



2018

Annual Activity Report

Annexes

**Directorate General
Human Resources and
Security**

Final

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ANNEX 1: STATEMENT OF THE RESOURCES DIRECTOR

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

I hereby certify that the information provided in Part 1 of the present AAR and in its annexes is, to the best of my knowledge, accurate and complete.

Brussels, 31 March 2019

Signed

Bertrand Saint Aubin

Head of Unit Planning and Policy Steering and DG HR Business Correspondent

Statement of the Internal Control Coordinator

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

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

Brussels, 31 March 2019

Signed

Christina VLASSIS

Head of Unit Finance, Procurement and Internal Control

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

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

Organisational Management

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

Indicator: Percentage of female representation in middle management

Source of data: Sysper

Baseline (Year)	Target (Year)	Latest known results (Year)
34.6% (2015)	40% (2020)	45.45% (16/2/19)

Indicator: Staff engagement index

Source of data: Annual Staff Survey Results 2018

Baseline (Year)	Target (Year)	Latest known results (Year)
64,9%	75% (2020)	70% (2018)

Indicator: Percentage of staff who feel that the Commission cares about their well-being

Source of data: Sysper

Baseline (Year)	Target (Year)	Latest known results (Year)
35,3% (2014)	65% (2020)	58% (2018)

Information management aspects

Objective 2: Information and knowledge in the DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable

Indicator Percentage of registered documents that are not filed (ratio)

Source of data: Hermes-Ares-Nomcom (HAN)

Baseline (Year)	Target (Year)	Latest known results (Year)
1,82% (2015)	0% (2020)	0.72% (2018)

Indicator number of HAN files shared with other DGs

Source of data: HAN

Baseline (Year)	Target (Year)	Latest known results (Year)
0,13% (2015)	0,13% ¹ (2020)	1.07% (2018)

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

Source of data: DMO

Baseline (Year)	Target (Year)	Latest known results (Year)
0 (2015)	0 (2020)	0 (2018)

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

Source of data: BASIS implemented in 2016

Baseline (Year)	Target (Year)	Latest known results (Year)
0% (2015)	100% (2020)	100% (2017)

Indicator number of HAN files readable/ accessible by all units in the DG

Source of data: HAN statistics

Baseline (Year)	Target (Year)	Latest known results (Year)
0,22% (2015)	0,22% (2020)	0%

Indicator Percentage of units using collaborative tools to manage their activities

Source of data:

Baseline (Year)	Target (Year)	Latest known results (Year)
-	40	-

Indicator Existence and degree of implementation of a documented strategy to harness knowledge of DG staff

Source of data: DMO

Baseline (Year)	Target (Year)	Latest known results (Year)
Strategy to be developed & implemented	Strategy adopted, implemented and assessed	Strategy adopted and implemented

¹ There is no real target as this number is in function of the needs of the DG. This has changed for DG HR compared to 2015 as we now have 8 AMC units dealing with files from each DG and service in the Commission. This is why the percentage of HAN files shared with other DGs has increased substantially.

Annex 3 Financial Reports - DG HR - Financial Year 2018

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures (excluding Building Contracts)

Table 12 : Summary of Procedures (excluding Building Contracts)

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

Additional comments

Tables 11 & 12: Procurement procedures

For technical reasons, wrong encodings cannot be deleted from the IT financial system. The following procedures should not be taken into account:

- 1) *Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP): 235.000 EUR*
- 2) *Negotiated Procedure with at least five candidates below Directive thresholds (Art. 136a RAP): 78.187,50 EUR*
- 3) *Negotiated Procedure with at least one candidate below euro 15 000 (Art. 137.2 RAP): 67.777,50 EUR*
- 4) *Open Procedure (Art. 127.2 RAP): 410.000 EUR*

Consequently, the actual figures related to the procedures awarded in 2018 by DG HR and to be reported in this table 12 are:

6 Negotiated Procedures with at least 5 candidates below Directive thresholds (Art. 136a RAP): 2.191.928,73 EUR
17 Open Procedures (Art. 104(1) (a) FR): 27.478.146 EUR
1 Restricted Procedures (Art. 104(1) (b) FR): 17.406.000 EUR

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2018 (in Mio €)

			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 01 Economic and financial affairs					
01	01 01	Administrative expenditure of the 'Economic and financial affairs' policy area	0.58	0.58	100.00 %
Total Title 01			0.58	0.58	100.00%
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 01	Administrative expenditure of the 'Internal market, industry, entrepreneurship and SMEs' policy area	1	1	100.00 %
Total Title 02			1	1	100.00%
Title 03 Competition					
03	03 01	Administrative expenditure of the 'Competition' policy area	0.28	0.28	100.00 %
Total Title 03			0.28	0.28	100.00%
Title 04 Employment, social affairs and inclusion					
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	0.68	0.68	100.00 %
Total Title 04			0.68	0.68	100.00%
Title 05 Agriculture and rural development					
05	05 01	Administrative expenditure of the 'Agriculture and rural development' policy area	0.37	0.37	100.00 %
Total Title 05			0.37	0.37	100.00%
Title 06 Mobility and transport					
06	06 01	Administrative expenditure of the 'Mobility and transport' policy area	0.31	0.31	100.00 %
Total Title 06			0.31	0.31	100.00%
Title 07 Environment					
07	07 01	Administrative expenditure of the 'Environment' policy area	0.64	0.6	93.45 %
Total Title 07			0.64	0.6	93.45%
Title 08 Research and innovation					
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	0.19	0.19	100.00 %
Total Title 08			0.19	0.19	100.00%
Title 09 Communications networks, content and technology					
09	09 01	Administrative expenditure of the 'Communications networks, content and technology' policy area	0.3	0.3	100.00 %
Total Title 09			0.3	0.3	100.00%
Title 10 Direct research					
10	10 01	Administrative expenditure of the 'Direct research' policy area	4.78	4.66	97.44 %
Total Title 10			4.78	4.66	97.44%
Title 11 Maritime affairs and fisheries					
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	0.32	0.32	100.00 %
Total Title 11			0.32	0.32	100.00%

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2018 (in Mio €)

			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 12 Financial stability, financial services and capital markets union					
12	12 01	Administrative expenditure of the 'Financial stability, financial services and capital markets union' policy area	0.26	0.26	99.87 %
Total Title 12			0.26	0.26	99.87%
Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0.47	0.47	100.00 %
Total Title 13			0.47	0.47	100.00%
Title 14 Taxation and customs union					
14	14 01	Administrative expenditure of the 'Taxation and customs union' policy area	0.42	0.42	100.00 %
Total Title 14			0.42	0.42	100.00%
Title 15 Education and culture					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0.63	0.63	100.00 %
Total Title 15			0.63	0.63	100.00%
Title 16 Communication					
16	16 01	Administrative expenditure of the 'Communication' policy area	0.56	0.56	100.00 %
Total Title 16			0.56	0.56	100.00%
Title 17 Health and food safety					
17	17 01	Administrative expenditure of the 'Health and food safety' policy area	0.28	0.28	100.00 %
Total Title 17			0.28	0.28	100.00%
Title 18 Migration and home affairs					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0.54	0.54	100.00 %
Total Title 18			0.54	0.54	100.00%
Title 19 Foreign policy instruments					
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	0.16	0.16	100.00 %
Total Title 19			0.16	0.16	100.00%
Title 20 Trade					
20	20 01	Administrative expenditure of the 'Trade' policy area	0.52	0.52	100.00 %
Total Title 20			0.52	0.52	100.00%
Title 21 International cooperation and development					
21	21 01	Administrative expenditure of the 'International cooperation and development' policy area	1.38	1.38	100.00 %
Total Title 21			1.38	1.38	100.00%
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.8	0.8	100.00 %
Total Title 22			0.8	0.8	100.00%

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2018 (in Mio €)

			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 23 Humanitarian aid and civil protection					
23	23 01	Administrative expenditure of the 'Humanitarian aid and civil protection' policy area	0.22	0.22	99.99 %
Total Title 23			0.22	0.22	99.99%
Title 24 Fight against fraud					
24	24 01	Administrative expenditure of the 'Fight against fraud' policy area	0.13	0.13	100.00 %
Total Title 24			0.13	0.13	100.00%
Title 25 Commission's policy coordination and legal advice					
25	25 01	Administrative expenditure of the 'Commission's policy coordination and legal advice' policy area	1.24	1.2	96.78 %
Total Title 25			1.24	1.2	96.78%
Title 26 Commission's administration					
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	281.54	269.93	95.88 %
Total Title 26			281.54	269.93	95.88%
Title 27 Budget					
27	27 01	Administrative expenditure of the 'Budget' policy area	0.26	0.26	100.00 %
Total Title 27			0.26	0.26	100.00%
Title 28 Audit					
28	28 01	Administrative expenditure of the 'Audit' policy area	0.63	0.63	100.00 %
Total Title 28			0.63	0.63	100.00%
Title 29 Statistics					
29	29 01	Administrative expenditure of the 'Statistics' policy area	0.84	0.84	100.00 %
Total Title 29			0.84	0.84	100.00%
Title 31 Language services					
31	31 01	Administrative expenditure of the 'Language services' policy area	1.31	1.31	100.00 %
Total Title 31			1.31	1.31	100.00%
Title 32 Energy					
32	32 01	Administrative expenditure in the 'Energy' policy area	0.48	0.48	100.00 %
Total Title 32			0.48	0.48	100.00%
Title 33 Justice and consumers					
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0.68	0.77	113.83 %
Total Title 33			0.68	0.77	113.83%
Title 34 Climate action					
34	34 01	Administrative expenditure in the 'Climate action' policy area	0.22	0.22	100.00 %
Total Title 34			0.22	0.22	100.00%
Title XX Administrative Expenditure allocated to policy areas					

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2018 (in Mio €)

			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
XX	XX 01	Administrative Expenditure allocated to policy areas	0.7	0.7	100.00 %
Total Title XX			0.7	0.7	100.00%
Total DG HR			303.72	292	96.14 %

* *Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).*

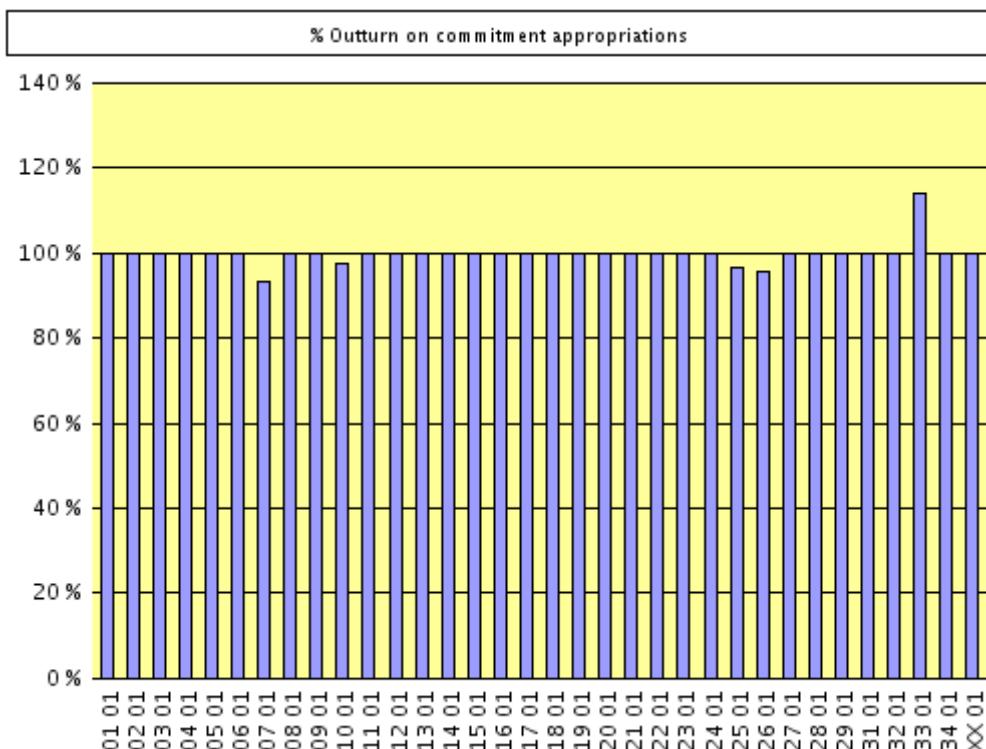


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2018 (in Mio €)

Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 01 Economic and financial affairs					
01	01 01	Administrative expenditure of the 'Economic and financial affairs' policy area	0.87	0.7	80.56 %
Total Title 01			0.87	0.7	80.56%
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 01	Administrative expenditure of the 'Internal market, industry, entrepreneurship and SMEs' policy area	1.6	1.02	63.46 %
Total Title 02			1.6	1.02	63.46%
Title 03 Competition					
03	03 01	Administrative expenditure of the 'Competition' policy area	0.34	0.16	45.97 %
Total Title 03			0.34	0.16	45.97%
Title 04 Employment, social affairs and inclusion					
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	1.3	0.74	56.95 %
Total Title 04			1.3	0.74	56.95%
Title 05 Agriculture and rural development					
05	05 01	Administrative expenditure of the 'Agriculture and rural development' policy area	0.68	0.35	52.08 %
Total Title 05			0.68	0.35	52.08%
Title 06 Mobility and transport					
06	06 01	Administrative expenditure of the 'Mobility and transport' policy area	0.47	0.33	69.47 %
Total Title 06			0.47	0.33	69.47%
Title 07 Environment					
07	07 01	Administrative expenditure of the 'Environment' policy area	0.78	0.49	62.63 %
Total Title 07			0.78	0.49	62.63%
Title 08 Research and innovation					
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	0.35	0.15	43.36 %
Total Title 08			0.35	0.15	43.36%
Title 09 Communications networks, content and technology					
09	09 01	Administrative expenditure of the 'Communications networks, content and technology' policy area	0.68	0.46	66.92 %
Total Title 09			0.68	0.46	66.92%
Title 10 Direct research					
10	10 01	Administrative expenditure of the 'Direct research' policy area	6.05	3.94	65.07 %
Total Title 10			6.05	3.94	65.07%
Title 11 Maritime affairs and fisheries					
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	0.44	0.27	61.80 %
Total Title 11			0.44	0.27	61.80%

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Annex 3 Financial Reports - DG HR
Report printed on 01/04/2019

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2018 (in Mio €)

Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 12 Financial stability, financial services and capital markets union					
12	12 01	Administrative expenditure of the 'Financial stability, financial services and capital markets union' policy area	0.5	0.21	42.79 %
Total Title 12			0.5	0.21	42.79%
Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0.85	0.73	86.17 %
Total Title 13			0.85	0.73	86.17%
Title 14 Taxation and customs union					
14	14 01	Administrative expenditure of the 'Taxation and customs union' policy area	0.49	0.28	57.57 %
Total Title 14			0.49	0.28	57.57%
Title 15 Education and culture					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0.84	0.57	68.03 %
Total Title 15			0.84	0.57	68.03%
Title 16 Communication					
16	16 01	Administrative expenditure of the 'Communication' policy area	0.77	0.52	66.65 %
Total Title 16			0.77	0.52	66.65%
Title 17 Health and food safety					
17	17 01	Administrative expenditure of the 'Health and food safety' policy area	0.39	0.2	51.44 %
Total Title 17			0.39	0.2	51.44%
Title 18 Migration and home affairs					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0.89	0.64	71.88 %
Total Title 18			0.89	0.64	71.88%
Title 19 Foreign policy instruments					
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	0.18	0.15	81.03 %
Total Title 19			0.18	0.15	81.03%
Title 20 Trade					
20	20 01	Administrative expenditure of the 'Trade' policy area	0.69	0.48	69.39 %
Total Title 20			0.69	0.48	69.39%
Title 21 International cooperation and development					
21	21 01	Administrative expenditure of the 'International cooperation and development' policy area	1.76	1.66	94.41 %
Total Title 21			1.76	1.66	94.41%
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	1.11	1.15	104.06 %
Total Title 22			1.11	1.15	104.06%

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2018 (in Mio €)

Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 23 Humanitarian aid and civil protection					
23	23 01	Administrative expenditure of the 'Humanitarian aid and civil protection' policy area	0.89	0.62	69.73 %
Total Title 23			0.89	0.62	69.73%
Title 24 Fight against fraud					
24	24 01	Administrative expenditure of the 'Fight against fraud' policy area	0.26	0.56	211.58 %
Total Title 24			0.26	0.56	211.58%
Title 25 Commission's policy coordination and legal advice					
25	25 01	Administrative expenditure of the 'Commission's policy coordination and legal advice' policy area	1.63	1.05	64.55 %
Total Title 25			1.63	1.05	64.55%
Title 26 Commission's administration					
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	319.12	265.96	83.34 %
Total Title 26			319.12	265.96	83.34%
Title 27 Budget					
27	27 01	Administrative expenditure of the 'Budget' policy area	0.34	0.17	50.83 %
Total Title 27			0.34	0.17	50.83%
Title 28 Audit					
28	28 01	Administrative expenditure of the 'Audit' policy area	0.84	0.6	71.19 %
Total Title 28			0.84	0.6	71.19%
Title 29 Statistics					
29	29 01	Administrative expenditure of the 'Statistics' policy area	1.1	0.64	58.34 %
Total Title 29			1.1	0.64	58.34%
Title 31 Language services					
31	31 01	Administrative expenditure of the 'Language services' policy area	1.71	1.28	74.91 %
Total Title 31			1.71	1.28	74.91%
Title 32 Energy					
32	32 01	Administrative expenditure in the 'Energy' policy area	0.61	0.43	70.86 %
Total Title 32			0.61	0.43	70.86%
Title 33 Justice and consumers					
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0.98	0.76	77.86 %
Total Title 33			0.98	0.76	77.86%
Title 34 Climate action					
34	34 01	Administrative expenditure in the 'Climate action' policy area	0.32	0.23	70.98 %
Total Title 34			0.32	0.23	70.98%
Title XX Administrative Expenditure allocated to policy areas					
XX	XX 01	Administrative Expenditure allocated to policy areas	0.7	0.41	59.23 %

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Annex 3 Financial Reports - DG HR
Report printed on 01/04/2019

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2018 (in Mio €)

Chapter	Payment appropriations authorised *	Payments made	%
	1	2	3=2/1
Total Title XX	0.7	0.41	59.23%
Total DG HR	350.52	287.9	82.13 %

* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

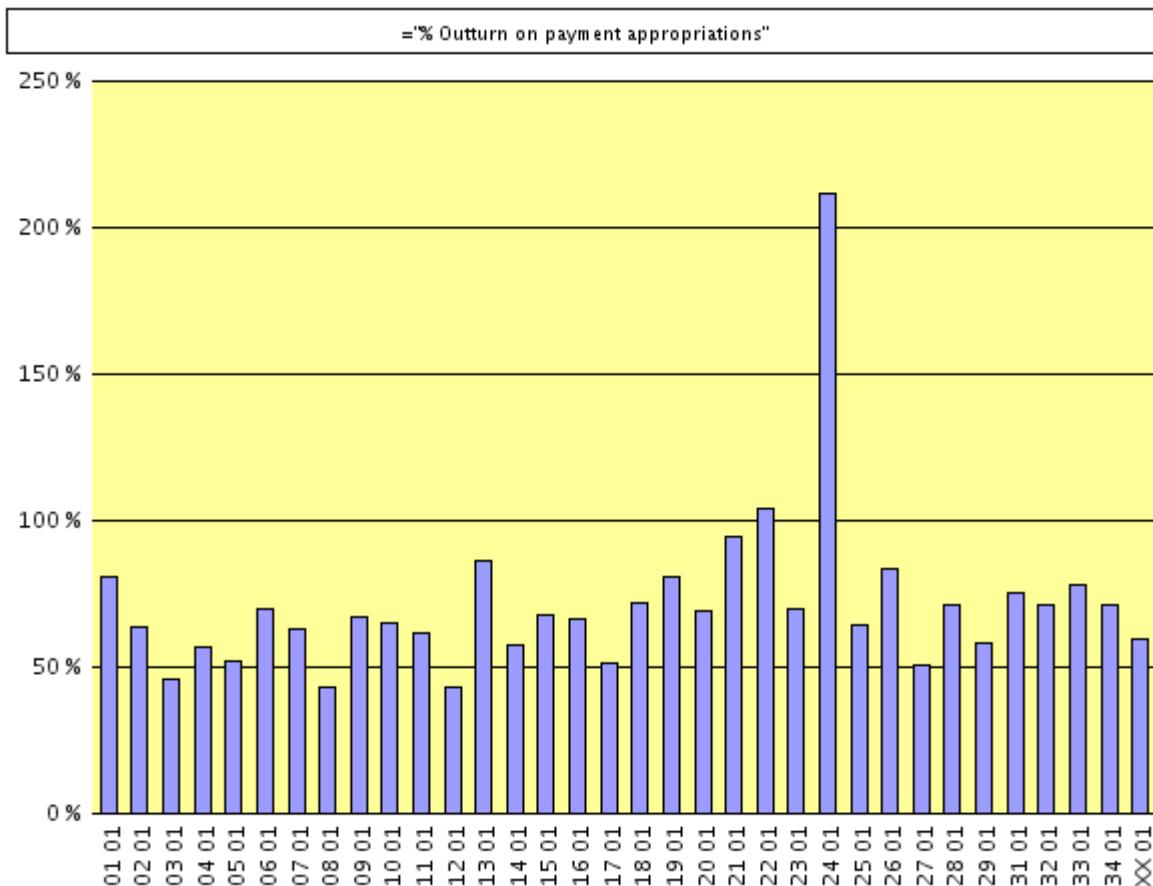


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2018 (in Mio €)

Chapter			2018 Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2018	Total of commitments to be settled at end of financial year 2017
			Commitments 2018	Payments 2018	RAL 2018	% to be settled			
	1	2	3=1-2	4=1-2/1	5	6=3+5	7		
Title 01 : Economic and financial affairs									
01	01 01	Administrative expenditure of the 'Economic and financial affairs' policy area	0.58	0.44	0.14	24.27 %	0.00	0.14	0.29
Total Title 01			0.58	0.44	0.14	24.27%	0	0.14	0.29
Title 02 : Internal market, industry, entrepreneurship and SMEs									
02	02 01	Administrative expenditure of the 'Internal market, industry, entrepreneurship and SMEs' policy area	1	0.73	0.26	26.47 %	0.00	0.26	0.34
Total Title 02			1	0.73	0.26	26.47%	0	0.26	0.34
Title 03 : Competition									
03	03 01	Administrative expenditure of the 'Competition' policy area	0.28	0.12	0.16	56.48 %	0.00	0.16	0.05
Total Title 03			0.28	0.12	0.16	56.48%	0	0.16	0.05
Title 04 : Employment, social affairs and inclusion									
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	0.68	0.42	0.26	38.18 %	0.00	0.26	0.25
Total Title 04			0.68	0.42	0.26	38.18%	0	0.26	0.25
Title 05 : Agriculture and rural development									
05	05 01	Administrative expenditure of the 'Agriculture and rural development' policy area	0.37	0.20	0.18	47.64 %	0.00	0.18	0.23
Total Title 05			0.37	0.20	0.18	47.64%	0	0.18	0.23
Title 06 : Mobility and transport									
06	06 01	Administrative expenditure of the 'Mobility and transport' policy area	0.31	0.21	0.1	31.29 %	0.00	0.10	0.14
Total Title 06			0.31	0.21	0.1	31.29%	0	0.1	0.14

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Annex 3 Financial Reports - DG HR
Report printed on 01/04/2019

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2018 (in Mio €)

Chapter			2018 Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2018	Total of commitments to be settled at end of financial year 2017
			Commitments 2018	Payments 2018	RAL 2018	% to be settled			
		1	2	3=1-2	4=1-2/1	5	6=3+5	7	
Title 07 : Environment									
07	07 01	Administrative expenditure of the 'Environment' policy area	0.6	0.38	0.21	35.88 %	0.00	0.21	0.14
Total Title 07			0.6	0.38	0.21	35.88%	0	0.21	0.14
Title 08 : Research and innovation									
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	0.19	0.07	0.13	65.60 %	0.00	0.13	0.07
Total Title 08			0.19	0.07	0.13	65.60%	0	0.13	0.07
Title 09 : Communications networks, content and technology									
09	09 01	Administrative expenditure of the 'Communications networks, content and technology' policy area	0.3	0.15	0.15	50.08 %	0.00	0.15	0.06
Total Title 09			0.3	0.15	0.15	50.08%	0	0.15	0.06
Title 10 : Direct research									
10	10 01	Administrative expenditure of the 'Direct research' policy area	4.62	3.12	1.5	32.48 %	0.00	1.50	0.53
Total Title 10			4.62	3.12	1.5	32.48%	0	1.5	0.53
Title 11 : Maritime affairs and fisheries									
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	0.32	0.16	0.16	50.91 %	0.00	0.16	0.09
Total Title 11			0.32	0.16	0.16	50.91%	0	0.16	0.09
Title 12 : Financial stability, financial services and capital markets union									
12	12 01	Administrative expenditure of the 'Financial stability, financial services and capital markets union' policy area	0.26	0.14	0.11	43.93 %	0.00	0.11	0.24
Total Title 12			0.26	0.14	0.11	43.93%	0	0.11	0.24
Title 13 : Regional and urban policy									

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

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TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2018 (in Mio €)

Chapter			2018 Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2018	Total of commitments to be settled at end of financial year 2017
			Commitments 2018	Payments 2018	RAL 2018	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0.47	0.31	0.16	34.30 %	0.00	0.16	0.24
Total Title 13			0.47	0.31	0.16	34.30%	0	0.16	0.24
Title 14 : Taxation and customs union									
14	14 01	Administrative expenditure of the 'Taxation and customs union' policy area	0.42	0.23	0.19	44.43 %	0.00	0.19	0.07
Total Title 14			0.42	0.23	0.19	44.43%	0	0.19	0.07
Title 15 : Education and culture									
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0.63	0.42	0.21	32.66 %	0.02	0.22	0.21
Total Title 15			0.63	0.42	0.21	32.66%	0.02	0.22	0.21
Title 16 : Communication									
16	16 01	Administrative expenditure of the 'Communication' policy area	0.56	0.37	0.18	33.04 %	0.00	0.18	0.22
Total Title 16			0.56	0.37	0.18	33.04%	0	0.18	0.22
Title 17 : Health and food safety									
17	17 01	Administrative expenditure of the 'Health and food safety' policy area	0.28	0.11	0.17	61.66 %	0.00	0.17	0.11
Total Title 17			0.28	0.11	0.17	61.66%	0	0.17	0.11
Title 18 : Migration and home affairs									
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0.54	0.40	0.14	25.97 %	0.00	0.14	0.21
Total Title 18			0.54	0.40	0.14	25.97%	0	0.14	0.21
Title 19 : Foreign policy instruments									
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	0.16	0.13	0.03	16.20 %	0.00	0.03	0.03

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			Commitments 2018	Payments 2018	RAL 2018	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Total Title 19			0.16	0.13	0.03	16.20%	0	0.03	0.03
Title 20 : Trade									
20	20 01	Administrative expenditure of the 'Trade' policy area	0.52	0.34	0.18	35.04 %	0.00	0.18	0.16
Total Title 20			0.52	0.34	0.18	35.04%	0	0.18	0.16
Title 21 : International cooperation and development									
21	21 01	Administrative expenditure of the 'International cooperation and development' policy area	1.38	0.99	0.39	28.08 %	0.00	0.39	0.39
Total Title 21			1.38	0.99	0.39	28.08%	0	0.39	0.39
Title 22 : Neighbourhood and enlargement negotiations									
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.8	0.53	0.26	33.16 %	0.00	0.26	0.31
Total Title 22			0.8	0.53	0.26	33.16%	0	0.26	0.31
Title 23 : Humanitarian aid and civil protection									
23	23 01	Administrative expenditure of the 'Humanitarian aid and civil protection' policy area	0.22	0.08	0.14	62.94 %	0.00	0.14	0.26
Total Title 23			0.22	0.08	0.14	62.94%	0	0.14	0.26
Title 24 : Fight against fraud									
24	24 01	Administrative expenditure of the 'Fight against fraud' policy area	0.13	0.06	0.07	54.73 %	0.00	0.07	0.03
Total Title 24			0.13	0.06	0.07	54.73%	0	0.07	0.03
Title 25 : Commission's policy coordination and legal advice									
25	25 01	Administrative expenditure of the 'Commission's policy coordination and legal advice' policy area	1.2	0.80	0.4	33.44 %	0.00	0.40	0.39

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

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TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2018 (in Mio €)

Chapter			2018 Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2018	Total of commitments to be settled at end of financial year 2017
			Commitments 2018	Payments 2018	RAL 2018	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Total Title 25			1.2	0.80	0.4	33.44%	0	0.4	0.39
Title 26 : Commission's administration									
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	269.93	228.74	41.19	15.26 %	0.00	41.19	43.90
Total Title 26			269.93	228.74	41.19	15.26%	0	41.19	43.9
Title 27 : Budget									
27	27 01	Administrative expenditure of the 'Budget' policy area	0.26	0.11	0.15	56.56 %	0.00	0.15	0.07
Total Title 27			0.26	0.11	0.15	56.56%	0	0.15	0.07
Title 28 : Audit									
28	28 01	Administrative expenditure of the 'Audit' policy area	0.63	0.47	0.16	25.91 %	0.00	0.16	0.21
Total Title 28			0.63	0.47	0.16	25.91%	0	0.16	0.21
Title 29 : Statistics									
29	29 01	Administrative expenditure of the 'Statistics' policy area	0.84	0.52	0.33	38.87 %	0.00	0.33	0.25
Total Title 29			0.84	0.52	0.33	38.87%	0	0.33	0.25
Title 31 : Language services									
31	31 01	Administrative expenditure of the 'Language services' policy area	1.31	0.98	0.34	25.68 %	0.00	0.34	0.40
Total Title 31			1.31	0.98	0.34	25.68%	0	0.34	0.4
Title 32 : Energy									
32	32 01	Administrative expenditure in the 'Energy' policy area	0.48	0.35	0.13	27.83 %	0.00	0.13	0.12
Total Title 32			0.48	0.35	0.13	27.83%	0	0.13	0.12
Title 33 : Justice and consumers									

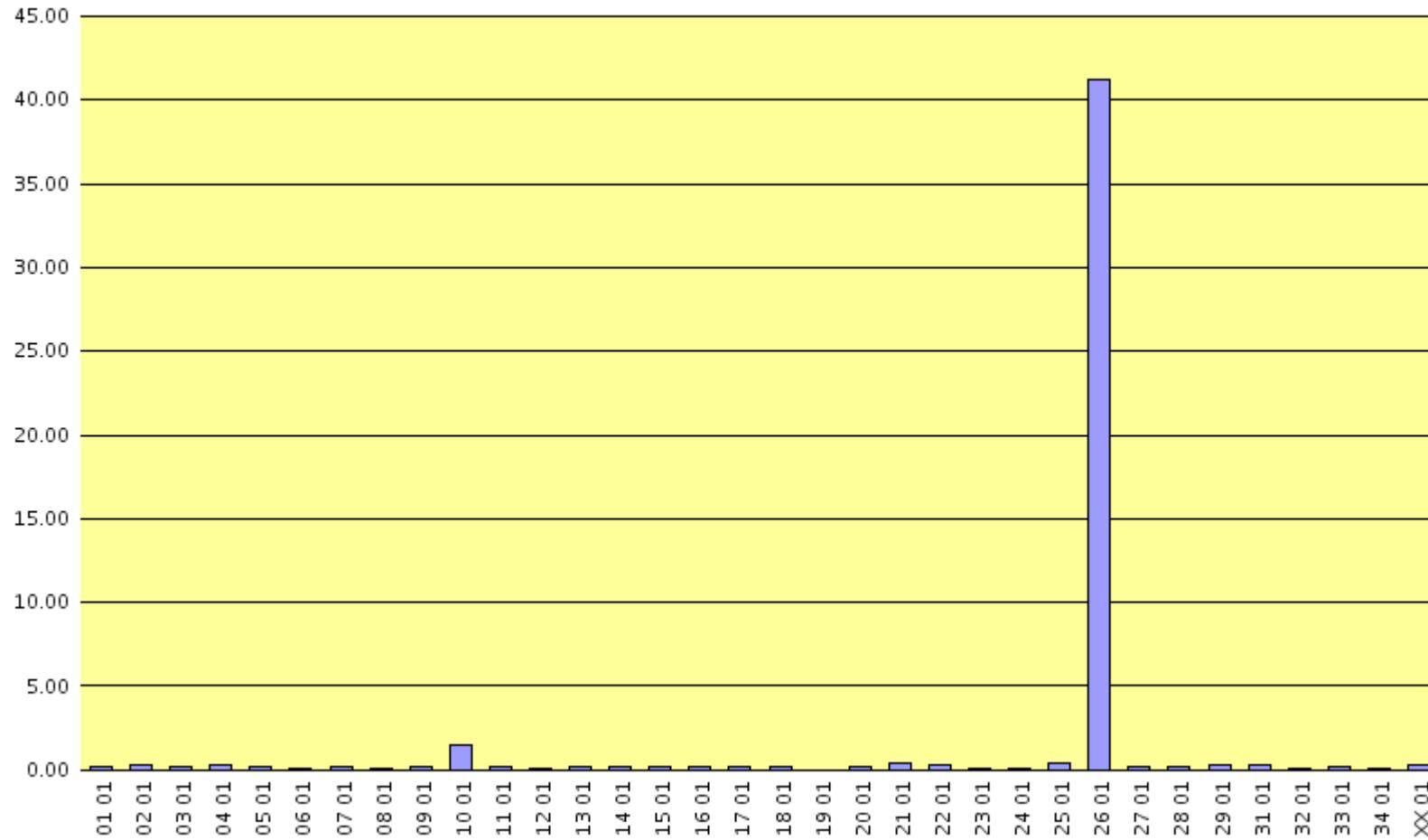
Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

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TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2018 (in Mio €)

			2018 Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2018	Total of commitments to be settled at end of financial year 2017
Chapter			Commitments 2018	Payments 2018	RAL 2018	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0.77	0.53	0.24	30.70 %	0.00	0.24	0.30
Total Title 33			0.77	0.53	0.24	30.70%	0	0.24	0.3
Title 34 : Climate action									
34	34 01	Administrative expenditure in the 'Climate action' policy area	0.22	0.15	0.07	30.53 %	0.00	0.07	0.10
Total Title 34			0.22	0.15	0.07	30.53%	0	0.07	0.1
Title XX : Administrative Expenditure allocated to policy areas									
XX	XX 01	Administrative Expenditure allocated to policy areas	0.7	0.41	0.29	40.77 %	0.00	0.29	0.00
Total Title XX			0.7	0.41	0.29	40.77%	0	0.29	0
	Total DG HR		291.97	243.19	48.78	16.71 %	0.02	48.8	50.41

= "Breakdown of Commitments remaining to be settled (in Mio EUR)"



Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

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TABLE 4 : BALANCE SHEET HR

BALANCE SHEET	2018	2017
A.I. NON CURRENT ASSETS	800,513.74	1,154,692.27
A.I.1. Intangible Assets	800,513.74	1,154,692.27
A.II. CURRENT ASSETS	980,063.18	1,478,024.41
A.II.2. Current Pre-Financing	0.00	0.00
A.II.3. Curr Exch Receiv &Non-Ex Recoverables	980,063.18	1,478,024.41
ASSETS	1,780,576.92	2,632,716.68
P.II. CURRENT LIABILITIES	363,698.61	-96,485,750.81
P.II.4. Current Payables	363,698.61	-96,485,750.81
P.II.5. Current Accrued Charges &Defrd Income	0.00	0.00
LIABILITIES	363,698.61	-96,485,750.81
NET ASSETS (ASSETS less LIABILITIES)	2,144,275.53	-93,853,034.13

P.III.2. Accumulated Surplus/Deficit	1,275,537,793.15	976,371,766.75
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Non-allocated central (surplus)/deficit*	-1,277,682,068.68	-882,518,732.62
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TOTAL	0.00	0.00
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It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE HR

STATEMENT OF FINANCIAL PERFORMANCE	2018	2017
II.1 REVENUES	-30,902,684.29	-21,577,474.93
II.1.2. EXCHANGE REVENUES	-30,902,684.29	-21,577,474.93
II.1.2.2. OTHER EXCHANGE REVENUE	-30,902,684.29	-21,577,474.93
II.2. EXPENSES	187,241,954.83	320,743,501.33
II.2. EXPENSES	187,241,954.83	320,743,501.33
II.2.10. OTHER EXPENSES	179,686,789.70	315,792,119.17
II.2.6. STAFF AND PENSION COSTS	7,554,531.24	4,950,754.67
II.2.8. FINANCE COSTS	633.89	627.49
STATEMENT OF FINANCIAL PERFORMANCE	156,339,270.54	299,166,026.40

The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5bis : OFF BALANCE SHEET HR

OFF BALANCE	2018	2017
OB.1. Contingent Assets	590,200.5	456,953.05
GR for performance	590,200.50	456,953.05
OB.3. Other Significant Disclosures	-1,908,018.94	-2,259,045.84
OB.3.3.7. Other contractual commitments	-1,908,018.94	-2,259,045.84
OB.4. Balancing Accounts	1,317,818.44	1,802,092.79
OB.4. Balancing Accounts	1,317,818.44	1,802,092.79
OFF BALANCE	0.00	0.00

Explanatory Notes (facultative):

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It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 6: AVERAGE PAYMENT TIMES FOR 2018 - DG HR

Legal Times	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	11002	10817	98.32 %	13.6	185	1.68 %	41.55
42	1	1	100.00 %	9			
45	67	66	98.51 %	15.05	1	1.49 %	66
60	63	63	100.00 %	14.49			
90	69	69	100.00 %	9.09			
120	1575	1568	99.56 %	17.95	7	0.44 %	160.14

Total Number of Payments	12777	12584	98.49 %		193	1.51 %	
Average Net Payment Time	14.61			14.13			45.97
Average Gross Payment Time	15.95			15.43			49.52

Suspensions	Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	38	38	454	3.55 %	12777	44,146,852.08	15.52 %	284,444,563.93

Late Interest paid in 2018				
DG	GL Account	Description		Amount (Eur)
HR	65010100	Interest on late payment of charges New FR		633.89
				633.89

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2018

Chapter	Revenue and income recognized	Revenue and income cashed from			Outstanding balance			
		Current year RO	Carried over RO	Total				
		1	2	3=1+2				
55	REVENUE FROM THE PROCEEDS OF SERVICES SUPPLIED AND WORK CARRIED OUT	16,972,741.37	391,573.52	17,364,314.89	16,972,741.37	391,573.52	17,364,314.89	0
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	14,944,265.06	419,603.4	15,363,868.46	14,741,098.13	103,472.35	14,844,570.48	519,297.98
Total DG HR		31,917,006.43	811,176.92	32,728,183.35	31,713,839.5	495,045.87	32,208,885.37	519,297.98

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

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TABLE 8 : RECOVERY OF PAYMENTS
(Number of Recovery Contexts and corresponding Transaction Amount)

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2018	Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2016	1	302.2	1	302.2	1	302.2	100.00%	100.00%
2017	1	182.93	1	182.93	1	182.93	100.00%	100.00%
2018					1	913		
No Link	8	4,877.1	8	4,877.1	1591	31,210,246.17	0.50%	0.02%
Sub-Total	10	5,362.23	10	5,362.23	1594	31,211,644.3	0.63%	0.02%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS												
CREDIT NOTES	3	7,319.5	52	189,438.45			55	196,757.95	209	1,014,845.16	26.32%	19.39%
Sub-Total	3	7,319.5	52	189,438.45			55	196,757.95	209	1,014,845.16	26.32%	19.39%
GRAND TOTAL	3	7,319.5	62	194,800.68			65	202,120.18	1,803	32,226,489.46	3.61%	0.63%

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors. The provisional closure will be based on the recovery context situation at 31/01/2017.

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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2018 FOR HR

	Number at 01/01/2018	Number at 31/12/2018	Evolution	Open Amount (Eur) at 01/01/2018	Open Amount (Eur) at 31/12/2018	Evolution
2010	1	1	0.00 %	3,941.43	3,941.43	0.00 %
2014	1		-100.00 %	14,774.32		-100.00 %
2015	4	4	0.00 %	273,573.68	271,409.60	-0.79 %
2016	3	1	-66.67 %	17,330.63	16,561.63	-4.44 %
2017	47	2	-95.74 %	501,556.86	22,858.39	-95.44 %
2018		15			203,166.93	
	56	23	-58.93 %	811,176.92	517,937.98	-36.15 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2018 >= EUR 60.000

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG HR	
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Number of RO waivers	
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There are no waivers below 60 000 €

None of your Recovery Order Waivers (if any) reaches EUR 60.000

TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG HR - 2018

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 134.1(c) (Without prior publication) Reasons of extreme urgency	1	235,000.00
Total	1	235,000.00

TABLE 12 : SUMMARY OF PROCEDURES OF DG HR EXCLUDING BUILDING CONTRACTS

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	1	235,000.00
Negotiated Procedure with at least five candidates below Directive thresholds (Art. 136a RAP)	7	2,270,116.23
Negotiated Procedure with at least one candidate below euro 15 000 (Art. 137.2 RAP)	1	67,777.50
Open Procedure (Art. 104(1) (a) FR)	17	27,478,146.00
Open Procedure (Art. 127.2 RAP)	1	410,000.00
Restricted Procedure (Art. 104(1) (b) FR)	1	17,406,000.00
Total	28	47,867,039.73

Additional Comments:

For technical reasons, wrong encodings cannot be deleted from the IT financial system.

The following procedures should not be taken into account:

- 1) Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP): 235.000 EUR
- 2) Negotiated Procedure with at least five candidates below Directive thresholds (Art. 136a RAP): 78.187,50 EUR
- 3) Negotiated Procedure with at least one candidate below euro 15 000 (Art. 137.2 RAP): 67.777,50 EUR
- 4) Open Procedure (Art. 127.2 RAP): 410.000 EUR

Consequently, the actual figures related to the procedures awarded in 2018 by DG HR and to be reported in this table 12 are:

- 6 Negotiated Procedures with at least 5 candidates below Directive thresholds (Art. 136a RAP): 2.191.928,73 EUR
- 17 Open Procedures (Art. 104(1) (a) FR): 27.478.146 EUR
- 1 Restricted Procedures (Art. 104(1) (b) FR): 17.406.000 EUR

TABLE 13 : BUILDING CONTRACTS

Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET

LC Responsible Organi	LC Contract/Grant Type	LC Date	Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 15 : FPA duration exceeds 4 years - HR

None of your FPA (if any) exceeds 4 years

ANNEX 4: MATERIALITY CRITERIA

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

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

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

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

ANNEX 5: INTERNAL CONTROL TEMPLATE(S) FOR BUDGET IMPLEMENTATION (ICTS)

A) ICT for Procurement under Direct Management.

Stage 1 – Procurement

A - Planning

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

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

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

*Depth: (definition of levels)

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

B - Needs assessment & definition of needs

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
---	----------------------------	---	---	-------------------------------

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

NB: for all controls, information in particular financial information related to inputs / outputs and follow-up should be collected
Depth: (definition of levels)

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

C – Selection of the offer & evaluation

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

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

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

*Depth: (definition of levels)

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

Stage 2: Financial transactions

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

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

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

*Depth: (definition of levels)

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

Stage 3: Supervisory measures

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

Main risks

It may happen (again) that... Mitigating controls

(those in bold are strongly recommended) How to determine coverage frequency and depth How to estimate the costs and benefits of controls Control indicators

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

B) ICT for Financial Contribution to the European Schools

Governance

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

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

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

Stage 1 – Planning / Budget preparation

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

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

Stage 2 – Financial transactions

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

A. First three Instalments

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

B. Last instalment

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

Stage 3 – Supervisory measures

Main control objectives: Ensuring compliance with the financial regulation

A. Supervisory measures by the Commission

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