



2016 Annual Activity Report

Directorate-General Human Resources and Security
PERFORMANCE THROUGH PEOPLE

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Our mission

To promote excellence in the practice of human resource management and in ensuring internal security for the European Commission.

Our values

- Commitment to honest, fair and ethical practice.
- Commitment to providing quality services for our staff and stakeholders.
- Providing an environment that encourages innovation and recognition of accomplishments.
- Leadership in the promotion and development of human resource professionals.

Our actions

In pursuing our mission, we:

- set the HR framework within which an effective and efficient use of resources can take place, optimising our contribution to the Commission's strategy;
- efficiently and effectively deliver HR services from recruitment to retirement and beyond (covering the whole employment cycle) for the Commission through the HR core processes;
- support HR service delivery by professionalising the HR function and automating processes;
- make sure that quality services are provided to the Institution and its staff in a timely and efficient manner;
- provide health promotion and education measures for staff;
- ensure the safety, security and protection of staff, property, activities and information at all places of employment;
- ensure compliance with the Staff Regulations;
- ensure open and efficient dialogue with staff representatives in order to guarantee appropriate working conditions;
- collaborate and coordinate with the other Institutions on a number of areas linked to the Staff Regulations;
- communicate with Commission staff on a timely basis on policies, actions and relevant initiatives;
- provide shared local HR services to several Commission departments;
- talk to and coordinate with other external stakeholders.

Our partners

Pursuant to the decisions establishing the administrative offices, DG HR, as chair of the management board, helps to define the policy guidelines and evaluate their implementation, while the offices are in charge of their implementing them effectively.

The Office for Infrastructure and Logistics in Brussels (OIB) and the Office for Infrastructure and Logistics in Luxembourg (OIL) work together with DG HR on implementing the fit@work policy, providing services such as catering, nursery facilities and after-school childcare, real estate management. Their activities are described in more detail in the overview of the fit@work policy in this report.

The Annual Activity Report is a management report of the Director-General of DG HR to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitutes 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 Treaties.

2016

saw significant external events that had profound effect on the EU, such as the terror attacks in Brussels, the UK referendum and the continuation of the refugee crisis. To enable the Commission departments to respond to these major challenges, DG HR launched new initiatives on people management and organisational design. The purpose was to boost staff performance and resilience and strengthen HR governance.

HR PERFORMANCE FRAMEWORK FOR MANAGING TALENT AND DEVELOPING THE ORGANISATION

Organisational DEVELOPMENT HIGH PERFORMANCE ORGANISATION

HR STRATEGIC PLAN 2016-2020

DG HR intends to strengthen long-term organisational performance through fit-for-purpose structures, planning and the better allocation of human resources to align with Commission priorities. DG HR also plans to design and support modernisation projects and strengthen internal communication to improve staff engagement.

2016 ACHIEVEMENTS

Following efforts undertaken since 2013 to reduce staff by 5% by 2017, the Commission decided to implement a **new HR reallocation method** based on a fairer and more evidence-based differentiated taxation rate applied to its departments. It takes into account indicators such as political priorities and legal obligations, organisational fitness and the reduction efforts made so far. The resulting redeployment enabled the reallocation of 87 posts to priority areas, most notably in the DGs involved in managing the migration crisis: DG HOME and ECHO.

Testing a new service delivery model for the HR function. Representing the biggest transformation in the last 20 years in the way HR services are delivered in the Commission, the HR modernisation project is a major component of the Synergies & Efficiencies exercise. The project's aim is to ensure **greater consistency** in the HR services, while maintaining and improving the customer experience. The new model has been tested and will be implemented in several phases:

- **Pre-pilot** began testing in DG HR in spring 2016.
- **First wave pilot** began mid-July 2016, with 9 DGs.
- **Second wave pilot** from mid-February 2017, which will include the rest of the DGs into the pilot phase of the project with the full roll-out planned for the second half of 2017.

Investment in SYSPER and reporting services for cross-domain improvements

The HR management information system (HRMIS) strategy was extended to 2016. 65 new IT projects were launched to improve the performance of SYSPER and various other IT systems and reporting services. These include an update of SYSPER's security plan and investment in more specific HR processes

A new internal communication strategy is being developed, merging external and internal communication networks. It includes the creation, together with DG COMM, of the Corporate Communication Steering Committee.





STRATEGIC PLAN STRATEGY 2016-2020

Our ability to deliver on Commission priorities and core business depends above all on the competencies and dedication of our staff. DG HR intends to ensure the best possible match between staff competencies and service needs in order to have the right person, in the right job at the right time.

2016 ACHIEVEMENTS.

Talent management framework launched in July 2016. In 2016, the Commission endorsed its renewed talent management strategy.

In line with a stronger focus put managerial excellence, the Commission adopted a **new Decision on middle management staff**.

In 2016, work and discussions continued regarding the **revision of the General Implementing Provisions for Contract Staff**. This revision provides for:

- a simplified and quicker selection procedure;
- new career opportunities for the most talented contract staff;
- greater mobility of contract staff within the Commission and executive agencies; and
- recognition of specific positions in the EU delegations.

Draft policy on the management of unsatisfactory performance. To improve the management of underperformance, as set out in the talent management strategy, DG HR drafted an update of the rules on dealing with underperformance. DG HR also prepared a best practice guide entitled 'How to tackle staff underperformance', covering managerial and legal issues.

PILOT 360°/180° feedback for managers. In parallel with the senior management development programme, DG HR developed a structured 360° feedback mechanism for all senior managers. This feedback mechanism is intended to provide these managers with an overview of their leadership capabilities, comparing their self-image with the portrait that emerges from the observations of a variety of people working with, for, above and around them.

EU Learn – The new learning management information system brings together all learning formats and resources in a central place. Staff can now curate their own personal learning programme and access any resources using a digital device, based on recommendations from the system based on the individual's job and profile.

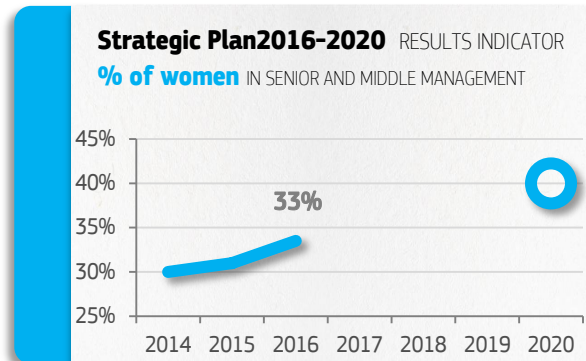
Tools & processes to foster staff mobility. In 2016, as in previous years, thousands of officials moved to new posts within the institution, including to different DGs. In the framework of the Talent Management Strategy, in order to foster mobility, DG HR launched a call for expression of interest for AD staff to shift resources to priority areas, organised the first corporate Career Day with the purpose of improving knowledge of the work carried out in other DGs and Executive Agencies, provided proactive career guidance to DGs to support mobility and regular structured discussions on career development.

Manager mobility framework. The new middle management policy has **strengthened mobility provisions** so as to allow middle managers to move across different functions and services in order to gain different perspectives and to reinforce the Commission's corporate identity. In order to facilitate the inter-DG mobility of middle managers, DG HR organised the first **inter-DG mobility** exercise involving 33 DGs. As a result, 94 middle managers have moved to a new middle management function in another DG. Together with transfers outside the mobility exercise, 120 middle managers have been reassigned to another middle management function in another DG in 2016 corresponding to 11% of the Commission's middle management population.

EXECUTIVE SUMMARY

Draft Communication on diversity & inclusion. The Commission continued its efforts to improve its attractiveness as an employer valuing diversity and inclusion. A communication on diversity and inclusion was prepared, setting out the main actions in line with the following priorities:

- The Commission remains committed to achieving the 40 % target for women in management. Female representation at management level stood at 33 % by the end of December 2016.
- The Commission remains committed to meeting the standards of the United Nations Convention on the rights of Persons with Disabilities.
- Flexible and results-based working is a key element in attracting and retaining talented staff. The Commission has extended part-time and teleworking possibilities and will be monitoring their use.



SAFE, HEALTHY AND SUSTAINABLE WORKING ENVIRONMENT ENHANCING STAFF RESILIENCE



STRATEGIC PLAN 2016-2020

The fit@work programme aims to keep staff fit and well in a healthy work environment which respects and seeks to accommodate their needs. The Commission's social impact will be developed through the encouragement and use of volunteering. We will aim to reduce our environmental impact by improving our environmental performance.

2016 ACHIEVEMENTS

Commission health and well-being policy DG HR prepared an integrated strategy providing a framework for the period 2017-2020 together with an action plan including psychosocial risk management. The strategy will be launched in 2017. It includes a **new medical prevention policy** covering all medical prevention activities to enhance staff health as well as **guidelines on** managing drug and alcohol abuse.

In 2016, more staff members used working arrangements such as part-time, parent and family leaves, as well as teleworking providing them with a better satisfaction with their work life balance which has been reflected in the staff survey results (see indicator below).

The Commission's **Departure Desk** was set up in 2016 to assist all officials retiring from the institution.

Following the new Guidelines on **Staff Volunteering** introduced in 2015, measures were to put in place in 2016 to support volunteering. These include teambuilding for volunteers, offering staff one day of special leave for voluntary work, developing opportunities with local NGOs and voluntary organisations, and promoting staff volunteering opportunities in the Commission's various locations.





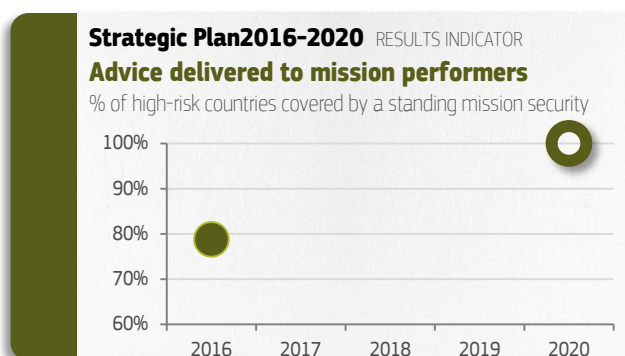
STRATEGIC PLAN 2016-2020

A secure working environment is a precondition for the successful staff motivation, development and performance. Our ambition in this area for the coming years will be to maintain and further increase the quality of the work environment while reinforcing effective protection against new threats in a period of resource constraints.

2016 ACHIEVEMENTS

The aim of the Commission's internal security policy is to ensure that Commission staff, property, activities and information are adequately protected against security threats. After adopting a comprehensive new legal framework for security and launching a new action plan on improved security measures in 2015, the Commission further strengthened its security measures in 2016 in response to growing tensions in Europe and the terrorist attacks in Brussels on 22 March 2016.

Commission Decision 2016/883 on implementing rules for **standard security measures, alert states** and management of crisis situations in the Commission was revised.



HR GOVERNANCE STRUCTURE FOR A COLLABORATIVE AND ETHICAL ORGANISATION



STRATEGIC PLAN 2016-2020

Ensure the respect of the core ethical values and obligations laid down in the Staff Regulations.

2016 ACHIEVEMENTS

In 2016, the revision process of the **Commission Decision on outside activities and assignments** C(2013) 9037 continued with the aim of clarifying obligations and simplifying authorisation procedures.

The review of the provisions of the Staff Regulations is part of a broader project, 'Clarity 4 vision'. Part of the Commission's **better regulation** exercise, this project involves simplifying implementing rules to ensure their alignment with the Commission's HR priorities. The scope and consistency of the most recently adopted decisions was reviewed to ensure that they are fit for purpose.



STRATEGIC PLAN 2016-2020

DG HR will improve collaboration with HR partners and stakeholders including by extending HR services to other institutions.

2016 ACHIEVEMENTS

DG HR has helped the European Schools to improve their financial governance and management systems.

staff experience OF HR SERVICES

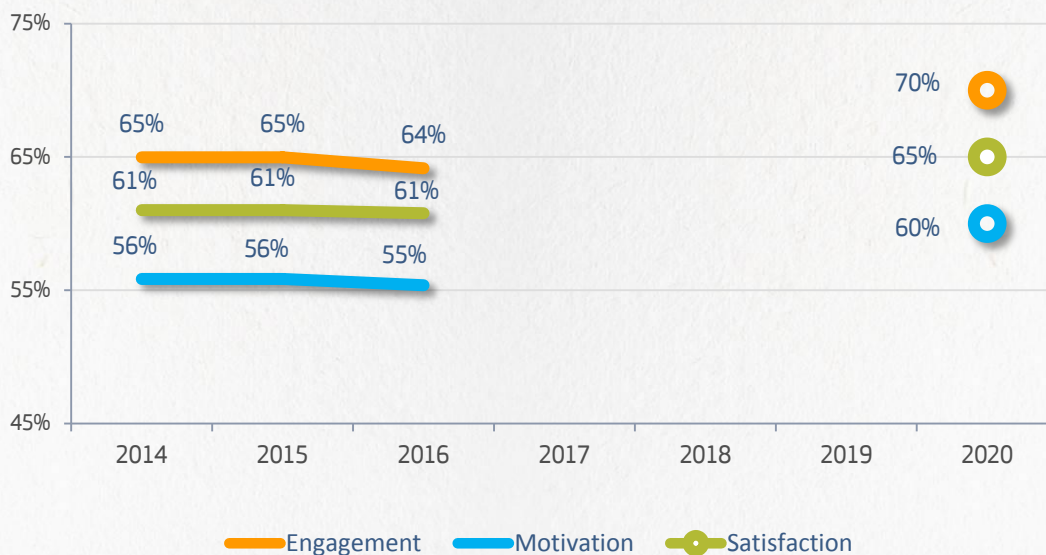
The Commission's most valuable asset is its staff. Over the last two years, DG HR implemented a number of actions through its Organisational Development, Talent Management and fit@work programmes to keep staff morale high and improve their ability to cope with increased demands in a world of constant change.

DG HR focused in particular on supporting and encouraging new approaches to work at every level, improving internal communication, leveraging relationships between staff and managers, encouraging personal development, managing career expectations, developing the awareness of healthy lifestyles, providing a healthier work environment and creating conditions for a good work-life balance.

The 2016 Staff Survey achieved a new **record response rate** of 51 % (63 % of statutory staff). Compared with previous surveys, there were improvements in workplace **well-being** and middle management indicators. However, there was a fall in scores on some questions relating to **career prospects**, involvement in decision-making processes and senior management.

The talent management strategy which was launched in 2016, coincided with the Staff Survey, should positively impact staff motivation in the future. We also expect an improvement in staff engagement and staff satisfaction as we continue to implement the synergies and efficiencies action plan and with the integrated health and well-being policy 2017-2020.

Strategic Plan 2016-2020 RESULTS INDICATOR
Staff Experience of HR Services



SOUND **resource management**

Key conclusions on financial management and internal control (*see part 2 for more details*):

In accordance with the governance statement of the European Commission, DG HR 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.

HR STRATEGIC PLAN 2016-2020

Random representative error
rate on financial transactions

<2%

The Commission has adopted a set of internal control standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. The financial regulation requires that the organisational structure and the internal control systems used for the implementation of the budget are set up in accordance with these standards. DG HR has assessed the internal control systems during the reporting year and has concluded that the internal control standards are implemented and function as intended.

In addition, DG HR has systematically examined the available control results and indicators, including those aimed to supervise entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives.

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-General, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance albeit qualified by a reputational reservation concerning the effective management of some of the Commission funds assigned to the European Schools.

INFORMATION TO THE COMMISSIONER

In the context of the regular meetings during the year between the DG and the Commissioner on management matters, also the main elements of this report and assurance declaration, including the reservations envisaged, have been brought to the attention of Commissioner K. Georgieva responsible for Budget and Human Resources until 31 December 2016 and Commissioner G.H. Oettinger, responsible for Budget and Human Resources as of 1 January 2017.



Irene SOUKA

Director-General of DG HR

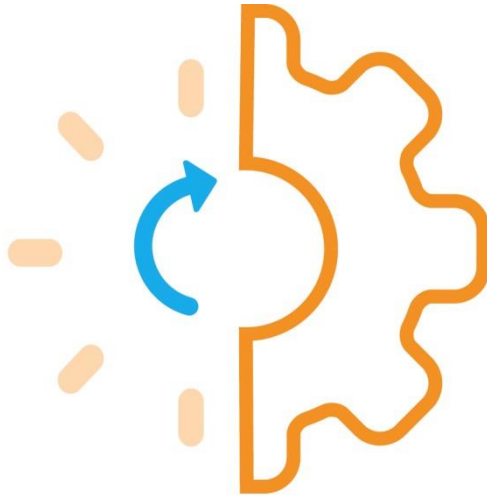
Signed

Part 1. KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC OBJECTIVES OF THE DG

HR POLICIES

Partnerships **Organisational** DEVELOPMENT





Organisational

DEVELOPMENT

HIGH PERFORMANCE ORGANISATION

1.1. DG HR intends to strengthen long-term organisational performance through fit-for-purpose structures, planning and the better allocation of human resources to align with Commission priorities.

DG HR also plans to design and support modernisation projects and strengthen internal communication to improve staff engagement.

Organisational development has two specific objectives

1.1. Human Resources are allocated to Commission priorities to deliver maximum performance and added value

1.2. Efficient support processes meeting staff and Commission priorities



ORGANISATIONAL PERFORMANCE, RESOURCE ALLOCATION & STRUCTURES

Offer strategic partnership for all DGs and services in the fields of organisational development and allocation of resources, and provide guidance and advice through evidence-based insights gained through the exploration of quantitative and qualitative data

Organisational structures

In the context of major political challenges and continuous pressure on resources, there is a clear need for an increasingly agile organisation, able to adapt swiftly to new and diverse challenges. Therefore the Organisational Development Directorate of DG HR has further strengthened its ability to provide guidance to the DGs on improving organisational performance. It is helping to identify and develop in close collaboration with each DG the structures and processes of working together to allow the DG to attain its objectives. The main idea is to shift the emphasis from compliance with benchmarks and rules to constructive advice and practical guidance, with inclusiveness and an increased focus on communication as guiding principles.

In 2016 several DGs, such as DG CNECT, launched a **communication programme** to accompany their reorganisation. All staff members were informed of the upcoming reorganisation plans ahead of their implementation, with management agreeing the proposed changes and explaining how these would be achieved. Staff members more directly impacted by the reorganisation were notified individually of the changes that would affect them. In the cases of the JRC, DG MARE, DG AGRI and DG EAC the communication was preceded by a consultation process involving staff and management. This consultation gathered opinions, comments and suggestions on how to improve structures and working methods. This way of approaching reorganisation was endorsed not only by staff members and their representatives, but was also recognised at the Commission 2016 Internal Communication Awards, with DG HR winning the first prize for a reorganisation prepared during 2015.

Several reorganisations were carried out to align the organisational structures with political priorities and to improve the efficiency and effectiveness of the organisation, for example:

- A number of DGs streamlined their structures by adapting the total number of units and middle management functions to the changing staffing levels. Overall, the number of units was reduced from 1177 to 1160 by 1 January 2017.
- In the pilot phase of the HR modernisation project, the organisational structures of DGs COMM, DIGIT, GROW, HOME, OIL and JUST were changed by introducing a HR business correspondent position, while the human resources (HR) position was transferred to the pilot account management centres (AMCs) in DG HR.
- The task force in charge of preparing and conducting the negotiations with the United Kingdom under Article 50 of the Treaty on European Union was created under the direct authority of the President, following the referendum in the United Kingdom on 23 June.
- As part of the continuing response to the refugee crisis the structure of DG HOME was changed through the creation of dedicated units for migration management support ('hotspots'). These units also serve as a knowledge hub for migration and security. In addition, a large number of staff from other Commission services were redeployed to DGs HOME and ECHO.
- A new Directorate 'EUROZONE and economic issues' was created in the Legal Service to enable the Commission to continue its progress towards a genuine economic and monetary union with stability mechanisms and fiscal capacity.

Organisational performance

In line with the priorities set in the Commission work programme and the strategic plans for 2016-2020, each department drew up management plans with primary objectives in the respective policy area for each year. For **HR management**, the main objective across the different departments is that the DGs deploy their resources effectively to support the delivery of the Commission's priorities and core business. The DGs should have competent and engaged workforces, which have effective and gender-balanced management teams and which can use their full potential under supportive and healthy working conditions. Progress in achieving this objective is measured against three key indicators:

- the percentage of **female staff in middle management**, which increased from 31 % in 2014 to 34 % in 2016 and has therefore moved closer to its target of 40 % by 2019;
- the percentage of staff who feel that the Commission cares about their **well-being**, which remained at 35% in 2016 compared with 2014.
- the **staff engagement index**, which dropped by 1 % in 2016 to 64 % but remains in line with other public service benchmarks.

Further information on these indicators at DG level can be found in the annual activity reports, which present the results achieved, including those in the field of human resources, based on measures proposed in the management plans.

In the context of the Commission's internal reallocation of resources, a set of indicators was developed and fine-tuned during 2016. They measure the **organisational fitness** and are aimed at better understanding the organisational enablers and barriers that impact on the delivery of the priorities and core business tasks. The indicators take into account the following aspects of the organisation:

- how effectively Commission departments have been using their allocation of human resources;
- a proxy indicator of DGs' workload measured by the non-recoverable overtime for staff at administrator level;
- a composite indicator of administrative support, including secretarial jobs, as a proportion of the total workforce to check the potential for moving service staff who could be incorporated more efficiently into front-line activities;
- the degree of compliance with the benchmarks (average entity size) for organisational structures set by the Commission;¹
- relevant results of the last Staff Survey to capture, in particular, staff perception of organisational efficiency.

Workforce projections

Workforce projections help the Commission develop a workforce that can meet the expected requirements based on its size and qualifications. Commission workforce projections produced by DG HR were used in 2016 as a source of information for the **planning** of future recruitment competitions and for determining the room for manoeuvre in the allocation of budgetary and human resources.

¹ Commission communication on organisation charts of Commission DGs and services SEC(2006)1702 of 13.02.2007.

Resource allocation

Following efforts undertaken since 2013 to reduce staff, the Commission decided to apply a new **reallocation method** for internal resources, based on a much fairer and more evidence-based differentiated taxation applied to its departments. It takes into account indicators such as political priorities and legal obligations, organisational fitness² and the reduction efforts made so far. The resulting redeployment enabled the reallocation of 87 posts to priority areas, most notably in DGs involved in managing the migration crisis (DG HOME and ECHO) partly through transfers of jobholders together with their posts.

HR Management Plan 2016

New reallocation method of internal resources based on a fairer and more evidence-based differentiated taxation applied to its departments



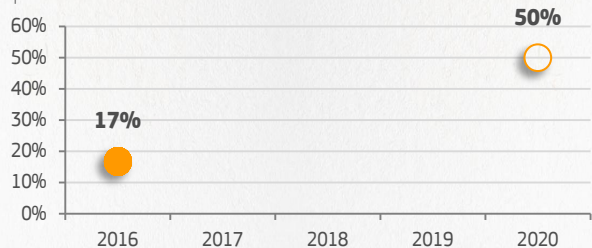
In addition to reallocation of posts, the Commission has focused on four areas that cut across all of its activity, which are expected to bring **synergies and efficiency gains** in the years to come: human resources, information and communications technologies (ICT), communication, and logistics. The modernisation of HR and logistics led to initial redeployments of staff during the pilot phase that began in July 2016.

At the same time, in 2016 a significant number of **vacant posts** (above 1 %) had to be placed in the unoccupied reserve to address the historically high occupancy rate of the establishment plan on the one hand and insufficient budgetary appropriations on the other. This situation was a serious constraint for Commission staff and Commission departments were asked to return 285 vacant posts on top of the 239 posts required for the staff cut. Trends in the occupancy rate and the use of budgetary appropriations were closely monitored in 2016 by a dedicated inter-DG group.

Strategic Plan 2016-2020 RESULTS INDICATOR

Priority allocation

% of Commission DGs restructured according to organisational performance criteria

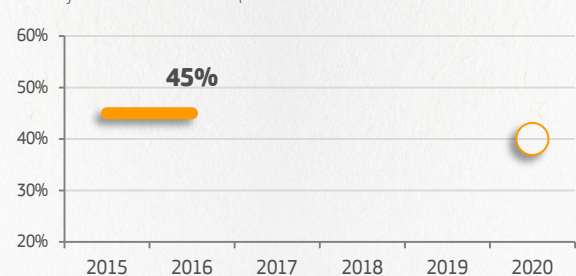


Furthermore, the Commission delivered on the **5 % staff reduction target** over the period 2013-2017. The final reduction instalment was implemented on 1 January 2017. This translated into a reduction of 239 establishment plan posts, and a reduction in the appropriations related to a further 99 full-time equivalents (FTEs from other categories of personnel). By doing this the Commission completed the implementation of its commitment to reducing staff levels by a total of 1254 establishment plan posts and the equivalent of 552 FTEs from other groups of personnel.

Strategic Plan 2016-2020 RESULTS INDICATOR

Priority allocation

% of jobs in horizontal processes



² Further information on fitness indicators is provided in the Organisational Performance section.

In 2016 Commission services also continued to increasingly delegate certain implementation tasks to the executive agencies and to one decentralised agency (The European Global Navigation Satellite Systems Agency). This translated into an **additional reduction** of 67 posts and other personnel.

Screening

The Commission screens all its jobs annually to assess the scope for further reducing administrative overlap and to stimulate the move towards a higher proportion of operational jobs. To ensure compatibility over time, the same methodology used in the previous years was applied in 2016. All jobs are categorised into four groups:

- operational;
- neutral;
- administrative support and coordination; and
- services provided to other EU institutions and agencies.

Operational jobs directly serve EU citizens and mainly concern policy, law-making, programme management and implementation. This job group **stabilised** at 54.6 % from January 2015 to May 2016. Neutral jobs are those that involve activities such as financial transactions, audits on EU expenditure and linguistic support.

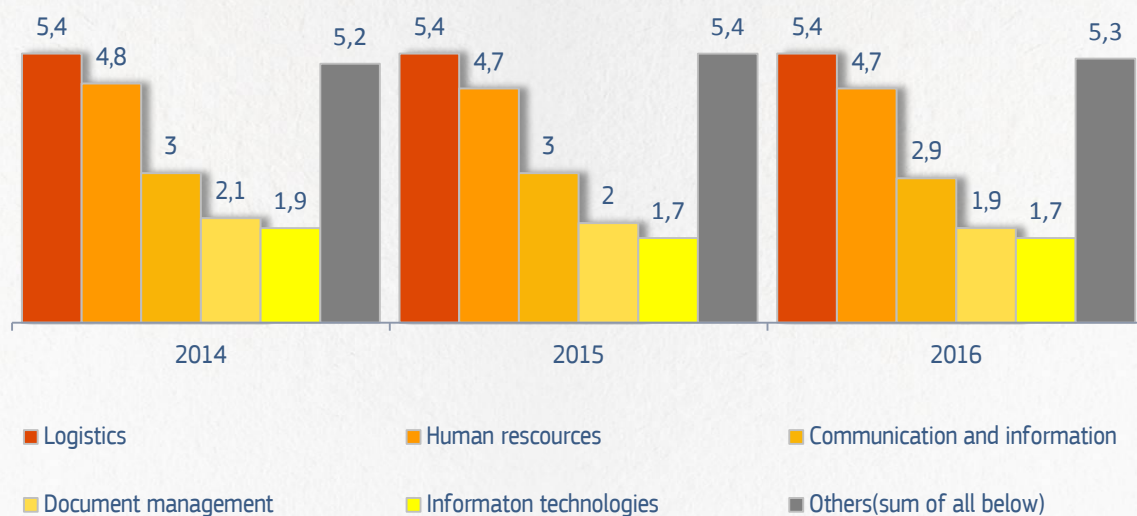
Administrative support and coordination jobs can be found predominantly in logistics, human resources, IT, document management and communication. These ensure the proper and smooth **day-to-day functioning** of the Commission. The wide-ranging services the Commission provides to other EU institutions and agencies reflects the importance given to interinstitutional relations.

In 2016, the Commission launched a revision of the **screening exercise**, taking into account its achievements in the reduction of overheads since the launch of screening and its existing organisational challenges. This related to the focus on priority actions resulting from the implementation of the 10 Juncker Commission priorities.

HR Management Plan 2016

2016 Job screening to reduce administrative overlap and to stimulate a higher proportion of operational jobs. ✓

Administrative support and coordination jobs



Delegations network

The **allocation of Commission resources to delegations** has to accommodate their changing role on the international stage. In 2016, in agreement with the European External Action Service (EEAS), the Commission decided to create six new 'mixed posts', simultaneously serving several DGs outside the external relations family and required for the EU Delegations to present the EU internal policies.

This brings the total number of mixed posts in the network to 19.

Rationalisation efforts were pursued in parallel. One of the objectives remains to achieve **greater efficiency in administrative support** to staff in delegations through creating regional centres to support several delegations. A pilot exercise covering 27 delegations in Europe and bordering countries is ongoing.

Luxembourg

Luxembourg is the place of employment for almost 3 900 staff members³ in 18 DGs, with OIL, OP and ESTAT entirely based in Luxembourg.⁴ Following the decision taken in July 2014 to move all staff and services out of the Jean Monnet I building due to health and safety concerns over the presence of asbestos, an **agreement** was reached between the Commission and the Luxembourg authorities in December 2015 on relocating staff and services and on the presence of Commission services in Luxembourg. The agreement replaces the 2003 Polfer-Kinnock agreement.

Under the new agreement, the number of Commission staff working in Luxembourg will **gradually increase** between 2018 and 2022 by up to 250 full-time equivalents. These movements in staff will benefit services in the judicial, financial and digital areas and will build upon the traditional areas of activity covered by the Commission's presence in Luxembourg. As a result, the proportion of Commission staff working in Luxembourg, which stood at 11.7 % in 2015, will reach 12.5 % by 2022.

³ Excluding 400 DIGIT external staff.

⁴ See also Annex I: Organisational design.

**ORGANISATIONAL DEVELOPMENT PROJECTS & KNOWLEDGE MANAGEMENT**

Strengthen sustainable organisational development by designing and supporting modernisation projects and change initiatives for effective and efficient Commission-wide collaboration

Organisational development

A brand-new Organisational Development Directorate was created on 1 January 2016. This Directorate combines existing activities in internal communication and organisational performance (resource allocation and structures, HR analytics) with the new function and explicit objective of organisational development. The main focus of this new area of activity in 2016 has been on 'learning through doing' in developing and implementing a large-scale HR modernisation project that is significantly changing HR delivery in the Commission.

Synergies and efficiencies review

2016 represented a significant step forward for the implementation of measures enabling synergies and efficiency gains across the Commission. In line with the review carried out by

The secret of change is to focus our energy not on fighting the old, but on building the new"

Vice-President Georgieva at the request of President Juncker in July 2015, the adoption of the Communication on Synergies and Efficiencies in April 2016 outlined the measures for a more **modern organisation** of coordination and support communities by defining their main organisational principles and working arrangements.

The decision covers **four domains** in detail: (i) human resources, (ii) information and communication technologies, (iii) external and internal communication, and (iv) logistics, events and meeting room management. For each domain, a central service, as corporate domain leader, was assigned the responsibility of ensuring professional alignment and efficiency in their corresponding domain communities:

- DG HR, as domain leader for the **human resources management** domain, assumes the responsibility of the setup of a new HR delivery model.
- In the **information and communication technologies (ICT)** domain, DG DIGIT is responsible for implementing a digital agenda. The workplace of the future programme, local data centres, standardised ICT equipment and improved ICT security and financing will provide efficiency gains in this field.
- In the **external and internal communication** domain, DG HR (internal communication) and DG COMM (external communication) are working closely to implement a reviewed governance model.
- OIB/OIL and DG SCIC, as domain leaders for **logistics, events and meeting room management** are leading the establishment of a new logistics delivery model.

Since its establishment, the working group of domain leaders, coordinated by DG HR, has worked as an essential platform for the **consistency and alignment** of the process through the sharing of knowledge, methodologies and best practices. Given the relatively advanced stage of implementation of the HR modernisation strand, DG HR has proactively shared the acquired experience with other domain leaders, notably for the crucial elements of change management and related communication, outreach activities, involvement of clients and process users. DG HR has ensured regular coordination between domain leaders in order to achieve overall consistency in implementing synergy and efficiency gains.

HR modernisation

Representing the biggest transformation in the last 20 years in the way HR services are delivered in the Commission, the HR modernisation project is one of the key components of the Communication on Synergies and Efficiencies in the Commission of 4 April 2016 (SEC(2016)170).

The proposed new model aims to apply HR policies and rules, more consistently and efficiently and to achieve a better balance between centralisation and business proximity, while maintaining the existing decision-making powers. Indeed, the DGs remain in the driving seat for key HR decisions such as recruitment, promotion and mobility. The new model is built around **three key roles**:

- Strategic — each DG has an **HR business correspondent** with a support team for strategic HR issues.
- Day-to-day management — 8 **Account Management Centre units** in DG HR provide day-to-day HR management for groups of DGs, implementing the priorities of the HR business correspondents.
- Expertise — DG HR acts as a **centre of expertise** offering a modern range of services.

HR Management Plan 2016

New service delivery model for the HR function tested and implemented



In 2016, DG HR, as domain leader for the HR modernisation project, moved quickly to test and implement the new model in line with the following sequence:

- **Pre-pilot** in DG HR in spring 2016, to begin testing the new roles of the HR Business Correspondent and the pilot-AMC unit. To prepare for the first-wave pilot, HR processes were reviewed in a series of 13 workshops with 400 participants from local HR to adapt them to the new model and to identify possible simplifications and automations.
- **First-wave pilot** from mid-July 2016, with a limited number of DGs putting their local HR staff at DG HR's disposal and each designating an HR Business Correspondent team for the duration of the pilot.
- **Second-wave pilot and full roll-out**, from mid-February 2017, which will bring on board the rest of the DGs into the pilot phase of the project with the full roll-out planned in the second half of 2017.

Launched in July 2016, the first pilot phase of the HR modernisation project involved the following DGs: COMM, DIGIT, EPSO, HOME, HR, IAS, JUST, and OIL, plus the cabinets, which were supported by DG HR's units R1, R2 and O2, and DG GROW for which a pre-pilot was launched. The pilot served to test and fine-tune the new delivery model and the HR processes and workflows involved.

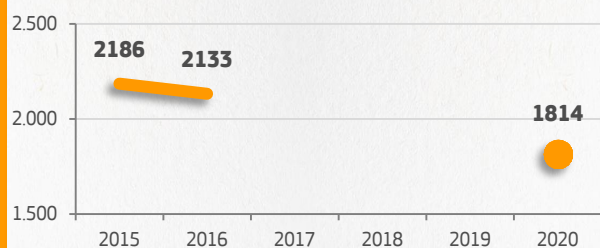
A call for expressions of interest launched at the end of June 2016 led to the selection of eight Account Management Centre (AMC) heads in time for the start of the second-wave pilot. A call for expressions of interest to staff the AMC was launched in October 2016. Candidates' preferences formed the basis for a large-scale matching exercise with AMC units and the results were communicated to the candidates in December.

In November, DGs not yet in the pilot also nominated their HR Business Correspondents and started preparing to join the second-wave pilot exercise in February 2017. The full roll-out is planned for the second half of 2017.

Strategic Plan 2016-2020 RESULTS INDICATOR

Priority allocation

Reduction of jobs in HR community



Behind the scenes, the preparation and roll-out of the various phases has involved considerable technical, analytical and logistical efforts led by the HR modernisation project team, which has worked in collaboration with the wider HR community with support from DG DIGIT and OIB for IT and logistics respectively. The **review of HR processes and definition of roles** that has been undertaken – and continues to be refined – was a crucial component in preparing for the first-wave pilot. The mapping and reviewing of the HR processes and procedures served to adapt workflows to the new model and identify possible simplifications and automations, so as to gain as much efficiency as possible. This was done in close collaboration with DG HR's policy units and through bringing them together in a series of HR process participatory workshops with the local HR staff in the DGs, who have practical implementing experience on the ground. As a result, over 150 HR processes were mapped and reviewed.

Another innovative factor that has contributed significantly to the project's increasing momentum was the focus on **communicating and explaining the changes** to those most affected – the local HR community. From the outset, getting their buy-in, engagement and support was essential in laying solid foundations to make the new model work. At the same time, broader communication efforts have also been undertaken, as part of the project's communication strategy.

The support of DG HR's internal consultants (HR B.3) was indispensable in designing and delivering all the participatory events.

Such communication and outreach also helped to overcome anxieties and scepticism and ensure the relative success of the call for expressions of interest in working in the eight new AMCs. In the autumn, staffing these AMCs was the main focus of activities in order to prepare for the second-wave pilot and subsequent roll-out. Each AMC will serve a cluster of DGs, with the exception of the unit in Ispra, which will serve only the JRC. The external relations DGs will be served by a dedicated AMC unit, so as to cater for their specific situation and needs when dealing with staff in EU delegations.

To **staff the new units and teams**, a call for expression of interest was open to staff currently working in the local HR community – mainly in local HR units in the DGs. The goal was to recruit around 450 staff to the AMC, as well as recruiting to HR around 30 staff from the JRC currently working on corporate HR issues. The vast majority of candidates were matched with posts. For some specific profiles (notably in finance) which were difficult to fill, a second call for expressions received a good response.

Knowledge management

When President Juncker took office, he promised to break down the silo mentality in the Commission. This needs a corporate approach to knowledge management and better collaboration inside the Commission. In 2016, the College adopted a **strategy on data, information and knowledge management**. The strategy introduces a broad range of technical, organisational and cultural measures to enhance knowledge management. It follows the principle that information should be as widely available as possible. DG HR has an important role in implementing the strategy, especially the cultural aspect.

HR Management Plan 2016

DG HR supports **collaborative working and knowledge sharing** in the Commission



DG HR is therefore preparing several measures which support **collaborative working and knowledge sharing** in the Commission. HR processes will be reviewed to support cultural change. For instance, staff appraisal forms will include aspects on collaborative working and the training offer for staff will be reviewed. DG HR will also support 'communities of practice', a measure known to improve knowledge sharing in organisations. Together with the network of knowledge management practitioners in the Commission, DG HR will propose the creation of a function or structure in each DG to support knowledge management.

One important condition for collaborative working is the availability of appropriate tools. DG HR is actively supporting the use of a powerful collaborative tool called 'Connected', which enables collaboration across organisational boundaries. It is being progressively rolled out to the entire Commission. DG HR ensures that training on how to use the tool is available and will support staff in using it.

Service-level agreements

DG HR provides other Commission DGs and other EU institutions, agencies and bodies with a growing number of HR services, including security, medical and training services and HR IT services (see the section below on SYSPER). To date about 100 HR service-level agreements (SLAs) have been signed with external clients covering a variety of HR services. DG HR has assessed the costs associated with the services it provides and prepared a revised set of service-level agreements along with a service catalogue listing its services, their prices and availability to current and potential users. This was carried out in line with the conditions laid down in the new Commission 'Guidance on the provisions of external services to EU institutions, agencies and bodies', planned to be adopted in early 2017. The new guidance document aims at achieving greater transparency, harmonisation and simplification of procedures through modernised and cost efficient HR services, while ensuring budgetary neutrality across the EU institutions



REPORT & EVALUATION

Strengthen sustained organisational performance through reporting and evaluation to increase the effectiveness of HR policies in achieving the Commission's objectives

Reporting and analytics

The **Commission Decision on HR reporting** issued in February 2015 created centralised reporting services and established a procedure for the controlled dissemination of HR data in the Commission, other EU institutions and executive agencies in line with the provisions on data protection.

There are three main ways to deliver information to the HR community and the other consumers.

First, the approximately 60 standard reports cover the main needs (appraisal, promotion and

certification, mobility, recruitment, organisational development, time management, budgetary follow-up, etc.). Among those, the HR dashboard, which is widely used by the Directorates-General, was fully revised and automated in 2016.

"If you can't measure it, you can't manage it"

The Commission **HR analytics platform** provides capacity for ad hoc analysis and interpretation of many figures available in the standard reports. The new version, updated in 2016, includes demographics, jobs, detailed information on time management, and outflows. It is also better structured, has an improved navigation and is more user-friendly.

Many requests are specific and cannot be or have not yet been automated. These include requests for information from citizens and templates for surveys.

Key reporting products include:

- the **HR Key Figures leaflet** issued at the beginning of the year, which provides headcounts in the usual areas such as nationality, type of contract, function group, site of employment, age and gender. The printed version is distributed to staff, line managers, new Commission staff, other EU institutions, visitors to the Commission, EU citizens and other interested parties. An electronic interactive version is available on MyIntraComm;
- the **statistical bulletin**, available on the Europa site and updated monthly. It provides more detailed statistics on Commission staff.

Staff Survey 2016

The Staff Survey is the biggest opportunity for colleagues to express their views about their work and the Commission as a workplace. The 2016 Survey, which was sent to all Commission and executive agency staff in June 2016, achieved a new **record response rate** of 51 % (63 % of statutory staff) with 20 686 responses.

The survey focused on six **main themes**:

1. Workplace
2. Well-being
3. Current job
4. Professional future
5. Middle management
6. Senior management

HR Management Plan 2016

Highest participation ever for the
Staff Survey 2016



Generally speaking, the Commission continues to be rated as a **good workplace** by staff, even in a challenging political and budgetary context. Results were broadly consistent with the previous survey, albeit with a slight decline in levels of staff commitment to the job or to the Commission.

Clarity of **understanding of purpose** continues to be rated highly by all categories of staff, and the Commission compares extremely well in this area against both public- and private-sector organisations. Staff are proud to work for the Commission and are willing to put in extra effort when required.

Compared with previous surveys, there have been improvements in some indicators related to workplace **well-being** (workload and work-life balance) and middle management indicators (sharing of work, motivation of team members).

However, there has been a drop in scores on some questions relating to **career prospects** (particularly for some categories of staff), involvement in decision-making processes and senior management (two-way communication, promotion of innovation and collaboration).

The results have been fed into central and local **action plans** designed to address the issues raised by staff. At central level, DG HR has analysed the results of the survey and fed the analysis into the design and modification of central policies. DG HR has also provided support to other DGs and services on interpreting the results, on data analysis, communication and the development of follow-up actions. DG HR also supported the activity of a number of focus groups, in order to deepen management's understanding of staff concerns and to collect suggestions for improvements. All DGs will draw up a local action plan based on their own survey results.



HR MANAGEMENT INFORMATION SYSTEMS

Strengthen sustained organisational performance through HR management information systems. The HR management information system (HRMIS) strategy was designed to invest in innovative projects and to improve the productivity of IT at lower costs.

The HR management information system (HRMIS) strategy for 2015, featuring further integration of HR processes through interoperable IT systems and services designed around users' needs, was extended to 2016. A new and updated HRMIS strategy for 2018-2020 will be prepared in 2017.

In 2016, 65 new projects were launched to enhance the performance of **SYSPER**, the Commission's main human resources management IT application, and various other IT systems and reporting services. New IT projects were prepared for implementation in 2017 and 2018. The new investments concern cross-domain improvements, such as an update of SYSPER's security plan, and investments targeting more specific HR processes including:

- HR modernisation** — In 2016 the new configuration, roles, jobs and related reporting facilities were implemented in SYSPER for the first account management centres and business correspondents. Support for the AMCs and business correspondents will continue in 2017 and 2018, including the embedding in SYSPER of the workflow of various HR processes. In addition, the development of a website for staff on HR matters started in 2016, involving a prototype design of the content pages, and will be completed in 2017.

HR Management Plan 2016


10 million invested in SYSPER and reporting services for cross-domain improvements


- Organisational development** — In 2016, the generic functions library in the job information system was revised to include a provision for other institutions. Moreover, new applications in SYSPER were being prepared, e.g. a facility to design and validate new organisation charts including staff moves. The development of these tools is scheduled for 2017 and 2018. In addition, three more local intranets were migrated to the central MyIntraComm platform in 2016. Work on replacing the 'Commission en Direct' internal magazine with a daily news feed on MyIntraComm will be pursued in 2017.
- Talent management strategy** — In 2016 the new learning management system 'EU Learn' was progressively phased in to replace Syslog. 2016 also saw completion of the application to manage differential allowances for officials temporarily occupying a post in a higher grade. In addition, the administrative workflows behind recruitment and mobility processes for permanent officials and other staff members were streamlined in 2016.
- Health and well-being** — The revamping of the time management application continued in 2016. As a result, the user interface was improved and time management data are more accurate and better integrated with data on staff careers. Moreover, other features started to be progressively added to the time management application, including rights at end of service, sick leave away from the place of employment and structural part-time.
- Legal affairs** — An application to manage ethics-related declarations on coming back to work after a period of personal leave was developed in SYSPER in 2016.
- Security** — The security of people, assets and information was improved in 2016 through a renewal of the public key infrastructure and the finalisation of a 'proof of concept' for the new version of the secured email application (SECEM) to be rolled out in 2017.

The **user interfaces** of SYSPER and the various training offers are under review. The aim is to improve the user experience of SYSPER in 2017 through streamlining and enhanced targeting of, for example, the user interface, e-learning modules, classroom training, SYSPER's help function, the service desk and business documentation.

HR Management Plan 2016

HR dashboard, widely used by the DGs, **fully revised and automated.**



Following the first analysis and impact assessment, discussions on providing SYSPER and related services to other institutions continued in 2016. DG HR has signed **SLAs** with the European Ombudsman, the General Secretariat of the Council and more than 20 decentralised agencies. DG HR, together with DG DIGIT, has also conducted a preliminary assessment of the needs and requirements received from the European Parliament. An interinstitutional SYSPER team was created within DG HR to take charge of running the SYSPER projects in the new institutions and agencies and provide high quality business services, with the involvement of other business units.



INTERNAL COMMUNICATION

Internal communication helps everyone working at the Commission to understand the organisation's mission and strategy and, as such, helps to build and maintain staff engagement

Synergies & efficiencies

DG HR assumed the role of domain leader for internal communication in the Commission, following the College's adoption of the Communication entitled 'Synergies and Efficiencies in the Commission — New Ways of Working'. Together with DG COMM, the domain leader for external communication, DG HR has put in place new joint governance bodies. The Corporate Communication Steering Committee met twice (in July and November 2016) and the communication network met four times (in July, September, November and December 2016). Several project teams were set up as part of the Communication Network, including on the communication of the results of the Staff Survey. Before the adoption of the Synergies and Efficiencies Communication in April, DG HR organised four meetings of the internal communication network.

*"The art of communication
is the language of leadership"*

Internal Communication Summit and Awards 2016

DG HR organised the Internal Communication Summit and Awards 2016. The event included training on agility in internal communication and the afternoon session was dedicated to senior management communication, including a presentation by an award-winning external guest speaker who shared her experience in introducing a novel approach to senior management communication with staff. The events were attended by Vice-President Georgieva, who distributed the awards. DG HR won the prize for best change communication.

Commission en Direct

The 'Commission en Direct' magazine continued to be published nine times per year in 2016, with a slight reduction in the print run in response to demand (from 39 500 per issue to 37 209 by the end of the year). It also continued to be made available in digital format. Publication of the monthly magazine (in print or digital formats) will end with the March 2017 edition. Work already started in 2016 on its replacement — a daily news feed under the 'Commission en Direct' brand to appear on a **redesigned MyIntraComm homepage**. It is expected to launch in spring 2017, offering daily news, features and videos for staff and pensioners.

HR Management Plan 2016



A new governance structure for internal communication, merging external and internal Communication networks under the leadership of a Corporate Communication Steering Committee.

MyIntraComm

2016 was dedicated to stabilising and consolidating the platform following the upgrade in 2015. Some 28 intranets were upgraded to take on the new visual identity, and a further three intranets (for the Legal Service, OLAF and FISMA) were migrated, bringing the total of intranets on the platform up to 35; five more migrations are ongoing, with completion expected for 2017.

The corporate 'Who is who' was launched on MyIntraComm in 2016 and will be improved throughout 2017. It will replace the 'Guide des Services' and the local modules used by DGs.

Work started on integrating 'Commission en Direct' into MyIntraComm. This includes a revamp of both the corporate homepage and the underlying content management system.

Work also began on the new **Staff Matters site**, which is the most popular section on MyIntraComm (around 25 000 monthly individual visitors). A new taxonomy, information architecture, and 'look and feel' were proposed based on extensive usability studies. Data mining scripts were prepared to improve the quality of the content, and work started on making the search function more efficient. The site will be launched in 2017.

Finally, several improvements were made to the features enabling staff to comment on MyIntraComm content (including tools for moderating comments). A new web analytics tool (PIWIK) was successfully tested on MyIntraComm, the intention being to launch it in early 2017.

My HR

The content of the My HR intranet was updated to inform staff of the changes brought about by the reorganisation of DG HR. In addition, all the units of the DG have reviewed and edited the presentation of their mission and main activities. Special focus was given to the future units of the Account Management Centre (O2, A2, R1 and R.2) during the launch of the AMC pilot phase.

A new version of My HR intranet was launched in November to offer an improved user experience to DG HR staff members. The website has a new design in line with the corporate visual identity and has been optimised to work on PCs, tablets and mobiles. The navigation has been revamped, with a new top menu and 'footer', and direct access to information news and services. The news corner now has some 'social media' style features, including the possibility to comment and 'like' articles. It is also possible to find related news or classify articles by topics relating to the Commission's HR priorities (such as fit@work, talent management, synergies and efficiencies). With the upgrade to a new document management and storage system, the general publication process and different sections of the site (events, video, presentation of directorates and units) have also been optimised.

Videos

Nearly 100 videos were published on MyIntraComm. These included 40 editions of the **College Minutes video** delivered by members of the College (First VP Timmermans, VP Georgieva, VP Katainen, VP Dombrovskis, VP Sefcovic and Commissioners Thyssen and Moscovici). DG HR also designed, filmed and edited seven videos for the 'Who We Are and What We Do' section of MyIntraComm. This was supplemented by 30 videos contributed by other DGs and executive agencies (DIGIT, BUDG, TRADE, AGRI, ERCEA, GROW, MARE, OIL, PMO, SCIC, SG, TAXUD). A further 13 videos were produced concerning HR policies and HR senior management messages to staff, and six additional videos were produced for VP Georgieva. In the spirit of pooling and sharing resources, DG HR worked with other DGs and services (including EAC and SCIC) to assist them with video production.

Social and collaborative tools

The range and use of **internal social media** expanded significantly in 2016, providing a range of opportunities for staff to express themselves and enabling management to measure the organisation's temperature and see the issues that are of most concern to colleagues. The revamped MyIntraComm launched in November 2015 gave greater prominence to the 'Have your Say' discussion forum and for the first time allowed commenting on news articles. The Commission's internal Yammer community comprises around 15 000 colleagues, with a further 15 000 stakeholders in contact with the Commission on external networks. Commission networks and communities of practice were invited to move to the Connected (Jive-based) collaborative platform following a decision to make it the primary tool for internal online collaborative working.

In July, Vice-President Kristalina Georgieva invited all staff to '**Speak Up**' on the EU, for example on issues that inspire pride or that might cause dissatisfaction, or on how to better deliver for and engage with citizens. Contributions could be submitted via email and via online social platforms (MyIntraComm, Yammer and Connected). The online discussion was followed up by a staff forum meeting in September 2016.



HR PROFESSIONALISATION AND CUSTOMER ORIENTATION

Building a foundation of essential HR knowledge, developing competencies of HR colleagues and aligning our standards with those of the profession

In 2016, hundreds of HR colleagues improved their capacity to deliver efficient and effective solutions by participating in **learning and development events**. These ranged from short 30-minute sessions of condensed HR knowledge (where 36 'HR pills', brief, focused training sessions, were delivered) to a two-day advanced course on HR forward planning. 70 colleagues were introduced to 'HR essentials' (the HR roles and processes) in eight HR introductory courses.

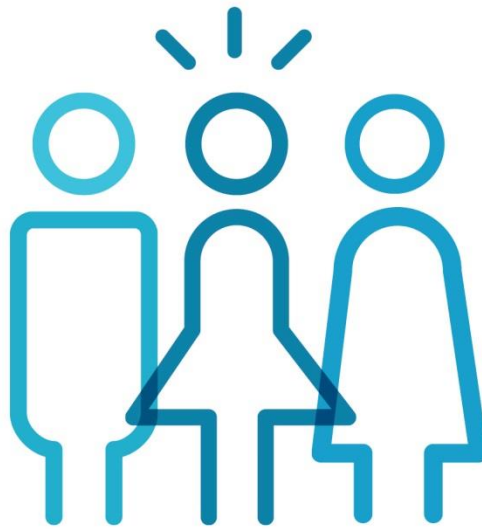
Given the ongoing changes in the HR community, special attention was given to the topic of **change management**. Five change management half-day courses were organised to introduce key change management models, so that staff could understand better the human reaction to change and reflect on their own role as agents of change. A new initiative addressing the topic of transition — 'the personal side of change' — was designed and three lunchtime sessions were delivered on this topic.

Collaboration and the exchange of good practices among HR staff across the Commission across the HR function were encouraged via three lunchtime additional discussions ('HR Matters Live') and one 'HR in practice' half-day course dedicated to well-being. The online database of HR good practices now hosts over 150 examples of HR initiatives and projects.

The **HR professionalisation programme** provides opportunities to keep up-to-date with developments and trends in the HR profession outside the Commission. It also contributes to cooperation on HR issues with other EU institutions, HR professional bodies, national administrations and international organisations. The external dimension is present in training courses and is a key feature of the biweekly HR Development News Flash, which continued to deliver tips, HR news and useful resources to an audience of over 700 HR colleagues. The section on HR careers featured different HR colleagues and their career paths.

The professionalisation team continued to manage a number of **knowledge-sharing** groups on Yammer and created similar spaces on the Connected collaborative platform, publishing training materials from learning events and other useful information.

DG HR provided **consultancy, advice and assistance** in the development and delivery of HR policy and initiatives such as DG HR's management pledge, the volunteering strategy and the new HR service delivery model. Workshops were delivered for corporate HR units on two important topics: customer orientation and the management of underperformance. Consultancy and short training sessions were delivered to managers and staff outside the HR community in DG AGRI, DG MARE, DG CNECT and EASME. The topics included people management, effective handovers, change management and service orientation.



talent

MANAGEMENT

the right person in the right place, at the right time

1.2. Our ability to deliver on Commission priorities and core business depends above all on the competencies and dedication of our staff.

DG HR intends to ensure the best possible match between staff competencies and service needs in order to have the right person, in the right job at the right time.

Talent Management has two specific objectives

II.1. Talent is recruited, assessed, developed, motivated, retained and deployed to best fit with political priorities

II.2. A talent management strategy that builds a knowledgeable, skilled, flexible, and networked staff at the service of Europe

Integrate talent management framework.

In 2016, the Commission endorsed its renewed talent management strategy structured around five pillars (promoting managerial excellence, better aligning recruitment and performance, fostering staff development, strengthening the collaborative corporate culture and clarifying career' expectations) and drawing on two transversal policies (staff mobility and diversity and inclusion).

HR Management Plan 2016

Integrate Talent Management Framework launched in July 2016



SELECTION, RECRUITMENT

Ensure the best possible match between Commission's needs and staff competencies. The Commission wants to recruit talented staff with the highest standards of ability, efficiency and integrity to continue building a diverse workforce.

To achieve this objective, the European Personnel Selection Office (EPSO) regularly organises competitions for officials and selection procedures for temporary and contract staff at the request of the Commission and other EU institutions.

*"We help you to find talent,
We help talent to find you"*

The names of successful candidates (laureates) are published on a reserve list. Directorates-General may then select the most suitable candidates for their vacancies, after considering internal candidates.

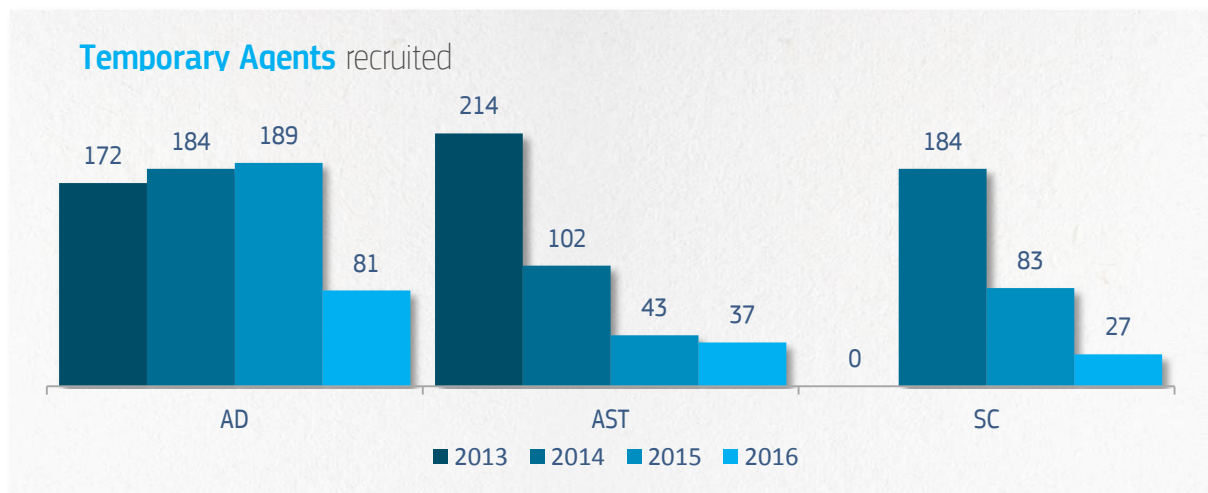
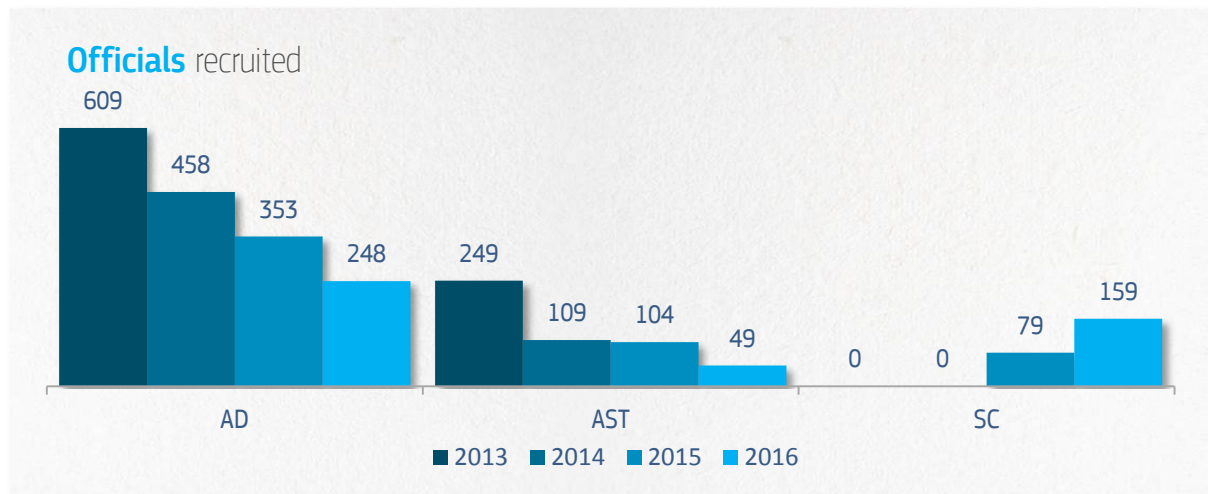
The institutions recruit staff from across the Member States on the basis of the highest standards of ability, efficiency and integrity.

Under Article 27 of the Staff Regulations, if an institution observes a significant imbalance between nationalities among its staff, it may adopt measures to address this. These measures must be justified and must never result in the use of recruitment criteria other than those based on merit. The Commission regularly monitors the geographical balance of its staff, e.g. by setting ad hoc targets for nationals from countries about to join the EU, most recently for Croatian nationals. In practice, however, Article 27 has never been invoked.

The competencies required for middle managers have been updated and further detailed. This competency framework will feed into the vacancy notices, which constitute the basis for the entire selection procedure. In addition, all candidates shortlisted by the pre-selection panel now have to attend an assessment centre. The aim is to assess the applicants' potential and managerial skills, adaptability and other core competencies, as a complementary element to be taken into consideration by the final selection panel. Finally, the revised middle management decision lowers the entry grade to middle management functions from AD 9 to AD 8, with two years in the grade.

Officials and temporary staff

In 2016, the Commission filled around 600 vacant posts with **newly recruited officials or temporary staff**. The number of officials recruited fell by 9 % compared with 2015. Furthermore, far fewer temporary staff were recruited in 2016 than in 2015, owing to strict budgetary constraints and the obligation to reduce the occupation of the establishment plan under Heading 5.



The majority of newly recruited officials belong to the AD function group (247 recruits), of which around 60 % were appointed at grade AD5 and the remainder mostly at AD7. In the AST function group, 48 people were recruited, all at grade AST 3, while in the AST/SC function group (157 recruits) most people were recruited at grade SC1.

In addition to the new recruits, 58 officials were transferred from other EU institutions to fill vacant posts in the Commission.

Though most senior management vacancies are filled internally, the Commission regularly publishes a number of **senior management jobs** externally. Three external appointments were made in this way in 2016 – one at Deputy Director-General level and two at Director level or equivalent.

In 2016, the Commission also signed 56 special adviser contracts to provide Commissioners with specialist advice. All contracts are for a fixed period, usually one year.

Open competitions and management of reserve lists

Following judgments of the General Court in 2015, the management board of EPSO decided in February 2016 to set up an interinstitutional working group on languages. It also decided that, pending the conclusions of this working group, the AD5 generalist competition should be put on hold.

In September 2016, the management board endorsed the final report of the working group, including recommendations on the different types of language regimes to be adopted according to the competitions (linguistic, generalist, specialist). For generalist competitions, a new competition procedure was developed and will be applied from 2017.

In the first half of 2016, several specialist competitions were launched that had previously been put on hold owing to the 2015 judgment on the use of languages in staff selection procedures (cases T-124/13 and T-191/13 Italy and Spain versus Commission).

These competitions were for:

- AD7 auditors for the Internal Audit Service (IAS);
- AD7/AD9 investigators for the Anti-Fraud Office (OLAF);
- AST 1 assistants for the Directorate-General for Translation (DGT); and
- AST 3 conference technicians for the Directorate-General for Interpretation (SCIC).

A second wave of AD7 specialist competitions was launched in November: one in the field of nuclear energy and the other in the field of information and communication technology.

To comply with the addition of a new official language — Irish — as laid down in Council Regulation (EU, Euratom) 2015/2264 of 3 December 2015, additional posts were granted to enable the gradual phasing-in of the Irish language by the end of 2021. Consequently, a first round of translator competitions for citizens with Irish as a main language was launched in July 2016, together with four other languages (Danish, Croatian, Lithuanian and Maltese).

Reserve lists for **specialised roles** were published for AD7 officials in the field of development and foreign affairs, and for AD1 1 physicians). Six reserve lists for translators (Finnish, Hungarian, Latvian, Polish, Portuguese and Slovakian) were also published in 2016.

As part of the Directorate-General for Human Resource's (DG HR) new talent management strategy, the Commission launched three **internal competitions** (AST/SC2, AST 2 and AD6) in February 2016. For the first time, these were also open to contract agents. The number of laureates sought was 35, 20 and 30, respectively. The reserve lists were published in November 2016. Furthermore, as part of the strategy, DG HR improved the **monitoring** of competitions by analysing variables such as nationality, age, gender and the profiles of laureates.

At the end of 2016, EPSO launched a more **responsive website** with a new and clearer information architecture, new layout and interactive job search tool. The EU Careers website is currently available in 24 languages.

Throughout 2016, EPSO continued to make use of its **social media** channels as a cost-effective and targeted way of reaching key audiences, including via its EU Careers Staff Ambassadors who regularly blog about living and working in the EU. In 2016, the number of followers and subscribers on EU Careers social media platforms increased significantly.

Over the last six years, EPSO has developed a **network of student ambassadors**. In September 2016, EPSO organised a training weekend for the largest group of student ambassadors since the network was set up. As part of its external communications strategy, EPSO also maintains an active presence through targeted participation in career events, fairs, seminars and by giving presentations.

Contract staff and other persons

The Commission recruited over 1 300 contract agents in 2016. Almost 90 % of the contract agents were recruited for a fixed period (AC3 b) and the remainder were recruited with the possibility to obtain an indefinite duration contract (AC3 a).

In 2016, work and discussions continued regarding the revision of the **General Implementing Provisions** for contract staff.

The new General Implementing Provisions, which are expected to be adopted in 2017 provide for:

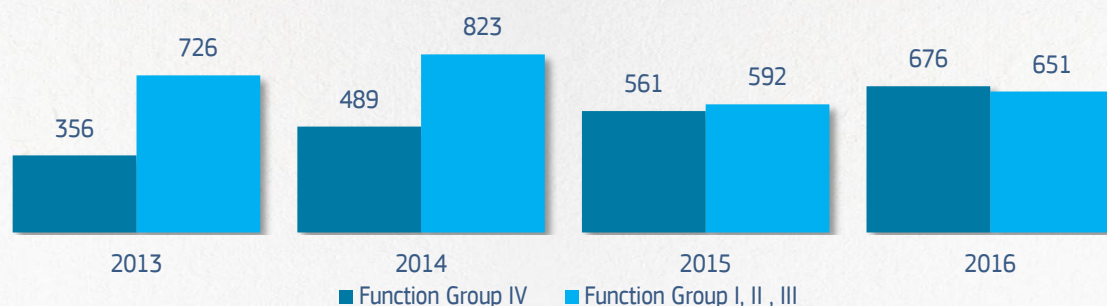
- a simplified and quicker selection procedure using a permanent database of contract staff (Permanent CAST);
- new career opportunities for the most talented contract staff;
- greater mobility of contract staff within the Commission and executive agencies;
- recognition of specific positions in the EU delegations.
- throughout 2016, the Commission continued to work with EPSO and the other institutions on a new permanent **selection facility** for contract staff, geared towards ensuring the timely availability of suitable candidates;
- the new system will provide for an open-ended call for expression of interest. Due to the judgment of the General Court in 2015 (cases T-124/13 and T-191/13 Italy and Spain versus Commission) on the use of languages in staff selection procedures, the **roll-out of the new system** was postponed until early 2017.

HR Management Plan 2016

Revision of **Implementing rules for Contract Agents** in progress

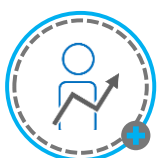


Contract Staff engaged



Streamlining the recruitment process

Cooperation with EPSO continued in 2016 on further testing the **alignment of the eligibility checks** on laureates carried out by EPSO with those performed by the Commission. EPSO has been provided with the tools used by DG HR and cooperation continues on integrating the digitisation of candidates' documents with the Commission's system for digitising personal data. In parallel, the electronic workflow for recruiting contract staff and hiring staff through a temping agency was improved.



PERFORMANCE MANAGEMENT

Ensure the best possible match between staff competencies and Commission's needs. The Commission wants to continue appraising staff and promoting staff after an objective comparison of merits and to enhance performance management.

During the appraisal exercise, direct line managers assessed the performance of around 25 000 officials, temporary staff and contract staff. Subsequently the promotion exercise for

"Everyone can make a difference"

officials and the reclassification exercise for contract agents with a contract of indefinite duration was launched. Each DG proposed certain staff members for promotion or reclassification after senior managers' assessment of the respective merits of job holders within the same grade on the basis of the relevant criteria (appraisal reports, language skills and responsibilities).

Following consultations with staff representatives, lists of officials proposed for promotion or reclassification were published at DG level. The list of officials proposed was then sent to the Commission-level Joint Promotion Committee and the list of contract staff proposed was sent to the Reclassification Committees, together with the appeals. The **rate of appeals** against the decision not to propose for promotion or reclassification remained stable for officials (9.1 %) and contract staff (9.5 %). The committees submitted recommendations to the relevant appointing authority, after carrying out a final comparison of merits (see also Annex V, Career management).

The annual appraisal enables the reporting officer and the senior manager to identify the prospects for **senior officials' further development**. The round of appraisals for the 2015 reporting year, involving just over 300 senior managers, began in May 2016. By the end of 2016, almost all of the reports had been finalised with the remainder set to be finalised in early 2017.

From the 2017 appraisal exercise onwards, in addition to general performance, reporting officers will be invited to put a **special emphasis on managerial performance**. This will apply to all staff exercising managerial duties, independently of the function they occupy. Moreover the appraisal reports of middle managers will contain a conclusion on whether their managerial performance has been satisfactory. The respective implementing guidelines have been adapted accordingly (C(2016)7270). An evaluation of managerial performance as unsatisfactory is primarily meant to raise awareness of potential issues and trigger a development plan to support the jobholder concerned, but could, under certain circumstances ultimately lead to reassignment to a non-management function.

The **judgments of the Civil Service Tribunal** in 2016 (see also Annex VII: Case-law) confirmed the *Silvan versus Commission* case which upheld in 2015 the validity of the Commission's appraisal and promotion system. The Civil Service Tribunal judged that the measures put in place by the Commission (such as training and guidelines for assessors, common assessment standards, participation in each DG of various people at different levels of responsibility) ensure an objective comparison of merits between all officials eligible for promotion.

To improve the **management of underperformance**, as set out in the talent management strategy, a performance management team continued providing support for managers and HR staff and coordinating intervention in complex situations.

In line with the amendment of Article 51 of the Staff Regulations in 2014, the Commission drafted an update of its rules on dealing with poor performance. In 2016, the Commission also prepared a best practice guide entitled 'How to tackle staff underperformance', covering managerial and legal issues.

HR Management Plan 2016

Draft policy on the **management of unsatisfactory performance**.



LEARNING AND DEVELOPMENT

Ensure the best possible match between staff competencies and Commission's needs. Offer staff a wide range of learning and development possibilities that will help them to build their competencies to achieve their goals effectively.

The talent management strategy launched in June 2016 aims to enable the best possible match between staff skills, staff ambitions and the Commission's needs in order to have 'the right person in the right place at the right time'.

The learning and development strategy adopted in June 2016 is one of the major pillars of the talent

"Never stop learning"

management strategy. It paves the way for the further diversification of learning pathways, addressing learning at and through work, from experience, exchanges with colleagues, knowledge-sharing and through training courses.

It also focuses on developing managers who are key enablers for learning and performance in the organisation.

Different providers - one aim

Corporate learning and development units (in DG HR, the Directorate-General for Budget (DG BUDG), the Secretariat-General (SG) and the European School of Administration (EUSA) offer staff in all EU institutions and agencies learning opportunities.

The services they provide cover the organisation of learning events in:

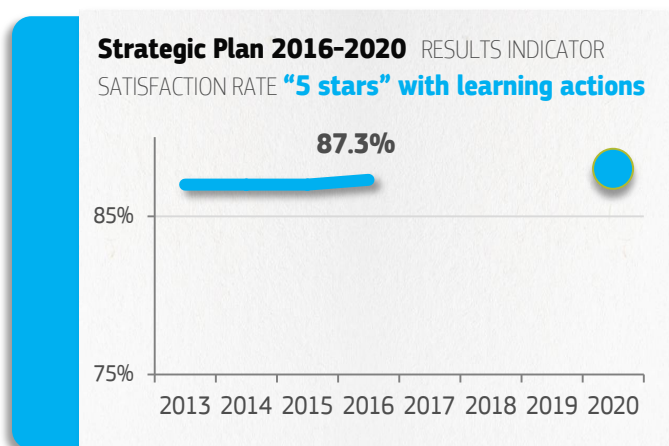
- **skills** relevant for all staff (analysis and problem-solving, communication, delivering quality and results, learning and development, prioritising and organising, resilience, working with others and leadership), specific professional skills, financial and budgetary management, decision-making and internal procedures, career management and management training;
- **IT skills** for end-users and IT specialists, to help staff keep up with the ever-changing tools and applications they need to be familiar with;
- **language skills** – language courses in 28 languages are offered at various levels. Although new and more flexible learning methods such as e-learning and blended learning are increasingly popular, classroom-based learning remains the most common option for languages, with around 9 700 participants in Brussels (7 700 from the Commission; 2 000 from other EU institutions, bodies and agencies) and around 2 140 participants in Luxembourg (850 from the Commission; 1 290 from other EU institutions, bodies and agencies) with a total of 11 840 persons trained in 2016 for across both locations. Since 2015, English, French and German have been offered to proficient-speaker level (C2) to help staff communicate even more effectively. These courses are growing in popularity.

The Commission's 2016 **annual budget** allocation for general staff training was almost €11.9 million, of which €4.8 million was managed by the individual Directorates-General (DGs). This enabled them to offer events on specific policy areas, tailored learning activities or organisational development activities for their managers and teams.

The IT training budget was €2.2 million and the language training budget was €3 million. The EUSA had a budget of €2.95 million for training in all institutions on management, certification and for training newcomers.

Participants in language courses had an overall success rate of around 93 % in final exams. These sessions were supplemented by a variety of tools and activities, for example moderated online learning groups, e-books, online manuals and other resources.

In 2016, new **framework contracts** for general and language training were awarded to cover the changing needs of all institutions and agencies. Following the conclusion of new interinstitutional contracts for management and leadership development, the EUSA rolled out a new offer in this area which included far more blended learning options, ensuring that the changing needs of the institutions, including the Commission's talent management initiatives, continued to be met. Building on the success – and positive results – of its pilot impact assessment scheme, the EUSA extended the



scheme to all of its skills-based training programmes.

A redesigned **senior management development programme** was rolled out in 2016. Based on feedback from previous participants in the programme, initially launched in 2012, the current version offers even more focused, practical and individualised support for new senior managers.

Participants receive feedback from human resources experts and benefit from a tailor-made programme of personal development and individual coaching.

In parallel to the senior management development programme, DG HR developed a **structured 360° feedback** mechanism for all senior managers. This feedback mechanism is intended to provide these managers with an overview of their leadership capabilities, comparing their self-image with the portrait that emerges from the observations of a variety of people working with, for, above and around them.

The feedback is collected anonymously through an online survey which contains a series of statements based on the senior management's competency profile. As such, the feedback mechanism helps identify both strengths and development needs and provides a link between the assessment centre at selection and the senior management development programme offered when taking up the job as senior manager.

A pilot 360° feedback exercise was launched in the final quarter of 2016, with a second-wave pilot scheduled for early 2017. When running at full capacity, every senior manager will participate in the 360° feedback mechanism once every three years with around 100 senior managers participating every year.

In the beginning of 2016, the Commission launched a tender for a new **development programme for middle managers**. It targets first-time middle managers, managers with unsatisfactory managerial performance, and staff with the potential to grow in managerial functions.

Learning in different ways

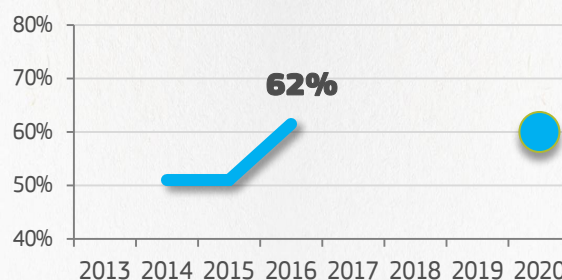
Learning and development is not limited to learning events or classroom courses, it takes many different forms. A selection of other development activities and 2016 highlights is included below.

Under the EU Fellowship Programme managed by DG HR, nine high-level Commission officials, one from EEAS and two from EP, were sent as fellows to top world universities for a semester or a year, to represent the EU and for their own development. They worked on research projects of EU interest.

The Member States Information Programme gave 144 Commission staff a chance to visit and better understand the economy and politics of one of six Member States, China or Norway and enabled them to strengthen links with their national counterparts in their chosen country.

The EUSA organised three sessions of Erasmus for Public Administration, a two-week training programme in Brussels, Luxembourg and Strasbourg. This enabled 131 young civil servants from 25 Member States to improve their knowledge of the institutions and establish mutually beneficial contacts. As usual, additional places were allocated for Member States that will take up the rotating presidency in the near future. Moreover, several civil

Strategic Plan 2016-2020 RESULTS INDICATOR SATISFACTION OF STAFF WITH **Learning & Development** Staff Survey data



HR Management Plan 2016

PILOT **360°/180° feedback for managers**



servants from the Member States took part in some of the EUSA's training courses as a way of exchanging experience and good practice.

Internal consultants and coaches continued to help teams across the Commission to work together more effectively. The team of internal consultants offered more than 200 colleagues training on participatory practices (participatory leadership, working towards results, process consulting), supported large stakeholder and strategy setting events in many DGs and particularly the HR modernisation process across Commission services. The central coaching service launched the first internal coaching network in the Commission with a view to setting professional and ethical coaching standards in the institution. It also supported the first ever middle management rotation exercise by providing coaching support.

A central learning portal supports both formal and informal learning. Curated resources are already available for 29 subjects and for 28 languages at any time in various formats, including books, videos, tips and tricks, quizzes, e-learning and blended learning courses. The number of subjects is growing and resources are regularly updated.

The Learning Centres in Brussels and Luxembourg house a wide variety of learning support tools (books, audiobooks, DVDs, CDs) for use by all EU staff. These are closely linked to the learning portal's subjects, and new titles are regularly added to complement other learning formats.

EU Learn, the new learning management system, brings together all learning formats and resources in one central place. From now on, staff can curate their own personal learning programme and access any resources using digital devices, based on recommendations from the system based on the individual's job and profile.

HR Management Plan 2016

EU Learn – The New Learning Management Information System



To encourage staff to get to know the Commission even better and to connect with colleagues from other DGs, two corporate initiatives were implemented:

- an eight-day EC induction seminar providing newcomers with extensive information on the Commission's history, values, working methods and political priorities, with a focus on working together across DGs and a shared corporate culture;
- a cross-DG mentoring scheme for newly recruited officials, which connects them with a mentor from a different DG.

Managerial excellence

The Commission's new talent management strategy puts a special focus on managerial excellence, acknowledging the essential role that managers play in delivering on the political priorities through their teams. As far as middle managers are concerned, in June 2016 College adopted a revised decision (C(2016)3288) which constitutes the basis for a new middle management policy focusing on effective and mobile management. In this line, managers need not only to have a very good knowledge of their subject areas, but they should also be outstanding in managing work and people. They should also move around the organisation to be better equipped to handle complex, multidimensional and Commission-wide challenges. In addition, the Commission is striving for a diverse management population, notably in terms of gender balance, and has put in place different measures to move towards that objective. As set out in this section, the new middle management policy feeds into a range of HR measures, including selection, performance management and learning and development.

The new middle management policy, based on the revised Decision on middle management staff (C(2016)3288), is centred around effective and mobile management.

In line with the greater emphasis on managerial excellence and achieving **effective management**:

- assessment centres have been introduced for all candidates shortlisted in middle management selection procedures;
- candidates at grade AD 8 with two years in the grade are now eligible for head of unit positions;
- the skills expected of middle managers have been updated – the new skills will be included in the selection criteria for middle managers and training programmes for this group.

From the 2017 appraisal exercise onwards, in addition to looking at general performance, reporting officers will be invited to put a special emphasis on managerial performance. This will apply to all staff with managerial responsibilities, irrespective of their specific role.

Moreover, middle managers' appraisal reports will contain a conclusion on whether their managerial performance has been satisfactory. The respective General Implementing Provisions have been amended accordingly (C(2016)7270).

An 'unsatisfactory' evaluation is primarily intended to raise awareness of potential issues, but could, under certain circumstances, lead to a reassignment to a non-managerial role.



CAREER MANAGEMENT AND MOBILITY

Ensure the best possible match between staff competencies and Commission's needs. The Commission aims at clear career perspectives for staff and making mobility a central element of its strategy to help staff develop in their career through successive jobs.

The Commission helps its staff to progress within the institution throughout their careers. During the course of their time at the Commission, officials will typically hold a number of different posts, of a varying nature

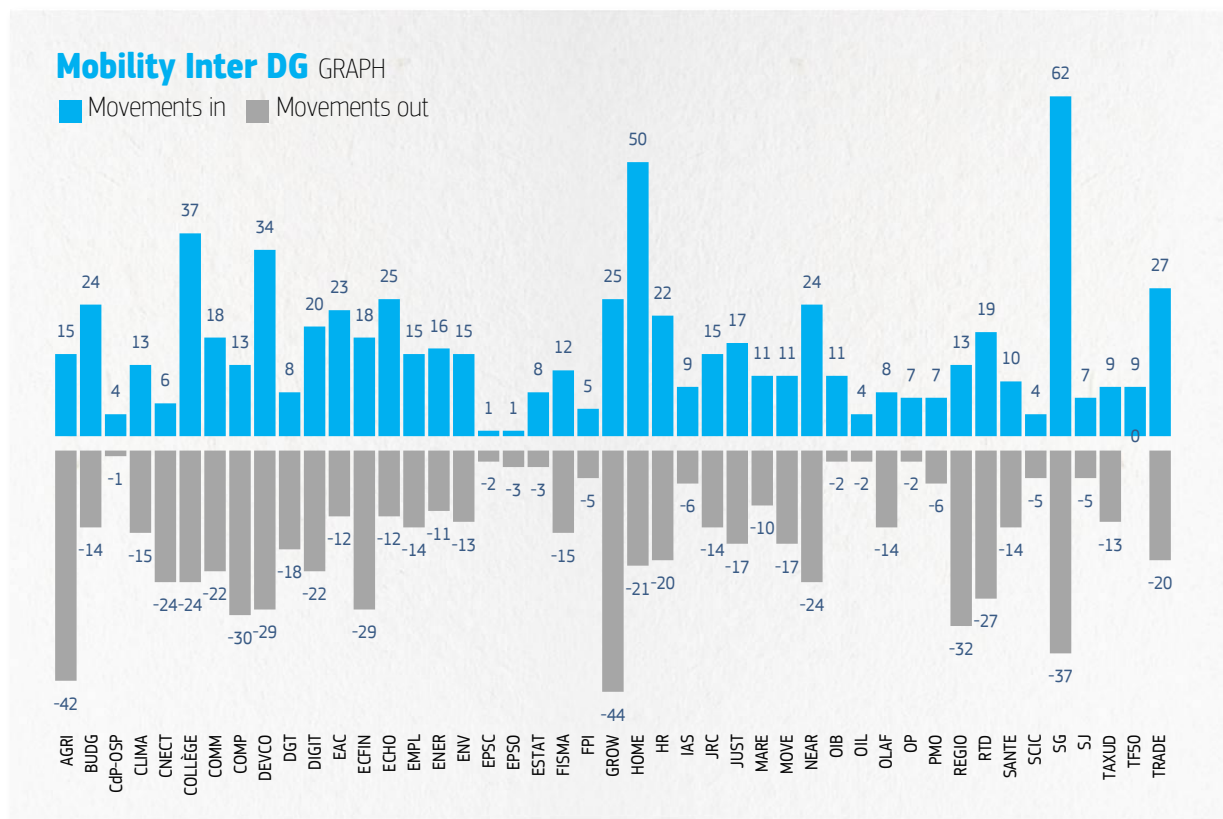
and with varying levels of responsibility. Effective management of the rich internal talent pool is particularly important at a time when staff numbers are being reduced and budgetary constraints continue to be imposed.

*"We help you to find talent,
We help talent to find you"*

Internal mobility

The Commission encourages internal mobility among officials. This makes the institution as a whole better able to adapt to changing circumstances and also helps to ensure that staff benefit from an interesting and challenging working environment.

In 2016, as in previous years, thousands of officials moved to new posts within the institution, including in different DGs. Internal candidates are often recruited via a selection procedure, after internal publication of a job vacancy. The implementation of the talent management strategy launched by Vice-President Georgieva in June 2016 will provide staff with more opportunities to benefit from **mobility within the Commission**. The strategy includes giving more proactive career guidance to DGs to support mobility, assistance in shifting staff to priority areas, organising events to improve knowledge of the work in carried out in other DGs, regular structured discussions on career development, in particular through job shadowing. To that end, guidelines on job shadowing were introduced at the end of 2016.



As part of the roll-out of the talent management strategy, the **first corporate Career Day** took place in November 2016 for colleagues from the Commission and Executive Agencies in Brussels and Luxembourg. More than 1000 staff participated in this event. The objective was to help staff to manage their careers more effectively as mobility and career development are of crucial importance for everyone. More than 100 colleagues from 26 DGs and all 6 executive agencies (as well as other institutions in Luxembourg) participated actively in the day as panellists, speakers or hosting their Directorate-General's/Agency's stands. In Brussels there were 35 panels and workshops (and 110 one-to-one career and executive coaching, digital network sessions as well as mock interviews offered by the Central Career Guidance Service and 26 local career counsellors). Luxembourg organised 14 workshops, panels and numerous coaching sessions.

In 2016, the **Central Career Guidance Service** (SCOP) provided career coaching to 557 members of staff who contacted the service for the first time. Satisfaction surveys show that over 90 % of staff who used SCOP felt listened to, rated the coaching as good and would recommend it to others. As in previous years, training sessions and workshops were also offered to career guidance professionals working in the DGs. To recognise the skills gained, SCOP awarded 25 certificates to staff who completed this professional training in 2016.

During the year SCOP was involved in several career-related actions identified in the talent management strategy. A special call for expressions of interest was organised and SCOP managed 381 applications to help AD staff to move between specific DGs. At the end of this process, 44 staff members successfully moved to a new job in another DG.

HR Management Plan 2016

Tools & processes to foster staff mobility



Special support was provided to middle managers who faced mandatory mobility according under the new middle management decision approved in the spring.

In connection with the HR modernisation, SCOP provided advice and support to staff in local HR units in deciding whether or not to apply for posts in the AMC). Staff members who were not selected for an AMC will be given additional help to find a new post in a DG.

Since 2014, there has been a stronger link between officials' careers and their level of responsibility. Commission officials can access the last two grades of non-management AD (AD 13-14) and AST (AST 10-11) careers by moving to **Senior Expert or Senior Assistant roles**, which are associated with a higher level of responsibility and require expertise. DG HR has reviewed all job descriptions and vacancy notices, and since 2014:

- 609 AD officials have moved to Senior Expert posts — in 370 cases this involved promotion from AD12 to AD13, and in 239 cases staff already in the grades AD13 and AD14 were appointed to Senior Expert posts; and
- 212 AST officials have moved to Senior Assistant posts — in 194 cases this involved promotion from AST9 to AST10, and in 18 cases staff already in the grades AST10 and AST11 were appointed to Senior Assistant posts.

The **certification procedure** is an example of the success of Commission policy in encouraging talented AST officials to progress in their careers. The 12th annual certification procedure was launched in September 2016. A pre-selection process is used to identify the best potential candidates, who are then invited to an interview with a central panel. In line with the talent management strategy, the number of candidates selected to take part in the certification training for the certification and exams has increased from 50 to 60 compared with previous years. Since 2005, over 740 qualified AST officials were appointed to AD jobs under this procedure (see also Annex V: Career management).

Internal mobility for managers

The Commission invites its senior officials to **take stock of their professional development** at certain points in their career. They are usually expected to hold a given post for two to five years. In line with this mobility policy, Over and above this round of transfers, 55 senior officials moved jobs in 2016, 18 to another Directorate-General.

In 2016, the Commission published 62 senior management vacancies that were open to Commission staff and, in some cases, staff from other institutions and outside applicants. The **selection procedure** for senior managers

involves the recruiting DG, Commissioners and their cabinets, DG HR and the Consultative Committee on Appointments (CCA). The CCA held 41 meetings in 2016, dealing with 79 selection procedures, interviewed 195 candidates to assess their general management skills and presented Commissioners with a shortlist of candidates. In the case of four selection procedures, the CCA came to the conclusion that no candidates should be shortlisted.

The Commission **appointed 59 senior managers** (4 to a function of Director-General, 17 to a Deputy Director-General function and 38 to a Director or Principal Adviser function).

The new middle management policy has **strengthened the mobility provisions** so as to allow middle managers to move across different functions and services in order to gain different perspectives and to reinforce the Commission's corporate identity. Middle managers should serve a minimum of two years and a maximum of five years in the same function. If justified, this period may be extended by another two years.

In addition, irrespective of the number of functions exercised, middle managers can no longer serve for more than 10 years in the same DG unless they are 62 years or older. In order to facilitate the inter-DG mobility of middle managers, DG HR organised the first **inter-DG mobility** exercise together with the 33 participating DGs. As a result, 94 middle managers have moved to a new middle management function in another DG.

HR Management Plan 2016

Manager mobility framework



Together with transfers outside the mobility exercise, 120 middle managers have been reassigned to another middle management function in another DG in 2016 corresponding to 11% of the Commission's middle management population. These figures signify more than a five-fold increase compared to the previous year.

External mobility

Temporary postings of Commission officials to organisations outside the institution are of benefit both to the Commission and to the host organisations, and also contribute to the professional development of officials.

A small number of Commission **officials are currently seconded to Member States' civil services** and to international organisations.

These secondments enable the Commission to build the networks it needs, promote the exchange of knowledge and information and increase mutual understanding of legislative frameworks, procedures and the policies of the Commission and of the Member States, and ultimately brings the EU administration closer to the citizens.

The Commission has long experience of hosting **seconded national experts** (SNEs) from the Member States. Around 900 SNEs provide the Commission with expertise and help consolidate relations with the Member States. There are also benefits for national governments. Staff who have worked as SNEs take home in-depth knowledge of the EU institutions and policies.

Termination of service

In 2016, over 660 Commission officials retired, a 20 % increase on the previous year. In line with the trend in several Member States to raise the pension age, the standard retirement age for Commission staff recruited from 2014 onwards was increased to 66.

In parallel, staff were given **the option of retiring later**, up to the age of 70. In 2016, around 70 officials lodged a request to carry on working beyond the normal retirement age, the majority of which were considered justified in the interests of the service. In addition, around 130 officials left the Commission to join another EU institution.



DIVERSITY

The Diversity and Inclusion Strategy

The Commission continued its efforts to improve its attractiveness as an employer valuing diversity and inclusion. A communication on diversity and inclusion was prepared, setting out the main actions in line with the following priorities:

- The Commission remains committed to achieve the ambitious target of 40 % women in management. The progression is still positively ongoing; from 30% in 2014 to 34% in 2017 (as shown in the figure below). Currently, the figures are at 32 % in senior management and 35 % in middle management.
- The Commission is further committed to live up to the standards of the United Nations Convention on the rights of Persons with Disabilities, and is engaged in a stock-taking exercise as a basis for more concrete actions where warranted.
- Flexible and results-based working is a key element in attracting and retaining talented staff. The Commission has extended part-time and teleworking possibilities and will be monitoring their use by its staff.

From an average of 27 % at the beginning of the mandate, women occupied in 2017, 31 % of all senior management functions. The largest progression has been made at the level of the top management functions (Director-General / Deputy Director-General) where their share went from 13 % in November 2014 to 29 % at the end of 2016. Female representation at middle management level stood at 34 % by the end of December 2016.

The first annual progress report on gender representation was endorsed by the Commission in July 2016. Additional measures regarding the selection procedures were also adopted. In particular, the portfolio Commissioner needs to be systematically informed on the impact of a proposed appointment on the Directorate-General's prospect to meet its individual representation target. The Directors-General may also be prevented from filling vacant middle management posts if no tangible progress has been made. Targeted communication messages were conveyed to Commissioners if their respective Directorates-General were lagging behind in terms of female representation.

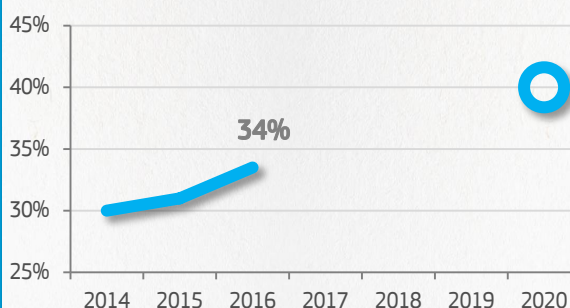
HR Management Plan 2016

DRAFT **Communication on diversity & inclusion**

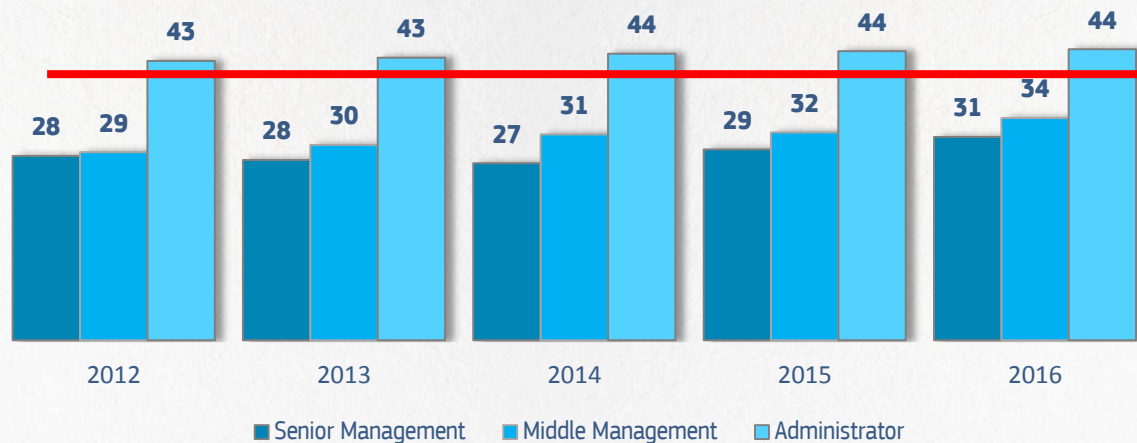


*"Diversity
Key driver for performance"*

Strategic Plan 2016-2020 RESULTS INDICATOR % of women IN SENIOR AND MIDDLE MANAGEMENT



Female representation

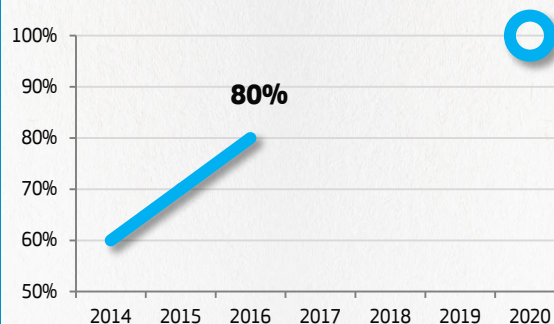


Croatian nationals

The Commission also continued its commitment to fill the number of senior management functions reserved to Croatian nationals as part of the enlargement by appointing a new Deputy Director-General in DG MOVE.

Strategic Plan 2016-2020 RESULTS INDICATOR

SUCCESSFUL RECRUITMENT OF **Croatian citizens**
(as % of the recruiting target)





AN INCLUSIVE TALENT MANAGEMENT THAT ATTRACTS AND RETAINS DIVERSE TALENT INCLUDING ATTAINING THE TARGET
OF 40% OF FEMALE SENIOR AND MIDDLE MANAGERS



Fit@work

HEALTHY PEOPLE, HEALTHY ORGANISATION

1.3. The fit@work programme aims to keep staff fit and well in a healthy work environment which respects and seeks to accommodate their needs.

The Commission's social impact will be developed through the encouragement of volunteering.

We will aim to reduce our environmental impact by improving our environmental performance.

fit@work has two specific objectives:

III.1. Staff work in a safe and attracting working environment

III.2. An organisation respectful of its environmental impact and its social responsibility



fit@work

Keep staff fit and healthy at work, in ways that respect and accommodate the needs of individual members of staff as far as possible, enabling them to thrive throughout their careers.

The Fit@work programme launched in 2015 has two aspects: health and social well-being.

Health encompasses both physical and mental health on the one hand and physical activities on the other. Preparatory work was carried out in 2016 on a strategy to raise awareness, develop resilience and improve the mental and physical health of Commission staff. The aim is to make full use of the medical knowledge we already have in the Commission to encourage prevention and help staff make better-informed choices about their lifestyles. This part of the programme also includes measures to reduce illness-related absenteeism.

HR Management Plan 2016

**Commission health and wellbeing
policy** 2017-2020



Social well-being implies promoting a safe and pleasant work environment, decent working conditions and a better work-life balance. Achieving conditions conducive to social well-being implies addressing individual relationships between management and staff and among colleagues. The programme supports managers through guidelines and training on how to deal positively with people management situations that present challenges. It also covers a range of measures designed to ensure that staff are well integrated, both professionally and socially, throughout their careers. These include support for their families.

Fit@work has been promoted across all Commission sites. In 2016 the focus was primarily on giving **greater visibility** to the existing wide range of health and social well-being measures, while also laying the foundations for new or more extensive ones to be developed and implemented between 2017 and 2020. Staff perceptions of the programme were measured through an awareness survey conducted in the spring of 2016 and the usual staff satisfaction survey held in October 2016. The findings provide a starting point for systematic evaluation of the fit@work programme in future years.

The fit@work strategy is currently being revamped and will be given a new **governance structure**. The structural coordination of the programme's various aspects needs improvement, in line with the reorganisation of HR services in the Commission's DGs (the HR modernisation project). A working document setting out guidelines on how to organise fit@work activities at DG level came out in July 2016.



PHYSICAL HEALTH

Promote health and prevent disease. Support staff in healthy lifestyle choices. Provide simple, practical tools to improve resilience in physical health. Encourage staff to view physical health as a mainstream concern, taking an open and proactive attitude based on prevention.

The Medical Service is present in Brussels, Luxembourg and Ispra. Services are also provided to DG JRC sites in Seville, Geel, Petten and Karlsruhe to agencies and other institutions and international bodies.

Regular medical examinations are an important **preventive and diagnostic tool**. They help identify problems early, when there is a better chance of a positive outcome to treatment. They also give staff an opportunity to discuss healthy lifestyle choices.

"We should create healthy habits not restrictions"

In 2016, the medical services conducted standard medical examinations in Brussels, Luxembourg and Ispra. Risk groups and specific health risk profiles were targeted. Pre-recruitment medical examinations were also performed:

HR Management Plan 2016

New medical prevention policy



DG HR drafted a **new medical prevention policy** covering all medical prevention activities to enhance staff health, which will be finalised in 2017.

Raising awareness of risks and healthy lifestyle choices is another of the Medical Service's key activities. Initiatives in 2016 included talks on diabetes prevention and on how to cope with a medical emergency in a traumatic situation, plus a large number of ergonomics checks in individual offices.

Checks on absences conducted by the Medical Service

At the end of 2014, responsibility for supervising the verification sector of all Medical Service sites was assigned to DG HR's Medical Adviser. As a result of this change, procedures on all sites are now more standardised.

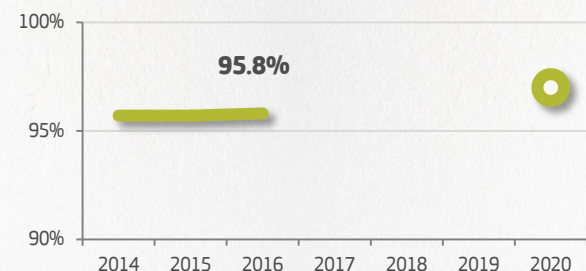
The number of medical certificates processed by the sector responsible for checks on absences in 2016 was 60291. 3238 medical checks on absences were conducted in total at the 3 Medical service Sites and 653 at home or in external doctors' surgeries. The rising trend of the past years concerning art 60, special leaves linked to medical issues and family leaves has been continued also in 2016, in total 3917 request have been treated.

In line with the action plan for the IAS audit of how the Offices deal with absenteeism, a report was drawn up on absenteeism between 2010 and 2015.

Strategic Plan 2016-2020 RESULTS INDICATOR

Physical & Mental Health

Attendance rate



Catering

OIB

OIL

In 2016 the Commission continued to operate concessions for catering (canteens, cafeterias and restaurants) with three separate service providers. After a first implementation period of 3 years, the contracts were extended up to January 2019. Concessions analysis and contract amendments were made, in order to minimise the risk of discontinuity of service. Monitoring of the performance of catering contractors continued throughout 2016 with emphasis on the quality of offered meals and continuation of operations.

The Fit@Work initiative is being further integrated into the daily menu and products available in the catering sites. The possibility to pay for products in vending machines by bank cards and the introduction of new products is expected to increase the success of the vending machines contract.

The European Interinstitutional Centre in Overijse (CIE) was reopened after full renovation at the end of 2015. It became fully operational in the first quarter of 2016 and during the following months, it succeeded in attracting most corporate events of the Brussels-based EU institutions. This led to reaching the target value of 10 000 visits well in advance.

In Ispra, catering services are also provided internally and managed by the OIB.



PHYSICAL ACTIVITIES

Encourage staff to incorporate physical activities conducive to good health, such as walking, cycling or taking the stairs, into their daily lives. Promote Commission sports clubs encourage staff to take part in sport.

Several initiatives were taken in 2016 to make staff more aware of the benefits of **regular physical activity** and of the facilities available.

This included talks on the benefits of walking and videos and posters to encourage staff to do stretching exercises, walk up the stairs, and so on.

To encourage regular physical activity, the Brussels Medical Service has been organising **weekly walks** in parks with the HEPA (health-enhancing physical activity) adviser since April 2016. An average of 10 members of staff took part in each session. There have also been lunchtime talks on the benefits of walking.

Commission staff have been encouraged to take part in **annual sport events** such as the Schuman Trophy (an inter-DG and interinstitutional football tournament, including the first women's tournament), the Brussels 20-km run, the Ekiden relay marathon, and European Sports Week, which includes 17 different activities (daily walks in two parks, daily stretching sessions at the office, several sports demonstrations and a talk on the benefits of walking).

A new three-month physical exercise programme

HR Management Plan 2016

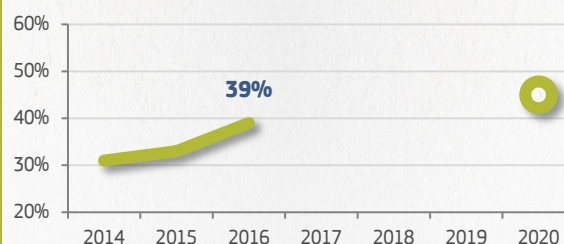
Draft **Health enhancing guidelines**
Health Enhancing Physical Activity



Strategic Plan 2016-2020 RESULTS INDICATOR

Physical activities

% of staff practicing sport regularly



called **Physical Activity for Your Health (PAfYH)**, designed for staff over 45 belonging to a risk group (smokers, people suffering from high blood pressure, abnormal cholesterol levels or type II diabetes, those with a sedentary lifestyle and the obese), was prepared in 2016.



MENTAL HEALTH

Encourage staff to incorporate physical activities conducive to good health into their daily lives, such as walking, cycling or taking the stairs, into their daily lives. Promote Commission sports clubs, to encourage staff to take part in sport.

The Psychosocial Team supports employees experiencing personal problems and difficulties at work. In Brussels the team saw a total of 1 102 people in 2016, up by 14 % from 2015.

To **increase staff awareness** of various psychosocial preventive issues, 54 presentations were given to staff and management, twice the number in 2015. The top three titles were 'A Brief Introduction to Mindfulness', 'Burnout: How to Build and Improve Resilience' and 'Sustainable Working Lives (Mental Well-being and Stress Management)'.

The team also **advised HR and management** in 87 cases. The main focus was on coping with difficult situations involving disruptive behaviour by members of staff who were unwell as well as a consequence following the attacks in Brussels of 22 March 2016.

Following the terrorist attacks at Zaventem Airport and Maelbeek metro station in Brussels on 22 March, the Brussels Psychosocial Team went out of its way to provide the additional support needed. Although shaken themselves and working under challenging circumstances, the team immediately provided round-the-clock **counselling** in the form of individual and group debriefings, both on the day itself and in the first few days after the attacks, to severely traumatised members of staff who had witnessed the attacks. In the weeks after the attacks, counselling was made available to any members of staff who needed it. The sessions were also open also to anyone who had been working with the Commission on the day of the attacks.

Staff who had been severely traumatised were also offered **individual sessions**. Departments that had been severely affected were given special support and offered the option of a session tailored to their particular needs. A total of 18 debriefings were held in the Medical Service or in DGs for approximately 500 staff. Particular attention was given to the department and the family that had lost a person close to them.

In addition, staff and others were given administrative and social support. The situations of hospitalised patients were followed up, and families were given support.

To **prevent Post-Traumatic Stress Disorder (PTSD)** from manifesting, the team screened staff who either took part in the debriefings or contacted the service in connection with 22 March. Four per cent of these developed PTSD and were monitored more closely. For others, four group sessions were held on anxiety and sleeping problems.

The **Critical Incident Stress Management** leaflet was adapted to the needs of staff, managers and the European schools. It was distributed the days after the attacks, the purpose being to guide managers in helping their team and to let everyone know when to seek help.

A special **lunchtime talk** open to all staff was given in June by Dr Leistedt, an expert on terrorism who was advising the French and Belgian Governments. The team gave three talks in DGs that had been particularly badly affected by the attacks. One presentation was given to the Directors of the European Schools.

The team also continued to carry out 'Return to Work' assessments and conduct non-medical assessments of people after long-term absences.



WORK-LIFE BALANCE

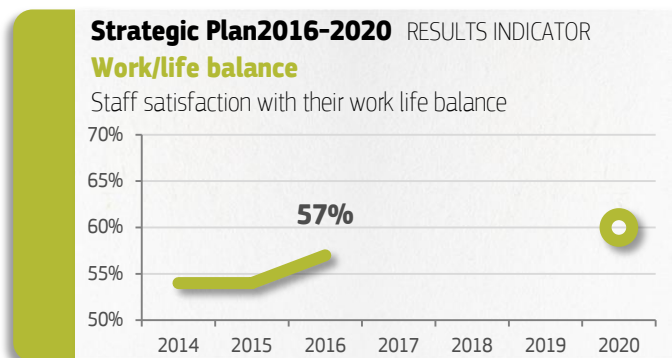
Give staff the greatest possible degree of flexibility in their working methods. Provide support to enable staff and their families to enjoy a healthy lifestyle and healthy conditions. Many staff members are expatriates facing a range of specific challenges over their career.

Since telework is important to results-based management and objective-driven performance, telework awareness activities (courses for managers and distribution of leaflets containing practical information for managers and teleworkers) were carried out in 2016. Working closely with DG DIGIT, DG HR continued to monitor the capacity of the IT infrastructure, to ensure that the Commission's IT systems could cope with the increase in telework. The system currently in place can accommodate some 15 000 simultaneous remote connections. With the help of DG DIGIT, DG HR is also pursuing the possibility of introducing standard videoconference facilities for use throughout the Commission, to make it easier for managers to communicate with teleworking staff.

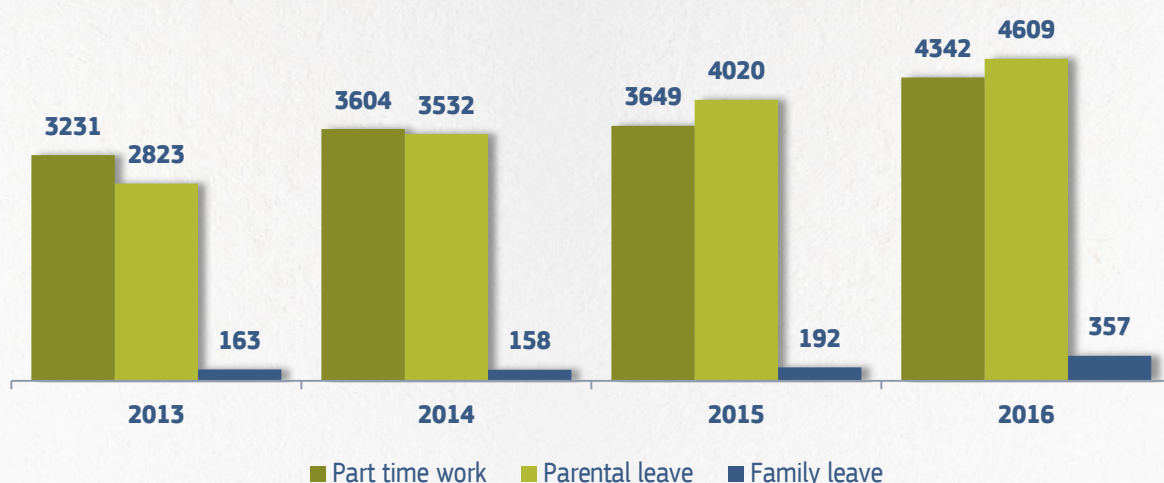
More and more staff are taking advantage of **flexible working arrangements** such as part-time work, parental leave and family leave. In addition to the existing 50, 60, 62.5, 70, 75, 80 and 90 % formulas for part-time working, the new Decision on Part-Time Working introduces an additional 95 % formula (with a reduction in salary) and simplifications as regards applications for time credit.

The new **introductory provisions** introduce other significant changes, in particular as regards the need to ensure that working part-time does not adversely affect career progression (as in the Telework Decision) and that the duties of the staff concerned are adapted to reflect the fact that they are working part-time, and recall existing Commission policy on the replacement of part-time staff.

Another innovation is increased flexibility in **parental and family leave**. Staff working 50 % have the option of working a set time over two consecutive weeks, provided that they agree this with their manager, alternating a full working week with a full week at home.



Persons using **part-time work, parental leave or family leave**



Nursery and after-school childcare facilities

OIB

OIL

Offer high-quality childcare facilities to enhance well-being of staff and their children, support gender equality and help parents achieve a healthy work-life balance.

The Commission runs nursery, kindergarten and after-school childcare facilities available for children aged between three months and 12 years in Brussels and Ispra, and for children aged up to 14 years in Luxembourg. Childcare services are financed by both the EU institutions and parents.

Brussels

In Brussels, the Commission runs five nurseries and kindergartens that together provide 1 009 places. It also provides 445 places in private nurseries with which it has partnership agreements, bringing the total to 1 454. The number of children on the nursery waiting list fell from 577 in 2015 to 464 at the end of 2016, and the Commission is making efforts to reduce the list further. A call for tender for additional places in private nurseries will be launched in 2017, the aim being to add about 400 completely new places as from 2018.

OIB also increased after-school childcare capacity from 1 760 places at the end of the 2015/2016 school year to 1862 at the start of the 2016-2017 academic year. However, demand at its highest (on 1 September 2016) exceeded supply capacity by 382 places (comparing to 416 in 2015). To reconcile demand and supply better, an overbooking system based on closely monitored use of childcare facilities was applied. In addition, the demand for childcare, as shown by the waiting lists, is reviewed every second week. As a result, more than 2000 children are registered for the 1862 available places, and the waiting list was reduced to 211 children at the end of 2016.

The Commission aims to cut waiting lists further in the years ahead. A call for tender for additional places on the private market will be launched in 2017 (after no satisfactory conclusion to the initial launch in 2016).

Luxembourg

In Luxembourg, the Commission runs an interinstitutional day nursery for 3.5 to 5-year-olds and a study and recreation centre for children aged between 6 and 14.

The past trend of rising demand for after-school childcare places continued in 2016: close to 1900 children were enrolled for the 2016-17 school year in Kirchberg or Mamer. In response to high demand, priority is given to single parents and parents working full time.

Following 2-yearly interinstitutional surveys of parents, measures are being taken to improve communication and the quality of services, including better access to and content of the website and online enrolment.

In 2015, the study and recreation centre in Kirchberg reached maximum capacity as the number of enrolments rose. The Commission ensured alternative accommodation options, so as to provide places for as many children as possible and avoid waiting lists. The Commission is currently looking to prolong these alternative accommodation arrangements, as demand for childcare is projected to rise for at least three more years.

Ispra

The OIB-managed Crèche in Ispra welcomes children from the age of 14 weeks to four years. These are children of Ispra-based staff (mainly from JRC) and come from countries all around the world. The Crèche is made up of six classes, and has a capacity of 80 children. The Educational Team, made up of 17 Educators and one Psychopedagogue, share precise educational principles founded upon the centrality of the child and its well-being. In 2016 the number of children in the waiting list amounted to 35, a number that has been stable during the years.

OIB also manages three after school facilities with an aggregate capacity of 90 places. In 2016 the capacity was increased up to 106 places reducing the number of children on the waiting list to 17.



PHYSICAL WORKING ENVIRONMENT

Ensure a safe, functional and comfortable workplace. Offer support and well-being services to staff in an environmentally friendly and cost-effective way.

The analysis on workspace arrangements is ongoing, taking into account not only the space dimension but also reflections on the "Workplace of the Future" and others feedback such as the move of DIGIT and PMO to collaborative office spaces.

HR Management Plan 2016

Workspace arrangement

analysis of current workspace arrangement



Real estate

OIB
OIL

In **Brussels**, the Commission and the executive agencies occupy a surface area of around 1 000 000 m², of which approximately 880 000 m² is office space (800 000 for the Commission and 80 000 m² for the executive agencies), spread over 54 office buildings. Other buildings include conference centres, historic archives and nurseries. Two thirds of the total surface area is located in the European district. Beaulieu, Rogier and to a lesser extent Rue de Genève are the other main sites. Buildings owned by the Commission account for two thirds of the total surface area. This includes buildings held by the Commission under long-term leases with an option to purchase.

In **Luxembourg**, there are three clusters of Commission office buildings: Kirchberg, Gasperich and the central railway station. The latter includes the Publications Office's buildings, which have been managed by OIL (the Office for Infrastructure and Logistics in Luxembourg) since 2014. All buildings are leased (with one having a buy option) with the exception of the European Foyer, which is owned jointly by all EU institutions and managed by the Commission.

Real estate in Brussels

In 2016, the Commission continued taking steps to **rationalise the allocation of office space** and reduce budgetary expenses. When allocating new office space in 2016, the Commission strictly applied the minimum standards specified in its Housing Conditions Manual.

Currently, around 3 000 staff are housed in **new collaborative working spaces**. Collaborative working spaces aim at better interaction between staff from different teams and offering staff more flexibility, while caring for staff well-being. Renovation works designed to ensure comfortable working conditions and increase the efficiency of buildings were completed in the L130, DM28 and L-41 buildings

The Commission aims to **reduce the total amount of office space** it occupies. Three buildings (Arlon 88, Science 27/29 and Belliard 100) will be vacated over the course of 2017 and will not be replaced. Further reshuffling of DGs and services will therefore be necessary in order to accommodate staff from these buildings.

Looking forward, the Commission will need to continually assess the amount of office space it is occupying at different points in time between 2016 and 2020, to ensure that its plans correspond to the ongoing development in staff numbers. The Commission's **real estate strategy** for the coming years takes into account both market conditions and its changing needs. It sets out plans to: extend certain current leases, renovate and redevelop certain buildings owned by the Commission, launch new tenders to cover residual needs and rationalise workspace.

Real estate in Luxembourg

In July 2014, the Commission took the decision to **leave the Jean Monnet 1 (JM01)** building on Kirchberg, as a precautionary measure to avoid exposing staff to any potential danger arising as a result of the presence of asbestos. The optimisation of office space in existing buildings allowed some Commission departments to be rehoused in early 2015 in the Euroforum, Bech and Drosbach buildings. Following a real estate procurement procedure for the provision of office space, rental contracts for two buildings (Ariane and Laccolith) also situated in Gasperich were signed in May 2015. Staff began moving to the new premises in October 2015, and by early January 2016, around 1000 colleagues were working in the new buildings.

The remaining 500 staff still housed in the Jean Monnet building moved to a temporary building on Kirchberg, the T2, provided by the Luxembourg authorities. By August 2016, the move of staff out of the JMO was completed, with the exception of a handful of staff completing some technical works. The real estate procurement procedure for technical space is ongoing. All **safety measures** introduced to prevent the release of fibres in JM01 will remain in place until the building has been fully vacated.

In order to regroup the majority of Commission services and staff in one single building, the Commission has launched a major project, the 'Jean Monnet 2' (JM02) building, on the Kirchberg site. The new building will replace six existing buildings (Ariane, Laccolith, Hitec and Drosbach in Gasperich, and Bech and T2 on Kirchberg) and will include conference centre facilities and a crisis centre. The Luxembourg Authorities offered the plot to build the building; they ensure the role of "maître d'ouvrage" and pre-finance the project. The building project was approved by the Budgetary Authority in 2013 and the planning phase has been completed. The JM02 should be delivered in two phases: the first to the end of 2022 (around 73.000m²), the second one to the end of 2024 (around 33.000m²).

The **refurbishment works** being carried out in the Foyer européen are designed to optimise the use of the space, improving accessibility for people with reduced mobility, and improve energy efficiency. The Foyer was reopened in January 2016.



SUPPORTIVE WORKING CONDITIONS

Give staff the necessary managerial and organisational support to enable them to make the best possible contribution at work. Make sure staff are well integrated, both professionally and socially, throughout their careers. This should include support for their families.

Twenty-year-service medals were awarded in 2016 to around 890 Commission staff in recognition of their dedication to the European civil service.

Guidelines on how to manage sickness absences were revised in February 2016 and presentations were made in several DGs. Similarly, managerial guidelines on how to prevent psychosocial risk – originally released in November 2015 – were presented and discussed in several Commission DGs and services. Ad-hoc training sessions were also organised by DG HR and offered to other DGs and service.

The Welcome Office provides services designed to help newcomers settle in, such as networking events and information days. These include family-oriented events.

"Staff member who feels appreciated will always do more than what is expected"

HR Management Plan 2016
Policy on Official retirement
including departure



Services available to staff include free **legal advice** on matters pertaining to their personal lives and other services, such as the reading of rental contracts, authentication of signatures and certified true copies. A Welcome Desk and helpline are also in place.

The Commission's **Departure Desk** was set up in 2016 to assist all officials retiring from the institution.

Active seniors and outreach

The **Active Senior initiative** provides a framework for DGs to draw on the expertise of former officials through voluntary activities. It was launched in February 2014, providing DGs with clear guidelines and a standardised agreement for setting up a wide range of voluntary projects with former staff. By the end of 2016, 190 agreements between 27 DGs and 123 former officials had been signed. DG HR has signed 58 agreements with 39 active seniors, including a team of eight who facilitated 14 three-day seminars for officials about to retire. A participatory platform has been set up, allowing people interested in becoming active seniors to have their CV posted. Communication with pensioners has been improved by providing full access to the real-time version of MyIntraComm, while the snapshot version has been phased out. The dedicated pensioners' portal continues to provide information targeting retired staff and is regularly updated. Four numbers of the *Info Senior* information bulletin were published. The Yammer 'After EC' platform has over 1000 members, and British former colleagues have been invited to join the ECUK staff group, set up after the UK referendum, to keep abreast of new information. There are plans to open an 'Espace Senior' in Luxembourg modelled on its Brussels counterpart, which continues to enjoy great success.

Systematic cooperation with associations of former officials, specifically the International Association of former EU officials (AIACE), was maintained throughout the year. Training sessions were held for AIACE social volunteers.

Social and financial assistance

A range of **complementary social services** for active staff and pensioners continued to be provided in 2016.

About 15 700 pensioners, including former Commission officials, widows and orphans, received individual assistance in Brussels, Luxembourg and Ispra. The information or assistance they requested involves issues such as:

- health insurance;
- organising home help;
- palliative care in the home;
- organising the move to a retirement home;
- bereavement counselling and social support after the death of a close family member; and
- severe psychiatric illness.

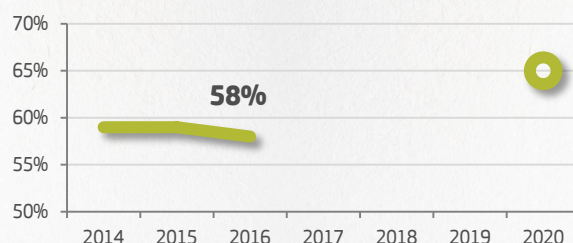
The Commission's **social workers** provided intensive support to the next-of-kin of 26 members of staff who died while in service. They also continued to monitor the well-being of orphans and pensioners under guardianship.

Individual financial assistance is available as a last resort if no other source of funding is available. An exceptionally high amount of financial social assistance, €4 million, was granted in 2016 to cover the non-medical costs of caring for dependents with a disability or learning difficulty. The Commission also covered certain expenses incurred through non-medical help in the home for active and retired staff and their families, and through caring for the sick children of active staff (€200 000 in 2016). School fees for the children of active and

Strategic Plan 2016-2020 RESULTS INDICATOR

Supportive working conditions

Staff satisfaction with the management support



retired staff working in all EU institutions were reimbursed (€25 000 in 2016) in a very limited range of situations, for exceptional educational reasons. Furthermore, financial social assistance (€35 000 in 2016) was granted to six retired EU officials who were in an exceptionally difficult situation.



ECO-MANAGEMENT AND AUDIT SCHEME (EMAS)

Reduce the environmental impact of the Commission's day-to-day operations and constantly improve its environmental performance through the Eco-Management and Audit Scheme.

Under EMAS the Commission assesses its potential environmental impact, sets objectives to manage and mitigate this impact and draws up action plans to improve performance. Once in place, sites undergo an internal audit followed by external verification, which, if successful, leads to registration by a designated public organisation. The 2016 external verification of results reported under EMAS was

"We are committed to a healthy environment"

successful and covered all 62 of the buildings occupied in Brussels, 7 of 17 buildings in Luxembourg, the JRC sites and Grange, i.e. a total usable surface area of around 1 540 000 m², or 92 % of the floor space at the EMAS sites.

The Commission's **environmental performance** has improved significantly in recent years. In Brussels, where EMAS has been in place longest, the improvement is striking. Between 2005 and 2015, per capita metered energy consumption fell by 61 % and per capita CO₂ emissions from buildings by 85 % (partly because the OIB has been purchasing electricity produced from renewable sources since 2009). Cumulative energy savings over this period are estimated at €86 million. Per capita water and office paper consumption both fell by 56 % and non-hazardous waste generation by 28 %.

DIGIT's initiative, previously piloted in four DGs, to switch off PCs automatically at the end of the day, was developed and presented to the EMAS Steering Committee, which gave the green light for it to be rolled out across the Commission. This initiative will help improve IT security while also saving energy,

The Commission continued to improve the efficiency of its environmental management system at its sites. One way in which this was achieved by **developing IT tools** to manage internal audits and external verification findings. The EMAS Steering Committee adopted targets for improvements in key environmental performance indicators from 2014 to 2020. They include 5 % reductions in buildings' energy consumption and CO₂ emissions.

In-house **awareness-raising campaigns** in 2016 dealt with sustainable infrastructure, alternative means of transport, green purchasing, sustainable food choices and waste reduction. The EMAS Ambassadors' initiative, featuring eco-conscious members of staff who lead by example, was re-launched, attracting enthusiastic new volunteers. The second set of Green Commission (EMAS) Awards was announced by Vice-President Kristalina Georgieva and prizes will be awarded in 2017.

In line with the Court of Auditors' recommendations on the EU institutions' practices in calculating, reducing and offsetting their greenhouse gas emissions, the EMAS team continued to provide **more support** outside its traditional remit, contributing to the annual meeting of the Agencies' Greening Network and focusing more on its role as chair of the Interinstitutional Group on Environmental Management.

The Commission held the first **interinstitutional EMAS week** from 23 to 27 May 2016, in cooperation with the European Parliament, the General Secretariat of the Council, the European Economic and Social Committee and the Committee of the Regions.

2005-2015 for Brussels*

Energy consumption for office buildings (KWh/person)	-61 %
Water consumption (l/person)	-56 %

CO2 emissions from buildings (kg/person)	-85 %**
Office paper consumption (sheets/person/day)	-56 %
Non-hazardous waste (kg/person)	-28 %

* Environmental Statement 2016; **Helped by OIB purchasing electricity from renewables since 2009.



SOCIAL RESPONSIBILITY

Encourage staff to contribute to their local communities through volunteering and reduce the organisation's environmental impact.

Following the new Guidelines on Staff Volunteering introduced in October 2015, the priorities in 2016 were to put in place support measures for DGs and team-building for volunteers and one day of special leave for voluntary activities; to develop opportunities with local NGOs and voluntary bodies; and to promote staff volunteering opportunities on the different Commission sites.

An awareness-raising campaign on this new initiative, 'Volunteer for a Change', ran throughout the year. A new website, 'Staff Volunteering' on MyIntraComm, provides practical information and guidance on volunteering, while the 'Staff Volunteering' site on Connected enables staff to share ideas, news and volunteering opportunities. A series of articles in Commission en Direct, presentations, and discussions with key networks and partner organisations providing voluntary service, such as the 'World Café' in September, have helped raise the profile of staff volunteering and encourage staff participation.

"We care about our community"

DG HR organised a number of staff volunteering initiatives to test different approaches. Fifty DG HR staff took part in Serve the City's Big Volunteer Week in June 2016 in mixed teams designed to strengthen inter-DG working relations following a reorganisation. Forty-five volunteers from 20 DGs took part in United Music of Brussels in September, helping to bring classical music out into the streets. A highly successful Brussels Volunteer Fair took place in October, attracting 500 staff keen to meet representatives of Belgian civil society.

HR Management Plan 2016

Volunteering

Website, L&D, special leave arrangement



Two important features of 'Volunteer for a Change' are the principle that participation should be voluntary and the way volunteers are encouraged to organise their own volunteering. DG HR supported a number of initiatives developed by staff in various parts of the Commission, such as DG MARE (beach cleaning), ESTAT (gardening and decorating during the '72 Stonnen Bénévolat' volunteering marathon in Luxembourg), EMPL (which made a significant commitment to 'chain volunteering' with OXFAM, Red Cross and Fedasil over a six-month period), and JRC (Ispra Volunteering Week, a series of information events and a morning session when 40 members of staff cleaned up the local lakeside.)

Staff have also raised funds in response to recent crises, raising €240 000 in 2016 to help migrants in the Greek camps, as well as organising a successful collection of essential sanitary goods and clothing. A further €50 000 was donated in support of local reconstruction projects after the earthquakes in central Italy.

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SECURITY

SECURE ORGANISATION

1.4. To protect people, assets and information

A secure working environment is a precondition for the successful staff motivation, development and performance.

Our ambition in this area for the coming years will be to maintain and further increase the quality of the work environment while reinforcing effective protection against new threats in a period of resource constraints.

The Security specific objective is to ensure that Staff work in a secure working environment



SECURITY

To protect people, assets and information

The aim of the Commission's internal security policy is to ensure that Commission staff, property, activities and information are adequately protected against security threats. Having adopted a comprehensive new legal framework for security and launched a new action plan on enhanced security measures in 2015, the Commission strengthened its security measures further in 2016 in response to growing tensions in Europe and following the terrorist attacks in Brussels on 22 March 2016.

HR Management Plan 2016

Implementation of the **enhanced security measures plan**



Crisis management and communication

Lessons learned from the terrorist attacks in Brussels led to a more streamlined chain of command in crisis situations. As a result, a Principal Security Adviser function was created to coordinate both the crisis response and the flow of information/communication. Following the terrorist attacks, more than 30 briefings have been given to DGs and services. In 2016, a broad security awareness campaign was also launched to help strengthen the internal security culture inside the Commission.

Commission Decision 2016/883 on implementing rules for standard security measures, **alert states** and management of crisis situations in the Commission has been revised. In line with general practice in EU Member States and international institutions, the new decision introduced a colour-coded system of security alert levels (WHITE, YELLOW, ORANGE and RED). This decision, as well as the standard measures applicable to everyday security, was drawn up in close cooperation with the other EU institutions. Identical alert level definitions, detailed security measures and a specific coordination mechanism between security services are now in place across institutions.

HR Management Plan 2016

Revised **Commission decision on alert states**



Raising awareness

In 2016, the Security Directorate organised 178 **conferences, courses and briefing sessions**, which were attended by over 6100 staff. Following the Paris and Brussels attacks, a new staff training course was launched to provide advice on what to do during a shooting or terrorist bombing.

Security **awareness was raised** among staff and security professionals by:

- hosting the 11th Annual Security Symposium. It featured keynote speeches by Commission Vice-President Kristalina Georgieva and the Belgian Minister of Security and Home Affairs Jan Jambon, an expert panel and presentations by prominent international speakers. It was attended by 300 participants from inside and outside the Commission;
- developing the Commission's security website and creating a colour-coded security box for the MyIntraComm homepage to highlight security alerts and other relevant information;
- relaunching a poster campaign on the wearing of badges;

- writing advice on what to do during a shooting or terrorist bombing;
- maintaining the Local Security Officer and Registry Control Officer networks.

"The precondition of freedom is security"

Staff security

The Commission's Duty Office continued to provide **24/7 assistance**, dealing with 30000 calls in 2016 from staff facing security or safety issues such as medical emergencies, fire alarms, accidents, power cuts, gas leaks, floods or being stuck in a lift. It also monitored 160 demonstrations near Commission buildings in Brussels.

The average number of monthly calls has decreased in recent years from 4 000 to 2 500 thanks to a better proactive information strategy for events and incidents. The Duty Office follows up on calls for quality control purposes. In more than 80 % of cases, staff say that they are satisfied with the Duty Office's response. There was an exceptionally high number of calls the day of the Brussels terrorist attacks, with 1 500 calls received in just one day. After the attacks, it was also decided that the Duty Office would act as a **single entry point** for all EU institutions in communicating with the Belgian crisis centre and police.

Strategic Plan 2016-2020 RESULTS INDICATOR
% Satisfaction with the Duty Office services
 % of calls with spontaneous positive feedback



The security enquiries team dealt with over 1 400 cases in 2016, covering a wide range of **security incidents**, from thefts, vandalism and threats to harassment.

As in previous years, the **Security guard service** coordinated staff contracted to guarantee first-line security and access control in over 70 buildings used by the Commission in Brussels: 850 security guards clocked up 1.24 million hours of service. A new six-year framework contract for this service entered into force on 1 April 2016. In June, Vice-President Georgieva hosted an official event to acknowledge the commendable role of the security guards in the aftermath of the Brussels terrorist attacks. G4S staff had provided first aid to victims on Commission premises.

A lot more **protection operations** — 700 (15 % more than in 2015) — were carried out for the Commissioners, including the President and Vice-President/High Representative for Foreign Affairs and Security Policy. This was because the global security situation increased the need for protection, even in countries considered safe in the past. The number of protection operations for in-house visits and conferences remained stable at around 500. However, given the current security situation, there has been a marked increase in requests for information on event security. The security aspects of 129 events that involved Commission VIPs had to be evaluated and managed.

Counter-terrorism and counter-intelligence activities focused on gathering, analysing, assessing and distributing information on threats to Commission interests emanating from terrorism, extremism, social unrest and armed conflict. Some of the main activities included:

- giving **security advice to staff on missions to high-risk countries**. General security recommendations were also drawn up to give staff advice on missions to non-EU countries;

- providing tailored travel advice for missions to other countries, with 144 out of 282 pieces of advice issued for Commissioners' missions;
- carrying out 15 counter-terrorism investigations;
- drawing up more than 70 threat assessments (for VIPs, Commission representations, European schools, task forces, specific events and buildings);
- providing a summary of news on global security issues in the form of daily security highlights;
- writing the incident report and following up on the Brussels attacks. This involved close contact/meetings with the Belgian authorities.

Strategic Plan 2016-2020 RESULTS INDICATOR

Advice delivered to mission performers

% of high-risk countries covered by a standing mission security advice



The Security Directorate has also introduced **countermeasures** to identify attempts to electronically intercept conversations between Commission staff.

Protecting assets

The Security Directorate made sure that all technical and IT-based security systems and equipment were maintained, installed and upgraded in order to protect staff, VIPs and visitors on Commission premises at all times. It continued to install **automated access control systems** in Commission buildings as part of the Global Security Project (GSP). By the end of 2016, 13 buildings were fully GSP-compliant. In addition to access control systems, the Security Directorate continued to use security equipment (x-ray machines and metal detectors) in all Commission buildings.

As part of the action plan on enhanced security measures, Commission access passes were redesigned and new security features added. A full-scale campaign was also launched to explain how to renew access passes. Significant progress was made on laying the groundwork for a number of enhanced security measures for buildings, with construction and installation set to start in 2017. Highlights include:

- the construction of a welcome centre on the walkway adjoining the Commission's Berlaymont building. All security checks and visitor registrations will take place there;
- a thorough overhaul of the entrance to the Berlaymont car park on Rue Stevin and the underground tunnels. This will improve physical security, access controls and hostile vehicle mitigation;
- deployment of stationary/mobile badge readers and barcode readers in 17 buildings to provide higher levels of access control thanks to electronic and real-time verification of all access passes.

In Luxembourg, one more building housing the remaining staff from the Jean Monnet building was made secure. To improve access controls, the Service Card Office in Luxembourg used the same application as in Brussels for managing external service providers' access to Commission buildings. It also renewed all parking permits – 6000 in total – which now have a new layout and additional security features to strengthen vehicle access controls.

Information security

Following adoption of the Commission security rules in 2015, an initial set of implementing rules were drafted to establish minimum standards and criteria for physical security aimed at protecting EU classified information (EUCI).

New **information security governance** was put in place, and a new decision on the security of information systems in the Commission was drafted in collaboration with DG DIGIT.

The Security Directorate issued 767 **security authorisations** for access to EUCI and 381 security clearance certificates for classified meetings. The Security Directorate also handled 1842 requests for security clearance. The security vetting process involving the national security organisations in the relevant Member State was then started. Checks were carried out on 210 security clearance certificates issued to non-Commission staff attending classified meetings in the Commission.

To mitigate potential security risks linked to external contractors, the Commission, in close cooperation with other EU institutions and bodies, introduced a systematic, independent **screening system for external** contractors working on EU premises in Belgium. Together with the other EU institutions and bodies, it signed a memorandum of understanding on security verifications with the Belgian authorities. The Commission has started screening existing contractors, which was identified as a priority.

To help protect sensitive and classified information, the Commission introduced **security briefings** for its officials and awareness-raising sessions for trainees, service providers and others.

The Security Directorate worked with the Council and the European External Action Service (EEAS) on an approach to **sharing EUCI** among the EU institutions, agencies and bodies and on procedures for negotiating joint EU administrative arrangements on sharing classified information with non-EU parties.

Cyber defence

In 2016, the Cyber Attack Response Team in the Security Directorate investigated **51 cyber incidents** a month on average (an increase of 11 % since 2015), including at least three critical incidents affecting Commission security.

By the end of the year, there were 14 self-service **CART kiosks** in place. These allow staff to check their USB sticks for malware in the main Commission buildings in Brussels and Luxembourg. 16 more kiosks are set to be installed in the next few months. A service-level agreement was concluded with EEAS to install 300 kiosks in the different delegations.

A first proactive check of IT equipment used by staff working on sensitive matters in DG TRADE was carried out. Other checks will follow as several other DGs are equally concerned about possible intrusions affecting their IT equipment.

The Security Directorate started IT security inspections to assess whether the Commission's IT systems comply with the overall security policy. It also manages cryptographic approvals for all Commission systems.

The new CommisSign public key infrastructure issues certificates that meet the latest encryption standards. It supports the **secure email** (SECEM) system over 27 000 colleagues use (22 % more than in 2015). The RUE system for documents classified as RESTREINT EU/EU RESTRICTED is also being upgraded to run on Windows 2012. Over 5 800 staff now use the system (2 % more than in 2015).

HR Strategic Plan 2016-2020 RESULT INDICATOR

Availability of the rue system to guarantee that **Commission staff can exchange information at RESTREINT UE level** in a secure environment

99,5 %

2020 target

The aim of the **security convention procedure** is to provide reasonable assurance that connections to external networks will not weaken the Commission's data network security in general. In total, 318 authorisations were granted for connections between the Commission network and external networks.

Advice and inspection

Commission departments got **advice** on a wide range of topics, e.g. how to set up secure areas, protect buildings and handle sensitive or classified information. Staff were given help on how to improve security management for flagship Commission programmes such as Galileo and Horizon2020.

The security **inspection team** carried out 33 inspections (including 6 together with the Council) covering EU delegations, headquarters, Commission representations, European Civil Protection and Humanitarian Aid Operations offices and Joint Research Centre sites. In addition, efforts to make European schools safer and more secure, which started in 2015, continued apace in 2016. All European schools (bar one) were inspected in relation to security, safety and training. In addition, 5 day nurseries and after-school care centres managed by the Commission were also inspected in relation to physical security aspects.



LEGAL AFFAIRS

ETHICAL ORGANISATION

1.5. Ensure the respect of the core ethical values and obligations laid down in the Staff Regulations.

The Legal affairs have two Specific Objectives

IV.1. Managers and staff abide by the highest professional and ethical standards at all times

IV.2. Staff Regulations implementing rules are clear and effectively applied



PROFESSIONAL ETHICS

Ensure that Commission staff meets the highest standards of professional behaviour and integrity.

Several awareness-raising activities were organised in 2016 with particular emphasis to the prohibition of unauthorised disclosure of information. Training courses on ethics for newcomers, active and retiring staff have been revised to further reduce the risk of leaks. Also, further guidance and daily advice were provided to the Network of Ethics Correspondents in Commission services. Work on e-modules related to Ethics procedures continued, with a view to completing the set of e-modules already in place in early 2017.

*"For a safe and respectful
working environment"*

Following developments regarding the position of the United Kingdom in the EU, intense efforts were made to define a consistent line concerning the risk of conflict of interest in this context.

The second Annual Report relating to the post-career activities of former senior managers which might entail lobbying or advocacy during 2015 was published at the end of 2016.

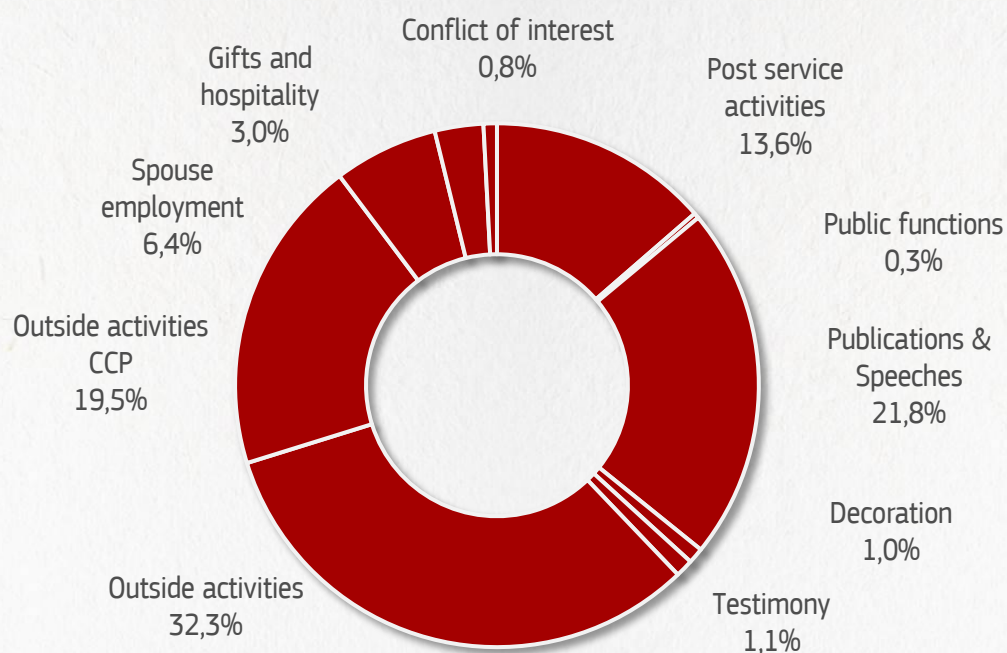
HR Management Plan 2016

Revise Commission Decision on
outside activities decision



In 2016, the process of revision of the **Commission Decision on outside activities** and assignments C(2013) 9037 continued with the aim to clarifying obligations and simplifying the authorisation procedures.

REQUESTS FOR **ETHICS-RELATED AUTHORISATIONS** 2016



The European Ombudsman

In 2016, new Implementing Provisions entered into force. DG HR dealt with 22 requests from the Ombudsman regarding matters covered by the Staff Regulations (such as recruitment procedures, medical / disability related issues, Code of Good Administrative Behaviour), as compared with 30 in 2015.

In 2016, the Ombudsman closed the inquiry on conflicts of interest that may arise when staff leave or join the Commission ("revolving doors"). While acknowledging the cooperative approach taken by the Commission and the progress made on most aspects, the Ombudsman intends to carry out an own-initiative inquiry on the subject in 2017.

Personal files in 2016

DG.HR manages the personal files for all Commission staff and provides the underlying database system (NDP) to five other institutions and four agencies, which involves its maintenance and training of users. In 2016, there was a noticeable increase in the number of requests to transfer of personal files following creation of the unique personal file involving EU institutions and executive agencies. Presentations and training were also organised in view of an extension of this service to the Court of Justice. The automatic online insertion into the NDP of a number of document types was finalised with PMO in 2016 and further modernisation of SYSPER in that respect are planned for 2017.

Anti-harassment informal procedure

Regular training, lunchtime presentations and updated information on intranet, as well as distribution of leaflets and guides on respectful working environment were carried out; including this year the EU Delegations. Specific advice has been provided to managers and local HR community across the Commission and assistance offered to other EU bodies.

A total of 143 cases were dealt following the 'informal procedure' in 2016, using the network of confidential counsellors, compared to 181 in 2015. An additional 24 complaints were managed via the formal procedure compared to 16 in 2015. Continuous training and support to confidential counsellors was provided with the help of regular monthly supervisions in the presence of external clinical psychologists.

Cooperation with other actors in this domain continued in 2016 between DG HR and the Mediation Services of the Commission and the EEAS.



DISCIPLINARY AFFAIRS

Ensure by prevention activities and enforcement measures that officials maintain high standards of ethics and integrity in compliance with their statutory obligations.

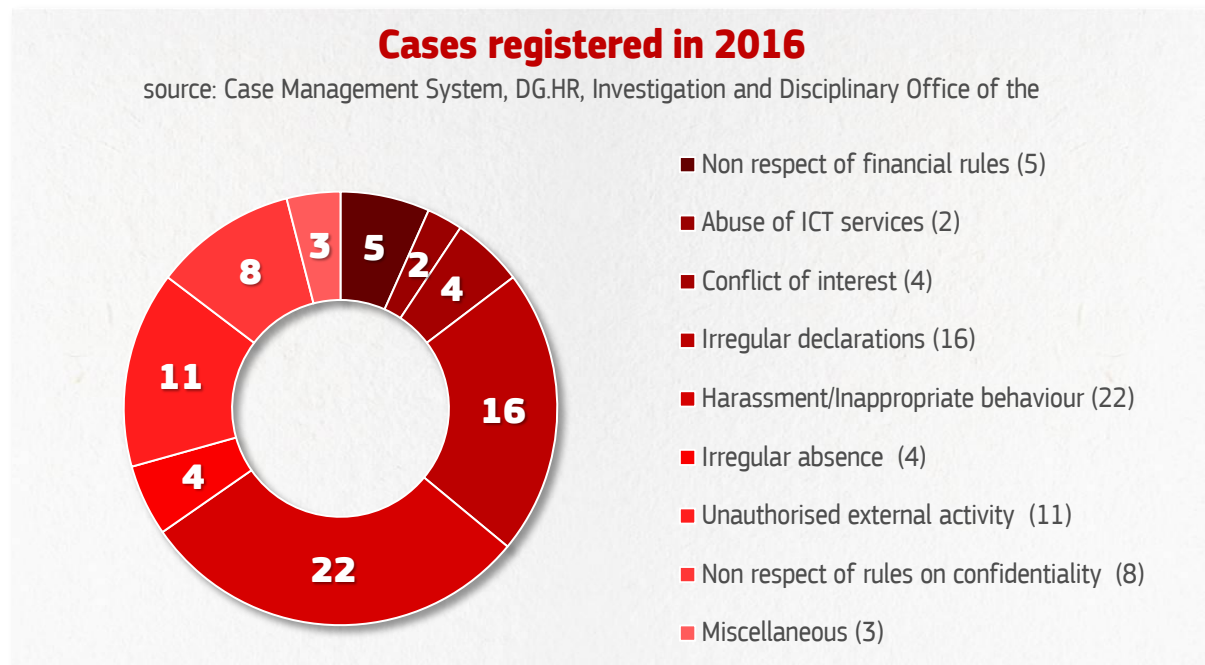
The Commission's Investigation and Disciplinary Office (IDOC) registered 75 new cases in 2016. 5 cases dealt with request for assistance submitted under Article 24 of the Staff Regulations.

Following preliminary assessment, in 2016:

- 52 cases were closed without follow-up (non-case);
- 32 cases led to the opening of administrative inquiries;
- 20 cases led to the opening of pre-disciplinary procedures
- 2 cases led to the opening of suspension procedures.

MANAGERS AND STAFF ABIDE BY THE HIGHEST PROFESSIONAL AND ETHICAL STANDARDS AT ALL TIMES

The appointing authority opened 17 disciplinary procedures. Of these, six were opened without the involvement of the Disciplinary Board, and 11 with the involvement of the Board. In the course of these disciplinary procedures, 50 hearings were held.



Disciplinary sanctions adopted in 2016 included 1 written warning, 6 reprimands, and 14 financial penalties. Other measures included 6 non-disciplinary warnings.

A number of cases registered in 2016 concerned staff members who submitted irregular declarations, for instance in relation to their nationality, place of residence, or professional qualifications.

Of the 75 new cases opened in 2016, 9 involved the EEAS, and 3 the executive agencies, with whom IDOC has service-level agreements.

New guidelines on the use of Commission ICT services were published in May 2016 to continue ensuring that ICT use and information handling is in line with Commission rules in these areas.

In close cooperation with OLAF, IDOC concluded a review of how the 2012 Commission guidelines on whistleblowing have worked in practice. Work continued on a new Commission Decision to update the General Implementing Provisions (GIPs) on the conduct of administrative inquiries and disciplinary procedures.

Outreach activities were carried out in the course of 2016, both within the Commission and across EU institutions and executive and decentralised agencies. IDOC also gave presentations to staff leaving to work in EU Delegations (EEAS and Commission).

The IDOC Annual Report, to be published in the first quarter of 2017, will inform staff of activities in the area of disciplinary procedures in 2016, including anonymised summaries of cases handled in the course of the year.



EU CIVIL SERVICE LAW

Monitor the HR regulatory framework to ensure respect for the obligations enshrined in the EU civil service law which regulates the careers, rights, obligations and working conditions of staff in the EU institutions and agencies.

The Commission aims to maintain a high level of quality in its proposals relating to EU civil service law and in legal advice provided by DG HR. There is an ongoing effort to ensure **compliance with the 2014 Staff Regulations** across the Commission. In 2016, DG HR provided units across the HR family with over 1.300 legal opinions covering all aspects of EU civil service law and its relationship with national legal systems. DG HR also assists in the monitoring and revision of the Commission Decision on the distribution of **appointing authority** powers among the services and provides legal advice on its application. **Legal support** was also provided in the context of a number of key HR projects, including the new HR delivery model.

DG HR worked on the adoption or **amendment of a series of legal texts**, such as decisions on the conditions of employment for contract staff and the guide on missions. These new or revised decisions supported HR initiatives, such as talent management, designed to make concrete contributions to achieving the Commission's political priorities.

The review of provisions implementing the Staff Regulations contributes to a broader project, 'Clarity 4 vision'. Part of the Commission's better regulation exercise, this project involves simplifying implementing rules to ensure their alignment with the Commission's HR priorities. The most recently adopted decisions already benefited from a review on their scope and consistency to ensure that they are fit for purpose.

HR Management Plan 2016

HR Better Regulation

Revised Staff Regulations Implementing Rules



In addition, DG HR represents the Commission in the **Council working party** on the Staff Regulations and ensures that the reporting obligations by the Commission in this field are properly observed. In 2016 DG HR reported for example on the long-term sustainability of the pension system, the budgetary implications of the salary update and the use of contract agents by the institutions. It also represents the Commission on other committees, such as the Comité de préparation pour les questions statutaires and its various working groups.

The HR family is involved in more than 230 different types of personal data processing. The **data protection** coordinating team helps HR officials in their contacts with data protection authorities, in particular the European Data Protection Supervisor (EDPS). In particular, the team provides assistance in drafting data protection notifications and acts as a help desk for queries. The EDPS carried out an inspection at DG HR and DG DIGIT of the operation of SYSPER in 2016. The formalised outcome of this inspection is expected during 2017. The HR family has created a culture of data protection and compliance with relevant legal provisions to protect the rights and interests of staff and the Commission's reputation.



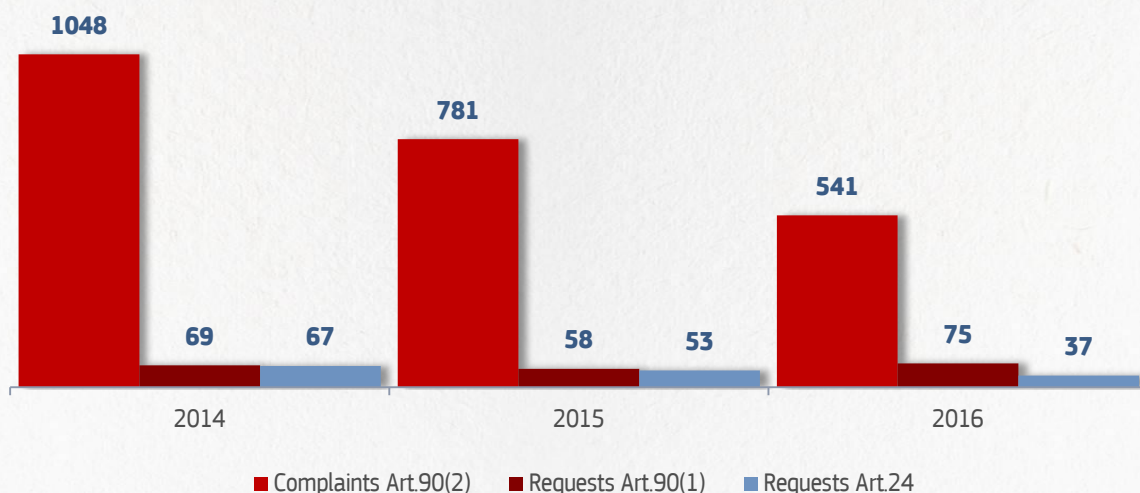
APPEALS AND CASE MONITORING

Maintain a high level of service as regards requests and complaints.

Pre-litigation activities

Overall, the number of requests and complaints (653) dealt with in 2016 dropped by 27% compared to 2015. With the exception of requests under Article 90(1), there were fewer complaints and fewer requests for assistance.

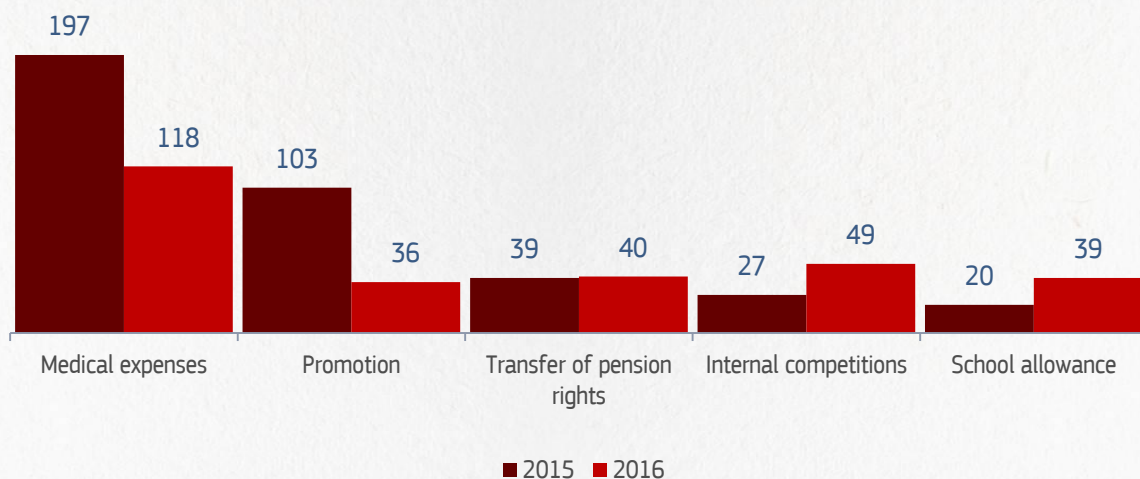
Requests and Complaints 2014-2016



Special emphasis was given to a close cooperation with the HR community, as well as with PMO units and the Legal Service. Close monitoring was carried out and particular efforts were made to ensure a consistent and effective implementation of case-law by the various services. In this respect, a weekly alert briefing on court cases provides Commission services with a timely and concise overview of the activity of the Courts.

Art90(2) complaints

Main subjects only



Case law

Following the approval of the reform of the judicial framework of the Court of Justice of the European Union in 2015, the jurisdiction at first instance over European civil service cases was transferred from the Civil Service Tribunal (CST) to the General Court as from 1 September 2016.

In 2016, 31 appeals (including 6 actions against EEAS' decisions) were brought. The figure represents a sharp drop compared with 2015 (77) and in general with the trend observed in recent years. Before the abolition of the CST, the backlog of pending cases (referring mainly to the transfer of pension rights) was effectively reduced, so that statistics for previous years are as follows : all 2012 appeals (68) but one are judged with 10 Commission decisions set aside; all 2013 appeals (66) are closed of which 6 were upheld by the Tribunal (4 Commission decisions, 2 EEAS decisions); of the 69 appeals brought in 2014, 61 have been judged with 8 Commission decisions and 5 EEAS decisions set aside; as to the 77 appeals brought in 2015, 60 are closed of which 13 were upheld (10 Commission decisions, 3 EEAS decision).



SALARIES AND PENSIONS

Ensure that EU staff pay evolves in parallel with the salaries of Member States' civil servants. Ensure the actuarial balance of the pension scheme.

Annual update of salaries and pensions

The method for salary update has been applied in full at the end of each year since 2015. Eurostat calculated the update on the basis of the observed change in the remuneration of civil servants in a sample of 11 Member States and a joint inflation index for Belgium and Luxembourg for the period July 2015 to July 2016. After approval of the report on the budgetary impact of the update by Parliament and the Council, the updated salaries and pensions were paid with the December payslip, with retroactive effect from 1 July 2016. To ensure a proper level of information and scrutiny in determining the update, DG HR cooperated actively with all appropriate stakeholders, staff representatives, relevant DGs and other institutions

The correction coefficients applied to the remuneration and pensions of colleagues posted outside Brussels and Luxembourg were also subject to yearly adjustment to ensure equal purchasing power irrespective of the place of employment.

Working closely with the staff representatives and the Member States, DG HR made possible the review of the scale for missions by EU staff in the Member States. This put an end to a 10-year period during which the scale was not adjusted to reflect trends the prices of hotels rooms, restaurant meals or catering services.

Pension contributions

In 2016 the staff contributions to the pension scheme was set at 9.8 % of the basic salary. Eurostat reassesses this contribution every year based on parameters including pensionable age, life expectancy and interest rates.

In 2016 DG HR and Eurostat delivered to the Council Working Party on the Staff Regulations a study on the major trends in EU staff pension expenditure over a 50-year period. The study was accepted as objective and realistic by the Council who admitted, *inter alia*, that the recent Staff Regulations reforms had led to lower pension expenditure.

Settlement of individual rights

PMO

The Office for the Administration and Payment of Individual Entitlements (PMO) determines and manages the entitlements of active and retired Commission staff and other rights holders in the Commission and many other EU institutions and agencies; it ensures that staff are paid accordingly and reimburses their expenses.

PMO has three operational objectives:

- To correctly determine, calculate and pay salaries and pensions

- To ensure prompt and accurate reimbursement of medical, mission and expert expenses
- To provide swift, good quality and relevant information and ensure highquality client services

PMO's workload is increasing constantly and the main challenge in 2016 remained to achieve greater efficiency and effectiveness in various processes. As an illustration of the workload, in 2016, PMO established the individual rights of more than 37 000 agents from the Commission, the European External Action Service, the European Court of Auditors and EU agencies and paid more than 43.000 salaries every month; it also reimbursed nearly 3 million medical claims, received 137 000 missions claims and 60000 expert files.

The PMO Contact Call Centre and PMO Contact Online answered around 3100 phone calls and 8700 online queries per month on average, which represents an increase of 55% and a decrease of 6 % respectively. The increase of the number of incoming calls is partly attributable to the launch of two additional helpdesks in 2016, one in Brussels that deals with salaries and allowances' issues, and another in Luxembourg, dealing mainly with issues linked to the JSIS scheme. The average waiting time for callers remained stable at 4-5 minutes, while the average time taken to reply to online queries fell from 11 to 8 days. In parallel the percentage of the tickets processed outside the deadline of 15 working days, which was 20 % in 2015, decreased to 13 % in 2016. A new PMO Contact online service was launched to serve HR professionals in all EU Institutions, agencies and other bodies served by PMO. The first service to benefit from this new portal (PMO Contact Pro) was the NAP support. The full roll-out will take place in the first half of 2017.

Positive developments in the processing of inward transfers of pension entitlements were maintained in 2016. Substantial efforts were made to further reduce the backlog created by an avalanche of inward transfers in 2010. During 2016 more than 4000 files were finalised. It is to be envisaged that if this rate can be maintained the backlog should be fully absorbed by 2020.

Marked progress was made in the reimbursement of medical expenses. Although the number of reimbursement claims increased with 3 % compared with 2015, the average time needed for reimbursement fell from an average of 27 days to 10 days. The number of claims that were handled in less than 30 days increased from 64 % in 2015 to 98 % in 2016, of which 86% were reimbursed within 20 days. A helpdesk service for active and retired staff is available in Brussels, Ispra and Luxembourg to meet staff for any question regarding medical reimbursements.

The Commission continued to monitor and analyse the financial situation of the Unemployment Scheme and the Joint Sickness and Insurance Scheme (JSIS) on the basis of five-year projections, with a view to taking appropriate steps where necessary. In addition, it always looks for value for money in the provision of mission and medical services. Through its calls for expressions of interest, it tries to secure better recognition for JSIS members and reduced hospital rates from medical providers, and high quality mission services at the best prices from airlines, hotels and car hire companies.

The average time taken to reimburse Commission officials' mission expenses was reduced, despite an equivalent number of claims processed. The average reimbursement duration dropped from 10 calendar days in 2015 to 8 in 2016, with more than 95 % of claims being processed by the 15 day target deadline. The overall processing time for claims from staff in other institutions tends to be longer, depending on how long it takes for the relevant institution to make the final payment. The deployment of MiPS to other institutions and agencies continued with an ongoing project to provide the application to the Court of Auditors and a successful implementation at the CFCA agency.

The EU Laissez-Passer central is the administrative document serving as a travel document for eligible EU staff in service. The central PMO service in Brussels has fully integrated the contribution of the two remote enrolment and delivery centres (Luxembourg and Frankfurt at the ECB) and finalised documentation sustaining to deliver a harmonised service no matter where the enrolment/delivery takes place. In 2016, 4560 enrolments were performed and 23 different entities (EU institutions and agencies) have already used the central service for issuing the EU Laissez-Passer. To sustain the launch of such a new document world-wide, DG HR organised a conference on 1 of June 2016 with about 100 participants, including many international actors in the fields of security travel

and identity documents. It also took the floor at several international conferences (SDW2016 in London, Secure Identification 2016 in Riga, Intergraf Security Printers in Seville). A leaflet explaining to the holders how to use the EU LP was prepared and finally delivered by the external contractor in December 2016.

The average time taken to reimburse expenses of experts attending Commission meetings fell in 2016 to an average of 8 days, compared with 22 days in 2015.

The Commission improved communication with active and retired staff on matters relating to pay and benefits in 2016, sending out five newsletters and organising information sessions in Brussels and Ispra to answer staff's questions. In addition, it runs one day generic training session for all agencies and on-site training sessions for individual agencies, the International Association of Former Officials of the European Union and other institutions, primarily on JSIS rights and obligations the online JSIS tool and on the Online Booking Tool (OBT) the new tool that allows hotel and travel bookings in compliance with the rules.

The relocation of the PMO in Brussels in a single building involves changes in the way of working including the implementation of paperless processing. The new premises with their reception areas will contribute to the effort of improving communication with active and retired colleagues through personal contacts.



PARTNERSHIP

COLLABORATIVE ORGANISATION

1.6. DG HR intends to improve collaboration with HR partners and stakeholders including by extending HR services to other institutions.

The specific objective of partnership is to ensure collaborative and effective professional relationships with stakeholders and partners relevant for hr core services



SOCIAL DIALOGUE

Ensure an open and efficient dialogue with staff representatives where Vice-President Georgieva can present her priorities in the area of HR policies and discuss their implementation to guarantee appropriate working conditions

Staff voice their opinions, demands and views through **three** types of bodies:

- trade unions and staff associations,
- the Staff Committee and
- the Joint Committees.

The **European Commission** provides these organisations with human and financial resources that enable them to carry out their duties.

As of 31 December 2016, the European Commission recognises **20 trade unions and staff associations** (see Annex VI for their full names). Quarterly meetings were organised with the Vice President for Budget and Human Resources and 57 meetings with HR services were organised in 2016. The **main issues covered** included the new general implementation provisions on contract agents; the new decisions on outside activities and middle management staff and advisers; the new mission guide; the situation of contract staff in Luxembourg; and the move out Luxembourg's Jean Monnet 1 building.

The **Staff Committee** is a statutory body comprising the Central Staff Committee and its eight local sections (Local Staff Committees), one for each major Commission site. In 2016, DG HR provided support for the elections in Petten (May), in Luxembourg (November), and those organised at the European External Action Service (November).

The EU civil service and staff representatives also work together closely in **Joint Committees**, consultation bodies provided for by the Staff Regulations and by decisions or general implementing provisions. These committees cover subjects such as career development, social measures, training, working conditions and health and safety. About 60 of them are active.



AGENCIES

Enhance a harmonised implementation of HR policies across Agencies

In 2016, the Commission approved the template of three decisions to be adopted by Agencies to streamline resources: on setting up a staff committee, on preventing harassment, and the non-application of the Commission Decision on the maximum duration for the recourse to non-permanent staff in the Commission services.

Discussions were launched in autumn 2016 on the subject of issuing in 2017 decisions on telework, middle management staff, the function of adviser, and the learning and development policy to be applied by the decentralised agencies and the joint undertakings. More template decisions will be issued in 2017 once the Commission adopts its own rules. The Commission also issued seven individual agreements to Agencies' implementing rules on matters that cannot be covered by the template decisions.

Also in 2017, the Commission was very active in informing Agencies/Joint Undertakings at an early stage of the Implementing Rules under discussion. To this end, it participated to the **Decentralised Agencies and Joint Undertakings** Network and made presentations to their and the **Executive Agencies'** Heads of Administration.

A new platform on MyIntraComm, which aims to enhancing mobility for temporary agents (AT2f) between agencies will be launched early 2017.

In 2016, the Commission also proposed the revision of founding acts of some existing Agencies (for example, EUROFOUND, EU-OSHA and CEDEFOP) which includes a standardisation of HR provisions.

The Commission worked extensively on the creation of the new European Public Prosecutor's Office (EPPO). The regulation is likely to be adopted in 2017 and the Agency to become fully operational from 2019.

The Commission also reinforced the mandate and staff of Agencies involved in current migration issues (FRONTEX, EUROJUST, Europol and EASO).

The Commission reviewed the staff policy plan for the Agencies, including the establishment of plan posts through a new planning document known as the Single Programming Document. Also, the Commission manages the different service-level agreements concluded with the Agencies for the provision of services.

The Commission provided direct support to Agencies and Jus also via the DG HR helpdesk service, which processed around 1100 queries in 2016.



EUROPEAN SCHOOLS

Represent the interests of the institutions and their staff towards the system of the European Schools.

In 2016, around 26 690 children were schooled in 14 European Schools⁵ located in 7 Member States⁶. The EU contribution is the largest income of the European Schools' budget (around 60%/€ 178 million in 2016).

The European Commission also contributes to the budget of 11 accredited national European Schools (around 5 480 pupils in 2016) in return for the admission of EU staff's children and manages the accreditation process three more schools.

Infrastructure and enrolments

The political decision by the Belgian authorities on the fifth school. is expected by the end of 2017. The Berkendael premises will remain available in the meantime.

In 2016 three new language sections were opened in Brussels – Estonian in Laeken and Latvian and Slovak in Berkendael. The Latvian one failed to attract any students and consequently no Latvian classes were proposed in 2016-2017. However, it is expected to open in 2017/2018. Only two EU Member States are not yet represented in the language sections: Slovenia and Croatia.

The guidelines for the enrolment policy for 2017-2018 will allow a guaranteed place for all category I pupils, taking into consideration available capacities.

A series of security audits performed by the Commission Security Directorate started in 2015 and continued in 2016, resulting in a number of recommendations. The security budget was increased since 2015 by €3.5 million. The Commission insists that safety related works must be carried out immediately by the host countries and it provided assistance and support to the European Schools (ES) system on security matters.

Curriculum and staff issues

A new Secretary-General and a new Deputy Secretary-General of the ES were appointed on 1 October and 6 December respectively.

New service regulations for locally recruited teachers entered into force in 2016. The Commission is also actively involved in the works of three working groups on "Mobility", "Bursar" and the "Revision of the Financial Regulation".

Another working group on the pedagogical reform of the European Schools is currently drafting concrete proposals. The Commission is very supportive that work as it is crucial that the quality of studies and the recognition of the European Baccalaureate are protected and improved.

⁵ The ES in Culham is in the process of "phasing out" and will be closed in 2017 due to the fact that the Joint European Torus (its "raison d'être") will move to France.

⁶ Belgium, Germany, Italy, Luxembourg, Spain, the Netherlands, and the UK.

Financial management and cost sharing

The Commission has continued working with other stakeholders on further improvement of the financial management of the European Schools. The new model of the financial governance entails the gradual centralisation with a single Authorising Officer and a single Accounting Officer and will guarantee a better alignment with the EU Financial Rules. The Commission also signed a service-level agreement for training and advice on procurement, internal control and financial rules in 2016.

A Financing Agreement entailing a financial contribution from EUIPO to the ES Alicante was drawn up in 2016 and will be signed in 2017. A contribution agreement related to the ES Frankfurt is also under negotiation.

In 2016, the UK finally reimbursed the Commission for the salaries of seconded teachers in line with the European Court of Justice's judgment of 2012.



INTERNATIONAL AFFAIRS

Help other public administrations to modernise and improve efficiency through cooperation and information sharing.

EUPAN

The cooperation of public administrations network focused on the implementation of the recommendations adopted in 2015 on the organisation and function of EUPAN. The first EUPAN Strategy Paper was formally adopted by the Directors General on 16-17 June 2016. DG HR actively contributed to the drafting of the strategic paper and the implementation programme.

Enlargement countries

The latest Communication on EU Enlargement Policy adopted in November 2016 reaffirmed the commitment to emphasise on public administration reforms. In 2016, DG HR continued to help DG NEAR to assess reforms in civil service and human resources management and conveying the main messages for further reforms in this area.

DG HR provided its contribution to the discussions held through the Special Groups on Public Administration Reform, put in place between the Commission and 5 enlargement countries. DG HR also contributed to the drafting of the questionnaire that the European Commission handed sent to Bosnia and Herzegovina to help prepare its opinion on the country accession request.

Cooperation with international organisations through staff exchanges

In 2016, a renewed cooperation arrangement with the African Union Commission and a trilateral Administrative Arrangement on the same topic between the European Commission, the European External Action Service and the African Union Commission were signed.

DG HR also focused on the implementation of the administrative cooperation agreements with other international organisations. An increasing number of DGs (7 in 2016 compared to 5 in 2015) participated to exchange programmes with the United Nations, the World Bank and the African Union Commission in different areas.

Part 2 – Organisational Management and Internal Control

SOUND RESOURCES MANAGEMENT

2.1 FINANCIAL MANAGEMENT AND INTERNAL CONTROL

2.1.1 CONTROL ENVIRONMENT AND FINANCIAL RISKS

2.1.2 CONTROL RESULTS

2.1.3 AUDIT OBSERVATIONS AND RECOMMENDATIONS

2.1.4 ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

2.1.5 CONCLUSIONS AS REGARDS ASSURANCE

DECLARATION OF ASSURANCE

2.2. OTHER ORGANISATIONAL MANAGEMENT DIMENSIONS

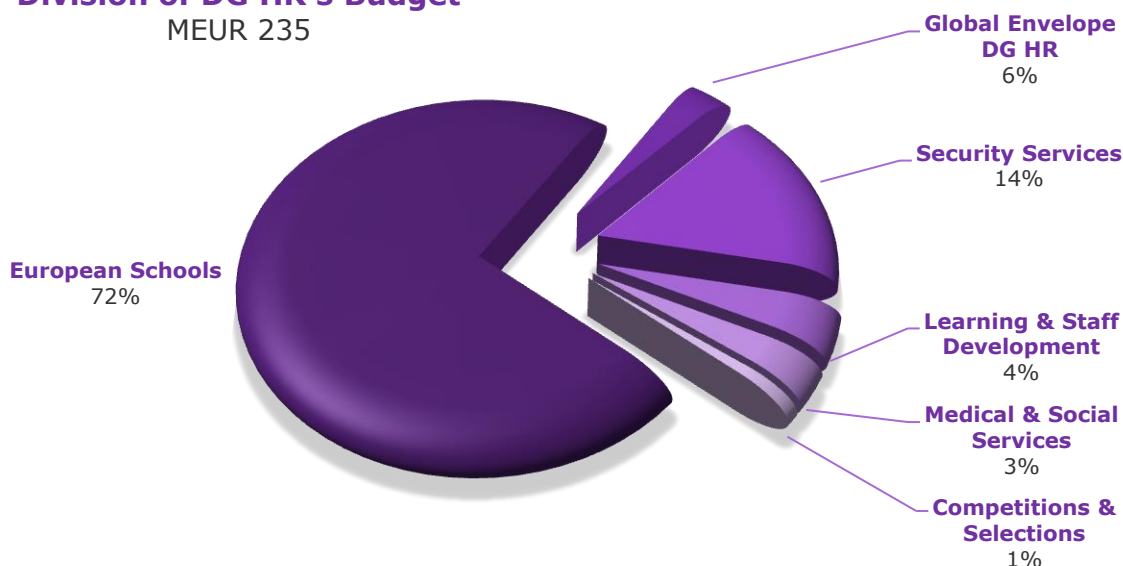
2.1 FINANCIAL MANAGEMENT AND INTERNAL CONTROL

Overview of the Budget

DG HR's institutional budget of MEUR 235 is implemented under centralised direct management. Three quarters of the budget is earmarked as financial contributions for the European Schools. Most of the remainder MEUR ~67 is used to purchase goods and services for the Commission's security and medical services and for its learning and development activities.

Division of DG HR's Budget

MEUR 235



Additional Revenue: SLAs and European Schools

In addition to the institutional budget, DG HR manages around MEUR **11 of revenue**, corresponding to ~5% of the budget, from other institutions and bodies. This income is used to cover the extra costs incurred in order to provide HR services to a broader client base.

Exceptionally in 2016, the settlement of a court case before the European Court of Justice resulted in **MEUR 4.8 of additional revenue** associated with the European Schools. The amount represents a compensation for the overpayment of salary contributions, and, where applicable, severance grants to teachers.

A further **MEUR 5.6 of funding emanating from third parties is transferred to the European Schools**⁷. This corresponds to financial contributions from Agencies and Institutions that operate in the cities where the schools are present. The funds are all transferred to the schools and thus this income is not used to cover DG HR's operations.

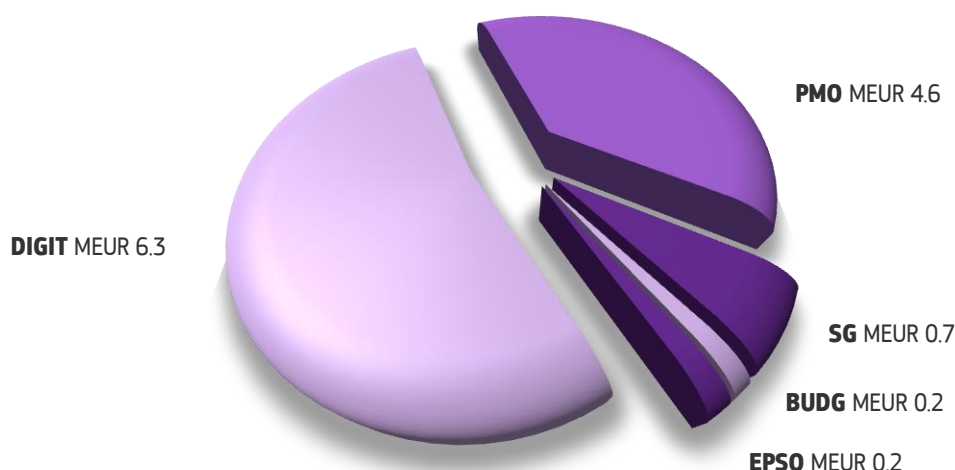
⁷

Refers mainly to 'type 2' European schools that operate in the cities where these financing entities are located e.g. in Helsinki, Strasbourg, Den Haag, Tallinn, Heraklion and Parma.

Budget implementation tasks entrusted to others: Cross Sub Delegations

DG HR entrusted 5% of its 2016 budget to other DGs of the European Commission in order for them to carry out certain tasks on its behalf. Most of the amount concerned was entrusted to **DIGIT** for IT support services and to the **PMO** to cover various aspects of staff expenditure e.g. mission and medical costs, fellowships and study visits.

Budgetary Items Entrusted to Other DGs and Services (MEUR 12)



SG & DG BUDG, manage DG HR funds for Learning & Development activities and **EPSO** manages funds for the ERASMUS Traineeship programme for national civil servants.

The part of the budget entrusted to others has been managed under the same Commission rules and control framework. Through the existing reporting mechanisms DG HR is not aware of any issues or weaknesses which may have a significant impact on the assurance and thus concludes that there are no control weaknesses affecting the assurance statement the DG.

DG HR manages **Cross Sub Delegated credits of other DGs** to cover:

- Resource management services for local HR and financial management and for internal control services on behalf of EPSO, EUSA and the IAS.
- KEUR 570 of the JRC budget was made available to DG HR in order to cover the costs of medical and social support services on the JRC sites.
- Payment appropriations for KEUR 25 from DG GROW were available to DG HR's Security Directorate for a security project that has been concluded.

The European Schools: A distinct and separate mandate

The European Schools, governed by an intergovernmental convention, have a distinct and separate mandate which is defined in terms of providing a multilingual and multicultural education for children. The fulfilment of the schools' mandate cannot thus be construed as 'executing a part DG HR's mission'. For this reason the **European Schools are not considered as an entrusted entity** which indirectly executes DG HR's budget.

The governance of the European School System is ensured by the Board of Governors, made up mainly of Member State representatives, in which the European Commission is represented with 1 vote.

Financial Risks: The Type of Financial Operations Managed

Effective and Efficient Financial Control

- Riskier transactions are subjected to more stringent & centralised scrutiny than low risk ones.
- More senior and highly qualified staff process the riskier transactions.
- Workflows are designed to automate & approve low-value payments en masse.

To complete the financial risk profile of DG HR, the number of transactions, their complexity and size should be taken into consideration.

In 2016 DG HR dealt with **~10,500 transactions** and carried out a total of **MEUR ~260 in payments**. Many of the payments are routine in nature and around 33% of them are associated with interim staffing services which are subject to a highly automated approval workflow. In 2016 efforts were made to review contractual terms in order to reduce the number of transactions dealt with.

The average⁸ amount associated with DG HR's payments, at EUR ~7,750, remains low. In order to make payment processing more efficient, small and regular payment claims are dealt with *en masse*. Thus any costly manual intervention required in the payment authorisation process is minimised.

The highest value transactions are associated with the European Schools. The average amount of an associated payment to the schools is over MEUR 2.8 and collectively the European Schools account for over **70% of the total budget**. The payments are highly regulated and the workflow involved a dual verification step. The **risks of paying the wrong amount or the wrong beneficiary are extremely limited** and indeed no such errors have been detected in the ex post controls.

Important risks are associated with DG HR's procurement activities and the tendering procedures for all high value⁹ contract awards are therefore subjected to strong and highly centralised controls. Staff from **the central Finance Unit, oversee and support** their operational colleagues throughout the tendering process.

The procurement activity risks are financial, legal and reputational. The basis for assessing the financial risks is not DG HR's annual budget because the tendering procedures relate to **multiannual and often inter-institutional contracts**. Thus their total values are often in excess of the DG HR annual budgets. In 2016, the procurement services of DG HR supervised procedures associated with **MEUR 276** some of these procedures were ongoing at the end of 2016.

As concerns the procedures that were finalised in 2016, contracts worth **MEUR 55¹⁰** were awarded by DG HR. To make efficiency gains and to avoid the dispersion of staff competencies within the Commission, DG HR's procurement control and support services are shared with other services. Thus additional contracts controlled and supervised by DG HR to a value of **MEUR 19** were awarded by EPSO/EUSA and contracts worth **MEUR 136** were awarded by the PMO. Of the 17 tenders concluded in 2016, under the supervision of DG HR, three were awarded by EPSO/EUSA and four by the PMO.

⁸ This average does not take account of the relatively small number of exceptionally high value payments to the European Schools.

⁹ The definition of high value is the threshold of the Procurement Directive for supplies and services (€135,000).

¹⁰ Two contracts awarded for IT services contributed to this amount. The associated procedures were carried out and supervised by DG DIGIT.

Supervision and Delegation of Power

The Director General ensures that responsibilities are assigned appropriately throughout the organisation. The financial circuits have been designed taking into account the risks and with a view to optimising the use of available resources. DG HR has both decentralised and centralised circuits in place.

- The **centralised model is applied for payment processing** in all but two Directorates i.e. those with significant financial activities, and for the non-Brussels-based parts of the organisation. Controls on the **tendering procedures for high value contracts** are also centralised.
- **Decentralised circuits** are in place for **establishing low or middle value commitments** with third parties, for the payments in the big-spending Directorates and for the geographically dispersed units (Luxembourg & Ispra).

Responsibilities are aligned with risks and thus only the most senior managers have the power to approve on high value transactions. They are also empowered to sub delegate the less risky aspects of their financial management tasks to their staff.

Regular reviews of achievements and control results take place notably:

- The Director-General meets the Directors and key Heads of Unit twice a year, to take stock of progress made in achieving both operational results and internal control objectives;
- DG HR and the Cabinet discuss, as part of their weekly meetings, the Commission Agenda planning, internal control issues and other priority actions;
- A scoreboard, with performance indicators associated with financial management and control, is prepared each month. It is discussed periodically with management;
- Budget review and programming exercises are organised at least twice a year.

DG HR determines its error rate in financial processes through the following measures:

- Campaigns of ex-post 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;
- Regular reviews of important procurement files are sampled and scrutinised by the Administrative DGs' inter-service group on public procurement (GAMA¹¹).

The corporate ex-post control campaign is well established in DG HR. Its primary purpose is to estimate the DG's error rate and thus the controls are based on a random, representative sample of transactions selected by the finance unit. A second objective of the ex-post control campaigns is to identify and remedy any control weaknesses in financial management.

¹¹DG HR manages the Secretariat and plays an active role in the public procurement advisory committee 'GAMA' (Groupe d'Analyse des Marchés Administratifs), with EPSO, IAS, PMO, OIB, OIL and DG DIGIT).

2.1.1. Control Results

Building Assurance

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives¹².



Assurance is an objective examination of evidence for the purpose of governance processes. This examination is carried out by management, who monitor the functioning of the internal control systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to the Director-General. The reports produced are:

- ✓ **Assurance reports and exceptions registered** by the Sub Delegated Authorising officers as well as reports from Authorising Officers in other DGs who manage budget appropriations in cross-delegation;
- ✓ Results of the **ex-post controls**;
- ✓ Results of controls on large value Procurement Contracts (GAMA);
- ✓ Observations and recommendations reported by the **Internal Auditors** and the **European Court of Auditors** (ECA);
- ✓ **Contribution of the Internal Control Coordinator**, including the results of internal control reviews at the DG level

Assurance Reports and Exceptions or Noncompliance Reports

All authorising officers report regularly to the Director General on the implementation of operations which have been entrusted to them¹³. In DG HR this reporting is done twice a year and all the empowered officers are required to provide their line managers with a comprehensive report covering their key internal control and financial management responsibilities. In turn, the Directors provide an overview of the situation in their Directorates to the Director General. **The Directors' overview reports did not highlight any problems or weaknesses** that had not already been identified and addressed through the exception reports and internal control reviews.

DG HR's register of exceptions and non-compliance events highlights eleven issues related to the non-respect of procedures in financial management. The amount at risk associated with the exceptions is estimated at KEUR 304.

- **Five non-compliance events** or errors were associated with issues that may entail extra risks for the organisation. Corrective measures were taken and the underlying causes of the errors have been or are being addressed.
- **Five exceptions** were granted to deal with very specific circumstances. In all cases the risks were fully assessed prior to an exceptional procedure being adopted.
 - One exception related to the measures taken in the aftermath of the terrorism attack in March 2016;
 - Four exceptions were approved to guarantee business continuity, of which two were related to the renewal of framework contracts;

¹² The DG's assurance building and materiality criteria are outlined in the AAR Annex 4. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the control systems.

¹³ As per art.4.8 of Charter of tasks and responsibilities of authorising officers by sub delegation.

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- **One Derogation**, or 'permanent exception', was accorded in order to address the specific but non-standard nature of one aspect of DG HR's security services which is inherently difficult to reconcile with the standard mission rules.

For prudence reasons, DG HR prefers a strict assessment of the amount at risk related to exceptions. Particularly regarding procurement related issues, it is considered more careful to assess the amount at risk at 100%. Given the relatively low number of exceptions registered on a yearly basis, this can lead to large variations in global amount at risk from one year to the next. One has to refrain, however, from considering the amount at risk as being 'the amount misspent'. On the contrary, careful analysis shows that the amounts involved have been correctly spent but they potentially deviate from standard process requirements.

Coverage of the Internal Control Objectives: Ex-Post Controls

DG HR has set up internal control processes aimed to ensure the appropriate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the nature of the DG's activities as well as the nature of the payments concerned. The financial control objective is to ensure that the DG 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.

The ex-post control campaign covered 260 transactions worth MEUR 80, representing 34% of the annual budget. The sampling method used was random and stratified taking into consideration the expenditure in two main sub populations: European Schools; and the procured goods and services¹⁴. The sample was designed in order to give rise to a meaningful result.

Control Coverage associated with Transactions

Type of transaction	Number Ex-post controls	Value associated with the sample (MEUR)	% of total Approved Budget covered by the sample
Commitments	60	27.4*	12%
Payments	180	50.1	21%
Recovery orders	20	2.3	1%
Total	260	79.8	34%

* When checking payments, the associated commitment is also checked. To avoid double accounting, the figures in the table do not include the commitment amounts associated with the payment checks.

97% of the total transactions checked in the ex-post controls were acceptable some had minor shortcomings such as missing justification documents. The remainder, which contained more substantial errors, were generally associated with low value transactions. Indeed the amounts in euro associated with the errors represented 0.02% of the value of the controlled amount.

The nature of the errors generally would result in additional risks to the organisation. The main issues identified concern the respect of procurement procedures for low value contracts, the respect of contractual provisions and late payments, some a posteriori commitments and the application of the financial circuits.

Results for the Procured Goods & Services Sub Population

There is a relatively large number of low value transactions in this sub population and the amounts associated with the checks correspond to 4% of the budget spent on procured goods and services. The scope for error is higher due to complexities associated with procurement procedures and contract management issues. The results

¹⁴ A further stratification related to payments to interim staff within the 'procured goods/services' population was introduced to the sampling method. This was done to avoid selecting a large number of similar low value, low risk transactions.

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of the controls reveal an **error rate of 0.02%**.

Control Coverage for the Budget associated with Procured Goods & Services:

Transaction type	Number Ex-post controls	Value associated with the sample (MEUR)
Commitments	54	1.4
Payments	162	0.8
Recovery orders	14	0.3
Total	230	2.5 4% Procured Goods/Services Budget

Results for the European Schools Sub Population

The amounts associated with the checks on transactions with the European Schools correspond to 46% of the total 2016 budget dedicated to the schools. There are relatively few transactions and limited scope for error. The results of the controls were, as in previous years, all acceptable and thus the **error rate associated with the European schools budget is 0%**. This positive result has been regularly confirmed by the Court of Auditors in their controls in recent years.

Control Coverage for the Budget associated with the European Schools:

Transaction type	Number Ex-post controls	Value associated with the sample (MEUR)
Commitments	6	26
Payments	18	49
Recovery orders	6	2
Total	30	77 46% European Schools Budget

Estimated Error Rate using Weighted Average

Considering that 72% of DG HR's budget, associated with the European schools, is not affected by error, **the estimated error rate using a weighted average for the entire budget of DG HR is estimated at 0.02%**.

Type of expenditure	Estimated Error rate	% Total Budget
Procurement and Other expenses	0.6%	28%
Contribution to the European Schools	0.0%	72%
Total	0.02%	100%

Results for the quality check on ex-post verification

10% of the transactions verified during the 2016 ex-post control exercise were checked to assess the quality of the ex-post controls and no substantial errors were found. This would confirm the high quality and **reliability of the ex-post control result**.

Transaction type	Number quality checks	Total ex-post control
Commitments	6	60
Payments	18	180
Recovery orders	2	20
Total	26	260

The Legality and Regularity of Procurement Controls

DG HR participates in the independent group of procurement experts together with 4 other DGs/Services, the GAMA ("Groupe d'Analyse des Marchés Administratifs"), which checks high risk procurement procedures, prior to awarding the associated contracts. The group issues opinions on the legality and regularity of the procurements. Should a procurement procedure be deemed to be irregular, the authorising officer will generally take the necessary remedial measures¹⁵ prior to awarding the contract.

In 2016, the GAMA examined 6 of the 17 files managed by DG HR. The group issued **positive opinions for all 6 files controlled**.

Risk-based ex-ante checks by GAMA:

Transaction type	DG HR Managed Procurements eligible for GAMA checks		
	Total in 2016	Checked Ex Ante by GAMA	Proportion With errors (%)
N° procurement procedures	17	6	0%
Value associated with high risk procurement procedures	MEUR 195	MEUR 184	0%

Control effectiveness as regards legality and regularity

As explained above, DG HR has set up internal control processes aimed to ensure the appropriate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of activities as well as the nature of the payments concerned.

The control objective, to ensure that no more than 2% of the amount controlled ex-post have 'unacceptable' results¹⁶, has been amply met. Moreover this objective has been met for both key areas of expenditure identified: the European Schools and Procurement budget. The DG can therefore conclude that financial controls are working effectively.

In the context of the protection of the EU budget, at the Commission's corporate level, the DGs' estimated overall amounts at risk and their estimated future corrections are consolidated. For DG HR, the estimated overall amount at risk for the 2016 payments made is KEUR 304 (based on the exceptions recorded). This is the AOD's best, most conservative estimation of the amount of expenditure authorised during the year that are at risk of not being in conformity with the applicable contractual and regulatory provisions at the time the payment was made.

This expenditure has been subject to ex-post controls and the proportion of the underlying error detected is 0.02%. These errors are not associated with undue payments. The conservatively estimated corrections that will need to be made for 2016 payments in the future are negligible. Corrective measures, notably in terms of internal control system improvements and efficiency gains, will be implemented in successive years.

¹⁵ The GAMA cannot take the decision-making power from the authorising officer in charge. In most cases a procedure with a negative GAMA opinion will be re-started or abandoned.

¹⁶ More details on the materiality criteria can be found in Annex 4.

Efficiency and Cost-Effectiveness of Control

DG HR has estimated the costs associated with its key financial controls. The benefits of preventative controls, although significant in the context of DG HR's operations e.g. to mitigate reputational risks, are not quantifiable. They are consequently not taken into account in the calculations below.

Compared to many other DGs, DG HR does not have a large budget and since the error rate is also very low, it follows that the amounts associated with the recovery of funds for erroneous payments are negligible. When such monies are due, DG HR fulfils its duty to protect the Communities' budget.

The principle of economy requires that the resources used by the institution in the pursuit of its objectives shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of efficiency concerns the best relationship between the resources employed and the results achieved. DG HR has developed indicators to measure the efficiency of the controls associated with financial management in line the Commission's requirements.

Efficiency indicators for the budget associated with procured good and services

An estimated MEUR 1 of staff costs were invested in controlling procurement procedures for contracts worth approximately MEUR 276¹⁷. Thus 0.4% of the total contract value was dedicated to control and the benefit: cost ratio is estimated at EUR 267.

For financial transactions an estimated MEUR 5.6 was invested in controlling 10,500 transactions (commitments, payments and recovery orders) worth a sum total of about MEUR 547. An estimated MEUR 4.5 was dedicated to payment processing. This corresponds to <4% of the total of amount paid for procured goods and services (MEUR ~117).

An estimated MEUR 0.1 was invested in ex-post controls on 260 financial transactions pertaining to DG HR and a further 50 pertaining to EPSO/EUSA. Therefore each transaction or procedure checked cost an estimated EUR 354.

All in all, an estimated MEUR 6.7 was invested in control activities. If we consider this in terms of the total amount paid on the procurement and other expenses budget i.e. some MEUR 117, the cost of control indicator for this part of the budget is 6%. If the value of the procurement contracts that the controllers have worked on (MEUR 276) are taken into account, the cost of control indicator for procurement-related activities drops to 1%¹⁸.

Efficiency indicators for the financial contribution to European schools

The financial contribution to the European Schools in 2016 totalled MEUR 168. The estimated costs of controlling the associated financial management overall is around MEUR 0.2 (staff costs). Thus 0.1% of the total of the European Schools budget was dedicated to control.

¹⁷ This amount corresponds to the tendering procedures managed in 2016 (awarded or ongoing). The amounts associated with tendering are multiannual and often inter-institutional. They include work to support EPSO, EUSA and PMO tendering.

¹⁸ This figure does not take account of the further efficiency gains that have been made due to the fact that DG HR's financial controls also cover transactions of EPSO/EUSA and the IAS.

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Overall efficiency indicators

Considering the total costs dedicated to control for the two main budget areas covered by DG HR, we can conclude that the overall proportion of the 2016 budget dedicated to financial control is 1.9%. Understandably, the cost of control for the procurement budget is proportionally higher than that of the European Schools because the transactions related to the European Schools are few (1% of transactions) and considerably higher in value.

	2016 Budget (MEUR)	Estimated % budget dedicated to control
Procured Goods Budget	67	6.6%
European Schools Budget	168	0.1%
2016 Budget DG HR	235	1.9%

The cost of controls on procurement procedures and financial transaction processing, amount to 1% of the total amount concerned by the contract values and the payments executed (MEUR 511).

	Budget Associated with Controls (MEUR)	Estimated % Budget dedicated to control
Procurement Procedures Ex-Ante Control	276	0.4%
Procurement Procedures & Transactions Control	511	1%

The resources dedicated to control were stable in 2016. DG HR continues to make efforts to improve the efficiency of financial processes, to improve the quality of work and this inevitably results in efficiency gains for the organisation. Initiatives to share resources, to develop clearer instructions so as to avoid errors or corrections and re-working have borne fruit. This is demonstrated by the control results. Moreover many of the risks associated with poor financial management (risk of errors, legal proceedings) which are avoided through effective controls are not quantifiable. The resources dedicated to control are aligned with the associated risks and DG HR concludes that the cost-benefit of control is acceptable.

Based on an assessment of the most relevant key indicators and the control results, DG HR has assessed the cost-effectiveness and the efficiency of the control system and reached a positive conclusion.

Payment Delays

DG HR adopted a generic efficiency indicator related to the time taken to pay (see annex 3). In 2016, DG HR met its target to make 95% of all payments on time. In reducing the backlog from previous years, the average number of late payments was structurally reduced to 3%.

Fraud prevention and detection

DG HR has developed its anti-fraud strategy as required in the Commission's overall strategy¹⁹. Many anti-fraud measures are now implemented and appropriate controls are in place. In 2016 the financial circuits are highly centralised and authorising officers are required to report regularly to their hierarchy on all aspects of their work including fraud risks. This facilitates effective supervision.

In contributing to the annual risk assessment exercise, all managers were required to specifically consider and report on fraud risks.

Training on ethics has been globally reassessed, after a comprehensive reflection on how staff can gain better understanding and increased consciousness of their ethical obligations. The on-line training course launched last year on 'Ethics principles in the European Commission' available to all staff, now insists on specific issues such as the prevention of leaks and full coverage of the risks of conflicts of interest, while highlighting the highest standards of behaviour in the institution. The number of participants to the on-line training course has doubled in 2016 (560 participants against 271 in 2015) and 571 staff members connected to the course for information. Furthermore, the level of participation to interactive presentations on Ethics rules across DGs and Agencies continued at a high level.

Contacts with OLAF to define a common understanding of the notion of Conflict of Interest took place at bilateral level in mid-2016.

In September 2016, the European Ombudsman released her Decision closing the inquiry on the Commission's handling of the 'revolving doors' phenomenon and welcomed the progress made in most aspects covered by her inquiry. In addition to the four recommendations issued, the Ombudsman announced its intention to follow up on the Commission's implementation of the relevant rules on the 'revolving doors' phenomenon through carrying out an own-initiative inquiry starting with an inspection in early 2017.

The Practical Guide to Staff Ethics and Conduct is under constant review to make it more user-friendly. In addition the Commission Decision on outside activity C (2013) 9037 is still under review as it is currently going through the social dialogue negotiation process. The purpose is to simplify the rules with a view to making them easier to apply and then to guarantee a higher rate and quality of enforcement by the staff. Lastly, the annual activity report of IDOC, which is part of DG HR, was widely distributed amongst Commission staff. This report gives an overview of cases handled by this office and sanctions imposed, serving as a reminder to staff of the Ethics rules and highlighting the fact that breaches these rules can have serious consequences.

In terms of indicators, the internal control coordinator is not aware of any cases of fraud having been reported in 2016.

¹⁹ COM(2011) 376 24.06.2011.

Safeguarding of Assets and Information

DG HR's assets, as booked in the accounts (Annex 3), consist of internally developed IT Projects. They are thus intangible²⁰, non-current assets worth EUR 1.5²¹. They correspond to IT Projects which are in production, worth EUR 3.7, (including Modules of the SysPer Human Resource Management System) which are amortised each year (EUR -2.2 in 2016).

For this control objective (safeguarding of assets and information, reliability of reporting), DG HR's goal is to make sure that all relevant measures are applied to avoid breach/leak of personal data and breach/leak of sensitive data. DG HR manages several IT systems storing personal data (SysPer, e-Sire, SerMed, HR Business Intelligence,...). DG HR decision making processes use, inter alia, reports based on these systems. The security of these systems is monitored and improved when appropriate.

At the end of 2016 the EDPS carried out a four-day inspection of SysPer at DGs HR and DIGIT. The scope of the inspection determined by the EDPS are the organisational and technical measures ensuring the quality of personal data processed in SYSPER, ensured through the following IT process: (1) IT governance, (2) Change management, problem management and incident management and (3) Access management. **Feedback from the EDPS on the inspection is expected in 2017.**

The data governance programme started in 2015, with one of the objectives being to provide reasonable assurance of compliance with data protection and information security requirements and to provide privacy by design for used data and information across the HR family of systems (HRMIS), resulted in a replacement of IT Governance Decision C(3602) by Decision C(2017)46 concerning HRM Information Systems and specific developments to achieve compliance in order to better address the risks of data breaches and leaks of personal and sensitive data.

²⁰ DG HR is not an inventory centre. All the tangible assets purchased are inventoried by OIB/OIL & DIGIT and are transferred to their balance sheet.

²¹ Excluding assets under construction as these are not yet in useful economic phase.

2.1.2. Audit Observations and Recommendations

This section reports and assesses the observations, opinions and conclusions reported by auditors in their reports as well as the opinion of the Internal Auditor on the state of control, together with any management measures taken in response to the audit recommendations.

The Internal Audit service (IAS)

The recommendations that are open relate to the two audits that were concluded at the end of 2015. The audits are:

- The Management of Absenteeism in the Offices,
- Information Security Governance in the Commission,

No outstanding very important or critical IAS audit recommendations.

DG HR was associated with one audit issued in 2016 on **"Management of Intra Muros Contractors"**. The Internal Auditor issued a **satisfactory opinion** on the state of internal control.

With recommendations being implemented in line with the deadlines in the agreed action plans. Currently in DG HR there are no recommendations overdue for >6 months.

One new audit report was issued by the IAS in 2016 and DG HR has drawn up the relative action plans to address the auditors' recommendations. The audit relates to:

- **'The Management of intra muros contractors'**: The report, issued in July, was addressed to DG DIGIT, DG HR, DG BUDG, DG COMM and the JRC, resulting in one important and one very important recommendation for DG HR. The recommendations call for the definition of a corporate framework and guidelines on the use of intra muros contractors and for additional security measures.

The annual opinion of the Internal Auditor on the state of control of the DG takes account of the fact that:

- for the accepted recommendations made by the IAS in 2014-2016, management has adopted plans to implement them which the IAS considers adequate to address the residual risks identified by the auditors,
- the implementation of these plans is monitored through reports by management and through follow-up audits by the IAS,
- management has assessed a number of action plans not yet followed up by the IAS as implemented, and
- management has partially rejected one recommendation that the auditors had classed as being 'very important' and has accepted the residual risks which are considered by the auditors as high.

The IAS concludes that the internal control systems audited are working satisfactorily overall although a number of very important findings remain to be addressed in line with the agreed action plans. These action plans, relating to the three audits concluded late in 2015 and in 2016, are being implemented according to the agreed timetable.

The IAS draws attention to the need to ensure the proper functioning of the Information Security Steering Board (ISSB), as this mitigates the risks related to the partially rejected recommendation mentioned in the annual opinion. DG HR has declared that the ISSB is functioning effectively.

The European Court of Auditors

Special report of the Court of Auditors on **"How do the EU institutions and bodies calculate, reduce and offset their greenhouse gas emissions"**:

The follow-up work related to four recommendations issued in a 2014 will be completed when the next progress report on the implementation of the EMAS among Institutions/bodies, expected by mid-2017, will be available.

Special Report of the Court of Auditors on **"The effectiveness of staff development in the European Commission"**:

Of the 24 recommendations associated with the Special Report on 'The Effectiveness of Staff Development', there are five outstanding recommendations for which the follow-up is being completed.

A major milestone in achieving this result was the launch of a new training management system 'EU Learn' on 16 November 2016. This was implemented as part of the Commissions Talent Management Strategy endorsed by the College on 15 June 2016.

The audits, particularly those involving several DGs and services, have provided DG HR with valuable information which will help to improve its performance. DG HR both welcomes the reports from the above-mentioned audit entities and invests considerable resources to ensure that the associated recommendations are addressed as fully as possible. This is evidenced by the successful implementation of action plans in 2016. The recent recommendations are seen as useful to improve DG HR's service offer. They do not however have a material impact on the achievement of the internal control objectives, and therefore on assurance of the DG as a whole.

No observations in the latest Annual Reports from the European Court of Auditors (ECA)

Low error rate <1% confirmed by ECA

Special reports issued in previous years being effectively addressed:

- "The effectiveness of staff development in the European Commission", 2013
- "How do the EU institutions and bodies calculate, reduce and offset their greenhouse gas emissions", 2014

2.1.3 Assessment of the effectiveness of the internal control systems

This section reports and assesses the observations, opinions and conclusions reported by auditors in their reports as well as the opinion of the Internal Auditor on the state of control, together with any management measures taken in response to the audit recommendations.

The Commission has adopted a set of internal control standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. In addition, as regards financial management, compliance with these standards is a compulsory requirement.

DG HR has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

INTERNAL CONTROL SYSTEMS

DG HR has put in place the organisational structure and the internal control systems to ensure that the Commission's internal control standards are effectively implemented.

Internal control coordinator carries out regular reviews to check on the implementation of the Internal Control Standards.

The internal control coordinator ensures that the review of the implementation of the Internal Control Standards is regularly updated to take account of relevant information. The annual review focused on an analysis of the results of the staff opinion survey, and the annual risk assessment. This information was complemented by information and inputs from managers and staff who play a key role implementing the internal control standards.

Concerning the overall state of the internal control system, DG HR complies with the three assessment criteria for control effectiveness.

- Staff capacity: staff having the required knowledge and skills;
- Capacity of systems and procedures: systems and procedures are designed and implemented to manage the key risks;
- Experience of the operation of the control system: no instance of ineffective controls that have exposed the DG to important risks (operational effectiveness).

In conclusion, the internal control standards are effectively implemented and functioning.

2.1.4 Conclusions as Regards Assurance

This section reviews the assessment of the elements reported above (in Sections 2.1, 2.2 and 2.3) and draw conclusions supporting the declaration of assurance and namely, whether it should be qualified with reservations.

Review of the elements supporting assurance

The information reported above stems from the results of management reports, supervisory controls, surveys and audits that cover the whole organisation. DG HR operates in an environment where the risks are sufficiently well-managed and generally rather low:

- ✓ A centralised and direct mode of budget implementation, the mode with the lowest intrinsic risk,
- ✓ Assurance received from cross-sub-delegations given to other DGs,
- ✓ Absence of grants and limited asset management, which are notoriously risky areas of financial management,
- ✓ Positive assurance on administrative expenditure given by the Court of Auditors for several years, and again in the annual report issued in 2016,
- ✓ Conclusions of ex-post control (no issues with significant financial impact),
- ✓ Positive feedback received from GAMA concerning procurement procedures,
- ✓ Monitoring, registration and analysis of exceptions reports and non-compliance events (minor events reported),
- ✓ No long overdue outstanding audit recommendations that are very important or critical coupled with a statement from the IAS in their audit opinion,
- ✓ Critical risks are identified and they are the subject of management attention; mitigating actions are defined and implemented.

Based on the above elements and on the positive report on the quality of the accounting data, it is justified to have a reasonable assurance on the legality and regularity of the underlying transactions. DG HR is thus confident to have sufficient guarantees as to the completeness and reliability of the information reported.

The Issue of the European Schools

In 2016 DG HR, and indeed the Commission as a whole, was very committed to assisting the Schools in taking a series of measures to address the shortcomings highlighted by the Court of Auditors and the Internal Audit Service. The changes are essential as they concern the internal control and accountability framework.

The following aspects illustrate the proactive approach adopted:

- Reinforcement of internal control and management responsibilities;
- Reinforcement of Schools' accounting structures;
- Revision of the Financial Regulation aiming to install a robust and accountable financial governance;
- Creation of a central procurement cell;
- Training of main key actors in the financial circuits.

The Commission is using all the leverage it has to move the European Schools to applying sound financial governance. It cannot, however, substitute for the Schools' management which ultimately is responsible for taking the necessary measures to address the concerns raised by the Court and by other auditing and control bodies.

Regarding the reservation included in 2013 on reputational grounds related to possible fraud in one of the

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Europeans Schools; the gradual implementation of all actions is helping the European Schools in establishing a sound internal control culture apt at preventing further cases from emerging. But to mitigate the specific circumstances at the heart of the potential fraud case, leading to the reservation, other criteria need to be fulfilled:

- Proper segregation of duties;
- Risk management exercise;
- Development and implementation of an anti-fraud strategy;
- A thorough review of the payment process and payment system.

DG HR has assisted the European Schools in implementing these actions, and has reasonable assurance that the risk management exercise and the anti-fraud strategy are sufficiently implemented. However, the 2015 Court of Auditors' report confirms that, although the audit work revealed "no material errors in the final financial statements for 2015", the Schools still need to work on the segregation of duties, notably in the payment system.

It is clear that fraud risk pertaining to the payment system and the payment process needs to be further reduced to an acceptable level, to obtain reasonable assurance that the grounds for the reputational reservation are no longer valid. DG HR is not in a position to ensure that the Schools and the Secretary-General Office will quickly implement the recommendations addressed to them by the Court of Auditors. However, it has done everything in its power to improve the situation and will continue to do so.

The Commission is the only Member of the Board that voted against the discharge of the Schools the last three years because it recognised the need to mitigate the risks associated with the Court's findings. The Commission relies on the commitment of the other Members on the Board to support its position and to take the necessary measures to improve the financial management and governance of the Schools. DG HR will nonetheless continue to be a proactive player in the context of the decision-making bodies in this field.

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 General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

Whilst the Director General is in a good position to provide her assurance declaration for 2016 based on her financial management and internal control responsibilities, a reputational reservation, also included in the two previous reports, has been maintained. The reservation is associated with reputational damage linked to the mismanagement of funds by one of the European Schools and weaknesses in the Schools' accounting and control systems.

DECLARATION OF ASSURANCE AND RESERVATION

I, the undersigned, Irene SOUKA,

Director-General of DG HR,

In my capacity as authorising officer by delegation,

Declare that the information contained in this report gives a true and fair view²².

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 work of the Internal Auditor on the state of control, and the observations 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.

However, a reservation should be noted; Given the Court of Auditors' findings relating to the identification of irregularities linked to potential fraud in relation to one European School, a reputational reservation on part of the European Schools' budget was issued in the AAR 2013 and continues to be maintained in this AAR.

Brussels, date 31 March 2017



Irene SOUKA

Director General of DG HR

Signed

²² True and fair in this context means a reliable, complete and correct view on the state of affairs in DG HR.

Organisational Management and Internal Control

SOUND RESOURCES MANAGEMENT

RESERVATION 1

No	Title	Type	Amount at risk	ABB amount concerned
1	Continuation of 2013 Reservation on reputational grounds related to possible fraud* in one European School (type I).	Reputational	N/A	N/A

* The suspected fraud took place in previous years; the 2013 CoA report refers to irregular payments having been detected during 2003-2012.

Title of the reservation	Reservation on reputational grounds related to possible fraud in one of the European Schools
Domain	N/A Reputational Reservation. Payments to the school are made under a form of 'Direct management. The schools are rather autonomous in their subsequent management of appropriations.
ABB activity and amount affected	26.017002 European School Brussels I Total amount of Payments made €26 million
Reason for the reservation	Reservation on reputational grounds following Court of Auditors' findings in the context of the report on the annual accounts of the European Schools related to the continuing accounting and control weaknesses and to the identification of irregularities linked to potential fraud in relation to one European School.
Materiality criterion/criteria	The Commission's reputation may be at stake despite the fact that the Commission exercises limited control over the management of the Schools.
Quantification of the impact	Not a financial reservation
Impact on the assurance	The original reservation was made on the grounds that resources may not be used for the intended purpose. Measures to deal with the fraudulent activity are in place.
Responsibility for the weakness	The Director of the School Brussels I is Authorising Officer. The governance of the European Schools System is ensured by the Board of Governors (in which the European Commission has 1 vote on 30).
Responsibility for the corrective action	<p>To mitigate the specific circumstances that caused the potential fraud case, leading to the reservation, other criteria need to be fulfilled:</p> <ul style="list-style-type: none"> o Proper segregation of duties; o Risk management exercise; o Development and implementation of an anti-fraud strategy; o A thorough review of the payment process and payment system. <p>DG HR has assisted the European Schools in implementing these actions, and has reasonable assurance that the risk management exercise and the anti-fraud strategy are sufficiently implemented. Moreover, DG HR has assisted in helping the European Schools further revise their financial governance, resulting in a second revision of their Financial Regulation.</p> <p>However, the 2015 Court of Auditors' report confirms that the Schools still need to work on the segregation of duties, notably in the payment system. Once fraud risk is reduced to an acceptable level, the grounds for the reputational reservation will no longer be valid.</p> <p>The Commission will continue to give the Schools support in putting emphasis on strengthening the payment process, including a proper attribution of roles in the payment system.</p>

2.2. OTHER ORGANISATIONAL MANAGEMENT DIMENSIONS

Financial management – examples of increased efficiency and effectiveness

The yearly risk assessment exercise was revised in October 2016. In an effort to render the process more relevant to senior management, the risk assessment is now integrated in the exercise of drafting the management plan. The definition of the DG's 2017 objectives and the discussion on the related risks were discussed through bilateral exchange with the directors, resulting in a more efficient and effective accomplishment of the global risk analysis. The results of the exercise, i.e. the definition of the risks to be mitigated in 2017 and the critical risks to be included in the management plan, were presented and discussed with the Director General.

The synergies and efficiencies exercise, initiated by DG BUDG, resulted in a thorough analysis and mapping of the (human) resources active in the finance community. DG HR now has a precise view on who is contributing to what financial processes, leading to a more accurate assessment of our cost of control.

Human resource management & Information management aspects

Implementation of DG HR local Talent Management priorities for 2016:

1. Reinforce local networks and crosscutting projects to work together and break silos.
2. Promote and organise career management initiatives and services for staff.
3. Organise events to support the new organisational structure (e.g., Management Away Day, All-staff Away Day).

All of the 2016 DG HR local Talent Management priorities were successfully implemented. Local networks were identified and communicated and six crosscutting projects were launched, of which five are currently active. Career management services, such as the Career Desk and career management training courses, continued to be offered throughout the year. In 2016, DG HR underwent several organisational changes. Firstly there was the reorganisation which was implemented on 1/01/2016 and secondly, the HR modernisation project was introduced. DG HR participated to both the pre-pilot and first wave pilot of the HR Modernisation project. Numerous events were organised to support both organisational changes, e.g., Management Away Day, All-staff Away Day, Knowledge Café sessions (to be confirmed) and lunchtime information sessions open to all Commission HR staff on the HR Modernisation project.

Better regulation

In 2015, DG HR set up a comprehensive review of all rules applying the Staff Regulations from the point of view of, among other things, better regulation. This programme comprises in total around 100 acts. About 10 acts were thoroughly revised and the revised version has been adopted or adoption is imminent. Another 30 revisions are under way and expected to be finalised in the near future. For around 20 acts, it was decided that no revision is necessary. The remaining acts are scheduled for analysis and a possible launch of a revision for 2017.

External communication activities

Domain leadership (external and internal communication)

Following the adoption of the Communication on Synergies and Efficiencies in April 2016, DG HR and DG COMM have been acting as domain leaders for internal and external communication in the Commission. New joint governance structures have been created and began to function effectively in 2016. The Corporate Communication Steering Committee at Director General level met twice during the year, and the new Communication Network at Head of Unit level met four times. Project teams covering a range of actions from communication of the Staff Survey to the Investment Plan for Europe have been established. DG COMM and DG HR also worked together on an inventory of the human resources allocated to external and internal communication across all DGs and services. This inventory will provide the basis for a professional development programme to be launched in 2017, as well as potential efficiency savings.

ANNEXES

ANNEX 1: STATEMENT OF THE RESOURCES DIRECTOR

I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission²³, I have reported my advice and recommendations to the Director-General on the overall state of internal control in the DG.

I hereby certify that the information provided in Part 2 of the present AAR and in its annexes is, to the best of my knowledge, accurate and complete.

Brussels, 31 March 2017

Signed

Christina VLASSIS

Head of Unit Finance, Procurement and Internal Control

²³ Communication to the Commission: Clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission; SEC(2003)59 of 21.01.2003.

ANNEX 2: REPORTING – HUMAN RESOURCES, BETTER REGULATION, INFORMATION MANAGEMENT AND EXTERNAL COMMUNICATION

This annex is the annex of section 2.2 "Other organisational management dimensions".

Organisational Management		
Objective 1: The DG effectively deploys its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.		
Indicator Percentage of female representation in middle management Source of data: Sysper		
Baseline (2015)	Target (2020)	Latest known results
34,6%	40%	45% (31/12/2016)
Indicator Staff engagement index Source of data: Annual Staff Survey Results 2016		
64,9%	75%	68% (2016)
Indicator Percentage of staff who feel that the Commission cares about their well-being Source of data: Annual Staff Survey Results 2016		
35,3%	65%	44% (2016)
Information management aspects		
Objective 2: Information and knowledge in the DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable Result indicators		
Indicator Percentage of registered documents that are not filed (ratio) Source of data: Hermes-Ares-Nomcom (HAN)		
Baseline (2015)	Target (2020)	Latest known results(2016)
1,82% (2015)	0%	0,21%
Indicator number of HAN files shared with other DGs Source of data: HAN		
0,13%	0,13% ²⁴	49,1%

²⁴ There is no real target as this number is in function of the needs of the DG. This has changed for DG HR compared to 2015 as we now have 8 AMC units dealing with files from each DG and service in the Commission. This is why the percentage of HAN files shared with other DGs has increased substantially.

Indicator number of cases where an important document could not be retrieved and resulted in a report to the DMO (register of 'exceptions' to be created)

Source of data: DMO

0	0	0
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Indicator Percentage of briefings managed in accordance with a uniform business process and using a common tool

Source of data: BASIS implemented in 2016

0%	100%	47,1% (2016)
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Indicator number of HAN files readable/ accessible by all units in the DG

Source of data: HAN statistics

0%	0%	0%
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Indicator Percentage of units using collaborative tools to manage their activities

Source of data:

	40	To be defined in 2017- the initiative has already been launched, for example, intensive use of Connected for the HR Modernisation project
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Indicator Existence and degree of implementation of a documented strategy to harness knowledge of DG staff

Source of data: DMO

Yes, high	Yes, high	Yes, high
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ANNEX 3: DRAFT ANNUAL ACCOUNTS AND FINANCIAL REPORTS

ANNEX 4: MATERIALITY CRITERIA

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

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

- For financial cases, the threshold of 2% of the total volume of the activity concerned;
- For other cases, the fact whether a serious breach had occurred vis-à-vis an internal control standard;
- And more generally, whether the Commission's reputation was at stake;

Critical issues outlined by the European Court of Auditors or the Internal Audit Service.

ANNEX 5: INTERNAL CONTROL TEMPLATE(S) FOR BUDGET IMPLEMENTATION (ICTs)**A) ICT for Procurement under Direct Management.****Stage 1 – Procurement****A - Planning**

Main control objectives: Ensuring that the decision to tender is optimal

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth*	How to estimate the costs and benefits of controls	Control indicators
The needs are not well defined (operationally and economically) and that the decision to procure was inappropriate	Publication of intended procurements / Work program	Coverage: Procurement >60.000 € Depth: Level 2	Costs: FTE linked to operational unit + central unit Benefits (qualitative): No litigation, compliance	Total contract value / cost of control on procurement.
	Note to AO(S)D on justification (economic , operation) for launching a procurement process Orientation note	Coverage: 100% Depth: Level 2		Cost of control on procurement / number of procedures closed during the year
Discontinuation of the services provided due to a late contracting	Point discussed during management meeting	Coverage: Main ones Depth: Level 2		Exceptions & NCE / total number of commitments

NB: for all controls, information in particular financial information related to inputs / outputs and follow-up should be collected

***Depth: (definition of levels)**

1. Minimal administrative / arithmetic control with no reference to supporting documents, reference to underlying documents.
2. Control with reference to corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification), but no reference to underlying documents.
3. Control with reference to fully independent corroborative information (e.g. a database which justifies certain elements of the claim, 3rd party or Commission assessment of milestones achieved, etc.)
4. Control with reference to and including access to the underlying documentation available at the stage of the process in question, for all inputs and outputs (e.g. timesheets, invoices, physical verification, etc.); i.e. control of the same intensity of transaction testing as those carried out by the ECA as part of the DAS

B - Needs assessment & definition of needs

Main control objectives: Ensuring that the call for tender is done optimally

Main risks <i>It may happen (again) that...</i>	Mitigating controls (those in bold are strongly recommended)	How to determine coverage frequency and depth*	How to estimate the costs and benefits of controls	Control indicators
The best offer/s are not submitted due to the poor definition of the specifications	Financial circuit : AOS approval and supervision of specifications	Coverage: 100% Depth: Level 3	Costs: FTE linked to operational unit + central unit Benefits (qualitative): No litigation, compliance	Total contract value / cost of control on procurement.
	Additional unit supervision above a financial threshold : procurement >60.000 € Or use of a consultative/advisory committee GAMA	Coverage: Those replying to criteria: procedure >60.000€ Depth: Level 4		Cost of control on procurement / number of procedures closed during the year Exceptions & NCE / total number of commitments

NB: for all controls, information in particular financial information related to inputs / outputs and follow-up should be collected

***Depth: (definition of levels)**

1. Minimal administrative / arithmetic control with no reference to supporting documents reference to underlying documents.
2. Control with reference to corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification), but no reference to underlying documents.
3. Control with reference to fully independent corroborative information (e.g. a database which justifies certain elements of the claim, 3rd party or Commission assessment of milestones achieved, etc.)
4. Control with reference to and including access to the underlying documentation available at the stage of the process in question, for all inputs and outputs (e.g. timesheets, invoices, physical verification, etc.); i.e. control of the same intensity of transaction testing as those carried out by the ECA as part of the DAS

C – Selection of the offer & evaluation

Main control objectives: Ensuring that the selection of the contractor is optimal

Main risks <i>It may happen (again) that...</i>	Mitigating controls (those in bold are strongly recommended)	How to determine coverage frequency and depth*	How to estimate the costs and benefits of controls	Control indicators
The most promising offer not being selected, due to a biased, inaccurate or 'unfair' evaluation process	Opening committee and Evaluation committee	Coverage: 100% Depth: Level 4	Costs: FTE linked to operational unit + central unit Benefits (qualitative): No litigation, compliance	Total contract value / cost of control on procurement.
	Consultative committee CCAM/PPAG	Coverage: Risk based sampling Depth: Level 4		Cost of control on procurement / number of procedures closed during the year
	Conflict of interests	Coverage: 100% Depth: Level 4		Exceptions & NCE / total number of commitments
	Exclusion criteria documented	Coverage: 100% Depth: Level 4		
	Standstill period	Coverage: 100% Depth: N/A		

NB: for all controls, information in particular financial information related to inputs/outputs and follow-up should be collected

***Depth: (definition of levels)**

1. Minimal administrative / arithmetic control with no reference to supporting documents reference to underlying documents.
2. Control with reference to corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification), but no reference to underlying documents.
3. Control with reference to fully independent corroborative information (e.g. a database which justifies certain elements of the claim, 3rd party or Commission assessment of milestones achieved, etc.)
4. Control with reference to and including access to the underlying documentation available at the stage of the process in question, for all inputs and outputs (e.g. timesheets, invoices, physical verification, etc.); i.e. control of the same intensity of transaction testing as those carried out by the ECA as part of the DAS

Stage 2 – Financial transactions

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth*	How to estimate the costs and benefits of controls	Control indicators
Contractor does not comply with the contractual provisions	Monitoring respect of contractual provisions.	Coverage: 100% Depth: Level 4	Costs: FTE linked to actors acting on financial circuits Benefits (qualitative and quantitative): Detect error before payment, sound financial management and respect of contractual provisions	Cost of control on the financial circuit/number of financial transactions done during the year
Amount paid is disconnected from the quality and the timing of the deliverables	Financial circuit: all steps financial and operational	Coverage: 100% Depth: Level 4		Cost of control on the financial circuit/value of payment executed during the year
Business discontinues. Contractor unable to deliver.	Signature at higher hierarchical level for higher amounts	Coverage: Those replying to criteria Depth: Level 2		Exceptions & NCE / total number of payments
	Sensitive functions	Coverage: AOSDs mainly Depth: N/A		

NB: for all controls, information in particular financial information related to inputs/outputs and follow-up should be collected

*Depth: (definition of levels)

1. Minimal administrative / arithmetic control with no reference to supporting documents reference to underlying documents.
2. Control with reference to corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification), but no reference to underlying documents.
3. Control with reference to fully independent corroborative information (e.g. a database which justifies certain elements of the claim, 3rd party or Commission assessment of milestones achieved, etc.)
4. Control with reference to and including access to the underlying documentation available at the stage of the process in question, for all inputs and outputs (e.g. timesheets, invoices, physical verification, etc.); i.e. control of the same intensity of transaction testing as those carried out by the ECA as part of the DAS

Stage 3 – Supervisory measures

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls (those in bold are strongly recommended)	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
An error or non-compliance with specifications or a fraud is not detected	Ex-post controls on procedures / contractors	Coverage: Risk based percentage or financial controllers check each other's work once a year Depth: Level 4	Costs: FTE mainly linked to Control ex-post Benefits: Issues are followed and addressed, improvement of processes and procedures	Ex-post control result/error found Total value checked by Control ex-post/costs ex-post controls Cost ex-post controls/total number of transactions checked by Control ex-post
	Whistleblowing (notably after yearly reporting of awarded contractors)	Coverage: potentially 100% Depth: N/A		
Management of the procurement is not improved in general	Review of ex-post results	Coverage: Whole process but limited number of tenders Depth: Level 2		
	Review of exception reporting	Coverage: Whole process but limited number of tenders Depth: Level 2		
	Review of the process after each procedure	Coverage: Procedure >60.000€ Depth: Level 2		

B) ICT for Financial Contribution to the European Schools

Governance

The European School System is regulated by an intergovernmental convention²⁵. The governance of the European School System is ensured by the Board of Governors at which the European Commission is represented (Commission 1 vote, Member States 1 vote each, EPO²⁶ and parents have a voting right for certain issues). The Draft Budget of the European Schools is voted by the Board of Governors in April, it includes the potential EU financial contribution. Based on this a request for funding is formulated by the Board of Governors, DG HR is responsible for inserting a provision in the Commission's budget to cover the part of the Schools budget assigned to the Commission. Once the EU budget procedure is finalised, DG HR is responsible for accurately paying the contributions to each of the schools. Each type I school is paid in four instalments. There is no room for discretion in the treatment of the payments by DG HR. The first three instalments are fixed in proportion to the total amount payable and the final balance is paid on the basis of an update of budgetary situation provided by each school.

European Schools are responsible for the execution of their budget in compliance with their own Financial Regulation. Audits are carried out by the IAS and by the European Court of Auditors and discharged by the Board of Governors.

For European Schools type II, in April 2009, the reform of the European school system provided for the establishment of European schools of type II, national schools with sections for the European Baccalaureate. These schools receive accreditation from the Board of Governors of the European Schools, which allows, under certain conditions, the granting of a financial contribution. The Commission adopted the measures for the payment of this contribution (in proportion to the number of pupils, children of staff of the Institutions, Agencies/EU bodies, etc.) and, for the first time in the 2011 Commission Budget, appropriations have been earmarked to finance the EU contribution. In August 2013, the Commission adopted a new legal basis, which entered into force in 2014.

²⁵ Official Journal L 212, 17/08/1994 P. 0003 – 0014.

²⁶ Since the European contribution to the European School of München is paid by the European Patent Office.

Stage 1 – Planning / Budget preparation

Main control objectives: Ensuring that the Commission's request for the EU contribution to the European Schools (ES) proposed in its Draft Budget is optimal

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
Budget needs are not well defined which may lead to a budget shortage or budget surplus Budget includes expenses that are not compliant with the rules	DG HR sends a note to the Secretary General (SG) of the ES giving orientations for the preparation of their Draft Budget.	Coverage: 100% Depth: Level 2	Costs: FTE linked to operational unit and financial unit Benefits (cannot be quantified): ES budget taking into account the needs of the schools, the orientations of the Commission and excluding expenses which are not compliant with the rules.	Cost of control/Commission contribution foreseen in the Commission budget
	The forecasts of expenses and revenues prepared by the schools are reviewed in the framework of their Administrative Boards, in which the Commission, through DG HR, has one vote out of 8.	Coverage: 100% Depth: Level 2		
	The SG of the ES prepares an Advanced Draft Budget which is reviewed in the framework of the Budgetary Committee and then in the Governing Board, which adopts the overall draft budget of the European Schools, including the potential EU financial contribution. The Commission (DG HR) has one vote out of 30 in these two instances.	Coverage: 100% Depth: Level 2		
	Based on the request formulated by the Board of Governors of the ES, DG HR is responsible for the Commission's request for the EU contribution proposed in its Draft Budget. Finally, the Commission budget, including the contribution to the European Schools will be adopted by the Budget Authority.	Coverage: 100% Depth: Level 2		

Stage 2 – Financial transactions

Main control objectives: Paying the four instalments of the contribution to each school in compliance with the financial regulation of the schools

A. First three Instalments

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
Payments do not comply with the financial regulation of the schools	The first three payments are calculated as a share of the total amount (3/12, 3/12, 4/12)	Coverage: 100% Depth: Level 1	See below	See below

B. Last instalment

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
Payments do not comply with the financial regulation of the schools	The final balancing payment is based on an updated budgetary situation provided by each school.	Coverage: 100% Depth: Level 2	Costs: FTE linked to operational unit + financial unit Benefits (qualitative): Compliance	Cost of control/Commission contribution foreseen in the Commission budget
	In case of an increase of the Commission contribution requested by a school, an amended budget has to be adopted by the Board of Governors.			
	The process described for stage 1 applies.			
	Furthermore, the Commission, in cooperation with the SG, ensures that budget increases in some schools are at least compensated by economies in other schools.			
	The surplus shown in the annual accounts of the schools are carried forward to the next year budget.			

Stage 3 – Supervisory measures

Main control objectives: Ensuring compliance with the financial regulation

A. Supervisory measures by the Commission

Main risks	Mitigating controls (those in bold are strongly recommended)	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
Payments of the financial contribution of the schools do not comply with the financial regulation	Ex-post controls on a selection of payments	Coverage: Sample Depth: Level 2	Costs: FTE linked to operational unit Benefits (qualitative): Compliance	See above
The budget of the schools is not spent according to their financial regulation	<p>European Schools are responsible for the execution of their budget in compliance with their own financial regulation.</p> <p>A financial control function exists within the SG of the schools</p> <p>Audits are carried out by the IAS and by the European Court of Auditors</p> <p>Discharge is given by the Board of Governors in which the Commission, represented by DG HR, has one vote out of 30.</p>	The legal framework does not enable the Commission to perform any control on the schools' expenditure.		

ANNEX 9: EVALUATIONS

	Title	Reason ¹	Scope ²	Type ³	Associated DGs	Costs (EUR)	Comments ⁴	Ref ⁵
I. Evaluations finalised or cancelled in 2016								
a. Evaluations finalised in 2016	EMAS internal audit	0				98 078,83	Annual audit	
b. Evaluations cancelled in 2016	Assistance juridique - personnel de droit local à Luxembourg							
	Evaluation of the harassment policy							
II. Other studies finalised or cancelled in 2016								
a. Other studies finalised in 2016	Staff survey	0	HR policy	I		59 990,00	Regular survey on staff satisfaction with the Commission as a workplace	
b. Other studies cancelled in 2016	Survey on staff knowledge of the ethics: knowledge of staff about the existing and particularly any new rules and guidance (HR.B.1)			I				
	Survey on staff satisfaction on part time options: knowledge by and satisfaction of staff with existing part time possibilities (HR.B.1)			I				
	Survey on Security and Safety (DS.3)			I				

	Title	Reason ¹	Scope ²	Type ³	Associated DGs	Costs (EUR)	Comments ⁴	Ref ⁵
	Fit@work: customer satisfaction survey (C1)			I				
	PMO Contact Online: Evaluate users satisfaction with the application (PMO)			I				
	Pensions/end of service: Evaluate the service given to future pensioners (PMO)			I				
	Fous Group survey as basis for planned work on branding DG HR			I				
	Staff Survey on effectiveness of Internal Communication			I				
	Survey on stakeholder involvement, business needs and user needs			I				

1) Reason why the evaluation/other study was carried out, please align with Annex 3 of the MP 2016. The individual symbols used have the following meaning: L - legal act, LMFF - legal base of MFF instrument, FR - financial regulation, REFIT, REFIT/L, CWP - 'evaluate first', O - other (please specify in Comments)

2) specify what programme/regulatory measure/initiative/policy area etc. has been covered

3) FC – fitness check, E – expenditure programme/measure, R – regulatory measure (not recognised as a FC), C – communication activity, I – internal Commission activity, O – other – please specify in the Comments

4) Allows to provide any comments related to the item (in particular changes compared to the planning). When relevant, the reasons for cancelling evaluations/ other studies also needs to be explained in this column.

5) For evaluations the references should be 1) number of its Evaluation Staff Working Document and number of the SWD's executive summary; 2) link to the supportive study of the SWD in EU bookshop. For other studies the references should be the link to EU bookshop or other reference where the 'other study' is published via different point.

ANNEX 12: PERFORMANCE TABLES**Specific objective I.1: Human resources are allocated to Commission priorities to deliver maximum performance and added value**

Percentage of jobs in horizontal process	45%	2015	45%	2016	40%	2020
Number of DGs restructured according to organisational performance	New	2016	17%	2016	50%	2020
Reduction of jobs in HR community	2,186	2015	2,133	2016	-17%	2020
Increase in cooperation/collaboration between DGs	Tbd	2015	Tbd	2016	Tbd	2020

Specific objective I.2: Efficient support processes meeting staff and Commission priorities

Directors'-General satisfaction with HR services (% high or very high)	New	2015	New	2016	75%	2020
Staff Satisfaction with HR services (% high or very high)	72%	2015	New	2016	75%	2020
Client satisfaction with Organisation Development projects outside of the HR area (% high or very high)	New	2015	New	2016	75%	2020

Specific objective II.1: Talents are recruited, assessed, developed, motivated, retained and deployed to best fit with political priorities**Focus on managerial excellence**

Newly appointed senior managers participating in the development programme	70%	2014	70%	2016	80%	2020
Percentage of managers having performed a 180° or 360° within the last 3 years	New	2016	New	2016	70%	2020
Satisfaction rate of staff with their management	61%	2014	61%	2016	70%	2020

Managing expectations regarding careers

Percentage of officials having completed their eCV	62.8%	2015	63%	2016	80%	2020
Staff opinion on the effective use of their skills	77.7%	2014	77%	2016	80%	2020
Staff satisfaction with the ability to manage their career choices and career path" (Staff Survey data)	45.4%	2014	36%	2016	60%	2020

Foster the development of staff

Satisfaction Rate "5 Stars" with learning actions	87%	2013	87%	2016	88%	2020
Number of staff having undertaken a "job shadowing" over the past 12 months	20	2016	20	2016	>20	2020
Satisfaction of staff with Learning & Development (Staff Survey data)	51%	2014	62%	2016	60%	2020

Strengthen performance of staff

DGs' satisfaction with new recruitments.	Tbd	2016	Tbd	2016	70%	2020
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Specific objective II.2: An inclusive talent management that attracts and retains diverse talent including attaining the target of 40% of female senior and middle managers

% of women in senior and middle management	30%	2014	34%	2016	40%	2020
Successful recruitment of Croatian citizens (as % of the recruiting target)	66%	2014	80%	2016	100%	2018

Specific objective III.1: Staff work in a secure working environment

1. Satisfaction of customers with the service provided by the Duty Office - % of calls with spontaneous positive feedback	65%	2014	80%	2016	70%	2015
2. Advice delivered to Commission mission performers: % of missions to high-risk destinations receiving travel advice.	New	-	79%	2016	100%	2015
3. Availability of the RUE system to guarantee that Commission staff can exchange information at RESTREINT UE level in a secure environment	99.5%	2013	99.5%	2016	99.5%	2015

SPECIFIC OBJECTIVE III.2: STAFF WORK IN A SAFE AND ATTRACTIVE WORKING ENVIRONMENT

Physical & Mental Health ⁽¹⁾ PREVENT DISEASE AND HELP STAFF TO RETURN AT WORK Attendance rate	95,7%	2014	95,8%	2016	97%	2020
Physical Activity ⁽²⁾ PROMOTE HEALTH-ENHANCING PHYSICAL ACTIVITIES % of staff practicing sport regularly	31%	2014	39%	2016	45%	2020
Work/Life Balance ⁽³⁾ ENHANCE FLEXIBLE WORKING FORMULAS FOR A BETTER WORK / LIFE BALANCE Staff satisfaction with their work life balance	54%	2014	57%	2016	60%	2020
Physical Working Environment ⁽⁴⁾ PROVIDE HEALTHY WORKING SPACE Staff satisfaction with their working environment	58,6%	2014	-	2016	62%	2020
Supportive Working conditions ⁽⁵⁾ MANAGERIAL & ORGANISATIONAL SUPPORT	59%	2014	58%	2016	65%	2020

Staff satisfaction with the management support

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SPECIFIC OBJECTIVE III.3: AN ORGANISATION RESPECTFUL OF ITS ENVIRONMENTAL IMPACT AND ITS SOCIAL RESPONSIBILITY**For Environmental impact – EMAS**

Reduction of buildings' energy and the vehicle fleet
Reduction of 5% of CO₂ equivalents emissions in 2020 compared with 2014 from buildings' energy and the vehicle fleet

1 713 t CO ₂ / year / person	2014			1 627 t CO ₂ / year / person	2020
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For Community involvement

Each DG to organise at least one team volunteering activity every year. (number of days spent in work for the benefit of local community/society)

0	2015	-	2016	Tbd	2020
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Specific objective IV.1: Managers and staff abide by the highest professional and ethical standards at all times**Preventive actions:**

- % of staff who are aware of / know ethics and discipline policy and rules
- Number of DGs receiving training and presentations

95%	2015			95%	2020
14	2015	17	2016	40	2020

Procedural efficiency:

- % of internal timeline indicators respected (E2)
- % of 7 e-modules in SYSPER supporting the process of ethics and integrity implemented (E3)

100%	2015			90%	2020
66%	2015			100%	2020

Investigation & Discipline actions:

- Ratio of opened and closed cases (Number of closed cases / Number of opened cases)

1:1	2015			1:1	2020
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Specific objective IV.2: Staff Regulations implementing rules are clear and effectively applied**Better HR Regulation**

- Number of legal texts reviewed and certified HR Better Regulation

New	2016	25	2016	101	2020
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Provide clear guidance on the regulatory framework – the Legal Helpdesk is an essential tool to support HR services on Staff Regulations issues and to ensure their compliance.

- Satisfaction with Legal Helpdesk service

94%	2014	100%	2016	97%	2020
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Sound decisions in reply to complaints - More clarity and clearer communication will result in an increased understanding of the existing rules, in turn positively impacting the number of complaints

- Proportion of appeal decisions of the Appointing Authority confirmed by the Court

85%	2010			90%	2020
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Specific objective IV.3: Collaborative and effective professional relationships with stakeholders and partners relevant for HR core services
Agencies

- Number of ex-ante agreements for adoption of Staff Regulations implementing rules.
- Satisfaction of Agencies with services and management of the 'helpdesk' function

11	2015			15	2020
77%	2014			80%	2020

Institutions:

- Number of service level agreements on HRMIS signed with new clients

New	2016			2	2020
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European Schools

Eligible parents get a place for their children. & better cost sharing of the financing of the EU schools with other Institutions and EU bodies

- Number of justified demands satisfied (proportion of category 1 pupils having a place)
- Proportion of the ES budget covered by other Institutions/bodies (type I schools)
- Proportion of the ES budget covered by the Member States

100%	2015			100%	2020
1,3 %	2015			6 %	2020
19 %	2015			19 %	2020