European
Commission

Strategic Plan 2020-2024

Internal Audit Service (IAS)

Contents

INTRODUCTION

The starting point for the 2020-2024 strategic planning and programming cycle is the political agenda of President von der Leyen, as set out in the political guidelines and further developed in the mission letters to all members of the Commission. Under the von der Leyen Commission structure, the IAS falls under the political authority of the Commissioner for Justice, Mr Didier Reynders. A modern, high-performing and sustainable European public administration is the general objective to which the Internal Audit Service (IAS) contributes through its assurance and consulting activities. President von der Leyen puts also a strong emphasis on modernising the way the Commission works, for example through digitalisation, use of collaborative methods and an increased focus on sustainability.

This Strategic Plan sets out the overall objectives, priorities and work programme of the IAS and outlines its vision on how to best respond to a fast changing audit environment in order to maximise its added value for each of the 50 other European Commission services and executive agencies, and the 45 EU agencies and other autonomous bodies receiving contributions from the EU budget (hereinafter called 'audited entities') Based on in-depth risk assessments performed for each of these entities, the IAS auditors identify the highest risks that may adversely affect the achievement of the wide range of general and specific objectives contributing to the high-level political ambitions of the von der Leyen Commission and its priorities for 2019-2024.

The IAS strategic audit plans cover the systems and processes that each of the audited entities put in place to address those risks, and that enable them to achieve their objectives effectively and efficiently, whilst complying with applicable rules, safeguarding their assets, protecting the EU budget, spending it legally and regularly, and – in general – providing value for money to citizens, increasing public confidence in the European Union and thus enhancing its image.

Through its assurance and consulting activities, the IAS's professionally certified internal auditors help and support the audited entities to achieve these objectives, and add value to the effective implementation of risk management, control and governance processes, policies, programmes and actions, the efficient and economical management of resources, the compliance with the legal frameworks and the promotion of appropriate ethics and values.

The modernisation of the European public administration announced by President von der Leyen is expected to result in significant changes to structures, interconnections, ways of working and the use of IT-tools in the entities audited by the IAS. In the period covered by this strategic plan the IAS will ensure that its audit and consulting activities support the successful implementation of the changes and the IAS will adapt its own organisation and working methods to the new audit context.

PART 1. Delivering on the Commission's priorities

A. Mission statement

The Internal Audit Service (IAS) is an independent central service in the European Commission, led by the Commission's Internal Auditor, Dr Manfred Kraff.

Its mission[1] is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. The IAS helps the audited entities accomplish their objectives by bringing a systematic, disciplined approach in order to evaluate and improve the effectiveness of risk management, control and governance processes. The IAS contributes to the Commission's general objective of creating a modern, high performing European public administration, effectively and efficiently managing resources and promoting a performance culture (economy, efficiency and effectiveness) by providing assurance to the audited entities and the College of Commissioners.

B. Operating context

We are meeting the expected high level of professional and ethical standards

The IAS conducts its internal audit activities in accordance with the governance arrangements of the European Commission, the Financial Regulation (FR)[2], the International Standards for the Professional Practice of Internal Auditing (Standards)[3] and the Code of Ethics of the Institute of Internal Auditors (IIA)[4]. It is working in an open and transparent manner, meeting the expected high level of professional and ethical standards.

> Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.
> It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
>
> *Definition of internal auditing by the Institute of Internal Auditors (IIA)*

We advise our institution on dealing with risks

The audit strategy takes as a starting point the Financial Regulation, the IAS's mission charters and the international audit standards of the Institute of Internal Auditors (IIA).

Article 118(1) of the FR states that "The internal auditor shall advise his or her Union institution on dealing with risks, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and promoting sound financial management".

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[1] Mission Charter for the Commission and Executive agencies C(2020) 1760 of 25.3.2020. For EU agencies and other autonomous bodies, the IAS signs individual mission charters.
[2] Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union.
[3] https://na.theiia.org/standards-guidance/Public%20Documents/IPPF-Standards-2017.pdf
[4] The IIA code of ethics describes the minimum requirements for conduct for the profession of internal auditing.

The IAS's mission charters state that in order to perform its mission properly, it must act in accordance with generally recognised principles and international standards governing internal audit. IIA standard 2010 requires that "The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals".

In line with the above, the IAS seeks to contribute to the improvement of governance, risk management and control processes of the audited entities by striking the right balance between compliance/financial and performance audits.

We coordinate with the other risk and control functions

As part of the formal risk and internal control framework of the Commission[5] and of the EU agencies and other autonomous bodies, the Internal Auditor teams up with other risk and control professionals and together they help the audited entities to manage risk.

Responsibilities and specific roles related to risk management and control are split across multiple lead services and actors, and must therefore be coordinated effectively and efficiently to assure that risk and control processes operate as intended and that neither "gaps" in controls nor unnecessary duplications of coverage occur.

Delivery of Political Priorities – Key Elements of Commission's Responsibility and Accountability

POLITICAL PRIORITIES

RESPONSIBILITY AND ACCOUNTABILITY

| EFFECTIVE INTERNAL CONTROL | RELIABILITY OF ACCOUNTS / REPORTING | COMPLIANCE WITH LEGAL FRAMEWORK | PERFORMANCE, DELIVERY OF RESULTS, IMPACT OF EU POLICIES |

IIA's THREE LINES MODEL IMPLEMENTED IN THE EUROPEAN COMMISSION

COLLEGE OF COMMISSIONERS
Accountability to stakeholders for organisational oversight

Audit Progress Committee

Governing body roles: Integrity, leadership and transparency

Delegation, direction, resources, oversight — *Accountability, reporting* — *Delegation, direction, resources, oversight* — *Accountability, reporting*

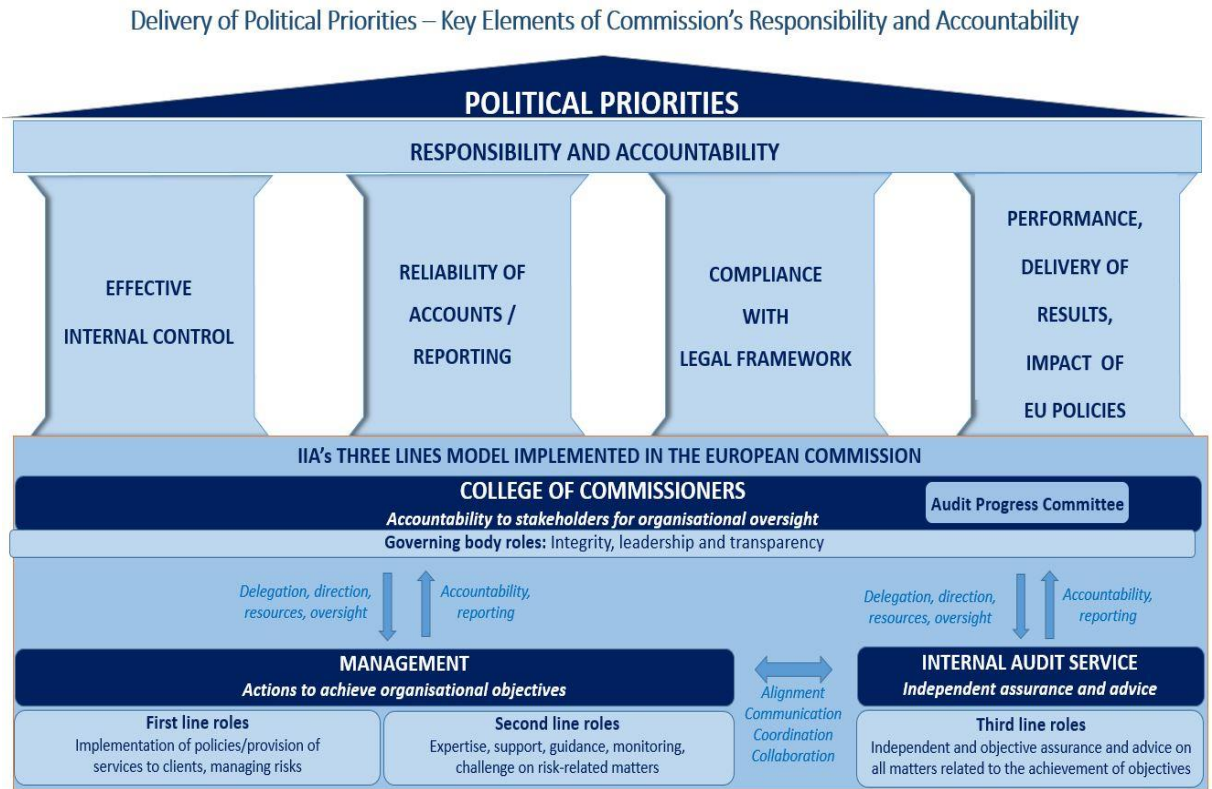| **MANAGEMENT** *Actions to achieve organisational objectives* | *Alignment Communication Coordination Collaboration* | **INTERNAL AUDIT SERVICE** *Independent assurance and advice* |
| **First line roles** Implementation of policies/provision of services to clients, managing risks | **Second line roles** Expertise, support, guidance, monitoring, challenge on risk-related matters | | **Third line roles** Independent and objective assurance and advice on all matters related to the achievement of objectives |

Figure 1 – (Source IIA) The Three Lines Model helps organisations identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management.

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[5] Internal Control Framework of the Commission: Implementation Guide (DG BUDG) 2018.

We are an independent and trusted Commission service

The independence of the Internal Auditor is set out in Article 120 of the Financial Regulation and is guaranteed in its Mission Charters[6,] granting him complete independence in the conduct of the audits.

The IAS reports and is functionally accountable to the Audit Progress Committee (APC) regarding its audit activities in the Commission and executive agencies. The Strategic Audit Plan (SAP) for the Commission and executive agencies is considered by the APC and adopted by the Internal Auditor (IA). For the work in the Commission, the APC ensures oversight over the acceptance and proper implementation and follow-up of the IAS recommendations by the audited services. Similarly, for its work in EU agencies and other autonomous bodies, the IAS reports functionally to the Board and the Director of each respective entity. For these entities the Boards play the role which the APC does in the Commission. In some EU agencies and other autonomous bodies the Board is supported by an Audit Committee.

Under the von der Leyen Commission structure, the IAS falls under the political authority of the Commissioner for Justice, Mr Didier Reynders.

We are adapting to the changing audit environment

It is expected that auditing will become more complex due to the increased number of interconnections between EU policies and the entities contributing to their implementation.

Various challenges could have a significant impact on future audit work, such as the socio-economic impact of the COVID-19 pandemic, the negotiation and subsequent implementation of multi-annual financial framework (MFF) 2021-2027 and the recovery effort Next Generation EU, and the effects of the withdrawal of the United Kingdom from the EU. These challenges are expected to have an impact on the European Union's priorities, budget, governance and accountability arrangements, internal organisation and their associated risks. Therefore, the present plan takes into account this ongoing and evolving process. During the implementation of this Strategic Plan, the IAS will have to be very flexible, constantly monitor the situation, swiftly update the audit universe, identify newly emerging risks and adapt in-depth risk assessments and audit plans to the new developments.

The IAS will also decide in due course on the need and modalities for its own re-organisation and changes of its working methods.

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[6] In early 2020, the IAS updated its Mission Charter and communicated it to Commission DGs, executive agencies and EU agencies and other autonomous bodies.

C. Strategy

We directly contribute to the performance and modernisation of our institution

The IAS, as the sole internal audit service provider in the Commission and domain leader in internal audit for the EU agencies and other autonomous bodies, directly contributes to following general and horizontal objective:

A modern, high-performing European public administration

In the political guidelines and mission letters, President von der Leyen puts a strong emphasis on modernising the way the Commission works, for example through digitalisation, use of collaborative working methods and an increased focus on sustainability. A modern, high-performing and sustainable European Commission is the general objective to which the IAS contributes in the most visible way. The IAS plays the same role in all EU agencies and other autonomous bodies for which the it provides the internal audit function.

We indirectly contribute to the overall political ambitions and objectives of our institution

Through its core activity, the IAS also indirectly contributes to the European Union's overall political headline ambitions[7] and objectives, to be implemented by each of 50 European Commission services and executive agencies and the 45 EU agencies and other autonomous bodies receiving contributions from the EU budget.

Based on in-depth risk assessments performed for each of these audited entities, the IAS auditors identify the highest risks that may adversely affect the achievement of the wide range of general and specific objectives contributing to the high-level political ambitions of the von der Leyen Commission and its priorities for 2019-2024. The IAS strategic audit plans cover the systems and processes the audited entities put in place to address those risks.

Our audit strategy keeps pace with the evolving context

The IAS prepares and implements its multi-annual strategic audit plans, intended to contribute to improving the effectiveness of risk management, control and governance processes of the audited entities[8]. The starting point for developing these plans is to obtain a thorough understanding of the audited entities, their objectives and

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[7] https://ec.europa.eu/info/priorities_en. The Political Guidelines focus on six headline ambitions for Europe over the next five years and well beyond: (1) A European Green Deal, (2) An economy that works for people, (3) A Europe fit for the digital age, (4) Protecting our European way of life, (5) A stronger Europe in the world, (6) A new push for European democracy. In addition, the administration has a horizontal objective to be a modern, high-performing European public administration.

[8] The Commission DGs and Services are, taken together, one audited entity while the EU agencies and other autonomous bodies are all separate audited entities.

the key risks they face in achieving them. The strategic audit plans are drawn up to address the identified risks that are judged to be significant for the audited entity.

In the last quarter of each year the strategic audit plans are translated into more detailed and specific annual audit plans for the coming year. At the same time, the strategic audit plans are also reviewed to reflect changes in the audit universe and, through a light update of the risk assessment, take into account new and emerging risks faced by the Commission and EU agencies and other autonomous bodies.

The IAS audit strategy is based on the following principles:

- Clear risk-orientation, in particular through early identification of EU-wide cross-cutting and DG – or agency – specific key risks/themes taking into account the strategic objectives of the Commission, of the EU agencies and of the other autonomous bodies, thereby ensuring that, as a rule, all risks judged to be high or very high for the audited entity are covered by way of an audit engagement during a three-year (Commission) or four-year (EU agencies and other autonomous bodies) period.

- Ensuring adequate coverage of the financial audit universe to fulfil its objectives as outlined in the Financial Regulation and the IAS mission charter, notably providing annually an overall opinion on the state of financial management in the Commission and limited assurance conclusions for each Authorising Officer by Delegation (AOD) in the Commission. Ensuring sufficient coverage for the latter means that internal audit work should cover at least part of the activities of every Commission DG or Service every three years. Consequently, by way of exception, the IAS may carry out audits on certain areas not judged to be exposing the Commission to high or very high risks.

  Although there is neither a legal obligation to provide an annual opinion on the state of financial management, nor a limited assurance conclusion for each AOD in every EU agency and other autonomous body, the IAS, in accordance with the professional standards, covers the highest risks in every EU agency and other autonomous body. For each of these entities, based on the risk assessment, the IAS draws-up a multi-annual strategic audit plan which defines the adequate risk coverage. The IAS intends to perform a minimum of two assurance or consulting engagements per entity in a four-year period.

- Responding to the needs and requests of the auditees. In line with Art. 119(2) of the Financial Regulation and the IAS's mission charters, the plans may also include audits that were requested by the Commission or the EU agencies and other autonomous bodies. Given the resources available and the need to perform sufficient audit work for the overall opinion and the limited conclusions in the Commission, the focus remains on assurance activities.

  Nevertheless, the IAS performs also advisory activities, if so requested by the College, the Commission services or the executive directors or boards of EU agencies and other autonomous bodies based on a clear mandate (IIA Performance Standard 2010.C1).

The figure below illustrates how in the evolving audit universe of the headline ambitions, Multi-annual Financial Framework (MFF) headings from two different periods (2014-2020)

and (2021-2027), including the recovery effort under the Next Generation EU, and the UN sustainable development goals are being translated into concrete Commission work programmes, annual budgets and further down into practical annual management plans per DG or EU agency and other autonomous body. In this context, auditing will become more complex due to the increased number of interconnections between EU policies and the entities contributing to their design and implementation.

Figure 2 – Mapping of Strategy and Accountability. The breakdown of the EU spending 2021-2027 is based on the state of play after the special summit of the EU leaders on 21 July 2020.

Introducing a holistic view: the knowledge clusters

In response to the evolving audit universe and the increased number of interconnections, the IAS set up in 2020 a series of knowledge clusters. These are cross-functional IAS teams bringing together auditors across the IAS directorates and units to ensure knowledge sharing, analyse related risks and contribute to planning and implementing audits, as well as to reporting their results as regards cross-cutting issues. They are set up around specific themes[9] and aim, to the extent possible, to reflect the range of key political priorities/MFF headings/policy domain(s) for those particular themes. The knowledge clusters will enable the IAS to take a more holistic view, detached from the organisational structure of DGs, EU agencies and other autonomous bodies, in alignment with the institution's new 'whole of government' approach. Starting from 2020 the knowledge clusters will contribute to the definition of the audit universe, the in-depth risk assessment and the preparation of the strategic and annual audit plans for the Commission and for the EU agencies and other autonomous bodies. In addition they will provide input to the reflection on the adaptation of the structure of the IAS, in order to be better prepared to support the EU with the realisation of the political headline ambitions.

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[9] I. A Europe fit for the Digital Age; II. European Networks, Energy and Transport; III. Justice and Home Affairs, Migration and Border Management, Security; IV. European Green Deal; V. Regional Development and Cohesion, Investing in People, Social Cohesion and Values; VI. A modern, high performing and sustainable European Commission; VII. Research and Innovation; VIII. Education, Health, Internal Market, Industry, Defence and Space; IX. Economic, Monetary, Fiscal and Financial Policies, European Strategic Investments, Statistics and OLAF; and X. Neighbourhood and the World.

We coordinate with other assurance providers to optimise the mitigation of risks

The IAS coordinates its work during the preparation of its Strategic and Annual Audit Plans with the European Court of Auditors (ECA), the Commission's external auditor, and, where applicable, with the Internal Audit Capabilities (IACs) of the EU agencies and other autonomous bodies.

The IAS performs a wide range of audits, covering governance aspects, and operational, financial and risk management processes, in order to provide assurance to the audited entities that the controls in place are effective in mitigating those risks that may impair the achievement of their objectives.

Where weaknesses are identified in the course of the audit, recommendations are issued. These recommendations aim at cost-effectively mitigating the related risks, thereby adding value to the audited entity. The IAS monitors the implementation of the accepted recommendations through dedicated follow-up audits.

> The Audit Progress Committee (APC) – to which the IAS reports its audit work in the Commission and the Executive Agencies – follows closely the acceptance and implementation of IAS's recommendations and takes action where necessary, which has a considerable persuasive effect vis-à-vis the audited entities concerned. In the EU agencies and other autonomous bodies this role is played by the boards.

Hindsight, insight and foresight

Traditionally, internal audit focused mostly on providing assurance on the adequacy of internal control processes which ensured the legality, regularity, efficiency and effectiveness of past activities. The resulting 'hindsight' will continue to be a very important deliverable of the IAS's work.

However, the IAS also aims to actively support the Commission's realisation of the headline ambitions by providing assurance and consulting services that focus on the readiness of the organisation and the adequacy of newly developed structures and cooperation mechanisms at a very early stage or even before their implementation.

This move towards providing 'insight', and in some cases even contributing to 'foresight', represents a major challenge, but is also an opportunity for the IAS to provide the added value which is expected from internal audit.

Our contribution to increasing public confidence in the European Union

To conclude, through their audit work, the internal auditors add value to the effective and efficient implementation of risk management, control and governance processes, EU policies, programmes and actions, efficient and economical management of resources, legal and regular spending of the EU budget and compliance with the legal frameworks by the audited entities. In this way, they contribute to providing value for money for citizens and thus to **increasing public confidence** in the European Union and enhancing its image.

General objective 1: **A modern, high-performing and sustainable European Commission**

Impact indicator 1.1 (Corporate level): Image of the European Union
Explanation: This indicator is based on the question 'In general, does the EU conjure up for you a very positive, fairly positive, neutral, fairly negative or negative image?' The indicator gives the share of positive and fairly positive views on this question. **Origin of indicator**: Eurobarometer **Source of the data**: Eurobarometer

Baseline (2019)	**Interim milestone** (2022)	**Target** (2024)
43%	Increase	Increase

Through its **Annual Report of the Internal Auditor** (Article 118(4) of the Financial Regulation), the IAS reports each year to the Commission on its audit work in Commission Directorates-General, services and executive agencies. This report is issued early in the year and then summarised by the Secretariat-General of the European Commission in the annual report in accordance with Article 118(8) of the FR. It contains a summary of the number and type of internal audits carried out, the recommendations made and the action taken on those recommendations. It is forwarded by the Commission to the European Parliament and the Council and discussed in the framework of the annual discharge procedure.

For the Commission and Executive Agencies, audits of a financial nature contribute to the yearly **overall opinion of the IAS on financial management in the Commission**. The overall opinion consolidates the IAS's work in the area of financial management.

The Article 118(4) Report and the Overall Opinion of the IAS are delivered at the end of the second quarter of every year and contribute to the preparation of the Commission's **Annual Management and Performance Report for the EU budget (AMPR) and the Commission's integrated financial reporting package** in which the Commission reports on the implementation of the EU budget and its performance. By adopting the AMPR, the Commission takes overall political responsibility for the management of the EU budget.
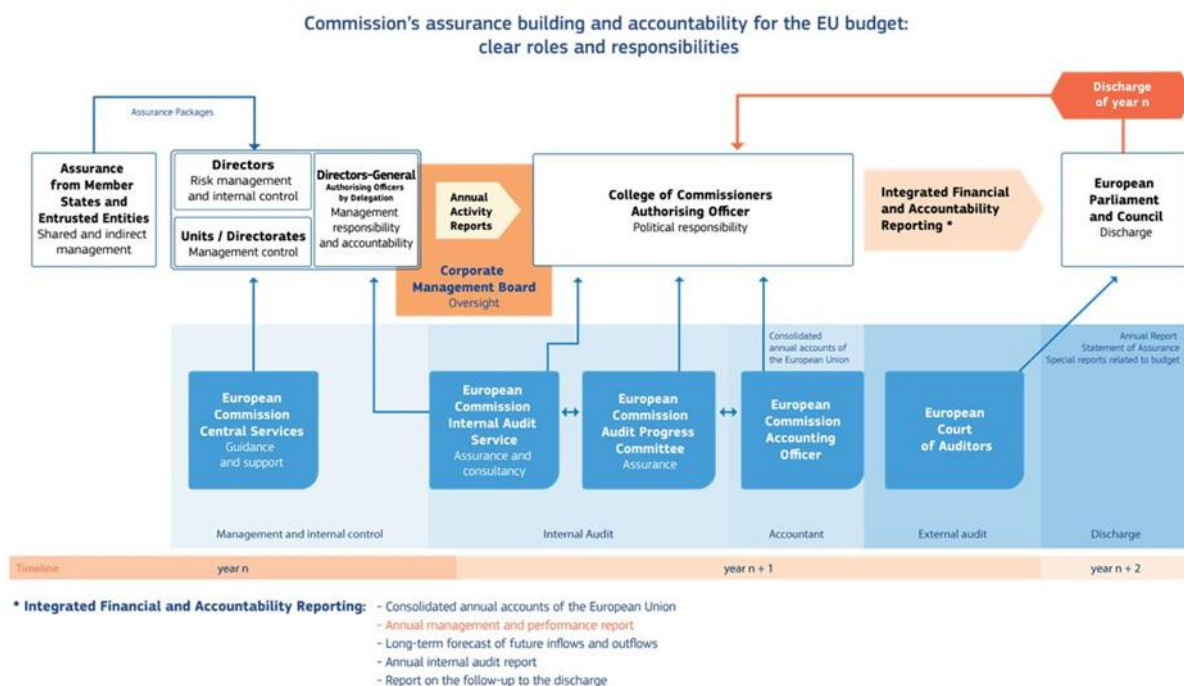
Figure 3 – Overview of the Commission's Assurance and Accountability Chains. Source: European Commission.

Our contribution to individual audited entities

The Internal Auditor issues each year a **conclusion on the state of internal control** (limited type assurance[10]) to each individual Directorate-General and service of the Commission as a contribution to the preparation of their annual activity reports.

Other reports issued include (1) quarterly overview reports (or information notes) transmitted to the APC on the follow-up of IAS recommendations concerning Commission's Directorates-General and services and (2) annual reports on the status of open critical and significantly delayed very important IAS recommendations to EU agencies and other autonomous bodies.

Analysing the new audit universe and adjusting the organisation of the IAS

As explained in the introduction, the new political orientation of the College, focusing on six policy priorities and one horizontal objective, requires Commissioners, DGs and agencies and other autonomous bodies to collaborate in completely new ways. The resulting changes to the governance and accountability arrangements mean that the current segregation within the IAS between the directorates which audit the Commission services and the directorate which audits the agencies and other autonomous bodies may have to be re-considered.

The creation of the knowledge clusters in the first year of this strategic planning period will allow the IAS to improve its knowledge sharing capacity accross the boundaries of its directorates and units. Nevertheless, depending on the results of a thorough

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[10] These limited conclusions have been issued on an annual basis since 2016.

analysis and update of the audit universe in 2020, the organisation of the IAS may have to be adjusted to ensure that the new institutional culture and policy orientation is better reflected in the way internal audit is organised in the European Commission and in the EU agencies and other autonomous bodies. While the knowledge clusters will provide input to the assessment whether and how the IAS organisation should be adapted to be able to cover the risks in the audit universe in the most efficient and effective way, a special project team will be set up to manage the exercise (see part 2: Modernising the administration).

Specific objective 1: The IAS understands its audit environment and has a clear definition of its audit universe, which reflects the Commission and EU agencies and other autonomous bodies' objectives, priorities and risks.		
Result indicator 1.1: **At the end of the first year of the strategy the IAS should have a completely updated (draft[11]) audit universe, thereafter (minor) annual updates should be prepared until the arrival of the next College.**		
Explanation: This indicator is a qualitative assessment of the knowledge level of the IAS of its audit environment. The IAS will analyse the changes in the audit universe to be better prepared to support the EU with the realisation of the six political headline ambitions and the seventh horizontal objective. The update is very important in an audit environment which is characterised by (1) ambitious political ambitions, objectives and targets which need to be delivered through the proper design and implementation of comprehensive strategies, and to which multiple implementing partners contribute, (2) complex mechanisms with programmes that are managed by several DGs, EU agencies or other autonomous bodies and supporting various interconnected policies and actions and (3) an important number of measures and actions initiated in response to the COVID-19 crisis which had to be developed at short notice and which will have very important medium to long term effects.		
Source of data: IAS internal reporting		
Baseline 2019	**Interim milestones**	**Target** End of 2024
Old audit universe	By end 2020: (draft) revised audit universe (combined with the in-depth risk assessment that will be the basis for the new Stratic Audit Plans) 2021-2022: annual updates 2023: revised audit universe (combined with the preparation of the new in-depth risk assessment that will the basis for the new Strategic Audit Plan)	Up-to-date audit universe based upon annual adjustments to the evolving audit universe.

Specific objective 2: The organisation of the IAS is adequate to cover the audit universe efficiently and effectively	
Result indicator 2.1: **At the beginning of 2021, on the basis of the adopted Multi-Annual Financial Framework (MFF) for the period 2021-2027 and the recovery effort under the Next Generation EU, the IAS should have an organisation which is adapted to the changes in the evolving audit environment (such as the structure, the organisational culture and governance arrangements) and able to cover the audit universe.**	
Explanation: This indicator is a qualitative assessment on whether the organisation of the IAS is adapted to the evolving audit environment. The IAS will analyse the adequacy of its current organisation for the efficient and effective coverage of the new audit universe. If necessary it will adjust the organisation to the changes in order to be better prepared to support the EU through its audit and consulting work, with the realisation of the six political headline ambitions and the seventh horizontal objective, the objectives defined in the MFF and the Next Generation EU, as well as in the UN sustainable development goals.	

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[11] Depending on the finalisation and formal adoption of the new MFF 2021-2027 and the recovery efforts under Next Generation EU. In case of delays in the adoption, the revision of the IAS audit universe would only be finalised in 2021.

Source of data: IAS internal reporting		
Baseline 2019	**Interim milestone**	**Target** Beginning of 2021
Old organisation	None	Organisation to become adjusted to the evolving audit universe and organisational culture (on the basis of the newly adopted MFF 2021-2027 and the recovery effort under Next Generation EU).

Ensuring coverage of the high risk areas of the audit universe

Based upon their understanding of the evolving audit universe, the work undertaken by the IAS knowledge clusters will contribute to the strategic risk assessment in preparation of the next strategic audit plans. In accordance with the IIA Standards these plans will be risk based and the IAS's objective is to cover the high risk areas in its audit universe over a three-year (Commission) or four-year (EU agencies and other autonomous bodies) period.

In order to be able to deliver the annual overall opinion of the IAS on financial management in the Commission, the plan also has to ensure a certain minimum coverage of financial management in all Commission services over a three-year period. In the EU agencies and other autonomous bodies, the objective is also to cover the highest risks in the period of the strategic internal audit plan, but there is no obligation to deliver an overall opinion on financial management per agency.

Although the full consequences are not known yet, it is clear that the Covid-19 pandemic has a major impact on the IAS audit environment. The pandemic, as well as the measures taken by the Commission, EU agencies and other autonomous bodies in response to the crisis, create new risks. The internal control systems in the Commission, the EU agencies and other autonomous bodies and the member states' bodies involved in the implementation of the budget could be negatively affected, as well as the IAS's capacity to audit. As an example, the fact that control and audit missions were impossible to carry out for a considerable period in 2020 created a gap in the assurance building process for financial management, which will be very difficult to close in the foreseeable future. However, in these strategic plans the IAS still sets the targets at 100% for the coverage at the end of the strategic audit plans.

The restrictions on the IAS's audit work in 2020 caused by the COVID-19 pandemic may reduce the scope of the overall opinion on financial management in the Commission, to be issued after the closure of 2020. This will be commmunicated very transparently in the different IAS reports to its stakeholders. In case of long term effects on subsequent budgetary exercises, they will also be communicated.

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

Result indicator 3.1: **Coverage, through the strategic audit plans and successive annual audit plans, of the high risk areas identified in the strategic risk assessments and the annual updates.**

Explanation: The assessment whether the audits planned and delivered covered the high risk areas is a qualitative assessment, which the IAS performs when it establishes its annual plans and the annual activity report and which the auditees are asked to perform in the annual stakeholders satisfaction survey. The assessment is based on the three-year strategic audit plans for the Commission and the four year strategic audit plans for the agencies. For the Commission the baseline is the Strategic Audit Plan (SAP) 2018-2020 and the next target is the coverage of 100% of the high risk areas at the end of the SAP 2021-2023. For the agencies and other autonomous bodies every year, the assessment is made for every entity whether the combination of the finalised audits of the Strategic Internal Audit Plan (SIAP) and the planned audits in the remaining years of the SIAP provide sufficient coverage.

Source of data: IAS internal reporting

Baseline 2018-2020	Interim milestone 2021-2023	Target End of the strategic audit plan period
Commission [100%]	100%	100%
Agencies and other autonomous bodies [100%]	Assessment per Agency	End of every SIAP: 100%

Result indicator 3.2: **Coverage, through the strategic audit plan and successive annual audit plans, of the financial management in Commission services resulting in the delivery of an overall opinion without material scope limitations.**

Explanation: The assessment whether the audits planned and delivered covered the financial management of the Commisssion and the executive agencies is a quantitative assessment, which the IAS performs when it establishes its annual plans and the annual activity report. Every year the IAS assesses whether the audits in the previous three years covered 100% of the financial audit universe.

Source of data: IAS internal reporting

Baseline Overall opinion for the 2019 reporting year	Interim milestone 2020, 2021, 2022, 2023	Target 2024
100%	100%	100%

Delivering the audit plans and optimising the use of resources

The main operational challenge of the IAS is to complete all engagements included in its audit plans and make effective use of its resources.

The completion of the annual audit plans is monitored in the course of the year. They are reviewed mid-year to reflect new and emerging risks faced by the audited entities. The IAS successfully completes annually between 70 to 90 audit, consulting and risk assessment engagements, each year covering 100% of the number of engagements planned to be completed in the year.

The IAS actively manages its operational performance through a detailed planning of audit tasks, allocation of staff to engagements, close monitoring of the respect of deadlines and milestones for all audits, detailed time recording for all staff and the regular analysis of the differences between budget and actual time spent on each audit. Audit staff spends on average 85% of their time on audit activities.

The consequences of the COVID-19 pandemic, described above, will also have an impact on

the delivery of the strategic audit plans through the annual audit plans. Especially in 2020, but possibly even in subsequent years, the restrictions on missions and the unavailability of auditees, who are heavily involved in measures in response to the crisis, will result in cancelled, suspended or delayed audit engagements. The forced introduction of remote auditing practices may also have a negative effect on the efficiency of the audits. As a consequence the IAS lowers the interim milestone targets for 2020, but plans to get back to the former levels of efficiency and effectiveness in subsequent years.

<table>
<tr><td colspan="3">Specific objective 4: Deliver the strategic audit plans through the annual audit plans effectively and efficiently.</td></tr>
<tr><td colspan="3">Result indicator 4.1: Completion rate of successive annual audit plans and the annual updates (effectiveness).

Explanation: To ensure effectiveness in delivering the strategic audit plans through the annual audit plans (and mid-year updates), the completion rate of the annual audit plans is a mathematical calculation which shows the effectiveness. The completion rate at year-end is assessed against the updated audit plan at mid-year.

Source of data: IAS internal reporting</td></tr>
<tr><td>Baseline
2019</td><td>Interim milestone
2020, 2021, 2022, 2023</td><td>Target
2024</td></tr>
<tr><td>100%</td><td>100% each year</td><td>100%</td></tr>
<tr><td colspan="3">Result indicator 4.2: Percentage of time spent on direct audit work and audit support work by auditors (efficiency).

Explanation: To ensure efficiency in delivering the strategic audit plans through the annual audit plans, the percentage of time spent on direct audit work and audit support work by auditors is monitored. The IAS constantly makes an effort to keep the time spent on non-audit activities (administration, overhead, unplanned time, staff engagement activities) at a reasonable level.
Source of data: IAS internal reporting</td></tr>
<tr><td>Baseline
2019</td><td>Interim milestone
2020, 2021, 2022, 2023</td><td>Target
2024</td></tr>
<tr><td>84%</td><td>2020: 75% [see explanation above on the consequences of the COVID-19 pandemic], thereafter 85% each year)</td><td>85%</td></tr>
</table>

Closely monitoring stakeholders' feedback

The IAS periodically surveys its auditees on whether they consider that the audits and recommendations satisfactorily covered the risks and processes in their entity, provided added value to the auditees' operations and contributed towards effective risk management. It conducts satisfaction surveys (after each engagement and annually) with its key stakeholders. These include the members of the APC, chairs of the boards of the EU agencies and other autonomous bodies, and senior management (Commission Directors-General, Directors of the executive agencies, Directors of the EU agencies and other autonomous bodies).

So far stakeholders recognise that the IAS covers the main risks (past satisfaction rates of over 90%), its recommendations add value (past satisfaction rates of over 85%) and confirm that the IAS helps them to improve their internal control system (past satisfaction

rates of over 85%). They are also convinced that the IAS performs its audits with objectivity, honesty and fairness (past satisfaction rates of over 90%).

The IAS has to stay vigilant and will continue in the period 2020-24 to implement actions to ensure the cost-effectiveness of its audit recommendations and expand its auditors' knowledge of the auditees' businesses. Taking into account that the 'businesses' will change quite drastically under the pressure of the new political headline ambitions, the challenges of the corona crisis and the expected changes to the ways of working in the Commission, the analytical and knowledge building activities of the IAS will be important in order to be prepared to meet the stakeholders' expectations and needs.

Specific objective 5: Meeting stakeholders' expectations (adding value and contributing to the improvement of the auditees' operations)		
Result indicator 5.1: Level of satisfaction of stakeholders (APC/Management Boards and Commission Directors-General/Directors of EU agencies and other autonomous bodies)		
Explanation: To ensure that the work of the IAS adds value to the Commission services and EU agencies and other autonomous bodies and contributes to the improvement of their operations. The calculation is based on the average level of satisfaction of members of the APC, chairs of the boards of the EU agencies and other autonomous bodies, and senior management (Commission Directors-General, Directors of the executive agencies, Directors of the EU agencies and other autonomous bodies), in respect of the following two statements (a) IAS covering the main risks and processes, and (b) IAS work adding value.		
Source of data: IAS annual Stakeholder Survey		
Baseline 2019	**Interim milestone** 2020, 2021, 2022, 2023	**Target** 2024
≥ 90% (results in 2019 were Commission: 98.75%, and EU bodies: 94.75%)	≥ 90% each year (for Commission and EU Bodies)	≥ 90% (for Commission and EU Bodies)
Result indicator 5.2: Level of auditee satisfaction after each engagement		
Source of data: Satisfaction survey addressed to the audited services in the Commission and the executive agencies and EU autonomous bodies after each engagement.		
Baseline 2019	**Interim milestone** 2020, 2021, 2022, 2023	**Target** 2024
Commission and executive agencies: 1.57	Average score between 1 and 2 on a scale from 1 (strong agreement) to 4 (strong disagreement)	Average score between 1 and 2 on a scale from 1 (strong agreement) to 4 (strong disagreement)
EU autonomous bodies: 1.53	Average score between 1 and 2 on a scale from 1 (strong agreement) to 4 (strong disagreement)	Average score between 1 and 2 on a scale from 1 (strong agreement) to 4 (strong disagreement)
Result indicator 5.3: Level of implementation of IAS recommendations (implemented overall)		
Explanation: The impact and added value of the work of the IAS depends to a large extent on the implementation of its recommendations. For this indicator the IAS divides the number of recommendations implemented (according to the auditees) by the total number of recommendations issued in the previous 5 years, whose initial target date has passed.		
Source of data: Final overview report to the APC for the Commission, internal IAS data for the agencies and other bodies.		
Baseline 2019 (cut-off date: 31	**Interim milestone**	**Target** 2024

January 2020)	2020, 2021, 2022, 2023	
Commission: 96%[12] Agencies and other bodies: 88,5% implemented	Commission: 90% each year Agencies and other bodies: 90% each year	Commission: 90% Agencies and other bodies: 90%

Complying with internal methodology and guidelines and international auditing standards

The IAS is working in an open and transparent manner, meeting the expected high level of professional and ethical standards.

Specific objective 6: To ensure that the work of the IAS is conducted in accordance with the IAS charter, its internal methodology and guidelines and internal auditing standards		
Result indicator 6.1: Successful compliance with the internal methodology and guidelines of the IAS and with international internal auditing standards as assessed through the Internal Quality Assessment (IQA) **Explanation:** To ensure that the work of the IAS adds value by being conducted in accordance with the IAS charter, its internal methodology and guidelines and international auditing standards (internal dimension). **Source of data:** Report of the internal quality assessment carried out by IAS.01 for all three Directorates		
Baseline 2019	**Interim milestone** 2020, 2021, 2022, 2023	**Target** 2024
No non-conformance issues raised	No non-conformance issues raised, each year	No non-conformance issues raised
Result indicator 6.2: Successful compliance with the internal methodology and guidelines of the IAS and with international internal auditing standards as assessed through the External Quality Assessment (EQA) **Explanation:** To ensure that the work of the IAS adds value by being conducted in accordance with the IAS charter, its internal methodology and guidelines and international auditing standards (internal dimension). **Source of data:** Report of the independent External Quality Assessor		
Baseline EQAs of 2011, 2013 and 2016	**Interim milestone** None expected – EQA is done at least every five years	**Target** 2021, 2026
No non-conformance issues raised	No non-conformance issues raised in 2021	No non-conformance issues raised

D. Key performance indicators

Following the good practices identified by the International Institute of Internal Auditors (IIA), the IAS uses a variety of key performance indicators (KPIs) to ensure that its strategic audit plans delivers the desired results. The IAS targets and indicators are set on an annual basis and closely monitored throughout the year. The three KPIs that represent the most critical aspects of the performance of the IAS are as follows:

✔ Coverage, through the strategic audit plans and successive annual audit plans, of the high risk areas identified in the strategic risk assessments and the annual updates – (result indicator 3.1)

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[12] This baseline encompasses 907 recommendations (out of a total of 1949 open recommendations monitored by the IAS) which were taken over by the IAS in 2015 from the former Internal Audit Capabilities of the Directorates-General.

✓ Level of satisfaction of stakeholders (APC/Management Boards and Directors-General/Directors of EU agencies and other autonomous bodies) – (result indicator 5.1)

✓ Successful compliance with the internal methodology and guidelines of the IAS and with international internal auditing standards as assessed through the External Quality Assessment (EQA) – (result indicator 6.2).

PART 2. Modernising the administration

A modern, high-performing European public administration is the Commission's general objective to which the IAS contributes the most.

A modern, high-performing European public administration

As a modern public administration, the Commission implements an internal control framework inspired by the highest international standards. The Commission's system covers all the principles of internal control identified in the Committee of Sponsoring Organizations of the Treadway Commission 2013 (COSO) Internal Control framework, including financial control, risk management, human resource management, communication and the safeguarding and protection of information.

The Internal Audit Service has established an internal control system tailored to its particular characteristics and circumstances and regularly assesses its implementation and overall functioning. This assessment is based on indicators, the most strategic of which are listed in this section of the strategic management plan.

Change of institutional culture and adapting the IAS to the changing audit universe

For a number of years, the European Commission has been going through a fundamental change of its institutional culture. The political and economic environment of the EU will accelerate and reinforce this process that helps us to embrace the future.

Key elements of this necessary change of the institutional culture are:

- a more agile and flexible, as well as a more transparent and digital way of working;
- a new and more inclusive leadership, with fewer hierarchies;
- a breaking of silos and more cooperation at all levels;
- a method of working together at political level which is matched with increased cooperation at services level, pooling knowledge and expertise;
- a general attitude which makes sure that we do more with less;
- a high priority to performance measurement and reporting on achievements.

As explained in section "C. Strategy" of this document, the new IAS knowledge clusters will perform an in-depth analysis of the changing audit environment, define the updated IAS audit universe and subsequently contribute to the reflection on how to adapt the structure and allocation of the audit portfolio in the IAS to the new institutional culture and policy orientation.

While the knowledge clusters are a new initiative, the IAS has been working since 2018 on the further modernisation of its own methods and practices. Under the header 'lean auditing' several working groups have been set-up in 2019 to work on the modernisation of different aspects of the audit processs and its deliverables. The lean auditing initiative will continue in the period 2020-2024.

A. Human resource management

A competent, professional, engaged and motivated workforce requires effective and supportive management and healthy working conditions. The IAS can only fulfil its mandate and reach its objectives, if it has sufficient and adequately skilled staff and a competent, effective and gender-balanced management team. An effective management of human resources is therefore paramount for the IAS' capacity to deliver on its priorities in the Strategic Audit Plans and in this Strategic Plan.

The local HR strategy[13] is consistent with the overall corporate HR strategy and covers the main elements of the change of the institutional culture, such as more agile, flexible, transparent and digital ways of working, more cooperation at all levels, pooling knowledge and expertise through knowledge clusters, and giving priority to performance measurement and reporting on achievements.

Maintain and further increase staff engagement

The IAS will continue its initiatives to enhance staff engagement in the period 2020-2024. The aim is to share experience, increase the level of knowledge across the DG and balance the workload between units/directorates.

These initiatives[14] focus on the job-content of staff, their professional and personal development opportunities and the working environment:

- Through the newly-created knowledge clusters, the audit staff will have the opportunity to learn more about other parts of the IAS, the Commission and EU agencies and other autonomous bodies as a whole, and hence will be more involved in the preparation of the next strategic audit plans;
- Initiatives such as job-shadowing and the IAS's international exchange programme, already set up and tested by the Staff Engagement Committee in a pilot phase, are ready to be rolled out at a larger scale after the corona-crisis and will continue in the coming years;
- The Staff Engagement Committee and the IAS Communication Team will also continue to organise AudiTED talks[15], various sports and social activities and continue to keep the staff informed about the latest news via internal communications actions, such as newsletters and the IAS Intranet;
- The IAS will also continue to promote initiatives enabling staff to better manage their work-life balance (part-time, teleworking, time credits, recuperation, etc.). The positive experience with telework gained during the corona-crisis has worked as an acccelarator in this domain.

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[13] The update of the local HR strategy with a medium to long-term outlook (3–5 years) will be finalised by the end of 2020, beginning of 2021, and will take into account the impact of the Covid-crisis on working methods and the introduction of the knowledge clusters.

[14] These actions are supported by the Director-General and Unit 01, coordinated by the IAS HR business correspondent team with the active involvement of the IAS staff engagement committee.

[15] AudiTED talks allow auditors (as well as non-auditors) to share their experiences with colleagues.

The rationale behind these initiatives is not only that staff engagement is good for performance and productivity, but also that these factors increase the attractiveness of the IAS as an employer, stimulate staff retention and help keep the vacancy rate under control.

Increase the percentage of female representation at middle management level

The IAS expects to meet the Commission level objective of achieving a minimum of 50% by 2024. The IAS will continue its initiatives to increase the pool of female candidates for middle management positions and will organise information sessions to familiarise female administrators with the role and tasks of an IAS middle manager, monitor the gender balance for Team Leader and DG Correspondent roles and encourage female officials to attend management courses.

Provide effective HR services in order to recruit, support and maintain a high-performance work force

A relatively high staff mobility is inherent to any (internal) audit function in both private and public sector. As a consequence the IAS needs an efficient and effective recruitment process to keep its vacancy rate at a reasonable level.

Past experience has shown that it is often difficult to fill positions with candidates from within the European Commission. The support of DG HR and EPSO and the cooperation and coordination with other Commission DGs who have an audit directorate is very important to reach the recruitment objectives in an efficient and effective way. In order to ensure a diverse talent base, the IAS will continue to also recruit staff with relevant experience but who are not (yet) qualified or certified as internal auditors.

Increase the capacity and the level of professionalism of internal auditors

To maintain its high level of professionalism, credibility and trust as expected by auditees, the IAS has set a medium term target of 70% of its professional audit staff being fully professionaly certified. If not professionally certified yet, all new recruits are encouraged, through dedicated training and a contribution to fees for the certification exams, to strive for professional certification.

The IAS has a comprehensive specific audit training programme for its new and more experienced internal auditors, and by extension those of the EU institutions, which needs to cover all training needs[16] of this professional community. The programme is regularly updated taking account of changing priorities for internal audit. In parallel, dedicated audit training is also offered through more specialised training courses outside the Commission, in particular for IT auditors, and forums and seminars that address specific audit areas.

The IAS also keeps its auditors abreast of the latest developments in the Commission and in the profession relevant for their work through structured opportunities for continuous learning. In this way, it contributes to the capacity building of internal audit professionals in a wider context, via for example the IAS Annual Conferences and regular Auditors' Forum seminars.

Regular meetings of the Auditnet for the decentralised EU agencies and other autonomous

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[16] The training needs and the annual training catalogue are approved by the Internal Audit Training Steering Committee (IATSC).

bodies are held each year. This type of meeting combines the exchange of audit related information with updates on common internal control and risk management issues.

All these efforts will be continued over the period 2020-2024 and further improvements made whenever possible.

Promote (internal) communication and professional networking

The main stakeholders of the IAS are DGs and services of the European Commission and its executive agencies, EU autonomous bodies and the Audit Progress Committee. In addition, the IAS liaises with the European Court of Auditors during the preparation of its Strategic and Annual Audit Plans.

As a result, most communication activities of the IAS are of an 'internal' nature with external communication limited to contacts with professional bodies in the field of auditing. In this context, the IAS:

- organises its Annual Conferences and several 'ad-hoc' meetings, which involve external stakeholders and the broader internal audit community.

- has regular contacts and interactions with professional bodies in the field of auditing, such as the Institute of Internal Auditors (global, EU and Belgian level).

The job-shadowing initiative in the Commission as well as the IAS international exchange programme, which were both mentioned above, also promote professional and international networking for the senior auditors of the IAS.

These activities contribute also to the capacity building of the IAS and its staff.

Objective 7: The IAS employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business	
Indicator 7.1: Number and percentage of first female appointments to middle management positions	
Source of data: DG HR	
Baseline (female representation in middle management) 12/2019	**Target** 2022[17]
4 (36%)	+1
Indicator 7.2: IAS staff engagement index	
Source of data: Commission staff survey	
Baseline 2018	**Target** 2024
69% (Commission) 75% (IAS)	To be equal to or above the Commission average

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[17] The target will be revised and extended for the period 2023-2024 by January 2023.

B. Sound financial management

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

Title 28 of the EU Budget covers the activity of the policy area 'Audit'. The budget allocation for the IAS is included under the heading "Administrative expenditure of the Audit policy area".

The administrative budget of the IAS totals €20.25m in 2020.

- As provided for by the Internal Rules, 97.56% of the IAS's budget is directly delegated to PMO, DG HR and DG DIGIT and this expenditure is therefore covered by the Declaration of assurance of DGs HR and DIGIT.

- The IAS[18] is accountable for the remaining 2.44% which is, however, co-delegated[19] to DGs HR and DIGIT. As the budget is managed under the same Commission rules, the primary AOD can in principle rely on the legality and regularity, efficiency and cost-effectiveness of the controls in place in DG HR and DG DIGIT. The co-delegation with DG HR is supported by a Service Level Agreement and the co-delegation with DG DIGIT by a Memorandum of Understanding.

The entire expenditure is either delegated to PMO, DG HR and DG DIGIT or co-delegated to DGs HR and DIGIT. The AODs of these services bear responsibility for their implementation and report in their annual activity reports. All standard controls are performed by the PMO and ex-post controls are performed by DG HR on a sample of transactions executed by the PMO and DG HR in the framework of the existing service level agreements (SLA) with the IAS.

The IAS executes its own controls to ensure compliance of the mission expenses with the Commission's Guide for missions and with the IAS specific guidance. Therefore, all mission requests and cost claims are controlled ex-ante by a verifying officer. In addition, a sample of reimbursements is controlled ex-post within the IAS. These IAS controls are in addition to the standard controls performed by the PMO and the ex-post controls performed by DG HR on a sample of transactions executed by the PMO and DG HR in the framework of the existing SLA with the IAS.

Objective 8: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions
Indicator 8.1: Estimated risk at closure
Explanation: This indicator is the best conservative estimation of the expenditure authorised during the year which would be still in breach of applicable regulatory and contractual provisions by the end of the

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[18] According to Art 117(1) of the Financial Regulation, the Director-General of the IAS (the Commission's Internal Auditor) may not be the Authorising Officer by Delegation (AOD). This role is exercised by the Director of IAS.A.

[19] Type II co-delegation, whereby the IAS is the primary AOD, while DGs HR and DIGIT are the secondary AODs.

implementation of the budget, in value terms.	
Source of data: DGs and services to whom the implementation of the IAS budget was delegated.	
Baseline	**Target**
2018	2024
0%	< 2% of mission expenditure

C. Fraud risk management

The IAS is a non-spending Directorate-General with a low fraud risk profile. Its Anti-Fraud Strategy (AFS) aims at maintaining the high ethical awareness and stance of its staff and at keeping in place standard preventive and detective control measures (segregation of duties, ex-post controls and collegiality of decisions). The services provided by PMO, DG HR and DIGIT (as explained under section B above) are subject to their own anti-fraud measures.

The IAS developed and implemented its first AFS in 2014, on the basis of the methodology provided by the European Anti-Fraud Office (OLAF). It was first updated at the end of 2016 (for the period 2017-2019[20]) and recently, on the basis of the 2019 Commission Anti-Fraud Strategy (CAFS), in the first quarter of 2020[21] (for the period 2020-2022). Its implementation is monitored twice a year with reporting to the management and the action plan embedded in the new anti-fraud strategy will be implemented in this strategic planning period. The next update of the AFS is planned to be undertaken on the basis of the revised CAFS in the course of 2023.

In addition, following professional internal auditing standards[22], the IAS must consider the probability of significant errors, fraud, non-compliance, and other exposures when developing engagement objectives, and is required to exercise due professional care in this regard when conducting audit assignments. In this context, the leaking of confidential information (especially conferred by the auditees and the results of audit work), conflicts of interest and lack of objectivity have been identified as risks with a low probability.

The IAS continues to strongly rely on the ethical awareness and the stance of the IAS staff. An information package on ethics is handed over to all new IAS staff upon recruitment. The IAS carries out additional preventive and detective controls such as ex-ante and ex-post controls on missions and the follow-up of potential conflicts of interest if reported by recruitment panel members and/or candidates.

Following the update of its AFS in the first quarter of 2020, the IAS will launch by the end of 2020 an information campaign, including the organisation of an Auditors' Forum to raise staff awareness on the new strategy and possible ethics, conflict of interest or fraud-related issues.

Furthermore, the results of the Internal Quality Assessment (IQA), launched at the beginning of 2019, confirmed that IAS staff are well informed about how to act when

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[20] It is updated on a 3-year cycle basis and reviewed bi-annually.

[21] Updated on the basis of the Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget", COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

[22] The AFS follows the IIA Standards for the Professional Practice of Internal Auditing relating to auditors obligations and duties on (1) Fraud on Proficiency - Standard 1210.A2, (2) Due Professional Care - Standard 1220.A1, (3) Risk Management - Standard 2120.A2, (4) Control – Standard 2130.A1, and (5) Engagement objectives -Standard 2210.A2.

faced with ethical issues and have sufficient knowledge of fraud concepts to identify 'red flags' in the context of engagements[23].

Objective 9: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy aimed at the prevention, detection and correction[24] of fraud	
Indicator 9.1: Implementation of the actions included in the IAS anti-fraud strategy over the whole strategic plan lifecycle (2020-2024)	
Explanation: This indicator measures the percentage of actions from the IAS Anti-Fraud strategy that are implemented in time (AFS 2020-2022 and future AFS 2023-2025).	
Source of data: IAS annual activity report, IAS anti-fraud strategy, OLAF reporting	
Baseline	**Target**
2018	2024
100%	100% of action points implemented in time

D. Digital transformation and information management

As the rest of the Commission, the IAS relies on information for every aspect of its work. It is using and developing innovative, trusted digital solutions for better auditing, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission. It has adopted specific policies[25] to enable a change of culture ensuring the effective corporate management of data, information and knowledge.

Continuous development of the audit management tool

The IAS uses TeamMate, an electronic audit management tool. The tool enables the use of standard checklists, provides an audit trail of the review and supervision of audit work and provides reports on the status of the implementation of audit recommendations. In addition, the tool is used to monitor the progress of the implementation of the audit plans.

In the course of the period covered by this strategic plan the support for the current version of TeamMate will end. Before that date the IAS will perform a needs assessment in order to prepare for migration to a new TeamMate version (TeamMate+) or eventual acquisition and/or development of a different audit management tool. This exercise will be performed in close cooperation with DG DIGIT ensuring that it is integrated in the European Commission's overall digital strategy.

Project Innovation and Digital Auditing

Within the corporate strategy and framework for data, knowledge and information management, the IAS has launched the project on Innovation and Digital Auditing. This project will enhance the use of data analytics and digital auditing within the IAS and

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[23] See section 1.2.2.

[24] Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

[25] At this stage, the plan has taken into consideration policies adopted by IAS in accordance with (1) the 2018 European Commission Digital Strategy; (2) the Commission strategy on data, information and knowledge management, implemented by its work programmes and (3) the data protection obligations on the Commission under Regulation (EU) 2018/1725.

increase the number of audits based on comprehensive data analysis. The main expected benefits are that:

- More engagements could be delivered on time within budget and with an improved quality of audit deliverables;

- It would be possible to run an increased number of real-time, continuous data monitoring processes;

- More engagements could be based on full population analysis of available data, giving better assurance of audit coverage, objectivity and reliability of audit results;

- There will be more detailed control and monitoring dashboards, allowing better management and planning of audit engagements.

The project started in 2019 with a survey on available audit techniques and tools enabling the digitalisation of audit work. The project team identified specific initiatives within the European Commission and other EU bodies and produced a progress report on 'Innovation and Digital Auditing' that was issued in early 2020. Four key areas were identified that will be further analysed and developed over the coming years:

1. Artificial intelligence and data analytics
2. Blockchain
3. Data visualisation
4. Publication of digital reports

In 2020, a multi-annual IAS innovation and digital auditing plan and a roadmap will be issued, which will describe whether and how these four technological areas will play a role in the work of the IAS in the coming years.

Implementation of Personal Data Protection rules

In the previous planning period the IAS implemented its own data protection action plan in order to ensure compliance with the rules and the Commission's Data Protection Action Plan[26]. The roles and responsibilities for data protection were defined and assigned within the IAS and the audit and administrative processes were adapted, where necessary. The IAS organises trainings/awareness sessions on data protection aspects that are relevant for audit engagements and promotes the training offer available at Commission level for all other cases.

During 2020-2024, the IAS may organise at least one awareness session or refresher course per year depending on its specific needs at the time. The content will follow the type of developments in the data protection world which have a relevance for the activity /best practices identified as part of audit engagements, etc. Additional general sessions on data protection during audits will be organised when newcomers join the Service.

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[26] C(2018)7432.

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

Indicator 10.1: Degree of implementation of the digital strategy principles by the most important IT solutions[27]

Explanation: This indicator measures the level of implementation of the digital solutions modernisation plan in the IAS, project called 'Innovation and digital auditing'. The idea behind this is to assess the degree of implementation of the 11 core principles under the digital strategy achieved by 3 of the most expensive IT solutions owned by each Commission service (work on the modernisation plan is still in progress).
Source of data: IAS internal with support of DIGIT

Baseline (delivered in 2019)	Interim milestones	Target 2024
Definition of the context, impact and outcomes of the project	End 2020: Initiation and planning phase completed. Mid 2021: Delivery of the first pilot of services/tools End 2022: Delivery of the resulting toolset/service catalogue	Project completed
Average score on the implementation of the **core principles**[28] defined by the EC Digital Strategy: - TeamMate: 56% - Innovation & digital auditing: 0%	Average score of implementation: - TeamMate: 63% - Innovation & digital auditing: 69%	Average score of implementation: - TeamMate+: 94% - Innovation & digital auditing: 94%

Indicator 10.2: Percentage of IAS key data assets for which corporate principles for data governance have been implemented

Explanation: This indicator measures the progress of the IAS in implementing corporate data governance and data policies for its key data assets included in the EC data inventory. The indicator is based upon the internal assessment of the IAS' adherence to four principles[29].
Source of data: IAS with the support of the corporate data governance hub

Baseline 2019	Interim milestone 2022	Target 2024
100%. The IAS met the 2019 target (Identification of key datasets and ownership)[30]	100% No pending actions exist for the IAS	100%

Indicator 10.3: Percentage of staff attending awareness raising activities on data protection compliance

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[27] The European Commission Digital Strategy (C(2018)7118) calls on Commission services to digitally transform their business processes by developing new innovative digital solutions or make evolve the existing ones in line with the principles of the strategy. At the beginning of the year N+1, the Solution Owner and IT Investments Team will assess the progress made on the basis of the proposed modernisation plan. For each of the 3 solutions, a table will reflect – per principle - the progress achieved during the last year.

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

[29] These principles are: (1) Identify and designate the data owner and the data steward(s); (2) Instruct their data stewards to share the metadata of their data assets in the Commission's data catalogue and to keep them up to date; (3) Design and document processes for data collection/creation, acquisition, access, sharing, use, processing preservation, deletion, quality, protection and security. Information concerning these processes should be made available to anyone interested, as long as any confidentiality restrictions are respected; (4) Make any necessary changes and updates to the IT systems used for storing, managing and disseminating these data assets to implement the aforementioned requirements and processes.

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

Explanation: This indicator measures the % of staff who is aware of the latest rules and guidelines on data protection and their practical consequences for audit, consultancy and administrative tasks. **Source of data:** IAS internal		
Baseline 2019	**Interim milestone** 2022	**Target** 2024
100%	IAS will set yearly target groups and corresponding targets in the annual management plans	100% of staff

E. Sound environmental management

The IAS takes full account of its environmental impact in all its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work.

EMAS

Having its offices in one of the Commission buildings participating in the Eco-Management and Audit Scheme (EMAS), the IAS will perform its actions in line with the EMAS and contribute to the reduction of the building's energy consumption, CO_2 emissions, waste generation, water use and office paper consumption (see table below). Beyond the Commission EMAS targets, the IAS will additionally promote its own paper reduction targets and extend the CO_2 emission reduction beyond the building context (e.g. commuting, missions travels) through implementing digital and remote auditing practices which are ongoing IAS projects.

IAS will promote the EMAS corporate campaigns at local level and identify local environmental actions in order to support the Commission's commitment to implement the objectives of the Green Deal for its own administration, including becoming climate neutral by 2030. In 2020, the IAS green ambassadors initiative was launched, a new subgroup of the Staff Engagement Committee, which will develop and implement an action plan of EMAS initiatives by area. The specific IAS actions will try to motivate changes in the personal behaviour of the IAS staff to tackle:

- Waste reduction and sorting with reduced bottled water consumption;
- Paper consumption through enhanced use of the digital workplace;
- Energy consumption through turning off lights and equipment when not used;
- Sustainable commuting through increased participation in VeloMai and piloting the sustainable mobility (walking, cycling, public transport, car-sharing);
- Improving biodiversity through greening the workplace (common spaces - terraces);
- Green procurement for the IAS events and office supplies.

The environmental actions planned and undertaken are in line with the standards set for the environmental performance in the Commission as part of the direct contribution of IAS to the Commission's general objective "A modern. High-performing and sustainable European Commission". These actions will include a greater reduction in:

- Energy consumption of buildings (MWh/ person)
- Water use (m³ / person)
- Office paper consumption (sheets / person / day)

- CO_2 emissions from buildings (tonnes / person)
- Waste generation (tonnes / person)

Telework

Well consolidated teleworking arrangements allow for a better work/life balance, but also for a decrease in emissions due to a lower number of commuters, missions and buildings' users every day. The COVID-19 pandemic has suddenly forced the IAS to become a 100% teleworking DG and stopped all missions. Similar to other Commission services the results have been mostly positive. Audits continued and even started and finished remotely; internal and external meetings were held via various video-conferencing tools and all administrative and audit IT tools could be operated from home as if staff were working from the office.

The IAS will therefore keep promoting telework practices. During 2019, 68.9% of IAS staff teleworked occasionally which was already a serious increase compared to 51.2% for the year 2018. It is expected that the experience gained during the pandemic with 100% telework will result in a permanent more flexible and frequent use of telework once the pandemic is under control and staff is allowed to return to the office. At that time the IAS expects new corporate guidelines on telework providing more flexibility.

Objective 11: The IAS takes full account of its environmental impact in all its actions and actively promotes measures to reduce the environmental impact of its daily operations.		
Impact indicator 11.1: Environmental performance in the Commission		
Explanation: This indicator looks at percentage reductions compared to 2014 levels. It gives the weighted average for eight Commission sites participating in the Eco-Management and Audit Scheme (EMAS) on specific core parameters. The sites are Commission buildings in Brussels and Luxembourg, as well as JRC sites Geel (Belgium), Petten (the Netherlands), Seville (Spain), Karlsruhe (Germany), and Ispra (Italy), along with DG SANTE at Grange (Ireland). In addition to the standard indicators which will be monitored for the Commission as a whole per site or building, the IAS included two indicators which will measure IAS' staff specific progress/performance in two areas.		
Origin of the indicator: Eco-Management and Audit Scheme Regulation (EC) No 1221/2009 and amended annexes		
Source of data: Environmental Statement 2018 results (pg. 23)		
Baseline (2018)	**Interim milestone** (2020)	**Target** (2024)
Energy consumption of buildings (MWh / person): -8.8%	-5.2%	Achieve greater reduction
Water use (m^3 / person): -9.5%	-5.4%	Achieve greater reduction
Office paper consumption (sheets / person / day): -32%	-34%	Achieve greater reduction
Office paper consumption (sheets / person / day) IAS specific: - 10%	-40% (teleworking due to Covid)	Achieve reduction of 10% / year
CO_2 emissions from buildings (tonnes / person): -24%	-5.1%	Achieve greater reduction
VeloMai participation – IAS statistic - 22 cyclists (2018). 29 cyclists (2019) - 473kg CO_2 saved (2018), 789kg CO_2 saved (2019)	35 cyclists 800kg CO_2 saved	50 cyclists 1000kg CO_2 saved
Waste generation (tonnes / person): -15%	-9.7%	Achieve greater reduction