



European Personnel  
Selection Office

# Annual Activity Report 2022

EUROPEAN PERSONNEL SELECTION OFFICE

# Table of Contents

- EPSO IN BRIEF .....3
- EXECUTIVE SUMMARY .....4
  - A. Key results and progress towards achieving of the corporate general objectives and EPSO’s specific objectives .....4**
  - B. Key performance indicators (KPIs) .....7
  - C. Key conclusions on financial management and internal control .....9
  - D. Provision of information to the Commissioner and to the EPSO/EuSA Management Board .....9
- 1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE CORPORATE GENERAL OBJECTIVES AND EPSO’S SPECIFIC OBJECTIVES .....10
- 2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL .....15
  - 2.1. Financial management and internal control .....15
    - 2.1.1. Control results .....15
    - 2.1.2. Audit observations and recommendations .....22
    - 2.1.3. Assessment of the effectiveness of internal control systems .....23
    - 2.1.4. Conclusions on the assurance .....23
    - 2.1.5. Declaration of Assurance .....25
  - 2.2. Modern and efficient administration – other aspects .....26
    - 2.2.1. Human resources management .....26
    - 2.2.2. Digital transformation and information management .....26
    - 2.2.3. Sound environmental management .....28

## EPSO IN BRIEF

The European Personnel Selection Office (EPSO) is an interinstitutional office, which was created on 26 July 2002 and became operational as of January 2003. EPSO is administratively attached to the European Commission, but is governed by its interinstitutional Management Board, its highest decision-making body.

In 2022, EPSO celebrated its 20<sup>th</sup> anniversary, but the **mandate** laid down in its Founding Decision from 2002<sup>1</sup>, has remained remarkably stable: the Office organises ‘open competitions with a view to securing the services of officials on optimal professional and financial terms’ for the EU institutions. However, the **vision** for the implementation of this mandate has evolved with the changing times and is today underpinned by **three guiding principles**: **precision** (use the right type of tests for the right profile), **agility** (adapt to specific client needs) and **speed** (run competitions faster). A continuous drive for innovation underpins all activities.

To help provide a European Civil Service that is of the highest quality and representative of the diversity of the citizens it serves

Working for the EU offers unique and exciting opportunities to make a meaningful impact in the world and so the aim is to select passionate and motivated people, including those with no previous specific EU work experience, who are motivated to bring their unique perspective and competencies. EPSO is committed to seeking suitable candidates in a broad, diverse candidate pool aiming to find different types of profiles (specialists and generalists) thereby diversifying the current population of civil servants and responding to institutions’ evolving needs.

EPSO continues to work on improving the **geographical balance** in its candidate base, reaching highly specialised profiles in a targeted manner, but also talents with non-conventional profiles, from different age groups, with a focus on adjustability and capability to learn and develop throughout the career. EPSO endeavours to be quicker and simpler without compromising on the quality of the laureates. Competitions need to be legally sustainable and technologically up to date while thinking critically about the skills and competencies staff will require in the future.

EPSO follows a 5-year roadmap to implement the transformation of the service. **Year 1** of the roadmap (May 2020 to May 2021) was a period of observation, mapping, collecting information and preparation. **Year 2** (June 2021 to June 2022) was devoted to piloting time. **Year 3** (July 2022 – July 2023) lays the foundation of the new competition model to be launched in 2023, based on the results of the pilots.

---

<sup>1</sup> [http://eur-lex.europa.eu/resource.html?uri=cellar:14469e18-7552-43d7-bfe0-7dfb66b157c7:0004.02/DOC\\_1&format=PDF](http://eur-lex.europa.eu/resource.html?uri=cellar:14469e18-7552-43d7-bfe0-7dfb66b157c7:0004.02/DOC_1&format=PDF)

## EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Director of EPSO to the EPSO/EuSA Management Board and to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties<sup>2</sup>.

### A. Key results and progress towards achieving of the corporate general objectives and EPSO's specific objectives

#### Highlights of the year

EPSO's transformation accelerated with the launch of **EPSOolution**: a multi-dimensional process divided into 7 simultaneously pursued projects<sup>3</sup>, each with a defined purpose, project leader and team as well as objectives and deliverables. A Steering Group oversees the process.

EPSO implemented an **emergency plan** aimed at clearing the backlog of competitions accumulated during the first months of the Covid-19 crisis. This entailed going through each ongoing and upcoming competition with the purpose of lightening the process without compromising selection quality. EPSO published 34 lists of successful candidates. More than 1,300 successful candidates were put on EPSO reserve lists in 2022 alone in fields such as: international cooperation, EU law, anti-fraud, health, food safety, translation and agriculture, to name just a few. The average pass rate was in the region of 4%. By the beginning of 2023, EPSO has fully cleared the backlog of competitions affected by the pandemic.

EPSO also intensified and diversified its **outreach** activities using a multitude of communication channels to reach out to diverse audiences: citizens, including university students, EU career ambassadors, Member States' representatives and partner organisations and networks. Implementation of the **recommendations in the European Court of Auditors (ECA) Special Report** continued. As regards relations with national public administrations, EPSO continued its active interaction with EU Member States' representatives at bilateral meetings, in the framework of the EPSO Network of Selection Experts and at other forums in Brussels and around Europe.

EPSO has set the upgrading of its IT infrastructure as a strategic priority. In this context, it continued to play an active role in the EC's **Human Resources Transformation project (HRT)**, which represents a single platform that could serve all needs of the HR family

---

<sup>2</sup> Article 17(1) of the Treaty on European Union

<sup>3</sup> The projects are: emergency plan to tackle backlog of competitions, competition model, competition flow and management, strategic planning, competency framework, attractiveness of EU career and IT infrastructure.

services, including selection and recruitment provided by EPSO. First tangible results are expected later in 2023 or early 2024 at the latest.

Throughout 2022, EPSO continued pursuing two **strategic goals**:

### **Strengthen client orientation**

EPSO's regards as the main client the recruiting EU institutions, whereas EU Member States are important 'stakeholders' and citizens constitute the 'target group.' EPSO reformed the entire planning concept being aware that it is crucial to align the new competition model with a modernised and well-structured planning process based on efficient use of resources. The objectives are to achieve a more stable, predictable, yet flexible delivery of competitions and promote a robust partnership with the client EU institutions. EPSO decided to make a clear distinction between the strategic and operational level, introducing a strategic foresight exercise at senior management level. The planning will be done in cycles: long-term, mid-term and short-term, including a detailed competition scheduling.

In December, EPSO kicked off a series of **Strategic Workshops** with the members and observers of the Management Board which addressed two topics: (i) evolution in staffing and profile needs and (ii) proposal for a new competition model and way forward. The conclusions from the Workshops shaped EPSO's approach on these critical matters.

EPSO maintained the practice of regularly consulting the Common Joint Committee (COPARCO) on the drawing up of Notices of Competitions. As an important source of Selection Board members, Staff Committees contribute to further enhancing EPSO's delivery capacity.

- **Adapt and improve selection methods**

EPSO continued working intensively on reforming its selection framework. Several alternative proposals were presented to the Management Board, which although not adopted for various operational and legal reasons, laid the ground for the new competition model, expected to be launched in 2023. The Research, Innovation and Test Development Unit (RITD) has a key role to play in this endeavour. With its internal expertise and in collaboration with academics, research communities and international organisations, it monitors test performance and seeks available empirical research on innovative selection methodologies.

The upcoming new competition model will enable EPSO to be quicker and simpler without compromising on the quality of the laureates and focusing on the knowledge and skills the EU institutions need. EPSO worked on harnessing the potential of computer-assisted methodologies, automation and artificial intelligence in the generation of testing content – an effort that will contribute to modernising competition delivery. Irrespective of the delivery method – test centre, Braille, pen and paper or remote the challenge remains to offer a test experience, which is streamlined, user-friendly, equitable, and supports special needs.

Finally, the strategically important transition to full remote testing commenced with the objective to be faster and more modern, while contributing to the EU's green policy.

EPSO's aim is to deliver an optimal online testing experience to the thousands of candidates participating in open competitions. This will be an existential challenge for the Office.

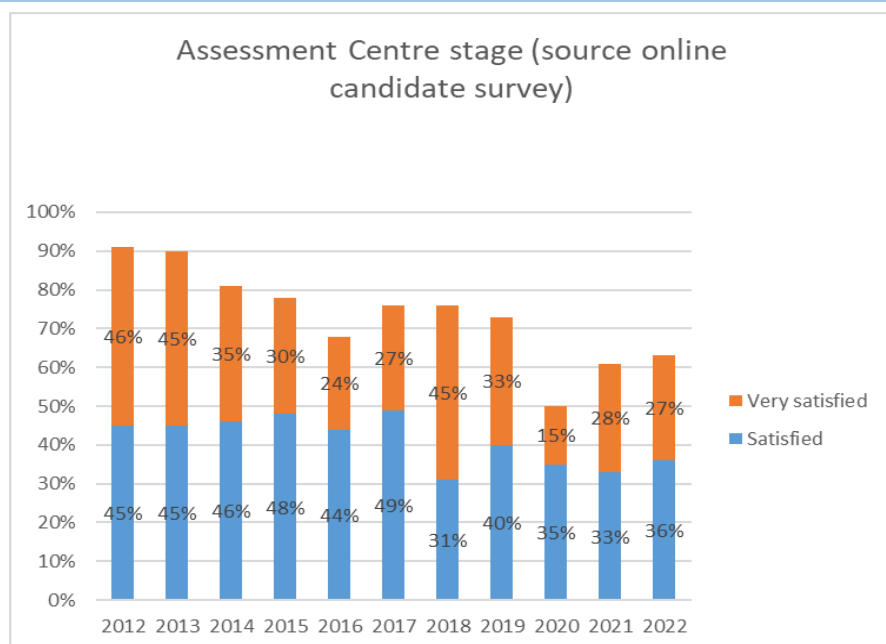
## B. Key performance indicators (KPIs)

### KPI 1

<p><b>Laureate delivery rate</b> (administrators, assistants, linguists, specialists: meeting the targets set out in the Notices of Competition).</p>	<p>In total, 1,310 laureates were delivered versus 1340 laureates requested in EPSO open competitions completed during 2022. Hence, the overall delivery rate amounts to 97,7%, which is slightly under the target established for 2022. Additionally, EPSO also completed 1 internal ADS competition and 8 TA selections for the European Commission. The positive outcome of these selections was 198 laureates delivered vs 175 requested.</p>
---	---

### KPI 2

<p><b>Candidate satisfaction rate</b> with EPSO's computer-based tests at pre-selection stage and Assessment Centre stage</p> <p>Target 90%</p>	<p>The overall candidate satisfaction rate with EPSO's computer-based tests declined from 89% to 85% between 2021 and 2022 [1]. This decline was solely due to one testing event - the delivery of multiple-choice-tests for a competition with 6 fields EPSO/AST/154/22. Excluding this event, the overall satisfaction rate was the same as for 2021, that is 89%. The EPSO/AST/154/22 testing was the first big-scale testing event (4636 exams) delivered fully through a remote proctoring solution. A number of candidates experienced technical issues and were rescheduled in clearly justified cases. A 'lessons-learned' exercise with EPSO's contractor resulted in several action points which are now being implemented with a view to improving the candidates' experience with remote testing going forward. EPSO's ambition is to stabilise the satisfaction rate back on target in 2023.</p> <p>[1] A weighted average of the number of participants and the overall satisfaction rate for a specific test.</p>
---	--



The satisfaction rate continued the upward trend. To speed up continuation of this upward trend, EPSO will continue to monitor candidate satisfaction, expectations, and further improve communication about the new testing methods.

### KPI 3

<p><b>Awareness of EU Careers brand</b> measured by three sub-indicators:</p> <p>1) visits of the EU Careers website,</p> <p>2) number of followers on all communication channels and</p> <p>3) outreach via promotional activities</p>	<p><b>Visits of EU Careers website<sup>4</sup></b></p>	
	<p><b>Baseline: 2019</b></p> <p>4,519,990</p>	<p><b>Results 2022</b></p> <p>4,605,908 (13,7% decrease compared to 2021). This can be partially explained by an increase in the number of visitors to our social media accounts, where we have invested in making information more attractive.</p>
	<p style="text-align: center;"><b>Total number of followers on EPSO's communication channels</b></p> <p><b>Growth of followers per channel in 2022:</b> Facebook: +2.15%, LinkedIn: +32.45%, Instagram: +25.44%, Twitter: +2.5%.</p>	
	<p><b>Outreach via promotional activities (number of events)</b></p>	
	<p><b>Baseline: 2019</b></p> <p>970 events (including Ambassador events).</p>	<p><b>Results 2022</b></p> <p>543 events took place during the year. Due to the pandemic, most events took place remotely. The number of events has decreased compared to 2021 (964). This can be partially explained by having 1 instead of 2 staff supporting the programme on a regular basis and not having been able to organise the students' training event in person at the start of their engagement.</p>

<sup>4</sup> <https://epso.europa.eu/>



### **C. Key conclusions on financial management and internal control**

In line with the Commission's Internal Control Framework, EPSO/EUSA has assessed its internal control system during the reporting year and has concluded that it is effective, and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified related to the anticipated update of the Business continuity plan. The improvements and/or remedial measures implemented or envisaged are to start working on the update once the new competition model is approved by the Management Board of EPSO and the new framework contracts covering key operational tasks of EPSO are awarded. Please refer to Annual Activity Report section 2.1.3 for further details.

In addition, EPSO has systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2.1 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. The Director of EPSO, in her capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance.

### **D. Provision of information to the Commissioner and to the EPSO/EuSA Management Board**

In the context of the regular meetings during the year between EPSO and Commissioner's Hahn Cabinet on management matters, the main elements of this Report and assurance declaration, have been brought to the attention of Commissioner Hahn, responsible for Budget and Administration.

In the context of the regular meetings of the EPSO/EuSA Management Board during the year, the main elements of this Report have been shared with the Board and its contents have been approved.

# 1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE CORPORATE GENERAL OBJECTIVES AND EPSO'S SPECIFIC OBJECTIVES

**Specific objective 1:** Highly qualified staff is made available to all EU institutions by organising open competitions and selection procedures in an interinstitutional context – covering thereby the services' evolving needs

In total, 1,310 laureates were delivered versus 1,340 laureates requested in EPSO open competitions completed during 2022. Hence, the overall delivery rate amounts to 97,7%, which is slightly under the target established for 2022. Additionally, EPSO also completed 1 internal AD5 competition and 8 TA selections for the European Commission. The positive outcome of these selections was 198 laureates delivered vs 175 requested.

In 2022, 22,924 computer-based tests were delivered for open competitions, CAST P and the Junior Professional Programme (JPP). This constitutes a decrease of 17% from the 2021 figure of 27 553 tests. 42% of these tests were delivered remotely vs 11% in 2021.

367 candidates requested reasonable accommodations for testing events spanning 2022 and early 2023. 39 of these were pregnant candidates requesting the postponement of the testing event or an additional break to breastfeed. 281 computer-based tests included testing accommodations varying from the preparation of Braille exams, the granting of flexible breaks and extra time, adapted security checks, use of special equipment, etc. In the context of the JPP, EPSO tested a total of 1,000 candidates.

By the end of 2022, the CAST Permanent database contained 167 250 applications corresponding to 97 853 individual candidates (candidates can submit applications to more than one CAST P selection). In 2022, recruiting institutions and agencies requested for 7 439 candidates to be tested, and 5 741 tests were delivered. In the context of the service offered by EPSO to recruiters – practical tests for drivers – 20 candidates were tested in 2022. The CAST P building profile requested by the EU institutions was introduced with an addendum to the Call for Expression of Interest published in March 2022. The preparatory works for adding security profiles had been suspended awaiting the outcome of the tender procedure for test delivery and the discussions on the CAST process in general which will resume in 2023.

Under Article 45a of the Staff Regulations, Assistant (AST) officials of grade 5 or higher can be proposed by each institution, to participate in the **Certification exercise**. They follow a specific training programme organised by the European School of Administration (EuSA) to prepare for the exams. In the 2022 Certification exercise, 131 candidates (72 new candidates and 59 re-sitters) followed the training and participated in the three exams organised (2 exams delivered online, 1 in person). The pass rate was 40,46% for the entire population (53 out of 131 candidates) and 33,33% for the new candidates (24 out of 72 candidates).

Following discussions at EPSO/EuSA Management Board level, the entire planning process was revamped to further align the needs of the EU institutions and EPSO's capacity to deliver as well as increase planning predictability, starting with Strategic Workshops which took place in December 2022. Follow-up bilateral meetings with the EU institutions are planned to gather their needs. The outcome of this process will be presented to the Management Board of EPSO in June 2023 for the long-term planning as well as the envisaged publications of competitions in 2024.

In 2022, EPSO successfully ran a tender procedure to conclude a four-year framework contract for the delivery of computer-based tests and online interviews. Another tender procedure was launched to replace the outgoing four-year framework contract to provide test content. The procurement procedures including detailed technical and other specifications, taking into account the new competition model, were finalised by May. The selection procedure started in autumn 2022 and the contract with the selected contractor was signed in December 2022.

### ***Specific objective 2: Improve EPSO's selection methods***

In 2022, EPSO continued to work with the Ranked Talent Screener (RTS) tool providing Selection Boards with a machine-assisted preliminary ranking of candidates based on working experience. Whilst it offered some efficiency gains, RTS still was quite labour intensive, and therefore won't be used as such in future competitions. EPSO initiated work on a new tool - Experience Profiling Instrument (EPI) - with the same objective to collect and estimate candidate's working experience in a more granular way. This will be used to feed the Recruiter portal once the reserve list has been published.

EPSO collaborated with the Commission's Directorate-General for Human Resources and Security (DG HR) on the development and use of a system of automated item generation (AIG) to facilitate the development of a large battery of field-related multiple-choice questions (MCQ). EPSO is also exploring other Artificial Intelligence (AI) tools with higher output quality.

EPSO worked on a revised test portfolio to match the new competition model, (generalist and specialist), also taking account of the new Competency Framework which will be implemented in competitions published as of 2023. Digital Literacy test and EU knowledge test are two novelties that will be used for generalist entry level competitions (AD & AST).

During 2022, the training programme for non-permanent Selection Board members was revamped and a new e-learning path comprising 12 e-modules was launched in autumn, covering all competition phases. EPSO developed an onboarding programme for new Selection Board members, mapping the Selection Board journey from beginning to the end of a competition. The internal psychologists' network was reinforced and is offering a broad range of advisory and analytical services to Selection Boards.

EPSO continued to work with research communities (academia and European and international organisations). EPSO hosted two SIG (Special Interest Group) meetings in April and November gathering representatives from 20 international public administrations. SIG exchanged best practices on remote assessment and competency frameworks also identifying the most efficient testing modalities in large-scale global assessment testing.

Finally, EPSO was invited by ReSPA (Regional School of Public Administration) to run the selection procedure for the position of its Director using the EPSO methodology (pre-selection and Assessment Centre testing).

**Specific objective 3:** EPSO's communication and outreach with potential candidates is proactive and targeted in order to reach a pool of diverse talent in an inclusive manner according to the needs of the recruiting institutions.

In 2022, EPSO's Candidate Contact Service received 19 350 written requests (compared to 19 045 in 2021) in all 24 EU official languages from candidates and citizens interested in an EU career. At the beginning of the year, the high number of queries was still due to the ongoing pandemic situation. From mid-2022, candidates asked for help and advice mainly on the remotely proctored tests.

The Europe Direct Contact Centre also replied to 2 417 queries on EU careers in 2022 (slightly lower number of questions compared to 2021). EPSO staff regularly update and train the agents at the Europe Direct Contact Centre.

The communication with citizens and candidates and available information on EU selection processes continued to be supported in 2022 via the various channels: [an online job search tool](#), with access to details on vacancies within EU Institutions and agencies, including traineeships; regularly updated online information on ongoing [EPSO selection procedures](#); [Customer Relationship Management system](#); Citizens and candidates can [contact the EU on job opportunities](#); [Europe Direct Contact Centre](#) that responds to all EU-related queries by phone and e-mail in 24 languages and [EPSO online contact form](#) in 24 languages for queries on candidates' specific applications and personal data.

### **EU Careers website**

Attracting more than 12 500 visits per day, the EU Careers website continues to be one of the **most visited Europa sites** and the number one source of information for applicants interested in a career in the EU institutions. The number of visits decreased slightly in 2022 to 4 605 908 visits, compared to 5 336 861 visits in 2021 (13.7% decrease).

The EPSO website was revamped with, for example, a brand-new job search engine, staff profile pages, a renewed EPSO tests page, etc. A list of staff testimonials about working in Brussels and Luxembourg was developed to attract more candidates to Luxembourg/Brussels-based EU institutions. Also, one of the biggest improvements was the introduction of a notification system.

## Social media initiatives

Throughout 2022, the EU Careers presence on social media kept on increasing significantly. The number and regularity of posts on all social media channels have increased, focusing not only on EPSO competitions, but also on EU Careers more broadly. The goal is to drive traffic into the EU Careers social media accounts to create a loyal following that will then learn about and disseminate information on EPSO competitions. This resulted in more followers on all four social media channels and an increased engagement with citizens and candidates. LinkedIn and Instagram proved to be particularly successful. EPSO continued to deliver targeted communication campaigns to promote competitions and selection procedures via EPSO's social media channels. It also increased cooperation with other EU institutions and bodies by promoting their campaigns, traineeships, and vacancies on EPSO's social media channels.

## External communication and outreach

EPSO's continuous key challenge is to reach out to more diverse talent, to communicate the attractiveness of EU Careers and to promote the EU institutions as an employer of choice. EPSO concluded in early 2022 a series of bilateral online meetings with all Member States. The objective of these meetings was to create a feedback loop and collect evidence from Member States experts on the motivation of potential candidates to aspire to EU careers. A final report was drafted, including a specific Action Plan to support Member States' efforts towards geographical balance of staff within the EU institutions. EPSO also joined DG HR in a series of meetings at Permanent Representative level on how to further enhance geographical balance in the Commission.

Outreach activities are presented to *EPSO's Network of Experts in the field of personnel selection* bringing together Member States in biannual meetings. These are co-hosted by the Member State holding the Presidency of the Council of the EU.

EPSO maintained and strengthened its flagship **EU Careers Student Ambassadors programme**. This network of student ambassadors ensures a visible presence on campuses in all EU Member States. Likewise, it continued the **EU Careers Staff Ambassadors programme** through which EU staff share about their life and work in Brussels, Luxembourg or in Delegations, as part of our promotion efforts.

## Equality, diversity and inclusion



In early 2022, EPSO established and adopted a dedicated Equality and Diversity action plan for the period 2022-2024 aimed at enhancing specific actions to increase the diversity of EPSO's pool of candidates. Emphasis has been put on the gathering of data and on communication-related actions. The action plan includes all diversity groups with special focus on persons with disabilities and ethnic minorities in the context of the EU anti-racism action plan.

EPSO's call for cooperation to all EU Diversity and Inclusion organisations remained open on EPSO's website and was promoted throughout various networks and organisations. Focus was also given to the digital accessibility of EPSO's website and all published communication material.

### **Internal communication**

EPSO's intranet is partly open to staff from all EU institutions and aims at attracting colleagues from across all institutions to become Selection Board Members, Subject Matter Experts or EU Careers Staff Ambassadors. It also promotes corporate and internal communication campaigns; training offers, job vacancies and various events.

**Specific objective 4:** The linguistic abilities in a third language of staff eligible for a first promotion<sup>5</sup> are evaluated in a harmonised, consistent and cost-efficient manner

In 2022, 777 diplomas were assessed across various languages: 88 % of the diplomas assessed were accepted by the evaluation committees as valid proof of linguistic ability in a third language; 12 % were refused.

EPSO also delivered 497 language tests in the framework of the compulsory assessment of third language skills and with an overall pass rate of 95% (which is 9 percentage points above the 2021 figure pass rate 86%).

Overall, for the third language testing in 2022, out of the total number 158 tests were delivered face-to-face while 339 took place in remote mode. These figures mark a clear trend of growing candidates' preferences for online testing, as the delivery mode is based on candidate's choice.

Since December 2021, EPSO offers face-to-face testing in Brussels and Luxembourg as well as remote testing. Staff members are free to choose their preferred option. The growing preference for online testing could be the reason to align the practice in third language testing with general EPSO policy to offer online testing only. This decision shall be taken when the next call for tenders is to be published. The success rate for face-to-face testing amounted to 91 %, while in case of the online testing it reached 97 %.

The satisfaction survey sent to all staff members who made use of the third language assessment facilities over the period of reference shows that the satisfaction rate of end-users remains high. In fact, online testing is appreciated by candidates not based in Brussels or Luxemburg and, especially, by those in EU representations and delegations.

---

<sup>5</sup> Article 45(2) of the Staff Regulations

## **2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL**

### **2.1. Financial management and internal control**

Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes. This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Director of EPSO. The following reports / documentation have been considered:

1. The reports from Authorising Officers by sub-delegation (AOSD).
2. The contribution by the Head of Unit in charge of Risk Management and Internal Control, including the results of internal control monitoring at EPSO level.
3. The observations and the recommendations reported by the European Court of Auditors (ECA).
4. The reports on recorded exceptions and non-compliance events.
5. The reports of ex-post supervision and/or audit results.
6. The limited conclusion of the Internal Auditor on the state of internal control, and the
7. Observations and recommendations reported by the Internal Audit Service (IAS).

These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director of EPSO. This section covers the control results and other relevant elements that support management's assurance. It is structured into 2.1.1 Control results, 2.1.2 Audit observations and recommendations, 2.1.3 Effectiveness of internal control systems, and resulting in 2.1.4 Conclusions on the assurance.

#### **2.1.1. Control results**

This section reports and assesses the elements identified by management which support the assurance on the achievement of the internal control objectives (ICO) <sup>(6)</sup>. EPSO's

---

<sup>(6)</sup> 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.

assurance building and materiality criteria are outlined in Annual Activity Report annex 5. The Annual Activity Report annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

In line with the 2018 Financial Regulation, EPSO's assessment for the new reporting requirement is as follows:

- Cases of "confirmation of instructions" (new FR art 92.3): zero cases
- Cases of financing not linked to costs (new FR art 125.3): not applicable for EPSO, zero cases
- Financial Framework Partnerships >4 years (new FR art 130.4): not applicable for EPSO, zero cases
- Cases of flat-rates >7% for indirect costs (new FR art 181.6): not applicable for EPSO, zero cases
- Cases of "Derogations from the principle of non-retroactivity [of grants] pursuant to Article 193 FR" (new Financial Regulation Article 193.2): not applicable for EPSO, zero cases.

Financial management and control are grouped around three core processes: 1) Procurement (from the needs assessment to the selection of the suppliers/award decision), 2) Financial operations (from establishing the financial commitment to payment, contract implementation and eventually recoveries) and 3) Supervisory measures (including 'ex post' controls and management checks).

### General context

In 2022 EPSO was allocated a budget of around EUR 25 m, which also included the budget of the European School of Administration (EUSA). EPSO has responsibility for administrative credits only, committed under its sole responsibility, except for transactions made on behalf of EPSO by PMO (staff related expenditure), OIB and OIL (expenditure for buildings in Brussels and in Luxembourg), DG HR (expenditure for security and certain trainings) and DIGIT (expenditure for IT), according to Internal Rules and based on Service Level Agreement (SLA) in the case of DIGIT. The co-delegated budget to the services indicated above (around EUR 17,9 m) is covered by the internal control measures of those entities and covered in their respective AARs.

Description	M €
Staff related expenditures, managed by PMO	12,87
Expenditure for buildings, managed by OIB and OIL	2,14
Expenditure for security and certain trainings, managed by DG HR	0,33
IT expendites, managed by DIGIT	2,54
Managed by EPSO and the EU School for Administration	7,13
<b>Grand total</b>	<b>25,01</b>



The remaining budget of EUR 7,13 m was used for operational activities of EPSO and the European School of Administration, as follows:

Description	Voted Budget	recoveries	Total
<b>EU school for administration</b>	<b>2,91</b>	<b>0,27</b>	<b>3,18</b>
Management training	1,62	0,16	1,78
Induction courses	0,58	0,09	0,67
Training for certification	0,55	0,02	0,57
Conferences for Erasmus Programme	0,16		0,16
<b>EPSO Interinstitutional Competitions</b>	<b>4,22</b>	<b>0,44</b>	<b>4,66</b>
Computer Based Testing	1,91	0,36	2,27
Assessment centers	1,36	0,03	1,39
Consultants	0,34	0,05	0,39
Communication	0,25		0,25
DG HR SLA	0,20		0,20
Third Language	0,10		0,10
Meetings	0,02		0,02
Travel of jury members	0,02		0,02
Procurement of test materials	0,01		0,01
<b>Grand total</b>	<b>7,13</b>	<b>0,71</b>	<b>7,84</b>

In addition to the voted Budget EPSO committed EUR 0,71 m from recovery orders bringing the total amount of commitments to EUR 7,84 m.

Recovery orders amounting to EUR 1,02 m cashed in 2022 are carried forward for commitments in 2023.

DG HR provides administrative support services to EPSO in internal control and financial management (especially ex-post verifications, procurement, financial reporting and accounting) under a SLA (last revised at the end of 2020). This SLA is accompanied by a co-delegation between Authorising Officers by Delegation.

A charge back process has also been integrated into the SLA in compliance with the corporate applicable rules to accurately reflect and compensate the costs of services provided by DG HR to EPSO in this context.

A co-delegation agreed with the Director-General of DG HR covers administrative credits in a limited number of areas: trainings and security.

In 2022, an amount of EUR 1,11 m was charged back following services provided by EPSO and EuSA to EU institutions and EU Agencies under the legal basis of Service level agreements.

The Director of EPSO remains responsible for the overall internal control system and the design, implementation and monitoring of the internal control measures applied in EPSO.

EPSO has chosen to operate using a partially decentralised financial circuit for its operational expenditure. According to this model, the finance team of the unit Corporate Services (EPSO.05) carries out financial initiation and ex-ante verification; other units are responsible for operational initiation and verification, as well as the function of authorising officer by sub-delegation for operational expenditure.

EPSO uses, along with some other low spending DGs , a simplified cut-off procedure.

Considering the nature of EPSO's expenditure as well as the existing control mechanisms, EPSO considers it very unlikely that future corrections for these 2022 payments will be made. The estimated future corrections are therefore estimated at EUR 0 (zero).

## **1. Effectiveness of controls**

### **a) Legality and regularity of the transactions**

EPSO uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the nature of the payments concerned.

EPSO's portfolio consists of segments with a low error rate of 0.5%.

This is, respectively, thanks to the inherent risk profile of EPSO's budget and the performance of the related control systems.

The estimated overall risk at payment for 2022 expenditure is EUR 0.035m, representing 0.5% of EPSO's total relevant expenditure for 2022. This is the delegated Authorising Officer's (AOD) best conservative estimate of the amount of relevant expenditure during the year, not in conformity with the contractual and regulatory provisions applicable at the time the payment was made. The AOD has decided to apply a conservative level of error (of 0,5%) given the nature of the expenditure by the Office and very low level of errors found during the ex-post controls.

The difference between those two amounts results in the estimated overall risk at closure of EUR 0.035 m, representing 0.5% of EPSO's total relevant expenditure for 2022.

EPSO has therefore reviewed the following indicators on legality and regularity grounds as well as on sound financial management. More information is covered in annex 7.

- Ex ante controls

Further to the careful verification of requests for payment, an amount of EUR 9 050 was deducted from payments via credit notes in 2022. No erroneous payments were detected during the year and for this reason EPSO didn't have to recover any unduly paid amounts.

- Ex post controls

Based on the afore-mentioned SLA between EPSO and DG HR, unit HR.F.2, and the Director of EPSO, in her capacity as Authorising Officer by Delegation (AOD), proceeded with ex post controls on commitments, payments and recovery orders.

No material issues were noted for any of the transactions. Any potential weaknesses highlighted in 2022 will be reviewed and addressed appropriately by EPSO.

No financial transaction has been earmarked as “unacceptable” in 2022. In view of the above, the ex-post controls confirm all transactions checked in the ex-post controls were acceptable and only 10 had minor shortcomings.

- Reporting

Management reporting focused on different aspects such as human resources (HR dashboard EPSO, which is updated on a monthly basis), finances (monthly financial reporting on payment delays), budget execution (monthly financial reporting on the evolution of appropriations: commitments and payments) and internal control (reporting on open audit recommendations and risks). The main findings were discussed at the level of EPSO management and appropriate measures were taken as necessary, when needed.

- Reports by the Authorising Officers by sub-delegation (AOSDs)

Since 2015, AOSD reporting is carried out at six-monthly intervals (twice per year). EPSO's Director received a copy of each individual AOSD report. An analysis of these reports did not highlight any problems or weaknesses that would lead to any reservations in the Annual Activity Report.

- GAMA

'GAMA' is a consultative committee, which performs a final check on procurement procedures from DG HR, OIB, OIL, DIGIT, PMO and EPSO and is composed of designated members thereof. The consultation takes place after the evaluation and before the award of the contract and is obligatory for any procurement procedure reaching or exceeding the directive threshold as estimated total value. Files examined then result in a positive or negative opinion and (if applicable) recommendations for the service. DG HR, Unit HR.DDG.R1, holds the presidency and secretariat of GAMA.

- Exceptions reporting and non-compliance events

In 2022, two exceptions were registered under the procedure of Internal Control Principle 12. Both exceptions concern the tendering procedure for the delivery of Computer-based Tests (CBT), and considered as very low risk. Please see annex 7 for more details.

Based on all the above, EPSO presents in the following **Table X** an estimation of the risk at payment and risk at closure for the expenditure managed during the reporting year.

**Table X: Estimated risk at payment and at closure (amounts in EUR million)**

The full detailed version of the table is provided in annex 9.

EPSO	Payments made	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
			m EUR	%	m EUR	%	m EUR	%
Budget line BGUE-B2022-20.031502	6,96	6,96	0,03	0,5	0	0	0,03	0,5
<b>EPSO total</b>	<b>6.96 m EUR</b>	<b>6,96 m EUR</b>	<b>0,03m EUR</b>	<b>0,5 %</b>	<b>0 m EUR</b>	<b>0 %</b>	<b>0,03m EUR</b>	<b>0,5%</b>

Overall, on the basis of the available control results, no significant weaknesses were unveiled which could have had a material impact as regards the legality and regularity of the financial operations. In view of the above, EPSO concludes that the control objective as regards legality and regularity has been achieved and that the quantitative materiality criterion is well below a threshold of 2% of the budget allocated to the ABB activity concerned. In the context of the protection of the EU budget, EPSO's estimated overall risk at payment, estimated future corrections and risk at closure are consolidated at Commission level in the Annual Management and Performance Report

#### b) Fraud prevention, detection and correction

EPSO has developed and implemented since 2012 its own anti-fraud strategy, on the basis of the methodology provided by OLAF. It was last updated in December 2019.

Its implementation is being monitored and reported to the management as part of the Annual Activity Report exercise. All necessary actions have been implemented. In 2022 there were no financial recommendations issued to EPSO by OLAF.

On the basis of the available information, EPSO has reasonable assurance that the anti-fraud measures in place are effective. However, EPSO didn't succeed to update its anti-fraud strategy in 2021 and 2022 as intended, to cover new ways of tests delivery and changes brought to the way EPSO's competitions and selection procedures are organised, esp. when it comes to the functioning of the Selection Boards. During 2023, in addition to reviewing and, if necessary, updating the anti-fraud strategy, the following measures will be taken in order to strengthen the strategy and its implementation:

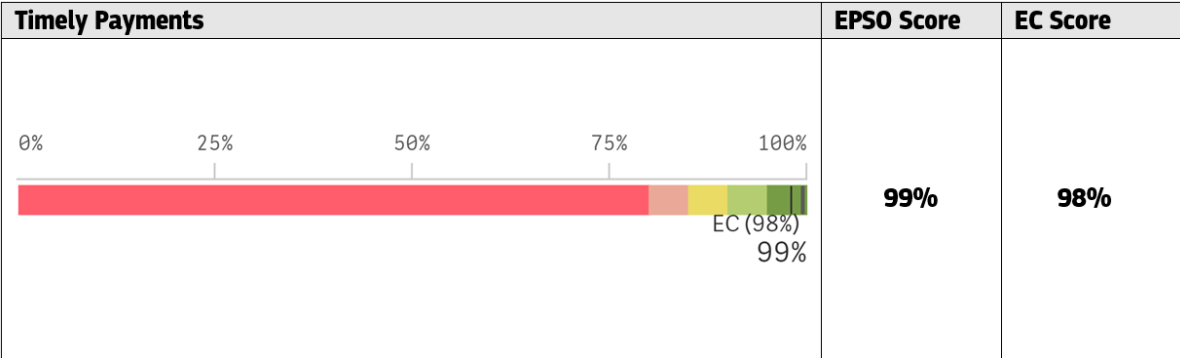
- Identify high-risk areas (esp. in relation to the new competition model and the use of new contracts)
- Further follow-up on the implementations of the recent IAS audit on IT security (incl. access policy and rules)
- Establish mandatory trainings for new staff
- Conduct additional ad-hoc audits/checks of logs/accesses of our IT systems

EPSO continued to regularly participate and contribute to the meetings hosted by OLAF in the context of the Fraud Prevention and Detection network where inter alia CAFS and Action plan are followed-on upon. By this, EPSO’s diverse actions to fight fraud contribute to the European Commission’s Anti-Fraud Strategy (CAFS).

- c) Other control objectives: safeguarding of assets and information, reliability of reporting (not applicable)

**2. Efficiency of controls**

EPSO paid 99% of the total amount on time. The average time to pay in 2022 was 9 days, compared to 10 in 2021 and 11 in 2020.



**3. Economy of controls**

As a result of ex-post controls, EPSO had no red codes but 10 yellow codes: 6 for payments, 4 for recoveries. A quantitative estimation of the volume of errors prevented and detected is not available.

The cost of controls are estimated at 962 750 euro, which amount to 13.83% of payments made in 2022.

EPSO has limited spending operations and only manages administrative appropriations under Heading VII. The total number of FTEs involved in the three main control activities in EPSO/EuSA (procurement, financial operations and supervisory measures) is estimated at 8.5 FTEs.

The control activities are to a large extent a regulatory requirement which cannot be curtailed. As a quantitative estimation of the volume of errors prevented and detected is not available, it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls. The benefits of control in non-financial terms cover: better value for money, deterrent effects, efficiency gains, system improvements and, as mentioned above, compliance with regulatory provisions.

Taking into account the above, EPSO has decided to use, again, a single global indicator to monitor and to report on the efficiency of its control systems: the overall cost of control, in percentage at DG level.

This indicator is calculated by dividing the total costs of control by all expenditure made during the year (payments made).

This represents a slight increase of 1.13% compared to 2021, due to increased salaries. It should be noted that this process is closely linked to operations and therefore not fully under EPSO's control. The relatively high cost of control results from a number of inherent factors. Firstly, given the nature of its activities, EPSO is handling mostly low and middle-value transactions. Examples of such transactions are the amounts paid for online publicity and promotional material, or the contributions paid towards candidates' travel expenses. As a result, the administrative costs of handling these transactions are relatively high. Secondly, given the staff composition of EPSO's financial sector - which is primarily composed of AST-officials and contractual agents of function group II - the estimated overall costs of our control activities would have been lower if the calculations had been based on the real (salary) costs of our staff, and not on the average cost of a Commission official and average cost of a contractual agent, respectively.

#### **4. Conclusion on the cost-effectiveness of controls**

Based on the most relevant key indicators and control results, EPSO has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

#### **2.1.2. Audit observations and recommendations**

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

#### **Acceptance and implementation of IAS recommendations**

##### **Audit on IT security in the HR family (2021)**

During 2021, the IAS conducted an audit on the IT Security management in the HR Family, covering also EPSO. The auditors have concluded on 3 main findings, relating to 1) IT Security governance's improvement (very important), 2) System related controls (important) and 3) IT service provider management (important). EPSO has accepted all of the audit findings and recommendations and submitted in December 2021 an Action plan, which was deemed sufficient by IAS, to implement all recommendations by the end of 2022. The implementation of the recommendations as reported by EPSO to IAS is currently under review by IAS.

The Internal Audit Service's limited conclusion on the state of the EPSO's internal control is based on the audit work carried out in the period 2018-2022. The Internal Audit Service

concludes that the internal control systems in place for the audited processes are effective.

## **The European Court of Auditors (ECA)**

### **State of play**

In 2022 EPSO has continued with the implementation of the recommendations done by ECA in their Special report 23/2020. The specific measures taken during 2022 were all addressing the recommendations and can be summarised as follows:

- a multilateral network with all EU institutions has been created to address the feedback mechanism
- new way of coordinating the work of the Selection Boards has been prepared as part of the new competition model
- monitoring of competition costs has been put in place
- new competition model, aiming at reducing the length of competitions, has been agreed in January 2023 and will be rolled out mid-2023
- new planning process of competitions has been proposed to the EU institutions end 2022.

### **2.1.3. Assessment of the effectiveness of internal control systems**

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

EPSO uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

For its assessment EPSO's management has considered the following sources:

- Register of exceptions
- Analysis of internal control weaknesses
- Non-compliance events recorded
- Risk assessment
- Relevant audit results
- Very important IAS recommendation (on IT security)
- Outstanding recommendations from the Court of Auditors (ECA)

EPSO/EUSA has assessed its internal control system during the reporting year and has concluded that it is effective, and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified related to the anticipated update of the Business continuity plan. The improvements and/or remedial measures implemented or envisaged are to start working

on the update once the new competition model is approved by the Management Board of EPSO and the new framework contracts covering key operational tasks of EPSO are awarded.

#### 2.1.4. Conclusions on the assurance

This section reviews the assessment of the elements already reported above (in Sections 2.1.1, 2.1.2 and 2.1.3), and the sub-conclusions already reached. It draws an overall conclusion to support the declaration of assurance and whether it should be qualified with reservations. The information reported in sections 2.1, 2.2 and 2.3 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability reported and results in a complete coverage of the budget delegated to the Director of EPSO.

EPSO puts suitable control measures in place to limit the risk of errors and guarantee that assets and information are safeguarded, as well as to prevent, detect and correct fraud and irregularities. Where necessary, improvements to the overall control strategy and processes were made in the course of the year. In light of the above and taking into account the main findings and conclusions in Part 2, it can be concluded that there is reasonable assurance that the resources assigned to the activities described in this report were used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. EPSO has sufficient assurance that a reservation on the declaration is not seen as necessary

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director of EPSO, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.



## 2.1.5. Declaration of Assurance

### Declaration of Assurance

*I, the undersigned, Director of EPSO,*

*In my capacity as authorising officer by delegation, declare that the information contained in this report gives a true and fair view <sup>(7)</sup>.*

*State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.*

*This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the Internal Audit Service and the lessons learned from the report of the European Court of Auditors for years prior to the year of this declaration.*

*Confirm that I am not aware of anything not reported here which could harm the interests of the Office or those of the Commission.*

*Brussels, 17 April 2023*

*(signature)*

*Minna VUORIO*

---

<sup>(7)</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

## **2.2. Modern and efficient administration – other aspects**

### **2.2.1. Human resources management**

In 2022, EPSO continued to focus on the effective management of human resources in an ongoing context of in-depth transformation and heavy workload. The Office continued to strive to make the best possible use of all the talents available while developing the internal capability in parallel.

In this context, a thorough reflexion has started to define the ideal future workforce, develop the knowledge and competencies of the staff so that they remain flexible and adaptable while maintaining their engagement and ensuring their well-being. A small operational sector, 'Rapid Response Team', directly attached to the Director has also been created to allow quick reinforcements in case of peaks of workload, long term absences and/or specific/punctual needs.

In 2022, EPSO continued to pay particular attention to gender balance in all categories of statutory staff which is currently composed of 69% of women. The ratio between AD and AST posts is also improving with the upgrading of 2 AST posts in 2022.

In 2022, EPSO ensured that managers could benefit from appropriate trainings and coaching to help them achieve their objectives and those of the Office. In addition to the already existing welcome session for newcomers, a mandatory training path (data protection, internal control and risk assessment, ethics) has been created and some staff members started to train to prepare the transition to the new competition model. Two AD colleagues were selected to participate in the corporate Female Talent Development Programme.

Some social/well-being activities have been organised in 2022. The European Week of Sports took place end September with a tailor-made programme allowing staff to participate to at least one activity every day of the week. Formal and informal meetings with EPSO's director have been maintained throughout the year.

On the communication side, EPSO's internal communication correspondent continued to work closely with the HR Correspondent and DG HR to ensure that corporate messages were shared and followed-up properly.

### **2.2.2. Digital transformation and information management**

EPSO is a member of the Corporate HR Transformation Programme, which aims to replace the numerous existing, and in many cases obsolete, internal IT applications in the field of HR, with modern and up to date ones, increasing efficiency and usability. EPSO is the front-runner amongst the members of the HR family to have its existing legacy IT applications (and subsequently IT infrastructure and data) replaced with new ones using innovative technologies, which are more secure and in line with the EU Data protection and information management standards. This will also greatly contribute to the objective

of a Seamless digital landscape, as the Dual Pillar Approach will be applied for the acquisition of the new IT applications, replacing the current legacy solutions, contributing to a massive reduction of the technical debt. In 2022, the preselection, selection and recruitment processes were analysed and tested with proof of concepts and pilots with a chosen a suite of market solutions.

Finally, as for the objective Green, resilient and secure infrastructure, EPSO is contributing by having and regularly updating its Information Systems IT security plans (at least every 2 years) and with planning to have its current obsolete IT applications replaced by modern cloud-based ones. In addition, the advice of security experts is sought. EPSO has one of the highest percentages (at corporate level) of staff migrated to the new Welcome domain and ensures that its staff is encouraged to update their skills in information management, data protection and cyber security.

### **Information and IT security rules**

EPSO continued to work on improving its IT security environment as guided by Commission Decision 2017/46 and DIGIT.S IT Security Standards and Policies. Particular attention has been given to protecting the confidentiality, integrity and availability of sensitive non-classified information held by EPSO. This was achieved by the successful completion of IT security plans end 2021 and by developing corresponding mitigating measures. Additionally, in 2022 EPSO has advanced towards the completion of attesting IT security controls contained in the Governance, Risk and Compliance framework (GRC).

Whilst all effort in 2022 has been put into reducing risks to IT assets, challenges still exist trying to reduce risks linked to outdated/ legacy IT systems and there are some technical challenges with EU-Login. These issues were actively tackled, and other security measures have been developed to reduce risk to Sensitive non-Classified systems. EPSO staff were invited to participate in corporate Cyber Awareness trainings throughout 2022.

### **Data, information and knowledge management**

In addition to the implementation of corporate initiatives, EPSO is an active member of the HRT (HR Modernisation and Transformation programme), with a component specifically dedicated to information and data management and sharing, common to the whole HR family. HRT aims at an implementation of a new platform in Q1 2024.

Internally, EPSO has chosen to focus on the use of SharePoint as the preferred platform to share information, inside the organisation but also with other actors (e.g. Selection Board members) participating in our processes. A dedicated team is currently working (and will continue in 2023) on the establishment of an efficient structure and role management policy.

### **Data protection**

EPSO has continued to implement the Commission's Data Protection Action Plan, in particular by further awareness raising amongst EPSO/EuSA staff, by offering ad hoc training sessions on particular issues, and also by encouraging staff to participate in the

various Data protection training courses. Training courses on data protection matters have been made mandatory for newcomers and staff dealing with personal data.

The Data Protection Coordinator (DPC) and the assistant DPC have continued to act as first point of contact and advice for any data protection matters in EPSO/EuSA, while the legal aspects have been covered by the legal team. The DPC has also been closely involved in the HRT project and any other IT projects with data protection aspect, or when a data protection impact assessment (DPIA) was needed.

### 2.2.3. Sound environmental management

In the second half of 2022, the function of **Eco-Management and Audit Scheme** (EMAS) correspondent in EPSO has been taken over by a new person. The EPSO correspondent joined the EMAS team in The One building in order to combine resources and join the awareness-raising activities organised by EMAS through different channels in our common building and in the EPSO facilities. A first outdoor activity has been organised to discover a natural site (park) close to EPSO's offices and similar types of activity will continue in the future.