

ANNEX 1: Statement of the Internal Control Coordinator

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

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

Date:

28/03/18

Giles Goodall

Internal Control Coordinator, Head of Unit Communication and Strategic Planning, DG JUST 01

(Signed)

ANNEX 2: Reporting – Human Resources, Better Regulation, Information Management and External Communication

Human resources

| | | |
|---|--|---------------------------------------|
| Objective (mandatory): 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 (mandatory): <u>Percentage of female representation in middle management</u> | | |
| Source of data: HR Dashboard | | |
| Baseline: January 2015 | Target 40% Commission-wide Target set out in SEC(2017) 359 on 19 July 2017 ¹ | Latest known results (2017) |
| <u>DG JUST incl. SRD HOME/JUST:</u> 47,8% <u>EC:</u> 31,9% | <u>DG JUST:</u> Reach 50% (for 2019) | 43 |
| Indicator 2 (mandatory): <u>Percentage of staff who feel that the Commission cares about their well-being</u> | | |
| Source of data: Commission staff survey | | |
| Baseline: 2014 | Target | Latest known results (2017) |
| <u>DG JUST excl. SRD HOME/JUST:</u> 32,9% <u>SRD HOME/JUST:</u> 31% <u>EC:</u> 35% | <u>DG JUST:</u> Equal or exceed the EC average in the next staff surveys: 35% | 35 % (2016 staff survey) ² |
| Indicator 3 (mandatory): <u>Staff engagement index</u> ³ | | |
| Source of data: Commission staff survey | | |
| Baseline: 2014 | Target | Latest known results (2017) |
| <u>DG JUST excl. SRD HOME/JUST:</u> 70,1% <u>SRD HOME/JUST:</u> | <u>DG JUST:</u> Maintain the current results for the next staff surveys | 62% (2016 staff survey) |

¹ This target was updated at corporate level in 2017.

² This is one specific questions of the well-being section of the survey, for which the overall was 52%

³ Staff engagement is usually not measured directly but as a combination of factors leading to high engagement levels. The Staff Engagement Index is based on seven factors combined in one overall figure: I have the information, material and resources to do my work well, My colleagues are committed to doing quality work, I have a clear understanding of what is expected from me at work, I have recently received recognition or praise for good work, I feel that my opinion is valued, My manager seems to care about me as a person, My line manager helps me to identify my training and development needs.

| | | |
|---------|--|--|
| 73,6% | | |
| EC: 65% | | |

| Main outputs in 2017: | | | |
|--|---|--|---|
| Output | Indicator | Target | Latest known results (31/12/2017) |
| Female representation in middle management | | | |
| Monitoring of the evolution of the management population by gender and the female representation in middle management selection processes | Share of female representation in middle management positions | Maintain or increase the current percentage of 47,8% female representation in middle management of this percentage ⁴ | 43% |
| Staff engagement | | | |
| Awareness raising on the role of the management in the identification of the training and development needs of their staff | Trainings participation rate and staff feedback | Improvement of the results on the question "My manager helps me to identify my training and development needs?" in the next staff survey (pm: 34% for DG JUST in 2016) | 34% (2016 staff survey) |
| Internal talent management strategy that ensures current and prospective alignment between staff competence and service needs to ensure an internal mobility and | Internal or external thematic trainings on DG JUST's core files, lunchtime seminars by JUST units on their activities Seminars for Newcomers (HR matters, DG JUST policy | At least 1 thematic training/internal communication offer a month | Thematic trainings and in particular specific lunch-time seminars |

⁴ SP Indicator n°1: Percentage of female representation in middle management

| | | | |
|---|--|---|--|
| engagement of staff | <p>matters)</p> <p>Breakfast for Heads of Unit to discuss their role as managers, foster best practices and allow a constructive dialogue on difficult situations</p> <p>Coaching sessions from another Director of the DG to offer the opportunity to the staff discuss any career project inside the DG or in the Commission</p> | <p>Seminars for Newcomers (HR matters, DG JUST policy matters) twice a year</p> <p>Breakfast for the Heads of Unit organised once a month with a participation rate of at least 50%</p> | <p>at 1 per month frequency.</p> <p>Newcomer welcome scheduled for 3 times a year with introduction by the DG herself. Heads-of-Unit network with regular (1 every two months) lunchtime sessions.</p> |
| Second phase of "JUST Share Your Views" survey to gather feed-back of staff on DG JUST's reorganisation of 1/10/2016 | Response rate on "JUST Share Your Views" survey | > 30% of staff participation | Second phase planned as part of HR strategy 2018 |
| Staff well-being | | | |
| Action plan to strengthen well-being targeted to DG's staff needs | Internal offer for well-being and fit@work initiatives: Silence pauses/mindfulness sessions for the staff, breakfasts for the Heads of Unit, pilates | > 50% of positive answers on questions related to well-being in the next staff survey (pm: 52% for DG JUST in 2016) | 52% (2016 staff survey) |

Better regulation

Efforts to further increase the awareness of Better Regulation within the DG were also pursued: the DG's intranet was updated and revised following the publication of the new Guidelines and a Lunchtime Seminar on Better Regulation was organised in July 2017. Additionally, the DG benefitted from a presentation of the main changes in the Better Regulation Guidelines by SG and Regulatory Scrutiny Board in September 2017.

Objective (mandatory): Prepare new policy initiatives and manage the EU's acquis in line with better regulation practices to ensure that EU policy objectives are achieved effectively and efficiently.

Indicator 1 (mandatory – monitored by the DGs concerned): Percentage of Impact assessments submitted by DG Justice and Consumers to the Regulatory Scrutiny Board that received a favourable opinion on first submission.

Source of data: *own statistics*

| Baseline 2015 | Interim Milestone 2016 | Target 2020 | Latest known results (2017) |
|---|------------------------|-------------|-----------------------------|
| 50% (based on submissions to RSB in 2015) | 60% | 70% | 50% |

Indicator 2 (mandatory – monitored by the DGs concerned): Percentage of the DG's regulatory acquis covered by ex-post evaluations and Fitness Checks not older than five years.

Source of data: *own statistics*

| Baseline 2015 | Interim Milestone 2016 | Target 2020 | Latest known results (2017) |
|---------------|-------------------------------------|--------------------------------------|-----------------------------|
| 9% *) | Positive trend compared to baseline | Positive trend compared to milestone | 11% |

*) The 2015 baseline was revised to exclude the financial programmes managed by the DG.

Information management aspects

Objective (mandatory): 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 filed⁵ (ratio)

Source of data: *Hermes-Ares-Nomcom (HAN)⁶ statistics*

| Baseline 2015 | Target 2020 | Latest known results (2017) |
|---------------|-------------|-----------------------------|
| 4.25% | <2% | 2,04 % |

Indicator 2 (mandatory - data to be provided by DG DIGIT): Percentage of HAN

⁵ Each registered document must be filed in at least one official file of the *Chef de file*, as required by the [e-Domec policy rules](#) (and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

⁶ Suite of tools designed to implement the [e-Domec policy rules](#).

| | | | |
|--|---|------------------------------------|------------------------------------|
| files readable/accessible by all units in the DG | | | |
| Source of data: HAN statistics | | | |
| Baseline | Target 2020 | Latest known results (2017) | |
| 90.17% | 90% (circa 10% of files contain restricted information and are therefore not shareable) | 92,64 % | |
| Indicator 3 (mandatory data to be provided by DG DIGIT): Percentage of HAN files shared with other DGs | | | |
| Source of data: HAN statistics | | | |
| Baseline | Target 2020 | Latest known results (2017) | |
| 0.25% | 50% | 16,48 % | |
| Indicator 4 (optional): existence and degree of implementation of a documented strategy to harness knowledge of DG staff | | | |
| Source of data: own data | | | |
| Baseline | Interim Milestone (2016) | Target (2017) | Latest known results (2017) |
| N/A | A strategy exists | Have the strategy implemented | Postponed to 2018 |
| Indicator 5 (optional): Percentage of briefings managed in accordance with a uniform business process and using a common tool | | | |
| Source of data: BASIS | | | |
| Baseline | Interim Milestone | Target | Latest known results (2017) |
| 100% | 100% | 100% | 100% |

| Main outputs in 2017: | | | |
|--|---|---|--|
| Output | Indicator | Target | Latest known results (31/12/2017) |
| Better use of electronic workflows, to reduce errors caused by the double circulation, to improve circulation speed, to reduce paper storage and all associated costs. | Number of registered documents with a fully approved e-signatory (no paper circulation in parallel). | 70% of registered documents approved in full electronic mode (without paper signatories circulation). | 71% of documents is registered without paper circulation in parallel |
| Knowledge Management strategy is developed in line with the Communication on Data, Information and Knowledge Management | Adoption of the new strategy by senior management, (in line with the new Data, Information and Knowledge management Steering Board) | Q4 2017 | Postponed to 2018 |

Communication

Objective (mandatory): 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

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.

Source of data: Standard Eurobarometer (DG COMM budget) [*monitored by DG COMM [here](#)*].

| | | |
|---|--------------------------------|--|
| Baseline: November 2014 | Target: 2020 | Latest known results (2017) |
| Total "Positive": 39% Neutral: 37 % Total "Negative": 22% | Positive image of the EU ≥ 50% | Total "Positive": 40% Neutral: 37% Total "Negative": 21% |

Main outputs in 2017:

| Output | Indicator | Target | Latest known results (31/12/2017) |
|--|--|---|---|
| Awareness raising on Data Protection Package | Social media - estimated reach | 1,5 million (only Facebook) | Activities not yet launched |
| Awareness raising on energy consumer rights | Depending on outcome of ex-ante evaluation | | Activities not yet launched |
| Awareness raising campaign ADR/ODR | Social Media - number of views | (twitter and facebook combined) 1,5 million | 59 million ad impressions and 1.26 million clicks to the ODR platform |
| Awareness raising campaign fighting violence against women | Number of local campaigns supported | 30 | 32 |
| Colloquium on | Number of participants | 200 | 400 |

| | | | |
|---|---|-----|--|
| Fundamental Rights | | | participants |
| Children Rights Forum | Number of participants | 200 | 316 participants |
| Awareness raising campaign for LGBTI equality | Number of local campaigns supported in targeted member states | 10 | 11 projects nominated – actual campaigns will take place in 2018 |

Annual communication spending (based on estimated commitments):

| Baseline (2016): | Estimated commitments (2017): | Total amount spent | Total of FTEs working on external communication |
|------------------|-------------------------------|--------------------|---|
| 2 000 000 | 2 000 000 | 1 586 000 | 11, excluding 4 intramuros (2 designers, 2 web colleagues). |

Annex 3 Financial Reports - DG JUST - Financial Year 2017**Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Statement of Financial Performance****Table 5 Bis: Off Balance Sheet****Table 6 : Average Payment Times****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders****Table 11 : Negotiated Procedures (excluding Building Contracts)****Table 12 : Summary of Procedures (excluding Building Contracts)****Table 13 : Building Contracts****Table 14 : Contracts declared Secret**

1. Financial Reports

Commitments (Table 1)

Implementation of Commitment appropriations settled at 97.5%. - Out of the unused amount of commitment appropriations in the 2017 budget (EUR 4.99 million in total), EUR 2.74 million can be used in 2018 (as 2017 revenues or other revenues) and 2.25 M€ are lost

Payments (Table 2)

96.64% of payment appropriations were used. EUR 5.25 million unused amount at the year-end include:

- o EUR 2.65 million relating to operational lines. Out of them, only EUR 0.6 million are lost, the remaining 2.05 million are credits that will be carried forward in 2018
- o EUR 2.6 million relate to administrative lines. Out of them 0.29 million are lost

Breakdown of commitments to be settled (Table 3)

The total amount of open commitments to be settled decreased by 1% as compared to 2016 and a rate of settled commitments which decreased to 44% (47% as of 2016).

Income (Table 7)

The DG JUST income decreased by 18% comparing with 2016 (EUR 5,1 million vs EUR 6,2 million). The overall amount to be recovered remains at the same level compared to the previous year EUR 2.5 million

2. Draft Annual Accounts

Methodology

The annual accounts of DG Justice have been prepared in accordance with the general accounting principles. Estimations have been made where necessary as laid out by the Accountant of the European Commission.

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

Balance Sheet (Table 4)

Non-current assets show the long-term share of pre-financings. In 2017, there is an increase of EUR 5.8 million of non-current assets compared to 2016 .

Current assets increase by EUR 5.5 million with regard to last year explain by direct management pre-financing.

Current liabilities increased overall by EUR 1.6 million with regard to last year.

Economic outturn account (Table 5)

Operating Revenues

Operating revenues decreased in respect with last year mainly due to the decrease in the recovery of Expenses

Operating Expenses

Net increase in the operating expense EUR + 9.5 million, mainly coming from the agencies ,namely EUR 4 million are referring to EUROJUST, and an increase in the implemented budget for grants (higher amount of grants sign in respect of last year)

3. Management reporting

Payment times (Table 6)

In total 1,145 payments have been made in 2017 and increased by 9.2% in respect with last year (1,048 payments). The overall average payment time for the year amounted to 29 days (with suspension) and 83 % of all payments were made on time. The relative high number of late payments is mainly on final cost claims, and e-invoices via a functional mailbox.

Recovery Context (Table 8)

This table shows recovery orders and invoices recorded in the financial system 2017 with a mentioning of error or irregularity as reason for issuing the recovery or reducing the invoice.

Most of the undue payments recovered in 2017 are referring to old transaction awarded in 2009 and 2012 (EUR 0.4 million)

Ageing Balance (Table 9)

The number of recovery orders decreased by 4,5% as compared to 2016 and was accompanied by a 8% increase of the amount which remained unpaid. It should be noted that during 2017, 9 (new) recovery orders have been issued for a total amount of EUR 0.23 million (i.e. 9% of the total amount still to be recovered).

Negotiated Procedures (Tables 11 and 12)

One negotiated procedures have been concluded in 2017 amounting to EUR 0,8 million. For what the open procedures are concerned, 2 open procedure contracts with a total value of EUR 1.59 million were awarded by the relevant Authorising Officer.

| TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2017 (in Mio €) | | | | | |
|--|-------|---|--------------------------------------|------------------|---------|
| | | | Commitment appropriations authorised | Commitments made | % |
| | | | 1 | 2 | 3=2/1 |
| Title 33 Justice and consumers | | | | | |
| 33 | 33 01 | Administrative expenditure of the 'Justice and consumers' policy area | 4.2 | 4.01 | 95.42 % |
| | 33 02 | Rights, Equality and Citizenship | 91.46 | 89.47 | 97.82 % |
| | 33 03 | Justice | 98.42 | 95.59 | 97.13 % |
| | 33 04 | Consumer programme | 11.6 | 11.59 | 99.86 % |
| Total Title 33 | | | 205.68 | 200.65 | 97.55% |
| Total DG JUST | | | 205.68 | 200.65 | 97.55 % |

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

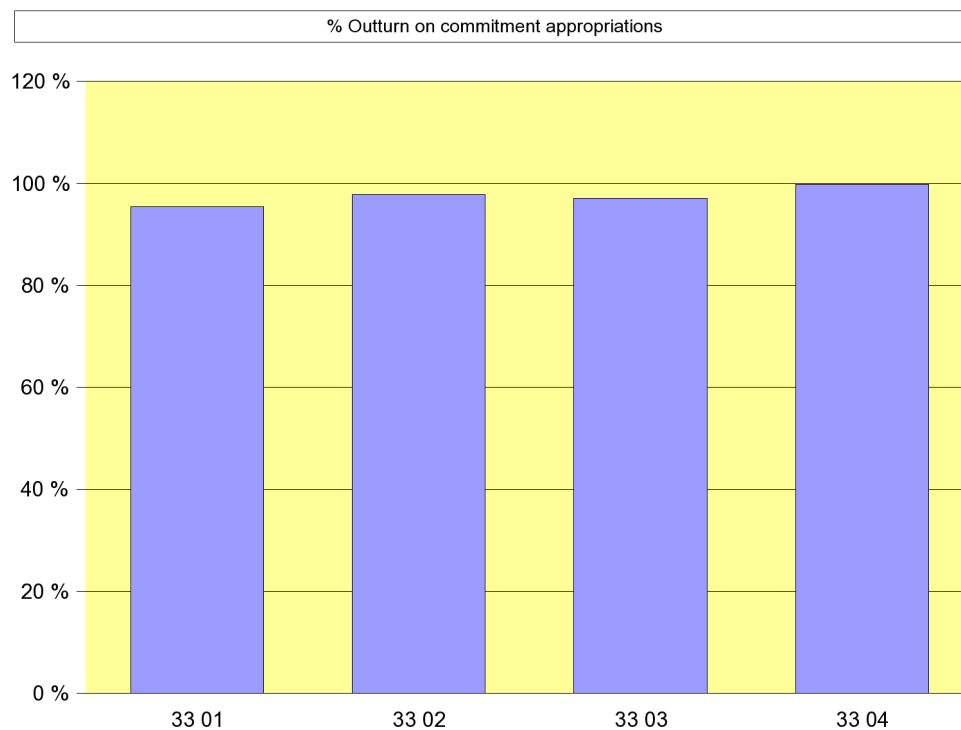
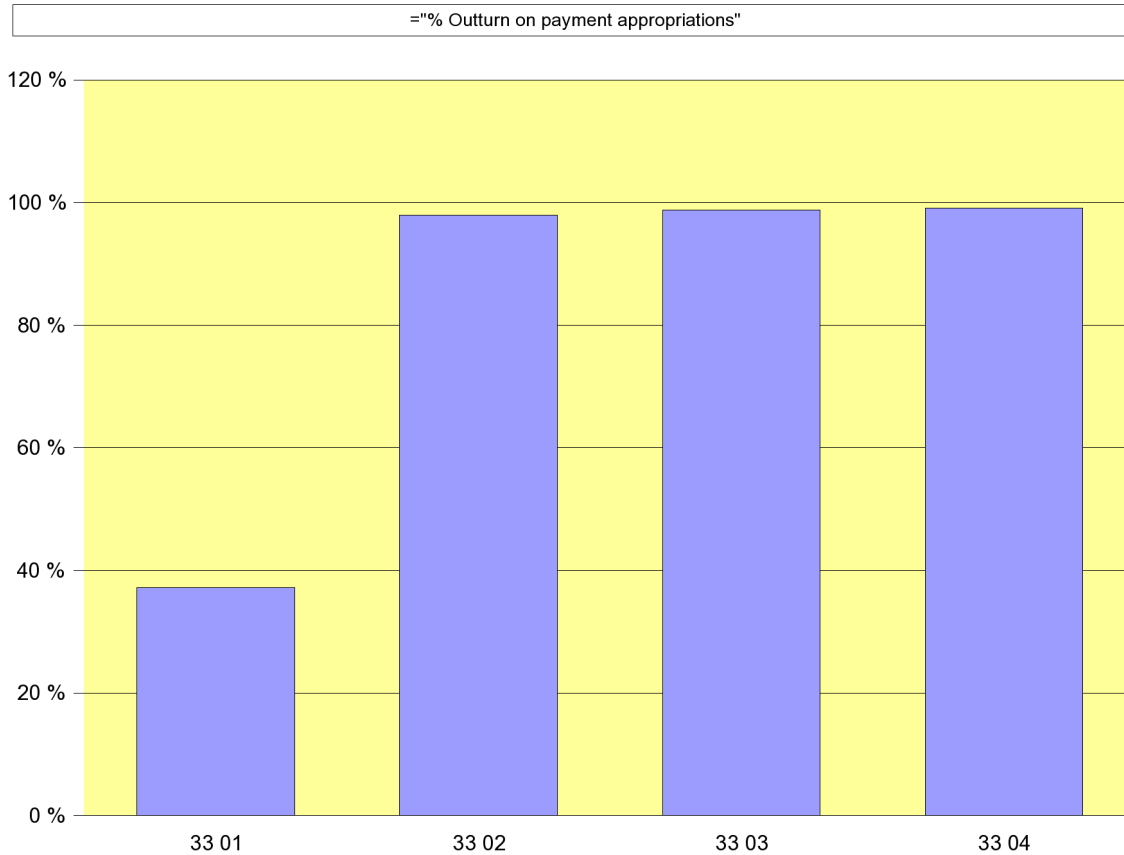


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2017 (in Mio €)

| Chapter | | Payment appropriations authorised * | Payments made | % | |
|---------------------------------------|-------|---|---------------|--------|---------|
| | | 1 | 2 | 3=2/1 | |
| Title 33 Justice and consumers | | | | | |
| 33 | 33 01 | Administrative expenditure of the 'Justice and consumers' policy area | 5.1 | 1.9 | 37.22 % |
| | 33 02 | Rights, Equality and Citizenship | 81.96 | 80.3 | 97.98 % |
| | 33 03 | Justice | 83.54 | 82.55 | 98.81 % |
| | 33 04 | Consumer programme | 5.09 | 5.04 | 99.13 % |
| Total Title 33 | | | 175.69 | 169.79 | 96.64% |
| Total DG JUST | | | 175.69 | 169.79 | 96.64 % |

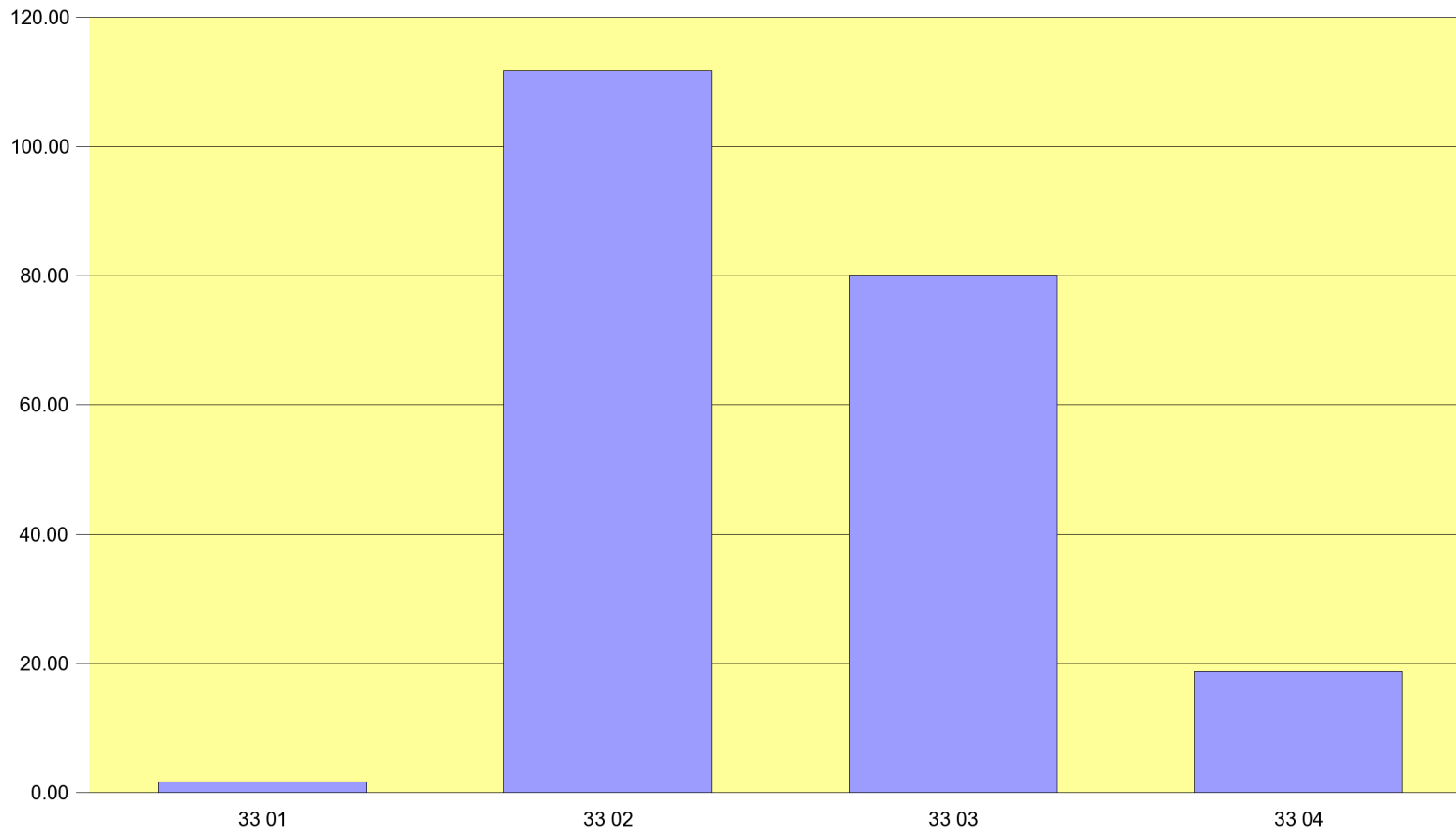
* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).



| TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2017 (in Mio €) | | | | | | | | | |
|--|-------|---|---------------------------------------|----------------------|-----------------|------------------------|--|---|---|
| Chapter | | | 2017 Commitments to be settled | | | | Commitments to be settled from financial years previous to 2017 | Total of commitments to be settled at end of financial year 2017 | Total of commitments to be settled at end of financial year 2016 |
| | | | Commitments 2017 | Payments 2017 | RAL 2017 | % to be settled | | | |
| | | | 1 | 2 | 3=1-2 | 4=1-2/1 | 5 | 6=3+5 | 7 |
| Title 33 : Justice and consumers | | | | | | | | | |
| 33 | 33 01 | Administrative expenditure of the 'Justice and consumers' policy area | 4.01 | 2.33 | 1.68 | 41.85 % | 0.00 | 1.68 | 2.16 |
| | 33 02 | Rights, Equality and Citizenship | 89.47 | 30.92 | 58.55 | 65.44 % | 53.19 | 111.74 | 114.82 |
| | 33 03 | Justice | 95.59 | 54.64 | 40.95 | 42.84 % | 39.14 | 80.10 | 84.29 |
| | 33 04 | Consumer programme | 11.59 | 0.45 | 11.13 | 96.09 % | 7.65 | 18.78 | 12.52 |
| Total Title 33 | | | 200.65 | 88.34 | 112.31 | 55.97% | 99.98 | 212.29 | 213.79 |
| Total DG JUST | | | 200.65 | 88.34 | 112.31 | 55.97 % | 99.98 | 212.29 | 213.79 |

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

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



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

TABLE 4 : BALANCE SHEET JUST

| BALANCE SHEET | 2017 | 2016 |
|--|-----------------------|-----------------------|
| A.I. NON CURRENT ASSETS | 15,616,130.93 | 9,806,305.94 |
| A.I.1. Intangible Assets | 7,803,051.91 | 5,932,425.46 |
| A.I.5. Non-Current Pre-Financing | 7,813,079.02 | 3,873,880.48 |
| A.II. CURRENT ASSETS | 40,663,567.43 | 35,125,718.69 |
| A.II.2. Current Pre-Financing | 38,508,841.82 | 32,606,793.54 |
| A.II.3. Curr Exch Receiv & Non-Ex Recoveral | 2,154,725.61 | 2,518,925.15 |
| ASSETS | 56,279,698.36 | 44,932,024.63 |
| P.II. CURRENT LIABILITIES | -18,506,369.18 | -16,941,520.24 |
| P.II.4. Current Payables | -2,167,981.55 | -3,196,341.53 |
| P.II.5. Current Accrued Charges & Defrd Incc | -16,338,387.63 | -13,745,178.71 |
| LIABILITIES | -18,506,369.18 | -16,941,520.24 |
| | | |
| NET ASSETS (ASSETS less LIABILITIES) | 37,773,329.18 | 27,990,504.39 |
| | | |
| P.III.2. Accumulated Surplus/Deficit | 587,336,392.45 | 436,656,073.12 |
| | | |
| Non-allocated central (surplus)/deficit* | -625,109,721.63 | -464,646,577.51 |
| | | |
| TOTAL | 0.00 | 0.00 |

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

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE JUST

| STATEMENT OF FINANCIAL PERFORMANCE | 2017 | 2016 |
|---|-----------------------|-----------------------|
| II.1 REVENUES | -680,502.38 | 452,994.46 |
| II.1.1. NON-EXCHANGE REVENUES | -1,218,176.92 | -508,503.2 |
| II.1.1.4. FINES | -19,601.02 | |
| II.1.1.5. RECOVERY OF EXPENSES | -1,121,651.90 | -508,503.20 |
| II.1.1.6. OTHER NON-EXCHANGE REVENUE | -76,924.00 | |
| II.1.2. EXCHANGE REVENUES | 537,674.54 | 961,497.66 |
| II.1.2.1. FINANCIAL INCOME | -4,452.29 | -7,565.92 |
| II.1.2.2. OTHER EXCHANGE REVENUE | 542,126.83 | 969,063.58 |
| II.2. EXPENSES | 159,683,105.69 | 150,227,324.87 |
| II.2. EXPENSES | 159,683,105.69 | 150,227,324.87 |
| II.2.10. OTHER EXPENSES | 5,957,588.12 | 5,998,949.30 |
| II.2.2. EXP IMPL BY COMMISS&EX.AC | 76,984,975.83 | 72,545,410.32 |
| II.2.3. EXP IMPL BY OTH EU AGENC&BO | 77,407,809.24 | 71,901,403.19 |
| II.2.6. STAFF AND PENSION COSTS | -671,750.00 | -223,169.10 |
| II.2.8. FINANCE COSTS | 4,482.50 | 4,731.16 |
| STATEMENT OF FINANCIAL PERFORMANCE | 159,002,603.31 | 150,680,319.33 |

Explanatory Notes (facultative):

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use \\\"ctrl+enter\\\" to go to the next line and \\\"enter\\\" to validate your typing.

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TABLE 5bis : OFF BALANCE SHEET JUST

| OFF BALANCE | 2017 | 2016 |
|---------------------------------------|-----------------|-----------------|
| OB.1. Contingent Assets | 899,398.83 | 332,153.28 |
| GR for pre-financing | 899,398.83 | 332,153.28 |
| OB.3. Other Significant Disclosures | -193,658,103.65 | -198,325,083.89 |
| OB.3.2. Comm against app. not yet con | -193,658,103.65 | -198,325,083.89 |
| OB.4. Balancing Accounts | 192,758,704.82 | 197,992,930.61 |
| OB.4. Balancing Accounts | 192,758,704.82 | 197,992,930.61 |
| OFF BALANCE | 0.00 | 0.00 |

Explanatory Notes (facultative):

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TABLE 6: AVERAGE PAYMENT TIMES FOR 2017 - DG JUST

| Legal Times | | | | | | | |
|-----------------------------|--------------------------|-----------------------------------|------------|------------------------------|----------------------|------------|------------------------------|
| Maximum Payment Time (Days) | Total Number of Payments | Nbr of Payments within Time Limit | Percentage | Average Payment Times (Days) | Nbr of Late Payments | Percentage | Average Payment Times (Days) |
| 20 | 2 | 2 | 100.00 % | 18 | | | |
| 30 | 847 | 714 | 84.30 % | 15.84 | 133 | 15.70 % | 41.08 |
| 45 | 4 | 2 | 50.00 % | 27 | 2 | 50.00 % | 48 |
| 50 | 1 | 1 | 100.00 % | 25 | | | |
| 60 | 144 | 135 | 93.75 % | 28.21 | 9 | 6.25 % | 78 |
| 90 | 147 | 97 | 65.99 % | 56.25 | 50 | 34.01 % | 122.32 |

| | | | | | | | |
|-----------------------------------|--------------|------------|----------------|--------------|------------|----------------|--------------|
| Total Number of Payments | 1145 | 951 | 83.06 % | | 194 | 16.94 % | |
| Average Net Payment Time | 28.88 | | | 21.75 | | | 63.8 |
| Average Gross Payment Time | 36.96 | | | 27.99 | | | 80.94 |

| Suspensions | | | | | | | |
|---|---------------------------------|------------------------------|-------------------|--------------------------|------------------------------|-------------------|-------------------|
| Average Report Approval Suspension Days | Average Payment Suspension Days | Number of Suspended Payments | % of Total Number | Total Number of Payments | Amount of Suspended Payments | % of Total Amount | Total Paid Amount |
| 0 | 49 | 187 | 16.33 % | 1145 | 20,027,059.21 | 11.79 % | 169,811,409.34 |

| Late Interest paid in 2017 | | | |
|----------------------------|------------|---|-----------------|
| DG | GL Account | Description | Amount (Eur) |
| JUST | 65010000 | Interest expense on late payment of charges | 0.00 |
| JUST | 65010100 | Interest on late payment of charges New FR | 4 482.50 |
| | | | 4 482.50 |

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

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2017

| Chapter | Revenue and income recognized | | | Revenue and income cashed from | | | Outstanding balance | |
|----------------------|--|---------------------|---------------------|--------------------------------|---------------------|-------------------|------------------------|---------------------|
| | Current year RO | Carried over RO | Total | Current Year RO | Carried over RO | Total | | |
| | 1 | 2 | 3=1+2 | 4 | 5 | 6=4+5 | | |
| 52 | REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST | 4,452.29 | 4,064.8 | 8,517.09 | 4,099.32 | 4,062.57 | 8,161.89 | 355.2 |
| 59 | OTHER REVENUE ARISING FROM ADMINISTRATIVE MANAGEMENT | 110,008.55 | 0 | 110,008.55 | 110,008.55 | 0 | 110,008.55 | 0 |
| 60 | CONTRIBUTIONS TO UNION PROGRAMMES | 76,924 | 0 | 76,924 | 76,924 | 0 | 76,924 | 0 |
| 66 | OTHER CONTRIBUTIONS AND REFUNDS | 2,013,238.09 | 2,841,688.15 | 4,854,926.24 | 1,923,017.81 | 466,037.48 | 2,389,055.29 | 2,465,870.95 |
| 71 | FINES AND PENALTIES | 19,601.02 | 0 | 19,601.02 | 4,273.76 | 0 | 4,273.76 | 15,327.26 |
| Total DG JUST | | 2,224,223.95 | 2,845,752.95 | 5,069,976.9 | 2,118,323.44 | 470,100.05 | 2,588,423.49 | 2,481,553.41 |

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

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

| INCOME BUDGET RECOVERY ORDERS ISSUED IN 2017 Year of Origin (commitment) | Error | | Irregularity | | OLAF notified | | Total undue payments recovered | | Total transactions in recovery context (incl. non-qualified) | | % Qualified/Total RC | |
|---|----------|-----------|--------------|---------------------|---------------|------------------|-----------------------------------|---------------------|--|---------------------|----------------------|---------------|
| | Nbr | RO Amount | Nbr | RO Amount | Nbr | RO Amount | Nbr | RO Amount | Nbr | RO Amount | Nbr | RO Amount |
| 2009 | | | 2 | 444,058 | | | 2 | 444,058 | 2 | 444,058 | 100.00% | 100.00% |
| 2010 | | | 3 | 34,355.79 | | | 3 | 34,355.79 | 3 | 34,355.79 | 100.00% | 100.00% |
| 2011 | | | 7 | 183,715.19 | | | 7 | 183,715.19 | 7 | 183,715.19 | 100.00% | 100.00% |
| 2012 | | | 19 | 430,531.72 | | | 19 | 430,531.72 | 21 | 525,972.69 | 90.48% | 81.85% |
| 2013 | | | 3 | 18,991.2 | | | 3 | 18,991.2 | 5 | 62,051.26 | 60.00% | 30.61% |
| 2014 | | | | | | | | | 4 | 49,288.27 | | |
| 2015 | | | | | | | | | 2 | 19,187.29 | | |
| 2016 | 1 | 8 | 1 | 18,841.17 | | | 2 | 18,849.17 | 13 | 979,240.93 | 15.38% | 1.92% |
| 2017 | | | 1 | 220.78 | | | 1 | 220.78 | 2 | 9,787.87 | 50.00% | 2.26% |
| No Link | | | 2 | 14,273.76 | 1 | 15,327.26 | 3 | 29,601.02 | 3 | 29,601.02 | 100.00% | 100.00% |
| Sub-Total | 1 | 8 | 38 | 1,144,987.61 | 1 | 15,327.26 | 40 | 1,160,322.87 | 62 | 2,337,258.31 | 64.52% | 49.64% |

| EXPENSES BUDGET | Error | | Irregularity | | OLAF Notified | | Total undue payments recovered | | Total transactions in recovery context (incl. non-qualified) | | % Qualified/Total RC | |
|--------------------------------|-----------|-------------------|--------------|-------------------|---------------|--------|-----------------------------------|--------------------|--|---------------------|----------------------|---------------|
| | Nbr | Amount | Nbr | Amount | Nbr | Amount | Nbr | Amount | Nbr | Amount | Nbr | Amount |
| INCOME LINES IN INVOICES | | | | | | | | | | | | |
| NON ELIGIBLE IN COST CLAIMS | 1 | 598.75 | 88 | 762,505.59 | | | 89 | 763,104.34 | 89 | 763,104.34 | 100.00% | 100.00% |
| CREDIT NOTES | 26 | 573,929.6 | 5 | 12,148.46 | | | 31 | 586,078.06 | 32 | 624,741.15 | 96.88% | 93.81% |
| Sub-Total | 27 | 574,528.35 | 93 | 774,654.05 | | | 120 | 1,349,182.4 | 121 | 1,387,845.49 | 99.17% | 97.21% |

| | | | | | | | | | | | | |
|--------------------|-----------|-------------------|------------|---------------------|----------|------------------|------------|---------------------|------------|--------------------|---------------|---------------|
| GRAND TOTAL | 28 | 574,536.35 | 131 | 1,919,641.66 | 1 | 15,327.26 | 160 | 2,509,505.27 | 183 | 3,725,103.8 | 87.43% | 67.37% |
|--------------------|-----------|-------------------|------------|---------------------|----------|------------------|------------|---------------------|------------|--------------------|---------------|---------------|

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

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2017 FOR JUST

| | Number at 01/01/2017 | Number at 31/12/2017 | Evolution | Open Amount (Eur) at 01/01/2017 | Open Amount (Eur) at 31/12/2017 | Evolution |
|------|---------------------------------|---------------------------------|------------------|--|--|------------------|
| 2002 | 1 | 1 | 0.00 % | 326,827.80 | 326,827.80 | 0.00 % |
| 2012 | 2 | 2 | 0.00 % | 334,205.58 | 334,205.58 | 0.00 % |
| 2013 | 3 | 3 | 0.00 % | 166,078.34 | 166,078.34 | 0.00 % |
| 2014 | 4 | 3 | -25.00 % | 594,410.14 | 556,276.68 | -6.42 % |
| 2015 | 2 | 2 | 0.00 % | 967,361.46 | 965,666.46 | -0.18 % |
| 2016 | 10 | 1 | -90.00 % | 456,869.63 | 26,598.04 | -94.18 % |
| 2017 | | 9 | | | 234,707.03 | |
| | 22 | 21 | -4.55 % | 2,845,752.95 | 2,610,359.93 | -8.27 % |

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

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TABLE 10 : RECOVERY ORDER WAIVERS IN 2017 >= EUR 100.000

| | Waiver Central Key | Linked RO Central Key | RO Accepted Amount (Eur) | LE Account Group | Commission Decision | Comments |
|--|--------------------|-----------------------|--------------------------|------------------|---------------------|----------|
| | | | | | | |

| | |
|----------------------|--|
| Total DG JUST | |
|----------------------|--|

| | |
|-----------------------------|--|
| Number of RO waivers | |
|-----------------------------|--|

Justifications:

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use "ctrl+enter" to go to the next line and "enter" to validate your typing.

TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG JUST - 2017**Internal Procedures > € 60,000**

| Negotiated Procedure Legal base | Number of Procedures | Amount (€) |
|--|-----------------------------|-------------------|
| Art. 134.1(b) (Without prior publication) Work of art, technical reasons or protection of exclusive rights | 1 | 800,000.00 |
| Total | 1 | 800,000.00 |

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

Internal Procedures > € 60,000

| Procedure Legal base | Number of Procedures | Amount (€) |
|--|-----------------------------|---------------------|
| Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP) | 1 | 800,000.00 |
| Open Procedure (Art. 104(1) (a) FR) | 2 | 1,594,140.00 |
| Total | 3 | 2,394,140.00 |

Additional Comments:

TABLE 13 : BUILDING CONTRACTS

| Legal base | Contract Number | Contractor Name | Description | Amount (€) |
|-------------------|------------------------|------------------------|--------------------|-------------------|
| | | | | |
| | | | | |

TABLE 14 : CONTRACTS DECLARED SECRET

| Legal base | Contract Number | Contractor Name | Description | Amount (€) |
|-------------------|------------------------|------------------------|--------------------|-------------------|
| | | | | |
| | | | | |

Annex 4: Materiality criteria & Methodology for measuring the residual amount at risk and determining its materiality

INTRODUCTION

Deciding whether a weakness is significant is a **matter of judgement** by the Authorizing Officer by Delegation, who remains responsible for the declaration of assurance, including any reservations to it. In doing so, he should **identify the overall impact of a weakness** and **judge whether it is material** enough so that the non-disclosure of the weakness is likely to have an influence on the decisions or conclusions of the users of the declaration. The benchmark for this judgement is the materiality criteria which the AOD sets at the moment of designing the internal control system under his/her responsibility.

For DG JUST, the materiality of residual weaknesses identified (i.e. after mitigating and corrective measures) is assessed on the basis of qualitative and/or quantitative criteria, in line with the instructions for the preparation of the Annual Activity Report.

The **qualitative assessment** includes an analysis of the causes and the types of error (including whether they are repetitive) to conclude on the nature, context and/or scope of the weaknesses identified. This may refer to significant control system weaknesses or critical issues reported by the Authorizing Officers by Sub-Delegation (or as part of the IcaT exercise), the European Court of Auditors (ECA), the Internal Audit Service (IAS), DG BUDG or OLAF. Also, the duration and any mitigating controls or corrective actions are taken into consideration.

The **quantitative assessment** aims at estimating any financial impact ("amount at risk") resulting from the errors detected. In line with the standard materiality threshold proposed by the instructions for the preparation of Annual Activity Reports, DG JUST has set the materiality level for each distinct control system with coherent risk characteristics for the amount at risk resulting from the *residual* errors at 2% of relevant payments made in the reporting year, or in case of multi-annual approach over the programming period.

This analysis and the conclusions are presented concisely in the body of the Annual Activity Report where the information reported under each building block is summarised and **which logically supports the five statements** included in the Declaration of Assurance (true and fair view, resources used for the intended purpose, sound financial management, legality and regularity, and non-omission of significant information) **for all significant expenditure categories and control systems**.

DG JUST implements its operational budget through two main different methods of implementation: direct management (grants, procurement, sometimes cross-subdelegated to other DGs) and indirect management (payments to traditional agencies). As these methods of implementation have a different risk profile and its own control and supervision arrangements, the observed quantified weaknesses should be assessed per each distinct control system grouped as follows:

- 1) Direct management – grants
- 2) Indirect management – subsidies to EU Agencies
- 3) Direct management - Procurement and other expenditure

In addition to and separately from the materiality assessment as described below, DG JUST calculates the weighted *average error rate* for its total annual payments and the resulting "overall amount at risk" by applying the relevant (cumulative) *detected* error rate to the relevant annual payments, for each management mode and type of activity. This weighted average error rate is disclosed along the *average recoveries and financial corrections* implemented within the last five years to reach a conclusion on the risk exposure and "estimated future corrective capacity" of the DG, which is presented in the AAR Chapter 2.1.

Annex 4: Materiality criteria & Methodology for measuring the residual amount at risk and determining its materiality

CHAPTER A – QUALITATIVE CRITERIA FOR DEFINING SIGNIFICANT WEAKNESSES

For all methods of implementation under its operational budget, the different parameters relevant in DG JUST for determining significant weaknesses are the following ones:

- ✓ Significant control system weaknesses: significant control system weakness detected during the period, in reports made by Authorizing Officers by Sub-delegation and/or by the ex-post audits carried out.

As far as traditional agencies are concerned, and in the framework of the single audit model, the DG's assurance is mainly based on supervisory and monitoring activities, and a verification of the functioning of the control system performed by the Internal Audit Service of the Commission and the European Court of Auditors (DAS), and the outcome of the discharge procedure
- ✓ Significant shortcoming in internal control standards appearing in the yearly survey on internal control standards implementation by management.
- ✓ Insufficient audit coverage and/or inadequate information from the internal control systems.
- ✓ Critical issues outlined by the European Court of Auditors, the Internal Audit Service, DG BUDG and OLAF.

When assessing the significance of any weaknesses, the following factors are taken into account:

- the nature and scope of the weakness;
- the duration of the weakness;
- the existence of compensatory measures (mitigating controls which reduce the impact of the weakness)
- the existence of effective corrective actions to correct the weaknesses (action plans and financial corrections) which have had a measurable impact.

When significant weaknesses are identified, a quantification of the amount at risk should be carried out when possible (See Chapter B).

In addition, **events** or weaknesses which have a significant *reputational* impact on DG JUST, or indirectly on the Commission, will be reported irrespective of the amount of damage to the DG JUST' administrative and operational budget and will be considered for issuing a reservation on a reputational basis.

CHAPTER B – QUANTITATIVE CRITERIA FOR DEFINING RESERVATIONS

To quantify the potential financial impact of errors detected, it is necessary:

- ✓ **STEP 1: To determine the residual error rate** by
 - Determining the percentage of error in the audited sample of the population;
 - Determining the level of exposure across the entire population (by applying the detected error rates to the whole value of the population and to deduct the amounts corresponding to any corrective actions taken that have already effectively reduced the exposure);
- ✓ **STEP 2: To determine the "amount at risk";**
- ✓ **STEP 3: To determine the (financial) materiality**, compared to the relevant payments for a given control system

Annex 4: Materiality criteria & Methodology for measuring the residual amount at risk and determining its materiality

Steps 1, 2 and 3 differ from one control system to another, and are presented in this Chapter.

In addition, considering the multi-annual aspects of the programmes managed for grants under direct management, for this type of expenditure DG JUST favours a *multi-annual approach* by evaluating the *cumulative* budgetary impact of the *residual* errors over the whole programming period. As a consequence, the calculation of errors, corrections and materiality of the residual amount at risk are done on a "cumulative basis". For other activities, the materiality and risk are assessed on an annual basis.

1. DIRECT MANAGEMENT – GRANTS

For the direct management of grants, the assessment of the residual error rate and amount at risk not detected by the supervision and ex-ante elements of the internal control system is carried out through an analysis of the accumulated results of the ex-post audits.

STEP 1 – Cumulative Residual Error Rate

A. Adequacy of the audit scope

Auditable population (scope of the analysis) = value of all relevant payments (i.e. interim and final payments, plus related cleared pre-financing) relating to the programming period for which the payment was made and/or the pre-financing cleared before 31st December of the reporting year (= "closed" grants)

Audited population = value of "closed" grants audited, relating to the programming period, and for which the audit report was finalised before 31 December of the reporting year

Unit E.4 of DG HOME performs audits for (a) direct management for DG HOME and DG JUST and for (b) shared management audits for DG HOME. Both Director Generals, therefore, decided to invest the scarce ex-post resources into a maximum-return & maximum-assurance ex-post strategy. As a consequence, the "targeted" sampling strategy is *not risk-based* but rather "maximum-assurance"-based. It aims at detecting and correcting a maximum of anomalies in the DG's operational expenditure and maximising the deterrent effect, by auditing recurrent beneficiaries and/or high-value grants, regardless of their either low, medium or high expected error rates in %.

Over the years, such an approach is considered representative enough if a sufficient coverage, set at 10% of the auditable population, is reached. Indeed, even with "annual" programmes, a cumulative approach is possible, per (fairly homogeneous) "generation" of programmes.

B. Results of the audits finalised since the start of the programming period

(Cumulative) detected error (amount) = For audited grants, total grant value as initially paid after the ex-ante controls minus grant value as calculated after the ex-post control¹

¹ Positive amounts only. In case, following this calculation, the result would be a negative amount, it should be brought back to zero.

Annex 4: Materiality criteria & Methodology for measuring the residual amount at risk and determining its materiality

(Cumulative) detected error rate (%) = *Detected error divided by the grant value as initially paid after the ex-ante controls*

C. Determination of the residual error rate

Uncorrected detected errors (amount) = *All detected errors pending recovery*

Cumulative residual error rate in the audited population (%) = *Uncorrected amount divided by the audited population*

Residual error rate in the entire population (%) = *Uncorrected errors detected in the audited population plus detected error rate multiplied by the non-audited population divided by the auditable population*

STEP 2: Financial exposure from errors in terms of cumulative "amount at risk"

Cumulative Amount at risk (net amount) = *uncorrected errors detected plus non-audited population multiplied by (cumulative) detected error rate*

STEP 3: Materiality and potential reservation

When the residual error rate is not to below 2% set as a multiannual target, a reservation should be considered.

In the present case this multi-annual analysis leads to a reservation. The related actual financial exposure on the authorised payments of the reporting year is calculated by multiplying the cumulative residual error rate by the sum of direct grants payments based on cost statements actually processed and pre-financings cleared in the reporting year.

2. INDIRECT MANAGEMENT: PAYMENTS TO TRADITIONAL AGENCIES

STEP 1 –Residual Error Rate

The Community subsidy is paid to the Agencies through maximum four payments a year, on the basis of an analysis of the real cash flow needs of the Agencies. Once an admissible payment request is registered by DG JUST, payments are made within 30 calendar days. If information comes to the notice of DG JUST which puts in doubt the eligibility of expenditure appearing in a payment request, DG JUST may suspend the time limit for payment for further verifications and/or take any appropriate measures in accordance with the principles of sound financial management. This above mentioned information includes suspicion of irregularity committed by the Agency in the implementation of the subsidy and suspected or established irregularity committed by the Agency in the implementation of a contract or another grant agreement or grant decision funded by the General Budget of the European Union or by any other budget managed by the Agency. If the balance of the budgetary outturn account is positive, it shall be repaid by the Agency to the Commission during the first semester of year N+1 on the basis of a debit note issued by the Commission.

The controls operated on the use of these payments, i.e. either management's supervision of audits carried out by the Internal Audit Service (IAS) or the European

Annex 4: Materiality criteria & Methodology for measuring the residual amount at risk and determining its materiality

Court of Auditors (ECA) may result in the detection of compliance errors or irregularities. These are mainly **payment or recovery (amount) errors**: i.e. cases where, without the error, the amount paid to or recovered from beneficiary would have been different. In this case, as long as it remains uncorrected, the difference in amount is to be treated as an error with its consequences on the (cumulative) error rate.

STEP 2: Financial exposure from errors in terms of "amount at risk"

The real actual 'net'² financial impact of the errors defined under step 1 is considered as amount at risk, and (if very significant) its 'quantitative' materiality is considered for a potential financial reservation.

Step 3: Materiality and potential reservation

To determine the materiality of the amount at risk the total amount at risk is divided by the total value of payments made in a given year for each Agency. If the amount at risk exceeds 2%, a reservation should be considered.

Besides a financial risk, other elements are considered for issuing a reservation due to a reputational risk in relation to Agencies' activities. Such information may stem, for example, from critical issues raised by the Internal Audit Service or Court of Auditors on the Agencies' management and control systems. In view of the seriousness of the findings, a reputational reservation is considered e.g. when affecting a significant part of the related activity, when being systemic, when causing a (risk of) fall-out in press and/or public, etc.

3. PROCUREMENT AND OTHER EXPENDITURE

STEP 1 –Residual Error Rate

Procurement-related errors can occur both in contracts awarded by the Commission and in contracts awarded by grant beneficiaries who subsequently submit the expenditure for reimbursement.

Errors incurred by grant beneficiaries are covered under the section related to grants, whereas this section covers the errors potentially occurring in contracts awarded by DG JUST.

The DG's own controls and/or internal and external audits (Internal Audit Service or the European Court of Auditors) carried out on these operations, may result in the detection of compliance errors or irregularities. These can be classified in two categories for the purpose of assessing their impact on the assurance:

- ✓ **Payment (amount) errors**: i.e. cases where, without the error, the amount paid would have been different. In this case, as long as it remains uncorrected, the difference in amount is to be treated as an error with its consequences on the error rate;
- ✓ **Procedural (contract selection and award) errors** are those which seriously impair the application of the principles of "open, fair, transparent competition" and "award to the best qualified bidder", i.e. cases where the contractor selected might have been different if the procedure would have been correct. In these cases, the size of the error is, by default, set at 100% of the transaction amount and included into the calculation of DG JUST's error rate. This is in line with ECA's

² Any correction actually made by the Commission should be deducted from the detected error.

Annex 4: Materiality criteria & Methodology for measuring the residual amount at risk and determining its materiality

new approach and is necessary to comply with the principle of transparency and allow stakeholders to compare the Commission's error rate with the one published by the ECA.

STEP 2: Financial exposure from errors in terms of "amount at risk"

The financial exposure differs depending on the type of errors:

- ✓ For **payment (amount) errors**: the amount at risk is the real actual 'net'³ financial impact of the errors and its 'quantitative' materiality is considered for a potential financial reservation. These financial procurement errors are taken into consideration for the application of the quantitative materiality criteria
- ✓ For **procedural (contract selection and award) errors**, DG JUST considers that even when the contractor should/could have been different, this does not always mean that the full (100%) value of the contract is 'at risk' (or that the taxpayer's money would be entirely 'lost'). Consequently, these kinds of errors cannot be considered for making a financial reservation (given that in terms of materiality the actual financial impact cannot be quantified in a consistent way with the payment errors) and are therefore not included in the calculation of the actual financial exposure (amount at risk). However, given that DG JUST acknowledges the seriousness of breaching any of the key principles of public procurement, these types of procurement errors are considered for making a potential *reputational* reservation, rather than a financial one (*e.g. when affecting a significant part of the related activity, when being systemic and affecting more/all of DG JUST's procurement processes, when causing a fall-out in press and/or public, etc. – see below*).

Step 3: Materiality and potential reservation

For payment (amount) errors: The materiality of the amount at risk is obtained by dividing the total amount at risk by the total value of payments made in a given year for procurement and other expenditure. If the amount at risk exceeds 2%, a *financial* reservation should be considered.

For **procedural (contract selection and award) errors**, in view of the seriousness of the (type) of procurement error, a *reputational* reservation is considered *e.g. when affecting a significant part of the related activity, when being systemic and affecting more/all of DG JUST's procurement processes, when causing a fall-out in press and/or public, etc.*

³ Any correction actually made by the Commission should be deducted from the detected error.

Annex B: Internal Control Templates for budget implementation (ICTs)

ICT 1: Grants direct management

Stage 1: Programming, evaluation and selection of proposals

A - Preparation, adoption and publication of the Annual Work Programme and Calls for proposals

Main control objectives: Ensuring that the Commission selects the proposals that contribute the most towards the achievement of the policy or programme objectives (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy) provide a brief description of the main control objectives.

| Main risks It may happen (again) that ... | Mitigating controls | How to determine coverage, frequency and depth | How to estimate the costs and benefits of controls | Control indicators for stages 1A and 1B |
|--|---|--|--|--|
| <p>Delays occur in adopting the Financing Decision or AWP. The AWP is published later than 31 March of the year of implementation.</p> <p>The AWP/Call does not adequately reflect the objectives pursued and/or the eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals</p> <p>The AWP/Call overlaps or is incompatible with other programmes (by own DG or other DGs)</p> <p>The AWP/Call does not contain the information required in the regulatory framework (FR 84, 128; RAP 94, 188, 189)</p> <p>Calls for proposals and AWP are not adequately published.</p> | <p>Communication between the financial and policy units on objectives/instruments (regular meetings)</p> <p>Hierarchical validation within the authorising department</p> <p>Inter-service consultation, including all relevant DGs</p> <p>Adoption by the Commission</p> <p>Use of templates based on DG BUDG templates</p> <p>Templates-based verification; comitology procedure</p> <p>Publication procedure</p> | <p>Coverage: 100% of all AWP/calls</p> <p>Frequency: during the preparation of each AWP/call</p> <p>Depth: Templates includes a list of the requirements of the regulatory provisions identified.</p> | <p>Costs: estimation of cost of staff involved in the preparation and validation of the annual work programme and calls.</p> <p>Benefits: higher performance of reaching the objectives/better quality results of the call</p> | <p>Effectiveness:</p> <p>Awarded budget over available budget</p> <p>Average points elected over average total eligible</p> <p>Number of litigation cases over redress procedures</p> <p>Efficiency:</p> <p>Time to publication</p> <p>Cost-effectiveness:</p> <p>Total costs for Stage 1 over number of projects evaluated</p> <p>Total costs for Stage 1 over value of projects evaluated</p> |

B - Selecting and awarding: Evaluation, ranking and selection of proposals

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among (a good balance of) the proposals selected (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

| Main risks It may happen (again) that... | Mitigating controls | How to determine coverage, frequency and depth | How to estimate the costs and benefits of controls | Control indicators for stages 1A and 1B |
|--|---|---|--|--|
| <p>Delays due to request of missing documents (the grant application does not contain all information and supporting documents required for its evaluation)</p> <p>A beneficiary is awarded several grants from the EU budget for a single action (Risk of double financing/ risk of non-cumulative award)</p> <p>The pre-announced selection and award criteria are not adequately and consistently applied for the evaluation of proposals</p> <p>The action is not clearly defined in the grant application</p> <p>A grant is awarded for an action which has already begun but the applicant cannot demonstrate the need for starting the action prior to signature of the grant agreement or notification of the grant decision</p> | <p>Detailed procedures for calls foresee time to gather missing documents</p> <p>Where relevant, crossed checks with other DGs on possible double-financing if grants have been awarded to the same beneficiary from by other DG (ABAC/LEF)</p> <p>The Guide for applicant and the kick-off meetings ensure a common understanding of the requirements.</p> <p>Very detailed application forms have been developed and used since 2013 calls.</p> <p>Since 2013, we make clear that the actions starts after the signature of the grant agreement</p> | <p>Coverage: All proposals checked (checked at least by 2-3 independent evaluators) and double checked by internal committee.</p> <p>Where relevant, proposals are crossed checked with other DGs, checks made depending on programme</p> <p>Depth: cross checking where appropriate for specific cases (FTS)</p> | <p>Costs: estimation of cost of staff involved in the evaluation and selection of proposals. Cost of the appointment of experts and of the logistics of the evaluation.</p> <p>Benefits: best quality projects selected;</p> | <p>Please refer to the indicators above for stages 1A and 1B</p> |

Stage 2: Contracting: Transformation of selected proposals into legally binding grant agreements

Main control objectives: Ensuring that the actions and funds allocation is optimal (best value for public money; effectiveness, economy, efficiency); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

| Main risks It may happen (again) that... | Mitigating controls | How to determine coverage, frequency and depth | How to estimate the costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Budget resources are not sufficiently available (on time)</p> <p>The grant agreement is signed late; the time to grant is not respected.</p> <p>The grant agreement does not contain all applicable provisions</p> <p>Complexity due to the obligation to have multi partners structure for each project</p> <p>The estimated budget of the grant application significantly overestimates the amounts necessary to carry out the action or WP and this is not identified in the recommendations of the evaluation committee</p> | <p>Review and checks during the contracting phase of technical action plan and budget for consistency and plausibility; in-depth financial verification and taking appropriate measures for high risk beneficiaries.</p> <p>Project Officers implement evaluators' recommendations in discussion with selected applicants.</p> <p>Strict follow up of budget appropriations; the payment clause is customized if the payment appropriations are not available on time.</p> <p>Internal reporting</p> <p>Hierarchical validation within the authorising department. Use of Commission contractual templates.</p> <p>The budget is checked before the award decision, which increases the economy and efficiency of the distributions of funds.</p> | <p>Coverage</p> <p>- 100% of the selected proposals and beneficiaries are scrutinised.</p> <p>- 100% of drafts grant agreements.</p> <p>Depth may be determined after considering the type or nature of the beneficiary and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant.</p> | <p>Costs:</p> <p>Estimation of cost of staff involved in the contracting process.</p> <p>Benefits:</p> <p>Difference between the budget value of the proposals and that of the corresponding grant agreements.</p> <p>No/value of awards decisions transformed into grant agreements</p> <p>Maximize the use of available commitments</p> | <p>Effectiveness:</p> <p>Value of grant agreements signed over grant amounts requested in applications (%)</p> <p>Efficiency Indicators:</p> <p>Time-to-Contract</p> <p>Cost effectiveness:</p> <p>Total cost of staff for Stage 2 over total value of grant agreements signed</p> <p>Total cost of staff for Stage 2 over total number of grant agreements signed</p> |

Stage 3: Monitoring of the execution. This stage covers the monitoring the operational, financial and reporting aspects related to the project and grant agreement

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)

| Main risks It may happen (again) that... | Mitigating controls | How to determine coverage, frequency and depth | How to estimate the costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| <p>Risk of poor financial management by beneficiaries and intermediaries</p> <p>The Commission reimburses non eligible costs; risk of irregular transactions to be proceed</p> <p>The beneficiary unduly obtain financial profit as a result from systemic or recurrent errors, irregularities, fraud, etc.</p> <p>Changes to contracts are not properly documented or authorised</p> <p>Payments are made late (interest claims)</p> | <p>Programme website, guidance notes, ex-ante sector guidance, information meetings with beneficiaries, helpdesk at COM</p> <p>Controls carried out by operational desks on technical implementation report in order to deliver the “conforme aux faits”</p> <p>Controls carried out by financial desks on financial and legal matters in order to deliver the “bon à payer”</p> <p>Network of Financial Initiating Agents (FIA)</p> <p>New checklists have been developed in 2012 to better reflect the roles of the parties involved in the financial circuits</p> <p>Clarifying procedure on verifying the non-profit rule</p> <p>Procedure for registration of exceptions</p> <p>Monthly reporting to management on late payments</p> | <p>Coverage: 100% of files</p> <p>Depth:</p> <p>- for desk checks of expenditure: control with reference to corroborative documents (progress reports and final technical implementation report but no reference to underlying documents in case of desks checks-</p> <p>- for controls carried out for “conforme aux faits”: control with reference to corroborative documents (technical implementation report) and eventually corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification) but no reference to underlying documents</p> <p>- for controls carried out for “bon à payer”: control without reference to underlying documents, but with reference to and including access to the underlying documentation (e.g. timesheets, invoices, physical verification, etc) corroborative documents (technical implementation report) and eventually corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification)</p> | <p>Costs: estimation of cost of staff involved in the actual management of running projects.</p> <p>Benefits: budget value of the costs claimed by the beneficiary, but rejected by the project officers. (ineligible amounts in cost claims)</p> | <p>Effectiveness:</p> <p>Budget amount of the cost items rejected (ineligible costs in cost claims) over total value of cost claims</p> <p>Efficiency indicators:</p> <p>Time-to-payment</p> <p>Cost-effectiveness:</p> <p>Total costs for Stage 3 over total number of claims processed</p> <p>Total costs for stage 3 over total value of claims processed</p> |

Stage 4: - Ex-Post control

A - Reviews, audits and monitoring

Main control objectives: Measuring the effectiveness of ex-ante controls by ex-post controls; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management); Ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information)

| Main risks It may happen (again) that... | Mitigating controls | How to determine coverage, frequency and depth | How to estimate the costs and benefits of controls | Control indicators for stages 4A and 4B |
|--|---|---|---|--|
| <p>Risk of irregular expenditure co-financed remaining undetected</p> <p>Risk of fraudulent activities remaining untracked</p> | <p>At any time during the implementation period and for 5 years after partial or final payment, the Commission can carry out on the spot controls and/or audits with substantive testing of a sample of transactions.</p> <p>Ex-post controls are performed by the Shared Resources Directorate for DG Justice. The auditable population is represented by files where final payment was made in year N to N-4.</p> | <p>Coverage: As a general rule, between 15 and 25% of the expenditure of an annual programme checked over the 5 years period.</p> <p>Ex-post controls are made based on a risk assessment</p> <p>Depth: Control with reference to and including access to the underlying documentation that is available at the stage of the process in question, for all inputs and outputs (e.g. timesheets, invoices, physical verification, etc).</p> <p>Possibly, the auditors will also perform controls with reference to fully independent corroborative information (e.g., database which justifies certain elements of the claim, 3rd party or Commission assessment of milestones achieved, etc.)</p> | <p>Costs:</p> <p>Estimation of cost of staff involved in the coordination and execution of the audit strategy. Cost of the appointment of audit firms for the outsourced audits.</p> <p>Benefits:</p> <p>Prevented amount (deterrent effect), not quantifiable</p> <p>Detected amount</p> | <p>Effectiveness:</p> <p>Residual error rate</p> <p>Number of projects with errors;</p> <p>Follow-up ratio: Number of files followed up by AOSD within 3 months (target 90%)</p> <p>Efficiency indicators:</p> <p>Success ratio;</p> <p>Recovery Implementation ratio: N° of recovery orders (RO) issued after ex-post audit (target set as 75% by end-March N+1)</p> <p>Cost effectiveness</p> <p>Total (average) annual cost of audits compared with benefits (%)</p> |

B - Implementing results from ex-post audits/controls

Main control objectives: Ensuring that the (audit) results from the ex-post controls lead to effective recoveries (legality & regularity; anti-fraud strategy); Ensuring appropriate accounting of the recoveries made (reliability of reporting)

| Main risks It may happen (again) that... | Mitigating controls | How to determine coverage, frequency and depth | How to estimate the costs and benefits of controls | Control indicators for stages 4A and 4B |
|---|--|--|---|--|
| <p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p> | <p>Systematic registration of audit/control results to be implemented by the operational units.</p> <p>Financial and operational validation of recovery in accordance with financial circuits.</p> <p>Authorisation by Authorising Officer</p> <p>Working Group on the coherence of ex-post/ex-ante controls in Shared Resources Directorate</p> <p>Through a regular analysis, the audit team ensures that the recommendations (issue of recovery orders or supplementary payments) were implemented.</p> | <p>Coverage: 100% of final audit results <i>with a financial impact.</i></p> | <p>Costs: estimation of cost of staff involved in the implementation of the audit results.</p> <p>Benefits: corrected amount.</p> | <p>Please refer to the indicators above for stages 4A and 4B</p> |

ICT 2 - Procurement direct management

Stage 1: Procurement procedure

A - Planning Needs assessment & definition of needs

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity).

| Main risks It may happen (again) that... | Mitigating controls | How to determine coverage, frequency and depth | How to estimate the costs and benefits of controls | Control indicators for stages 1A and 1B |
|---|---|---|--|---|
| <p>Precise procurement needs not clearly defined Inappropriate choice of procurement procedure and calculation of threshold due to the in-depth knowledge necessary. Procurement is highly regulated. Detailed rules exist with even more in depth guidance based on experience and jurisprudence of court judgements The best offer/s are not submitted due to the poor definition of the tender specifications Technical options can be influenced by political considerations (large scale IT systems)</p> | <p>Procurement needs are clearly defined and justified from an economic or operational point of view and approved by the Authorising Officer. Technical training in procurement. Ex-ante sector ensures continuous support in procedural matters Financial circuits involving ex-ante verifications with procedural expertise still in place even after 2017 reorganisation. Financial checklists have been updated in 2017 to better reflect the roles of the parties involved in the financial circuits (OIA in policy units and AOSD are Directors/DDG for commitments) Selection criteria clearly defined and approved by the Authorising officer</p> | <p>Coverage: 100% of calls for tender Frequency: every time necessary, during the preparation of a call</p> | <p>Costs: estimation of cost of staff involved Benefits: Enough and good quality offers received, (partly quantifiable)</p> | <p>Effectiveness: Number of projected tender cancelled; Numbers of “valid” complaints or litigations cases filed Efficiency/cost-effectiveness: average cost per tender</p> |

B – Evaluation and selection of the offers

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity). Fraud prevention and detection

| <p>Main risks It may happen (again) that...</p> | <p>Mitigating controls</p> | <p>How to determine coverage, frequency and depth</p> | <p>How to estimate the costs and benefits of controls</p> | <p>Control indicators for stages 1A and 1B</p> |
|--|---|--|---|--|
| <p>Risk of delay and lengthy evaluation process;</p> <p>Insufficient quality of the evaluation report, which may have impact on the award decision; errors or mismanagement risk costing substantial resources (human and financial), if they are contested, even unsuccessfully, especially if they reach the courts;</p> <p>Conflict of interests</p> <p>Non-compliance with legal and regulatory formalities (publication, transparency, time limits, opening of tenders, etc.)</p> <p>The risk of over-dependency of contractors is high due to the limited number of economic providers/need for specialist</p> | <p>Evaluation committees are set up to prepare the selection of the contractors, except for low value contracts; Until June 2017, an advisory body (Joint Procurement Committee) is consulted with regard to procurement files above the Directive thresholds. After June 2017, an internal control process (2nd analysis of files within Unit 04) is put in place as a replacement of the JPC. s (JPC). Adequate communication to unsuccessful tenderers is systematically guaranteed.</p> <p>Declaration of lack of conflict of interest (required for each member of committee but also for the manager); Every member of staff with significant financial responsibility may be defined as occupying a “sensitive post”. Staff should not occupy a sensitive post for more than five years.</p> <p>Transparency measures: calls for tender are published in the Official Journal and on the Europa website. Updated information and FAQ are posted regularly on the website; e-submission now used.</p> <p>Procedures are set up to analyse the risk of over-dependency of contractors. Sound competition among providers together with quality and affordability of services of providers is ensured by periodic reviews (development of prices, business trends, main players, market shares, any barriers to entrants, etc)</p> | <p>Coverage: 100% of the offers analysed.</p> <p>Depth: all documents transmitted; in terms of justification of the draft award decision 100% of the members of the opening committee and the evaluation committee 100% checked.</p> | <p>Costs: estimation of staff costs involved</p> <p>Benefits: Compliance with Financial Regulation (rejected files HPC) Number of litigations/complaints to courts/ Ombudsman. The best offer is selected (Quantified benefit).</p> | <p>Please refer to indicators above for stages 1A and 1B</p> |

Stage 2: Financial transactions monitoring

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

| Main risks It may happen (again) that... | Mitigating controls | How to determine coverage, frequency and depth | How to estimate the costs and benefits of controls | Control indicators |
|--|--|--|--|---|
| <p>Non-compliance with the legal and regulatory requirements</p> <p>Lack of necessary experience and skills or inadequate arrangements for monitoring the contractor's performance and for verifying the final services/supplies work</p> <p>Delayed payments causing late interests</p> | <p>Standards contracts of DG BUDG are used. Computerized systems (Excel, ABAC, Ares) are used to record the contracts and related transactions.</p> <p>Financial circuits put in place in DG Justice are organised as follows: OIA in policy units, OVA, FIA and FVA in Just04, AOSD in policy directorates for commitments and in 04 for payments</p> <p>Monthly follow-up of time to pay through reporting (monitoring of invoices due to avoid late interest)</p> | <p>Coverage: 100% of the contracts are controlled.</p> <p>Depth: all documents transmitted</p> | <p>Costs: estimation of cost of staff involved</p> <p>Benefits: Amount of irregularities, errors and overpayments prevented by the controls (credit notes) Partly non-quantifiable</p> | <p>Effectiveness:</p> <p>Amount of penalties</p> <p>Amount of errors and regularities averted over total payments (credit notes/recovery context)</p> <p>Efficiency:</p> <p>Time-to-pay</p> <p>Late interest payment</p> <p>Cost-efficiency</p> <p>% of costs over annual amount disbursed</p> |

Stage 3: Supervisory measures

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

| Main risks It may happen (again) that... | Mitigating controls | How to determine coverage, frequency and depth | How to estimate the costs and benefits of controls | Control indicators |
|--|---|--|---|---|
| An error or non-compliance with regulatory and contractual provisions, including technical specifications, or a fraud is not prevented, detected or corrected by ex-ante control, prior to payment | <p>Verification that processes are working as designed:</p> <ul style="list-style-type: none"> Risks are assessed at the programme level within the yearly risk analysis exercise. A follow-up of critical risks for DG Justice is ensured every 6 months. For important risks corrective measures are taken to mitigate the risks Internal control standards are complied with. Exceptions and non-compliance events are recorded in a monitoring table and communicated to the Internal Control Coordinator. <p>All audit instances are entitled to perform audits on procurement (Court of Auditors, Internal Audit Service, or Budg).</p> | <p>Coverage: Court of Auditors' audit based on MUS sample on all payments in a year and the IAS audit plan</p> <p>Depth: review of the procedures implemented (procurement and financial transactions)</p> | <p>Costs: estimation of cost of staff involved.</p> <p>Benefits: Amounts detected associated with fraud & error.</p> <p>Deterrents & systematic weaknesses corrected.</p> | Results of the assessment of implementation of Internal Control Standard 8 "Processes and procedures" |

ICT 3 – Expenditure in indirect management

Stage 1: - Operations: monitoring, supervision, reporting Ex-Post controls

Main control objectives: Ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, in order to possibly mitigate any potential financial and/or reputational impacts (legality & regularity, sound financial management, true and fair view reporting, anti-fraud strategy).

| Main risks It may happen (again) that... | Mitigating controls | How to determine coverage, frequency and depth | How to estimate the costs and benefits of controls | Control indicators for stages 4A and 4B |
|---|---|---|---|---|
| <p>The agency does not respect the provisions of Article 60.2 of FR, Art. 38 of RAP</p> <p>The agency does not respect the provisions of Article 60.3 of the FR</p> | <p>The agencies are audited by IAS of the Commission (as internal auditor) and by the Court of Auditors (as external audit)</p> <p>The COM is member in the Management Board of the agency</p> <p>The Memoranda of Understanding signed with agencies regulate financial relations between the parent DG and the agency</p> | <p>Coverage: 100% of agencies are supervised</p> <p>Frequency: management board meetings, yearly CoA report; IAS audits</p> | <p>Costs: estimation of cost of staff involved in the actual monitoring of the agency</p> <p>Benefits: the (average annual) total budget amount entrusted to agency</p> | <p>Effectiveness:</p> <p>Number of serious IAS and CoA findings of control failures; budget amount of the errors concerned;</p> <p>Efficiency/cost-efficiency indicators:</p> <p>Cost over amount entrusted to agency</p> |

Stage 2: Commission contribution: payment or suspension/interruption

Main control objectives: Ensuring that the Commission fully assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution (legality & regularity, sound financial management, anti-fraud strategy).

| Main risks It may happen (again) that... | Mitigating controls | How to determine coverage, frequency and depth | How to estimate the costs and benefits of controls | Control indicators |
|---|--|--|---|--|
| The Commission does not suspend/interrupt payments despite the detection of systemic errors which call into question the reliability of the ICS of the agency, the L&R of transactions. | Memoranda of Understanding signed with each agency specify the conditions for interruptions/suspension of payments | Coverage: 100% of the payments made to agencies Frequency: quarterly. Depth: information provided by internal/external auditors | Costs: estimation of cost of staff involved in the OV and FV of the contribution payments/recoveries Benefits: the (average annual) total budget amount entrusted to the agency; budget recovered or not paid out; | Effectiveness: Budget amount of the suspended/interrupted payments Efficiency indicators: Time-to-pay Cost effectiveness: Average cost per agency |

ANNEX 9

| No used in Annex 3 | Title | Reason ¹ | Scope ² | Type ³ | Associated DGs | Costs (EUR) | Comments ⁴ | Reference ⁵ |
|---|--|---------------------|--|-------------------|---|--|-----------------------|--|
| I. Evaluations finalised or cancelled in 2017 | | | | | | | | |
| a. Evaluations finalised in 2017 | | | | | | | | |
| 4 | Fitness Check of EU Consumer and marketing Law - three studies (Lot1, Lot2 and Lot3) | REFIT | Fitness Check evaluation of 6 Directives; (1) Directive 2005/29/EC concerning unfair business-to-consumer commercial practices in the internal market; (2) Directive 1999/44/EC on certain aspects of the sale of consumer goods and associated guarantees; (3) Directive 93/13/EEC on unfair terms in consumer contracts; (4) Directive 98/6/EC on consumer protection in the indication of the prices of products offered to consumers; (5) Directive 2006/114/EC concerning misleading and comparative advertising; (6) Directive 2009/22/EC on injunctions for the protection of consumers' interests. | FC | SG, LS, COMP, ENER, CNECT, TRADE, MOVE, FISMA, GROW, ECFIN, ENV, EMPL | Lot 1: 739.700,00 Lot2: 443.730,00 Lot3: 548.900,00 (total of the three studies: 1.732.330,0) | | Report: SWD(2017) 209 final Executive summary: SWD(2017) 208 final Main study: https://publications.europa.eu/en/publication-detail/-/publication/f7b3958b-772b-11e7-b2f2-01aa75ed71a1/language-en/format-PDF/source-63275396 |
| 5 | Evaluation of Consumer Rights Directive | REFIT | Assess the relevance, efficiency, effectiveness, coherence and European added value of Directive 2011/83/EU. The results of this study will also feed into the broader assessment of key EU consumer and marketing law acquis (Fitness Check exercise) carried out in 2016-2017. The study will be a key input to the Commission's implementation report on Directive 2011/83/EU, required by its Article 30. | R | | 300,000 | | Report: SWD(2017) 169 final Executive Summary: SWD(2017) 170 final Study: https://publications.europa.eu/en/publication-detail/-/publication/3874ed40-772d-11e7-b2f2-01aa75ed71a1/language-en/format-PDF/source-63278026 |
| b. Evaluations cancelled in 2017 | | | | | | | | |
| No planned evaluations were cancelled in 2017 | | | | | | | | |
| II. Other studies finalised or cancelled in 2017 | | | | | | | | |
| a. Other studies finalised in 2017 | | | | | | | | |

| | | | | | | | | | |
|----|--|--|---|---|---|------------------------|---------|---|--|
| 18 | | Study on consumers' decision making in insurance services: a behavioural economics perspective | O | The study will provide evidence on the functioning of the Single Market for insurance for consumers in the EU. | O | FISMA | 520,000 | Support to evidence based policy making | https://publications.europa.eu/en/publication-detail/-/publication/b86d7f2d-9e77-11e7-b92d-01aa75ed71a1/language-en/format-PDF/source-63282303 |
| 7 | | Study for the assessment of the state of collective redress in the European Union in the context of the implementation of the Recommendation of the Commission on common principles for injunctive and compensatory collective redress mechanisms in the Member States concerning violations of rights granted under Union Law | L | Recommendation of the Commission 11 of June 2013 on common principles for injunctive and compensatory collective redress mechanisms in the Member States concerning violations of rights granted under Union Law (2013/396/EU). | R | COMP, GROW, ENV, FISMA | 197,732 | | To be published in 2018 |
| 7 | | An evaluation study of national procedural laws and practices in terms of their impact on the free circulation of judgments and on the equivalence and effectiveness of the procedural protection of consumers under EU consumer law. | L | The study has a twofold purpose: 1) Assessment of the impact of existing divergences in national procedural laws on the realisation of the objective of a free circulation of judgments; 2) Assessment if and to what extent national procedural laws ensure the procedural protection of EU consumer rights, in accordance with CJEU case law. | | | 382,847 | | https://publications.europa.eu/en/publication-detail/-/publication/531ef49a-9768-11e7-b92d-01aa75ed71a1/language-en http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=612847 |

| | | | | | | | | | |
|----|--|--|-----|---|--|---|---|---|-------------------------|
| 23 | | Joint study on "Emerging issues of the European data economy - ownership, issues related to data control, re(usability) and access to data and liability" SMART 2016/0030 - Implementing Framework Contract no 30-CE-0677511/00-67 – Smart no 2013/0065 – lot 1" | O | Study researching the legal and economic aspects of access to/transfer of Big Data and the legal challenges in relation to the allocation of liability in the Internet of Things and robotics and M2M contracting. | | The Study is jointly run by DG CNECT and DG JUST. | The total value of the contract is EUR 710.875,00. EUR 300.000,00 as a cross-sub-delegation by DG JUST to DG CONNECT from the appropriate budget line (No 33 02 01) | Support to evidence based policy making | To be published in 2018 |
| 24 | | Study on Digitalisation of Company Law | O | The objective of the study is to underpin the policy work of the Commission in the area of digitalisation of company law, in particular with a view to evaluating the practical problems caused by the current insufficient use of digital tools in company law and the possibilities for policy measures in this regard. | | | 247,500 | | To be published in 2018 |
| 26 | | Study on cross-border transfers of registered offices and of cross-border divisions of companies | CWP | Assessment and quantification of drivers, problems and impacts related to cross-border transfers of registered offices and of cross-border divisions of companies. | | | 315,025 | | To be published in 2018 |
| 27 | | Study on the impacts of using digital tools in the context of cross-border company operations | CWP | Assessment of the impact of the use of digital tools in company law on the social area (including level of employment, working conditions and social protection of employees, employee rights to information, consultation and, where relevant, participation in company boards , posting of workers or income distribution), on legal certainty and on illegal/fraudulent activities of companies. | | | 240,725 | | To be published in 2018 |

| | | | | | | | | | |
|----|--|--|-----|--|---|--|---------|--|--|
| 61 | | Study on digitalisation in corporate governance | O | Study on possible technical solutions with regards to shareholder identification, transmission of information in the chain of intermediaries and facilitation of shareholders rights, including participation in general meetings and voting providing an overview of the relevant market developments concerning different IT tools, platforms, interfaces, standards and market practices. | O | | 260,000 | | To be published in 2018 |
| 25 | | Study on Minority Shareholder Protection | O | Assessment and comparison of existing means of protection for minority shareholders across the EU. The objective is to provide better overview of the situation, to be used as a basis for dialogue with MS or for preparation of any other follow-up measures in order to enhance the attractiveness of the EU as an investment destination. | | | 419,000 | | To be published in 2018 |
| 16 | | Collection of data on the Justice Systems of EU Member States | O | Informed the 2017 EU Justice Scoreboard. | O | | 200,000 | Part of a multiannual contract with the Council of Europe Commission for the Evaluation of Justice (CEPEJ) | https://publications.europa.eu/en/publication-detail/-/publication/9d3e49b1-2b12-11e7-9412-01aa75ed71a1/language-en/format-PDF/source-63291794 |
| 50 | | Eurobarometer surveys providing comparative information on the functioning of national justice systems | CWP | Eurobarometers feeding into the 2017 EU Justice Scoreboard | O | | | | http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/FLASH/surveyKy/2148 http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/FLASH/surveyKy/2149 |
| 42 | | Study assessing the scope for horizontal or further sectorial action at EU level to protect whistle-blowers who expose illegal conduct | CWP | The study will assess -including through the collection of relevant data - the necessity and feasibility of horizontal or further sectorial EU action to strengthen the protection of whistleblowers, while respecting the principle of subsidiarity. | R | | | | Will be published in 2018 |

| | | | | | | | | | |
|-----|--|---|-------|---|---|---|---------|---|---|
| new | | Special Eurobarometer on Gender Equality | O | Perceptions of Gender Equality and prevalence of stereotypical beliefs, Gender Equality and Politics, Gender Pay Gap, Gender Equality at work | O | | 420,826 | Public opinion survey to support policy making | http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/SPECIAL/surveyKy/2154 |
| 29 | | Study on residence and identity documents for EU citizens and their family members | REFIT | Study to inform the impact assessment for an initiative aiming at simplifying mobile EU citizens' daily lives by facilitating the acceptance by Member States of ID cards and residence documents whilst enhancing the security of these documents to prevent fraud and address security concerns. | | SG, SJ, GROW, JRC, HR, MOVE, EMPL, HOME, CNECT, EAC | 340,000 | | To be published in 2018 |
| 15 | | Study on Energy: Prosumers and their costs/benefits | O | The study maps the different groups of residential prosumers, examine the choice, price and quality of products and services available to consumers who seek to become prosumers. The study also considers the policies on prosumption in each Member State in terms of their aim and/or effect on constraining prosumer scale-up, enabling it or accompanying the transition in incremental steps. | O | ENER | 598,300 | Support to evidence based policy making - Winter Energy package | https://ec.europa.eu/commission/publications/accompanying-documents-state-energy-union_en |
| 28 | | Enforcement action monitoring study (car rental) | O | Checks of whether the pledges obtained by the CPC network to improve car rental marketing practices have been implemented by the 5 big car rental companies and their related companies, evaluate the situation in the rest of the market. This will include online checks and phone test purchase. | O | | 138,900 | Support to an enforcement action. | Will not be published |
| 52 | | Enforcement action preparation study (consumer issues in transactions carried out through mobile devices and payment) | O | To identify the most common issues for consumers purchasing goods and services over mobile payment systems in order to evaluate compliance to consumer laws and inform the CPC network about the most frequent issues so as to help the network prepare a new coordinated enforcement action. | O | | 249,400 | Support to evidence based policy making and/or enforcement | To be published in 2018 |

| | | | | | | | | | |
|----|--|---|---|--|---|--|---------|--|---|
| 65 | | Online Dispute Resolution: web-scraping of EU traders' websites | O | The objective of the contract is to monitor whether online traders and marketplaces, established in the EU, comply with their information obligations according to the ODR Regulation; namely: i) whether they provide on their websites an electronic link to the ODR platform; ii) whether this link is easily accessible; and iii) whether they state on their websites their e-mail address. This should be done through an EU-wide web-scraping exercise and a subsequent analysis on a sample of websites. | O | | 150,000 | Support to evidence based policy making and/or enforcement | https://ec.europa.eu/info/sites/info/files/odr-webscraping-study_dec2017_en.pdf |
|----|--|---|---|--|---|--|---------|--|---|

| b. Other studies cancelled in 2017 | | | | | | | | | |
|---|--|--|---|--|---|----------|---------|---|--|
| 44 | | Data protection: Study on standardised icons for providing information to data subjects under Article 12(7) and 12(8) of Regulation 2016/679 | O | Gather evidence on possible standardised icons pursuant to Art. 12(7) GDPR and feed into the reflection on a possible adoption by the Commission of a delegated act pursuant to Art. 12(8) GDPR. | O | | 135,000 | The project to undertake the study was abandoned due to lack of support from stakeholders | |
| 57 | | Study on the differences and impacts of conflicts-of-laws relating to securities | | | O | FISMA | | The idea of this study was abandoned after further reflection. Securities aspects belong to FISMA competence. | |
| 12 | | Ex-ante evaluation for a campaign on EU citizenship rights | O | Study to understand the areas to target for a campaign on citizenship rights to follow up on the 2016 Citizenship report. | C | SG, HOME | 50,000 | Evaluation was cancelled as the project of a separate campaign was abandoned and integrated in an overall awareness raising campaign. | |

¹ Reason why the evaluation/other study was carried out, please align with Annex 3 of the MP 2016. The individual symbols used have the following meaning: L - legal act, LMFF - legal base of MFF instrument, FR - financial regulation, REFIT, REFIT/L, CWP - 'evaluate first', O - other (please specify in Comments)

² specify what programme/regulatory measure/initiative/policy area etc. has been covered

⁴ Allows to provide any comments related to the item (in particular changes compared to the planning). When relevant, the reasons for cancelling evaluations/ other studies also needs to be explained in this column.

⁵ For evaluations the references should be 1) number of its Evaluation Staff Working Document and number of the SWD's executive summary; 2) link to the supportive study of the SWD in EU bookshop. For other studies the references should be the link to EU bookshop or other reference where the 'other study' is published via different point.

1. INDICATORS ON LEGALITY AND REGULARITY ND REGULARITY

| Grant management | | | 2017 | 2016 | |
|------------------|---|--|--|---------------|--------------|
| Stage 1 | 1 | Available budget for calls | 76,509,000 € | 73,518,258 € | |
| | 2 | Number of projects evaluated | 670 | 1082 | |
| | 3 | Value of projects evaluated | 279,126,230 € | 428,417,554 € | |
| | 4 | Number of projects selected | 198 | 190 | |
| | 5 | Value of projects selected | 91,428,123 € | 66,672,248 € | |
| | 6 | budget selected projects/available budget | 119.50% | 90.69% | |
| | 7 | Number of litigation cases/redress procedures | 0 | 0 | |
| | 10 | Average points selected/average total eligible | 1.19 | 1.17 | |
| | 11 | % of applications with award score ≥ 70 | 62% | 64.15% | |
| | Stage 2&3 | 12 | EC budget available | 76,509,000 € | 73,518,258 € |
| | | 13 | EC Contribution requested in the awarded application | 76,448,753 € | 69,469,358 € |
| 14 | | Number of Grant agreements signed | 198 | 190 | |
| 15 | | Value of Grant agreements signed | 74,240,041 | 66,672,248 | |
| 16 | | Average amount of a grant signed | 374,950 € | 350,907 € | |
| 17 | | Reduction in EC contribution | 2,208,712 € | 2,797,110 € | |
| 18 | | % Reduction in EC contribution | -2.89% | -4.03% | |
| 19 | | % of late payments | 15.83 % | 11.32 % | |
| Stage 2&3 | 20 | Invoice registration time (days) | 4 | 2 | |
| | 21 | Exceptions | 0 | 0 | |
| | 22 | No of unfavourable ex-ante opinions | 0 | 0 | |
| | 23 | No of files transmitted to OLAF | 0 | 0 | |
| | 24 | Exceptions | 0 | 0 | |
| Stage 2&3 | 25 | Budget implementation rate | 97.03% | 90.69% | |
| | 26 | Number of final cost claims processed | 186 | 229 | |
| | 27 | Value of final cost claims processed | 49,367,422 € | 55,136,680 € | |
| | 28 | Value of pre-financed amounts cleared | 40,928,548 € | 41,715,311 € | |
| | 29 | RAL Initial Amount | 56,799,423 € | 56,760,785 € | |
| | 30 | RAL Final Amount | 57,154,822 € | 57,021,207 € | |
| | 31 | % RAL Reduction | -0.63 % | -0.46 % | |
| | 32 | Number of PF recoveries | 35 | 63 | |
| | 33 | Value PF recoveries | 2,984,066 € | 5,000,323 € | |
| | 34 | Number of payments made | 402 | 383 | |
| | 35 | Amount of payments made | 69,103,865 € | 57,766,332 € | |
| | 36 | Ineligible amount | 751,957 € | 1,599,924 € | |
| | 37 | Share of ineligible amount | 1.52 % | 2.90 % | |
| | 38 | Amount paid | 7,686,917 € | 8,798,410 € | |
| Stage 4 | 39 | Number of ex-post controls | 35 | 43 | |
| | 40 | Average amount of a grant audited | 409,443 € | 337,226 € | |
| | 41 | % of projects audited that contained errors detected by ex-post controls | 94.00% | 86.05% | |
| | 42 | Absolute value of proposed correction | 548,362 € | 660,323 € | |
| | 43 | Errors prevented for audited population (savings of the total EU grant paid) | 2.47% | 5.31% | |
| | 44 | Errors detected for the audited population (in% of the total EU grant paid (in addition to the errors already prevented) | 3.83% | 4.55% | |
| | 45 | No of projects with errors | 28 | 35 | |
| | 46 | Follow-up ratio: number of files followed by AOSD within 3 months (target 90%) | 100% | 81% | |
| | 47 | Implementation ratio for recovery orders | 100% | 70% | |
| | 48 | Benefits of controls compared as a % of the total grant value | 6.29% | 9.86% | |
| | 49 | Cumulated detected error rate (2007-2020) | 3.47% | 3.41% | |
| 50 | Cumulated residual error rate (2007-2020) | 2.65% | 2.72% | | |

| Procurement | | | 2017 | 2016 |
|-------------|----|---------------------------------|--------------|--------------|
| Stage 1 | 1 | Number of tenders | 3 | 10 |
| | 2 | Number of contracts signed | 210 | 149 |
| | 3 | Value of contracts signed | 30,828,282 € | 25,999,793 € |
| | 4 | Unfavourable opinions by JPC | 0 | 0 |
| | 5 | Unfavourable ex-ante opinions | 0 | 0 |
| | 6 | HPC rejected files | 0 | 0 |
| | 7 | Foreseen tenders cancelled | 0 | 0 |
| Stage 2 | 8 | Exceptions and non-compl.events | 5 | 4 |
| | 9 | Number of payments made | 687 | 633 |
| | 10 | Value of payments | 20,923,624 € | 21,186,481 € |
| | 11 | Redress procedures | 0 | 0 |

| Indirect management | | | 2017 | 2016 |
|---------------------|---|---|--------------|--------------|
| Stage 1 | 1 | Payment amount suspended or interrupted | 0 € | 0 € |
| | 2 | Number of payment | 14 | 13 |
| | 3 | Amounts paid (decentralised agencies) | 78,115,487 € | 72,526,737 € |
| | 4 | Amount paid (SLA/AAR) | 674,857 € | 1,212,362 € |
| | 5 | Amount paid (executive agencies) | 1,732,260 € | 1,737,164 € |
| | 6 | Total amount paid | 80,522,604 € | 75,476,263 € |

3. INDICATORS ON EFFICIENCY

Grant management

| | | 2017 | 2016 |
|--|---------------------------------------|------|------|
| | Time-to-inform (days) (time-to-award) | 150 | 110 |
| | Time-to-grant (days) | 113 | 87 |
| | Time-to-pay (days) | 38 | 37 |

Procurement

| | | 2017 | 2016 |
|--|-------------|------|------|
| | Time-to-pay | 24 | 20 |

Indirect management

| | | 2017 | 2016 |
|--|---|------|------|
| | Time-to-pay decentralised agencies (days) | 13 | 10 |

2. INDICATORS ON COST-EFFECTIVENESS

Grant management

| | | 2017 | 2016 | |
|---------|----|--|--------------|--------------|
| | 1 | Overall Cost of controls / payments made | 7.8% | 8.8% |
| Stage 1 | 2 | Total costs "Programming, evaluation and selection" | 1,559,038 € | 1,740,569 € |
| | 3 | Cost per project evaluated | 2,327 € | 1,609 € |
| | 4 | Cost / value of projects evaluated | 0.56% | 0.41% |
| Stage 2 | 5 | Total costs "Contracting" | 1,482,060 € | 914,027 € |
| | 6 | Cost per grant signed | 7,485 € | 4,811 € |
| | 7 | Costs / value of grants signed | 2.00% | 1.37% |
| Stage 3 | 8 | Total costs "Monitoring execution" | 1,482,060 € | 1,595,536 € |
| | 9 | Costs per payment made | 3,687 € | 4,166 € |
| | 10 | Costs / value of payments made | 2.14% | 2.76% |
| Stage 4 | 11 | Total costs "Ex-posts controls" (including direct, indirect&overheads) | 887,697 € | 856,774 € |
| | 12 | Average total cost of an ex-post control | 25,363 € | 19,925 € |
| | 13 | Total Costs of audits / absolute errors detected | 162% | 130% |
| | 14 | Amount of grant audited | 14,330,505 € | 14,500,738 € |
| | 15 | Total Cost of "Ex-posts controls" / Value of grants audited | 6.19% | 5.91% |

Procurement

| | | 2017 | 2016 | |
|---------|---|---|-----------|-----------|
| | 1 | Overall Cost of controls / payments made | 8.6% | 5.2% |
| Stg 1 | 2 | Total costs "Procurement procedure" | 914,322 € | 366,679 € |
| | 3 | Average cost per tender | 304,774 € | 36,668 € |
| Stage 2 | 4 | Total costs "Financial transactions/monitoring" | 892,206 € | 742,314 € |
| | 5 | Cost per payment made | 1,299 € | 1,173 € |
| | 6 | Credit notes issued | | 872,950 € |

Indirect management

| | | 2017 | 2016 | |
|----|---|--|-----------|-----------|
| | 1 | Overall Cost of controls / payments made | 0.5% | 0.8% |
| S2 | 2 | Total costs "Monitoring and supervision" | 382,520 € | 580,443 € |
| S1 | 3 | Total costs / "Commission contributions" | 41,341 € | 41,677 € |