



Strategic Plan 2016-2020^{*}

DG BUDGET

**The current Commission's term of office runs until 31 October 2019. New political orientations provided by the incoming Commission for the subsequent period will be appropriately reflected in the strategic planning process.*

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PART 1. Strategic vision for 2016-2020

A. Mission statement

DG Budget (hereafter BUDG) is the central service of the European Commission in charge of the management of the EU budget throughout the annual and multiannual cycle; from the preparation of the draft budget and Multiannual Financial Framework to its implementation and the final discharge by the European Parliament. The DG is also responsible for the legal framework applicable to the implementation of the EU budget by the different institutions, agencies and Member states, and it plays a key role in promoting sound financial management and a performance culture that focuses on maximizing the results on the ground of public expenditure.

The main tasks in the Budget Directorate-General's mission are:

- **Driving the process of strategic budgetary planning, leading an effective financial programming within the Multiannual Financial Framework and ensuring the smooth operation of budgetary procedures** through a constructive dialogue with the two arms of the Budgetary Authority. Within the Multiannual financial framework, BUDG ensures that the budgetary dimension is considered in all policy initiatives and/or legislative actions.
- **Driving the annual budgetary process with a view to ensuring that the budgetary authority provides the resources needed to implement the European Union's policies.** BUDG prepares the budgetary proposals presented by the Commission and follows them through until adoption by the budgetary authority, the European Parliament and the Council of Ministers. It also prepares Commission decisions on the allocation of resources to the Commission Directorates General and Services.
- **Managing the Union's own resources** and coordinating the related regulation, notably for the three main categories: traditional own resources (TOR, i.e. custom duties and sugar levies), VAT and GNI resources. The DG manages financial flows with Member States and checks that own resources are properly collected. It also provides the core support to the High level Group on Own Resources established by the Parliament, the Council and the Commission in order to reflect on the future of EU financing.
- **Drawing up the annual accounts of the EU and the Commission (as well as certain other institutions/bodies).** The EU annual financial statements are prepared by BUDG on the basis of a modern accounting framework following generally accepted international standards (IPSAS), as well as reliable and relevant financial reporting to all stakeholders.
- **Providing support to the Commission services and other bodies in the implementation of the EU Budget** in compliance with the regulatory framework. Under the responsibility of the Commission's Accounting Officer, BUDG manages the central treasury and ensures the execution of payments for all authorized Commission expenditure and of recovery orders¹ backed up by an efficient and reliable corporate IT system for financial management and accounting (ABAC).
- **Promoting sound financial management.** As domain sponsor of financial management inside the Commission, the Central Financial Service within BUDG provides formal guidance, advice and training to Commission services and other institutions for strict and efficient financial management. It is in charge of the **budgetary regulatory framework** for the establishment, the implementation and the control of the budget, in particular the Financial Regulation. BUDG also promotes sound financial

¹ Furthermore, BUDG has a formal role concerning the management of reserves, appropriations which may be unblocked under specific conditions by the Budgetary Authority. BUDG's role is to ensure that these conditions are met before making appropriations available.

management by assisting Member States and candidate countries to improve their public internal control systems

- **Driving the EU budget focused on results initiative:** As a complement to its role to promote compliance with the legal framework, BUDG is leading the "EU budget focused on results" strategy of the Juncker Commission. This strategy is based on the different actions and processes to increase the focus, speed and impact of the EU Budget.
- **Reporting on the implementation of the budget, cooperating with the European Court of Auditors (ECA), the European Parliament and the Council, and coordinating the action of the Commission in the context of the discharge of implementation of the budget.** Furthermore, BUDG supports an appropriate follow up to the recommendations of the ECA, as well as the Discharge recommendations from the European Parliament and the Council, with a view to improving the management and control of community funds, both at the EU and at national level.

B. Operating context

BUDG has around 490 staff members including contract agents. It is structured around five Directorates based in Brussels, which deliver results in four operational activities: (i) Accounting, (ii) Budget execution, control and discharge, (iii) Financial framework and budget procedure, and (iv) Promotion of sound financial management. The Deputy Director-General is the Accounting Officer of the Commission, responsible for the management of the central treasury and preparation of the accounts of the Commission, as well as some other bodies and the consolidated accounts of the EU.

The Treaty (Article 17(1) TEU) provides that the Commission shall execute the budget and manage programmes. More specifically Articles 310 to 325 included in Title II of the TFEU detail the Financial Provisions for the European Union and determine BUDG's mission and responsibilities.

The Accounting Officer manages the central treasury and prepares both the Commission and the EU consolidated accounts. To do this, BUDG controls over the accounting data produced by the different DGs or bodies. The accounts are prepared via **ABAC**, the Commission's corporate financial/accounting system. BUDG is the system owner and provides supporting services to all of the Commission's DGs/Services, the European External Action Service and 46 other External Entities, resulting in a user community of over 11 500 users around the world.

Beyond its own operational responsibilities, BUDG is the domain sponsor of the financial management community inside the Commission. As a horizontal service, it leads a number of workstreams and projects and provides support, advice and tools to all other DGs within the Commission, to other institutions and to the Agencies, to enhance coherence and efficiency in the implementation of the EU budget.

DG BUDG leads the initiative 'EU Budget Focused on Results' at Commission level. This initiative is a collective commitment of the DG embedded in all its operations.

Expenditure executed by BUDG is exclusively administrative. The budget is aimed at ensuring the functioning of the DG as well as maintaining and improving the Commission's corporate financial/accounting systems. To optimize the use of human resources, appropriations are managed centrally and a centralized financial circuit is in place.

C. Strategy

BUDG's responsibilities and political priorities are guided by the Treaty and further defined on the basis of [President Juncker's political guidelines](#) set for the Commission 2015-2019 and its translation in Vice-President's Georgieva's mission letter :

"I will also pay particular attention to your opinion as the Vice-President for Budget and Human Resources as regards the impact of our activities on the financial resources and staff of the European Commission. We will have the privilege of being supported by an excellent, highly motivated European civil service and a professionally well-run administration, but its resources are limited and have to be used to best effect. This is also why I will want resources to be allocated to our priorities and to make sure that every action we take delivers maximum performance and value added. I also want all Commissioners to ensure sound financial management of the programmes under their responsibility, always protecting the EU budget from fraud"²

The Vice-President is responsible for the negotiation, management and implementation of the EU budget, for financial programming and for presenting the execution of the budget to the European Parliament, the Council and the European Court of Auditors. Furthermore, her area of responsibility extends to the efficient allocation of resources within the Commission, in order to align them with the delivery of the political priorities.

During the current mandate, the Vice-president will lead the 2016 mid-term review of the Multiannual Financial Framework, and the preparation of proposals for the post-2020 period. She also represents the Commission in the High-Level Group on own resources. As part of her function in the management of resources inside the Commission, she is leading a number of initiatives to improve the efficiency of the institution in performing its tasks and delivering on its political responsibilities. The Vice-President is therefore in central position to ensure that the EU budget responds effectively to current challenges within a context of tight budgetary discipline

In a time of increasing pressure on Member States finances, all budgets – regional, national and the European – are under close scrutiny. Against this background, the new initiative "EU Budget Focused on Results" has the objective to build on the mechanisms embedded in the new Multiannual Financial Framework so as to ensure progress on three axes (i) reinforced alignment with political priorities (focus), (ii) effectiveness in implementation (speed) and (iii) positive impact on the ground (results):

- **Where we spend:** Ensure that the EU budget is increasingly deployed in areas serving European public goods, increasing the EU added value of funds.
- **How we spend:** Improving the legality but also the speed and efficiency of expenditure, including via a higher leverage with other sources of public and private funding, in order to maximize the impact on the ground of EU funds. Flexibility and simplification are key drivers in this regard.
- **How we are assessed:** Together with ensuring that expenditure is done according to the rules, there is a growing call from stakeholders to improve the tools to assess and report on the performance of the EU budget in terms of its results on citizens. In parallel with existing mechanism to ensure compliance, progress should be made to reinforce transparency and the development of a solid methodology to assess and report in a holistic manner on the performance of the EU budget.
- **How do we communicate:** In order to improve awareness of the results of the EU budget, it is important to ensure a common approach with the main stakeholders, and especially a shared strategy with Member states, which are primarily responsible for the implementation of 80% of the EU budget. Different initiatives such as public conferences, expert groups, a revision of the

² Quote from Vice-President's Georgieva mission letter.

reporting framework, and the development of the "EU Budget for results" project database ("web app") are steps in the direction of improving citizens' awareness and support.

BUDG, directly supporting and reporting to Vice-President Georgieva, has a key role to play in implementing the Commission's agenda.

From an operational perspective, BUDG aims at maximizing the contribution of the EU Budget to the achievement of all General objectives of the Commission. Despite its relatively limited macroeconomic significance, the EU budget complements national budgets and plays a key role in a number of areas. It provides a stable source of funding for key economic activities, such as agriculture, investments to underpin economic cohesion and potential growth throughout the EU, research and innovation. Moreover, it funds the European response to global challenges which range from the global warming to humanitarian crisis, from security risks to geopolitical developments in our neighborhood.

In addition, BUDG plays a central role in ensuring that the EU budget is effectively executed and complies with Financial Rules and that the Commission is accountable for the management of tax payer's money. In this sense BUDG is in particular contributing to the 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".

Within this framework, **BUDG will focus its actions for the 2016-2020 period in ensuring the effective implementation of the multiannual financial framework and improving its impact on the ground, therefore contributing to improve by 2020 the positive image of the Commission as an efficient and accountable manager of taxpayer's money.**

This overarching objective guides BUDG actions to deliver annual outputs (from the budget negotiations to the discharge) and to contribute to key Commission strategic deliverables in the course of the MFF; notably the different milestones in the process of mid-term review and proposals for the post 2020 framework. This objective also drives its central function of allocation of resources, legal guidance and advice, in order to support the ongoing efforts to improve the effectiveness and efficiency of the Commission as an institution. In the words of President Juncker: *ensuring that every action we take must deliver maximum performance and value added.*

BUDG strategy is reflected in the following 8 specific objectives:

1. **Drive the process of strategic budgetary planning:** Ensure **full implementation of the MFF**, conduct the **mid-term review / revision to be proposed during 2016**, upgrade short, mid and long term **financial forecasting** and prepare the **proposals for the post 2020 MFF**
2. **Manage the expenditure of the EU budget efficiently within the framework of the MFF:** Ensure the adoption of **annual budgets** within the set deadlines that respond to the political priorities within the MFF. Make sure that **budgetary implementation** is in line with the annual budget and responds to an efficient use of resources. **Allocate Resources** to Commission services according to needs and promote efficiency
3. **Efficiently and effectively manage and control the revenues of the EU budget**, in particular the Union's own resources. Provide support to the **High Level Group on Own Resources**, chaired by Mario Monti, whose report by the end of 2016 will serve as input for COM proposals post 2020
4. Maintain a **high quality central accounting / financial framework** so as to deliver true and fair annual accounts, as well as to provide reliable and relevant financial information to all stakeholders

5. **Support the Commission services and other bodies in the implementation of the EU budget** via effective **treasury management**, timely execution of all **payments**, the efficient collection of revenues and maintenance and development of a high quality Information System (**ABAC**)
6. **Promote consistency and simplification of the financial rules**, sound financial management within the existing legal framework and cost-effectiveness of controls
7. **Drive the strategy of EU budget focused on results** inside the Commission and engaging with the different stakeholders with a view to making progress throughout the current MFF along three axis (i) reinforced alignment with political priorities (focus), (ii) effectiveness in implementation (speed) and (iii) positive impact on the ground (impact)
8. **Ensure effective management of the relations with the Court of Auditors, the EP's Budgetary Control Committee (CONT), and the Council** paving the way to the **Commission's annual discharge**. Coordinate follow up to the recommendations of the ECA, the EP and the Council, inter-alia via the support to **improvements of national Public Internal Control systems** in Member states, candidate countries and neighbourhood countries

A summary of performance tables³ is available in Annex 1 providing the most relevant information on how the performance of these objectives will be measured so as to show BUDG contribution to the achievement of the Commission General Objectives as explained before.

³ Summary of the "Performance tables" which are requested by Strategic Plan instructions

C.1. Key performance indicators (KPIs)

<u>Indicator</u>	<u>Baseline</u>	<u>Target 2020</u>
MFF midterm review / revision and Proposal post 2020 MFF	MFF 2014-2020 adopted in December 2013 Key milestones MTR proposal 2016	Conclusion of negotiations on the post-2020 MFF package of proposals
Adoption and implementation of Annual budget within the deadlines set by the Treaty , respecting the political priorities and promoting efficient allocation of resources (including the 5% staff reduction target)	Budget 2016 adopted : 25/11/2015 Execution 2015 - commitment appropriations (after carry-overs): [100]% - payment appropriations, implementation (after carry-overs): [100] % Payment Plan : March 2015 Allocation of human resources consistent with 5% staff reduction target	Adoption of annual Budget in December at the latest Full (100%) annual budget implementation making use of transfers and carryovers Full use of resources within the MFF Optimal allocation of financial and human resources to address the political priorities
Confirmation by ECA of the effectiveness of the Commission's Own Resources control systems	Positive DAS Opinion on Own resources for 2014 exercise	Positive DAS Opinion on Own resources for 2015-2019 exercises
Confirmation by ECA of the reliability of the annual accounts and discharge resolution by EP with no postponement or reservations	Positive DAS on 2014 Accounts No postponement of the discharge	Positive DAS on annual accounts 2015-2019 Annual discharge in EP plenary for 2015-2019 budgets
Implementation of the Budget Focused On Results (BFOR) strategy and adoption of simpler and more coherent financial rules promoting sound financial management	SPP cycle and reporting framework DAS from the ECA based on materiality threshold of 2% Programme statements in MFF	Simplification of financial rules through the adoption by 2019 of the Simplified Financial Regulation Progress in cost-effectiveness of controls Implementation of residual error methodology Reinforcing performance framework for evaluation, reporting, budgeting and programming

C.2. Main milestones BUDG Strategy 2016-2020

CALENDAR STRATEGIC PLAN DG BUDGET							
	2015	2016	2017	2018	2019	2020	
Annual activities	Annual budget	Adoption budget 2016 Implementation budget 2015	Adoption budget 2017 Implementation budget 2016	Adoption budget 2018 Implementation budget 2017	Adoption budget 2019 Implementation budget 2018	Adoption budget 2020 Implementation budget 2019	Adoption budget 2021 Implementation budget 2020
		Adoption of annual accounts 2014	Adoption of annual accounts 2015	Adoption of annual accounts 2016	Adoption of annual accounts 2017	Adoption of annual accounts 2018	Adoption of annual accounts 2019
	Discharge	Discharge budget 2013	Discharge budget 2014	Discharge budget 2015	Discharge budget 2016	Discharge budget 2017	Discharge budget 2018
Strategic multiannual activities	Budget Focussed On Results (BFOR)	Conference Launch of strategy and work streams	Conference Launch of experts group Contribution to MTR	Conference Contribution to post 2020 MFF and review of programmes legal basis	Conference	Conference	Conference
	Multi-annual Financial Framework (MFF)		Special Technical Adjustment ⁴ Proposal Midterm review / revision Report HLGOR	Proposals post 2020 MFF	Proposal programmes next MFF ⁵		Adoption of 2020 MFF
	Financial regulation (FR)		Proposal for review of simplified FR	Proposal of alignment of FR to MFF			

⁴ Recalculation of cohesion envelopes.

⁵ For information, responsibility of the operational DGs.

PART 2. Organisational management

A. Human Resource Management

The management of the human resources of BUDG will focus on the following main areas:

1. **Efficiency gains:** DG Budget will have to make further efforts in order to contribute to the reduction of staff and at the same time maintain a high quality of its work, deliver on new priorities and maintain staff engagement. A Business Process Analysis (BPA) exercise is currently ongoing with the aim at identifying better ways of doing or negative priorities with the final target of realising efficiency gains.

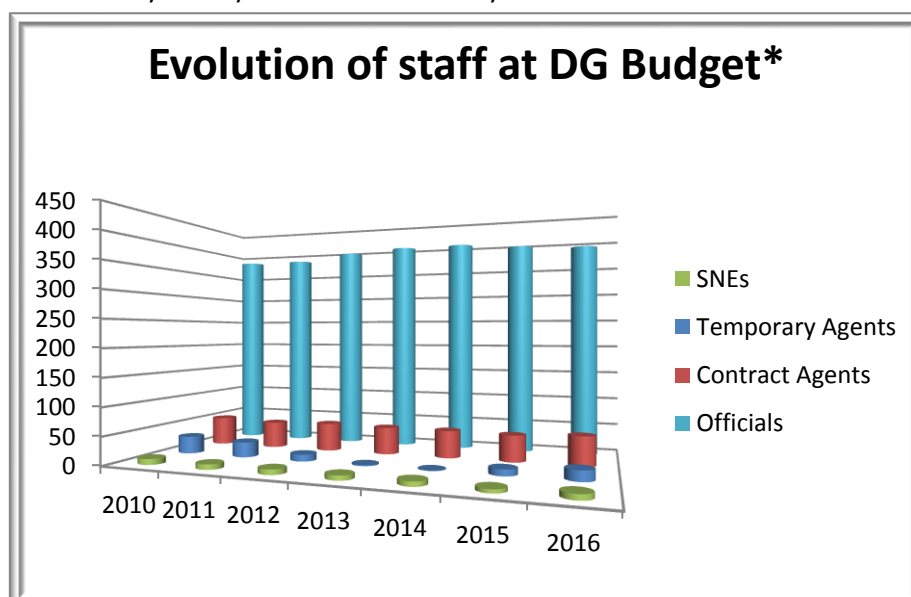
2. **Flexibility of staff** in view of personal development or in order to cope with the redeployment of posts in function of priorities. "Working together" traineeships will be even more promoted in order to facilitate the versatility of staff. Working groups under the form of small task forces are organised internally in order to create new synergies. Trainings and presentations will continue to be an opportunity for further development.

3. **Female representation in middle management functions:** BUDG's target has been set at 35% by 2019. Having 39% of the AD female staff eligible for a management position, BUDG will continue to identify women with a high management potential through individual or group talks. Despite an increasing representation of women in the AD function group (increase of 38% since 2012), BUDG will continue, through its recruitment policy, to encourage women's applications to AD posts and middle management functions.

4. **Activities in response to results of the yearly Staff Surveys:** These actions will be calibrated each year in function of the area where DG Budget scored less. For 2016 BUDG has identified two focus areas: management development and well-being. These areas are addressed by an ongoing 360° evaluation exercise for managers and by the organisation of fit@work activities.

5. **Maintain staff engagement** by being in constant contact with staff either through group or individual meetings so that concerns can be addressed at an early stage. Such events will continue to be organised by the Director General but also by the Career Guidance Counsellor.

The HR strategy at BUDG until 2020 will also be heavily influenced by corporate HR decisions, by results of actions implemented locally and by the next Staff Surveys.



* Evolution of staff occupying a post and not the evolution of staff allocation.

B. Financial Management: Internal control and Risk management

The aim of the **Internal Control function** is to guarantee compliance with the three assessment criteria for effectiveness; i.e. (a) staff having the required knowledge and skills, (b) systems and procedures designed and implemented to manage the key risks effectively, and (c) no instances of ineffective controls that have exposed the DG to its key risks.

The functioning of the internal control system in BUDG is assessed each year via benchmarking against the Commission's internal control standards (ICS). Information sources taken in account for this assessment are the recent audit reports, the follow-up of open recommendations, the risk management exercise which takes place every six months, the reporting of exception and non-compliance reports and other specific actions carried out in the DG.

The ICAT (Internal Control Assessment Tool) is also used and feedback is requested from a random selection of staff through a questionnaire. In addition, for certain ICS, specific feedback is requested from units which are in a better position to assess compliance.

A revision of the set of Internal Control Standards has been made in 2015. As a result 10 ICS have been defined instead of the existing 16 and requirements for compliance have been significantly simplified. In this sense:

- The assessment of internal control standards will be adapted to the new set of ICS as well as the methodology for assessment in order to provide quality information on which assurance can be built.
- BUDG will continue to further enhance the effectiveness of the DG's control arrangements in place, taking into account any control weaknesses reported and exceptions recorded.

The **intrinsic risk for administrative expenditure managed by BUDG** including procurement is rather low due to the limited budget as well as the centralized and direct mode of budget implementation. The risks are effectively mitigated by means of ex-ante and ex-post controls put in place. BUDG internal control strategy in this area is disclosed in the annex 5 of BUDG AAR and aims at detecting and correcting errors in the implementation of the administrative expenditure. Also Annex 5 covers the detailed control **strategy on the area of Own Resources** which is presented together with the ESTAT control strategy for the sake of completeness of controls in this area at Commission level.

BUDG developed an anti-fraud strategy at the end of 2013 (note Ares (2014)94856), as foreseen in the Commission's overall anti-fraud strategy, with two objectives:

- ❖ Raise awareness amongst the staff on the fight against fraud and ethics
- ❖ Improve the internal procedures for fraud prevention and detection purpose

The actions in order to achieve these objectives are reviewed yearly and their implementation status is reported twice a year in the "Note to the Vice-President by the Director General on audit, fraud and internal control matters". An overall update of the strategy is foreseen every 3 years.

C. Information management aspects

Procedures are in place to follow up on the correct and timely attribution and filing as well as to ensure that documents are searchable, retrievable and as widely available as possible.

Since November 2015, Basis is implemented in BUDG for the management of briefings. Business processes are in place and the output documents are automatically transferred to Ares and filed.

BUDG information management promotes maximum transparency and information sharing. At the same time it aims to avoid duplication through storing information, documents and data in one place only according to purpose and destination. Public information, approved documents and data related to BUDG main tasks are published on internet in the part of *ec.europa.eu* pages dedicated to EU budget.

Information, documents and data relevant for financial services in the Commission, other institutions and EU bodies are published on BUDGweb. BUDG internal information and documents, such as minutes of management meetings, are published on BUDG intranet (BUDGnet). Data, documents and information relevant to individual BUDG units or specific teams are stored on collaborative web sites created on MS Share Point server and accessible from MyIntracomm or BUDG intranet.

Internal communication

Internal communication aims to enhance staff commitment to Commission's political priorities and to BUDG mission. BUDG managers at all levels play an important role especially in sharing information, and acting transparently. BUDG staff is encouraged to make proposals, to use available internal communication tools and to take part in communication activities voluntarily as their workload allows.

BUDGnet is the main information channel. It contains relevant up-to-date information and aims at facilitate staff the search of information. Ownership of communication activities is promoted through BUDGnet network of correspondents. Communication Weeks with social events, lunchtime presentations, workshops on and BUDG external communication activities are organized. Good communication with other Commission departments, EU institutions and bodies helps to ensure that they are familiar with BUDG's role and services. It also improves BUDG's understanding of their needs. The Central Financial Service, especially through its leadership of the RUF Network (Réseau d'unités Financières) is the key actor in this area.

BUDG will keep on updating BUDGweb so that it continues to be the 'one-stop shop' for financial services across the Commission and for other EU institutions and bodies.

D. External communication

BUDG's external communication will focus on demonstrating the value added of the EU budget and on the way EU budget contributes to the achievement of President Juncker's ten political priorities.

Presenting funding opportunities offered by the EU budget and the EUR 315 billion Investment Plan will foster new investment culture in Europe which is a key element in overcoming the effects of the financial crisis.

Proactive country-specific communication will improve the understanding of the complexities of EU budget and highlight its key benefits to each Member State.

Demonstrating concrete results achieved thanks to EU budget will improve the performance culture firmly in the EU budget Financial transparency and open data on beneficiaries of EU funding provides important information to the public and offer a useful control tool

Consultations with the public and communication with stakeholders will frame the presentation of Commission's proposals for the 2016 mid-term review of the Multiannual Financial Framework 2014-2020, and the preparation of proposals for the post-2020 period. Modern communication increasingly using interactive ways of web, mobile and social media presentation will further replace paper-based publications. Apart from high quality complete information for experts and interested stakeholders simplified information material will be available to explain the complexities of EU budget and its impact on the daily life of European citizens.

Annexes to the Strategic Plan 2016-2020

Annex 1. : Summary Performance tables - Part 1. Strategic Vision 2016 – 2020

GO11- To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.

Specific Objectives		Result Indicator	Target 2020	Milestone (If applicable)
SO1	Drive the process of strategic budgetary planning:	RI-1 Best use of MFF resources and flexibility instruments to respond to current and new priorities	Effective implementation of the commitments and payments within the multiannual financial framework	2016 : Address needs stemming from the refugee crisis within the agreed MFF
	Ensure full implementation of the MFF			Technical adjustment including adjustment of cohesion policy envelopes (Art. 7 MFFR) p.m. Revision of the MFF in the event of reunification of Cyprus (Art. 22 MFFR-);
	Conduct the mid-term review/revision to be proposed during 2016 Upgrade short, mid and long term financial forecasting, Prepare the proposals for the post 2020 MFF	RI-2 Adequate level of payment appropriations throughout the MFF period	Avoid that an abnormal backlog builds up towards the end of the MFF period via an efficient use of scarce resources within the MFF in line with 'payment plans' agreed with Parliament and Council	2016 : Phasing out of 'abnormal' backlog of outstanding unpaid bills from past programming period Underpin the technical adjustment and MTR proposals with sound medium-term payment forecasts 2017 : Underpin the post 2020 proposals with sound long term forecast
	RI -3 MFF Midterm review / revision and proposal of post 2020 MFF	Conclusion of negotiations on the post-2020 MFF package of proposals	2016 : mid-term review/revision of the MFF (Art. 2 MFFR): 2017 : Conclude negotiations on the mid-term review/revision; End 2017 : proposal for the post-2020 MFF (Art. 25 MFFR) 2018 : Proposals for all post-2020 operational programmes in line with the MFF proposal 2019 : Negotiations on the post-2020 package of proposals	

	Specific Objectives	Result Indicator	Target 2020	Milestone (If applicable)
SO2	<p>Manage the expenditure of the EU budget efficiently within the framework of the MFF:</p> <p>Ensure the adoption of annual budgets within the set deadlines that respond to the political priorities within the MFF.</p> <p>Make sure that budget implementation is in line with the annual budget and assist the operational services in making efficient use of resources.</p> <p>Allocate Resources to Commission services according to needs and promote efficiency</p>	<p>RI-1 Adoption and implementation of Annual budget within the deadlines set by the Treaty , respecting the political priorities and promoting efficient allocation of resources (including the 5% staff reduction target)</p>	<p>Adoption of annual Budget of year n-1 in December at the latest by the two arms of the Budgetary Authority</p> <p>Full (100%) annual budget implementation making use of transfers and carryovers</p> <p>Optimal allocation of financial and human resources to address the political priorities</p>	<p>Target to be achieved each year</p> <p>Target to be achieved each year</p> <p>Target to be achieved each year</p> <p>2017: allocation of human resources in the Commission consistent with achievement of 5% staff reduction target. Continued progress made by other institutions and agencies</p>
SO3	<p>Efficiently and effectively manage and control the revenues of the EU budget, in particular the Union's own resources.</p> <p>Provide support to the High Level Group on Own Resources, chaired by Mario Monti, whose report by the end of 2016 will serve as an input to COM proposals post 2020</p>	<p>RI- 1 Timely and accurate collection of Own Resources contributions and related payments from Member States and implementation of the inspection programme</p> <p>RI-2 Confirmation by ECA of the effectiveness of the Commission's OR control systems</p>	<p>100% collection and full implementation of inspection programme</p> <p>Positive opinion by ECA</p>	<p>Target to be achieved each year</p> <p>Target to be achieved each year</p>

		RI -3 HLGOR report adopted by the end of 2016	Target 2017 ⁶ : COM proposals post 2020 will take into account the work of the HLGOR	2016: - Interparliamentary Conference - Final report HLGOR
SO4	Maintain a high quality central accounting / financial framework so as to deliver true and fair annual accounts, as well as to provide reliable and relevant financial information to all stakeholders	RI-1 Confirmation by ECA of the reliability of the annual accounts	Positive DAS on the reliability of the Accounts for the coming years / during this College period Positive opinions issued by the European Court of Auditors, Discharge Authority and IAS in their Reports	Target to be achieved each year
		RI-2 Financial reporting should provide coherent and consistent information to decision-makers and general public (detailed BUDG reporting obligations is disclosed in annex 4)	Guarantee a solid and coherent set of financial reports (Discharge Package-see Annex 4 with details). Positive feedback is received from ECA, the Budgetary Authority, the general public and other stakeholders on the usefulness, consistency and coherence of financial information provided by BUDG	Target to be achieved each year
SO5	Support the Commission services and other bodies in the implementation of the EU budget Effective treasury management, Timely execution of all payments , efficient collection of revenues and Maintenance and development of a high quality Information System (ABAC)	RI-1 Reliable and efficient financial-accounting system and treasury management, to ensure the optimal execution of the budget as well as safekeeping of the Commission's cash assets	Reliable treasury-accounting system certified by a positive DAS on the accounts and treasury tasks performed by BUDG	Target to be achieved each year
		RI-2 Upgrading of ABAC to sustain a modern and well-functioning Financial & Accounting Information System (ABAC)	Deliverables in the ABAC Roadmap provided in due time and within budget	2016: Business case assessing the implementation of a new, SAP-based ABAC. The outcome will drive the roadmap for the coming years ECAS implementation and development of the legal commitment kernel in ABAC 2017: Roll-out of legal commitment module in ABAC

⁶ the mandate of the HLGOR ends with its final report

				2018: Major reviewing of Budgetary structure and Legal Entity/Bank Account data management.
SO6	Promote consistency and simplification of the financial rules, sound financial management and cost-effectiveness of controls	RI-1 Improve efficiency of financial management inside the Commission (domain sponsorship)	Leaner internal circuit automated / increasingly relying on e-administration	2016: Development of the strategy for e-procurement and SEDIA and preparation of roll-out 2017&2018: Roll-out of e-procurement and SEDIA monitored by the Steering Committee and validated by ABM 2016-2019: Drive improvements in the efficiency of financial management inside the Commission (domain sponsorship)
		RI-2 Increase use of simplification tools in existing funding programmes	Maximised uptake of simplification tools within current legal framework	2016 : Simplification Scoreboard 2017-2019 : Update of scoreboard
		RI 3- Simpler financial rules proportional to risks	Adoption of revised and simplified FR (by end 2019)	2016: FR revision proposal 2017: FR revision adoption- Possible need to align FR to post 2020 MFF proposals 2018: FR negotiation 2019: FR adoption on alignment to MFF
		RI-4 Progress in the reporting on the residual error and cost effectiveness of controls	High reliability of reporting data on amounts at risk and cost-effectiveness of controls in the discharge reporting package	Target to be achieved each year
SO7	Drive the strategy of EU budget focused on results inside the Commission and engage with key stakeholders with a view to making progress throughout the current MFF along three axis (i) reinforced alignment with political priorities (focus), (ii) effectiveness in implementation (speed) and (iii) positive impact on the ground (results).	RI-1 Integration of performance concepts in the annual and multiannual budgetary cycle	The Commission communicates publicly its achievements in the implementation of the EU budget on the basis of a strengthened performance and evaluation framework building on progress in simplification and sound financial management (as for SO6) Post 2020 MFF proposals incorporate a consistent performance framework	Yearly process to improve reporting on performance of the budget and incorporate evaluations of performance into annual budget negotiations 2017: BFOR methodology is embedded throughout the budgetary cycle, strategic planning and reporting 2017-2018: Proposals and negotiation for the post 2014/2020 MFF are informed by a narrative on performance of the different programmes

		RI-2 Develop a performance culture and shared understanding with main stakeholders on the performance of the EU budget	<p>Stakeholders acknowledge the Commission's efforts made to focus on results and share a common understanding of the basic concepts constituting the performance of the budget</p> <p>BFOR is embedded in the operations of DG's and of other entities implementing the budget via reinforced coherence and use of performance information in budgeting and programming process</p>	<p>2016 – 2019 :</p> <ul style="list-style-type: none"> - Experts Group Meetings - Annual high level Conferences. - Engage in Conferences/events on performance
SO8	<p>Ensure effective management of the relations with the Court of Auditors, the EP's Budgetary Control Committee (CONT) and the Council paving the way to the Commission's annual discharge.</p> <p>Coordinate follow up to the recommendations of the Court of Auditors, the EP and the Council, inter alia via the support to improvements of national Public Internal Control systems in Member states, candidate and neighbourhood countries</p>	RI-1 Positive discharge resolution with no postponement or reservations	Discharge by EP plenary	Target to be achieved each year
		RI-2 PIC Working Group identifies and develops best practices for Internal Control aspects on the management of public Funds, in particular EU funds under shared management	Improvements in Member States' internal control arrangements designed to reduce the rate of administrative errors found by ECA	2016-2019: Animate the Working Group and annual conferences
		RI-3 Progressive alignment of internal control systems and external audit arrangements in candidate and other external countries with internationally accepted frameworks, standards and European good practice.	Measurable achievement recorded in annual Progress Reports	<p>2016-2019: Provide timely input to Commission Progress report for CC.</p> <p>Provide timely input to EEAS progress reports or for Association Agreement monitoring purposes</p>

Annex 2. : Performance tables - Part 1. Strategic Vision 2016 - 2020

GO11- To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents	
Impact indicator: Trust in the European Commission	
<i>Source of the data:</i> Eurobarometer on Public Opinion in the European Union	
Baseline (2015)	Target (2020)
40% tend to trust	Increase
Impact indicator: Staff engagement index in the Commission	
<i>Source of the data:</i> European Commission	
Baseline (2014)	Target (2020)
65.3 %	Increase

SO1: Drive the process of strategic budgetary planning: Ensure full implementation of the MFF, conduct the mid-term review / revision to be proposed during 2016, upgrade short, mid and long term financial forecasting, and prepare the proposals for the post 2020 MFF.

Result indicator:

1. Best use of MFF resources and flexibility instruments, to respond to current and new priorities
2. Adequate level of payment appropriations throughout the MFF period

3. MFF midterm review / revision and proposal of post 2020 MFF

Source of data :

1. Budget execution
2. Sufficiency of payments ceilings
3. Adoption of proposals

Explanation of Indicators :

1. *The MFF lays down the maximum annual amounts ('ceilings') which the EU may spend in different political fields ('headings') over 2014 to 2020. It provides a framework for financial programming and budgetary discipline*
2. *A sound management of the yearly payment ceilings and the orderly progression of payment appropriations in relation to commitment appropriations needs to be ensured throughout the lifetime of the MFF (and beyond).*
3. *Dates for adoption of proposals are set in the MFF Regulation*

Baseline 2015	Interim Milestone				Target 2020
	2016	2017	2018	2019	
1. Annual budgets respect and make full use of the MFF	Address needs stemming from the refugee crisis within the agreed MFF Technical adjustment including adjustment of cohesion policy envelopes (Art. 7 MFFR) Revision of the MFF in the event of reunification of Cyprus (Art. 22 MFFR)				Effective implementation of the commitments and payments within the multiannual financial framework
2. Payment forecasts Payment Plan agreed with EP and Council in May 2015 to phase out 'abnormal' backlog of outstanding unpaid bills by end-2016	Phasing out of "abnormal" backlog of outstanding unpaid bills from past programming period Underpin the technical adjustment and MTR proposals with sound medium-term payment forecasts	Underpin the post 2020 proposals with sound long-term forecast			Avoid that an abnormal backlog builds up towards the end of the MFF period via an efficient use of scarce resources within the MFF in line with "payment plans" agreed with Parliament and Council
3. MFF 2014-2020 adopted in December 2013 Key milestones MTR proposal 2016	Mid-term review/revision of the MFF (Art. 2 MFFR)	Conclude negotiations on the mid-term review/revision; End 2017: MFFR-proposal for the post-2020 MFF (Art. 25 MFFR)	Proposals for all post-2020 operational programmes in line with the MFF proposal	Negotiations on the post-2020 package of proposals	Conclusion of negotiations on the post-2020 MFF package of proposals

SO2: Manage the expenditure of the EU budget efficiently within the framework of the MFF: Ensure the adoption of annual budgets within the set deadlines that respond to the political priorities within the MFF.

Make sure that budget implementation is in line with the annual budget and responds to an efficient use of resources.

Allocate Resources to Commission services according to needs and promote efficiency

Result indicator:

1. Adoption and implementation of Annual budget within the deadlines set by the Treaty , respecting the political priorities and promoting efficient allocation of resources (including the 5% staff reduction target)

Source of data :

1. Agenda Planning & HR allocation decisions

Explanation of Indicators :

1. Establish a budget within deadlines respecting the Commission's priorities and act as honest broker for a successful conciliation in November.

Baseline 2015	Interim Milestone	Target 2020
Budget 2016 adopted : 25/11/2015	Target to be achieved each year	Adoption of annual Budget in December at the latest by the two arms of the Budgetary Authority
<u>2015 Execution rate:</u> Implementation of commitment and payment appropriations (after carry-overs): [100] %	Target to be achieved each year	100% budget implementation making use of transfers and, if necessary, amending budgets
Allocation of human resources consistent with progress made in achieving the 5% staff reduction target	Target to be achieved each year	Optimal allocation of financial and human resources to address the political priorities
	2017: allocation of human resources in the Commission consistent with achievement of 5% staff reduction target. Continued progress made by other institutions and agencies.	

SO3: Efficiently and effectively manage and control the revenues of the EU budget, in particular the Union's own resources. Provide support to the High Level Group on Own Resources, chaired by Mario Monti, whose report by the end of 2016 will serve as input for COM proposals post 2020.

Result indicators:

1. Timely and accurate collection of Own Resources contributions and related payments from Member States and implementation of the inspection programme

2. Confirmation by ECA of the effectiveness of the Commission's OR control systems

3. HLGOR report adopted by the end of 2016

Source of data :

1. BUDG's monthly 'Tableau de Bord'+ unit B3 and B4 reporting on implementation of inspections

2. Annual Report of the ECA

3. HLGOR report

Explanation of Indicators :

1. Action by the Commission to optimise the making available of OR and its inspection programmes

2. Opinion of the ECA in its Annual Report

3. Report should be adopted on time as foreseen in in the Joint Declaration of December 2013 on own resources

Baseline 2015	Interim Milestone	Target 2020
1. 100% collection and full implementation of inspection programme in 2015	Target to be achieved each year	100% collection and full implementation of inspection programme
2. Positive DAS opinion on OR by ECA	Target to be achieved each year	Positive DAS opinion on OR by ECA
3. Preparation of the meetings of the HLGOR and support to its Chairman	2016: Interparliamentary Conference June 2016 Final report HLGOR end 2016	Target 2017 ⁷ : COM proposals post 2020 will take into account the work of the HLGOR

⁷ the mandate of the HLGOR ends with its final report

SO4: Maintain a high quality central accounting / financial framework so as to deliver true and fair annual accounts, as well as to provide reliable and relevant financial information to all stakeholders.

Result indicator:

1. **Confirmation by ECA of the reliability of the annual accounts**
2. Financial reporting should provide coherent and consistent information to decision-makers and general public (detailed **BUDG reporting obligations** is disclosed in **Annex 3**)

Source of data :

1. Annual Report of the ECA
2. Feedback received on financial reporting

Explanation of Indicators :

1. A positive DAS demonstrates to the EP and EU citizens that the EU has a properly functioning accounting system that reports reliable information on how monies are used. The granting of discharge by EP also gives reassurance to citizens that EU Budget is effectively spent.
2. Reports produced and data made available can generate knowledge based on which political and management decisions can be made and provide information for general public

Baseline 2015	Interim Milestone	Target 2020
1. Positive DAS on the reliability of 2014 Accounts and Positive opinions issued by the Discharge Authority and IAS in their Reports	Target to be achieved each year	Positive DAS on the reliability of Accounts for the period 2015-2019 Positive opinions issued by the European Court of Auditors, Discharge Authority and IAS in their Reports
2. No material observation by the auditors regarding the content, coherence and consistency of the reports.	Target to be achieved each year	Guarantee a solid and coherent set of financial reports (Discharge Package - <u>See Annex 4. : Reporting obligations of DG BUDGET</u>) Positive feedback is received from ECA, the Budgetary Authority or the general public on the usefulness, consistency and coherence of financial information provided by BUDG

SO5: Support the Commission services and other bodies in the implementation of the EU budget via effective treasury management, timely execution of all payments, the efficient collection of revenues and maintenance and development of a high quality Information System (ABAC)

Result indicator:

1. Reliable and efficient financial-accounting system and treasury management to ensure the optimal execution of the budget as well as safekeeping of the Commission's cash assets
2. Upgrading of ABAC to sustain a modern & well- functioning Financial & Accounting Information System (ABAC)

Source of data :

1. ECA and IAS reports
2. ABAC Roadmap

Explanation of Indicators :

1. No material observations from the Auditors, demonstrates to the EP and EU citizens that the EU has properly functioning treasury, payment and collection systems, and an accounting- financial system that reports reliable information on how monies are used.
2. The quality is expressed in terms of availability (business continuity), legal compliance, securisation of data and the systems' technical robustness. These IS services are instrumental in ensuring a continuous budgetary execution in line with the legal provisions, accounting and achieving a positive DAS.

Baseline 2015	Interim Milestone				Target 2020
	2016	2017	2018	2019	
1. No material observations by the auditors regarding the accounting and treasury tasks performed BUDG	Target to be achieved each year				Reliable treasury-accounting system certified by a positive DAS on the accounts and treasury tasks performed by BUDG
2. On-time and on-budget provision of the deliverables in the ABAC Roadmap.	Business case assessing the implementation of a new SAP-based ABAC. The outcome will drive the roadmap for the coming years. ECAS implementation and development of the legal commitment kernel in ABAC	Roll-out of legal commitment module in ABAC	Major reviewing of Budgetary structure and Legal Entity/Bank Account data management.		Deliverables in the ABAC Roadmap are provided in due time and within budget

SO6: Promote consistency and simplification of the financial rules, sound financial management within the existing legal framework and cost-effectiveness of controls.

Result indicators:

1. Improve efficiency of financial management inside the Commission (domain sponsorship)

2. Increase use of simplification tools in existing funding programmes
3. Simpler financial rules proportional to risks
4. Progress in the reporting on the residual error and cost effectiveness of controls

Source of data :

1. Simplification scoreboards
2. SG Vista, SFC-JIRA, DECIDE, Syslog, clients' feedback
3. AARs
4. Summer review fiches, AARs

Explanation of Indicators :

1. Last simplification scoreboard 3/3/14 listed a series of issues linked to the simplification of sectorial legislation. Following a request from the budget committee in the Council, the new simplification scoreboard would report progress on simplification in the implementation of EU funding programmes.
2. Guidance on current rules should focus more on the needs of operators and on the reduction of administrative burden. Future rules should be conceived on the same basis and facilitate a swift implementation of EU funds.
3. The synthesis report must report at the Commission level the indicators necessary to show that the Commission manages legality and regularity risks and cost-effectiveness. The methodology and the values of these indicators should not be challenged by the Court, so that they are used for the Discharge and BFOR.
4. The review of financial circuits should result in gains in terms of human resources (less staff involved, shorter/automated procedure, e-procurement) while providing AODs with an equivalent level of assurance in terms of internal control.

Baseline 2015	Interim Milestone				Target 2020
	2016	2017	2018	2019	
1. E-tendering ensured as of 1/1/2016	Development of the strategy for e-procurement and SEDIA and preparation of roll-out	Roll-out of e-procurement and SEDIA monitored by the Steering Committee and validated by ABM			Leaner internal circuit, automated, increasingly relying on e-administration
	Drive improvements in the efficiency of the financial management inside the Commission (domain sponsorship)				
2. COM(2014)114 scoreboard	Simplification scoreboard	Update of scoreboard			Maximised uptake of simplification tools within the current legal framework
3. FR 2015	FR revision proposal	FR revision adoption- - Possible need to align FR with post 2020 MFF proposals	FR negotiation	FR adoption on alignment to MFF	Adoption of revised and simplified FR (by end 2019)
4. AARs and Reformed Synthesis+318 report	Target to be achieved every year				High reliability of reporting data on amounts at risk and cost-effectiveness of controls in the discharge reporting package
	Drive improvements in the efficiency of financial management inside the Commission (domain sponsorship)				

SO7: Drive the strategy of EU budget focused on results inside the Commission and engaging with the different stakeholders with a view to making progress throughout the current MFF along three axis (i) reinforced alignment with political priorities (focus), (ii) effectiveness in implementation (speed) and (iii) positive impact on the ground (impact).

Result indicator:

- 1. Integration of performance concepts in annual and multiannual budgetary cycle**
- 2. Develop a performance culture and shared understanding with main stakeholders on the performance of the EU budget**

Source of data :

1. Annual and Strategic Management Plans
2. Discharge procedure, Annual report of the Court of Auditor

Explanation of Indicators :

1. The budgetary cycle, from the draft budget documents to the discharge, incorporates the information necessary to evaluate budget spending based on the results achieved in a coherent manner, thus supporting budget adoption and the second pillar of the discharge procedure.
2. The Commission is able to provide over the discharge procedure output data and narrative elements supporting the second pillar of the discharge procedure.

Baseline 2015	Interim Milestone				Target 2020
	2016	2017	2018	2019	
1.Standing instructions for MP and AAR 2015, Synthesis and art 318 report 2015	Yearly process to improve reporting on performance of the budget and incorporate evaluations of performance into annual budget negotiations				The Commission communicates publicly its achievements in the implementation of the EU budget on the basis of a strengthened performance and evaluation framework building on progress in simplification and sound financial management (as for SO6) Post 2020 MFF proposals incorporate a consistent performance framework
		BFOR methodology is embedded throughout the budgetary cycle, strategic planning and programming			
		Proposals and negotiation for the post 2014/2020 MFF are informed by a narrative on performance of the different programmes			
2. BFOR approach as defined in the strategy paper on Budget focused on results discussed with CAB in February 2015	<ul style="list-style-type: none"> - Experts Group Meetings - Annual High level Conferences. - Engagement in Conferences/events on performance 				Stakeholders acknowledge the Commission's efforts made to focus on results and share a common understanding of the basic concepts constituting the performance of the budget BFOR is embedded in the operations of DG's and of other entities implementing the budget via reinforced coherence and use of performance information in budgeting and programming process

SO8: Ensure effective management of the relations with the Court of Auditors, the EP's Budgetary Control Committee (CONT), and the Council paving the way to the Commission's annual discharge.
 Coordinate follow up to the recommendations of the ECA, the EP and the Council, inter-alia via the support to improvements of national Public Internal Control systems in Member states, candidate countries and neighbourhood countries.

Result indicators:

- 1. Positive discharge resolution with no postponement or reservations**
2. PIC Working Group identifies and develops best practices for Internal Control aspects on the management of public Funds in particular EU funds under shared management
3. Progressive alignment of internal control systems and external audit arrangements in candidate and other external countries with internationally accepted frameworks, standards and European good practice.

Source of data :

1. EP adoption of Discharge Resolution / EURLEX
2. Discussion papers used for the preparation of Conferences
3. Commission Progress Reports, BUDG progress reports for CC. Association agreement monitoring reports, BUDG progress reports for PCC & ENP Countries.

Explanation of Indicators :

1. It is a Yes/No indicator; possible values are postponement and no postponement. If no discharge is granted, this could undermine the public trust and confidence in the sound financial management of EU funds and would constitute a reputational risk for the Commission. BUDG ensures effective communication with all DGs and provides high quality support and advice to discharge correspondents. In addition, BUDG organises an annual meeting with all discharge correspondents in order to provide updated information on the DAS year and to address any other topical issues. ECA deadlines should be respected and replies to the reports provided in a timely manner. BUDG ensures the follow up of recommendations in the RAD database. BUDG, in cooperation with DIGIT also has responsibility for maintenance and development of the database.
2. PIC Working Group has the objective to identify good practices in Internal Control underlying the management of national and EU Funds and thus providing an answer to why MS show different error rates while implementing same EU Regulation.
3. It's a condition of accession to the EU that CC implement the European acquis. As there is no community legislation concerning public sector internal control and external audit arrangements the conditionalities for financial control (Chapter 32) include benchmarks relating to implementation of the PIFC framework (internal control) and for INTOSAI (external audit). Given the scale and long-term nature of the necessary reforms action starts when countries have achieved PCC status and similar support is offered to qualifying ENP countries who wish to re-engineer their governance arrangements.

Baseline 2015	Interim Milestone				Target 2020
	2016	2017	2018	2019	
1. Getting the discharge in the 2015 April EP plenary on Budget 2013	Target to be achieved each year				Discharge by EP plenary
2. Conferences: *Regularly obtain attendance of 90% of Member States * Match delegate satisfaction result of 2014 Conference.	Animate the Working Group and annual Conferences				Improvements in Member States' internal control arrangements designed to reduce the rate of administrative errors found by ECA
3. CC – provisional closing of Chapter 32 PCC – achieving technical readiness to have Chapter 32 opened ENP - achieving technical readiness comparable to that of PCCs	Each year: Provide timely input to Commission Progress report for CC. Provide timely input to EEAS progress reports or for Association Agreement monitoring purposes.				Measurable achievement recorded in annual Progress Reports

Annex 3. : Performance tables - Part 2. Organisational Management

A. Human Resource Management

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

Indicator 1 : Percentage of female representation in middle management

Source of data: HR 01.01.2016

Baseline (HR01.01.2016)	Target (2019)
23,1%	35 %

Indicator 2 : Percentage of staff who feel that the Commission cares about their well-being

Source of data: Commission staff survey

Baseline (2014 Staff Survey)	Target (2020 Staff Survey)
33,2% ⁸	40% ⁹

Indicator 3 : Staff engagement index

Source of data: Commission staff survey

Baseline (2014 Staff Survey)	Target (2020 Staff Survey)
67,4%	70% ¹⁰

B. Financial Management: Internal control and Risk 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 for administrative expenditure & Own Resources collection

Source of data: yearly AAR BUDG

Baseline	Target (to be achieved each year)
< 2% for administrative expenditure	< 2% for administrative expenditure
< 1% for Own Resources collection	< 1% for Own Resources collection

⁸ Categories taken into account: slightly agree, agree

⁹ This target aims at an improvement of the baseline (results of the 2014 Staff Survey)

¹⁰ This target aims at an improvement of the baseline (results of the 2014 Staff Survey)

Indicator 2 : Estimated overall amount at risk for the year for the entire budget under the DGs responsibility.	
<i>Source of data: BUDG AAR</i>	
Baseline ¹¹	Target
< 57.000 € (0,5% * 11.42 million € -administrative budget 2014)	No target
Indicator 3 : Estimated future corrections	
<i>Source of data: BUDG AAR</i>	
Baseline	Target (none)
None (on administrative expenditure)	None (on administrative expenditure)

Objective 2 : Effective and reliable internal control system in line with <u>sound financial management</u>.	
Indicator 1 : conclusion reached on cost effectiveness of controls	
<i>Source of data: BUDG AAR</i>	
Baseline (AAR 2014)	Target (AAR 2019)
Yes	Yes
Indicator 2: Overall costs of controls (%) - Administrative expenditure implementation & Own Resources collection	
<i>Source of data: BUDG AAR</i>	
Baseline (AAR 2014)	Target (AAR 2019)
6,84% of administrative budget 2014 (ex-ante and ex-pots controls)	<7% (administrative budget 2019)
0.29% of OR collected (EUR 133.966 Million)	Maintain same levels as for 2014

Objective 3 : Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.		
Indicator 1 : Updated anti-fraud strategy of BUDG, elaborated on the basis of the methodology provided by OLAF		
<i>Source of data: AFS document in BUDG intranet</i>		
Baseline	Interim Milestone	Target
Last update in Sept-2015	<i>Update 2016</i>	Update 2019
Indicator 2 : Fraud awareness is increased for target population(s) as identified in the DG's AFS		
<i>Source of data: Population covered with raising awareness actions (Ethics sessions)</i>		
Baseline	Interim Milestone	Target
210 colleagues	All staff covered by Ethics Sessions in 2016	100% BUDG staff reached with other awareness actions by 2020
Indicator 3: Regular monitoring of the implementation of the anti-fraud strategy and reporting on its result to management		
<i>Source of data: Note to the Vice-President by the Director General on audit, fraud and internal control matters</i>		
Baseline	Interim Milestone	Target
Note to the Vice-President by the Director General on audit, fraud and internal control matters Dec-15 (ARES)	Note to the Vice-President by the Director General on audit, fraud and internal control matters June-16	2 times per year (Note to the Vice-President by the Director General on audit, fraud and internal control matters in June and Dec each year)

¹¹ Concerning the EU Own Resources managed by BUDG, they do not fall in the scope of the overall amount at risk / average corrective capacity estimates due to their particular nature. Reasonable assurance on the adequate functioning of systems and controls in this area is built on other elements which are detailed in section 2.1 Control results (Own resources) in BUDG AAR.

C. Information management aspects

Objective : Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable	
Indicator 1 (mandatory – data to be provided by DG DIGIT): Percentage of registered documents that are not filed (ratio)	
<i>Source of data: Hermes-Ares-Nomcom (HAN) statistics</i>	
Baseline 2014	Target
0.08%	0%
Indicator 2 (mandatory - data to be provided by DG DIGIT): Percentage of HAN files readable/accessible by all units in the DG	
<i>Source of data: HAN statistics</i>	
Baseline	Target
97%	97%
Indicator 3 (mandatory data to be provided by DG DIGIT): Percentage of HAN files shared with other DGs	
<i>Source of data: HAN statistics</i>	
Baseline	Target
0%	20% (to be determined by each DG)
Indicator : Number of cases where an important document could not be retrieved and resulted in a report to the DMO	
<i>Source of data: (register of "exceptions" to be created)</i>	
Baseline	Target
0	0

D. External communication activities

Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU.	
Indicator 1 : Percentage of EU citizens having a positive image of the EU	
<i>Definition: Eurobarometer measures the state of public opinion in the EU Member States. This global indicator is influenced by many factors, including the work of other EU institutions and national governments, as well as political and economic factors, not just the communication actions of the Commission. It is relevant as a proxy for the overall perception of the EU citizens. Positive visibility for the EU is the desirable corporate outcome of Commission communication, even if individual DGs' actions may only make a small contribution.</i>	
<i>Source of data: Standard Eurobarometer (DG COMM budget) [monitored by DG COMM here].</i>	
Baseline: November 2014	Target: 2020
Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%

Annex 4. : Reporting obligations of DG BUDGET

Reports		
Description	Legal Basis	Timing
Legally required reports:		
Annual budget implementation reports (Budgetary outturn accounts)	FR Art.146	By mid-March
Annual Report on Budgetary and Financial Management	FR Art.142	By 31 March (FR Art.142§1)
Monthly reports on the implementation of the budget	FR Art. 150	Within 10 working days of the end of each month (FR Art. 150§1)
Publication of information on recipients of EU funds through the Financial Transparency System (FTS)	FR. Art. 35	Before 30 June (RAP Art.21)
Legally required reports as part of the Discharge package:		
Report on the follow-up to the discharge resolution and recommendations	FR Art. 166(2)	End September (2014 discharge)
Summary of MS replies to ECA observations	FR Art 162(5)	End February (2014 discharge)
Non-legally required reports:		
Active monitoring and forecast of budget implementation	Jointly required by BA and Commission	February (2015 implementation), July and October
Budget Implementation Plan	Required as WD (V) to the DB	End May
Weekly budget implementation report	EP requirement	From mid-April up until end September on a fortnight basis and from then on up until the year-end on a weekly basis
Implementation of structural funds reports	EP requirement	Monthly, quarterly, annually
General:		
Ensure the availability of reliable financial data by the ABAC Data warehouse for operational and official financial reporting and provide support to users.	System owner obligation	Daily