



Annual Activity Report 2022

Annexes

INTERNAL AUDIT SERVICE (DG IAS)

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

In accordance with Section 2.5 of the Service Level Agreement on the provision of support to the Internal Audit Service (IAS) by DG HR revised on 27th May 2010, the declaration of assurance is provided by DG HR's Internal Control Coordinator (see annex 1b below). This declaration should be viewed in conjunction with our declaration below, and supports the statement of assurance of our Director-General (included in Annex 1 of the IAS annual activity report).

I declare that in accordance with the Commission's communication on the internal control framework¹, I have reported my advice and recommendations on the overall state of internal control in the IAS to the Director-General.

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

31 March 2023

(signed)

Cristiana Giacobbo

⁽¹⁾ C(2017)2373 of 19.04.2017.

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

I declare that in accordance with the Commission's communication on the internal control framework², I have reported my advice and recommendations on the aspects of financial management and internal control in 2022 in the IAS that fall under the responsibility of DG HR.

I hereby certify that the information provided by my services in relation to Section 2 and Annexes 3 and 4 of the Annual Activity report is, to the best of my knowledge, accurate and complete.

27 February 2023

[Signed: Contribution to the IAS
Annual Activity Report registered on
27/02/2023]

Christina Vlassis

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

² C(2017)2373 of 19.04.2017.

Annex 2

DG HR's Services to the IAS in 2022

Internal Control and Accounting Services

Internal Control Services

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

I) Ex-Post Control on Financial Transactions

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

A second objective of the ex-post control campaigns is to identify and remedy any control weaknesses in financial management. The results of ex-post control performed in DG HR, although not specifically designed to focus on IAS financial management, covered the key processes and individual transactions (commitments, payments and recoveries) that would affect the assurance statement of the IAS. The results of the controls, based on an estimated 32% of the payments, indicate an error rate (RER) of 0%. The errors were generally linked to procedural issues as opposed to material losses or 'amounts at risk'. This reassuring result would confirm the findings of the Court of Auditors in recent years.

II) Assurance Reports and Exceptions or Noncompliance Reports

DG HR's active authorising officers submitted reports to support the assurance statement of the Director General. Those who took over the functions from the departing staff also provided assurance regarding the smooth-running of the handover. Authorising Officers highlighted neither any problems nor weaknesses not already identified and addressed through the exception reports.

DG HR's register of exceptions and non-compliance events highlights some issues related to the non-respect of standard procedures in financial management. The amount at risk associated with the exceptions is limited. The exceptions were generally associated with non-standard measures taken to ensure business continuity in the area of renewal of procurement contracts.

Accounting Services

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

DG BUDG assesses DG HR's accounting risk as low, which is in line with our own findings as well as the conclusions from the ECA over the past years. Moreover, on the key criterion on accounting quality, the performance for both DG HR and the IAS is considered outstanding.

Overall Result for the AAR of the IAS

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

Christina Vlassis

[Signed: Contribution to the IAS Annual Activity Report registered on 27/02/2023]

DG HR's Internal Control Coordinator

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

ANNEX 2: Performance tables

General objective A modern, high-performing and sustainable European Commission

Impact indicator 1.1 (corporate level): Image of the European Union

Explanation: This indicator is based on the question 'In general, does the EU conjure up for you a very positive, fairly positive, neutral, fairly negative or negative image?' The indicator gives the share of positive and fairly positive views on this question.

Source of the data: Eurobarometer 97

Baseline (2019)	Interim Milestone ⁽³⁾ (2022)	Target (2024)	Latest known results (2022)
43% (EU 27)	Increase	Increase	47%

Specific objective 1: The IAS understands its audit environment and has a clear definition of its audit universe, which reflects the Commission and EU agencies and other autonomous bodies' objectives, priorities and risks.

Related to spending programme(s) N/A

Main outputs in 2022 (other important outputs):

Output	Indicator	Target	Status
Updated audit universe reflecting the Commission/Agencies' organisation	Annual update of audit universe	Q1 2022 (Commission) By end 2022 (Agencies)	Target met The audit universe was updated for the Commission, the Executive agencies and the decentralised agencies in Q4/2022 during the light update of the risk assessment or in the context of SIAPs finalised in 2022.

Specific objective 2: The organisation of the IAS is adequate to cover the audit universe efficiently and effectively.

Related to spending programme(s) N/A

Main outputs in 2022 (other important outputs):

Output	Indicator	Target	Status
Reassessed organisation chart (adjusted to the evolving audit universe and organisational culture)	The IAS has an organisation which is adapted to the changes in the evolving audit environment (such as the structure, the organisational culture and governance arrangements) and able to cover	By end of 2022, senior management validation of the fine-tuned audit portfolios,	Target met As a result of the IAS management Seminar that took place end of 2021, it was assessed that the composition of the audit portfolios resulting from the 2021 reorganisation is

³ In case of short- or medium-term objectives (all targets are set to be achieved in less than 3 years) the milestones column should be deleted from the table.

	<p>the audit universe (i.e. aligned with the results of its in-depth risk assessment and strategic audit planning):</p> <ul style="list-style-type: none"> - re-assigned audit portfolios and related organisation chart aligned with the audit environment; - audit portfolios fine-tuned to ensure adequate work balance between audit teams, taking into account the new IAS Strategic Audit Plan. 	<p>considered as aligned the audit universe and organisational structure.</p>	<p>adapted to the current audit environment and does not need to be changed for the time being.</p>
<p>Definition and implementation of an action plan defined to address some room for optimisation identified in parallel to the work on the reorganisation</p>	<p>Implementation status of the action plan</p>	<p>Action plan validated. All 2022 planned actions implemented.</p>	<p>Target met All 2022 planned actions implemented. Some complex actions undertaken during first semester will be completed during 2023 and 2024.</p>

Specific objective 3: Cover the high risk areas of the audit universe

Related to spending programme(s) N/A

Main outputs in 2022 (other important outputs):

Output	Indicator	Target	Status
<p>Identification of high risks to be covered based on the audit universe</p>	<p>Timeliness of the annual risk assessment Identification of new emerging risks in the mid-year update of the audit plan</p>	<p>Q4 2022 Mid-year 2022</p>	<p>Target met All high risks have been identified on time during the annual risk assessment and mid-year update.</p>
<p>Revised Strategic risk-based Audit Plan 2021-2023</p>	<p>Timeliness of the Strategic Audit Plan adoption</p>	<p>Q1 2022</p>	<p>Target met 2022 annual audit plan adopted in March 2022.</p>
<p>Commission and Executive agencies only Assessment whether the audits in the previous three years covered 100% of high risk financial auditable entities</p>	<p>% of coverage, through the strategic audit plan and successive annual audit plans, of the financial management in Commission services resulting in the delivery of an overall opinion without material scope limitations.</p>	<p>100 % over a period of 3 years</p>	<p>Target met The overall opinion for the year 2021, which was based on the audit work completed during the period 2019-2021, was issued in Q2 2022 without material scope limitation.</p>

Specific objective 4: Deliver the strategic audit plans through the annual audit plans effectively and efficiently.

Related to spending programme(s) N/A

Main outputs in 2022 (other important outputs):			
Output	Indicator	Target	Status
Audit, consulting and follow-up engagements planned for 2022	Completion rate of the 2022 Audit Plan ("C1" ⁴ engagements), after update of the Plan at mid-year.	100% of "C1" engagements in the 2022 audit plan to be finalised by January 2023	Target met as at 31/01/2023 EC : 100 % Decentralised Agencies : 100%
Mid-term review of the Annual audit plan. Updated Audit Plan for 2022 (Commission and Executive Agencies)	Timely preparation and delivery on time	July 2022	Target met Mid-year update of the 2022 audit plan exercise launched on 07/06/2022 (Mid-year update of the 2022 consolidated audit plan) – and finalised on 01/08/2022 (Mid-year update of the 2022 audit plan - Note to APC).
Strategic Internal Audit Plans (SIAPs) to be prepared for each entity where the previous SIAP is complete or has become obsolete	Timely preparation Delivery and update of yearly plans on time	Preparation of SIAPs on a rolling basis. Establishment of yearly plans for each agency/autonomous body, updated at mid-year.	Target partially met 83% of SIAPs, for which the previous SIAP ended in 2021, were completed. Two SIAPs were started but could not be completed before the cut-off date.
Conclusions on the state of internal control to each individual Directorate-General and service of the Commission as a contribution to the preparation of their annual activity reports for 2021	Timely preparation and delivery on time	15 February 2022	Target met 47 limited conclusions issued in by 15 February 2022. No limited conclusions were issued for HERA, HADEA and IDEA.
Time spent on direct audit work	Percentage of time spent on direct and indirect audit work by	85 % of total working time	Target partially met

⁴ "C1" engagements are those planned to be completed by January of the year N+1.

and audit support work by auditors	auditors (efficiency indicator)	available in 2022.	82,9%
2021 Annual Report of the Internal Auditor (Article 118(4) of the Financial Regulation)	Report issued	June 2022	Target met Report issued by the deadline. Report for 2021 issued on 20 May 2022.
Overall opinion of the IAS on financial management in the Commission	Report issued	June 2022	Target met Report issued by the deadline. Overall opinion for 2021 issued on 20 May 2022.
Quarterly overview reports (or information notes) transmitted to the APC on the follow-up of IAS recommendations concerning Commission's Directorates-General and services	Reports finalised and transmitted in time to the APC (4 reports in total)	March, May, September and November 2022	Target met Reports issued by the deadline. October information note issued on 16 December 2022. Interim overview report issued on 05 September 2022. April information note, issued on 23 May 2022. Final Overview report for 2021 issued on 11 March 2022.
Annual reports on the status of open critical and significantly delayed very important IAS recommendations to decentralised EU agencies and other autonomous bodies (in case their agency has such recommendations)	Reports/notes finalised and transmitted to Directors and Management Boards	Timely issued (March 2022)	Target met All reports were issued by the end of March 2022. No report issued for EPF (newly established).
Mid-term review of the Management Plan	Report issued	June/July 2022	Target met Report issued by the deadline.
Specific objective 5: Meeting stakeholders' expectations (adding value and contributing to the improvement of the auditees' operations) <i>Related to spending programme(s) N/A</i>			
Main outputs in 2022 (other important outputs):			
Output	Indicator	Target	Status

Note on results of the IAS stakeholders' satisfaction survey.	Level of satisfaction of stakeholders (APC/Management Boards and Directors-General/Directors of EU agencies and other autonomous bodies)	Issued in Q1 2023 Minimum 4 out of a scale of 5	Target reached
Results of satisfaction survey addressed to the audited services	Level of auditee satisfaction after each engagement on a scale from 1 (strong agreement) to 4 (strong disagreement)	Average score between 1 and 2	Commission : 1.46 Agencies: 1.31
Results of analysis of the implementation of recommendations	Level of implementation of IAS recommendations issued in the previous 5 years, whose initial target date has passed	Issued in Q1 2023 Minimum 90%	Commission and Decentralised Agencies: 90.3% Commission: 93.2% Decentralised Agencies: 85%
Specific objective 6: To ensure that the work of the IAS is conducted in accordance with the IAS charter, its internal methodology and guidelines and internal auditing standards			
<i>Related to spending programme(s) N/A</i>			
Main outputs in 2022 (other important outputs):			
Output	Indicator	Target	Status
External Quality Assessment (EQA)	Successful compliance with the internal methodology and guidelines of the IAS and with international internal auditing standards as assessed through the External Quality Assessment (EQA)	By Q1 2022	Target met The external consultant issued the final report in December 2021.
Action plan EQA	% level of implementation	100% of planned 2022 actions implemented	Target met EQA action plan integrated in a consolidated action plan that is being implemented, in accordance with the set deadlines.
Output and conclusions of the Lean Auditing working groups	Implementation of the action plans defined by the working groups, as approved and decided by the Senior Management	In accordance with the deadlines set in the action plan	Target met Actions integrated in a consolidated action plan that is being implemented, in accordance with the set deadlines.

Engagements in the Commission, executive agencies, decentralised EU agencies and other autonomous bodies finalised in 2022⁵

N°	Entity	Topic	Type
1	ACER	ACER - Planning, budgeting and monitoring	performance audit
2	BEREC	BEREC - Organisational preparedness for the implementation of BEREC Working Groups' activities	comprehensive audit
3	CBE	H2020 grant agreement implementation and closing	comprehensive audit
4	CEPOL	CEPOL - Human resources management	comprehensive audit
5	CINEA, DG ENER, DG MOVE	Programme implementation – phase 1 (from work programme to call evaluation and grant preparation) ; CEF Energy and Transport (CINEA & DG ENER)	comprehensive audit
6	CINEA, DG RTD, CIC, EACEA, EISMEA, ERCEA, REA	Protection of personal data under the responsibility of the EACEA, EISMEA, CINEA, REA, ERCEA and CIC	comprehensive audit
7	DG AGRI	DG AGRI's management of the wine market	comprehensive audit
8	DG AGRI	Gap analysis review of the new Common Agricultural Policy 2023-2027	limited review
9	DG AGRI, DG BUDG, DG EMPL, DG INTPA, DG REGIO, DG RTD, REA	Thematic review on the Commission's corrective capacity	limited review
10	DG AGRI, DG ENV, DG TRADE	Implementation of bilateral trade agreements (DGs TRADE, AGRI, ENV)	performance audit
11	DG AGRI, DG SANTE, OLAF	European Commission actions against food fraud in DG SANTE, DG AGRI and OLAF	comprehensive audit
12	DG BUDG, SG	Commission's control system in relation to the reliability of performance information in EU financial programmes	performance audit

⁵ This list does not include the follow-up engagements which are performed to assess the implementation of recommendations issued in previous audits.

13	DG CNECT, DG RTD, DG CLIMA, DG ENER, DG MOVE, CINEA	Performance framework for research	performance audit
14	DG CNECT, DG RTD, EISMEA	Preparedness of the management and the control systems for the implementation of the EIC	comprehensive audit
15	DG COMM, DG DIGIT, DG HR, OIB, OIL	Physical security of persons and assets in the Commission (HR, DIGIT, OIL, OIB, COMM)	comprehensive audit
16	DG DEFIS	Preparedness of DG DEFIS for the management of the European Defence Fund.	comprehensive audit
17	DG DIGIT	Public procurement in DIGIT	comprehensive (standard audit)
18	DG DIGIT, SG	Progress in the implementation of the European Commission digital strategy	IT audit
19	DG EAC	Preparedness of DG EAC's management and control systems for the 2021-2027 Erasmus programme implementation (thematic – new MFF)	comprehensive audit
20	DG EAC, DG EMPL, DG INTPA, DG NEAR, ETF	Cooperation and coordination mechanisms between the ETF and the EC services	comprehensive audit
21	DG ECFIN	Limited Review of the RRF control and audit strategies in DG ECFIN	limited review
22	DG ECFIN	Human Resources management in DG ECFIN	performance audit
23	DG ECHO	UCPM Control strategy for grant management	comprehensive audit
24	DG HOME, DG JUST	IT governance and management in DG JUST and DG HOME	IT audit
25	DG INTPA, DG NEAR	External Investment Plan - EFSD Guarantee	comprehensive audit
26	DG INTPA, DG NEAR, FPI	Contractual expenditure verifications (INTPA, NEAR, FPI)	comprehensive audit
27	DG MARE, EFCA	Cooperation between EFCA and DG MARE on activities related to Article 30 of the CFP	comprehensive audit
28	DG MOVE	MOVE - Studies used for policy making	comprehensive audit

29	DG RTD	Limited review on the implementation of the action plan for the reduction of the Horizon 2020 error rate and for simplifications	limited review
30	DG TAXUD	IT application project management in DG TAXUD ⁶	IT audit
31	DG TAXUD	Performance management in DG TAXUD	performance audit
32	DG TAXUD	Limited review on the ICF in DG TAXUD	limited review
33	EAOB	Overview / analysis of human resources management and ethics (including conflict of interest where applicable) findings and risks for Decentralised Agencies (DAs) and Joint Undertakings (JUs)	comprehensive (standard audit)
34	EAOB, EASA	EASA - Audit on standardisation	comprehensive (standard audit)
35	EBA	Internal Control Framework and strategic risk management in EBA	performance audit
36	EEA	IT governance and project management in EEA	IT audit
37	EEAS	Information security of RESTREINT UE/EU RESTRICTED and non-classified information	IT audit
38	EEAS	Procurement process and Contract Monitoring	comprehensive audit
39	EFSA	IT Security and Disaster Recovery in EFSA	IT audit
40	EIOPA	EIOPA Intervention Measures	comprehensive audit
41	EMA	Human resources management and ethics in EMA	comprehensive audit
42	ENISA	ENISA - Strategic planning, programming and performance management	performance audit
43	ERA	ERA - Planning, budgeting and monitoring	comprehensive audit
44	ESMA	Data management in ESMA	comprehensive audit
45	ESTAT	Effectiveness and efficiency of DG ESTAT's performance management system	performance audit
46	EUAA	EUAA - Fact-finding mission	limited review (standard audit)
47	EU-OSHA	HR management and ethics in EU OSHA	comprehensive audit
48	EU-Rail	EU-RAIL - H2020 grant implementation and closing	comprehensive audit

⁶ closed after preliminary survey

49	EUROFOUND	Procurement and contract management in EUROFOUND	comprehensive (standard audit)
50	Euro-HPC	Euro-HPC - Human resources management and ethics	limited review (standard audit)
51	European Schools	IT governance in EU-SCHOOLS	IT audit
52	FRONTEX	EBCG (Frontex) - Recruitment, training and deployment of the standing corps	comprehensive audit
53	SG	IT governance and project management (incl. software development) in SG	IT audit
54	CBE JU	Strategic risk assessment including IT (SIAP 2023-2025)	SIAP
55	CleanHydrogen JU	Strategic Risk Assessment including IT (SIAP 2023-2025)	SIAP
56	CleanAviation	Strategic Risk Assessment including IT (SIAP 2023-2025)	SIAP
57	IHI	Strategic Risk Assessment including IT (SIAP 2023-2025)	SIAP
58	ESMA	Strategic risk assessment including IT - SIAP 2023-2025	SIAP
59	SESAR3	Strategic risk assessment including IT (SIAP 2023-2025)	SIAP
60	F4E	Strategic risk assessment including IT (SIAP 2023-2025)	SIAP
61	EUROPOL	Strategic risk assessment including IT (SIAP 2022-2024)	SIAP
62	EUROJUST	Strategic risk assessment including IT (SIAP 2022-2024)	SIAP
63	EPPO	Strategic risk assessment including IT (SIAP 2022-2024)	SIAP
64	EIGE	Strategic risk assessment including IT (SIAP 2023-2025)	SIAP
65	eu-LISA	Strategic risk assessment including IT (SIAP 2023-2025)	SIAP
66	ELA	Strategic Risk Assessment including IT (SIAP 2022-2024)	SIAP
67	European Schools	Strategic risk assessment including IT (SIAP 2023-2025)	SIAP
68	EPF	Strategic Risk Assessment including IT (SIAP 2022-2024)	SIAP

ANNEX 3: Draft annual accounts and financial reports

All IAS budget lines are co-delegated TYPE2 (DGA > DGB) to DGs DIGIT and HR. Consequently, all payments are reported in the AARs (annex 3) of these DGs and financial reports of the IAS for the financial year 2022 show no figures.

Delegation and co-delegation

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

The IAS budget allocation is included under the heading "Administrative expenditure of the Audit policy area" and totalled around €27m in 2022. 98% of this expenditure was directly delegated to the PMO, HR and DIGIT in accordance with the Commission's Internal Rules. The IAS was therefore accountable for the remaining 2%, which is however, co-delegated⁷ to DGs HR and DIGIT.

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

Mission budget

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

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

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

⁷ Type II co-delegation, whereby the IAS is the primary AOD, while DGs HR and DIGIT are the secondary AODs. DG HR (missions, meetings and training, 0.92 %) and DG DIGIT (IT development, 0.74%).

ANNEX 4: Financial Scorecard

All IAS budget lines are co-delegated TYPE2 (DGA > DGB) to DGs DIGIT and HR. Consequently, all payments indicators are reported in the AARs (annex 4) of these DGs.

ANNEX 5: Materiality criteria

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

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

Qualitative assessment

- Non achievement of an important objective/obligation

Quantitative assessment

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

Assessment of reputational events

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

De minimis' threshold for financial reservations

Since 2019⁽⁸⁾, a 'de minimis' threshold for financial reservations has been introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

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

⁸ Agreement of the Corporate Management Board of 30/4/2019.

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

Mission expenses

Main internal control objectives: To ensure compliance of the mission expenses with the Commission’s Guide to Missions and Authorised Travel and IAS specific guidance⁹.

Ex-ante

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E’s)
The mission expenses will not be in compliance with rules and guidelines and/or not be cost-effective.	Ex-ante validation of the opportunity of the mission (justification, location, number of staff, duration, etc.)	100% ex-ante validation by the direct superior and AOD	<p>Effectiveness</p> <p>(1) number/% of missions modified as a consequence of the validation by the direct superior (should be above “0” otherwise the control might be exaggerated - not cost-effective)</p> <p>(2) number/% of missions rejected for correction by the ex-ante verifier because of an “unsatisfactory justification” after having been validated for this aspect by the direct superior (should be very low, otherwise the control by the direct superior is not effective).</p> <p>Efficiency</p> <p>(1) time to approve</p> <p>(2) number of complaints.</p> <p>Economy</p> <p>= estimation of cost of staff involved + ratio between costs and the total amount spent on missions</p>
	Ex-ante verification of the travel orders and claims for reimbursement	100% ex-ante control by the verifying officer	<p>Effectiveness</p> <p>(1) ineligible amounts identified by ex-ante control</p> <p>(2) number/% of cases of irregularity or divergence from best practice identified and corrected</p> <p>(3) number/% of complaints (from travellers and PMO)</p> <p>Efficiency</p> <p>(1) Time to approve</p>

⁹ Payments are not included in the main control objectives as they are executed by the entrusted entity, PMO, subject to similar management governance modalities. The corresponding controls are reported by the PMO in their AAR.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
			<p>(2) number/% of complaints (3) number/% of missions rescheduled because of missed deadlines in ex-ante approval).</p> <p>Economy</p> <p>= estimation of cost of staff involved + ratio between cost of staff and total amount spent on missions reputational damage.</p>

Ex-post

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	Independent ex-post control	Ex-post control of representative sample of expenses by the resources team.	<p>Effectiveness</p> <p>(1) ineligible amounts identified by ex-post control (2) number/% of cases rejected/returned for correction by PMO (3) number/% of irregularities or divergence from best practice identified</p> <p>Efficiency</p> <p>Timeliness of the ex-post controls.</p> <p>Economy</p> <p>= estimation of cost of staff involved + ratio between cost of staff and total amount spent on missions</p> <p>Benefits</p> <p>(1) Qualitative assessment of the preventive effect (2) Qualitative assessment of the avoidance of reputational damage.</p>
	Exception reporting	See ex-ante verification and ex-post control.	<p>Cost = estimation of cost of staff involved</p> <p>Benefits = Qualitative assessment of the value of transparent reporting of exceptions and its learning effect.</p>

ANNEX 7: Specific annexes related to "Financial Management"

Table Y - Overview of IAS's estimated cost of controls

IAS Mission Expenditure – Control System ¹⁰	Ex ante controls			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	EC total costs	<i>related funds managed/concerned</i> ^{11*}	Ratio (%) (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%) (g)/(b)
	€4.026,8/year ¹²	€57.268,75	7.03%	€269/year ¹³	€11.129,8	2,42%	€4.295,80 ¹⁴	7.5% ¹²

¹⁰ These are the IAS-internal costs of control relating to mission expenditure; more costs are incurred by PMO when processing the IAS mission orders and mission expense declarations.

¹¹ Related funds managed/concerned = payments made (Situation as at 31/12/2022)

¹² Based on time spent on the controls and the cost of the related staff: **3.25% of AST/SC FTE €123.900/year.**

¹³ Based on time spent on the controls and the cost of the related staff: **0,14% of AD FTE €192.200/year.**

¹⁴ The total cost of the controls amounts to **€4.295,80 for 2022**. Due to COVID-19 travel restrictions and with a view to reduce missions in the context of the greening of the Commission, the number of missions and the related budget implemented were partially reduced in 2022 compared to the pre-covid trend. As a result, the time allocated to ex-ante and ex-post controls was reduced proportionally. The amount invested in these controls appears proportionate to the IAS mission budget, especially when taking into account the importance of the reputational risk, if the IAS were to be found not to respect the Commission rules regarding the reimbursement of mission expenses.

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

Not applicable

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

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

Not applicable.

The IAS makes no payments.

For a number of years now, around 98% of the administrative expenditure of the IAS is directly delegated to the Office for Administration and Payment of Individual Entitlements (PMO), to the Directorate-General for Human Resources and Security (DG HR) and to the Directorate-General for Informatics (DG DIGIT), in accordance with the Commission's Internal Rules.

The IAS is therefore accountable for the remaining 2% of its administrative budget, which is however co-delegated to DG HR (based on a service level agreement for the provision of support services to the IAS in the area of human resources and financial management) and DG DIGIT (supported by a memorandum of understanding).

In both cases, the IAS remains responsible for the strategic decisions and the planning-related aspects.

As the budget is managed under the same Commission rules, the primary AOD (i.e. the IAS) can in principle rely on the legality and regularity, efficiency and cost-effectiveness of the controls in place in DGs HR and DIGIT (as secondary AODs). This expenditure is covered by the Declarations of Assurance of these Directorates-General.

2. Reservations

Not applicable.

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

Human resource management

Objective 7: The IAS employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business			
Indicator 7.1: Number and percentage of first female appointments to middle management positions			
Source of data: SEC(2020)146			
Baseline	Target	Latest known results	
12/2019	(2022) + (2024)	2022	
4 out of 11 (36%)	2022: 1 first female appointments 2024: still to be defined	Target met +1	
Indicator 7.2: IAS staff engagement index			
Source of data: Commission staff surveys 2018 and 2021			
Baseline	Target	Latest known results	
2018	2024	2021	
69% (Commission)		72% (Commission)	
75% (IAS)	To be equal to or above the Commission average (69%).	78% (IAS)	
Main outputs in 2022:			
Output	Indicator	Target	Status
Strategic development			
Implementation of the HR Strategy of the IAS	Action plan implementation status	100% of due actions	Target met The IAS is finalising an update of its HR Strategy, taking into account the HR corporate strategy and the results of staff surveys and the latest IAS Risk Management and Internal Control Surveys. The actions defined are being implemented.
Implementation of the corporate measures	HR management focus on the implementation of the corporate measures with the objective of maintaining the audit capacity as well as staff motivation and engagement while being in a 100% teleworking mode.	By end 2022	Target met All measures and guidelines implemented.
Implementation of the Staff Engagement Committee plan	Complete all actions planned on staff engagement: involvement in the Strategic Audit Planning process, knowledge clusters, job-shadowing, international	By end 2022, depending on COVID-	Target met The Staff Engagement Committee sub-groups have updated and implemented

	exchange programmes, AudiTED talks, and sports, social and internal communication activities.	related restrictions	their actions.
Maintain level of staff engagement (HR survey)	Keep IAS staff engagement index in line with Commission average, and possible increase further	IAS indicator: ≥ 75%	Target met The last available HR staff survey results show a score of 78 % for the IAS.
Staff retention and recruitment			
Definition of the role and the approach for the selection of Deputy Heads of Unit	Implement a Deputy Head of Unit function in all units in line with QABD 2351	By end 2022	Target met The procedure has been defined in the note " Procedure for the nomination of the Deputy Head of Units in the IAS" - Deputy Heads of Unit have been nominated.
Promote the image of the IAS and the profession of internal auditor within the Commission.	Implementation status of related actions decided as part of the IAS HR strategy	100% of planned 2022 actions implemented	Target met Several actions took place, such as promoting the IAS in Career days, improving job descriptions and promoting publications via available channels.
Capacity building			
IAS auditors which have one or more professional audit qualifications	Percentage of staff certified (79.5% in 2019)	Minimum 70%	Target met >70% of staff certified on 31/12/2022
Update of the Internal Audit Training Programme (IATP)	Level of satisfaction of IAS staff with the structured training	Minimum 80%	Target met >86,83% (based on evaluations received until 31/12/2022)
Annual Conference	Timely implementation	May 2022	Target met The Conference did take place in May 2022.

Digital transformation and information management

Objective 10: The IAS is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission

Indicator 10.1: Degree of implementation of the digital strategy principles by the most important IT solutions

Source of data: IAS internal with support of DIGIT

Baseline delivered in 2019	Target 2024	Latest known results 2022	
Definition of the context, impact and outcomes of the project.	Project completed Interim milestone (2020): initiation and planning phase completed.	Target met More than 85% of actions defined for 2022 in the IAS Digital strategy 2022-2024 successfully implemented. Initiation and planning phase of the project completed. Design for some solutions decided.	
Average score on the implementation of the core principles ¹⁵ defined by the EC Digital Strategy: - TeamMate: 56%. - Innovation & digital auditing: 0%.	Average score of implementation: - TeamMate+: 94%. - Innovation & digital auditing: 94%.	Target met. On time: - TeamMate: 63%. - Innovation & digital auditing: 81%.	
Indicator 10.2: Percentage of IAS key data assets for which corporate principles for data governance have been implemented Source of data: IAS with the support of the corporate data governance hub			
Baseline 2019	Target 2024	Latest known results 2022	
100%. The IAS met the 2019 target (Identification of key datasets and ownership) ¹⁶ .	100%.	Target met. 100%.	
Main outputs in 2022:			
Output	Indicator	Target	Status
Audit management tool			
Migration/upgrade of IAS audit management system	Agreed statement of work (SOW) with vendor	SOW finalized by mid-2022	Target met. Migration to TeamMate+ has been given green light. SOW was finalised
	Signed purchase order for migration services/licenses	PO signed by end Sept 2022	Target met with delay PO was signed in Oct 2022

¹⁵ From 2021, services are required to provide a state-of-play on the implementation of the 11 core principles defined by the EC Digital Strategy for the top 3 most expensive IT solutions that they own. For each of these solutions, this will be expressed as an average of the scores reflecting the degree of implementation of each of the 11 principles ("2-well"/"1-partially"/"0-not implemented").

¹⁶ The IAS completed the actions addressing the first, third and fourth principle. However, the data assets identified did not qualify for the second principle, as they contain information only relevant for internal audit purposes and are not shared.

	Software installed in EC DC	Software installed by end Oct 2022	Target met with delay Software was installed in January 2023
	Pilot audit project	Pilot audit projects started by end of 2022	Target not met Pilot projects to start in 2023
Digital strategy			
Implementation of the 2022 phase of the multi-annual IAS innovation and digital auditing plan (project)	Completion of actions defined for 2022 in the IAS Digital strategy 2022-2024 pilots and proof-of-concepts in the area of AI, data analytics, process mining and Visualization	100% of actions defined for 2022 in the IAS Digital strategy 2022-2024 successfully implemented	Target partially met Out of total 38 actions identified, 87% achieved, 8% partially achieved, 3% cancelled, 2% not achieved.
	Input of results in the Strategy document on 'Innovation and Digital Auditing'	Design for some solutions decided	Target met Design for all supporting solutions decided (QlikSense, Celonis). Further analysis will be performed on a continuous basis to validate their future fit-for-purpose
	Degree of implementation of the project	Initiation and planning phase of the project completed	Target met Project is in the execution phase.
Implementing corporate data governance and data policies for its key data assets included in the EC data inventory.	Percentage of implementation of the corporate principles for data governance for the IAS' key data assets	On target – 100% implementation	Target met On target – 100% implementation
Data protection			
Awareness raising activities on data protection compliance (e.g. structural and ad-hoc trainings)	% of staff informed	100%	Target met Awareness campaigns were published through IAS Intracomm News, dedicated data protection section or directly communicated through e-mail to all IAS staff reaching 100% of staff. An Auditors' Forum session on "Journey to Data Protection: legal requirements and practical application in audits and beyond" was organised and reached 65% participation rate of all IAS staff.

To check content of Internal audit training programme for consistency with provisions on data protection	Updated internal audit training program	Q2 2022	<p>Target met 100% achieved. Internal audit training programme is updated.</p>
All newcomers follow training on data protection	% of newcomers participated	100%	<p>Target met 100% of newcomers participated in training on data protection.</p> <p>All newcomers were personally invited to register to the following mandatory for them trainings: - Protection of personal data – Introduction;</p> <p>Journey to Data Protection: legal requirements and practical application in audits and beyond.</p>
All processing operations are reflected in the records	% of records updated	100%	<p>Target met 100% achieved.</p> <p>All the IAS processing operations are reflected in the records of processing (2 of them were updated and 1 was newly established). All of them are published in the public data processing register of the Data Protection Officer.</p>

Sound environmental management

Objective 11: The IAS takes full account of its environmental impact in all its actions and actively promotes measures to reduce the environmental impact of its daily operations.

Indicator 11.1: Environmental performance in the Commission.

Source of data: [Environmental Statement 2018 results](#) and [Environmental Statement 2020 results](#)

Baseline 2018	Interim milestone (2020)	Target 2024	Latest known results 2020 ¹⁷ (2020 target exceeded, in large part due to teleworking mode during the COVID pandemic, which applies for each performance indicator)
Energy consumption of buildings (MWh / person): -8.8%.	-5.2%.	Achieve greater reduction.	Target met - 23%
Water use (m ³ / person): -9.5%.	-5.4%.	Achieve greater reduction.	Target met -38%
Office paper consumption (sheets / person / day): -32%.	-34%.	Achieve greater reduction.	Target met -74% when compared to 2018
Office paper consumption (sheets / person / day) IAS specific: - 10%.	-40% (teleworking due to Covid).	Achieve reduction of 10% / year.	Target met as a trend towards 2024 target (the 2022 consumption was 67.8 % less than in 2019) but not met in 2022 due to increased presence in the office when compared to 2021.
CO ₂ emissions from buildings (tonnes / person): -24%.	-5.1%.	Achieve greater reduction.	Target met -34%
VeloMai participation – IAS statistics - 22 cyclistes (2018). 29 cyclistes (2019) - 473kg CO ₂ saved (2018), 789kg CO ₂ saved (2019).	35 cyclistes 800kg CO ₂ saved.	50 cyclistes 1000kg CO ₂ saved.	Target partially met 1) 43 participants 2) 823 kg CO ₂ saved We are well on track to achieve the 2024 target.
Waste generation (tonnes / person): -15%.	-9.7%.	Achieve greater reduction.	Target met -57%

Main results and outputs in 2022:

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

¹⁷ The latest validated Environmental Statement is the one for 2021 (data 2020) available on EC [My Intracomm](#). According to the annual EMAS cycle, KPIs for 2021, concerning EC's environmental performance, will only be available in April 2022. EC's environmental performance data 2021 will be incorporated in the draft EC's Environmental Statement 2022 (data 2021) and will be subject to validation during the verification exercise which will start in June 2022. The final validated Environmental Statement 2022 (data 2021) will be available on Europa, following a successful verification exercise before the end of 2022. The general positive trend observed for most core parameters continued in 2020, with many already achieving the 2014-20 target as shown below

Output	Indicator	Target (2019 as baseline)	Status
Staff awareness actions to reduce energy use in the framework of EMAS corporate campaigns and/or awareness actions about DG's total energy consumption in collaboration with OIB/OIL where appropriate.	Awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics from bullet 1 Number of actions ⁽¹⁸⁾ .	Minimum 1 awareness campaigns per year.	Target met Several awareness campaigns have been performed throughout the year, especially in the context of return to the office and partial use of the office space due to teleworking.
	Number or % of staff informed.	100% of staff informed.	Target met Awareness campaigns are published through IAS newsletter, IAS Intracomm News or directly through e-mail to all IAS staff reaching 100% of staff.
	Reduction of energy consumption of the building, water use, office paper consumption, CO2 emissions from building and waste generation.	In line with Commission average Reduce energy consumption (%).	Target met Exact numbers available for 2021 – MAD0 building energy consumption was lower in 2021 than in 2020. It continues a downward trend and was around average for the Commission.
Staff awareness actions to reduce water use (for example ensuring that staff use the technical services hotline ⁽¹⁹⁾ to report leaks) in the framework of EMAS corporate campaigns and/or awareness raising actions about DG's water consumption in collaboration	Awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter,	Minimum 1 awareness campaign per year Number of actions.	Target met. Several awareness campaigns have been performed.

¹⁸ Indicative actions include local staff awareness actions (e.g. info-fairs) and messages by senior management.

¹⁹ For example, for Brussels: Email: OIB-55555@ec.europa.eu and Tel: 55555 and for Luxembourg: Email: OIL-DISPATCHING-CENTRAL@ec.europa.eu and Tel: 32220.

with OIB/OIL where appropriate.	IAS staff e-mails) on related topics from bullet 1 Number of actions		
	Reduction of energy consumption of the building, water use, office paper consumption, CO2 emissions from building and waste generation.	In line with Commission average.	Target met Exact numbers available for 2021 – MADO building water consumption was lower in 2021 than in 2020. It continues a downward trend and was around average for the Commission.
Paperless working methods at DG level (such as paperless working: e-signatories, financial circuits, collaborative working tools) and staff awareness actions to reduce office paper use in the framework of EMAS corporate campaigns and/or raise awareness about DG's office paper use in collaboration with OIB/OIL where appropriate.	Number of awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics from bullet 1 Number of actions.	Minimum 1 awareness campaign per year Number of actions.	Target met Several awareness campaigns have been performed.
	Number of sheets / person / day.	-5% compared to 2021.	Target not met Printing paper consumption in 2022 exceeded the consumption from 2021. However, the 2022 consumption was still 5.6% less than in 2020 and 67.8 % less than in 2019.
Update and implement the IAS EMAS action plan.	1) Update the IAS-EMAS plan 2) Implementation of the IAS-EMAS plan by the IAS green ambassadors , a new	1) Update of the plan Q1 2022. 2) Implementation of minimum 50% of the actions planned for 2022.	Target met 1) Plan updated in Q1 2022. 2) 75% of actions implemented.

	subgroup of the IAS Staff Engagement Committee.		
II. Reducing CO2, equivalent CO2 and			
Output	Indicator	Target (2019 as baseline)	Status
Staff awareness actions on reducing GHG emissions.	Number of IAS participants in VeloMai.	30	Target met 43 participants.
	Amount of CO2 saved with VeloMai.	480 KG CO2.	Target met 823 kg CO2 saved.
Gradual increased use (and number of) VC (20) meeting rooms for meetings with stakeholders (avoiding businessstrips) in the DF, in collaboration with DG SCIC, OIB and OIL.	Number of VC meeting rooms.	1 VC meeting room.	Target met
Promote teleworking.	Average number of days of teleworking per staff member.	In line with Commission average.	Target met IAS staff is obliged to be physically present for 2 days per week in the office. The rest of days the staff is allowed to choose between teleworking and physical presence in the office.
	% of reduction of CO2 emissions compared with 2019.	5% reduction compared to 2019.	Target met 86% reduction (2022 vs 2019).
	CO2 (t) emissions from DG's missions (% means of transportation used).	Under 0.6 tCO2 per person.	Target met 0.062 tCO2 per person (based on 150 IAS staff).
Staff awareness on digital pollution and gradual change of behaviours avoiding heavy	Number of awareness campaigns	Minimum 1 awareness campaign per	Target met Several awareness campaigns have been performed.

²⁰ VC (Videoconferencing) room

emails, encouraging the use of ICT platforms, avoiding unnecessary storage of data.	(e.g. through IAS Intracomm news, IAS EMAS, Intracomm page, IAS newsletter, IAS staff e-mails) on related topics.	year.	
III. Reducing and management of waste			
Output	Indicator	Target (2019 as baseline)	Status
Staff awareness actions about waste reduction and sorting in the framework of EMAS corporate campaigns and/or staff awareness actions about DG's waste generation in collaboration with OIB/OIL where appropriate (for example, promote and label the waste sorting schemes in place.	% of staff informed.	100% of staff informed.	Target met Several awareness campaigns have been performed and a specific IAS waste sorting station post-implementation survey has been performed.
Implementation of the EC Guidelines for sustainable meetings and events , e.g. reduce/eliminate single-use plastics, gadgets/gifts.	% of green events.	100%	Target met IAS annual conference and IAS away days both used the guidelines and checklists to assess and make the event greener.
IV. Promoting green public procurement (GPP)			
Output	Indicator	Target (2019 as baseline)	Status
Staff awareness actions on the promotion of "green items" among EC office supplies'.	Number of awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS	Minimum 1 awareness campaign per year.	Target met Several awareness campaigns have been performed.

	newsletter, IAS staff e-mails) on related topics.		
V. Supporting biodiversity			
Output	Indicator	Target (2019 as baseline)	Status
Staff awareness actions on supporting biodiversity (for example for urban sites, sponsor the creation and maintenance of urban gardens, insect hotels and green roofs within EC-premises with the support of volunteers).	Number of awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics.	Minimum 1 awareness campaign per year number of actions.	Target met Several awareness campaigns have been performed.

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

Not applicable

ANNEX 12: EAMR of the Union Delegations

Not applicable

ANNEX 13: Decentralised agencies and/or EU Trust Funds

Not applicable

ANNEX 14: Reporting on the Recovery and Resilience Facility

Not applicable