European
Commission

# Management Plan 2017

## Internal Audit Service

# Contents

## INTRODUCTION

The purpose of this Management Plan (MP) is to highlight the most important outputs of the IAS for the year 2017 in line with the objectives defined in its 2016-2020 Strategic Plan.

It provides an overview of planned actions of the IAS in 2017 substantiating the intended progress towards its main objectives. In relation to the long-term strategy of the IAS, it provides a snapshot that acts as an accountability tool.

The MP mainly serves planning and management purposes at the operational level.

# PART 1. MAIN OUTPUTS FOR THE YEAR

The IAS, as a key horizontal service in the Commission, contributes to the Commission's general objective (No 11): "To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents".

The IAS contributes to this general objective, in particular, to the protection and management of assets and resources by performing audits and consulting services in an effective and efficient manner and by providing re-assurance to the audited entities. For the IAS, this general objective can therefore be broken down into three specific IAS objectives as follows:

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

  In order to capture the perception of the quality of its work, the IAS seeks to ensure that its main stakeholders (the APC for the work in the Commission and Executive Agencies on the one hand and Management Boards for IAS work in EU agencies and other autonomous bodies on the other hand) and the audited entities themselves regard IAS's work as adding value.

- **Specific objective.2:** To ensure that the work of the IAS adds value by being conducted in accordance with the Financial Regulation and its Rules of Application, its internal methodology and guidelines and international auditing standards (internal dimension).

  As its work can add value only if it is of high quality, the IAS aims at ensuring that the work is conducted in accordance with its internal methodology and guidelines and international internal auditing standards.

- **Specific objective 3:** To ensure efficiency and effectiveness in delivering the strategic audit plans through the annual audit plans.

  The IAS's strategic plans are implemented through annual audit plans. The annual audit plans aim to address the risks identified in the course of the preparation of the strategic audit plans, usually at an early stage in order to maximise the added value of any audit recommendation.

| Relevant general objective: To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents | | |
|---|---|---|
| **Specific objective 1.1: To ensure that the work of the IAS adds value to the Commission services and EU autonomous bodies and contributes to the improvement of their operations (external dimension)** | | |
| **Main outputs in 2017:** | | |
| **Internal audit of the Commission and Executive Agencies** | | |
| **Output** | **Indicator** | **Target** |
| *Stakeholder satisfaction survey* | *Level of satisfaction* | *90%* |
| *Limited conclusions on the state of control as a contribution to the preparation of the 2016 AARs* | *Conclusions issued* | *15 February 2017* |
| *Overall Opinion on the financial management of the European Commission for the year 2016* | *Opinion issued* | *15 May 2017* |

| Internal audit of EU autonomous bodies | | |
|---|---|---|
| **Output** | **Indicator** | **Target** |
| *Stakeholder satisfaction survey* | *Level of satisfaction* | *90%* |

**Specific objective 1.2: To ensure that the work of the IAS adds value by being conducted in accordance with the Financial Regulation and its Rules of Application, its internal methodology and guidelines and international auditing standards (internal dimension)**

**Main outputs in 2017:**

**Internal audit of the Commission and Executive Agencies**

| **Output** | **Indicator** | **Target** |
|---|---|---|
| *Internal Quality Assessment* | *Generally conforms* | *January 2018* |

**Internal audit of EU autonomous bodies**

| **Output** | **Indicator** | **Target** |
|---|---|---|
| *Internal Quality Assessment* | *Generally conforms* | *January 2018* |

**Specific objective 1.3: To ensure efficiency and effectiveness in delivering the strategic audit plans through the annual audit plans**

**Main outputs in 2017:**

**Internal audit of the Commission and Executive Agencies**

| **Output** | **Indicator** | **Target** |
|---|---|---|
| *Updated Audit Plan for 2017* | *Timely finalisation* | *February 2017* |
| *Audit, consulting and follow-up engagements reports planned for 2017* | *Completion of the 2017 Audit Plan* | *January 2018* |
| *Overview Reports / Information notes on the follow-up of the IAS recommendations issued to APC throughout 2017* | *Reports finalised and transmitted to APC (four in total)* | *March 2017 May 2017 September 2017 November 2017* |
| *2016 Annual Report of the Internal Auditor Art 99(3) of the FR* | *Report issued* | *May 2017* |

**Internal audit of EU autonomous bodies**

| **Output** | **Indicator** | **Target** |
|---|---|---|
| *Strategic Internal Audit Plans to be prepared for those entities where the previous strategic audit plan is completed or has become obsolete* | *Timely preparation* | *January 2018* |
| *Audit, consulting reports and follow-up engagements planned for 2017* | *Completion of the 2017 Audit Plan* | *January 2018* |
| *Reports on the status of open critical or significantly delayed very important IAS recommendations issued to Agency Directors and management Boards in case their agency has such recommendations. s* | *Reports/ Notes finalised and transmitted to Directors and Management Boards* | *March 2017* |

The performance tables in annex 1 to this MP provide an overview of the indicators and targets applicable to each of the specific objectives mentioned above.

# PART 2. MAIN ORGANISATIONAL MANAGEMENT OUTPUTS FOR THE YEAR

## A. Human resource management

The HR Modernisation project implemented according to the Communication on Synergies and Efficiencies of April 2016 makes changes to the way that HR services are delivered in the Commission. HR services will be delivered by an Account Management Centre (AMC) within DG HR. Each DG will have an HR Business Correspondent, responsible for defining HR strategy and taking HR decisions, in consultation with the management of the DG, as well as ensuring that the DG gets the HR service it needs, in cooperation with the AMC.

The IAS is supported by "AMC 5" which will serve the following group of DGs: Collège, COMM, EPSC, HOME, IAS, JUST, OLAF, SG and SJ.

The definition of the HR strategy and the setting of the priority actions for reaching the targets of the Strategic Plan 2016-2020 are the responsibility of the HR Business Correspondent. Progress will be reported in the DG Management Plan and Annual Activity Report.

The IAS, as a key horizontal service in the Commission, contributes to the Commission's general objective: "The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions." Actions taken/to be taken by the IAS include those that contribute to the three Commission-wide initiatives (1) female representation in middle management, 2) staff well-being 3) staff engagement and) and IAS-specific priority actions that it will focus on in 2017.

The current status of the three Commission-wide mandatory indicators in the IAS is detailed below:

(1)     Percentage of female representation in middle management: Achieving the Commission objective of a 40% female representation rate at management level has been identified as one of the key challenges in the IAS Human Resource Plan 2016-2020. With the current rate at 18%, the IAS has launched a number of initiatives to increase the pool of female candidates for middle management positions: information session to familiarise female administrators with the role and tasks of an IAS middle manager, monitoring gender balance for Team Leaders and DG Correspondents and encouraging female officials to attend management courses. These actions will continue to be implemented in 2017. However, reaching the target of 40% will ultimately depend on middle management posts becoming vacant and on the quality of the applications for these posts.

(2)     Percentage of staff who feel that the Commission cares about their well-being: According to the 2016 staff survey results, 32% felt the Commission cares about their well-being, down 5% from the last survey in 2014 and down 3% from the Commission average.

(3)     Staff engagement index: According to the 2016 staff survey results, staff engagement index in the IAS was 68%, up 2% from the last survey in 2014 and above the Commission average of 64%.

The IAS is currently analysing the results of the 2016 staff survey and will take specific actions to address the second and third strategic targets mentioned above.

Four focus groups have been set up to discuss a range of topics (senior management communication, work/life balance and flexible work arrangements, role of the support staff in the IAS, and careers). These focus groups will be moderated by DG HR. The outcomes from the groups will be presented to the IAS management for further consideration/action. In addition, the IAS will also implement any corporate-wide initiatives to address these two issues.

In addition, the IAS focuses on a number of IAS specific priority actions over the period of the Strategic Plan 2016-2020 as follows:

- Fill remaining vacant posts allocated to the IAS in the context of the centralisation of the Commission's internal audit function (2016-2017).
- Ensure that the Internal Audit Training Programme covers the necessary needs as defined by the Internal Audit Training Steering Committee (2016-2020).
- Keep auditors abreast of the latest developments in the Commission and in the profession relevant for their work through structured opportunities for continuous learning (2016-2020).
- Develop the management potential of female staff (2016-2020).

| General objective: The DG deploys effectively its resources in support of the delivery of the Commission 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. | | |
|---|---|---|
| **Main outputs in 2017:** | | |
| **Output** | **Indicator** | **Target** |
| *Talent management campaign to encourage female AD staff to apply for management positions* | *Share of AD8 and above female administrators following a management training course* | *75%* |
| *Implementation of the actions decided by IAS management following the results of the focus groups (established following the 2016 staff survey)* | *% of implementation of actions planned for 2017* | *100%* |
| | | |
| Specific objective 2.1: Increased capacity and the level of professionalism of internal auditors of the IAS and the EU autonomous bodies | | |
| **Main outputs in 2017:** | | |
| **Output** | **Indicator** | **Target** |
| *Update Learning and Development Strategy* | *Timely delivery* | *February 2017* |
| *Internal Audit Training Programme* | *Timely delivery* | *January 2017* |
| *Finalise list of topics for Auditors' Forums in 2017* | *Timely delivery* | *January 2017* |
| *Organise 6 Auditors' Forum sessions* | *Timely delivery* | *December 2017* |
| *IAS Annual Conference* | *Timely delivery* | *October 2017* |
| *"Welcome coffee" and "Induction Training" for new staff* | *Organise at least one each* | *December 2017* |

| Specific objective 2.2: Provide effective HR services in order to recruit, to support and to maintain a high-performance work force in the IAS | | |
|---|---|---|
| **Main outputs in 2017:** | | |
| **Output** | **Indicator** | **Target** |
| *Update Learning and Development Strategy* | *Timely delivery* | *February 2017* |
| *HR plan 2017* | *Timely delivery* | *March 2017* |
| *Management of vacancy rate* | *Rate of 6% or less* | *December 2017* |

The performance tables in annex 1 to this MP provide an overview of the indicators and targets applicable to each of the specific objectives mentioned above.

### *B. Financial Management: Internal control and Risk management*

The IAS, as a key horizontal service in the Commission, contributes to the Commission's general objective: "The Authorising Officer by Delegation should have reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions including prevention, detection, correction and follow-up of fraud and irregularities".

The IAS contributes to this general objective, in particular, by focussing on a number of priority actions over the period of the Strategic Plan as follows:

**Objective 1 (mandatory):** Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions

Title 28 of the budget covers the activity of the policy area 'Audit'. It includes two internal audit activities ("Internal Audit of the Commission" and "Internal Audit of the EU autonomous bodies") and three horizontal activities. 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 €19.22 m in 2017.

- As provided for by the Internal Rules, 97.14% of the IAS's budget is directly delegated to PMO, DG DIGIT and DG HR and this expenditure is therefore covered by the Declaration of assurance of DGs HR and DIGIT.
- The IAS[1] is therefore accountable for the remaining 2.86% which is, however, co-delegated[2] 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

---

[1] According to Art. 98(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.

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

Agreement, the co-delegation with DG DIGIT by a Memorandum of Understanding.

**Objective 2 (mandatory):** Effective and reliable internal control system in line with sound financial management.

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 ex-ante controlled by the 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 PMO and the ex-post controls performed by DG HR on a sample of transactions executed by PMO and DG HR in the framework of the existing SLA with the IAS.

**Objective 3 (mandatory):** Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.

As a non-spending DG with low fraud risk profile, the IAS anti-fraud strategy 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). A new strategy valid for 2017-2019 was adopted on 6 December 2016 following the fraud-risk assessment performed by management at the end of 2016. The services provided by DG HR and DIGIT are subject to their own anti-fraud measures.

| Objective 1: Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions. | | |
|---|---|---|
| **Main outputs in 2017:** | | |
| **Output** | **Indicator** | **Target** |
| *Ex-post controls on missions* | *Error rate* | *Below 2% materiality threshold by end 2017* |

| Objective 2: Effective and reliable internal control system in line with sound financial management. | | |
|---|---|---|
| **Main outputs in 2017:** | | |
| **Output** | **Indicator** | **Target** |
| *Errors identified in mission costs* | *Errors identified as a percentage of total mission costs* | *Below 2% materiality threshold by end of 2017* |

| Objective 3: Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud. | | |
|---|---|---|
| **Main outputs in 2017:** | | |
| **Output** | **Indicator** | **Target** |
| *Implementation of the anti-fraud strategy as planned for 2017* | *% of implementation of actions planned for 2017 in the anti-fraud strategy* | *100%* |

The performance tables in annex 1 to this MP provide an overview of the indicators and targets applicable to each of the specific objectives mentioned above.

## C. Better Regulation

N/A

## D. Information management aspects

The Commission adopted a new corporate strategy for data, knowledge and information management in October 2016. The new strategy establishes a corporate framework while leaving room for DGs to develop and implement their own approaches tailored to their unique needs.

The IAS, as a key horizontal service in the Commission, contributes to the Commission's general objective (mandatory): "Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable".

As the rest of the Commission, the IAS relies on information for every aspect of its work. Therefore, the IAS has adopted specific policies to enable a change of culture ensuring the effective corporate management of data, information and knowledge (see Strategic Plan for further details).

In order to improve productivity and facilitate quality control, the IAS uses an electronic tool to document its audit work. 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 also allows the IAS to better monitor the progress of the audit plan. In 2015, the IAS reviewed its existing tool and decided to replace it with a new tool. Following a selection procedure, TeamMate has been selected and the new tool has been rolled out in late 2016. Training on the use of the tool started in late 2016 and will continue in 2017. Full implementation will take place in 2017.

The IAS also identified knowledge management/knowledge retention as an area to be better supported by information systems. The knowledge management initiative is expected to bring considerable savings in terms of time for the IAS by better documenting information that exists about the auditees and making the information easier to search and access. In 2017, the IAS will therefore undertake a project to assess its needs, identify different options and implement suitable solutions. Such solutions could entail the improvement of procedures around- or the configuration of existing systems; the content of the Intranet or – if justified – the implementation of an information system to facilitate knowledge management and

as such to contribute to a more efficient use of resources and knowledge-sharing to support the core activity of the IAS. (In the latter case, the project will focus on existing solutions within the European Commission.)

The IAS has one of the highest rates (85% in 2015) of sharing HAN files that are readable/accessible by all units. However, given the restrictive nature of its core-business, the IAS is not in position to share files with other DGs.

| Objective: Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable. | | |
|---|---|---|
| **Main outputs in 2017:** | | |
| **Output** | **Indicator** | **Target** |
| *2016 Annual report on document management* | *Timely delivery* | *March 2017* |
| *Staff trained on the use of TeamMate* | *No of participants*<br><br>*Timely delivery* | *All auditors*<br><br>*June 2017 (except Risk assessment module – October 2017)* |
| *Knowledge management system solution* | *Identification of potential software tools by Q2 2017* | *June 2017* |

The performance tables in annex 1 to this MP provide an overview of the indicators and targets applicable to each of the specific objectives mentioned above.

## E. External communication activities

N/A

## F. Example(s) of initiatives to improve economy and efficiency of financial and non-financial activities of the DG

The IAS is committed to ensuring increased efficiency, i.e. efficient use of its resources, in the delivery of its core business activity. It has set an ambitious target of 86% for the time spent by auditors on direct and other support audit-related work during the preparation of the Strategic Audit Plan. The use of resources is closely monitored in the weekly "Radar screen" for individual engagements and the achievement of the 86% target is monitored every quarter at an aggregate level.

# ANNEXES TO THE MANAGEMENT PLAN

## Annex 1. 2017 Performance tables

### INTERNAL AUDIT (COMMISSION AND EU AUTONOMOUS BODIES)

| Relevant general objective[3] |
| --- |
| **To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.** |

| Impact indicator: |
| --- |
| **Trust in the European Commission** |
| Source: Eurobarometer on Public Opinion in the European Union |

| **Baseline** (2015): 40% tend to trust | **Target** 2017: Increase |
| --- | --- |

| Impact indicator: |
| --- |
| **Staff engagement index in the Commission** |
| Source: European Commission |

| **Baseline** (2014): 65.3% | **Target** 2017: Increase |
| --- | --- |

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

| Result indicator 1.1: |
| --- |
| **Level of satisfaction of stakeholders (APC/Management Boards and Directors-General/Directors of autonomous bodies)** |
| (Results of the annual stakeholders' satisfaction survey to show a minimum level of satisfaction) |
| Source: 2016 IAS annual Stakeholder Satisfaction Survey |

| **Baseline** 2015 | **Target 2017:** |
| --- | --- |
| Commission stakeholders: 88%[4] | Commission stakeholders: minimum 90% |
| EU autonomous bodies stakeholders: 91%[5] | EU autonomous bodies stakeholders: minimum 90% |

| Result indicator 1.2: |
| --- |
| **Level of auditee satisfaction** |
| Source: Satisfaction survey addressed to the audited services in the Commission and the Executive Agencies and EU autonomous bodies after each engagement. |

| **Baseline** 2015 | **Target 2017** |
| --- | --- |
| average score of 1.5 on a scale from 1 (strong agreement) to 4 (strong disagreement) | Average score below 1.5 |

---

[3] Monitoring of the corporate impact indicators will be performed by the SG once per year and the results will be shared with all DGs and services in time for inclusion in the Annual Activity Reports.

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

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

| Output indicator 1.3 (effectiveness): |
|---|
| **Timely delivery of IAS overall opinion on financial management in the Commission** |
| Source: Regular IAS internal monitoring**.** |

| Baseline | Target 2017 |
|---|---|
| Target met (2015) | By 15 May 2017 |

| Output indicator 1.4 (effectiveness): |
|---|
| **Timely delivery of IAS limited conclusions on the state of internal control as a contribution to the preparation to the AARs of DGs/Services/Executive Agencies** |
| Source: Regular IAS internal monitoring. |

| Baseline | Target 2017 |
|---|---|
| New | By 15 February 2017 |

## Specific objective 2
**To ensure that the work of the IAS adds value by being conducted in accordance with the Financial Regulation and its Rules of Application, its internal methodology and guidelines and international auditing standards (internal dimension).**

| Result indicator 2.1 (effectiveness): |
|---|
| **Successful compliance with the internal methodology and guidelines of the IAS and with international internal auditing standards as assessed through the Internal Quality Assessment (IQA)** |
| Source: Report of the internal quality assessment carried out by IAS 01 for all three Directorates |

| Baseline | Target 2017 |
|---|---|
| IQA of 2015 | IQA of 2017 |
| No non-conformance issues raised | No non-conformance issues raised |

## Specific objective 3
**To ensure efficiency and effectiveness in delivering the strategic audit plans through the annual audit plans.**

| Output indicator 3.1 (effectiveness): |
|---|
| **Completion rate of the annual audit plan** |
| Source: Regular IAS internal monitoring. |

| **Baseline** 2015 | **Target 2017** |
|---|---|
| 100% | Completion of 100 % of C1 engagements (i.e. engagements to be completed during the year) included in the (revised) plans in both Commission and EU autonomous bodies |

| Result indicator 3.2 (efficiency): |
|---|
| **Percentage of time spent on direct audit work and audit support work by auditors** |
| Source: Regular IAS internal monitoring. |

| **Baseline** (31/12/2015) | **Target 2017** |
|---|---|
| Commission: 87% | 86% (direct audit work and audit support work) |
| EU bodies: 86% | |

| Output indicator 3.3 (efficiency): |
|---|
| **Timeliness of the completion and the delivery of audit reports** |
| **(time elapsed in working days between the validation meeting and the final report)** |
| Source: Regular IAS internal monitoring. |

| **Baseline** (31/12/2015) | **Target 2017** |
|---|---|
| Commission: | |

| 35 days for engagements with one auditee and | 30 days for engagements with one auditee and |
|---|---|
| 40 days for engagements with multiple auditees | 35 days for engagements with multiple auditees |
| <u>EU bodies</u> : | <u>EU bodies</u> : |
| 32 days | 30 days |

| **Output indicator 3.4 (efficiency):** |
|---|
| **Difference between actual time and budgeted time for each audit engagement.** |
| Source: Regular IAS internal monitoring. |

| **Baseline** (31/12/2015) | **Target 2017** |
|---|---|
| Commission: 5% | Actual execution within the margin of ±10% of budgeted number of man-days |
| EU Bodies: 6% | (+ indicating an overrun and – indicating an underrun) |

## ORGANISATIONAL MANAGEMENT

<u>HUMAN RESOURCES MANAGEMENT</u>

| **General objective (mandatory)**[6]: |
|---|
| **The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.** |

| **Indicator 1 (mandatory):** |
|---|
| **Percentage of female representation in middle management** |
| Source: data to be provided by DG HR |

| Baseline: 22.2 % per 1/1/2016 | Final target by 2019: 40%[7] |
|---|---|
| (Commission average: 31.9%) | |

| **Indicator 2 (mandatory):** |
|---|
| **Percentage of staff who feel that the Commission cares about their well-being** |
| Source: Commission staff survey 2014 - – data to be provided by DG HR |

| Baseline 2014: 37.5% | Target 2017: in line with Commission average |
|---|---|
| (Commission average not communicated for 2014 survey) | |

| **Indicator 3 (mandatory):** |
|---|
| **Staff engagement index** |
| Source: Commission staff survey – data to be provided by DG HR |

| Baseline 2014: 65.5% | Target 2017: in line with the Commission |
|---|---|
| (Commission average: 65.3%) | average |

| **Specific objective 2.1:** |
|---|
| **Increased capacity and the level of professionalism of internal auditors of the IAS and the EU** |

---

[6] Monitoring of the corporate impact indicators will be performed by the SG once per year and the results will be shared with all DGs and services in time for inclusion in the Annual Activity Reports.

[7] From list of targets for each DG as adopted by the Commission on 15 July 2015 – SEC(2015)336.

| autonomous bodies |
|---|
| **Indicator 1:** |
| **Percentage of staff certified** |
| Source: Internal calculations |

| Baseline 2015: 64 % | Target 2017: 67% |
|---|---|

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

| Baseline: | Target 2017: |
|---|---|
| 6 Auditors Forum seminars held in 2014 | • At least six seminars per year |
| 6 Auditors Forum seminars held in 2015 | • IAS Annual Conference October 2017 |

| **Result indicator 3:** |
|---|
| **The Internal Audit Training Programme covers the necessary needs as defined by the Internal Audit Training Steering Committee** |
| Source: Internal annual training needs survey |

| Baseline 2015: needs are covered | Target 2017: |
|---|---|
| | IAS Management confirming that the necessary needs are covered |

| **Specific objective 2.2:** |
|---|
| **Provide effective HR services in order to recruit, to support and to maintain a high-performance work force in the IAS** |

| **Result indicator 1:** |
|---|
| **Vacancy rate[8]** |
| Source of data: |

| Baseline 31.12.2015: 8% | Target 2017: 6% |
|---|---|
| | (Commission average, currently 5.3%, to be reached by 2018) |

| **Result indicator 2:** |
|---|
| **Encourage AD8 and above female administrators to follow a management training course** |
| Source of data: Internal |

| Baseline 31.12.2016: 62.5% | Target 2017: 75% |
|---|---|

FINANCIAL MANAGEMENT
(including internal control and risk management)

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

---

[8] The vacancy rate is calculated by deducting posts to be returned in 2016 in the context of staff reduction and redeployment tax.

**Objective 1 (mandatory):**
**Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions**

**Indicator 1 (mandatory):**
**Estimated residual error rate[9]**
*As explained in the narrative, the IAS will rely on the assurance provided by the AOSDs and its additional own controls regarding mission expenditure. As in the past, a qualitative approach will be employed to judge on the legality and regularity of expenditure taking into account all of the above.*
Source: internal

| Baseline | Target 2017 |
|---|---|
| 2014: judged to be close to 0 % | *Below the materiality threshold of 2%* |
| | |

**Indicator 2 (mandatory):**
**Estimated overall amount at risk for the year for the entire budget under the DGs responsibility.**
*Rf. to indicator 1 above*
Source: internal

| Baseline | Target 2017 |
|---|---|
| 2014: judged to be close to 0 € | *Below materiality threshold of 2%* |

**Indicator 3 (mandatory):**
**Estimated future corrections**
Source: internal

| Baseline | Target |
|---|---|
| 2014: 0 € | Given the target on the amounts at risk, no corrections are likely to be made ex-post. However, if needed, IAS is determined to ensure full recovery of undue amounts paid out. |

**Objective 2 (mandatory):**
**Effective and reliable internal control system in line with sound financial management.**

**Indicator 1 (mandatory):**
**Conclusion reached on cost effectiveness of controls**
Source: Estimation of the costs of controls on missions and other expenditure

| Baseline 2014 | Target 2017: |
|---|---|
| 0.25 AST FTE | No more than 0.25 AST FTE. |
| Yes | Yes |

**Indicator 2:**
**Conclusion reached on reliability, effectiveness of controls within the IAS**
Source: Qualitative analysis of exception register, transactions rejected by PMO, errors reported by DG HR, errors detected in sample of missions verified by the IAS in its ex-post control

| Baseline (2015) | Target 2017 |
|---|---|
| Errors identified as a percentage of total mission costs: 0.1% | *Below materiality threshold of 2%* |

**Objective 3 (mandatory):**
**Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.**

---

[9] For the definition, see the first annex to the AAR instructions 2014 "Key definitions for determining amounts at risk" at https://myintracomm.ec.europa.eu/budgweb/EN/rep/aar/Documents/aar-standing-instructions.pdf.

| Indicator 1 (mandatory) |
| --- |
| **Implementation of the action plan stemming from the updated 2017-2019 anti-fraud strategy of DG IAS, elaborated on the basis of the methodology provided by OLAF[10]** |
| Source: information available in DG's AFS |

| Baseline: period 2014-2016 | Target 2017: |
| --- | --- |
| IAS Anti-fraud strategy was released on 20 January 2014 | 100% Implementation of actions planned for 2017 in the anti-fraud strategy<br>(low fraud risk profile) |

INFORMATION MANAGEMENT

| Objective (mandatory): |
| --- |
| **Information and knowledge in your DG is shared and reusable by other DGs.** |
| **Important documents are registered, filed and retrievable** |

| Indicator 1 (mandatory): | |
| --- | --- |
| **Percentage of registered documents that are not filed[11] (ratio)** | |
| Source: *Hermes-Ares-Nomcom (HAN)[12] statistics* – data to be provided by DG DIGIT | |
| Baseline | Target 2017 |
| 2015: 1.2%<br>(3.51% at Commission level) | < 1%[13] |

| Indicator 2 (mandatory): | |
| --- | --- |
| **Number of HAN files readable/accessible by all units in the IAS** | |
| Source: *HAN statistics*- data to be provided by DG DIGIT | |
| Baseline | Target 2017 |
| 2015: 85.1%<br>(77.88% at Commission level) | 85%[14] |

| Indicator 3 (mandatory): | |
| --- | --- |
| **Number of HAN files shared with other DGs** | |
| N/A: Given the restrictive nature of the IAS work, the IAS does not share files with other DGs. Occasionally, there might be an exception (see baseline). | |
| Source: *HAN statistics* - data to be provided by DG DIGIT | |
| Baseline | Target 2017 |
| 2015: 1 file (0.05%)<br>(6.25% at Commission level) | 0% |

---

[10]  The methodology can be found on the FPDNet website: https://myintracomm.ec.europa.eu/serv/en/fraud-prevention/ToolBox/Documents/Methodology%20and%20guidance%20for%20DGs%20anti-fraud%20strategies.pdf. In particular paragraph 3 of the methodology is relevant.

[11]  Each registered document must be filed in at least one official file of the *Chef de file*, as required by the e-Domec policy rules (and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

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

[13] 1% is an ambitious target. In any case, 0% is not feasible because there is always a turnover of registers waiting for the opening of files.

[14] To promote the knowledge sharing amongst IAS auditors, the IAS has chosen to give a maximum of access to IAS documents. However, the remaining 15% concern restricted files related to management, horizontal, QA and HR issues.

| Indicator 4 (IAS specific): | |
|---|---|
| **Finalisation of the timely implementation of new IT audit tool**<br>Source: internal | |
| Baseline<br>New | Target 2017:<br>Tool to be fully operational in June 2017 (except risk module by October 2017) |
| **Indicator 5 (IAS specific):** | |
| **Knowledge management system: identification of potential software tools**<br>Source: internal | |
| Baseline<br>New | Target 2017:<br>Results by Q2 2017 (June 2017) |