

2018

Annual Activity Report

Annexes

**Paymaster's
(PMO)**

Office

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ANNEX 1: Statement of the Director in charge of Risk Management and Internal Control

I declare that in accordance with the Commission's communication on the internal control framework¹, I have reported my advice and recommendations on the overall state of internal control in PMO to the Director.

I hereby certify that the information provided in the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete.

Date ...

Jean-Pierre Vanderstraeten

¹ C(2017)2373 of 19.04.2017.

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".

Objective 1: The Office deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.

Indicator 1: Female representation at middle management level

Baseline (n.a.)	Target (2020) The college adopted on 19/07/2017 a renewed approach to its commitment to reach at least 40% female managers by the end of 2019 and has adopted quantitative targets of first female appointments to be made per Directorate-General and service at middle management level. The new target of first female appointment to be made by PMO by end of 2019 is 1.	Latest known results n.a.
	1 by end 2019	

Indicator 2: Staff engagement index

Source of data: Commission staff survey (latest one: 2016)

59 %	70%	58% (2018)
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Indicator 3: Well-being and work-life balance

Source of data: Staff satisfaction survey (latest one: 2018)

47 %	Feedback on satisfaction on PMO services and survey on collaborative spaces	55% (2018)
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Objective 2: Recruit, train, assess, motivate and retain highly qualified staff and continue to develop, implement, monitor and adapt an effective internal communication strategy.

Indicator 1: Implementation rate of "Optimisation of Working Conditions Action Plan"

Baseline (2015)	Target (2020)	Latest known results (2018)
N/A	100%	100% The maximum telework, flexitime and other working conditions are implemented in all PMO units.

Indicator 2: Ratio between vacancies published/vacancies filled (including vacancies without prior publication)			
55%	> 80%	95%	
Indicator 3: Reduce rate of absenteeism:			
Following an IAS audit, the identification of a reference sickness absence rate (for PMO) and regular monitoring of these statistics were intended by end-2016, on the basis of input by DG HR and the delivery by DG HR of relevant data and tools			
1st semester 2015: 6.83%	100%	95%	
	Quarterly follow-up of the absenteeism statistics and patterns	7.3%	
	Identification of specific factors of influence for which DG HR will be asked to produce relevant data	(relying on DG HR to produce relevant data)	
Main outputs in 2018:			
Description	Indicator	Target	Result
Reinforce PMO's management culture at all levels with particular attention on how to provide feedback, to deal with conflicts and underperformance and to ensure a respectful environment	Assess training needs of all staff involved in management functions	PMO management culture reinforced Improvement of managerial soft skills	Assessment of training needs in ongoing. Mapping of all management training followed is done. Information on Specific trainings on conflict management; resilience, how to work in a collaborative space, underperformance, etc.. have been done.
Improve working conditions	% staff satisfaction with working environment	Increase	100% of the possibilities of telework / flexitime and working formulas are offered to the staff in order to reconcile their professional and private life. Telework has been increased to face the adaptation to the new environment for staff in Brussels (open-space). Trainings have been performed on how to work in an open space.

Information management

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

Indicator 1: Percentage of registered documents that are not filed (ratio)

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

Baseline (2014)	Target (2020)	Latest known results (2018)
0.04 %	0.05 %	0.05%

Indicator 2: Number of HAN files readable/accessible by all units in the Office

Source of data: HAN statistics

Due to the nature of PMO activities, close to 95 % of all HAN files contain personal data. Hence, the PMO only grants access to these sensitive documents on a 'need to know' basis.

There are 5,43 % HAN files readable/ accessible by all units in the Office.

Indicator 3: Number of HAN files shared with other DGs

Source of data: HAN statistics

Due to the nature of PMO activities, close to 95 % of all HAN files contain personal data. Hence, the PMO only grants access to these sensitive documents on a 'need to know' basis. As a result, 4,11 % of HAN files are shared with other DGs.

Communication

External communication for the Office corresponds to communication for the staff in general (from the Commission, other Institutions, retirees, etc.). There is no communication to the EU citizens and as a result no indicator relating to the Eurobarometer metrics.

ANNEX 3: Draft annual accounts and financial reports

AAR 2018 Version 1

Annex 3 Financial Reports - DG PMO - 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

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	3,515617	3,515617	100,00 %
Total Title 01			3,515617	3,515617	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	5,578724	5,578724	100,00 %
Total Title 02			5,578724	5,578724	100,00%
Title 03 Competition					
03	03 01	Administrative expenditure of the 'Competition' policy area	4,739472	4,739472	100,00 %
Total Title 03			4,739472	4,739472	100,00%
Title 04 Employment, social affairs and inclusion					
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	3,955415	3,955415	100,00 %
Total Title 04			3,955415	3,955415	100,00%
Title 05 Agriculture and rural development					
05	05 01	Administrative expenditure of the 'Agriculture and rural development' policy area	3,361254	3,361254	100,00 %
Total Title 05			3,361254	3,361254	100,00%
Title 06 Mobility and transport					
06	06 01	Administrative expenditure of the 'Mobility and transport' policy area	2,058457	2,058457	100,00 %
Total Title 06			2,058457	2,058457	100,00%
Title 07 Environment					
07	07 01	Administrative expenditure of the 'Environment' policy area	3,295124	3,295124	100,00 %
Total Title 07			3,295124	3,295124	100,00%
Title 08 Research and innovation					
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	0,164379	0,16437823	100,00 %
Total Title 08			0,164379	0,16437823	100,00%
Title 09 Communications networks, content and technology					
09	09 01	Administrative expenditure of the 'Communications networks, content and technology' policy area	3,154382	3,154382	100,00 %
Total Title 09			3,154382	3,154382	100,00%
Title 11 Maritime affairs and fisheries					
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	2,565426	2,565426	100,00 %
Total Title 11			2,565426	2,565426	100,00%
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	2,33235528	2,33235449	100,00 %
Total Title 12			2,33235528	2,33235449	100,00%
Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	2,376169	2,376169	100,00 %
Total Title 13			2,376169	2,376169	100,00%
Title 14 Taxation and customs union					
14	14 01	Administrative expenditure of the 'Taxation and customs union' policy area	2,886784	2,886784	100,00 %
	14 02	Customs	0,249	0,249	100,00 %
	14 03	Taxation	0,07	0,07	100,00 %
Total Title 14			3,205784	3,205784	100,00%
Title 15 Education and culture					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	2,806446	2,806446	100,00 %
Total Title 15			2,806446	2,806446	100,00%
Title 16 Communication					
16	16 01	Administrative expenditure of the 'Communication' policy area	16,51428616	16,5142862	100,00 %
Total Title 16			16,51428616	16,5142862	100,00%
Title 17 Health and food safety					
17	17 01	Administrative expenditure of the 'Health and food safety' policy area	6,627308	6,627308	100,00 %
Total Title 17			6,627308	6,627308	100,00%
Title 18 Migration and home affairs					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	3,078658	3,078658	100,00 %
Total Title 18			3,078658	3,078658	100,00%
Title 19 Foreign policy instruments					
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	1,908757	1,90875641	100,00 %
Total Title 19			1,908757	1,90875641	100,00%
Title 20 Trade					
20	20 01	Administrative expenditure of the 'Trade' policy area	2,578794	2,578794	100,00 %
Total Title 20			2,578794	2,578794	100,00%
Title 21 International cooperation and development					
21	21 01	Administrative expenditure of the 'International cooperation and development' policy area	1,464597	1,464597	100,00 %
Total Title 21			1,464597	1,464597	100,00%
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	1,632153	1,632153	100,00 %
Total Title 22			1,632153	1,632153	100,00%
Title 23 Humanitarian aid and civil protection					

23	23 01	Administrative expenditure of the 'Humanitarian aid and civil protection' policy area	3,151798	3,151798	100,00 %
Total Title 23			3,151798	3,151798	100,00%
Title 24 Fight against fraud					
24	24 01	Administrative expenditure of the 'Fight against fraud' policy area	0,203349	0,203342	100,00 %
Total Title 24			0,203349	0,203342	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	28,80188451	28,7061429	99,67 %
Total Title 25			28,80188451	28,7061429	99,67%
Title 26 Commission's administration					
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	165,5537931	148,425994	89,65 %
Total Title 26			165,5537931	148,425994	89,65%
Title 27 Budget					
27	27 01	Administrative expenditure of the 'Budget' policy area	3,27623454	2,44400848	74,60 %
Total Title 27			3,27623454	2,44400848	74,60%
Title 28 Audit					
28	28 01	Administrative expenditure of the 'Audit' policy area	0,72228256	0,64936976	89,91 %
Total Title 28			0,72228256	0,64936976	89,91%
Title 29 Statistics					
29	29 01	Administrative expenditure of the 'Statistics' policy area	4,894383	4,894383	100,00 %
Total Title 29			4,894383	4,894383	100,00%
Title 30 Pensions and related expenditure					
30	30 01	Administrative expenditure of the 'Pensions and related expenditure' policy area	1900,923779	1882,12549	99,01 %
Total Title 30			1900,923779	1882,12549	99,01%
Title 31 Language services					
31	31 01	Administrative expenditure of the 'Language services' policy area	9,83584096	9,52878805	96,88 %
Total Title 31			9,83584096	9,52878805	96,88%
Title 32 Energy					
32	32 01	Administrative expenditure in the 'Energy' policy area	3,18387	3,18387	100,00 %
Total Title 32			3,18387	3,18387	100,00%
Title 33 Justice and consumers					
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	3,534003	3,534003	100,00 %
Total Title 33			3,534003	3,534003	100,00%
Title 34 Climate action					
34	34 01	Administrative expenditure in the 'Climate action' policy area	1,750673	1,750673	100,00 %
Total Title 34			1,750673	1,750673	100,00%
Title XX Administrative Expenditure allocated to policy areas					

XX	XX 01	Administrative Expenditure allocated to policy areas	2243,224012	2181,04252	97,23 %
Total Title XX			2243,224012	2181,04252	97,23%
Total DG PMO			4445,96946	4346,55394	97,76 %

** 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	10,12412833	7,36492688	72,75 %
Total Title 01			10,12412833	7,36492688	72,75%
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 01	Administrative expenditure of the 'Internal market, industry, entrepreneurship and SMEs' policy area	22,56693421	19,42514336	86,08 %
	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0,04578151	0,04472137	97,68 %
Total Title 02			22,61271572	19,46986473	86,10%
Title 03 Competition					
03	03 01	Administrative expenditure of the 'Competition' policy area	5,95227108	5,76388423	96,84 %
Total Title 03			5,95227108	5,76388423	96,84%
Title 04 Employment, social affairs and inclusion					
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	21,55936046	14,02079087	65,03 %
	04 03	Employment, Social Affairs and Inclusion	0,53599982	0,49177765	91,75 %
	04 06	Fund for European Aid to the Most Deprived	0,015	0,0110659	73,77 %
Total Title 04			22,11036028	14,52363442	65,69%
Title 05 Agriculture and rural development					
05	05 01	Administrative expenditure of the 'Agriculture and rural development' policy area	15,29290946	12,44032072	81,35 %
	05 04	Rural development	0,555	0,23914257	43,09 %
Total Title 05			15,84790946	12,67946329	80,01%
Title 06 Mobility and transport					
06	06 01	Administrative expenditure of the 'Mobility and transport' policy area	13,49363054	10,70685433	79,35 %
	06 02	European transport policy	1,0706	1,00088908	93,49 %
Total Title 06			14,56423054	11,70774341	80,39%
Title 07 Environment					
07	07 01	Administrative expenditure of the 'Environment' policy area	4,11488225	5,85639233	142,32 %
Total Title 07			4,11488225	5,85639233	142,32%
Title 08 Research and innovation					
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	136,7252865	132,4221132	96,85 %
Total Title 08			136,7252865	132,4221132	96,85%
Title 09 Communications networks, content and technology					
09	09 01	Administrative expenditure of the 'Communications networks, content and technology' policy area	59,50142917	55,54296254	93,35 %
	09 02	Digital single market	0,23831302	0,23713557	99,51 %
Total Title 09			59,73974219	55,78009811	93,37%
Title 10					

10	10 01	Administrative expenditure of the 'Direct research' policy area	303,9728162	291,2413379	95,81 %
Total Title 10			303,9728162	291,2413379	95,81%
Title 11 Maritime affairs and fisheries					
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	3,14421301	6,56450371	208,78 %
	11 06	European Maritime and Fisheries Fund (EMFF)	0	1,3021063	
Total Title 11			3,14421301	7,86661001	250,19%
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	5,38810033	3,92901749	72,92 %
Total Title 12			5,38810033	3,92901749	72,92%
Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	4,14558828	9,99950951	241,21 %
Total Title 13			4,14558828	9,99950951	241,21%
Title 14 Taxation and customs union					
14	14 01	Administrative expenditure of the 'Taxation and customs union' policy area	5,48840463	5,57101415	101,51 %
	14 02	Customs	0,07068976	0,0613252	86,75 %
	14 03	Taxation	0,00735	0,00619125	84,23 %
Total Title 14			5,56644439	5,6385306	101,30%
Title 15 Education and culture					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	6,8573527	7,20189122	105,02 %
Total Title 15			6,8573527	7,20189122	105,02%
Title 16 Communication					
16	16 01	Administrative expenditure of the 'Communication' policy area	19,58023617	19,05714436	97,33 %
Total Title 16			19,58023617	19,05714436	97,33%
Title 17 Health and food safety					
17	17 01	Administrative expenditure of the 'Health and food safety' policy area	18,70527982	14,02119349	74,96 %
	17 03	Public health	0,34135598	0,34792566	101,92 %
	17 04	Food and feed safety, animal health, animal welfare and plant health	0,02524586	0,02524586	100,00 %
Total Title 17			19,07188166	14,39436501	75,47%
Title 18 Migration and home affairs					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	11,35947228	8,47409413	74,60 %
	18 02	Internal security	0,17578656	0,02114018	12,03 %
Total Title 18			11,53525884	8,49523431	73,65%
Title 19 Foreign policy instruments					
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	8,30550604	7,93084397	95,49 %
	19 03	Common foreign and security policy (CFSP)	0	0,00467079	
	19 04	Election observation missions (EU EOMs)	0	0,57046266	
Total Title 19			8,30550604	8,50597742	102,41%

Title 20 Trade					
20	20 01	Administrative expenditure of the 'Trade' policy area	3,67087682	6,51153308	177,38 %
Total Title 20			3,67087682	6,51153308	177,38%
Title 21 International cooperation and development					
21	21 01	Administrative expenditure of the 'International cooperation and development' policy area	6,82314492	85,60465639	1254,62 %
Total Title 21			6,82314492	85,60465639	1.254,62%
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	5,56982841	43,77252022	785,89 %
Total Title 22			5,56982841	43,77252022	785,89%
Title 23 Humanitarian aid and civil protection					
23	23 01	Administrative expenditure of the 'Humanitarian aid and civil protection' policy area	12,6593346	8,35931725	66,03 %
Total Title 23			12,6593346	8,35931725	66,03%
Title 24 Fight against fraud					
24	24 01	Administrative expenditure of the 'Fight against fraud' policy area	0,63868035	41,42984007	6486,79 %
Total Title 24			0,63868035	41,42984007	6.486,79%
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	31,97874372	29,67361595	92,79 %
Total Title 25			31,97874372	29,67361595	92,79%
Title 26 Commission's administration					
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	232,6843598	210,7559888	90,58 %
Total Title 26			232,6843598	210,7559888	90,58%
Title 27 Budget					
27	27 01	Administrative expenditure of the 'Budget' policy area	4,07266776	2,99465746	73,53 %
Total Title 27			4,07266776	2,99465746	73,53%
Title 28 Audit					
28	28 01	Administrative expenditure of the 'Audit' policy area	0,72345459	0,64936976	89,76 %
Total Title 28			0,72345459	0,64936976	89,76%
Title 29 Statistics					
29	29 01	Administrative expenditure of the 'Statistics' policy area	13,38684917	10,002383	74,72 %
Total Title 29			13,38684917	10,002383	74,72%
Title 30 Pensions and related expenditure					
30	30 01	Administrative expenditure of the 'Pensions and related expenditure' policy area	1900,923779	1882,125488	99,01 %
Total Title 30			1900,923779	1882,125488	99,01%
Title 31 Language services					
31	31 01	Administrative expenditure of the 'Language services' policy area	14,38537016	13,34674837	92,78 %
Total Title 31			14,38537016	13,34674837	92,78%
Title 32 Energy					

32	32 01	Administrative expenditure in the 'Energy' policy area	15,43135927	12,8669218	83,38 %
	32 02	Conventional and renewable energy	0,01	0,00911276	91,13 %
	32 03	Nuclear energy	2,4935	2,44885005	98,21 %
Total Title 32			17,93485927	15,32488461	85,45%
Title 33 Justice and consumers					
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	4,72956185	4,84510117	102,44 %
	33 04	Consumer programme	0,435	0,35286893	81,12 %
Total Title 33			5,16456185	5,1979701	100,65%
Title 34 Climate action					
34	34 01	Administrative expenditure in the 'Climate action' policy area	2,27846177	2,91629092	127,99 %
Total Title 34			2,27846177	2,91629092	127,99%
Title XX Administrative Expenditure allocated to policy areas					
XX	XX 01	Administrative Expenditure allocated to policy areas	2243,237202	2181,094995	97,23 %
Total Title XX			2243,237202	2181,094995	97,23%
	Total DG PMO		5175,491099	5181,657997	100,12 %

* 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).

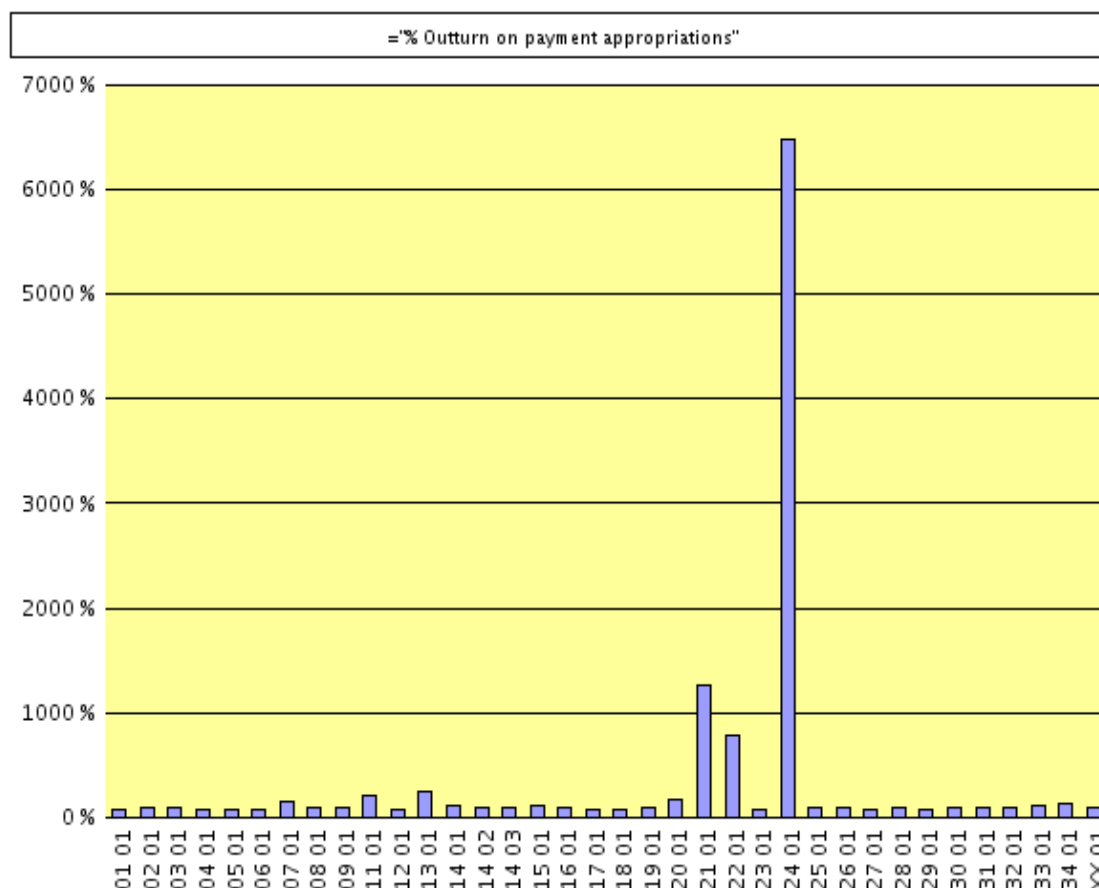


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2018 (in Mio €)

			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
Title 01 : Economic and financial affairs									
01	01 01	Administrative expenditure of the 'Economic and financial affairs' policy area	3,515617	2,04	1,47088624	41,84 %	0,00	1,47	1,08
Total Title 01			3,515617	2,04	1,47088624	41,84%	0	1,47088624	1,08205031
Title 02 : Internal market, industry, entrepreneurship and SMEs									
02	02 01	Administrative expenditure of the 'Internal market, industry, entrepreneurship and SMEs' policy area	5,578724	4,27	1,31274773	23,53 %	0,00	1,31	1,21
Total Title 02			5,578724	4,27	1,31274773	23,53%	0	1,31274773	1,21470766
Title 03 : Competition									
03	03 01	Administrative expenditure of the 'Competition' policy area	4,739472	3,36	1,38368624	29,19 %	0,00	1,38	0,97
Total Title 03			4,739472	3,36	1,38368624	29,19%	0	1,38368624	0,96789575
Title 04 : Employment, social affairs and inclusion									
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy	3,955415	3,11	0,8503103	21,50 %	0,00	0,85	0,78

		area							
Total Title 04			3,955415	3,11	0,8503103	21,50%	0	0,8503103	0,77500711
Title 05 : Agriculture and rural development									
05	05 01	Administrative expenditure of the 'Agriculture and rural development' policy area	3,361254	2,77	0,58952653	17,54 %	0,00	0,59	0,46
Total Title 05			3,361254	2,77	0,58952653	17,54%	0	0,58952653	0,45862335
Title 06 : Mobility and transport									
06	06 01	Administrative expenditure of the 'Mobility and transport' policy area	2,058457	1,23	0,8321259	40,42 %	0,00	0,83	0,82
Total Title 06			2,058457	1,23	0,8321259	40,42%	0	0,8321259	0,81945951
Title 07 : Environment									
07	07 01	Administrative expenditure of the 'Environment' policy area	3,295124	2,81	0,48025557	14,57 %	0,00	0,48	0,44
Total Title 07			3,295124	2,81	0,48025557	14,57%	0	0,48025557	0,43807175
Title 08 : Research and innovation									
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	0,16437823	0,16	0	0,00 %	0,00	0,00	0,00
Total Title 08			0,16437823	0,16	0	0,00%	0	0	0
Title 09 : Communications networks, content and technology									

09	09 01	Administrative expenditure of the 'Communications networks, content and technology' policy area	3,154382	1,85	1,30274682	41,30 %	0,00	1,30	1,56
Total Title 09			3,154382	1,85	1,30274682	41,30%	0	1,30274682	1,55615779
Title 11 : Maritime affairs and fisheries									
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	2,565426	2,24	0,32223146	12,56 %	0,00	0,32	0,28
Total Title 11			2,565426	2,24	0,32223146	12,56%	0	0,32223146	0,27929355
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	2,33235449	1,17	1,16420523	49,92 %	0,00	1,16	1,30
Total Title 12			2,33235449	1,17	1,16420523	49,92%	0	1,16420523	1,29660697
Title 13 : Regional and urban policy									
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	2,376169	1,53	0,84541286	35,58 %	0,00	0,85	0,61
Total Title 13			2,376169	1,53	0,84541286	35,58%	0	0,84541286	0,61404578
Title 14 : Taxation and customs union									
14	14 01	Administrative expenditure of the 'Taxation and customs union' policy area	2,886784	1,30	1,58817053	55,02 %	0,00	1,59	1,88

	14 02	Customs	0,249	0,06	0,1876748	75,37 %	0,00	0,19	0,00
	14 03	Taxation	0,07	0,01	0,06380875	91,16 %	0,00	0,06	0,00
Total Title 14			3,205784	1,37	1,83965408	57,39%	0	1,83965408	1,87732474
Title 15 : Education and culture									
15	15 01	Administrative expenditure of the 'Education and culture' policy area	2,806446	2,17	0,63241507	22,53 %	0,00	0,63	0,48
Total Title 15			2,806446	2,17	0,63241507	22,53%	0	0,63241507	0,48430709
Title 16 : Communication									
16	16 01	Administrative expenditure of the 'Communication' policy area	16,51428616	16,31	0,20412067	1,24 %	0,00	0,20	0,05
Total Title 16			16,51428616	16,31	0,20412067	1,24%	0	0,20412067	0,04617378
Title 17 : Health and food safety									
17	17 01	Administrative expenditure of the 'Health and food safety' policy area	6,627308	5,18	1,44932978	21,87 %	0,00	1,45	1,33
Total Title 17			6,627308	5,18	1,44932978	21,87%	0	1,44932978	1,32617213
Title 18 : Migration and home affairs									
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	3,078658	2,00	1,07477541	34,91 %	0,00	1,07	0,94
Total Title 18			3,078658	2,00	1,07477541	34,91%	0	1,07477541	0,93773398
Title 19 : Foreign policy instruments									

19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	1,90875641	1,86	0,05230551	2,74 %	0,00	0,05	0,07
Total Title 19			1,90875641	1,86	0,05230551	2,74%	0	0,05230551	0,07224572
Title 20 : Trade									
20	20 01	Administrative expenditure of the 'Trade' policy area	2,578794	1,91	0,66565934	25,81 %	0,00	0,67	0,53
Total Title 20			2,578794	1,91	0,66565934	25,81%	0	0,66565934	0,52940733
Title 21 : International cooperation and development									
21	21 01	Administrative expenditure of the 'International cooperation and development' policy area	1,464597	0,85	0,61815084	42,21 %	0,00	0,62	0,71
Total Title 21			1,464597	0,85	0,61815084	42,21%	0	0,61815084	0,70817225
Title 22 : Neighbourhood and enlargement negotiations									
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	1,632153	1,56	0,06902012	4,23 %	0,00	0,07	0,02
Total Title 22			1,632153	1,56	0,06902012	4,23%	0	0,06902012	0,01910642
Title 23 : Humanitarian aid and civil protection									
23	23 01	Administrative expenditure of the 'Humanitarian aid and civil protection' policy area	3,151798	2,42	0,73081541	23,19 %	0,00	0,73	0,58

Total Title 23			3,151798	2,42	0,73081541	23,19%	0	0,73081541	0,58396905
Title 24 : Fight against fraud									
24	24 01	Administrative expenditure of the 'Fight against fraud' policy area	0,203342	0,18	0,01960037	9,64 %	0,00	0,02	0,00
Total Title 24			0,203342	0,18	0,01960037	9,64%	0	0,01960037	0,00161137
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	28,70614292	26,86	1,84801412	6,44 %	0,00	1,85	1,18
Total Title 25			28,70614292	26,86	1,84801412	6,44%	0	1,84801412	1,18340674
Title 26 : Commission's administration									
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	148,300235	146,05	2,24620117	1,51 %	0,00	2,25	2,44
Total Title 26			148,300235	146,05	2,24620117	1,51%	0	2,24620117	2,43703021
Title 27 : Budget									
27	27 01	Administrative expenditure of the 'Budget' policy area	2,44400848	2,35	0,09034553	3,70 %	0,00	0,09	0,28
Total Title 27			2,44400848	2,35	0,09034553	3,70%	0	0,09034553	0,27793449
Title 28 : Audit									
28	28 01	Administrative expenditure of the 'Audit' policy area	0,64936976	0,65	0	0,00 %	0,00	0,00	0,00

Total Title 28			0,64936976	0,65	0	0,00%	0	0	0,00117203
Title 29 : Statistics									
29	29 01	Administrative expenditure of the 'Statistics' policy area	4,894383	2,96	1,9386942	39,61 %	0,00	1,94	1,98
Total Title 29			4,894383	2,96	1,9386942	39,61%	0	1,9386942	1,98079023
Title 30 : Pensions and related expenditure									
30	30 01	Administrative expenditure of the 'Pensions and related expenditure' policy area	1882,125488	1882,13	0	0,00 %	0,00	0,00	0,00
Total Title 30			1882,125488	1882,13	0	0,00%	0	0	0
Title 31 : Language services									
31	31 01	Administrative expenditure of the 'Language services' policy area	9,52878805	9,31	0,22149934	2,32 %	0,00	0,22	0,27
Total Title 31			9,52878805	9,31	0,22149934	2,32%	0	0,22149934	0,27410128
Title 32 : Energy									
32	32 01	Administrative expenditure in the 'Energy' policy area	3,18387	2,25	0,93169689	29,26 %	0,00	0,93	0,72
Total Title 32			3,18387	2,25	0,93169689	29,26%	0	0,93169689	0,71902496
Title 33 : Justice and consumers									
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	3,534003	2,73	0,80849561	22,88 %	0,00	0,81	0,67
Total Title 33			3,534003	2,73	0,80849561	22,88%	0	0,80849561	0,66886913

Title 34 : Climate action									
34	34 01	Administrative expenditure in the 'Climate action' policy area	1,750673	1,40	0,35138347	20,07 %	0,00	0,35	0,44
Total Title 34			1,750673	1,40	0,35138347	20,07%	0	0,35138347	0,44249155
Title XX : Administrative Expenditure allocated to policy areas									
XX	XX 01	Administrative Expenditure allocated to policy areas	2180,869502	2180,87	0	0,00 %	0,00	0,00	0,00
Total Title XX			2180,869502	2180,87	0	0,00%	0	0	0
	Total DG PMO		4346,255158	4319,91	26,34631181	0,61 %	0	26,34631181	24,072964

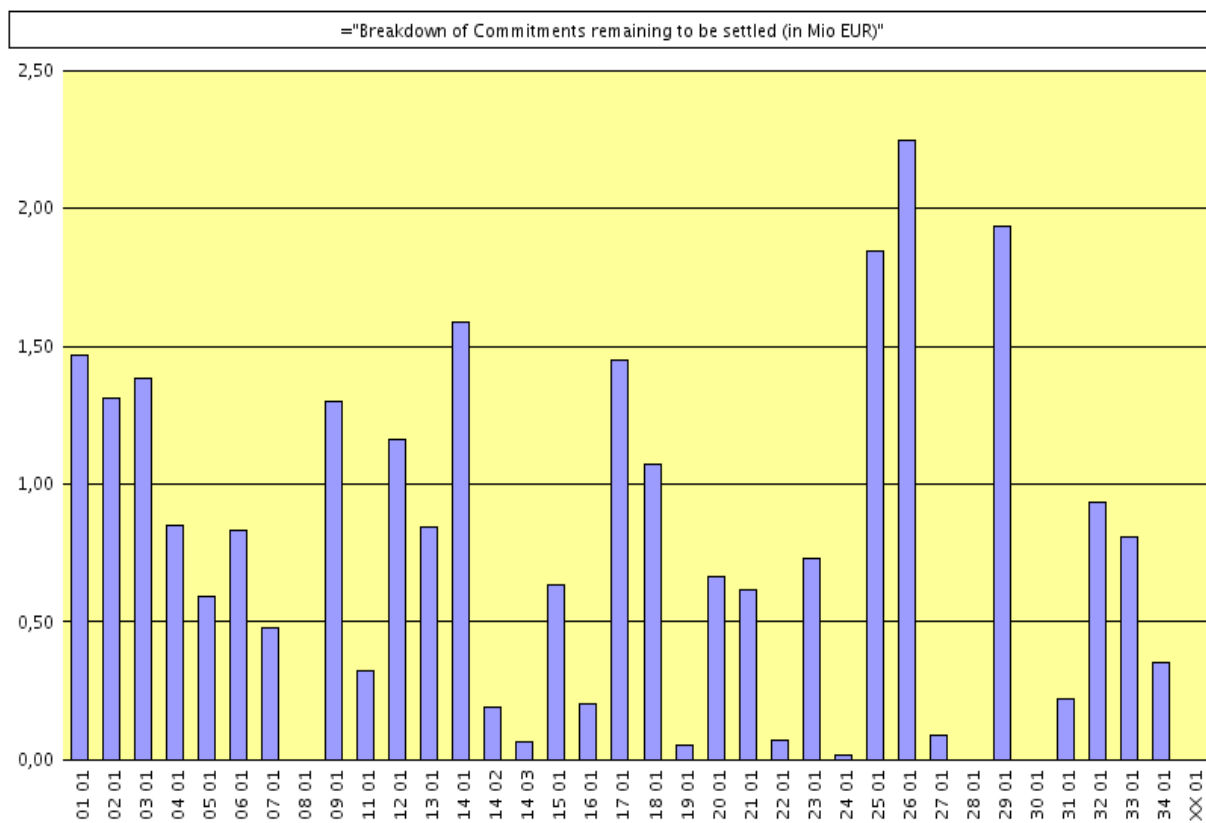


TABLE 4 : BALANCE SHEET PMO

BALANCE SHEET	2018	2017
A.I. NON CURRENT ASSETS	3620114,71	4352013,7
A.I.1. Intangible Assets	3.620.114,71	4.352.013,70
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	0,00	0,00
A.II. CURRENT ASSETS	10035825,67	18766516,19
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	10.017.319,40	18.748.634,47
A.II.6. Cash and Cash Equivalents	18.506,27	17.881,72
ASSETS	13655940,38	23118529,89
P.I. NON CURRENT LIABILITIES	0	0
P.I.1. Non-Current Pension & other Empl Benef	0,00	0,00
P.II. CURRENT LIABILITIES	-81800713,32	-88089954,05
P.II.2. Current Provisions	-1.963.150,00	-9.330.164,00
P.II.4. Current Payables	-79.775.952,67	-78.613.598,32
P.II.5. Current Accrued Charges & Defrd Income	-61.610,65	-146.191,73
LIABILITIES	-81800713,32	-88089954,05
NET ASSETS (ASSETS less LIABILITIES)	-68144772,94	64.971.424,16

P.III.2. Accumulated Surplus/Deficit	11.933.232.710,86	9495654895
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Non-allocated central (surplus)/deficit*	11.865.087.937,92	-9430683471
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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 PMO

STATEMENT OF FINANCIAL PERFORMANCE	2018	2017
II.1 REVENUES	-1112296221	-850183646,9
II.1.1. NON-EXCHANGE REVENUES	-1084900250	-827652503,2
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-1.084.900.250,20	-827.652.503,22
II.1.2. EXCHANGE REVENUES	-27395970,37	-22531143,69
II.1.2.1. FINANCIAL INCOME		-24,09
II.1.2.2. OTHER EXCHANGE REVENUE	-27.395.970,37	-22.531.119,60
II.2. EXPENSES	5174853656	3287761463
II.2. EXPENSES	5174853656	3287761463
II.2.10. OTHER EXPENSES	114.749.030,98	122.422.142,28
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	6.590.145,00	6.239.587,25
II.2.6. STAFF AND PENSION COSTS	5.053.394.309,09	3.158.867.830,18
II.2.8. FINANCE COSTS	120.171,33	231.902,99
STATEMENT OF FINANCIAL PERFORMANCE	4.062.557.435,83	2.437.577.815,79

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 PMO

OFF BALANCE	2018	2017
OB.2. Contingent Liabilities	1241899,11	0
OB.2.7. CL Legal cases OTHER	1.241.899,11	0,00
OB.4. Balancing Accounts	-1241899,11	0
OB.4. Balancing Accounts	-1.241.899,11	0,00
OFF BALANCE	0,00	0,00

TABLE 6: AVERAGE PAYMENT TIMES FOR 2018 - DG PMO

Legal Times							
Maximum Payment Time (Days)	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	176618	154145	87,28 %	9,371916053	22473	12,72 %	81,86054376
45	127	127	100,00 %	5,905511811			
60	47	39	82,98 %	11,07692308	8	17,02 %	70,875

Total Number of Payments	176792	154311	87,28 %		22481	12,72 %	
Average Net Payment Time	18,58701186			9,369494074			81,85663449
Average Gross Payment Time	18,58709104			9,3695848			81,85663449

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	14	1	0,00 %	176792	392,70	0,00 %	284.513.482,96

DG	GL Account	Description	Amount (Eur)

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	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
40	MISCELLANEOUS TAXES AND DEDUCTIONS	572975905,8	801639,31	573777545,1	572906123,1	801639,31	573707762,4	69782,69
41	CONTRIBUTIONS TO THE PENSION SCHEME	399997914,9	928210,71	400926125,6	399670909,3	928210,71	400599120	327005,54
42	OTHER CONTRIBUTIONS TO THE PENSION SCHEME	50953977,94	1632574,4	52586552,34	50953977,94	1632574,4	52586552,34	0
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	28903734,44	447831,3	29351565,74	28031831,14	438939,04	28470770,18	880795,56
58	MISCELLANEOUS COMPENSATION	0	13023,43	13023,43	0	0	0	13023,43
59	OTHER REVENUE ARISING FROM ADMINISTRATIVE MANAGEMENT	2985948,48	0	2985948,48	2985948,48	0	2985948,48	0
90	MISCELLANEOUS REVENUE	-117248,3	0	-117248,3	-117248,3	0	-117248,3	0
Total DG PMO		1055700233	3823279,15	1059523512	1054431542	3801363,46	1058232905	1290607,22

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

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2011			1	752		
2015			1	292		
2016			8	14635,13		
2017			313	2605145,4		
2018			24	9101,64		
No Link			4346	316605917,9		
Sub-Total			4693	319235844,1		

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									115	187.379,93		
NON ELIGIBLE IN COST CLAIMS												
CREDIT NOTES									9	44.681,21		
Sub-Total									124	232061,14		
GRAND TOTAL									4817	319467905,2		

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

	Number at 1/01/2018	Number at 31/12/2018	Evolution	Open Amount (Eur) at 1/01/2018	Open Amount (Eur) at 31/12/2018	Evolution
2004	1	1	0,00 %	6.312,00	6.312,00	0,00 %
2005	1		-100,00 %	247,62		-100,00 %
2006	1	1	0,00 %	370,00	370,00	0,00 %
2008	2	1	-50,00 %	25.496,96	24.572,74	-3,62 %
2010	2	2	0,00 %	13.754,90	13.754,90	0,00 %
2011	2	2	0,00 %	254.570,91	254.570,91	0,00 %
2012	5	5	0,00 %	63.867,89	56.067,89	-12,21 %
2013	1	1	0,00 %	17.710,53	6.564,93	-62,93 %
2014	3	2	-33,33 %	13.396,20	8.891,76	-33,62 %
2015	5	2	-60,00 %	83.502,90	18.604,01	-77,72 %
2016	9	4	-55,56 %	321.120,74	66.116,75	-79,41 %
2017	113	9	-92,04 %	16.537.896,60	22.702,49	-99,86 %
2018		84			5.243.409,36	
	145	114	-21,38 %	17.338.247,25	5.721.937,74	-67,00 %

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

Total DG PMO	
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Number of RO waivers	
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There is one waiver below 60 000 € for an amount of -1,95

<p><i>None of your Recovery Order Waivers (if any) reaches EUR 60.000</i></p>

**TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG
PMO - 2018**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Total		

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

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Restricted procedure (FR 164 (1)(b))	1	17.700.000,00
Total	1	17.700.000,00

TABLE 13 : BUILDING CONTRACTS

Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET

LC Responsible Organisation DG Code	LC Contract/Grant Type	LC Date	Legal base	Contract Number	Contractor Name	

TABLE 15 : FPA duration exceeds 4 years - PMO

None of your FPA (if any) exceeds 4 years

ANNEX 4: Materiality criteria

It is of the utmost importance that the PMO implement correctly the staff regulations regarding entitlements and reimbursement of several categories of expenditure.

An entitlement or reimbursement can result from a decision made by another service (recruitment, mission, leave, etc.) or from an individual request from the relevant staff member (following a certain event: marriage, child, sickness, pension,...). Any such entitlement or reimbursement is trusted to case handlers who then proceed to a verification of the eligibility of the entitlement and the underlying documents. After such verification, the entitlement/documents are encoded. These case handlers are under supervision and – depending on the complexity of the file – under verification by the verifier and/or the Appointing Authority (AIPN).

Information systems make all necessary calculations and prepare batch files that are then transferred for payment to the Commission's accounting system (ABAC). These mass payments are initiated and verified by case handlers. The verification and validation is carried out by the authorising officers by sub delegation. Only less recurrent or particular files can be introduced directly in ABAC based on a paper file.

The main inherent weaknesses result from the nature of the activities, residing in the very high number of individual transactions (e.g. reimbursement of medical claims and missions) processed, on the one hand, and mass transactions (e.g. salary and pension payments), on the other hand.

A quantifiable weakness in the control and supervisory systems would be defined as material when ex-ante or ex-post controls detect structural and pervasive errors regarding eligibility and calculation. The level of materiality is defined at 2 %, based on the error rate applied by the Court of Auditors. If the residual risk of error on legality and regularity of all underlying transactions is higher than 2 %, a reservation will be made.

A non-quantifiable weakness would be defined as material when an elevated risk of errors or abuse in entitlements is identified with no material financial impact but with serious reputational consequences for the Commission.

ANNEX 5: Relevant Control System(s) for budget implementation (RCSs)

Management (establishment/modification & payment) of salaries, post-activity and related entitlements

Stage 1 – ex ante: Management (establishment/modification & payment) of salaries, post-activity and related entitlements

Every establishment or modification of an entitlement (mainly related to salaries and pensions) is subjected to a 100 % **ex-ante control**. The initiating operational staff member opening the file performs a full verification in order to correctly establish/modify the entitlements. A verifying staff member provides a supplementary layer of control in all cases, except for some very specific cases (allowances where review of some lower risk and less complex files is performed by the verifying agent on a sample basis, due to the high number of declarations received). It should be noted that the nature of PMO activities, payment of salaries, post-activity and reimbursement of claims, makes for an easy recovery of found errors, as corrections can be deducted from monthly salary, pension payments.

Main internal control objectives: Ensure that salaries, post-activity and related entitlements are correctly established, fraud is prevented and detected

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
Salaries, post-activity and related entitlements are not correctly established or modified, resulting in recurring incorrect payments to staff: • Determination of entitlements not compliant with staff regulations and not paid on time; • Risk of fraud, litigation and bad reputation due to non-compliance with rules in force (FR & IR, Staff Regulations, accounting, etc).	<ul style="list-style-type: none"> • All transactions are submitted to ex-ante controls; • All entitlements (100%) are subject to ex-ante control by the initiating agent. • Four eyes principle, except for some specific allowances. • All found errors are corrected, in principle without exception. Should an exception be made, an exception note is established; • Delegation of powers (AOSD, AIPN) published; • Supplementary technical controls are made using IT applications. 	<p>Coverage: all transactions</p> <p>Frequency: continuously</p> <p>Depth: Control with reference to corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification)</p>	<p><u>Effectiveness:</u> Reduced risk of litigation, compliance with regulation, transactions processed accurately and in time; Errors, fraud and potential litigations are prevented or minimized</p> <p><u>Efficiency:</u> all transactions</p> <p><u>Economy:</u> All personnel involved in operational transactions</p>

Stage 1 – ex post: Management (establishment/modification & payment) of salaries, post-activity and related entitlements

Main internal control objectives: Ensure that salaries, post-activity and related

entitlements are correctly established, fraud is prevented and detected

To confirm a beneficiary's continued right to entitlements, granted on a provisional basis, the PMO must receive the validity of related supporting documents. They are controlled through ex post controls. These checks complement the ex-ante controls.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
Salaries, post-activity and related entitlements are not correctly established or modified, resulting in recurring incorrect payments to staff: <ul style="list-style-type: none"> • Determination of entitlements not compliant with staff regulations and not paid on time; • Risk of fraud, litigation and bad reputation due to non-compliance with rules in force (FR & IR, Staff Regulations, accounting, etc). 	<ul style="list-style-type: none"> • Risk-based ex-post controls are carried out on the basis of a risk analysis, taking into account materiality and risk probability criteria. • In addition random controls are performed. • All ex-post controls are reported based on a harmonised template • Specific ex-post controls aimed at revealing potential fraudulent transactions are carried out. 	<p>Coverage: Sample-based on all transactions or specific target on risky areas</p> <p>Frequency: annual basis</p> <p>Depth: Control with reference to corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification)</p>	<p><u>Effectiveness</u>: Reduced risk of litigation, compliance with regulation, transactions processed accurately and in time; Errors, fraud and potential litigations are prevented or minimized</p> <p><u>Efficiency</u>: sample based or specific target</p> <p><u>Economy</u>: All personnel involved in operational transactions</p>

Stage 2: **Expenditure implementation (commitment, validation, authorization and payment of expenditure)**

Main internal control objectives: legality and regularity (compliance with Staff Regulation, FR & RAP), fraud prevention and detection

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> • Amounts paid exceed what is determined as per staff regulations and financial regulation; • Risk of fraud, litigation and bad reputation due to non-compliance with rules in force (FR & IR, Staff Regulations, accounting, etc). 	<ul style="list-style-type: none"> • All transactions are submitted to ex-ante controls; • Four eyes principle: 2 people are involved in each financial transaction: initiating and verifying agents; • Close monitoring of every step in the payment process; • Supplementary technical controls are made using IT applications • Centralised financial circuit for payments and commitments; • ABAC for financial transactions; • Accounting controls are carried out regularly 	<p>Coverage: all financial transactions</p> <p>Frequency: continuously</p> <p>Depth: Control with reference to fully independent corroborative information</p>	<p><u>Effectiveness:</u></p> <ul style="list-style-type: none"> • Sound financial management and respect of contractual deadlines. • Errors, fraud and potential litigations are prevented or minimized. • Accounting errors are identified and corrected at an early stage <p><u>Efficiency:</u> all financial transactions</p> <p><u>Economy:</u> All personnel involved in financial transactions & accounting staff</p>

Stage 3: **Supervisory measures**

Main internal control objectives: legality and regularity (FR, IR, ICS), detection and correction of weaknesses

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> • Risk of fraud, litigation and reputational damage due to non-compliance with legal provisions. • The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments. • The errors, irregularities and cases of fraud detected are not addressed or not addressed within a reasonable timeframe. 	<ul style="list-style-type: none"> • The list of exceptions, open audit recommendations, sensitive files, results of ex-post controls (incl. anti-fraud) and synthesis of the significant AOSD concerns are registered in a centralised registry. • Three times a year, a session with senior management is organised to take stock of results of ex-post controls. • The sensitive files (incl. litigation and suspected fraud cases) are discussed bilaterally with the Direction on an ad-hoc basis. • Follow-up on implementation of discharge recommendations is duly followed. • Risk management; • Monitoring of sensitive functions. • The internal control coordinator follows the implementation of controls and assists the operational units in maintaining a high quality of reporting. 	<p>Coverage: Based on results of tests/ audits/ risks</p> <p>Frequency: ad-hoc and three times a year</p> <p>Depth: Control with reference to fully independent corroborative information</p>	<p><u>Effectiveness:</u></p> <ul style="list-style-type: none"> • Issues are followed up and addressed; • Processes and procedures improved; • Continuous improvement of the internal control system. • Contribution towards reasonable assurance. <p><u>Efficiency:</u> sample based on results of tests/ audits/ risks</p> <p><u>Economy:</u> Internal control team and concerned management</p>

Management (including payment) of medical, expert and mission claims

Stage 1 – ex ante: Management of medical, expert and mission claims

The activity of the PMO mainly concerns carrying out mass salary/pension payments and reimbursement of medical, expert/ candidate and mission claims to a relatively stable population.

It is also worth noting that the nature of PMO activities, payment of salaries, pensions and reimbursement of claims, makes for an easy recovery of found errors, as corrections can be deducted from monthly salary, pension payments.

Main internal control objectives: Ensuring that medical, expert and mission claims are correctly established

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Medical, mission and expert reimbursement claims are not correctly established, resulting in incorrect reimbursements to staff:</p> <ul style="list-style-type: none"> • Reimbursement of expert/mission/medical expenditure not legal and regular; • Risk of fraud, litigation and bad reputation due to non-compliance with rules in force (FR & IR, Staff Regulations, accounting, etc). 	<ul style="list-style-type: none"> • All transactions are submitted to ex-ante controls; • The ex-ante controls carried out on Mission, Expert and Medical expenditure are submitted to an ex-post control to confirm their quality; • Four eyes principle: 2 people are involved in each transaction: initiating and verifying agents, both at operational and financial level; • All found errors are corrected, in principle without exception. Should an exception be made, an exception note is established; • Delegation of powers (AOSD, AIPN) published; • Supplementary technical controls are made using relevant IT applications 	<p>Coverage: all transactions</p> <p>Frequency: daily</p> <p>Depth: Control with reference to independent fully corroborative information</p>	<p><u>Effectiveness:</u> Reduced risk of litigation, compliance with regulation; Errors, fraud and potential litigations are prevented or minimized</p> <p><u>Efficiency:</u> all transactions</p> <p><u>Economy:</u> All personnel involved in operational transactions</p>

Stage 1 – ex post: Management of medical, expert and mission claims

Main internal control objectives: Ensuring that medical, expert and mission claims are correctly established

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Medical, mission and expert reimbursement claims are not correctly established, resulting in incorrect reimbursements to staff:</p> <ul style="list-style-type: none"> • Reimbursement of expert/mission/medical expenditure not legal and regular; • Risk of fraud, litigation and bad reputation due to non-compliance with rules in force (FR & IR, Staff Regulations, accounting, etc). 	<ul style="list-style-type: none"> • Ex-post controls are carried out on the basis of a risk analysis, taking into account materiality and risk probability criteria, plus on a random basis. • All ex-post controls are reported based on a harmonised template • Specific ex-post controls aimed at revealing potential fraudulent transactions are carried out. 	<p>Coverage: all transactions</p> <p>Frequency: daily</p> <p>Depth: Control with reference to fully independent corroborative information</p>	<p><u>Effectiveness</u>: Reduced risk of litigation, compliance with regulation; Errors, fraud and potential litigations are prevented or minimized</p> <p><u>Efficiency</u>: all transactions</p> <p><u>Economy</u>: All personnel involved in operational transactions</p>

Stage 2: **Financial transactions**

Main internal control objectives: legality and regularity (compliance with Staff Regulation, FR & RAP), fraud prevention and detection.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> • Amounts paid exceed what is determined as per staff regulations and financial regulation; • Risk of fraud, litigation and bad reputation due to non-compliance with rules in force (FR & IR, Staff Regulations, accounting, etc). 	<ul style="list-style-type: none"> • All transactions are submitted to ex-ante controls; • Four eyes principle: 2 people are involved in each financial transaction: initiating and verifying agents; • Close monitoring of every step in the payment process; • Supplementary technical controls are made using IT applications • Centralised financial circuit for payments and commitments; • ABAC for financial transactions; • Accounting controls are carried out regularly 	<p>Coverage: based on results of tests/audits/risks</p> <p>Frequency: ad hoc / three times a year</p> <p>Depth: Control with reference to fully independent corroborative information</p>	<ul style="list-style-type: none"> • <u>Effectiveness</u>: Sound financial management and respect of contractual deadlines. • Errors, fraud and potential litigations are prevented or minimized. Accounting errors are identified and corrected at an early stage <p><u>Efficiency</u>: based on results of tests/audits/risks</p> <p><u>Economy</u>: All personnel involved in financial transactions and accounting staff</p>

Stage 3: **Supervisory measures**

Main internal control objectives: legality and regularity (FR, IR, ICS), detection and correction of weaknesses

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> • Risk of fraud, litigation and reputational damage due to non-compliance with legal provisions. • The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments. • The errors, irregularities and cases of fraud detected are not addressed or not addressed within a reasonable timeframe. 	<p>The list of exceptions, open audit recommendations, sensitive files, results of ex-post controls (incl. anti-fraud) and synthesis of the significant AOSD concerns are registered in a centralised registry.</p> <ul style="list-style-type: none"> • Three times a year, a session with senior management is organised to take stock of results of ex-post controls. • The sensitive files (incl. litigation and suspected fraud cases) are discussed bilaterally with the Direction on an ad-hoc basis. • Follow-up on implementation of discharge recommendations is duly followed. • Compliance with Internal Control Standards is monitored regularly; • Risk management; • Monitoring of sensitive functions. • The internal control coordinator follows the implementation of controls and assists the operational units in maintaining a high quality of reporting. 	<p>Coverage: Based on results of tests/ audits/ risks</p> <p>Frequency: ad-hoc and three times a year</p> <p>Depth: Control with reference to fully independent corroborative information</p>	<p><u>Effectiveness:</u></p> <ul style="list-style-type: none"> • Issues are followed up and addressed; • Processes and procedures improved; • Continuous improvement of the internal control system. • Contribution towards reasonable assurance. <p><u>Efficiency:</u> sample based on results of tests/ audits/ risks</p> <p><u>Economy:</u> Internal control team and concerned management</p>

Revenue Collection - Establishment and recovery of contributions

Stage 1: **Establishment/recovery of contributions (pension, tax, unemployment, JSIS, insurance)**

Main internal control objectives: Ensuring that contributions are correctly calculated and paid by relevant parties (e.g. staff, other Institutions, Agencies, depending on the extent of their SLA with PMO); Effectiveness, efficiency and economy; Compliance (legality and regularity); Sound financial management

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Risk on accuracy of contributions</p> <p>Risk on accuracy of billing (enquiries, complaints from staff & other bodies)</p> <p>Risk on accuracy of accounting</p>	<ul style="list-style-type: none"> Percentage of contributions based on Staff Regulations entered in PMO IT systems calculating salaries (NAP) Technical & financial controls Checks by external parties paying the contributions (e.g. Staff, other Institutions, Agencies) Accounting controls European Court of Auditors' audit For JSIS, independent audit by an external auditor. For the unemployment fund, inter-DG working group with HR and DG BUDG. 	<p>100% coverage</p> <p>Automatic</p> <p>Monthly</p> <p>At each payment period</p> <p>Twice a year</p> <p>Annually</p> <p>Annually</p> <p>Regular and ad-hoc monitoring</p>	<p><u>Effectiveness:</u> correctness of contributions, payments by third parties.</p> <p><u>Efficiency:</u> case by case</p> <p><u>Economy:</u> all staff involved</p>

Revenue Collection – Charge back mechanism

Stage 1: **Establishment/recovery of charges for services provided, as per Service-Level agreement**

Main internal control objectives: Ensuring that contributions are correctly calculated and paid by relevant parties (e.g. staff, other Institutions, Agencies, depending on the extent of their SLA with PMO); Effectiveness, efficiency and economy; Compliance (legality and regularity); Sound financial management

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> Equal treatment of clients not ensured Lack of transparency of the charge-back mechanism Breach of the "no profit/ loss" principle Non respect of the corporate reporting requirements/ lack of management information of the clients Lack of extensive documentation may lead to errors and business continuity of this aspect of the process <p>Accuracy of billing (enquiries, complaints from clients)</p>	<p>The actual level of resources invested in the delivery of services is followed up (IT tools, regular screening of the staff, management meetings).</p> <p>Checks by external parties receiving the debit notes.</p> <p>Controls / documentation have been developed in 2017 following the IAS audit and the corporate charge back guidelines.</p>	<p>100% Coverage: The forecast for the costs/ revenues of PMO in year N is prepared in January N-1 on the basis of current SLAs and assumptions in the context of the draft budget.</p> <p>Calculation of a down payment in April N</p> <p>Final cost for year N is known in the first quarter N+1 once all expenditure items are known</p>	<p><u>Effectiveness:</u> Meeting the demand for services, whilst ensuring costs are kept within the targets defined in the MP.</p> <p><u>Efficiency:</u> 100% coverage</p> <p><u>Economy:</u> costs impossible to identify as a single, stand-alone action, as they depend on the overall PMO activity and allocation of resources.</p>
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Annex 8: PMO IT Solutions





PMO Solutions



ANNEX 10: Specific annexes related to "Financial Management"

Total PMO** ²		
EC budget managed (total payments)	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
EUR 5.506.000.000	EUR 2.778.286,46	0,05%

² Due to the holistic nature of PMO's activities, as well as a weighted calculation, cost of controls in PMO can only be reported at total level

ANNEX 12: Performance tables

1. OPERATIONAL RESULTS

PMO contributes to the following general objective of the Commission:

General objective 11: To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.			
<input checked="" type="checkbox"/> Non programme-based			
Impact indicator: Staff engagement index in the Commission			
Source of the data: European Commission Staff Survey			
Baseline (2014)	Interim Milestone (2016)	Target (2020)	Latest known results (2018)
58%	59%	70%	58%

The pursuit of the following has contributed to achieving this general objective:

Main outputs in 2018:			
Important outputs			
Output description	Indicator	Target	Latest known results (situation on 31/12/2018)
Correct and timely handling of all transactions	Number of Article 90 complaints upheld	<10%	12,86%
	Medical claims (days)	15	11
	Missions claims (days)	10	8
	Expert claims (days)	20	4
	Financial error rate of the amount paid annually	< 1 %	< 1 %
Offering better quality of customer service	Average waiting time on the phone – PMO Contact Call Centre (in minutes)	<2	11,28
	Average time taken to reply to enquiries through the 'PMO Contact Online' (in working days)	<6	7
Deepening inter-institutional synergies	Timely implemented IT planned developments	85%	80%
Ensuring successful migration to the Staff Matters Portal	Implementation of the SMP ticketing system in order to	Q2 2018	Reported to Q1 2019

	replace PMO Contact.		
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Overview - State of play of objectives in MP2018

Output description	Indicator	Target	Latest known results (situation on 31/12/2018)
Coordination with DGs HR, BUDG, DIGIT, and ESTAT on data quality	Mapping of data held Establishment of an action plan by end 2018	End 2018	Key recommendations and an action plan presented to PMO Board.
Improving speed of treatment for transfer in of pension rights files	Decrease backlog level to a standard level (3,000 files) by end 2018	Standard level by end 2018	More than 1000 files closed
PMO satisfaction survey	Analysis of feedback on PMO services Q4 2017	Better results than in 2015: 3,21	Overall satisfaction with PMO: 3,55
Staff survey on collaborative space	Analysis of feedback on on staff surveys for use of open spaces launched by OIB	Set a baseline % of satisfaction	To be determined
Satisfaction with PMO Contact	Analysis of "smileys"	Maintain +70%	+70%
Informing about the new Guide to missions	Information campaign to set up	Starting in Q1 and all year round	Uploaded on MyIntracomm pages
Ensuring successful migration to the Staff Matters Portal	Implementation of the SMP ticketing system in order to replace PMO Contact.	PMO contact phase out Q4 2018	
Review of SLAs	Negotiations	By end 2018	SLAs with agencies signed
	Publication of list of services, documentation of methodology	By end 2018	Uploaded on MyIntracomm pages
		By June 2018	
Training for agencies	Annual 2-day training	Completed	completed
Achievement of IT Strategy: Transcoding	Preparation for new clients	Completion for all institutions and agencies	Pensions, Council, non-executive agencies
	Number of clients transcoded		ECA (following SYSPER migration)

2. ORGANISATIONAL MANAGEMENT

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

Objective 1: Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions.

Indicator 1: Estimated residual error rate

Source of data: PMO AAR

Baseline (2014)	Results (2018)	Target (2020)
0.81 % of commitment appropriations	0,07%	< 1 %

Indicator 2: Estimated overall amount at risk for the year for the entire budget under the PMO's responsibility.

Source of data: PMO AAR

Baseline (2014)	Results	Target (2020)
EUR 30 million	EUR 3,63 million, <1% of commitment appropriations	< 1 % of commitment appropriations

Indicator 3: Estimated future corrections

The low degree of financial corrections recovered by PMO is a sign of strength of the internal control. The low rate of errors found in ex-post and a posteriori verification proves internal control is effective and results only in a relatively small number of errors to be corrected. This is supported by the low percentage of error established year after year by the Court of Auditors and the error rates found in both ex-ante and ex-post control at PMO.

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

Indicator 1: conclusion reached on cost effectiveness of controls

Source of data: PMO AAR

Baseline (2016)	Results 2018	Target (2020)
Yes	Yes	Yes

Indicator 2: calculating the cost of controls over expenditure invested in controlling financial transactions (ratio FTE resources/total amount verified)

Source of data: PMO AAR

Baseline (2016)	Results 2018	Target (2020)
< 0.1 % dedicated to control	0,07%	< 0.1 %

Indicator 3: Average delay to recover undue payment: % of recovery orders established within 5 working days after pre-information deadline.

Baseline (2016)	Results 2018	Target (2020)
95%	95%	95 %
Indicator 4: Timely publication of monthly statistics and regular report to the Management board		
Baseline (2016)	Results 2018	Target (2020)
15 th of every month	15 th of every month	15 th of every month
Indicator 5: Number of critical/very important IAS recommendations overdue for more than 12 months		
Baseline (2016)	Results 2018	Target (2020)
1 very important recommendation	0	0
Indicator 6: Number of open discharge recommendations		
Baseline (2015)	Results 2018	Target (2020)
0	0	0

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

Indicator 1: Updated PMO anti-fraud strategy, elaborated on the basis of the methodology provided by OLAF

Source of data: PMO AFS

Baseline	Result 2018	Target (2020)
2015: 95 % of anti-fraud strategy implemented	100%	Strategy to elaborate the updated risk typology and provide information on the strategic objectives it focuses on
Indicator 2: percentage of OLAF and IDOC final case reports (transmitted to PMO) for which follow-up has been established.		
Baseline	Result 2018	Target (2020)
100 % transmitted	100% transmitted	100 % transmitted

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

Non spending

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

Main outcome			
Description	Indicator	Results 2018	Target 2018
Financial transactions: continue to ensure all financial transactions are initiated and validated within the deadlines.	All financial transactions are initiated and validated within the deadlines	87,3%	100 %
Budgetary situation: monitor on a quarterly basis the budgetary execution of the operational budget	% of budget execution (payments) with respect to budget appropriations.	100,1%	> 99 %
Control: continue to implement the reinforced effective control strategy. Continue the adoption and implementation of revised internal control strategies in the units concerned with determination of entitlements.	Degree of revised internal control strategies adopted and implemented in the operational units.	Achieved	75 % adopted and implemented.