Ex ante controls**

- Recovery of unduly paid amounts

Further to the careful verification of requests for payment, an amount of EUR 83,155.27 was deducted from payments via credit notes in 2020. No erroneous payment was detected during the year; for this reason, EPSO did not have to recover unduly paid amounts.

¹⁷ Specific annexes related to "Financial Management"; Control effectiveness as regards legality and regularity.

- **Ex post controls**

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

In conformity with FR art 74.2, EPSO's Director decided in 2015 upon a proposal made by DG HR.R.1, to modify the frequency of EPSO's controls in view of the different risk- profiles among its current and future transactions and of the cost-effectiveness of its existing controls. The same frequency of control was also applied in 2020. For the 2020 financial transactions, two series of ex post controls took place, covering the periods January–June and July–September respectively. The last batch of ex post controls (October–December) took place in early 2021.

The ex post control campaign covered 65 transactions worth EUR 3.24 m, representing 22,46% of the value of all transactions. The sample was designed in order to give rise to a meaningful result. The sampling method used was random and stratified taking into consideration the fact that a large proportion of payments are low value and low risk. They correspond to contribution to travel expenses to candidates for competitions.

The results of the controls allowed for the calculation of an estimated error rate which is well below the 2% materiality threshold (0.5% according to conservative estimate for administrative expenditure¹⁸). These remarks are mainly related to the following categories: The errors were generally linked to procedural issues as opposed to material losses or 'amounts at risk'.

No material issues were noted for any of the transactions and the above-mentioned shortcomings do not adversely affect the overall assurance declaration on the implementation of EPSO's budget. Any potential weaknesses highlighted in 2020 will be reviewed and addressed appropriately by EPSO. No financial transaction has been earmarked as “unacceptable” in 2020.

In view of the above, the ex post controls confirm all transactions checked in the ex-post controls were acceptable and none had minor shortcomings.

➤ **Reporting**

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

¹⁸ the ex post controls 2020 show an error rate of 0 %.

➤ Exceptions reporting and non-compliance events

In 2020, three non-compliance events/exceptions were registered under the procedure of Internal Control Principle 12. The amounts involved for these three non-compliance events ranged from EUR 11.34 to EUR 5,386 and were therefore of minor natures only. No credits were lost, the amounts are only related to administrative errors like “de-commitments done to early” or “urgent orders for small amounts made without prior authorisation of the authorising officer”.

- **Cost-effectiveness of controls**

EPSO has limited spending operations and only manages administrative appropriations under Heading V. The total number of FTEs involved in the three main control activities in EPSO/EUSA (procurement, financial operations and supervisory measures) is estimated at 8.5 FTEs¹⁹. The control activities are to a large extent a regulatory requirement which cannot be curtailed. As shown by the risks outlined in annex 7, a significant proportion of the Office's appropriations would be at risk were they not in place.

As a quantitative estimation of the volume of errors prevented and detected is not available, it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls. The benefits of control in non-financial terms cover: better value for money, deterrent effects, efficiency gains, system improvements and, as mentioned above, compliance with regulatory provisions.

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

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

¹⁹ Including 0.9 FTE in the financial unit of DG HR, executing financial and control activities on the basis of an existing Service Level Agreement.

DG EPSO	"payments made" FY 2020	<i>minus</i> new prefinancing [<i>plus</i> retentions made] (in FY; m€)	<i>plus</i> cleared prefinancing [<i>minus</i> retentions released ^b and deductions of expenditure made by MS] (in FY; m€)	= "relevant expenditure" (for the FY; m€)	Average Error Rate (<i>weighted</i> AER; %)	estimated risk at payment	Average Recoveries and Corrections (<i>adjusted</i> ARC; %)	estimated future corrections and deductions for FY 2020; m€:	estimated risk at closure (2020)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Programme, Budget Line(s): BGUE- B2020- 26.01200 0.0%	as per AAR annex 3, table 2 €6.93 m	as per ABAC No PF paid	as per ABAC N / A	= (2) -/+ (3) +/- (4) €6.93 m	Detected error rates: 0.5 %	= (5) x (6) €34,633	based on - avg 2011 to 2019 <i>historic H- ARC 0,1% adjusted for 2020: 0 %</i> ²⁰	= (5) x (8) €0	= (7) - (9) €34,633

The estimated overall risk at payment for 2020 expenditure is EUR 0.035 m, representing 0.5% of EPSO's total relevant expenditure for 2020. This is the AOD's best, conservative estimation of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

This expenditure has subsequently been the subject of ex-post controls and the proportion of the underlying errors is 0%. The conservatively estimated future corrections for 2020 payments are thus negligible. Corrective measures, notably in terms of internal control system improvements and efficiency gains, will be implemented in successive years.

The consideration of the amounts concerned leads to the estimated overall risk at closure for the 2020 expenditure of EUR 0.035 m.

Taking into account the nature of EPSO's expenditure as well as the existing control mechanisms, EPSO considers it very unlikely that future corrections for these 2020 payments will be made. The estimated future corrections are therefore estimated at EUR 0.

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

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

²⁰ As there is no empirical evidence from 2011 to 2019 for any recoveries following ex post controls or audits etc., the best available indication for the ARC 2020 is 0 %.

In 2020, an amount of EUR 0.72 m was charged back following services provided by EPSO and EUSA to EU institutions and EU Agencies under the legal basis of Service level agreements.

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

More information is covered in annex 7.

➤ AOS reports

Since 2015 AOS reporting is carried out at six-monthly intervals (twice per year). For 2020 the reporting was done only once, in January 2021, for the whole reporting period.

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

➤ GAMA

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

• **Fraud prevention, detection and correction**

EPSO has developed and implemented since 2012 its own anti-fraud strategy, elaborated on the basis of the methodology provided by OLAF. It is revised/updated annually or as needed. It was last updated in December 2019 as a corollary of the implementation of the CAFS in that year. In 2020, EPSO regularly participated and contributed in the meetings hosted by OLAF in the context of the Fraud Prevention and Detection network where *inter alia* CAFS and Action plan are followed-on upon.

The anti-fraud strategy as well as its implementation is continuously monitored by the management team. At the same time, given the specific nature of EPSO's activities and the fact that the Office is not in charge of implementing operational appropriations, EPSO's anti-fraud strategy continues to primarily focus on training and awareness-raising. This also explains why EPSO did not receive any financial recommendations issued from OLAF between 2016 and 2020.

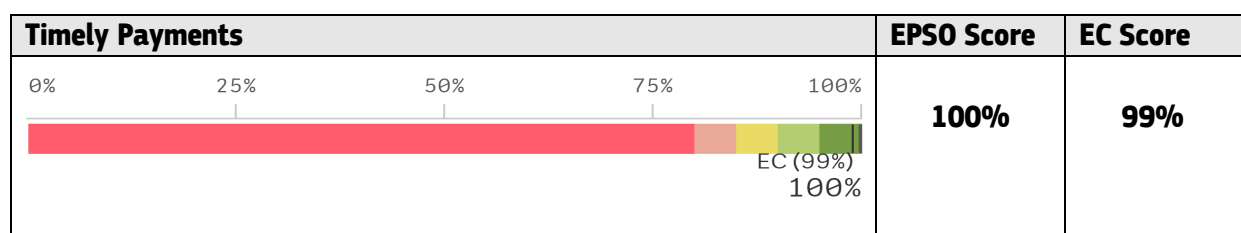
Two cases which might involve fraudulent behaviour in the context of EPSO open competitions were identified by the EPSO Management Team in 2020 via the established mechanisms which triggered the actions to both identify and follow-up such cases. These are currently still being followed up by EPSO Legal Team in co-operation with OLAF

(ongoing in 2021). As a structured pre-cautionary measure to prevent fraud from occurring, the 'Ethics information package' was made available to all staff in 2020.

An online-survey focussed on fraud awareness and was delivered in January-February 2021. 29 colleagues out of 33 (i.e. 88%) completed the survey. Results showed high awareness of EPSO's anti-fraud strategy among EPSO/EUSA staff, i.e. 97%. Further details of all anti-fraud measures undertaken are detailed in annex 7.

All these actions undertaken in 2020 demonstrate very well that EPSO's anti-fraud strategy (2019) is fit for purpose.

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



EPSO adopted a generic efficiency indicator related to the time taken to pay suppliers and other beneficiaries (see annex 4). The average time taken to process a payment, at 11 days, marks an improvement of 3 days with respect to 2019. The new indicator that places emphasis on the amount paid on time, as opposed to the number of payments, paints a better picture. EPSO paid 100% of the total amount on time – which is the outcome of the strong dedication and commitment of all colleagues working in the EPSO Finance team.

➤ Time-to-reply to candidates

In 2020, EPSO's candidate contact centre (CCS) replied to 12,333 queries from candidates using an average time to reply of 2.08 days per query²¹ (well below the five-day benchmark).

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

3. Economy = the cost of controls

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

²¹ In 2019, dealt with 9,191 queries within an average time to reply of 2.78 days. EPSO's public benchmark to reply to a question is five working days (see also https://epso.europa.eu/contact_en).

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

Based on this internal consultation/screening, it is estimated that a total of 8.5 FTEs (6.5 permanent staff members and 2 contractual staff) carry out financial and control activities²² for EPSO: 5.1 FTEs in EPSO, 2.5 FTEs in EUSA and 0.9 FTE in the financial unit of DG HR.

Subsequently, the number of full-time equivalents (FTEs) obtained has been multiplied with the average "all-in" cost of an FTE in the Commission²³. For EPSO, this gives an amount of EUR 850 300 (following the instructions provided by DG BUDG on average staff costs to be used, the calculation was done as follows: 6.5 AST officials x EUR 109 400 plus 2 contractual staff x EUR 69 600 = EUR 850 300).

In 2020, EPSO executed 698 payments amounting to a total of EUR 6 926 506.90²⁴.

Based on the above, the overall cost of control indicators (%) for EPSO in 2020 is: EUR 850 300 / EUR 6 926 506.90 x 100 = 12.3%. This shows an increase of 3.2% compared to 2019, which is due to a decrease of activities and payment volume following the Covid-19 pandemic. It should be noted that this process is closely linked to operations and therefore not fully under EPSO's control.

In a normal year, it could be expected that this percentage can be reduced to the level of 2019, but not more than that, as the following must be taken into consideration:

Firstly, given the nature of its activities, EPSO is handling a very high number of low-value transactions (average amount paid is EUR 4 400). Examples of such transactions are the amounts paid for online publicity and promotional material, or the contributions paid towards candidates' travel expenses. As a result, the administrative costs of handling these transactions are relatively high. Secondly, given the staff composition of EPSO's financial sector - which is entirely composed of AST-officials and contractual agents of function group II - the estimated overall costs of our control activities would have been lower if the calculations had been based on the real (salary) costs of our staff, and not on the average cost of a Commission official.

²² As to EPSO, most of the staff concerned work in the Resources unit, but also in two operational units dealing with the management of important framework contracts. EPSO's Director is involved in the preparation and monitoring of EPSO's budget and in the ex post controls.

²³ This "all-in" cost includes not only the salaries, but also all other administrative costs linked to the employment of the person/agent, such as buildings, electricity and IT.

²⁴ All other payments were made on behalf of EPSO by PMO, OIB, OIL, DG HR and DIGIT according to internal rules (and based on Service Level Agreements (SLA) in the case of OIB and DIGIT).

This said, on 2020 EPSO undertook various initiatives to improve controls efficiency in financial management as well. In line with a general push towards digitalisation, paperless workflows for financial affairs were established which implied the extended use of the electronic signature of documents, thereby further consolidating the use of electronic documents as a whole. As a result, the administrative burden on staff was reduced and far less paper has been consumed for printing in 2020.

More information is available in annex 7.

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

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

2.1.2 Audit observations and recommendations

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

The Internal Audit service (IAS)

State of play

As of 31 December 2020, all IAS recommendations have been closed. These concerned the 2019 IAS Limited review of the implementation of the new internal control framework (ICF), with following conclusions:

- **Recommendation No 1 (important): Assessment of deficiencies.**

EPSO has strengthened (a) the process of identifying internal control deficiencies by using and duly analysing all relevant sources and (b) its assessment of the functioning of the internal control principles by linking the identified deficiencies to all affected internal control principles. This strengthened process has been used by EPSO for its assessment of the internal control framework for the year 2019.

- **Recommendation No 2 (important): Internal Control Monitoring Criteria.**

EPSO has revised its list of internal control monitoring criteria (i.e. indicators) to ensure that they cover sufficiently the relevant aspects of the related Internal Control Principles. The updated list of indicators was used by EPSO for its assessment of the Internal Control Framework for the year 2019 and further improved in 2020.

Conclusion of Internal Auditor on the state of internal control in EPSO

The Internal Auditor concluded that the internal control systems in place for the audited processes **are effective**, given that:

- EPSO Management has accepted all the recommendations issued in 2018-2020.
- EPSO Management has adopted action plans to implement all the accepted recommendations. The IAS considers that these action plans are adequate to address the residual risks identified by the auditors.
- The implementation of these action plans is monitored through reports by EPSO management and follow-up audits by the IAS.

The European Court of Auditors (ECA)

The ECA special report (23/2020)²⁵, published on 29 October 2020, has identified a number of operational recommendations, all of which were accepted by EPSO, with an implementation timeline between end 2021 and first quarter of 2023. An action plan has been endorsed by EPSO's Management board in its February 2021 meeting.

2.1.3 Assessment of the effectiveness of internal control systems

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

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

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

- availability of ethics information package to all operational and financial staff
- agreement on working arrangements with Cabinet still ongoing
- % of staff with objectives not encoded in Sysper
- the frequency of ITSC meetings between EPSO and DIGIT
- EPSO's external communication strategy and implementation plan still under revision

All of these minor deficiencies are being addressed, some of them are linked to the arrival of new Director of EPSO in May 2020, including a number of newly recruited colleagues.

²⁵ <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=55848>

The lower frequency of ITSC meetings between EPSO and DIGIT is linked to the onboarding and shift in focus of EPSO in the HRT programme.

2.1.4 Conclusions on the assurance

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

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

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

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

Overall Conclusion

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

2.1.5 Declaration of Assurance

I, the undersigned, Minna VUORIO

Director of EPSO,

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view²⁶.

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

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

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

Brussels, 31.03.2021

[signed]

MINNA VUORIO

²⁶ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

2.2 Modern and efficient administration – other aspects

In 2020, EPSO joined the HR modernisation and transformation programme (HRT) to benefit from a robust and a fully integrated HR platform, engage in lifelong talent management and reinforce its capacity to make use of reusable solutions, with effective access to the offer from the market. HRT is a multiannual programme and in parallel, EPSO has established a project team to review its internal use of technology and identify processes where the existing use of IT can be improved or where readily-available or low-code solutions can be introduced at a low cost in terms of time and resources.

In 2020, EPSO contributed to the overall Corporate target to reach gender equality at management level by appointing one new female Head of unit (bringing the number of female Heads of unit to 5 out of 6).

EPSO's local HR strategy is currently under review and will be finalised during the first quarter of 2021.

EPSO contributed to a more environmentally friendly working European public administration by implementing new ways of working using paperless methodologies and collaborative working tools.

2.2.1 Human resource management

In 2020, despite the difficult context of the Covid-19 crisis, EPSO continued to implement:

1. the Action Plan drawn up and adopted by EPSO's Management following the results of the last Staff survey,
2. Its own Learning and Development Strategy.

The main actions are listed below :

- A large space fully dedicated to well-being activities has been created and finalised before the first lockdown,
- The cafeteria has been redesigned and equipped with new furniture,
- Vacancies have been published on EPSO intranet before or in parallel with the publication on Sysper,
- Two colleagues have been selected to participate in the EPSO Management Potential Programme,
- Tailor-made training courses have been organised (See details in Annex 9),
- Specific internal trainings have been delivered by EPSO colleagues (See details in Annex 9).

EPSO's new Director was appointed in May 2020. All staff members have been given the opportunity to meet her and express themselves during informal "coffee meetings". Virtual breakfasts with newcomers have been organised followed by a half-day welcome session. Two virtual "EPSO all" meetings took place (on 10 July and 20 November 2020).

EPSO's local HR strategy is currently under review and will be finalised during the first quarter of 2021.

In 2020, EPSO contributed to the overall Corporate target to reach gender equality at management level by appointing one new female Head of unit (bringing the number of female Heads of unit to 5 out of 6).

Further details on the above mentioned actions are included in Annex 9.

2.2.2 Digital transformation and information management

As planned, EPSO engaged in the modernisation process of its IT solution supporting selection procedures in an integrated HR management landscape (HRT programme).

In 2020 the Applicant tracking system (ATS) pilot and Integration layer pilots were concluded with Cornerstone and DIGIT. As a result from the learnings gathered from both, EPSO revised their digital strategy to fully partner with the HRT programme. EPSO have participated to the definition of the HRT governance, overall business case and programme charter. This strategic change will allow for possibly all Talent legacy and Talent pool to be delivered as part of the HRT programme. (Pre-)selection and recruitment processes have been accepted as the HRT priority, timewise, as they feed the overall Talent and HR management reality. While looking at reusable solutions and the market offer, EPSO has registered a first project looking at AI (Artificial Intelligence) to support recruiters in their activity. The EPSO strategy includes the respect for the digital strategy principles and for data protection regulations key 2020 examples include

- **Digital by default:**
 - EPSO created a full business architectural model view of its processes. This model has then served as critical input for DIGIT to create a technical architecture model. The latter being part of the greater HR technical architecture.
 - EPSO has also created a series of task forces and special projects to look at improving processes and IT solutions.
 - EPSO implemented remote testing, initially based on Skype for Business to respond to the urgency created by the COVID pandemic then acquiring the services of an external vendor as SaaS.
 - A series of quick win projects were implemented to increase the level of automation covered by our existing legacy systems and reduce overhead.
- **Once only:**
 - EPSO implemented an improved capability for candidates to upload their supporting documents as a first step to ensure that these document are collected only once.

- EPSO participated to the HR family data project in terms of looking at future platform, data catalog Colibri evaluation and identification of a common shared data project.
- **Security:**
 - EPSO started the update of its security plan using the new methodology (based on ITSRM2) for all systems in its IS inventory (end date planned for Q4 in 2021)
- **Privacy:**
 - An anonymisation project was implemented as well as update of the data protection statements on all its platforms
- **Interoperability:**
 - Participation in the DIGIT technical architecture meetings to look at the overall HR architecture and in particular our intergration/interoperability needs.
 - Additional webservices were added in 2020 to better interact with HR (eSire)
- **User centric:**
 - Workshops have been held with EPSO users (for the ATS) and Institutional users (for Recruiter portal) to better identify user needs and experiences
- **Data driven:**
 - EPSO has worked towards the nomination and training of data stewards, worked with the HR family on improving the data quality, data dictionary and its access as well as reviewing a potential new data catalogue tool (Colibra).
 - SaaS cloud evaluation as part of the ATS project was completed
- **Agile:**
 - A key co-creation partnership with HR has been established in 2020 where agility is a key concept.
 - Revised business architecture based on key concepts that can be supported by technology and used operationally in an agile and modular manner.

As for some of the other principles (Openess, Transparency and cross border) these are applied to the highlevel information (what selection processes, what rules, what status, ...) and general statistics but the core of our activity is kept confidential and limited to the selection process itself or the one to one correspondence with candidates. Candidate personal data and no MS/cross boarder interactions.

With respect to implementing the Commission's 2020-2021 work programme on data, information and knowledge management EPSO participated fully to the

different teams actions (HR team for IMSB, IMT, LDC) working on various aspects of the programme:

- Collaboration tools: Trainings and coaching of EPSO staff on the use of Microsoft Teams and other collaborative tools were delivered. As well as training, systems development and coaching for remote working, such as the new functionality allowing candidates to upload their CV and supporting documents online for a competition.
- EPSO collaborated with DG HR on the digital solutions modernisation plan.
- EPSO has 'acquired' the Central LISO services of DIGIT and embarked on updating all of its security plans.

On data protection, EPSO reviewed the existing measures and systematically carried out a data protection impact analysis (DPIA), accompanied by a risk assessment, for processes that have been introduced or adapted in the context of our response to the COVID-19 pandemic (replacing physical/presential events by online/remote alternatives). Awareness raising training sessions were organised for the management team and will be completed with a second wave of trainings for all staff.

Moreover, the invalidation of the EU-U.S. Privacy Shield (the Schrems II judgement) poses concrete challenges for services transferring personal data to third countries or using international cloud services. EPSO assessed and will continue to assess its processing activities in light of the requirements of the Schrems II ruling and will coordinate with the Data Protection Officer.

2.2.3 Sound environmental management

During 2020, the EMAS correspondent promoted the awareness-raising activities organised by EMAS through the publication of announcement on EPSO intranet. On a regular basis, various environmental information was disseminated to colleagues via different channels.

EPSO contributed to a more environmentally friendly working Corporation by implementing new ways of working using paperless methodologies and collaborative working tools.

2.2.4 Example of initiatives to improve economy and efficiency of financial and non-financial activities

As a first step towards delivery of continuous testing for CAST selection procedures, EPSO will implement the possibility for the institutions to keep better track of the pre-selected candidates sent for testing and hence manage their selection procedures more efficiently. The development started in late 2020 and is expected to be finalised in the first half of 2021. However, as the entire implementation of continuous testing depends on IT development, it was decided to suspend this project and link it to the discussions for new IT tools.