2017

Annual Activity Report

European Personnel Selection Office (EPSO)

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THE DG IN BRIEF

A 21st Century Selection Office for the EU Institutions

The European Personnel Selection Office is an inter-institutional office, which was created on 26th July 2002 and became operational as of 1st of January 2003. EPSO is administratively attached to the European Commission[1]. Its mission is to serve the EU institutions by providing high quality, efficient and effective selection procedures that enable them to recruit the right person, for the right job, at the right time.

Following the far reaching modernisation of selection methods under the EPSO Development Programme, EPSO is operating in a context of continuous improvement, striving to fulfil its mission through an ambitious vision, namely **to be the best at selecting the best,** which is described as follows:

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

- To be the best international public sector selection service through a process of continuous improvement based on best practice as well as international standards and developments in selection policy and practice;
- To evolve into the leading centre of expertise and excellence to support the European Institutions' broader HR and talent management strategies;
- To help provide a European Civil Service that is of the highest quality and representative of the diversity of the European citizens it serves.

In 2017, EPSO handled a budget of around MEUR 26.7 (entirely under Heading V – Administrative Expenditure), which also included the budget of the European School of Administration (EUSA, approximately MEUR 6.05). EPSO has several important framework contracts in place, the most important of which relate to Computer-Based Testing and test development. Risks to its operations identified by EPSO include primarily the risk of legal challenges and the risks associated with EPSO's IT systems.

The rules regarding the organisation and operation of EPSO state that the Management Board is its highest decision-making body, and to which EPSO reports regularly. The Director of EPSO is responsible for the overall internal control system and the design, implementation and monitoring of the internal control measures applied in EPSO.

In 2017 EPSO received over 46,000 validated applications. A total of 638 laureates were delivered, with a total of 34 open competitions finalised in 2017. The overall delivery rate is 91.4%. EPSO also organised two large-scale competitions for the European Union Intellectual Property Office (EUIPO) in 2017 with 162 laureates delivered as compared to the 145 requested, raising the overall delivery rate up to 95 % of the cumulative target.

In 2015 and 2016, a number of Court rulings dismissed the then linguistic regime of open competitions which limited some tests to three languages –English, French and German. In 2017 EPSO launched the AD cycle with a new language regime taking into account the top five languages declared by candidates and meeting the needs of the service. Thereby EPSO successfully implemented the new approach decided by EPSO's Management Board in response to the above-mentioned legal issues. The AST-SC cycle was published at the end of the year under the same approach.

[1] http://eur-lex.europa.eu/resource.html?uri=cellar:14469e18-7552-43d7-bfe0-7dfb66b157c7.0004.02/DOC_1&format=PDF

In terms of contract agent selections (CAST), in January 2017 EPSO successfully launched the new CAST Permanent selection model for eight priority profiles. In the second half of 2017, an additional profile (function group I) was added, including 18 different categories for duties consisting of manual and administrative support service tasks. 2,858 candidates were successfully tested within CAST Permanent across five testing windows in 2017.

In parallel, EPSO evaluated 666 diplomas and dealt with 376 language test requests in the framework of the assessment of third language skills, as well as contributing to the successful completion of the certification exercise in which 128 AST Officials were tested on their suitability for appointment to the AD function group.

EXECUTIVE SUMMARY

The Annual Activity Report is a management report of the Director of the European Personnel Selection Office to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitutes the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties[2].

a) Key results and progress towards the achievement of general and specific objectives of the DG (executive summary of section 1)

In addition to the above, EPSO worked towards its five strategic goals as set out in its Strategic Plan 2016-2020:

- **Engage with candidates**

In line with the range of targets in the EPSO Management Plan, in 2017 EPSO continued to improve its 24-language communication with candidates, rolling out the Issue Tracker Customer Relationship Manager tool (which allows for prompt processing of candidate questions via agreed workflows, capitalising on synergies and ensuring consistent communication), and uploading 101 Frequently Asked Questions to our website. This has greatly enhanced the comfort and ease with which citizens can interact with the European Union and allows EPSO to gather better feedback and alerts on issues as they arise.

Alongside this, and throughout 2017, EPSO refreshed the EU Careers employer branding and Employee Value Proposition (EVP), promoting the image of the EU civil service as an attractive career choice for Europe's brightest and best potential candidates. Focus was given to building a core theme for an EVP to be used in all communications that is more specific and differentiating with a more powerful and compelling call to action for candidates. The most recent and largest graduate employer survey in Europe (by Trendence) ranked the EU Careers 15th among the top 500 graduate employers, the highest ranked public sector body in Europe.

Along with the Member States concerned, EPSO has continued to target applicants from those countries which to date have been underrepresented in the candidate pool (focus countries). In December, EPSO won the International Organisations Career Development Roundtable Innovation in Recruitment Award for organising an Online Career Fair for potential candidates from underrepresented Member States.

ENGAGE WITH CANDIDATES

In order to attract more candidates with disabilities and/or special needs, EPSO also developed and launched a targeted communication plan for the AD5 Generalists cycle published in April 2017. In this context, and in conjunction with stakeholders such as the European Disability Forum, various actions were implemented in order to better inform the target group about EPSO's equality and diversity vision, policy and practices, and to demystify specific measures such as special adjustments for selection tests. The equal opportunities webpage was revamped; staff and student Ambassadors with disabilities were recruited to promote EU Careers. 94.29% of candidates for the AD Generalists cycle who benefited from reasonable accommodations and participated in the satisfaction survey were satisfied with communication and support.

[2] Article 17(1) of the Treaty on European Union.

- **Adapt and improve selection methods**

Throughout 2017 EPSO continued to focus on improving its selection methods based on best practice and international standards. However, as a result of the Court rulings on the linguistic regime, and the necessary analysis and translation which followed, a number of projects were impacted by the difficulty to identify suitable open competitions for conducting pilot schemes.

ADAPT AND IMPROVE SELECTION

One such improvement, described in EPSO's 2017 Management Plan, was in the Competency Based Interview (CBI) where the focus was on a number of measures taken to further improve its validity, to increase its selective power, and to reduce its predictability. The split assessment technique[3] and the role play method[4] were also successfully trialled in 2017.

Following the success of the pilot in 2016, in early 2017 a new session of the EPSO Academy preparing two additional pools of experts, including for the first time also AST officials, was launched. The EPSO Academy is a fully integrated learning, development and accreditation programme to fully equip assessors to ensure equal opportunities, treatment and objectivity in order to guarantee a proficient and professional competency-based assessment of candidates.

- **Improve the recruitment process**

IMPROVE THE RECRUITMENT PROCESS

Throughout 2017 EPSO continued to actively engage with the Institutions in order to simplify and speed up the time taken to get laureates into active employment. Recruiter Portal has helped to significantly facilitate and speed up the search for successful candidates for the institutions. Additional improvements to the IT system have enabled recruiters to efficiently identify the best and most suitable talent for vacant posts by using a series of new filters and search engines.

- **Improve organisational and cost effectiveness**

In 2017, in line with its Business Process Reengineering strategy and EPSO's Strategic Plan for 2016-2020, EPSO, with the help of its Quality Management Office has continued to document and streamline its processes, focusing upon improving key aspects of its procedures and management of selection through quality control measures and aligning business services and IT. However, the Candidate Portal project (the envisaged new IT system to manage candidate applications and profiles and for which DG DIGIT is system supplier) which was due to be rolled out in 2017 encountered several delays due to a number of conflicting priorities with other projects, technical constraints and the complexity of the underlying data model, as well as potential IT governance weaknesses at corporate level as highlighted in 2017 by the IAS audit on the management of IT programmes and projects in the HR family.

IMPROVE ORGANISATIONAL AND COST-EFFECTIVENESS

In order to help tackle IT governance weaknesses (as identified by the IAS audit on the management of IT programmes and projects in the HR family at the end of 2017), preparation for an external study was initiated at the end of 2017 to enable EPSO to assess the best possible way forward with finalising the development of the Candidate Portal and Talent Pool internally (with DIGIT) or outside (buy-in), or a combination of both.

Internally EPSO has continued to increase its use of collaborative tools to include document processing, interinstitutional competition data sharing, and internal document revision. The

[3] Split assessment entails a candidate being observed by two assessors in parallel but each assessor scores independently. The final score can be consolidated later in a number of ways.

[4] A role-play exercise is an assessment activity in which candidates act out an imaginary scenario that closely mirrors a situation that could occur in their future jobs in the EU Institutions.

"EPSO Knowledge Garden" continued to expand and has further increased the efficient availability and flow of information internally.

At the same time, EPSO's considerable achievements continue to gain recognition throughout the public sector at both national and international levels. In 2017 EPSO was asked to share its best practice with public sector recruitment bodies such as those from Azerbaijan and Israel as well as the Association of Test Publishers annual conference and the International Career Development Roundtable. The Office continues to develop its Network of Experts in the field of Personnel Selection and Recruitment across the Member States; and once again in 2017 has been encouraged by the ever-increasing level of participation at the twice-yearly Network meetings (in Valetta and Dublin).

- ***Contribute to the development of the EU Institutions' HR policy and practice***

In its bid to offer a comprehensive selection of flexible and adaptive services, including expertise in the fields of assessment, selection, occupational psychology, psychometrics and employer branding, as well as support the implementation of talent management strategies in the EU Institutions, EPSO continued to develop its range of services and tests in 2017 and support the development of the corporate talent management policy. In particular, during the second half of the year EPSO prepared a blueprint document exploring the context for a new recruitment strategy described below and in October 2017 EPSO helped organise an experts' roundtable on the 'The European Commission as an attractive place to work' with Commissioner Oettinger and wide variety of internal and external stakeholders.

CONTRIBUTE TO THE DEVELOPMENT OF THE EU INSTITUTIONS' HR POLICY & PRACTICE

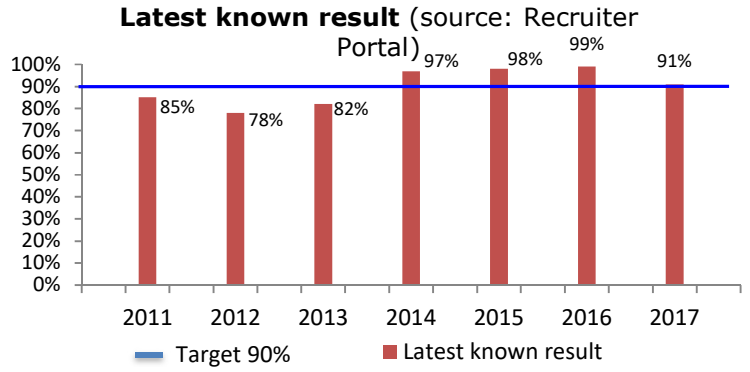
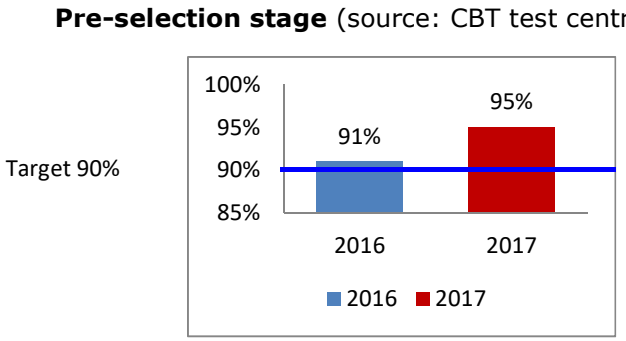
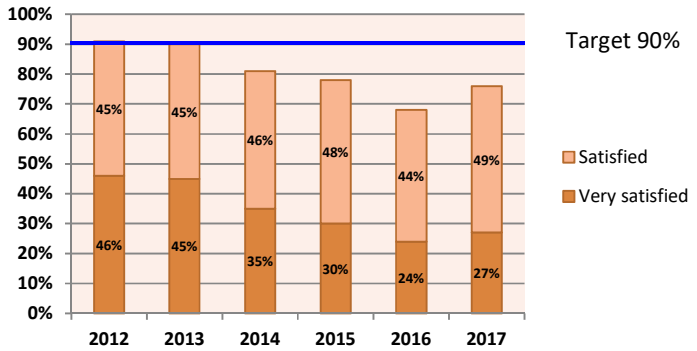
Policy highlights of the year

The major challenge and integral part of EPSO's operations in 2017 was the continued roll out, consolidation and communication to stakeholders and candidates of the new language regimes in place for its selection procedures, following judgements by the Court of Justice concerning the use of languages in EPSO selection procedures. In this context, the AD Generalists cycle 2017 was successfully launched under the new approach and Assessment Centres took place in five languages (English, French, Spanish, Italian and German) for the first time in such a large-scale competition. The empirical data on the languages declared by candidates as part of the new application process also confirmed the working hypothesis and simulations which supported the related decisions taken by the Management Board. The 2017 AST-SC cycle was also launched in November following the same approach.

During the second half of the year EPSO also prepared a blueprint document exploring the context for a new recruitment strategy for the period up to 2025, examining a range of pressures and challenges the Institutions face in remaining an attractive and competitive employer, as well as outlining a number of options for consideration and action. The EPSO 2020 vision also aims at seizing the many opportunities related to new selection techniques and fast-evolving technologies in this field in order to better serve the Institutions in an increasingly complex and volatile environment.

Last but not least, as per the Management Plan, calls for tender for two major framework contracts operated by EPSO (computer-based testing and Assessment Centres) were published in 2017 and will allow the Office to benefit from new tools, such as the possibility to organise proctored internet-based testing.

b) Key Performance Indicators (KPIs)

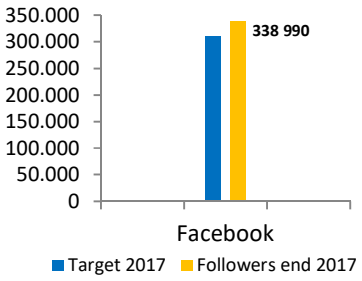
Result/Impact indicator (description)	Latest known results as per Annual Activity Report.
1. Laureate delivery rate (proportion of laureates delivered as % of the total number of laureates requested by the Institutions)	
2. Candidate satisfaction (pre-selection stage and Assessment Centre stage)	 

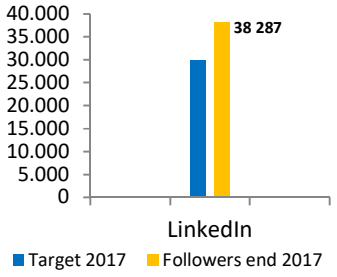
4. Strong awareness of the EU Careers brand as measured by:
- Number of views/visitors of the EU Careers website

PAGE VIEWS EU CAREERS BRAND	2014	2015	2016	2017
Website	27 948 569 *(source: Europa Analytics)*	33 689 769 *(source: Europa Analytics)*	19 203 250 *(source: Europa Analytics)*	17 405 634 *(source: Piwik)*
Wordpress	5 051 694	5 164 496	1 909 369	614 211
Total	**33 002 277**	**38 854 265**	**21 112 619**	**18 019 845**

VISITORS EU CAREERS	2015	2016	2017
Website	7 213 342 *(source: Europa Analytics)*	4 231 035 *(source: Europa Analytics)*	3 892 808 *(source: Piwik)*

- Number of followers on Facebook and Linkedin





- Number of promotional activities organised by, or including the participation of EU Careers Ambassadors in the Member States

Year	No of promotional activities
2013	316 EU Careers student Ambassador events
2014	319 EU Careers student Ambassador events
2015	833 EU Careers student Ambassador events[5]
2016	942 EU Careers student Ambassador events
2017	92 EPSO and 817 EU Careers student Ambassador events

In light of very specific circumstances, the evolution of some Key Performance Indicators in 2017 requires some explanation.

While the laureate delivery rate has slightly declined as compared to last year, it is worth noting that is difficult to compare this figure year on year due to large variations in the number of laureates requested. Indeed a number of competitions originally planned for publication in 2016 were postponed until 2017 in order to allow for adjustments to the language regimes, in particular the AD Generalists cycle.

For 2017 the satisfaction rate at Assessment Centre stage has increased by 8% as compared to 2016, with 76 % of candidates satisfied (out of which 27 % very satisfied). After several years of decrease, EPSO has managed in 2017 to reverse this trend also by reverting to the previous practice of sending the survey weekly so that candidates submit their feedback promptly after their Assessment Centre experience. In the interim, a bias had been introduced as a result of candidates only receiving the feedback survey after the results of their performance in the competition was already known. Since 2016 we have also reported on satisfaction at the pre-selection stage which remains above target.

[5] Including 387 one-to-one sessions by EU Careers student Ambassadors, which were taken into account for the first time in 2015.

As for the gender balance in open competitions for Generalist Administrators, EPSO cannot report on this key performance indicator in 2017 given there was no AD Generalists cycle published in 2016 while the 2017 cycle is still ongoing, with final results expected in the first semester of 2018. This KPI will be reported on again in the next Annual Activity Report.

It is worth noting that from 2016 to 2017 the tool used to measure website statistics has changed (from Europa Analytics to PIWIK). As there is no central standard for web traffic analysis, this change of platform is likely to have had an impact on the reported number of views. In an effort to harmonise web analytics in the major EU institutions, in 2017 EPSO joined the Inter-institutional Online Communication Committee web analytics working group. In addition, the EU Careers website was completely relaunched in December 2016, changing both content management systems and design, which is also likely to have affected the search engine ranking associated with the previous site.

Concerning the WordPress blog, the consistent decrease in visits is due to the fact that the blog is in the process of being decommissioned. Since July 2016 it has been used only for publishing news and information relating to competitions published before the end of 2015. Competitions published after mid-2016 have all relevant information published on the EU Careers website.

c) Key conclusions on financial management and Internal control (executive summary of section 2.1)

In accordance with the governance arrangements of the European Commission, (the staff of) EPSO and EUSA conduct their operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

The Commission has adopted a set of internal control standards/principles, based on international good practice, aimed to ensure the achievement of policy and operational objectives. The financial regulation requires that the organisational structure and the internal control systems used for the implementation of the budget are set up in accordance with these standards/principles. EPSO and EUSA have assessed the internal control systems during the reporting year and has concluded that the internal control standards/principles are implemented and function as intended. Please refer to AAR section 2.1.3 for further details.

In addition, EPSO has systematically examined the available control results and indicators, including those aimed to supervise entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives. Please refer to Section 2.1 for further details.

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

d) Information to the Commissioner(s)

In the context of the regular meetings during the year between the Office and the Commissioner on management matters, also the main elements of this report and assurance declaration, have been brought to the attention of Commissioner Günther H. Oettinger, responsible for Budget and Human Resources.

1. KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC OBJECTIVES OF THE DG

Specific objective 1: Highly qualified staff are made available to all EU Institutions by organising Open Competitions and selection procedures in an inter-institutional context – covering thereby their needs

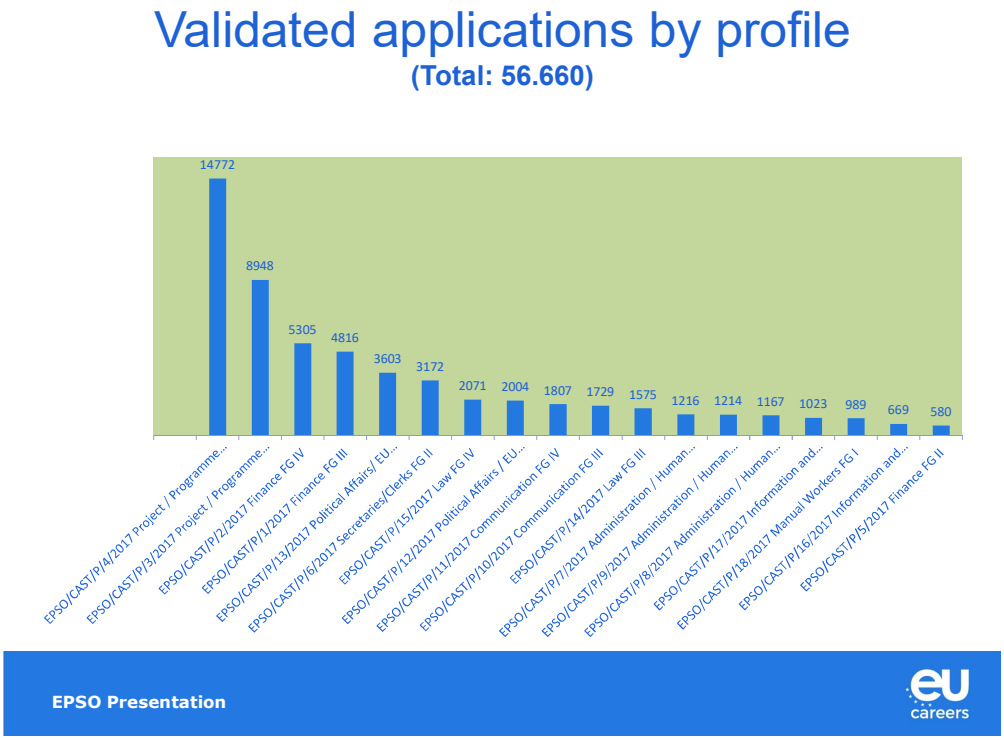
In addition to launching a number of competitions postponed from 2016, an integral part of EPSO's operations in 2017 focussed upon the integration, delivery and communication of the revised linguistic regime following the 2015 and 2016 judgements of the Court of Justice concerning the use of languages in EPSO's selection procedures.

EPSO published two large-scale competitions, namely the AD5 Generalist cycle together with the AST/SC cycle for secretarial profiles. In parallel, a series of competitions for specialised and linguistic profiles were published from April to December. The former included the selections for nurses at AST3 grade, building experts at grades AD6 and AST3 as well as communication experts at grades AD6 and AST3, and financial and macro economists at AD7 grade. The latter included the translator cycle in four languages at AD5 grade, eight lawyer-linguist competitions at AD 7 grade, six proof-reader competitions at AST3 grade, as well as six competitions for linguistic assistants at AST1 grade.

A total of 638 laureates were delivered versus 698 laureates requested in EPSO open competitions completed during the year. Hence, the overall delivery rate accounted to 91.4 %, which is above the target of 90%. EPSO also organised two large-scale competitions for the European Union Intellectual Property Office (EUIPO) based in Alicante and the 162 laureates delivered as compared to 145 requested raised the overall delivery rate up to 95 % of the cumulative target.

The average duration of the translator cycle completed during the year was 13 months, which is only one month more than expected. A typical competition for specialists lasted between eight to 18 months, compared to the target set of maximum six to nine months. These delays were largely due to the non-availability of the selection boards in the key periods of the competition life cycle, notably for the competitions organised at higher AD grades.

In terms of contract agent selections, EPSO successfully provided technical assistance for the new CAST Permanent procedure launched on 5th of January 2017 for 17 different generalist profiles in function groups II, III and IV. This was further reinforced in October with the inclusion of an additional set of profiles in function group I and the number of candidates per profile as of mid-December is illustrated below. Under this procedure, a total of five testing windows were organised from April to December. The procedure can be considered a major milestone towards an increasingly efficient and much less costly selection model and as a success since all the 3,351 candidates preselected by the recruiting Institutions and Agencies were invited to test during the year. In addition, and at the special request of the European Commission, EPSO organised a CAST specialist procedure for drivers: the delivery rates for drivers reached 26% up from a success rate of 9% in the previous driving test. This is due to the high qualitative demands and the complexity of the practical test requested by the institutions.



In the context of CAST Permanent, EPSO's stakeholders also requested the possible extension of multiple-choice competence testing to 24 EU official languages. As agreed, the translation of a minimum necessary quantity of test items covering all eight domains in the 21 remaining target languages was performed during 2017. The subsequent stages, including proofreading by Subject Matter Experts, the upload into the computer-based testing database and the final quality control process, still need to take place before the tests could be rolled out to candidates. The delay is mainly due to the fact that the institutions face difficulties to find qualified proof-readers in the languages and profiles in question.

In terms of framework contracts, EPSO initiated 3 tender procedures in 2017.

The Assessment Centre support tender was published in August 2017 with contract signature planned for April 2018. Despite the end of the previous framework contract in November 2017, there is no interruption of service as all needs have been anticipated and the previous contractor can still deliver work until August 2018 which will allow a proper transition between the two framework contracts.

The restricted tender procedure for MS Office skills tests was published on 13th December 2017. The opening committee and evaluation committee meetings will take place in February with contract signature foreseen for early July 2018. This will allow EPSO to offer new types of tests highly focussed on the real skills required for AST-SC staff in particular, thereby further reinforcing the ability to match the candidate pool with the required profile.

Due to the complexity of the new language regimes for EPSO selection procedures, drafting the tender documents for a new framework contract for the delivery of computer-based tests was delayed. However, in order to meet the urgent recruitment needs of EU Institutions, EPSO will continue to deliver computer-based tests (multiple-choice, essay-type and internet-based tests) availing of a one-year extension of the previous contract. As a consequence EPSO also considered necessary to increase the ceiling of lots 2 and 4.

The tender procedure for delivery of computer-based tests was published in December 2017 in two lots. The new contract is expected to be operational from autumn 2018.

As part of the new language regime for Generalist cycles, Situational Judgement tests must be available in five languages to be confirmed at the end of candidate registration. During 2017 all of these tests have been translated and proofread and Situational Judgement tests will be available in the agreed languages for the AD 2018 cycle.

Specific objective 2: Our communication with potential and current candidates is positive and proactive, in order to contribute to a strong employer image for the EU Institutions and improve our ability to attract the right talent

Employer branding and attractiveness

EPSO's current key challenge is to build and articulate an attractive employer brand to establish the Institutions as an employer of choice. This challenge is made more difficult by the sheer scale and diversity of the employment markets across the EU Member States, the global war for talent and the demands and behaviour of the next generations.

During 2017 EPSO continued to follow the latest developments in the field of employer branding, contributing to reflections about a refreshed Employee Value Proposition (EVP) that underpins the EU Careers brand and making proposals for its adaptation and/or use in different campaigns and products. During the second half of the year, two employer branding sessions for representatives of the Institutions and EPSO staff were held followed by further research and numerous discussions with employer branding experts and internal and external stakeholder groups. In October 2017 EPSO helped organise a roundtable on the 'The European Commission as an attractive place to work' with Commissioner Oettinger and a wide variety of internal and external stakeholders.

To support geographical balance of staff within the EU Institutions, EPSO continued its targeted efforts towards eight focus countries (Czechia – new member in 2017, Denmark, Germany, France, Ireland, Netherlands, Poland and Sweden) which have been consistently under-represented in the candidate pool to date. This included activities such as presentations to visiting groups and at targeted events, the expansion of the EU Careers student Ambassadors programme, a focus country seminar and a number of online career events. For the latter, EPSO received an award at the International Career Development Roundtable attended by over 300 HR professionals from across the multi-lateral sector.

These activities are described below and in more detail in Annex 12.

Candidate communications

In 2017 EPSO's Candidate Contact Service answered a total of 11,135 written requests in all 24 EU official languages from candidates and citizens interested in an EU Career. The Europe Direct Contact Centre, with whom EPSO has co-operated since 2016, replied to more than 2,500 questions about EU Careers. EPSO staff regularly update and train the agents at the Europe Direct Contact Centre who answer phone and written questions in all 24 official EU languages.

During the year, 101 new frequently asked questions were published on EPSO's website, in particular on complaints' procedures and in a newly created section on myths and facts about EPSO tests and selection procedures.

Candidate Portal

In 2017, intensive work continued, together with DIGIT, on the Candidate Portal project. This new system should allow EPSO candidates to benefit from a modern, intuitive, easy to use interface to manage their EPSO profile, apply for selection procedures, monitor their progress and communicate with EPSO. It should be embedded in the EU Careers website allowing for a single user experience, comply with AA accessibility standards and be mobile responsive. All candidate facing features and functionalities must be available in all 24 EU official languages.

However, due to a number of conflicting priorities with other projects, technical constraints and the complexity of the underlying data model, the preparatory work for the full development and roll-out of this project was delayed. In September 2017 it was agreed to put on hold all further development of Candidate Portal, in order for DIGIT to be able to urgently develop a new data model to be able to support the new portal and all back office enhancements, as well as several overdue critical enhancements to CAST Permanent and Recruiter Portal projects. These were successfully put in production by the end of 2017.

In order to help tackle IT governance weaknesses (as identified by the IAS audit on the management of IT programmes and projects in the HR family at the end of 2017), preparation for an external study was initiated at the end of 2017 to enable EPSO to assess the best possible way forward with finalising the development of the Candidate Portal and Talent Pool internally (with DIGIT) or outside (buy-in), or a combination of both.

EU Careers Ambassadors

The EU Careers Ambassadors scheme entails motivated and outgoing students promoting EU Careers on their university campus. The emphasis for the 2016/17 academic year was to provide Ambassadors with additional skills-based training and increase the EU Careers brand awareness on campus. As a result, Ambassadors organised or participated in 817 EU Careers fairs, presentations, one-to-one sessions, Facebook events and other media activities.

In addition to the above, EPSO recruited 49 new EU Careers Staff Ambassadors across 23 nationalities, ranging from officials at grades AST1 to AD13 and hailing from six EU Institutions and agencies. This new cohort was headhunted based on criteria such as nationality, grade, profile, Institution and involvement in the 10 priorities of President Juncker.

Equal opportunities

In order to attract more candidates with disabilities and/or special needs, EPSO also developed and launched a targeted communication plan in 2016 which continue to be implemented in 2017. Testimonials by colleagues with disabilities were published on EPSO's website in 2017.

EPSO also launched a targeted communication campaign in the context of the AD5 Generalists cycle published in April 2017. In this context, and in conjunction with stakeholders such as the European Disability Forum, various actions were implemented in order to better inform the target group about EPSO's equality and diversity vision, policy and practices, and to demystify specific measures such as special adjustments for selection tests. The equal opportunities webpage was revamped; staff and student Ambassadors with disabilities were recruited to promote EU Careers. In terms of figures, EPSO received 407 requests for special adjustments for competitions launched in 2017[6].

[6] This number represents only the requests received at the application stage per competition published (and not finalised) in 2017 and indicates how well we attract talent with disabilities and special needs. It does not cumulate requests received from same candidates within a competition. Each candidate is recorded once even if reasonable accommodations were granted at different stages of the competition to her/him.

The new reasonable accommodations procedure and questionnaire on special needs allowing EPSO to better understand candidates' needs and offer tailor made adjustments were implemented in 2017 and are now applied to all competitions. Systematic feedback from candidates benefiting from reasonable accommodations will be implemented in 2018 but 94.29% of candidates for the AD Generalists cycle who benefited from reasonable accommodations and participated in the satisfaction survey were satisfied with communication and support.

After two rounds of testing and development fixes in the course of 2017, the EU Careers website is now compliant with level AA of accessibility requirements[7]. Regular accessibility screenings of both EPSO's communication and selection procedures were carried out during the year and accessibility requirements have been taken into account. As a result the number of requests for adapted formats of online documents and tools was reduced dramatically with only 2 requests received in 2017.

Specific objective 3: EPSO's selection methods are continuously improved based on experience, best practice and international standards.

EPSO continued to focus on improving its selection methods based on best practice from other international organisations and international standards (such as ISO 10667) in 2017 in line with EPSO's Strategic Plan (2016-2020) as well as its Management Plan for 2017.

- A new questionnaire aiming at assessing the preferred working situations of candidates was designed and validated with 100 volunteers (EPSO staff and Permanent Selection Board Members.
- An automated reporting system providing a profile for each candidate and possible questions for the competency-based interview was created and EPSO is now seeking an appropriate IT solution so that it can be used fully as part of the Assessment Centre.
- The assessment of "Analysis and problem solving" was included in the competency-based interview as part of the testing matrix of a specialist competition in 2017. Scoring systems and questions have been adapted and a special training was developed for assessors. The results were carefully analysed and indicate a marked improvement of the selective power of the tool.
- The split assessment technique[8] was applied a posteriori in two competitions, and it allowed the Selection Board to analyse the assessor effect and fine tune their scoring.
- The Role Play[9] method was trialled extensively in one specialist competition and proved to be highly reliable and valid. The Selection Board welcomed the new method and recommended its use in future competitions.
- The multi mini interview method which consists of dividing the oral test into several, short, independent interviews focusing on specific aspects, was integrated into two selection processes published in 2017 and the Assessment Centres using this method will take place in 2018.
- Regarding the preparation of a video-recorded group exercise room, several meetings took place, in 2017, with the Directorate General for Interpretation, in order to establish the technical specifications and budget. It is foreseen to use this method in a specialist competition for which the Assessment Centre period is scheduled for autumn 2018. Publication of a new tender for delivery of video-remote interviews is also foreseen for 2018.

[7] See: http://ec.europa.eu/ipg/standards/accessibility/index_en.htm and https://www.w3.org/WAI/intro/wcag

[8] Split assessment entails a candidate being observed by two assessors in parallel but each assessor scores independently. The final score can be consolidated later in a number of ways.

[9] A role-play exercise is an assessment activity in which candidates act out an imaginary scenario that closely mirrors a situation that could occur in their future jobs in the EU Institutions.

Specific objective 4: Recruitment needs are clearly identified up-front in close cooperation with Institutions, aligning thereby supply and demand for laureates.

The annual strategic planning exercise is one of EPSO's core activities. As in the past, this common approach served the purpose of identifying the strategic staffing needs at inter-institutional level well in advance, hence facilitating the preparation of future competitions in optimal conditions. The 2017 exercise, covering the coming three years, i.e. 2018 until 2020, was completed by endorsement of the EPSO Management Board in November. In this context and based on the updated guidelines, EPSO continued to push forward an efficient and effective planning exercise, in full alignment with talent management efforts of the Institutions.

In parallel, EPSO continued to further adapt the Notices (including the templates for CAST procedures and temporary agent selections) and improve the existing descriptions of jobs and duties per position and in line with each staff category, with a view to increasing consistency amongst profiles whilst fulfilling institution-specific needs. Moreover, the European Qualifications Framework (EQF) reference is now systematically inserted in the Competition notices whenever applicable.

As in 2016, in 2017 the consultation of the stakeholders both for the annual planning exercise and for the new Notices of Competition and Calls for Expression of interest took place online, in a specific protected WIKI environment. This facilitated the prompt exchange of views, especially on competition-specific language justifications, definition of priority profiles and areas where skills and knowledge-gaps were identified.

Specific objective 5: Recruiting services can identify and recruit appropriate laureates rapidly and effectively.

A powerful search tool called Recruiter Portal, in place since August 2015, further contributed to simplifying the management of pools of successful candidates established both for officials and contract agents. Based on a revised data model and further enhancement during the year, Recruiter Portal continued to enable recruiters to efficiently identify the best and most suitable talent for vacant posts by using a series of new filters and search functionalities. All necessary information is visible on one single screen and access rights are handled via the corporate EU Login tool.

In agreement with the institutions, the recruitment rates continued to be presented to the inter-institutional Working Group every three months allowing EPSO to prepare and present detailed statistics on the progress of recruitment both in Brussels and in Luxembourg as well as on laureates' nationality, gender, last employer, age, languages, diplomas and relevant work experience.

Before the summer break, EPSO started to prepare the annual closure/ extension of available reserve lists for officials and contract agents. In the context of this exercise, each list is analysed in detail and a decision is made on the basis of future needs and recruitment prospects of laureates. In 2017, the stakeholders unanimously decided to close a total of 129 reserve lists which were considered either exhausted or outdated, out of a potential 397 and to extend all the remaining lists by one more year. The exploitation rate of these closed reserve lists is 75% which is lower than in previous years which reflects the fact that a large proportion of the lists that were closed are from before the introduction of structured strategic planning and supply and demand were not aligned. TAs for the CAST lists, it was decided to extend CAST25 until 30 June 2018 and the remaining 16 CAST lists either until 31 December 2018 or 2020, in line with the wishes expressed by the recruiting services.

Specific objective 6: Existing processes are re-engineered, including the use of digital technologies and collaborative tools, to make them more cost-effective, efficient, agile and rapid

The EPSO quality management system continued to be expanded in 2017 achieving the intermediate milestone of 80 % of its elements in place. An overview of this progression over time can be found in Annex 12.

An implemented strategy for digital collaboration and knowledge management in EPSO is one of the main enablers of the system, since it provides the platform on which to build the quality management system itself. EPSO Knowledge Garden (the EPSO Knowledge Management wiki) is being consistently used by an increasing number of EPSO teams in an autonomous manner. Specific business teams create and manage their own wikis autonomously and four out of six EPSO entities have their internal, restricted Unit corner on the wiki, organising themselves to match their own needs. All EPSO newcomers received first level wiki training and second and third level wiki courses were delivered on regular basis.

A key aspect in the quality management system is the definition of business requirements and documentation of processes in order to describe the IT vision and resulting modernised IT suite. Ultimately this aims at a digital transformation offering agility, reliability, efficiency and interoperability within the HR family. A draft blueprint for the Talent Pool Programme (TPP) together with governance and methodology were discussed during 2017.

In light of the delay and the difficulties encountered (see comments under Candidate Portal above), it was agreed in October 2017 by DIGIT and EPSO that a study should be performed by an independent party at the beginning of 2018 to propose a new IT service delivery model. This model should take into account different aspects such as the complexity and uncertainty of the current world, IT evolution from automation to digital transformation, synergies, efficiencies and organisational changes, among others aspects.

Together with the Talent Pool Programme processes, the existing description of other business processes (currently available in wiki) have been reproduced in ARIS (EPSO business process repository) with an aim to improve future analysis and enable further identification of workload indicators, which is a key component for management to monitor and control their resource management. So far several elements indispensable for the definition of workload indicators have been included in ARIS repository.

In parallel, a new online tool to follow 26 Key Performance Indicators covering all key aspects of business (such as gender and score evolution, workforce net capacity, and percentage of budget committed and consumed) has been developed in view of enhancing EPSO's ability to track and measure processes. This tool also includes some necessary elements to define workload indicators such as volume of applications, duration of competitions, volume of requests for review and legal cases, volume of candidate queries and average response time, sick leave rate and volume of admitted candidates.

As in previous years, another important aspect of the Quality Management system is recording, monitoring and following up on the important and regular feedback from Selection Board Members via the SharePoint-based system "REMEMBER". The target of 100% of new recommendations to be captured has been met with an additional 41 recommendations encoded in 2016 bring the total number of recommendations handled in 2017 to 182.

In 2017, EPSO also held discussions with a professional external service provider concerning the specific checks of diplomas and work experience evidence submitted by candidates. A number of specific cases was identified where such a collaboration may prove useful in the future. EPSO will continue to build expertise in the field in order to identify cases of documentation requiring further verification.

Specific objective 7: The attraction, appointment and workings of selection boards and assessors are further rationalised and professionalised.

Building on the considerable progress made in the past couple of years, further efforts were made in 2017 to increase the attractiveness of becoming an assessor for competitions organised by EPSO. In close cooperation with the European Parliament, EPSO organised two information sessions to raise awareness about the attractiveness of the work performed by Selection Board members and markers in selecting new staff, in order to ensure timely appointment of board members and avoid unnecessary withdrawals during the process. These two sessions took place in Brussels and in Luxembourg in the first quarter of 2017.

This information and visibility campaign also consisted of a number of additional initiatives. When it comes to the role of ASTs in the EPSO selection processes, the Director of EPSO attended the annual AST network meeting in the autumn to explain how to get involved in staff selection and HR matters as a staff Ambassador, selection board member, marker or subject matter expert.

In 2017, EPSO actively and systematically used collaborative tools internally for preparing and following-up meetings with the colleagues acting as Selection Board members. In addition, these tools facilitated the documenting of processes and sharing competition-specific data in one single repository, easily accessible and available online.

In line with EPSO's strategic plan (2016-2020), the EPSO Academy – a learning, development and accreditation programme has been implemented on permanent basis. A new session was launched in 2017, offering 15 AST and 15 AD colleagues from different EU Institutions the possibility to become an accredited expert in staff selection. Together with the pilot group these colleagues were observed and evaluated in a simulated Assessment Centre in the context of their accreditation and the final accreditation of the colleagues will take place early 2018.

Specific objective 8: A comprehensive offering of flexible and adaptive services – including expertise in the fields of assessment, selection, occupational psychology, psychometrics and employer branding – as well as support to ensure the implementation of talent management strategies in the EU Institutions are provided to help meet challenging stakeholder needs.

Whilst the political endorsement to establish a Young Professionals Programme remained pending in 2017, EPSO's contributed to proposals for establishing this approach to selecting and recruiting talented young people in line with international best practice and in the framework of the corporate talent management policy. At the same time, and in order to prepare the ground for any similar future initiative, EPSO successfully developed a user-friendly application tool to select trainees for the Council. This new tool is available online since September 2017.

In addition to the EU Institutions, and in view of pooling resources and recruitment goals, EPSO also provides tailored selection services and support to the decentralised EU agencies and bodies across Europe. In 2017, a total of 28 decentralised agencies used EPSO's staff selection services on a charge-back basis, generating an income of EUR 1 036 499 during the year. The largest part (96%) of that amount came from the two EUIPO selections and from the upcoming launch of the new Research Executive Agency Temporary Agent selection for AD6 research officers for which preparation was begun in 2017. The rest was for delivery of 3rd language testing (EUR 17 949) and the recruitment of contract and temporary agents by the agencies (EUR 28 500). The online catalogue of services introduced in December 2016 continued to support the Institutions and agencies throughout 2017, describing the cope and range of EPSO services in a user-friendly and transparent manner.

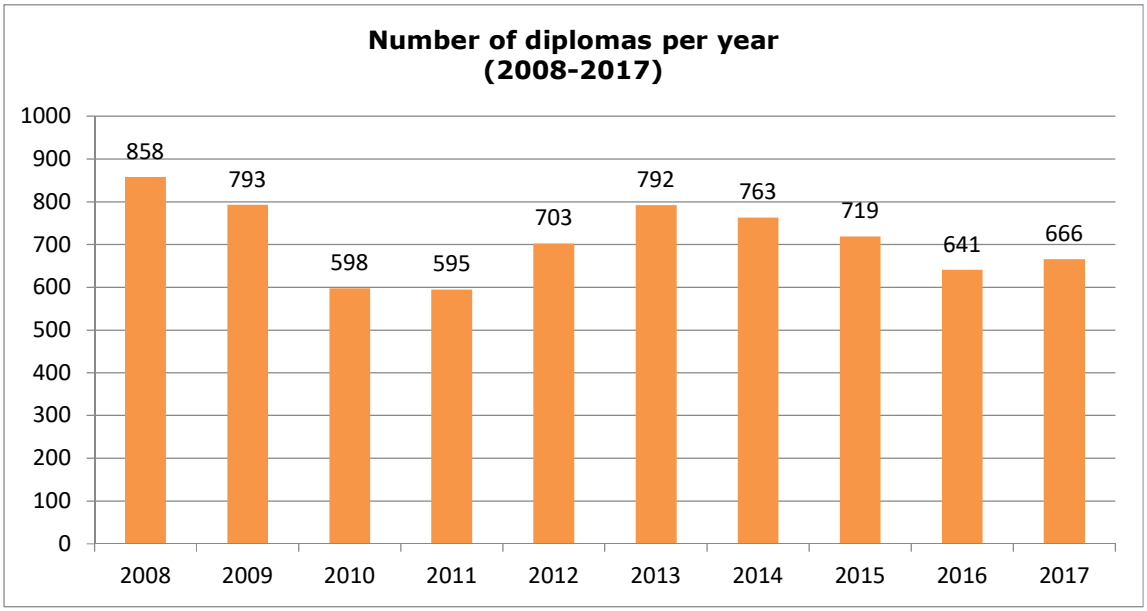
The catalogue of services contains a specific offer of equality and diversity related services. During 2017, EPSO's expert in equality and diversity was consulted several times by different

institutions for advice and trainings. In addition, a training on reasonable accommodations of selection tests was organised for the EU Parliament. EPSO also organised several trainings for the recruiters on the use of the Recruiter Portal tool and the new CAST Permanent selection as well as for in-house panellists on how to conduct recruitment interviews.

Specific objective 9: The linguistic abilities in a third language of staff eligible for a first promotion (officials, contract staff in function group IV, temporary agents assisting political groups in the European Parliament and temporary agents in agencies) are evaluated in a harmonised, consistent and cost-effective manner.

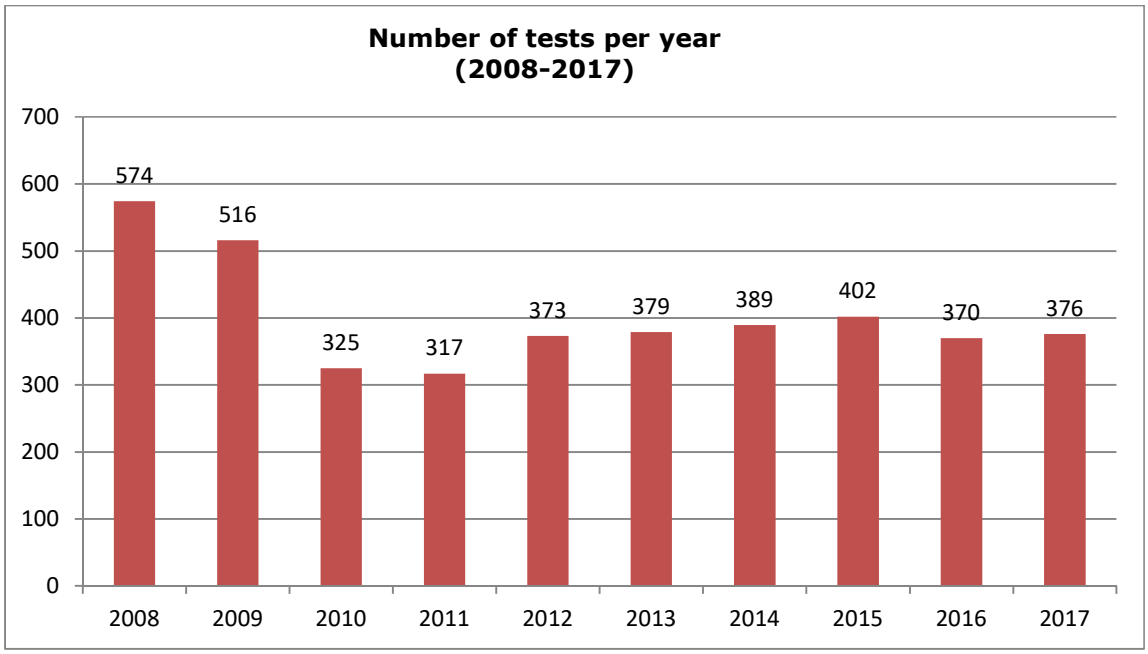
In 2017, 666 diplomas were assessed across various languages within the set deadlines: 87% of the diplomas assessed were accepted by the evaluation committees as valid proof of linguistic ability in a third language; 11% were refused; and 2% of the initial submissions were withdrawn.

Number of diplomas assessed on a yearly basis for the recognition of a third language:

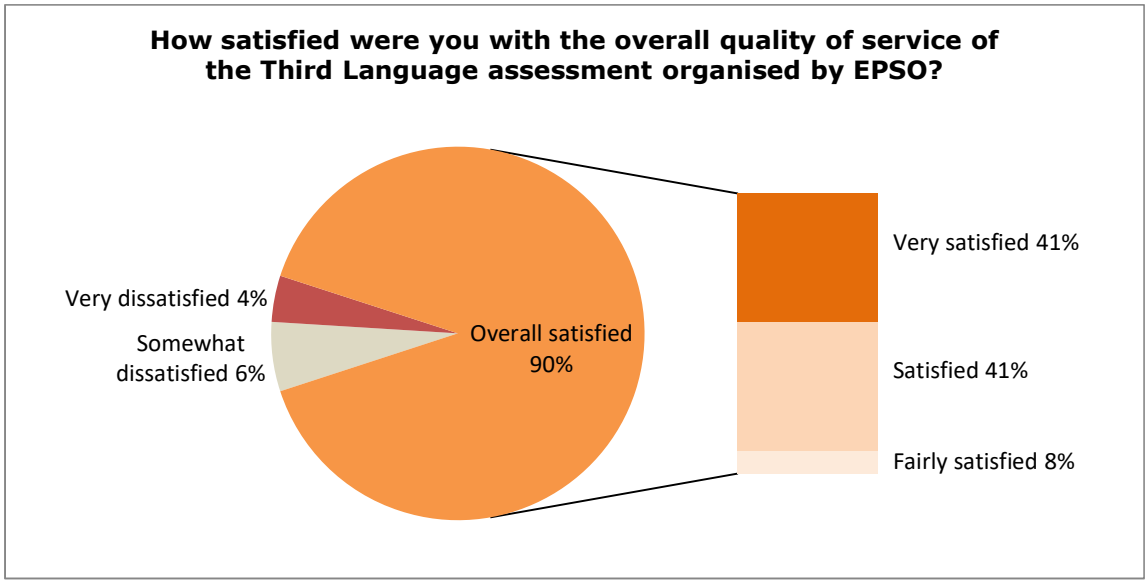


376 tests were delivered across various languages in 2017 within the set deadlines and with an overall pass rate of 68 % (which is comparable to 2016). *(These numbers include pass, fail, absent and withdrawal in both years).*

Number of tests delivered on a yearly basis for the recognition of a third language:



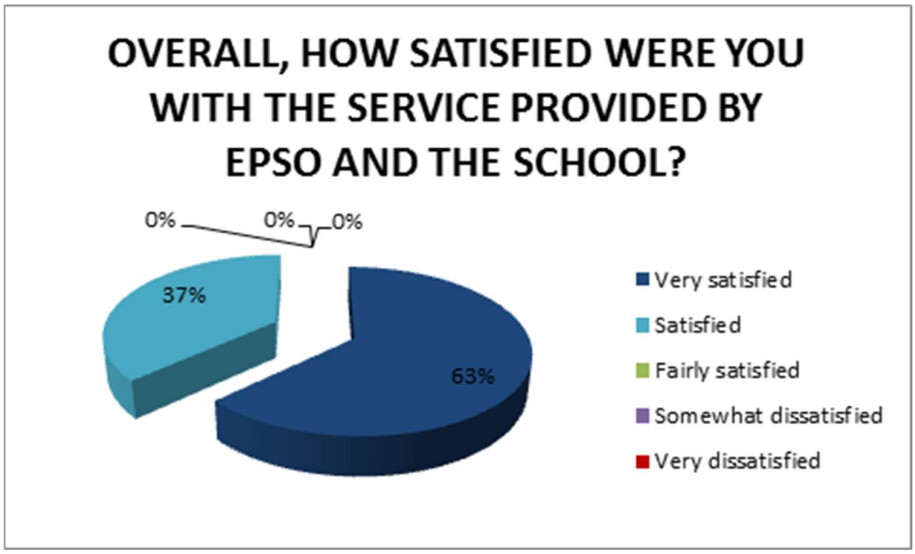
The satisfaction survey sent in 2017 to all staff members who made use of the third language assessment facilities over the period of reference shows that the satisfaction rate of end-users remains high and stable (90 % compared to 92 % in 2016).



Specific objective 10: To contribute to the running of the certification procedure.

128 candidates were tested in four different exams (of which 79 were new candidates). The overall pass rate was slightly higher than in 2016 with 56.25 % of all candidates passing the tests (compared to 55.04 in 2016). Amongst the new candidates for Certification, the pass rate was 58.22%.

The Examining Board expressed its full satisfaction with the quality of the services in 2017. EPSO and EUSA launched a joint satisfaction survey, the results of which confirmed the satisfaction expressed by the Examining Board (see graph below).



2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

This section answers to the question *how* the achievements described in the previous section were delivered by the Office. This section is divided in two subsections.

The first subsection reports the control results and all other relevant information that support management's assurance on the achievement of the financial management and internal control objectives. It includes any additional information necessary to establish that the available evidence is reliable, complete and comprehensive; appropriately covering all activities, programmes and management modes relevant for the Office.

The second subsection deals with the other components of organisational management: human resources, better regulation principles, information management and external communication.

2.1 Financial management and internal control

Assurance is an objective examination of evidence for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes.

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to the Director of EPSO. The reports produced are:

- The reports by AOSDs;
- The reports by Authorising Officers in other DGs managing budget appropriations in crossed sub-delegations;
- The reports of the ex-post supervision or audit;
- The limited conclusion of the internal auditor on the state of control and the observations and recommendations reported by the Internal Audit Service (IAS)

This section reports the control results and other relevant elements that support management's assurance. It is structured into (a) Control results, (b) Audit observations and recommendations, (c) Effectiveness of the internal control system, and resulting in (d) Conclusions as regards assurance.

2.1.1 Control results

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives[10].

Assurance is an objective examination of evidence for the purpose of governance processes. This examination is carried out by management, who monitor the functioning of the internal control systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to the Director-General. The reports produced are:

- Assurance reports and exceptions registered by the Sub Delegated Authorising officers as well as reports from Authorising Officers in other DGs who manage budget appropriations in cross-delegation;

- Results of the ex-post controls;

[10] Effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 32).

- Results of controls on large value Procurement Contracts (GAMA);
- Observations and recommendations reported by the Internal Auditors and the European Court of Auditors (ECA);
- Contribution of the Internal Control Coordinator, including the results of internal control reviews at the DG level

EPSO's assurance building and materiality criteria are outlined in the AAR Annex 4. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the control systems.

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

General context

In 2017 EPSO received a budget of around MEUR 26.7, which also included the budget of the European School of Administration (EUSA, approximately MEUR 6.1). EPSO has responsibility for administrative credits only. These are committed under its sole responsibility, except for transactions made on behalf of EPSO by PMO (personnel expenditure), OIB and OIL (expenditure for buildings in Brussels and Luxembourg), DG HR (expenditure for security) and DIGIT (expenditure for IT) according to Internal Rules and/or based on Service Level Agreements (SLA) in the case of DIGIT. The budget which is co-delegated to the services indicated above (around MEUR 17.7) is covered by the internal control measures of those entities and covered in their respective AARs.
Of the remaining budget, MEUR 3.5 was used for the operational activities of the European School of Administration, MEUR 3.2 for computer-based testing (CBT) and MEUR 0.3 for transactions to reimburse travel and subsistence expenses to candidates at the written and oral stages of selection procedures. Additional important expenditure was related to the Assessment Centres (MEUR 0.8).

The SLA with DG HR -for the provision of routine administrative support services to EPSO in the area of human resources and financial management (especially ex-post verifications, procurement, financial reporting and accounting) - was revised in December 2017. The SLA is accompanied by a co-delegation between Authorising Officers by Delegation. The co-delegation agreed with the Director General of DG HR covers administrative credits in a limited number of areas. A charge back process has also been integrated into the SLA in compliance with the corporate applicable rules in order to accurately reflect and compensate the costs of services provided by DG HR to EPSO in this context.

The Director of EPSO remains responsible for the overall internal control system and the design, implementation and monitoring of the internal control measures applied in EPSO. Following the entry into force on 1 January 2018 of the new Internal Central Framework in the Commission and in the context of the transition period in 2017, EPSO decided to assess the effectiveness of internal control still under the Internal Control standards applicable at the beginning of 2017.

EPSO has chosen to operate using a partially decentralised financial circuit for its operational expenditure. According to this model, the finance team of the Resources and Administrative Support unit carries out financial initiation and ex-ante verification; other units are responsible for operational initiation and verification, as well as the function of authorising officer by sub-delegation for operational expenditure. DG HR applies the fully decentralised model for the expenditure managed on behalf of EPSO in the framework of the above-mentioned SLA.

DG BUDG has decided that in order to close the 2017 budget, EPSO, amongst other low-spending DGs, must continue to use a simplified cut-off procedure.

Coverage of the Internal Control Objectives and their related main indicators

- ***Control effectiveness as regards legality and regularity***

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

Objective 1: Effective and reliable internal control system giving the necessary guarantees concerning the legality and regularity of the underlying transactions**.**		
Indicator 1: Estimated residual error rate **Source of data:** ABAC, ex-post controls, audit reports		
Baseline 2014: below 2%	**Target 2017:** below 2%	**Latest known results:** Estimated at 0.16%
Indicator 2: Estimated overall amount at risk for the year for the entire budget under the DGs responsibility **Source of data**: ABAC		
Baseline 2015[11]: EUR 180 000	**Target 2017**: ≤ EUR 180 000	**Latest known results:** EUR 12 526
Indicator 3: Estimated future corrections **Source of data:** ABAC, AAR 2016		
Baseline 2015: none	**Target 2017**: none	**Latest known results:** None

EPSO has set up internal control processes aimed at ensuring the adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.

The control objective is to ensure that the Office has reasonable assurance that the total amount of any financial operation authorised during the reporting year which would not be in conformity with the applicable contractual or regulatory provisions, does not exceed 2% of the total expenditure.

EPSO has therefore reviewed the following indicators on legality and regularity grounds as well as on sound financial management:

- **Ex-post controls**

Objective: Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions			
Main outputs in 2017:			
Description: Ex-post controls	**Indicator** • Approx. 25 by EPSO Management and 50 by DG HR.R.1 (15 on	**Target:** • No financial transaction earmarked as "unacceptable".	**Latest known results** • No financial transaction earmarked as

[11] Ref. Ares(2017)6186673

	commitments, 45 on payments and 15 on recoveries).		"unacceptable".
Implementation of the 2016 IAS audit report on procurement	• New checklist available • SLA with DG HR revised and updated	100% of recommendations implemented	• Checklist available since early 2017 • Revised SLA with DG HR signed in December 2017.

On the basis of the afore-mentioned SLA between EPSO and DG HR of the Commission, DG HR.R.1 and the Director of EPSO, in his capacity as AOD, proceeded with ex-post controls on commitments

In conformity with FR art 66.2, EPSO's Director decided in 2015 upon a proposal made by DG HR.R.1, to modify the frequency of EPSO's controls in view of the different risk-profiles among its current and future transactions and of the cost-effectiveness of its existing controls. The same frequency of control was also applied in 2017. For the 2017 financial transactions, two series of ex-post controls took place, covering the periods January–June and July–September respectively. The last batch of ex-post controls (October–December) took place in early 2018.

The ex-post control campaign covered 75 transactions worth 6,99M€, representing 42% of the value of all transactions. The sample was designed in order to give rise to a meaningful result. The sampling method used was random and stratified taking into consideration the fact that a large proportion of payments (>60%) are low value and low risk. They correspond to reimbursements to candidates for competitions.

Control Coverage associated with Transactions:

Type of transaction	Number Ex post controls	€ Value associated with the sample	% of total € covered by the sample
Commitments	15	5.98M€*	79,9%
Payments	45	0.71M€	9,2%
Recovery orders	15	0.3M€	20,8%
Total	**75**	6.99M€*	42,02%

* When carrying out controls on payments, the associated commitment is also checked. To avoid double accounting, the figures in the table do not include the commitment amounts associated with the payment checks.

Control Results associated with Transactions:

Type of transaction	Number Ex post controls	Transactions with comments	% of total value Not at risk of financial error
Commitments	15	1	100%
Payments	45	11	99.84%
Recovery orders	15	11	100%
Total	**75**	**23**	**99.84%**

The results of the controls allowed for the calculation of an estimated error rate which is well below the 2% materiality threshold (currently estimated at 0.16%). However, 2017 saw a nearly same number of comments as in 2016 with 23 transactions for which a remark has been issued. These remarks are mainly related to the three following categories: respect of the annuality principle, issues with follow-up-tables and procurement issues.

It should be noted at the same time that no material issues were noted for any of the transactions and that the above-mentioned shortcomings do not adversely affect the overall assurance declaration on the implementation of EPSO's budget. Any potential weaknesses highlighted in 2017 will be reviewed and addressed appropriately by EPSO. No financial transactions have been earmarked as "unacceptable" in 2017.

In view of the above, it can be concluded that the ex-post controls did not bring to light any significant issues which may lead to a potential reservation in this annual activity report.

- **AOS reports**

Since 2015 AOS reporting is carried out at six-monthly intervals (twice per year).

EPSO's Director received a copy of each individual AOS report. An analysis of these reports did not highlight any problems or weaknesses that would lead to any reservations in the Annual Activity Report.

- **GAMA**

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

Objective: Effective and reliable internal control system in line with sound financial management.			
Main outputs in 2017:			
Description:	**Indicator:**	**Target:**	**Latest known results:**
Timely execution of payments	Percentage of payments on the budget made within the compulsory 30 days limit after receipt of invoices	>95%	98 %
Procurement processes for new Framework contracts	• Timely completion of the procedure (in collaboration with DG HR.R.1). • Number of negative opinions given by GAMA on EPSO/EUSA procedures	Finalisation of the Call for Tenders with following respective target dates: - MS Word and Excel: May 2017. - CBT: August 2017. - Assessment Centre content: November 2017.	• Procurement process for MS Office Skills (Word and Excel) published in December 2017. • Procurement process for computer-based testing published in December

		Number of negative opinions given by GAMA = 0	2017. • Procurement process for AC and test content published in August 2017. • No negative opinions of GAMA in 2017

During 2017, EPSO/EUSA finalised 6 tender procedures above the publication threshold, 2 open procedures (Art. 104 1 a FR) for which a framework contract was signed in 2017 and 3 exceptional negotiated procedures without publication of a contract notice (Art. 134 RAP). Two of these negotiated procedures were made to increase the ceilings of the existing framework contracts; one was made because no candidate replied to the initial open procedure. A framework contract was signed following this procedure in 2017.

In terms of framework contracts, EPSO initiated 3 tender procedures in 2017.

The Assessment Centre support tender was published in August 2017 with contract signature planned for April 2018.

The restricted tender procedure for MS Office skills tests was published on 13th December 2017. The opening committee and evaluation committee meetings will take place in February with contract signature foreseen for early July 2018.

Due to the complexity of the new language regimes for EPSO selection procedures, drafting the tender documents for a new framework contract for the delivery of computer-based tests was delayed. However, in order to meet the urgent recruitment needs of EU Institutions, EPSO will avail of a one-year extension of the previous contract. As a consequence EPSO also considered necessary to increase the ceiling of lots 2 and 4.

The tender procedure for delivery of computer-based tests was published in December 2017 in two lots. The new contract is expected to be operational from autumn 2018.

- **Reporting**

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

- **Exceptions reporting and non-compliance events**

In 2017, three non-compliance events/exceptions (two for EPSO and one for EUSA) were registered under the procedure of Internal Control Standard 8. Concerning the EPSO cases, the non-compliance event resulted from the absence of the legal commitment. However, the related amount was small (1.2kEUR) and covered by a provisional financial commitment. The exception concerned a time extension and ceiling increase of framework contract No EPSO/01/PR/2012/121 for Lots 1, 2 and 4 based on the exception from Article 122 (1) RAP (time extension) and in line with Article 114a of the Financial Regulation1 (FR) (ceiling increase) before expiry of the contract.

Concerning EUSA, the non-compliance event was due to an overspend on an existing purchase order. The contractor was not following the sessions closely enough and had not realised that a new purchase order was necessary. The amount (0.7kEUR) involved was not material.

In light of the limited amounts as well as of the specific circumstances of the above events (as described in the register of non-compliance events) these do not illustrate internal control weaknesses and appropriate mitigating measures have been taken.

- **Recovery of unduly paid amounts**

Further to the careful verification of requests for payment, an amount of approximately EUR 4 000 was deducted from payments via credit notes in 2017. No erroneous payments were detected during the year; for this reason, EPSO has not had to recover any unduly paid amounts.

In the context of the protection of the EU budget, at the Commission's corporate level, the DGs' estimated overall amounts at risk and their estimated future corrections are consolidated.

For EPSO/EUSA, the estimated overall amount at risk[12] for the 2017 payments made is €12.5K (0.16% x €7.8M). This is the AOD's best, conservative estimation of the amount of expenditure authorised during the year (€7.8M[13]) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made. The initial baseline in the strategic plan 2016-2020 has been reviewed in 2017 in agreement with the central services in light of substantial gap between the amount given and the actual target of the estimated error rate now (below 2%)[14]. The new baseline and target for 2017 of 180K now corresponds to estimated residual error rate of 1%, which is still much more ambitious than the corporate target. The results obtained for 2017 is 12.5K and well below this target.

Taking into account the nature of EPSO's expenditure as well as the existing control mechanisms, EPSO considers it very unlikely that future corrections for these 2017 payments will be made. The estimated future corrections are therefore estimated at EUR 0.

Overall, on the basis of the available control results, no significant weaknesses were unveiled which could have had a material impact as regards the legality and regularity of the financial operations.

In view of the above, EPSO concludes that the control objective as regards legality and regularity has been achieved and that the quantitative materiality criterion is well below a threshold of 2% of the budget allocated to the ABB activity concerned.

[12] In order to calculate the weighted average error rate (AER) for the total *relevant expenditure* in the reporting year, the *detected*, estimated or other equivalent error rates have been used.

[13] The overall payment amount for EPSO is €25.6M. However, the amount used for the calculation of the overall relevant expenditure does not take into account the amounts of co-delegated appropriations to PMO/DIGIT/OIB/OIL/HR.

[14] Ref. Ares(2017)6186673

DG EPSO	"payments made" FY 2017	*minus* new prefinancing [*plus* retentions made] (in FY; m€)	*plus* cleared prefinancing [*minus* retentions released[b] and deductions of expenditure made by MS] (in FY; m€)	**= "relevant expenditure" (for the FY; m€)**	Average Error Rate (*weighted* **AER**; %)	estimated overall amount at risk *at payment* (FY; m€)	Average Recoveries and Corrections (*adjusted* **ARC**; %)	estimated future corrections and deductions for FY 2017:	**estimated overall amount at risk *at closure***
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10)*
Programme, Budget Line(s): BGUE-B2017-26.012000. %	as per AAR annex 3, table 2 7,8 m€	as per ABAC No PF paid	as per ABAC N / A	= (2) –/+ (3) +/- (4) 7,8 m€	Detected error rates: 0,16%	= (5) x (6) 12.526 €	*based* on 7Y-avg *historic H-ARC 0,2% adjusted:* 0 %	= (5) x (8) 0 €	= (7) – (9) 12.526 €
Overall, total	mEUR 7,8	mEUR 0	mEUR 0	mEUR 7,8	0,16 %	12.526 €	0 %	0 €	12.526 €

In 2017, an amount of MEUR 1.46 was charged back mainly to two European Agencies (EUIPO and REA) who requested EPSO's help in organising competitions to meet their specific needs. Traditionally income for EPSO has been much lower in previous years.

Cost-effectiveness and efficiency

Based on an assessment of the most relevant key indicators and control results, EPSO has assessed the cost-effectiveness and the efficiency of the control system and reached a positive conclusion based on the following elements:

- ***Cost-effectiveness of controls***

Objective 2: Effective and reliable internal control system in line with sound financial management.		
Indicator: Conclusion reached on cost-effectiveness of controls. **Source of data**: 2014 AAR.		
Baseline 2014: No conclusion reached	**Target 2017**: Yes	**Latest known results** Cost-effectiveness confirmed.

EPSO has limited spending operations and only manages administrative appropriations under Heading V. The total number of FTEs involved in the three main control activities in EPSO/EUSA (procurement, financial operations and supervisory measures) is estimated at 9.5 FTEs[15]. The control activities are to a large extent a regulatory requirement which cannot be curtailed. As shown by the risks outlined in Annex 5, a significant proportion of the Office's appropriations would be at risk were they not in place.

As a quantitative estimation of the volume of errors prevented and detected is not available, it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls (as mentioned before, an amount of approximately EUR 4 000 could be deducted from the payments via credit notes). The benefits of control in non-financial terms cover: better value for money, deterrent effects, efficiency gains, system improvements and, as mentioned

[15] Including 0.9 FTE in the financial unit of DG HR, executing financial and control activities on the basis of an existing Service Level Agreement.

above, compliance with regulatory provisions.

Taking into account the above, EPSO has decided to use, again, a single global indicator to monitor and to report on the efficiency of its control systems: the overall cost of control, in percentage, at DG level. This indicator is calculated by dividing the total costs of control by all expenditure made during the year (payments made).

The estimated total costs of control include direct, indirect and overhead costs. The fact that some financial tasks (in the context of procurement procedures and ex-post controls) are performed by staff in the financial unit of DG HR on the basis of an existing SLA has been taken into account. In order to ensure that the cost estimation is as reliable and accurate as possible, Heads of Unit and team leaders in the Office and the School were consulted.

Based on this internal consultation/screening, it is estimated that a total of 9.5 FTEs (7.5 permanent staff members and 2 contractual staff) carry out financial and control activities[16] for EPSO: 6.1 FTEs in EPSO, 2.5 FTEs in EUSA and 0.9 FTE in the financial unit of DG HR.

Subsequently, the number of full-time equivalents (FTEs) obtained has been multiplied with the average "all-in" cost of an FTE in the Commission[17]. For EPSO, this gives an amount of EUR 1 220 500 (following the note ARES(2017)6123201 from 13/12/2017 on average staff costs to be used, the calculation was done as follows: 7.5 AST officials x EUR 143 000 plus 2 contractual staff x EUR 74 000 = EUR 1 220 500).

In 2017, EPSO executed 1,793 payments amounting to a total of EUR 7 829 000[18].

Based on the above, the overall cost of control indicators (%) for EPSO in 2017 is EUR 1 220 500 / EUR 7 828 650 x 100 = 15.6%[19]. Further efforts will be undertaken by EPSO. However it should be noted that this process is closely linked to operations and therefore not fully under EPSO's control.

As this percentage might be relatively high in comparison with other services, the following must be taken into consideration:

Firstly, given the nature of its activities, EPSO is handling a very high number of low-value transactions (average amount paid is EUR 4 304). Examples of such transactions are the amounts paid for on line publicity and promotional material, or the contributions paid to candidates' travel expenses. As a result, the administrative costs of handling these transactions are relatively high. Secondly, given the staff composition of EPSO's financial sector - which is entirely composed of AST-officials and contractual agents of function group II - the estimated overall costs of our control activities would have been lower if the calculations had been based on the real (salary) costs of our staff, and not on the average cost of a Commission official. Thirdly, due to the specific circumstances impacting the activity of EPSO in 2017, the consumed number of payments and the amount of budget consumed were much lower than in the previous years.

<u>Efficiency of the control system</u>

- **Average payment time**

With regard to payment deadlines, the statistics for 2017 confirmed the positive evolution for EPSO. In 2017, the average payment time was 14.6 days and only 29 of a total of 1,793

[16] As to EPSO, most of the staff concerned work in the Resources unit, but also in two operational units dealing with the management of important framework contracts. EPSO's Director is involved in the preparation and monitoring of EPSO's budget and in the ex-post controls.

[17] This "all-in" cost includes not only the salaries, but also all other administrative costs linked to the employment of the person/agent, such as buildings, electricity and IT.

[18] All other payments were made on behalf of EPSO by PMO, OIB, OIL, DG HR and DIGIT according to internal rules (and based on Service Level Agreements (SLA) in the case of OIB and DIGIT).

[19] This compares to a benchmark of 11.3 % (11.3 % in 2014, 11.2 % in 2015).

payments were made outside the legal time limits.

All the above factual information is deemed to be complete and reliable and the controls are considered to be cost-effective and efficient.

Fraud prevention and detection

Objective 3: Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.		
Indicator 1: Updated anti-fraud strategy of EPSO, elaborated on the basis of the methodology provided by OLAF. **Source of data**: EPSO's AFS and Security and Ethics Protocol		
Baseline 2014: Last revision of EPSO's Security and Ethics protocol: end 2014/beginning of 2015.	**Target 2016:** Update of EPSO's AFS by the end of 2016.	**Latest known results:** EPSO's AFS reviewed in 2017. No specific update required. Other elements of the Security and Ethics protocol updated when required in 2017. Next update of AFS foreseen in 2018 after change of EPSO's top management.
Indicator 2: Fraud awareness is increased for target population(s) as identified in the DG's AFS **Source of data:** EPSO's AFS, Annual Activity Report		
Baseline 2014: By the end of 2014, 66 EPSO/EUSA colleagues had completed Ethics training. All Heads of Unit in the Office had followed specific fraud-awareness training. The results of the 2015 iCat exercise showed a high level of fraud-awareness amongst the participants.	**Target 2018:** 100% target population reached.	**Latest known results:** 67% of target population

Main outputs in 2017:			
Output:	**Indicator:**	**Target:**	**Latest known results:**
• Delivery of the annual iCAT exercise, including an anti-fraud awareness assessment	• Level of anti-fraud awareness amongst the participants in the iCAT exercise Number of EPSO staff having followed relevant training	• iCAT exercise to be organised as part of the preparation of EPSO's 2016 Annual Activity Report (AAR) • 80 % of EPSO staff and all newcomers have followed relevant training (100 % target for	• iCAT exercise organised as part of the preparation of EPSO's 2017 Annual Activity Report (AAR) • 67% of the colleagues in EPSO and EUSA have followed the training course on Ethics
• Training and dedicated wiki	• Revised security and ethics protocol		

page on EPSO Security and Ethics protocol	available to all Staff as part of knowledge Management	2018 as per the Strategic Plan) • Dedicated wiki page to Security and Ethics by end of 2017	• Dedicated wiki page to Security and Ethics in place

EPSO has developed and implemented its own anti-fraud strategy, elaborated on the basis of the methodology provided by OLAF. EPSO's anti-fraud strategy has been reviewed in 2017 and no specific update was required. Due to the uncertainty related to the change of Director of EPSO (position published in August 2017), the possible updating of the anti-fraud strategy at a more general level will be examined again in 2018. At the same time, given the specific nature of EPSO's activities and the fact that the Office is not in charge of implementing operational appropriations, our anti-fraud strategy primarily focuses on training and awareness-raising and will continue to do so in the future.

EPSO ensures that all newly recruited staff members participate in a targeted training course on Ethics and Integrity, in order to ensure that the fairness, equality and safe-handling of its selection processes are not compromised through unethical behaviour on the part of its staff. So far, 67% of all colleagues in EPSO and EUSA have followed the training course on Ethics. Further efforts will be deployed in 2018 to reach the 100% target.

Finally, this year's iCAT exercise (see paragraph 2.1.3 of this report) contained again an "Antifraud awareness assessment". The self-assessment questionnaires were completed by 26 staff members (senior and middle management, all AD officials of EPSO/EUSA) which means that the target population has been doubled compared to 2016 in order to increase the assessment scope and relevance of the assessment. Based on the replies given, it can be concluded that EPSO is fully committed to fraud prevention and that there are sufficient and adequate internal control mechanisms in place.

Other control objectives: safeguarding of assets and information, reliability of reporting

As EPSO plays a critical role in the selection process for EU officials, it holds both sensitive information and valuable assessment assets. EPSO is in the fortunate position – due to its long experience in working in this sensitive area – of having both an awareness of the importance of these matters and a structure in place to address them. After the successful implementation of all the changes linked to the EPSO Development Programme, EPSO established an internal Security and Ethics Protocol in 2011, which was revised at the end of 2014/beginning of 2015. The Protocol contains information on IT security and security-related aspects of the Assessment Centre procedures and is hosted on a dedicated wiki. The various elements continued to be updated on an ad-hoc basis as needed; most recently the appropriate procedures for staff participating in ESPO competitions have been updated and communicated again to all staff in 2017.

2.1.2 Audit observations and recommendations

This section reports and assesses the observations, opinions and conclusions reported by auditors in their reports as well as the limited conclusion of the Internal Auditor on the state of control, which could have a material impact on the achievement of the internal control objectives, and therefore on assurance, together with any management measures taken in response to the audit recommendations.

At the end of 2014, the Commission decided to centralise the Internal Audit Capability (IAC) in the Internal Audit Service (IAS). The contribution of the IAS to EPSO’s 2017 AAR process

consists of a conclusion on the state of internal controls in the Office. It replaces the former IAC opinion on the state of controls. By its note of 8/02/2018[20], the IAS concluded that the internal control systems audited are partially effective since a number of 'very important' recommendations remain to be addressed, in line with the agreed action plans. The residual risks related to these recommendations may affect one or several internal control standards.

In December 2017, the IAS concluded an audit on IT governance, project and programme management in the HR family (HR, PMO and EPSO) and DIGIT. The audit resulted in three recommendations in those fields. The recommendations emphasise a number of areas where the HR Family stakeholders concerned by this audit, DG HR, DIGIT, EPSO and PMO, need to cooperate more closely. Rather than expose critical weaknesses, the recommendations mainly emphasise opportunities to increase the effectiveness and efficiently of IT governance, project and programme management. DG HR, in close collaboration with EPSO and the other stakeholders, has defined an action plan following the IAS recommendations. The action plan has been approved by the IAS and will be gradually implemented over the period 2018-2019.

This is based on all work undertaken by the IAS in the period 2015-2017, namely:

- Audit on the procurement process (2016)[21]
- Audit on IT programme and project management in the HR family (2017)

The latter was launched in April 2017 and covers DG HR, PMO, EPSO and DIGIT. The resulting action plan was agreed in February 2018 with eight action points across the areas of IT governance, project management programme management. The three recommendations from this audit report are addressed to the HR family (all services above) are currently open (2 VI recommendations and one I recommendation) and will be addressed in 2018 and 2019 via the Action Plan.

2.1.3 Assessment of the effectiveness of the internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, aimed to ensure the achievement of policy and operational objectives. In addition, as regards financial management, compliance with the internal control framework is a compulsory requirement.

EPSO has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

Following the entry into force on 1 January 2018 of the new Internal Control Framework in the commission and in the context of the transition period in 2017, EPSO decided to continue to assess the effectiveness of its internal control systems under the previous Internal Control standards applicable at the beginning of 2017.

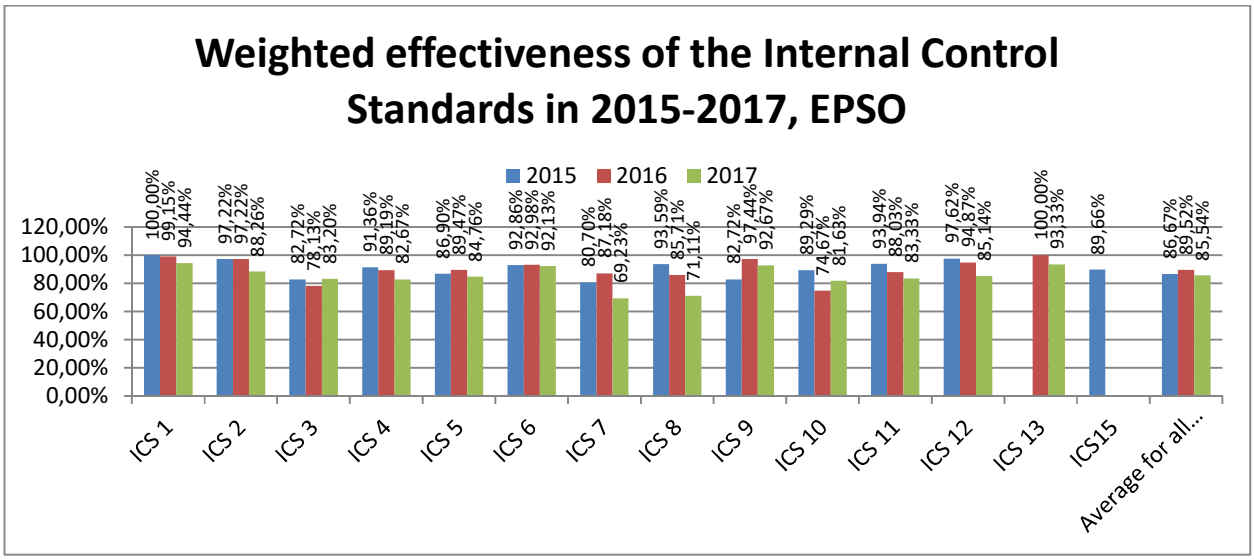
EPSO's annual review of the effectiveness of its entire internal control system (ICS-15) is based on several elements:

- The voluntary report on compliance through the “ICM-tool” for the iCat 2017 exercise of EPSO;
- The risk assessment exercise of all EPSO’s activities at the preparation stage of the 2017 Management Plan;
- Reported instances of exceptions and non-compliance events;
- Relevant audit findings;

[20] Ares(2018)752311– 08/02/2018
[21] Both recommendations from this audit are closed.

- The report on internal control measures in the area of finance and procurement issued under the terms of the SLA with DG HR.

EPSO carried out a voluntary report on compliance through the "ICMTool" for the iCAT 2017 exercise of EPSO. Self-assessment questionnaires were completed by 26 staff members from across EPSO and EUSA: EPSO's Director, six Heads of Unit, three deputy Heads of Unit, two Advisors, six AD-officials with team-leading responsibilities, and eight other AD-officials[22]. This represents an 87% response rate. Overall answers and statistics from this exercise show a general effectiveness weighted percentage of 85.54% (compared to 89.52% in 2017). The doubling of the number of colleagues to complete the survey, and the expansion of survey respondents from just the management team in previous years, means it is difficult to compare 2017 with previous years but answers are in line with the most recent staff survey in any case.



A full-scale risk assessment of all EPSO's activities took place at the preparation stage of the 2018 Management Plan and the risk register was duly updated in November 2017. Risks, including those related to fraud, were identified at Unit level and discussed in a management meeting. The two identified critical risks are the same as in 2016 and relate respectively to Planning, Processes and Systems and Legality and Regularity. However, it appears that although the identified risks may impact more than one DG, they are directly linked to EPSO's own objectives and, for this reason, there is no need to flag these risks as cross-cutting following the dedicated process.

The recommendations from the audit on IT project and programme management, emphasise the opportunities to increase the effectiveness and efficiently of IT governance, project and programme management. DG HR, in close collaboration with the other stakeholders, has defined an action plan that sufficiently answers the IAS' recommendations. In this context, EPSO acknowledges that a number of minor deficiencies with regard to Internal Control standard 7 (and despite the existing local IT governance in place) will have to be addressed and the appropriate improvements will be made as part of the action plan.

For an overview of audit results and the follow-up on audit recommendations, please see paragraph 2.1.3 of this report.

The SLA concluded with DG HR includes assistance in a number of areas of financial control and procurement designed to strengthen the financial management in EPSO. Of particular importance in this respect are the functions of ex-post controls and financial reporting, and the

[22] The iCat survey was sent to all AD staff in EPSO/EUSA.

outsourcing of EPSO's accounting function. A revised SLA was signed in December 2017 and the report on internal control measures in the area of finance and procurement issued under the terms of the SLA did not bring to light any significant issues which may lead to a potential reservation in this annual activity report.

Regular and systematic ex-post controls on a sampling basis at the level of the Director were also carried out in 2017 and no anomalies were noted. However, some areas for further improvement with regard to Internal Control standard 8 were also brought to light by the ex-post controls and EPSO will address the minor deficiencies observed in 2018.

In light of all the above elements, EPSO has assessed its internal control system during the reporting year and has concluded that it is effective and that the components and principles are present and functioning as intended.

2.1.4 Conclusions as regards assurance

This section reviews the assessment of the elements reported above (in Sections 2.1.1, 2.1.2 and 2.1.3) and draws conclusions supporting the declaration of assurance and whether it should be qualified with reservations.

The information reported in sections 2.1, 2.2 and 2.3 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability reported and results in a complete coverage of the budget delegated to the Director of EPSO.

In 2017, EPSO ensured the follow-up of the ex-post and ex-ante evaluations that took place in 2016 with the aim of improving EPSO's organisational effectiveness, its capacity to deliver and provide a better service to its key partners.

In 2017, EPSO's Director received reports from the sub-delegated authorising officers and other officials under his responsibility. Overall, only very few issues were reported to him, most of which related to the budgetary execution. There was no instance in which EPSO's Director was obliged to issue a written reasoned instruction, as foreseen in Article 73(3) of the Financial Regulation.

EPSO puts suitable control measures in place to limit the risk of errors and guarantee that assets and information are safeguarded, as well as to prevent, detect and correct fraud and irregularities. Where necessary, improvements to the overall control strategy and processes were made in the course of the year. Further improvements with regard to Internal Control standards 7 and 8 will be made in the coming months.

In light of the above and taking into account the main findings and conclusions in Part 2, it can be concluded that there is reasonable assurance that the resources assigned to the activities described in this report were used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. EPSO has sufficient assurance that a reservation on the declaration is not seen as necessary.

Overall conclusion

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

I, the undersigned, Nicholas David Bearfield

Director of EPSO,

In my capacity as authorising officer by delegation,

Declare that the information contained in this report gives a true and fair view[23]*.*

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

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the limited conclusion of the Internal Auditor on the state of control, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution,

Brussels, 28.03.2018

[signed]

N.D.BEARFIELD

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

2.2 Other organisational management dimensions

Organisational support is mainly provided by EPSO.03 Resources and Administrative Support. The activities cover the actions necessary for the functioning of the Office and include Human Resources management and training (excluding training for Selection Board members and markers), financial management, internal control and risk management, provision of local ICT-support and proximity services (logistics).

In 2008, EPSO decentralised a portion of its Resources administration by way of a Service Level Agreement with DG HR for the provision of support for routine administrative tasks relating to both human and financial resources, including the internal audit function. A revised SLA was signed in December 2017.

In 2016, EPSO formally joined the first pilot phase of the HR modernisation project. In this context, and since 16 July 2016, a number of HR services (before this date either partly covered by the above-mentioned SLA or delivered via the local HR staff still within EPSO) have been delivered by the newly created Account Management Centre (AMC). All organisational measures required to allow for the new delivery model of HR services to be fully operational for EPSO are successfully implemented and have been functioning effectively throughout 2017.

As the European School of Administration (EUSA) is administratively attached to EPSO, administrative support is provided by DG HR to both EPSO and the School. The revenue and expenditure of the EUSA forms an integral part of the Office's budget. Staff of the EUSA is assigned to posts belonging to the Office and therefore the Office provides, in particular, coherent Human Resources Management, Financial Management and IT support.

2.2.1 Human resource management

Objective: The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.			
Main outputs in 2016:			
Description: Extended and reviewed EPSO's Learning and Development Strategy	**Indicator:** New Learning and Development Strategy in place and aligned with EPSO's specific needs	**Target:** Mid 2017	**Latest known results:** • The EPSO professionalisation programme has been revised and endorsed by EPSO management. • A Learning and Development needs identification exercise was undertaken across all units. • The full Learning and Development Strategy will be consolidated in early 2018.
Description: Continuation and enrichment of EPSO's fit@work programme by	**Indicator:** Staff engagement index	**Target** Maintain staff engagement index above	**Latest known results:** • Staff engagement index of EPSO in 2016 survey: 67% (+3

adding new activities such as weekly delivery of bio products, massages; support to new staff initiatives; Promotion of local activities in other neighbouring DGs open to all staff; Promotion campaigns of corporate events: conferences/workshops from the medical service, 20kms of Brussels, Ekiden Marathon; Organisation of a 'Health-Day'		Commission average.	above EC average) • EPSO's fit@work programme continued with activities such as weekly delivery of bio products, massages; jewellery classes. • EPSO colleagues also participated in events organised at corporate level such as lunch-time conferences by the medical service, VeloMai, the Ekiden race as well as the EC Volunteering week in which 3 staff members took part. Special local events with EPSO volunteers were also organised in the frame of the European Week of Sports (such as running, lottery draw for free chair massage sessions, guided tour of the arboretum of Tervuren). • 'Health & Wellbeing' day postponed until October 2018.
Description: Installation and inauguration of space (s) dedicated to social/well-being activities.	**Indicator:** Availability of facilities (confirmed, agreed and arranged with OIB, where necessary).	**Target** • Installation in 2017. • Staff engagement index above Commission average.	**Latest known results:** • Postponed to 2018. • New space allocation to be endorsed by new Top management of EPSO once appointed.
Organisation of trainings/workshops/info-sessions notably on: • The prevention of psycho-social risks at the workplace (training for managers); • Office ergonomics;	Staff engagement index	• All newcomers participate in workshop on ergonomics, followed by an on-site visit at the work-place	• Two-day training on non-violent emotions management organised in November/December 2017. • No specific sessions on resilience nor

Tips on how to improve your resilience		by the medical service • Maintain staff engagement index above Commission average.	ergonomics were organised for EPSO but colleagues were invited to the lunch time conferences organised at corporate level by the medical service.

The organisation of initiatives under the fit@work policy and all operational aspects related to training of EPSO staff was delivered by the AMC. Over the course of 2017, several well-being activities continued with activities such as weekly delivery of bio products, massages and jewellery classes.

EPSO colleagues were also encouraged through promotion campaigns to participate in the events organised at corporate level such as lunch-time conferences by the medical service, VeloMai, the Ekiden race as well as the EC Volunteering week in which 3 staff members took part. Special local events with EPSO volunteers were also organised in the frame of the European Week of Sports (such as running, lottery draw for free chair massage sessions, guided tour of the arboretum of Tervuren).

At the request of several colleagues, EPSO also organised with the support of the AMC a two-day training on non-violent emotions management provided by the 'Université de Paix' of Namur. Feedback from both the trainer and the participants was very positive. In addition, two EPSO & EUSA all staff meetings (including one away-day) took place in 2017 in the presence of Commissioner Oettinger.

Due to the on-going process for the change of senior management of EPSO at the end of 2017, the finalisation of the reviewed Learning and Development Strategy (2018-2020) and the installation of a social space have been postponed to 2018.

- ***Evolution of establishment Plan***

Human Resources by ABB activity				
Code ABB Activity	ABB Activity	Establishment Plan posts	External Personnel	Total
26 01 20	EPSO	92	20	112
26 AWBL-35	EUSA	12	10	22
	Total	**104***	**30***	**134***

* employed as of 31 December 2017

On 31 December 2017, the EPSO establishment plan for 2017 (including EUSA) listed 110 posts, including one temporary agent post (AT2a) and one "surcharge" requested for the reintegration of one AST official after her CCP. Of the 110 posts available, 104 were occupied (including one person on surcharge).

As far as the vacancies at the end 2017 are concerned (2 AD and 4 AST posts):

- following an internal agreement, 1 AD vacant post was transferred in the interest of the service from EUSA to EPSO in exchange for an AST post and was published at the beginning of 2018.

- the selection procedure for the Head of the European School of Administration (publication of the post on 17/10/2016) was closed in early 2018 without appointment, and the post will be republished.

- the selection procedure for the replacement of the Director of EPSO has also been initiated in 2017 (publication of the post on 04/08/2017). However, the post is not yet formally vacant and continues to be occupied by the current Director while the selection process is still ongoing.

- 2 AST posts out of 4 vacancies had been filled on 1 February 2018, the selection procedure for 1 AST post is ongoing, and 1 AST post (assistant to the Director) is currently on hold awaiting the appointment of the new Director of the Office.

Over the course of 2017, two AST posts (conversion of 2 contractual agent credits) were returned to the Commission in the context of the 1% staff reduction, and the payment of 1 AST (redeployment tax) had been postponed until January 2019 in agreement with DG HR and DG BUDG

The authorised number of contractual agents for 2017 was 24. However given the availability of the credits within the envelope allocated by the budgetary authority, an additional CA FG IV (specialist in diversity) was recruited leading temporarily to the number of 25 occupied posts.

The authorised number of Seconded National Experts for EPSO in 2017 was six. The selection procedure for 1 vacant post is ongoing.

During periods of heavy workload, as well as due to other special circumstances (long sick leave, maternity leaves, etc.) EPSO and EUSA were reinforced temporarily by interim staff in order to ensure continuity of service.

2.2.2 Better regulation (only for DGs managing regulatory acquis)

Not applicable to EPSO.

2.2.3 Information management aspects

Objective: Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable.			
Main outputs in 2017:			
Output:	**Indicator:**	**Target:**	**Latest known results**:
Creation of a dedicated space/page on EPSO's Intranet containing tips and advice concerning information management.	• Quality of the information provided. • Accessibility /readability of the page. • Transfer of internal knowledge.	• 2017	• Specific document management page with guidance and contacts stored on EPSO Knowledge garden. Presentation of policy and related page made to all business units.
EPSO Intranet migration to MyIntracomm	• Migration in place and pages accessible via MyIntracomm	• First quarter 2017	• Migration took place in June 2017 • Number of visitors: - 2016: 7,033 - Jan to Jul 2017 (old intranet): 4,294 - Jul to Dec 2017 (new intranet): 9,487
Registered documents are dully filed.	• Number of registered documents that are not filed	• 3 % of all registered documents or lower	• 0.23% of registered documents that are not filed.

The dedicated webpage on information management was further developed and presented to all business units throughout 2017. In July 2017, EPSO's intranet (until then in an outdated tool and only visible to EPSO colleagues) moved to MyIntracomm, the corporate site of the Commission. The new intranet is now partly open to colleagues from all EU institutions and aims to attract colleagues from across all Institutions to become Selection Board members, EU Careers staff ambassadors, and to participate in the EPSO Academy. In addition to content that is shared with other DGs and institutions, there is a section restricted to EPSO staff where important documents are registered, filed and can be retrievable.

Objective: Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable.			
Main outputs in 2017:			
Description	**Indicator:**	**Target:**	**Latest known results**:
• Internal Ares training.	• Perceived usefulness of the training.	• 1 or 2 trainings in 2017.	• Several one-to-one trainings delivered.
• Training on document management and the filing plan.	• Raise awareness of the necessity to register and file documents.	• 1 training to each unit of EPSO.	• Trainings have been delivered to all units.

In light of the very specific and confidential nature of EPSO's activities, files are only shared – between units and with other DGs/Institutions – on a strict "need to know" basis. In 2017, EPSO has further decreased the number of unfiled documents from 78 to 49. The data for the three compulsory indicators is available in annex 2.

Internal "hands-on" training/support on ARES continued to be delivered to EPSO staff upon request in 2017 by the Document Management Centre. Training on document management and the filing plan was delivered to all units of EPSO in 2017. In 2017, EPSO established an inventory of documents created per unit, in order to assess whether documents need be registered or not.

2.2.4 External communication activities

Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU.			
Main outputs in 2017:			
Description:	**Indicator:**	**Target:**	**Latest Known Result:**
Events and Branding	• Number of participants at events and presentations by EPSO Staff • Number of events by EU Careers Student Ambassadors	• 30.000 participants • 800 local events	• 30.000 participants • 800 local events
Social media initiatives	• Number of followers on Facebook • Number of subscribers on Youtube • Number of followers on Linkedin • Number of impressions on Twitter	• 310.000 • 3.800 • 30.000 • 650.000	• 338.990 • 4.331 • 38.287 • 1.977.800
Recruitment and training of EU Careers	• Maintain or increase the number of universities represented (91 in 2016) in all Member	• 2016/2017 academic year 91 Ambassadors at	• 2017/2018 academic year: 120 Ambassadors at 111

Ambassadors.	States with a focus on high quality. • All student Ambassadors given face-to-face training either in Brussels or Member States. • Organise one dedicated event for Universities' career services.	93 universities. • All had training in Brussels all the MS • 817 career events organised.	Universities • All had training in Brussels all the MS • Number of events will be known in September 2018
Restructured selection and pool of the EU Staff Ambassadors.	• At least 1 staff Ambassador per Member State and per Institution.	• 2017	• **23/28 Member States covered** <u>Missing countries</u>: 1. Estonia 2. Lithuania 3. Latvia 4. Portugal 5. Slovakia • **Institutions:** <u>Represented</u>: 1. Commission 2. Parliament 3. Council 4. Committee of the Regions 5. Ombudsman 6. EEAS (including delegation in Manila and representation in Moscow) 7. Court of Justice 8. ERCEA 9. European Asylum Support Office <u>Missing</u>: 1. Economic and Social Committee 2. Court of Auditors 3. European Data Protection Supervisor
Further improvement of EPSO Branding.	• New refreshed EU Careers and EPSO logo and look & feel rolled out as part of the website revamp.	• 3rd trimester 2017	• Implemented throughout 2017

In line with its strategic goal of engaging with candidates, and as specified in the Strategic Plan 2016-2020, in 2017 EPSO refreshed the EU Careers employer branding and Employee Value Proposition (EVP), promoting the image of the EU civil service as an attractive career choice for Europe's brightest and best potential candidates.

In a European and global war for talent EPSO and the Institutions need to be able to better communicate what an EU career can offer. Therefore, focus was given to building a core theme

for an EVP to be used in all communications that is more specific and differentiating with a more powerful and compelling call to action for candidates. As few organisations can claim the potential scope and scale of impact that people working at the EU institutions can deliver, more emphasis was placed on the higher purpose, which is a driver for people who aspire to work for the EU as well as for millennials seeking a job. Throughout 2017, EPSO gave a total of 92 presentations, events and seminars (7 events per month on average).

Together with the focus countries concerned, EPSO continued to target applicants from these Member States which have been consistently under-represented in the candidate pool to date. This was done through activities such as presentations to visiting groups, participation in targeted career events and seminars for potential candidates from under-represented countries as well as through the expansion of the EU Careers Student Ambassadors programme across the EU. Looking to the future, in October 2017 EPSO helped organise an experts' roundtable on the 'The European Commission as an attractive place to work' with Commissioner Oettinger and wide variety of internal and external stakeholders.

In 2017, EPSO also launched a major campaign targeting the eight focus countries (Czechia – new member in 2017, Denmark, Germany, France, Ireland, Netherlands, Poland and Sweden).

This campaign included:

- a pilot Online Career Event, for German nationals: on 17 October 2017 a Virtual careers event was organised in collaboration with Global Careers Fairs to inform them about career opportunities in the EU. The event was promoted through the EU Careers channels, the German Foreign Office and the German EU Careers Ambassadors. EPSO held a total of 245 chats (in German and English mainly) during the four hour event, with a pool of 17 chatters (both EPSO staff and German EU Careers Student Ambassadors).

- Following the successful pilot, EPSO organised a second Online Career Event, targeting all focus countries on 29 November 2017. The promotion of this event was done in close collaboration with the Member States and by our Student Ambassadors. EPSO held 688 chats during a four hour event, with a pool of 48 chatters (EPSO staff and Student Ambassadors), being able to respond in any of the focus countries languages. In December, EPSO won the International Organisations Career Development Roundtable Innovation in Recruitment Award for organising these Online Career Fairs

- a focus countries seminar was also hosted by EPSO on 26 October 2017: Member States representatives from the eight focus countries were invited to come to Brussels for an event hosted by Unit 05 and develop a joint communication strategy of the EU Careers brand, to share best practices and to establish country-specific action plans for attracting future talent in their respective countries;

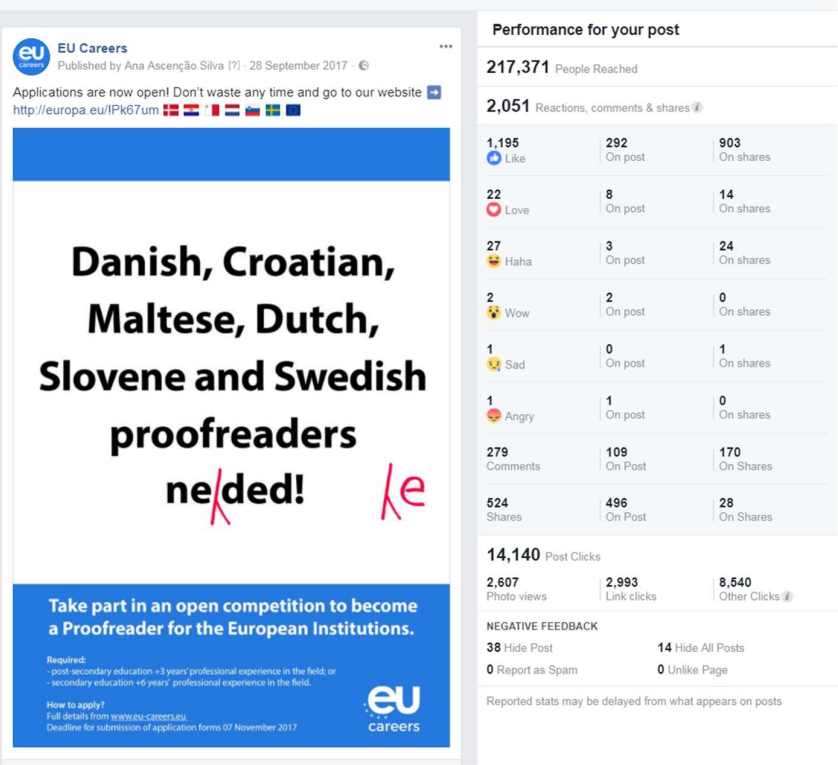
The communication with citizens and candidates and available information on EU selection processes continued to be supported in 2017 via the following channels:

1. An online Job search tool, with access to full details on vacancies within EU institutions and agencies.
2. Regularly updated online information on EPSO selection procedures.
3. An on-line Customer Relationship Management system:
   - Candidates can now find answers themselves and do not always need to contact EPSO.
   - A FAQ section in 24 languages has been added to the EPSO website.
   - Statistical feed-back is given to the Office, leading to improved procedures.
   - It is fully accessible to special needs candidates.
4. Citizens and Candidates can now contact the EU on job opportunities via:
   - A citizens' hotline (Europe Direct Contact Centre) that responds to all EU-related queries by phone and e-mail in 24 languages.
   - An EPSO online contact form in 24 languages for queries on candidates' specific applications and personal data.
5. A pilot MOOC (Massive Open Online Course) was also designed with the support of several Member States in order to further reinforce the transparency of EU selection processes towards citizens and potential candidates.

After the launch of the new EU Careers website (end of 2016), in 2017 EPSO focused on further improving the new design, layout, information architecture and functionalities.

Attracting more than 10,000 visits every day, the EU Careers website continued to be one of the top 10 most visited europa.eu sites and the number one source of information for applicants interested in a career in the EU institutions.

For reasons that have been explained previously in this report, the number of visitors to the EU Careers website was slightly lower in 2017 than in previous years (-8% compared to 2016). EU Careers social media reach, on the other hand, has been steadily increasing, and by the end of 2017 the number of Facebook followers reached 338,990 (an increase of 9% compared to end of 2016) the number of LinkedIn followers rose to 38,287 (an increase of 44%) and EPSO continued to deliver targeted communication to support the launch of specific competitions via this platform.



2.2.5 Examples of initiatives to improve economy and efficiency of financial and non-financial activities of the DG

Permanent selection model for contractual agents (CAST Permanent)

In January, EPSO successfully launched the new CAST Permanent selection model for eight priority profiles in the field of secretarial work, administration/human resources, communication, EU policy, law, ICT, finance and project management, as requested by the Institutions.

The new permanent selection model for contract staff in function groups I, II, III and IV is based on a flexible concept of pooling talent and on a more cost-efficient approach to testing with the introduction of the entry ticket (i.e. the possibility to retain validity of scores for a predefined period across different profiles). It required significant development of IT systems and tools to set up the system and to enable the Institutions to start preselection amongst the registered candidates. By the end of 2017, the following very important features were added to the CAST Permanent environment: additional skills for the candidates to declare for the new function group I stream as well as the possibility for recruiters to print application forms in a user-friendly manner and to easily export search results. Remaining IT development will be completed in the course of the first semester of 2018, allowing for the tool to be even more user-friendly and efficient. The model now in place also has the advantage of allowing EPSO to add separate contract staff selection processes for more specialised profiles any time in the future.

Customer Relations Management (CRM)

The main objective of EPSO's online CRM system –Issue Tracker -is to answer candidates' questions via the Candidate Contact Service (CCS), encompassing the EU Careers website (contact form), Frequently Asked Questions (FAQs), and to a lesser extent, functional mailboxes and e-mail.

The front-office guides the website visitors through FAQs (of which 101 were added in 24 languages in 2017) and leads them to the contact form to seek further information or provide feedback in all 24 EU official languages. Candidates' queries and complaints are handled in the back-office. All units in EPSO were trained in 2017 to use the back-office tool to deal with correspondence with candidates through pre-defined workflows and respecting strict deadlines.

The system allows EPSO to get better feedback and alerts on issues as they arise. Issue Tracker also facilitates the management of personal data related to EPSO accounts, including support to candidates, markers and Selection Board members regarding access issues, in line with EPSO's personal data protection rules.