

Annual Activity Report 2025

INTERNAL AUDIT SERVICE

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THE INTERNAL AUDIT SERVICE IN BRIEF

The Internal Audit Service (IAS) is an independent central service in the European Commission, led by the Commission's Internal Auditor. It audits management and control systems of the European Commission departments, European offices and executive agencies. The IAS acts also, under specific legal bases, as internal auditor to more than 50 autonomous entities, including the European External Action Service, European Data Protection Supervisor, European Peace Facility, decentralised EU agencies, joint undertakings, and some other autonomous bodies receiving contributions from the EU budget (hereinafter called "audited entities").

Its mission is to strengthen the ability of the Commission and other audited entities to create, protect, and sustain public value by providing **independent, risk-based, and objective assurance, advice, insight, and foresight**.



By providing assurance to the audited entities and the College of Commissioners on the effectiveness of governance, risk management and control processes, the IAS directly contributes to the Commission's horizontal objective aiming at a **modern, high-performing and sustainable European Commission**, and in its wider role to the accountable and performance-oriented European public administration.



The IAS conducts its activities under the mandate stemming from the Financial Regulation ⁽¹⁾ and in accordance with its mission charters ⁽²⁾ and the Global Internal Audit Standards ⁽³⁾. It works in an open and transparent manner, meeting the expected high level of professional and ethical standards.

Regarding its audit activities in the Commission, European offices and executive agencies, it is functionally reporting to the Audit Progress Committee (APC) ⁽⁴⁾. For its work in decentralised EU agencies and other autonomous bodies, the IAS is reporting to the Board /College and the Executive/Administrative Director of each respective entity. The main deliverables of the IAS are internal audit reports which contain independent opinions on the quality of management and control systems as well as recommendations for improving the operations and for promoting sound financial management.

The IAS falls under the portfolio of Commissioner Piotr Serafin, responsible for Budget, Anti-Fraud, and Public Administration, who chairs the Audit Progress Committee.

⁽¹⁾ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

⁽²⁾ The Mission Charter C(2022) 8450 was in force in 2025 for the IAS work in the Commission and executive agencies. The updated Mission Charter was adopted on 18 December 2025 by the Commission Decision C(2025) 8745. For EU agencies and other autonomous bodies, the IAS has individual mission charters

⁽³⁾ [Global Internal Audit Standards](#)

⁽⁴⁾ The Audit Progress Committee assists the College of Commissioners by ensuring the independence of the Internal Audit Service, by monitoring the quality of internal audit work, and by ensuring that internal and external audit recommendations are properly taken into account by the Commission departments.

EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Director-General of the IAS 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 EU treaties ⁽⁵⁾.

A. Key results and progress towards achieving the Commission's general objectives and IAS' specific objectives

The political agenda of President von der Leyen, as set out in the political guidelines and further developed in the mission letters to the members of the Commission, was the starting point for the 2025-2029 Strategic Outlook of the Internal Audit Service ⁽⁶⁾. The IAS, as the sole provider of internal audit services in the Commission and domain leader in internal audit for the EU agencies and other autonomous bodies, contributes in the most visible way to the following general objective:

A modern, high-performing and sustainable European Commission

In the political guidelines, the President puts strong emphasis on modernising the way the Commission works, for example through digitalisation, use of collaborative working methods and an increased focus on sustainability. By assessing the systems and processes put in place to address risks that may adversely affect the achievement of the objectives of the Institution, the IAS also indirectly contribute to all the general objectives as defined in the Commission's Single Strategic Plan 2025-2029.



The IAS provides the audited entities and the College of Commissioners with **assurance on the effectiveness of risk management, control, and governance processes** complemented by advice, insight and foresight, where it brings value for the stakeholders. It helps the audited entities to achieve their objectives and also contributes to the effective and efficient management of resources and to promoting a performance culture (economy, efficiency and effectiveness).

The core role of the IAS as assurance provider depends on the adequate audit coverage. The audit plans cover areas of highest inherent risk, as identified during the strategic in-depth risk

⁽⁵⁾ Article 17(1) of the Treaty on the European Union

⁽⁶⁾ [Management Plan 2025 of the Internal Audit Service](#)

assessment, that may adversely affect the achievement of the wide range of general and specific objectives contributing to the 2025-2029 priorities of the von der Leyen Commission. Starting the new five-year cycle, in 2025, the IAS covered 5% of the identified **very high strategic risks** through engagements that were fully completed, with an additional 20% covered by engagements started but expected to conclude in 2026.

The IAS delivered **all assurance reports for the Commission**, and most other reports ⁽⁷⁾ that were planned to be finalised in 2025. It performed a **wide range of audits**, covering financial processes (e.g. assurance and control strategies, simplification of programmes and funding schemes), operational processes (e.g. implementation of legislation, supervision over financial market supervisory authorities), IT (e.g. IT security risk management) and other management and support processes. The assurance activities were complemented by advice and insight on specific topics.

The IAS contributed to the 2024 IFAR package ⁽⁸⁾ with two deliverables: input for the **Annual Report to the Discharge Authority on internal audits carried out in 2025**, summarising audit outcomes and recommendations, and the **overall conclusion** on the state of financial management in the Commission. In addition to its contributions to the IFAR package, the IAS provided tailored reports to support accountability and oversight. These were directed to the Commission's directors-general and heads (individual conclusions on the state of internal control), the Audit Progress Committee (quarterly updates on recommendation follow-up) and directors and boards of other bodies (annual reports on pending recommendations).

Auditing has become more complex over the last years due to the new areas of activities of the Commission, their rising complexity and fast pace of developments. This evolving landscape requires the IAS to remain flexible in identifying, assessing and auditing the newly emerging risks and the complex issues requiring technical skills.

The IAS works under a new **audit strategy**, which aligns with the European Commission's new political mandate and the updated Global Internal Audit Standards. It is designed to be adaptive and responsive to the changing environment, with a focus on key themes such as assurance and accountability, crisis preparedness, security and resilience, and the modernisation of the organisation. It prioritises audit work based on comprehensive risk assessments and organisational goals, ensuring a more focused, effective and agile approach characterised by rolling audit plans and shorter, high-impact engagements.

To complement the Audit Strategy, the IAS adopted a **digital auditing and transformation strategy**, a framework designed to modernise the internal audit function through the integration of advanced technologies and data-driven methodologies. The strategy focuses on four strategic priorities: enhancing digital transformation, ensuring a people-centric approach through upskilling, promoting innovation, and maintaining integrity and compliance.






⁽⁷⁾ Strategic internal audit plans, advisory reports, etc.

⁽⁸⁾ The Financial Regulation requires the Commission to submit its Integrated Financial and Accountability Reporting (IFAR) package to the European Parliament and Council, providing comprehensive information on budget implementation, performance, and financial management. This package is crucial for the annual discharge procedure, where the Parliament and Council hold the Commission accountable for EU budget management.

In 2025, the Commission formally adopted a **new mission charter for the Internal Audit Service**. Established by Commission Decision (EU) 2025/2570, the recast charter ensures full alignment with the 2024 Financial Regulation and the new Global Internal Audit Standards. Key provisions of the charter solidify the independence of the Internal Auditor, guarantee full and unlimited access to information. Furthermore, the charter defines the IAS's expanded mission to provide not only assurance but also advice, insight, and foresight.

The IAS started development of a new quality assurance and improvement programme as well as the new audit manual, focusing on the simplification of internal workflows. An **internal quality assessment** was launched to evaluate conformance with the Standards, as a preparation for the external quality assessment to be performed by independent experts in 2026. The IAS continues to support professional development of its staff through the internal audit training programme and Auditors' Forum sessions.

B. Key performance indicators

KPI #	KPI Title	Baseline (2024)	2025	Interim milestone (2027)	Target (2029)
Specific objective 1.1: Improvement of performance and accountability					
1.1.1	Level of satisfaction of governance bodies and senior management	4.16	4.20 	≥4	≥4
Specific objective 1.2: Assurance coverage of the high-risks areas					
1.2.1	Very-high auditable risks covered by audit plans	N/A (not previously measured)	5%  +20% covered by ongoing audits	≥50%	≥90%
Specific objective 1.3: Adaptability, agility and innovation					
1.3.1	Continuous convergence between the management and internal audit risk assessments	Overall convergence	Overall convergence 	Overall convergence	Overall convergence
Specific objective 1.4: Professional standards, quality and efficiency					
1.4.1a	Conformance with the Global Internal Audit Standards (External Quality Review)	General conformance (in 2021)	N/A 	N/A	Full conformance (in 2026)
1.4.1b	Conformance with the Global Internal Audit Standards (Internal Quality Review - IQA)	N/A	IQA ongoing 	No non-conformance raised	No non-conformance raised

The IAS monitors its performance through four key performance indicators (KPIs) aligned with its strategic objectives.

- KPI 1.1.1 measures stakeholder satisfaction through annual surveys, ensuring our audit services meet governance and management expectations. The 2025 results confirm strong satisfaction levels, demonstrating effective engagement with key stakeholders.
- KPI 1.2.1 assesses the coverage of very-high-risk areas in our audit plans, reflecting our risk-based approach. The 2025 results confirm that we are on track to meet our 2029 target of covering at least 90% of very high risks. With a structured approach to risk-based auditing and continued focus on high-priority areas, the IAS will ensure systematic coverage of critical risks, reinforcing its contribution to the European Commission's performance and accountability.
- KPI 1.3.1 evaluates the alignment between IAS and management risk assessments, ensuring agility in responding to emerging risks. The 2025 results show an overall convergence, indicating that our risk identification remains relevant and responsive to changing priorities.
- KPI 1.4.1 ensures compliance with Global Internal Audit Standards through internal and external quality assessments. The external quality assessment (KPI 1.4.1.a) is conducted every 5 years, and the next exercise will take place in 2026. Regarding the internal assessment (KPI 1.4.1.b), although the 2025 internal assessment is still ongoing, we expect full conformance, reinforcing our commitment to professional excellence.

C. Key conclusions on internal control and financial management

In line with the Commission's Internal Control Framework the IAS 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 function as intended.

The IAS has systematically examined the available control results and indicators, as well as the observations and recommendations from internal and external quality assessment.

The transition in 2025 to the Commission's new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year. This has required careful management to ensure the same data quality as in previous years.

All the above elements have been assessed to determine their impact on management's assurance regarding the achievement of the control objectives.

Moreover, the IAS annual risk assessment exercise did not identify any significant risks that could have a material impact on the achievement of the IAS' objectives and therefore on assurance.

The IAS staff conducts its operations in compliance with the applicable rules and procedures, working in an open and transparent manner and in accordance with the highest professional and ethical standards.

Approximately 98% of the IAS's administrative expenditure is delegated to the Office for Administration and Payment of Individual Entitlements (PMO), the Directorate-General for Human Resources and Security (DG HR) and the Directorate-General for Informatics (DG DIGIT), in accordance with the Commission's Internal Rules.

The IAS is accountable for the remaining 2% of its administrative budget, which is co-delegated to DG HR and DG DIGIT ⁽⁹⁾. This expenditure is covered by the Declarations of Assurance of these Directorates-General and the IAS, as the primary Authorising Officer by Delegation (AOD), relies on the efficiency and cost-effectiveness of the controls in place in both DGs (acting as secondary AODs). The IAS implemented ex-ante and ex-post controls on its mission expenses. No issues have been reported in these areas.

For further details, please refer to section 2 on Internal Control and Financial Management.

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

⁽⁹⁾ based on a service level agreement and a memorandum of understanding

D. Provision of information to the Commissioner

In the context of the regular meeting during the year between the IAS and the Cabinet of Commissioner Serafin on management matters, the main elements of this report and assurance declaration, have been brought to the attention of Commissioner Serafin, responsible for budget, anti-fraud and public administration.

1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION'S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE IAS

1.1 Improvement of performance and accountability

In 2025, the IAS made progressive contribution towards enhancing the performance and accountability of the European Commission departments and executive agencies, as well as decentralised agencies and other bodies.

The IAS delivered **100%** of the audit reports as planned in the 2025 audit plan for the Commission. Where audits identified weaknesses, the IAS issued recommendations to mitigate the related risks, thereby contributing to improved compliance and operations of the audited entity. The implementation of the accepted recommendations was verified through **follow-up audits**.

The **satisfaction level** of governance bodies and senior management with the IAS's contribution was measured at 4.20 on the 5-level Likert scale, above the target of 4. This indicates a generally positive perception of the IAS's work with a slight increase compared to 2024.

The implementation rate of IAS recommendations stood at 87.7% overall, with 92.4% for Commission services and 79.5% for autonomous EU bodies, showing that the assurance gaps and improvement opportunities by the IAS have been successfully addressed.

As each year, the IAS contributed to the preparation of the **Integrated Financial and Accountability Reporting package** - a set of financial and accountability reports to the European Parliament and the Council which brings together comprehensive information on the implementation, performance, results, sound financial management and protection of the EU budget. The package constitutes essential input for the annual "discharge procedure", through which the European Parliament and the Council hold the Commission accountable for the way it manages the EU budget.

As input to the package for the year 2024, the IAS provided the Commission with two deliverables:

- the **Annual Internal Audit Report** ⁽¹⁰⁾, which summarises the results of the IAS' audit work completed in the European Commission's Directorates-General, services, European offices and the executive agencies in 2024 (main audit outcomes, number and type of

⁽¹⁰⁾ Article 118(4) FR

audits carried out, the principal recommendations made and the actions taken with regard to those recommendations); and

- the annual **overall conclusion on the state of financial management** in the Commission, based on the audits which the IAS carried out in the area of financial management in the Commission during the previous years.

These documents were summarised by the Secretariat-General of the European Commission in the **Annual report on internal audits** ⁽¹¹⁾ which was part of the IFAR package forwarded by the Commission to the European Parliament and the Council and discussed in the framework of the annual discharge procedure.

To support accountability reporting, the IAS also issued:

- a conclusion on the state of internal control as a contribution to the preparation of annual activity reports of individual Directorates-General and services of the Commission,
- reports to decentralised EU agencies and other autonomous bodies which open recommendations (critical and significantly delayed very important).

The quarterly reports/notes on the follow-up of IAS recommendations in the Commission helped the for the Audit Progress Committee exercise its function of monitoring actions taken by Commission departments on the IAS recommendations.

1.2 Assurance coverage of the high-risk areas of the audit universe

Through engagements finalised in 2025, the IAS covered **5% of the very high risks identified**, with additional 20% covered by engagements started but expected to be completed in 2026. This progress aligns with the interim milestone of covering 50% of very high risks by 2027 and more than 90% by end of 2029. The coverage of financial management in Commission services and executive agencies resulted in the delivery of an **overall conclusion without material scope limitations**, meeting the target set.

The **audit universe was restructured and updated**, reflecting the current environment, legal framework, priorities, and organisation of the Commission and executive agencies. The audit universe is sub-divided and structured around three pillars: financial, operational, and support. The **risk assessment** for the Commission and executive agencies was also carried out, adding an additional approved. The audit plan for the following years is ongoing and expected to be approved shortly. Strategic Internal Audit Plans (SIAPs) for EU agencies and other autonomous bodies were finalised for 14 out of 19 bodies for which they were due in 2025, with the remaining five expected to be finalised in 2026.

1.3 Adaptability, agility and innovation

In 2025, the IAS operated under a new audit strategy, which is aligned with the European Commission's new political mandate and the updated Global Internal Audit Standards. Anchored in its mission to strengthen the European Commission's ability to create, protect, and sustain public value, the strategy marks a **shift towards a risk-driven and agile approach**. This transition is characterized by the introduction of rolling audit planning and the delivery of shorter,

⁽¹¹⁾ Article 118(8) FR

high-impact engagements that enable the service to remain responsive to a rapidly changing environment. The strategy prioritizes six cross-cutting thematic areas, including crisis preparedness, AI and digital transformation, and organizational modernization, while leveraging key enablers such as digital auditing and talent management through the IAS Academy. Overall, the Audit Strategy aims to drive improved performance and accountability in the European Commission and other EU entities, and to provide value-added services to stakeholders. The audit strategy is still under finetuning, following additional guidance on the implementation of the Standards and will be finalised in 2026.

To complement the audit strategy, the IAS adopted its **2025-2029 Digital Auditing and Transformation Strategy**, which aims to modernize the internal audit function through the gradual integration of advanced technologies and data-driven methodologies. The strategy focuses on four strategic priorities: enhancing digital transformation, ensuring a people-centric approach through upskilling, promoting innovation, and maintaining integrity and compliance. By setting ambitious targets, including the use of digital auditing tools in 90% of engagements and full staff training by 2029, the IAS aims to improve the efficiency, depth, and quality of its assurance and advisory work. This digital shift ensures the service remains equipped to audit increasingly complex digital environments while fostering a culture of continuous improvement and data security.

1.4 Professional standards, quality and efficiency

In 2025, the European Commission formally adopted a recast **IAS Mission Charter** ⁽¹²⁾, marking a significant update to the service's legal and operational framework. The Charter ensures full alignment with the 2024 Financial Regulation and the new Global Internal Audit Standards, reinforcing the position of the IAS as the **independent third line of defence** within the Commission's governance structure. It solidifies the Internal Auditor's mandate to provide not only objective assurance but also strategic advice, insight, and foresight across all Commission activities and autonomous EU entities. By guaranteeing the Internal Auditor's independence and granting **full and unlimited access to the information** and personnel required for its work, the Charter provides the **necessary safeguards for the service to operate effectively**. Furthermore, it introduces modern operational requirements, such as the maintenance of a rolling audit plan and a comprehensive resource management plan, ensuring that the IAS remains agile and responsive to emerging risks while upholding the highest levels of professional excellence and accountability.

Periodic assessments confirmed the IAS's conformance with the IIA Standards and the professional IPPF Code of Ethics. Whilst the internal quality assessment (IQA) is still on going, the 2021 external quality assessment (EQA), valid for 5 years, confirmed the IAS's compliance as well with all Standards and the Code of Ethics.

The efficient use of audit resources was measured at 85%, meeting the target set.

(12) Commission Decision (EU) 2025/2570

2. INTERNAL CONTROL AND FINANCIAL MANAGEMENT

According to Art 117(1) of the Financial Regulation, the Commission's Internal Auditor ⁽¹³⁾ may not be an authorising officer. This role was exercised by the Director (IAS.C) in charge of Risk Management and Internal Control ⁽¹⁴⁾.

Management monitors the functioning of the internal control systems on a continuous basis and carries out an objective assessment of their efficiency and effectiveness. In annex 7, there is a list and details of the reports that have been considered. The results of the above assessment are explicitly documented and reported to the Director-General.

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full coverage of the budget delegated to the AOD of the IAS.

2.1. Control results

Management uses control results to support its assurance and reach a conclusion about the cost-effectiveness of those controls, meaning whether the right balance between the following elements is achieved:

- **Effectiveness** The level of error found, based on the controls carried out.
- **Efficiency** The average time taken to inform or pay.
- **Economy** The proportionality between the costs of controls and the funds managed.

⁽¹³⁾ Director-General of the Internal Audit Service

⁽¹⁴⁾ As from 1st February 2026, Director IAS.A

2.1.1. Overview of the budget and relevant control systems (RCS)

Given that the implementation of the entire IAS budget is delegated or co-delegated to the PMO, DGs HR and DIGIT ⁽¹⁵⁾, management assurance on financial management depends on the assurance provided by the Authorising Officers by Delegations (AODs) through Declarations of Assurance of these entities in their own Annual Activity Reports (AAR).

In addition to what is reported in the AARs of DGs HR, DIGIT and PMO, the IAS performs ex-ante and ex-post controls on IAS mission expenses. The control processes and the indicators used to measure the performance of the relevant control system ⁽¹⁶⁾ ensure compliance of the IAS mission expenses with the Commission's Guide to Missions and Authorised Travel ⁽¹⁷⁾.

Expenditure	Amount	Issues reported	Reservation
Administrative expenditure managed under direct delegation to PMO and DG HR (~ 97.97% of €30.5m)	€29.87m	No issues reported	NO
Administrative expenditure managed under co-delegation to DG HR (missions, meetings) (~ 1.12% of €30.5m - co-delegation)	€0.34m	Non-recurring issues reported (see next section)	NO
Administrative expenditure managed under co-delegation to DG DIGIT (~ 0.91% of €30.5m -co-delegation)	€0.27m	No issues reported	NO
<i>Totals (coverage)</i>	€ 30.48m		NO

Moreover, controls are defined to ensure a proper handling of sensitive information and the effectiveness of the anti-fraud measures in place.

As the IAS's financial management is fully (co-)delegated to other entities, internal control in the context of the AAR mainly refers to the implementation of the internal control framework and its 17 principles for non-financial operations. The IAS Director in charge of Risk Management and Internal Control (RMIC), together with the IAS senior management team, established the monitoring criteria against which the implementation of the internal control principles is assessed and monitored.

⁽¹⁵⁾ See annexes 3 and 4

⁽¹⁶⁾ See annexes 5 and 6

⁽¹⁷⁾ Payments are not included in the main control objectives as they are executed by the entrusted entity, PMO, subject to similar management governance modalities. The corresponding controls are reported by the PMO in their AAR.

2.1.2. Effectiveness of controls

a) Assessment of control results per segment of expenditure

Based on the self-assessment of the IAS' implementation of the internal control framework, the Director in charge of risk management and internal control concluded that the IAS implemented an effective system of internal control. The IAS continued to implement actions to maintain and further improve its internal control system at the highest standards.

The annual risk assessment exercise was finalised in December 2025. No significant risks were identified that could have a material impact on the achievement of the IAS' objectives and therefore on assurance.

In 2025, the IAS did not identify any non-compliance or exception events.

The AOD did not receive any binding instructions considered to be irregular or contrary to the principle of sound financial management, and therefore no cases of 'confirmation of instructions' in the sense of Article 92(3) of the Financial Regulation were reported.

The IAS applied internal control processes to ensure sound management of risks related to the legality and regularity of the underlying transactions for which it is responsible for, taking into account the nature of the payments concerned.

No issues were reported for any IAS expenditure by PMO, DG HR and DG DIGIT ⁽¹⁸⁾.

When necessary, corrections were made to mission orders and expense declarations following ex-ante controls. The IAS's ex-post controls on mission expenses found no errors.

Based on the above, the IAS concluded that the controls in place are effective and that the payments were legal and regular.

b) Estimation of the overall risk at payment and risk at closure

Not applicable. The IAS makes no payments.

For an overview at Commission level, the departments' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

⁽¹⁸⁾ See 2.1.1 above

c) Quantitative benefits of controls: Preventive and corrective measures

Through its ex-ante and ex-post controls on mission orders, the IAS has an effective mechanism in place for detecting and correcting errors, as mentioned under 2.1.2.a.

Further details are provided in annex 3.

d) Assessment of control results for non-expenditure items (if applicable)

The IAS manages sensitive information within the framework of its audits. Procedures have been established to ensure that staff handle information with the necessary precautions to avoid the leakage of confidential data or the violation of the data integrity. Specific guidance for staff, in line with Commission rules and regulations, is published on the IAS intranet and newcomers are informed about it upon their arrival. No leak of confidential data and no violation of data integrity was reported in 2025.

e) Fraud: prevention, detection, and correction

The IAS Anti-Fraud Strategy 2023-2025 was fully implemented, with all actions for 2025 completed. The implementation was monitored and reported to the management twice a year.

Following a revised fraud risk assessment, a new IAS Anti-Fraud Strategy 2026-2028 was prepared and adopted early 2026 based on the methodology provided by European Anti-Fraud Office (OLAF).

One of the key objectives of the IAS strategy 2023-2025 was to contribute to the implementation of the Commission Anti-Fraud Strategy (CAFS). To achieve this, the IAS committed under its strategy to the prompt response to all OLAF requests for information or support, and to the communication of fraud-related audit results to OLAF with respect to the Commission and other audited entities.

Concerning the IAS audit activity, risks such as the leakage of confidential information (especially conferred by the auditees and the results of audit work), conflicts of interest, and lack of objectivity have been identified but rated as low probability due to the overall ethical awareness and stance of the IAS staff. An information package on ethics is provided to all new IAS staff. The auditors holding an IIA certification are bound by the Global Internal Audit Standards and are required to complete at least one ethics training per year.

In 2025, the IAS organised an Auditors' Forum on ethics ⁽¹⁹⁾. It provided a deeper insight and understanding of the important role and impact of ethics and cognitive biases on internal audit work, especially when forming conclusions and exercising professional judgement.

⁽¹⁹⁾ One of the IAS' objectives under IAS AFS 2023-2025

The IAS carried out preventive and detective controls, and the mitigation of potential conflicts of interest reported by recruitment panel members and/or candidates.

The IAS is a non-spending Directorate-General with a low financial fraud risk profile and the implementation of its respective AFS actions was satisfactory in 2025. Between 2020-2025 the IAS did not receive any financial recommendations from OLAF.

On the basis of the available information, the IAS has reasonable assurance that the anti-fraud measures in place are effective overall.

2.1.3. Efficiency of controls

As the IAS has fully (co-)delegated its financial management, the efficiency of controls mostly depends on the systems and controls of the entities to whom the management of the budget was (co-)delegated. In 2025, the IAS was satisfied with the timeliness of the services provided by the PMO, DG HR and DG DIGIT.

2.1.4. Economy of controls

The cost of controls related to the (co-)delegated budget is reported in the AARs of the entities receiving the delegation.

The (co-)delegation of the IAS financial management aligns with the Commission's synergies and efficiencies initiative to increase the efficiency through centralisation of certain repetitive administrative tasks.

Within the IAS, the remaining costs arise from ex-ante verification of the mission orders and expense declarations together with the independent ex-post verification of a sample of declarations for the AAR.

In 2025, the total cost of these controls amounted to 8.127€, representing 7% of the total mission costs 115.058€⁽²⁰⁾. This amount is reasonable to ensure payment regularity and to protect the IAS reputation.

2.1.5. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results reported above, the IAS 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.

⁽²⁰⁾ Annex 7

2.2. External and internal quality reviews and follow-up actions

Under its quality assurance and improvement programme, the IAS develops and conducts internal assessments of its conformance with the Global Internal Audit Standards and progress toward performance objectives. The methodology for internal assessments includes ongoing monitoring activities and periodic self-assessments and the results are communicated to the relevant stakeholders, as appropriate.

A periodic self-assessment was initiated in the last quarter of 2025 and will be finalised in 2026, before the planned full external assessment ⁽²¹⁾.

The IAS reported to the Audit Progress Committee as implemented two remaining actions stemming from its previous internal quality assessment (documentation in the audit management tool and use of technology and data analysis), noting they are subject of continuous improvement efforts.

During the year, the IAS continued to improve its audit techniques, harmonised its audit practice, in line with leading practices, and followed up on various internal initiatives related to audit methodology to further enhance efficiency of the audit process.

⁽²¹⁾ In 2021, the IAS underwent a full external quality assessment as required by the international internal auditing standards in force at that time, valid for 5 years. It concluded that the IAS “generally conforms” to all standards and to the code of ethics - the highest possible rating at that time.

2.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on the highest international standards ⁽²²⁾.

The IAS has adapted this framework to its specific characteristics and organisational structure ensuring the internal control systems support its policy and internal control objectives having due regard to the risks associated to the environment in which it operates.

The IAS management assessed the effectiveness of these systems using methodology established in the 'Implementation Guide of the Internal Control Framework of the Commission'.

To detect possible control deficiencies, the IAS relied on:

- self-assessment against internal control monitoring criteria
- weaknesses spontaneously reported by staff
- monitoring and reporting of exceptions and non-compliance events
- ongoing monitoring of anti-fraud controls, and
- ongoing monitoring of internal audit the performance, in accordance with international professional standards.

Based on this analysis, the IAS concluded that its internal control system it is effective, with the components and principles present and functioning as intended.

2.4. Conclusions on the assurance

This section summarises the assessment of the elements reported in Sections 2.1-2.3, and the sub-conclusions reached providing an overall conclusion to support the declaration of assurance.

As all expenditure is (co-)delegated, the AODs of these services bear the responsibility for their implementation and report in their AARs. As no issues were reported, the IAS concludes that controls are effective, payments were legal and regular, and resources were used for their intended purpose in conformity with the principles of sound financial management.

The self-assessment exercise confirmed that the internal control principles are present and functioning as intended covering objectives such as the safeguarding assets and information, and preventing, detecting and correcting fraud and irregularities.

The internal control systems were monitored throughout the year by the senior management and reported by the Resource Director with corrective or additional mitigating controls implemented where necessary.

⁽²²⁾ The Committee of Sponsoring Organizations of the Treadway Commission Internal Control Integrated Framework, the golden standard for internal control systems.

In conclusion, IAS management has reasonable assurance that, overall, effective controls are in place and working as intended; risks are appropriately monitored and mitigated; and improvements are being implemented. The Director-General and the Authorising Officer by Delegation have co-signed the Declaration of Assurance.

2.5. Declaration of Assurance

We, the undersigned,

Agnieszka Kaźmierczak, Director-General of the Internal Audit Service of the European Commission,

and

Cristiana Giacobbo, Resource Director during 2025, In my capacity as authorising officer by delegation,

Declare that the information contained in this report gives a true and fair view ⁽²³⁾.

State that we 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 our own judgement and on the information at our disposal, such as the results of the self-assessment, ex-post controls, for years prior to the year of this declaration.

Confirm that we are not aware of anything not reported here which could harm the interests of the institution.

Brussels, 26 March 2026

e-signed

Agnieszka Kaźmierczak

Director-General

e-signed

Cristiana Giacobbo

Director IAS.A

⁽²³⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

3. A MODERN AND SUSTAINABLE PUBLIC ADMINISTRATION

3.1. Human resource management

As the Commission's priorities continue to shape the landscape in which the Internal Audit Service (IAS) operates, it has been working towards a strategic vision for its human resources management, aligning with its upcoming reorganization and 2025-2029 audit strategy. With a focus on promoting staff engagement and internal communication, the IAS has made significant strides in creating a more dynamic and inclusive work environment. This includes the introduction of a new work culture charter promoting equality, diversity, and respect, regular interactive staff meetings in a town hall format with senior managers and a newsletter to foster a sense of community among staff.

The IAS is also dedicated to enhancing the skills and professionalism of its internal auditors, with a range of training and development opportunities, including the Internal Audit Training Program. The service encourages auditors to obtain professional certifications and participate in networking events. As a result, a significant proportion of IAS auditors are professionally certified. In addition, the IAS organized several Auditors' Forums to promote professional networking and exchange of best practices.

Furthermore, the IAS is working to improve its diversity and attractiveness as an employer, with initiatives aimed at enhancing gender balance, geographical representation, and staff development. By leveraging programs like the Blue Book traineeship and the corporate Talent Development Program, the IAS is well-positioned to attract and retain talents, ultimately supporting a more dynamic, inclusive, and professional work environment that is equipped to meet future challenges and opportunities.

3.2. Digital transformation and data management

Digital transformation and cybersecurity

The IAS continued to drive digital transformation and enhance data management, aligning with its audit strategy, the Commission's Digital Strategy ⁽²⁴⁾⁽²⁵⁾ and IT security strategy. **The main goal was to foster a digital culture and improve the efficiency of its audit activities.** To achieve this, in 2025, the IAS defined and formally adopted a Digital Auditing and Transformation Strategy for 2025-2029, together with a two-year rolling action plan.

To foster a **digital culture**, the IAS has kept its training grid up to date (including IT, cybersecurity and digital skills) and conducted additional ad hoc sessions. The proportion of staff who have completed at least one IT training course per year has increased ⁽²⁶⁾ as per the defined objective. The IAS has also achieved higher participation and equal knowledge results in the cybersecurity knowledge assessments compared to last year ⁽²⁷⁾.

To enhance **business-driven digital transformation**, the IAS continued using data analytics, process mining, text mining and started using artificial intelligence large language models in its audit activities. The IAS has also completed the migration of its audit management system to the latest version and activated further digital functionalities in its business processes supported by the audit management system, such as those related to risk assessment and audit planning. It has improved security and provided a user-friendly interface.

To ensure a **seamless digital environment**, the IAS has fully decommissioned one legacy IT system, thus increasing the use of the cloud infrastructure services among all of IAS IT systems ⁽²⁸⁾. In parallel the service is exploring further cloud adoption by performing a proof-of-concept on migrating the audit management system from the EC data centre to the cloud.

To remain **green, resilient and secure**, the IAS staff have continued using corporate collaborative tools, the integration with the EU login, and ensured that of 100% of their exchanges of sensitive documents occur through secure tools. Additionally, the IAS has reviewed and updated the existing IT security risk assessments and plans of all its IT systems, as well as the IT security compliance controls ⁽²⁹⁾. The IAS has also raised staff awareness about handling sensitive non-classified information, especially in the new M365 environment, via dedicated staff

⁽²⁴⁾ Communication C(2022)4388 - European Commission digital strategy. Next generation digital Commission

⁽²⁵⁾ As a Commission internal service, the IAS is not involved in EU policy making and does therefore not directly contribute to the Corporate strategic objective #2 - Digital-ready policy making

⁽²⁶⁾ From 35% in 2024 to 46% in 2025. Source: Commission Digital Strategy Dashboard

⁽²⁷⁾ From 52% in 2024 to 56% in 2025 for participation and 90% in both 2024 and 2025 for knowledge. Source: Commission Digital Strategy Dashboard

⁽²⁸⁾ Percentage of IT system utilising cloud infrastructure service increased from 33% in 2024 to 40% in 2025.

⁽²⁹⁾ In 2025, 100% of controls were assessed as compliant

meetings, IAS intranet pages, cyber-security roadshow, promotion of DIGIT trainings sessions and targeted e-mail communication.

Data management

During 2025, the IAS fully reviewed, cleaned, and documented all its data assets in the EC Data Catalogue. To ensure high data quality and accessibility, the service verified that all recorded assets had **accurate descriptions and fully functioning links**. Furthermore, specific data-related **roles and responsibilities** were assigned to all data assets to ensure clear governance. The IAS also provided **targeted training** on data analytics and visualization tools to expand internal data skills. As a result of these steps, the IAS elevated its data maturity from a 'Basic' baseline to the 'Developing' level over the year.

Finally, the IAS continued to cleanse and consolidate the information stored in SharePoint, shared drives, TeamMate and corporate platforms in line with the records and archives management policy.

Data Protection

The IAS sustained its efforts to undertake the necessary actions to ensure its processing operations comply with the EU data protection regulation ⁽³⁰⁾ including the obligations on records keeping and regular updates, safeguarding the rights of data subjects and agreements with external processors. In parallel, the IAS ensured compliance with the Commission's Data Protection Action Plan ⁽³¹⁾ integrating its requirements into internal procedures and practices.

Particular attention was given to raising awareness among IAS staff. This was achieved by providing training on data protection aspects to all newcomers and by encouraging staff to attend the corporate training sessions to further strengthen their understanding in this area.

⁽³⁰⁾ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data

⁽³¹⁾ (2018)7432 and reviewed action plan C(2020)7625

3.3. Sound environmental management

In 2025, the IAS continued to promote and implement the Commission's corporate environmental EMAS ([Eco-Management and Audit Scheme](#)) initiatives to reduce its operational impact and to support the objectives of the European Green Deal.

Efforts included monitoring travel emissions, promoting the use of more sustainable modes of transport and increasing videoconference facilities, resulting in a 69% reduction in travel emissions ⁽³²⁾.

Energy saving efforts included the participation in summer and end-of-year building closures for several weeks. In addition, IAS staff participated in the Commission's initiatives like VeloMai cycling campaign and the walking challenges in which the IAS came first (per capita) in April and second in October edition.

All the activities were monitored through the yearly IAS EMAS action plan, updated and managed by the local IAS EMAS team.

⁽³²⁾ compared to the 2019 baseline