



# Annual activity report 2022 annexes

Directorate-General for  
Human Resources and Security

# Table of Contents

- ANNEX 1: Statement of the Directors in charge of Risk Management and Internal Control.....3
- ANNEX 2: Performance tables.....4
- ANNEX 3: Draft annual accounts and financial reports .....24
- ANNEX 4: Financial scorecard.....53
- ANNEX 5: Materiality criteria.....56
- ANNEX 6: Relevant Control System(s) for budget implementation (RCSs).....57
- ANNEX 7: Specific annexes related to "financial management".....66
- ANNEX 8: Specific annexes related to "assessment of the effectiveness of the internal control systems".....82
- ANNEX 9: Specific annexes related to "Control results" and "Assurance: Reservations".....83
- ANNEX 10: Reporting – Human resources, digital transformation and information management and sound environmental management.....85

## **ANNEX 1: Statement of the Directors in charge of Risk Management and Internal Control**

*I declare that in accordance with the Commission's communication on the internal control framework <sup>(1)</sup>, I have reported my advice and recommendations on the overall state of internal control in the DG to the Director-General.*

*I hereby certify that the information provided in section 2 of the present Annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.*

*Date 31 March 2023*

*Signed*

*Christina Vlassis*

*Head of unit Procurement, Internal Control and Financial Reporting*

*I hereby certify that the information provided in section 1 of the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.*

*Date 31 March 2023*

*Signed*

*Adrian Dusa*

*Head of unit Planning and Policy Coordination in 2022*

---

<sup>(1)</sup> C(2017)2373 of 19.04.2017.

## ANNEX 2: Performance tables

**General objective:** A modern, high performing and sustainable European Commission

Impact indicators	Baseline	Interim milestone	Target	Latest known results
<b>Staff engagement index in the Commission</b>				
Source of the data: European Commission, Staff survey 2018 and 2021	69% (2018)	Increase (2022)	Increase (2024)	72% (2022)
<b>Percentage of female representation in management in the Commission</b>				
Source of the data: European Commission	40.5% (2019)	Increase (2022)	>=50% (2024)	46.1% (2022)
<b>Environmental performance in the Commission*</b>				
Source of data: Environmental Statement 2021 results				
Commission Carbon footprint** (tonnes CO2e)	234 177 (2019)	-44% (2020)	- 38% (2030)	-43% (2021)
Energy consumption of buildings (MWh / person):	10.4 (2019)	-13% (2020)	-12%*** (2024)	-14 % (2021)
Water use (m3 / person):	18.0 (2019)	-25% (2020)	-5%*** (2024)	-36% (2021)
Office paper consumption (sheets / person / day):	18.7 (2019)	-64% (2020)	-15%*** (2024)	-74% (2021)
Non hazardous waste generation (tonnes / person):	0.217 (2019)	-53% (2020)	-11%*** (2024)	-48% (2021)

\* Data for 2020 and 2021 are heavily impacted by the COVID pandemic conditions.

\*\* The Communication on Greening the Commission [C(2022) 2230 final] established 2019 as a baseline for the carbon footprint (8 main sites, 2019 scope), and a 38% target reduction by 2030. Other EMAS parameters are aligned accordingly.

\*\*\* Target for performance to be achieved in 2023, reported in 2024.

**Specific objective 1: An attractive workplace for all**

**Result indicator:** Offer sufficient flexibility in working conditions

**Source of the data:** Staff surveys 2018 and 2021 - 'I receive a good balance between work life and private life'

<b>Baseline</b>	<b>Interim Milestone*</b>	<b>Target</b>	<b>Latest known results</b>
2018	2021	2024	2021
56%	59%	61%	54%

\*The table includes the figure in DG HR's strategic plan 2020-2024

**Main outputs in 2022**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> situation on 31/12/2022
<b>A green workplace</b> – Communication describing the actions, which support the Commission's efforts to achieve climate neutrality by 2030	Adoption of Commission Communication on 2030 climate neutrality  Integration of the Communication actions in the EMAS	Q1 2022  2022	Completed – the Communication on Greening the Commission adopted on 05/04/2022 Completed - The EMAS action plan was adopted by the EMAS Steering Committee on 15/02/2023
Maintaining the Commission's EMAS registration and expanding it to include two executive agencies and two Representations	Successful verification audits	Q4 2022	Completed – successful verification audit for CINEA, HADEA and the EC Representations in Vienna and Valetta
<b>Harmonisation of HR policies</b> across EU bodies with HR model decisions to be adopted by agencies. Offer HR services and exchange best practices with other institutions and agencies.	Application of the Commission Decision on hybrid working to agencies (model or analogy depending on the outcome of discussions with agencies).	Q4 2022	Completed – as of 1 January 2023, all agencies which did not request derogation under Article 110(2) of the Staff Regulations apply the Commission Decision on hybrid working, while the model decision for decentralised agencies and joint undertakings expected Q1/Q2 2023

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> situation on 31/12/2022
<b>Participation of Commission in the European Schools Governance</b>	Concrete project plan for the fifth European School in Brussels	Q4 2022	Completed – the Board of Governors endorsed a plan for the integration of the ESB5 in the overall landscape of the European Schools in Brussels, including the consolidation of some language sections in the existing schools.
	European Bacculaureate equivalence table with national systems	Q1 2022	Ongoing – infringement procedures against Denmark and Germany ongoing. Danish authorities agreed with the Commission’s position and modified their equivalence tables accordingly. German authorities contested Commission’s arguments and kept their new grade conversion methodology.
	100% of the relevant costs covered by the ECB	Q4 2022	Delayed – a meeting to be planned at high level.
	Revision of the cost-sharing mechanism	Q4 2022	Completed – the Board of Governors adopted several amendments to the existing cost-sharing mechanism.
Establishment of a <b>modern e-voting system for election of staff representations</b>	Development of new e-vote application	Q3 2022	Completed – new application developed in November 2022

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> situation on 31/12/2022
<p><b>A healthy workplace</b></p> <p>Management of COVID-19 crisis requires continuous monitoring and fast adjustments in terms of legal basis and health and safety measures.</p>	<p>Adoption of revised Teleworking Guidelines in line with the rules of host Member States and advice of the Medical Service, EMA, ECDC.</p> <p>Adoption of new health and safety rules in line with the rules of host Member States and advice of the Medical Service, EMA, ECDC.</p> <p>COVID-19 vaccination campaign to keep running in order to offer booster shots and a 4th dose of COVID-19 vaccine for immunosuppressed persons. Preparedness for a possible organisation of the 4th dose vaccine campaign for all staff.</p> <p>Continuous exchange of information and coordination with other Institutions</p> <p>Continuous cooperation with relevant counterparts in host Member States</p>	<p>2022</p>	<p>Completed</p> <p>Completed – rules adapted according to the host Member State’s guidance.</p> <p>Completed – a 4<sup>th</sup> booster offered to immunosuppressed persons in Q2 2022 and an autumn booster to all staff. 12 000 staff from the EC and agencies were vaccinated in 2022.</p> <p>In progress</p> <p>In progress</p>
<p><b>A safe workplace</b></p> <p>Audit on communication, training and information of staff regarding health and safety at work</p>	<p>Audit report</p>	<p>No critical issues reported</p>	<p>Postponed – this will be part of the broader gap analysis planned for 2023.</p>

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results situation on 31/12/2022</b>
<b>A flexible workplace</b> Implement Commission Decision on working time and hybrid working	Implementation of the Commission Decision	2022	Completed – several meetings with stakeholders were held, guidance provided on good practices and presentations made in various DG town halls and management meetings to support the implementation.
<b>An inclusive and respectful workplace in line with European values</b>			
Revise anti-harassment policy	Adoption of the anti-harassment policy	Q3 2022	Delayed – preparation ongoing and adoption planned for Q2/3 2023
Updated guidance, targeted training and new innovative ways of raising awareness of ethical obligations	Number of staff that attended training courses on ethics, including participation in e-learning courses	3 500 staff members	More than 5 000 staff members
Review of Commission rules on leave days to support competence-based volunteering	Adoption of revised Commission rules on leave days	Q2 2022	Delayed – the issue is under consideration
<b>A new internal communication and staff engagement</b>	Adoption of Commission Communication	2022	Postponed for 2023. The immediate needs of the communication campaign on the new HR strategy and on energy savings were prioritised in 2022.
<b>New Commission intranet</b>	Launch of first features	2022	Completed – first features launched: test sites released (ex. DG HERA); assets and templates developed for transition of Commission services to the new intranet; a single point of information and knowledge sharing to be used by all DGs transitioning to the new intranet has been set up.



<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results situation on 31/12/2022</b>
<p><b>New Fit@Work programme for staff mental and physical wellbeing and wellbeing at work.</b></p> <p>Develop an integrated approach for physical and mental wellbeing including ergonomics, preventive medicine, support for return to work, psychosocial support of staff, pandemics strategy, large-scale vaccination campaigns, occupational risk surveillance and assistance.</p>	Colleagues trained in Mental Health First Aid	100 colleagues trained	126 colleagues trained
<p><b>Medical Services of Brussels, Luxemburg, Ispra.</b></p> <p>Promote the health (physical and mental) of all active staff members as well as to provide medical advice to the institution.</p>	Number of medical visits performed annually	Minimum 7 500 medical visits	7 631
	Number of staff supported by psycho-social sector	500 visits annually	3 194
	Number of staff vaccinated (flu)	5 000 flu vaccines minimum	9 492
	Number of events and conferences on health and psycho-social subjects	50 events annually	93
	Occupational risk visits	100 high occupational risks visits annually	1 890
<p><b>Life-long support from newcomers to pensioners</b></p> <p>Implement improved welcome programme for newcomers and departure desk for retirements</p>	Implement improved welcome programme and departure desk	Q3 2022	Partly delivered – a new welcome programme (on-boarding programme) and departure desks developed and under implementation.
<p><b>Adopt an updated Diversity and Inclusion Action Plan</b></p>	The action plan is adopted.	Q2 2022	Completed – action plan adopted in December 2022
<p><b>Reports to the Budget Authority on the functioning of the Staff Regulations</b></p> <p>The following reports will be adopted:</p>			

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results situation on 31/12/2022</b>
Commission report on the implementation of Annex XI to the Staff Regulations (Salary update method)	Adoption by College	Q1 2022	Completed – Commission report [COM(2022)678 final] adopted by the College on 2/12/2022
Commission report on the implementation of Annex XII to the Staff Regulations (Pension scheme for the EU Officials)	Adoption by College	Q4 2022	Delayed due mainly to the complex political context of the MFF H7. Adoption planned for early March 2023.
<p><b>Improve the attractiveness of all places of employment</b></p> <p>Promote job opportunities clustered around excellence hubs</p> <ul style="list-style-type: none"> <li>- Reinforce branding.</li> <li>- Adjust welcome arrangements for newcomers.</li> <li>- Cooperate with Member States to address challenges</li> <li>- Explore the possibility of place of employment based competitions</li> </ul> <p>Pilot the approach in Luxembourg</p>	Reach inter-institutional agreement on approach for Luxembourg on set of 12 actions and deliver first results.	Q1 2022	Partly delivered – agreement reached in April 2022 – ongoing work on the implementation

## Specific objective 2: Fast and agile selection and recruitment

**Result indicator: Number of nationalities significantly under-represented in the AD5-AD8 grade bracket (non-linguistic functions)**

**Source of data: Datawarehouse - staff composition by nationality**

Baseline	Interim Milestone*	Target	Latest known results
2019	2021	2024	31 December 2022
12	10	6	13

\*The table includes the figure in DG HR's strategic plan 2020-2024

## Main outputs in 2022

Output	Indicator	Target	Latest known results situation on 31/12/2022
<p><b>Define the future needs of the Commission in terms of AST and AST/SC functions</b></p> <p>Organise a wide consultation of practices in DGs.</p>	Consultation of DGs	Q1 2022	Completed – workshops held in 2022 with HR Correspondents as well as with AST and AST/SC staff. Taking into account the conclusions of these workshops, a report proposing specific measures to be adopted in 2023.
<p><b>Revisiting the external talent pipeline</b></p> <p>Redesign external competitions</p>	Publication of results of the first competitions piloting changes	Q4 2022	Partly delivered – 24 language competition for DG MARE is in its last stage. The results of the OLAF competition, which also piloted changes, were published in 2022. The new model was approved by the EPSO Management Board in January 2023.
Review the recruitment process	Implement full action	Q2 2022	Partly delivered – end-to-end process (from selection to recruitment) reviewed; first version of a SharePoint recruitment tool enabling the end-to-end monitoring of the selection and recruitment processes for permanent jobs; further adjustments to be made once the necessary tools are available.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> situation on 31/12/2022
<p><b>Reinforcing the internal talent pipeline</b></p> <p>Organise internal competitions more regularly on a wider range of grades. Review the format of internal competitions in order to simplify it and adapt to the specificities of each competition.</p>	Establish a planning of additional specialist competitions	Q4 2022 (in correlation with the EPSO planning of external competitions)	<p>Postponed – an assessment of needs to be carried out early 2023 to plan specialised internal competitions.</p> <p>Completed: Two specialised competitions organised and finalised in 2022 (for interpreters and Irish language translators).</p> <p>A planning of 17 internal competitions, covering the period 2022 – 2024 was adopted and published in spring 2022; 8 published in 2022 (of which one was also finalised in 2022).</p>
<p><b>Enlarged junior professionals programme and increased mobility for new recruits</b></p>			
Adopt a decision to enlarge the junior professionals programme and make it a permanent scheme	<p>Adoption of Decision on JPP</p> <p>Assessment of the feasibility of an inter-institutional programme for junior professionals (with EPSO)</p>	<p>Q2 2022</p> <p>Q4 2022</p>	<p>Completed – Commission Decision C(2022) 9068 on establishing the junior professionals programme (extended to the JRC trainees and to executive agencies) adopted on 13/12/2022.</p> <p>Postponed – assessment of the feasibility of an inter-institutional programme for junior professionals to be carried out after the results of the extension to executive agencies have been assessed.</p>
Design an induction programme including job shadowing and mentoring	Establish a concept paper including precise timeline for the implementation	Q3 2022	Completed – concept paper with a revised induction programme and a precise timeline of implementation delivered in Q4.
<p><b>Flexible response to evolving needs through recruitment of temporary agents</b></p> <p>Adopt a new decision on temporary agents.</p>	<p>Draft decision</p> <p>Adoption</p>	<p>Q2 2022</p> <p>Q4 2022</p>	<p>Completed – draft decision prepared.</p> <p>Adoption postponed to 2023 pending discussion in the Corporate Management Board, inter-service consultation and social dialogue.</p>

Output	Indicator	Target	Latest known results situation on 31/12/2022
<b>Geographical balance</b> Design a first draft action plan with Member States which includes country-specific analyses to understand the reasons for the low representation	Adoption of General Implementing Provisions	Q3 2022	Delayed – preparation ongoing and adoption planned for 2023.
	Design first draft action plans for under-represented Member States	Q4 2022	Completed – draft action plans for under-represented Member States prepared in December 2022.

### Specific objective 3: A flexible and rewarding career

#### Result indicator: Staff informed about career management

Source of data: Staff surveys 2018 and 2021

Baseline	Interim Milestone*	Target	Latest known results
2018	2021	2024	2021
37%	45%	55%	51%

#### Result indicator: The reach of the Career Guidance (CG) service and satisfaction with the service

Source of data: SYSPER - Career guidance module, Career guidance satisfaction survey

Baseline	Interim Milestone*	Target	Latest known results
2019	2021	2024	2022
7.7% of Commission staff (officials, temporary agents and contract agents) having a CG session in the year	8.5% of the Commission staff	10% of the Commission staff	11.95% of staff have been reached through career guidance sessions and/or workshops and webinars. Some participated in both sessions and workshops/webinars. This figure is therefore not fully comparable with the baseline.
Career guidance service rated excellent or good by 86% of staff	>85%	>85%	90.2%

**Result indicator:** Learning packages on digital skills  
**Source of data:** EU Learn

Baseline	Interim Milestone*	Target	Latest known results
2019	2021	2024	2022
10% of all staff profiles	50% of all staff profiles	95% of all staff profiles	The digital learning modules, including the LinkedIn Learning offer, covered practically 100% of job profiles in 2022. At the same time, DG HR started to integrate digital learning into structured learning packages, which differentiate between fundamental and more specialised skills.

**Result indicator:** Allocation of staff to priorities  
**Source of the data:** SYSPER - ATLAS module

Baseline	Interim Milestone*	Target	Latest known results
2019	2021	2024	2022
55.9%	59%	60%	57.7%

**Result indicator:** Management index  
**Source of data:** Staff surveys 2018 and 2021

Baseline	Interim Milestone*	Target	Latest known results
2018	2022	2024	2021
58%	59%	60%	63.5%

\*The table includes the figure in DG HR's strategic plan 2020-2024

**Main outputs in 2022**

Output	Indicator	Target	Latest known results
<b>Support for organisational change</b> Strengthen support for corporate and local change projects	Number of projects supported.	2022 and beyond	situation on 31/12/2022 DG HR supported all 401 requests received for team events related to corporate and local change projects. The community of internal facilitators met twice. Two capacity-building entry-level sessions on participatory leadership were held in October and December. A specific capsule for managers took place in November.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> situation on 31/12/2022
<b>Attractiveness of executive agencies</b>	Support measures to reinforce attractiveness of executive agencies in particular by facilitating exchanges between Commission and agency staff	Q2 2022	In progress – preparatory work completed in 2022. A pilot exchange programme between the executive agencies and some Commission services to be launched in 2023.
<b>Cooperation with national administrations and international organisations</b>	European Public Administration Network (EUPAN) ministerial meeting organised together with the French Presidency	Q1 2022	Completed
	Participation in the EU leadership exchange programme for middle managers	Q2 2022	Completed
<b>Supporting the use of ad hoc project groups and task forces allowing highly motivated and talented staff to gain additional experience and career development opportunities</b> <ul style="list-style-type: none"> <li>- Develop a template for cross-service agreements.</li> <li>- Revise the communication on organisation charts.</li> <li>- Ensure that appraisal reports recognise the work of staff in ad hoc project groups or task forces</li> </ul>	Action completed	2022	In progress - ongoing preparatory work  A guide is under preparation on good practices when creating cross-DG teams.
<b>Promotion of regular internal and external mobility at all levels</b>			
- Revise the taxonomies for job titles and job families	Action completed	Q4 2022	Partly delivered – usability of the multilingual classification of European Skills, Competences, and Occupations (ESCO) explored in cooperation with ESCO (EMPL) and European Labour Authority. Outcomes presented in Q4 2022.
- Launch 4-year Career talk	Action completed	Q3 2022	Completed – regular 4-Year-Career-Talks launched in the second semester 2022

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> situation on 31/12/2022
- Issue guidance for annual discussion between staff and managers on future mobility	Action completed	Q4 2022	Completed – career development guidance for annual discussion between staff and managers on future mobility provided in Q4 2022.
Centralise career guidance activities	Action completed	Q1 2022	Completed – a centralised unit for all career guidance activities was set up in the first semester 2022.
<b>Promote external mobility</b>			
- Pilot EU Leadership Exchange Programme		Q1 2022	Completed
- Identify strategic postings for external mobility with DGs		Q2 2022	Partly delivered – preliminary mapping exercise finalised.
- Conclude agreements with MS and IGOs		Continuous action, depending on identified needs and availability of external partners	Ongoing discussions with organisations such as OECD and OSCE to explore the interest for concluding staff exchange arrangements; a new arrangement with the African Union Commission negotiated and prepared for signature.
Build additional opportunities for staff movements and exchange of experience between the Commission and executive agencies		Q4 2022	In progress – preparatory work completed in 2022. A pilot exchange programme between the executive agencies and some Commission services to be launched in 2023.
<b>Set up a system to support effective mobility of middle managers</b>			
- Application of early insights from ongoing consultations to test support measures on a series of mobility cases	Action completed	Summer 2022	Completed – middle management network consulted in March 2022.
- consultation of middle managers and senior managers to assess their needs	Action completed	Q3 2022	Completed – middle management network consulted in March 2022.



<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> situation on 31/12/2022
- definition of a series of mobility incentives (e.g. adapt vacancy notices to systematically include as asset experience as a middle manager in at least 2 different services; for every 3 nominations as head of unit in a DG, one must concern a candidate coming from another DG and or family of DGs, etc.)	Action completed	Q3 2022	In progress – draft measure presented in Q4 2022 on incentives (benchmarks) to progressively increase inter-DG mobility.
- definition of a career mobility support programme (career guidance and coaching support)	Action completed	Q3 2022	Completed – career talks for middle managers started in June 2022.
- Identification of and support to middle managers ready to engage in management mobility across the Commission	Action completed	Q3 2022	In progress – statistical data analysed. Ad-hoc meetings between DG HR's Management Development & Support unit and middle managers. Ad-hoc meetings between DG HR's Managerial Excellence Adviser and middle managers.
- Roll-out of the voluntary mobility programme and follow-up, including communication campaign	Action completed	End of 2022	Delayed – pending adoption by the Commission of a budgetary and administrative decision on mobility.
<b>Career prospects for all categories of staff</b>			
Clarify career prospects for assistants, temporary and contract staff	Guidance for intra-DG mobility of temporary and contract staff	Q4 2022	In progress – preparation of monitoring framework for internal mobility ongoing as preliminary step to issuing guidance
Carry out a consultation on the policy and mobility framework for advisors and senior experts/senior assistants functions	Launch of the consultation Analysis of the results	Q3 2022 Q4 2022	In progress – ongoing preparatory work

Output	Indicator	Target	Latest known results situation on 31/12/2022
<p><b>Enhancing guidance on learning and the training offer based on established structured professions</b> Design a more top-down Learning &amp; Development (L&amp;D) offer in order to respond primarily to the needs of the institution and to ensure a stronger alignment with political priorities and strategic objectives including promotion of newly available LinkedIn learning offer.</p>	<p>Main corporate L&amp;D priorities defined</p>	<p>Q4 2022</p>	<p>Completed – ommission’s learning priorities identified.</p> <p>Following publication of three packages in 2022, ongoing consultations with DGs to develop further learning packages.</p> <p>Published: handbook for managers on use of learning packages for their staff.</p>
<p><b>Launch and test data learning paths,</b> in line with the action concerning support to flexible working practices in the rolling action plan on data, information and knowledge management</p>	<p>Learning paths published Satisfaction of target population</p>	<p>Q4 2022</p>	<p>Partly delivered – sub-packages on data for general audience and policy makers finalised and available to target audience. Components of learning packages: LinkedIn, courses (classroom and online), (classroom and online), community of learners and more ad hoc data literacy initiatives concentrating on EC-specific issues.</p> <p>Postponed – satisfaction of target population will be evaluated at a later stage when the learning packages have been more widely used.</p>
<p><b>Early identification of talents</b></p>	<p>(no initial indicator)</p>	<p>Q4 2022</p>	<p>Completed – measure on early identification of talent identified, based on assessment of best practices, and presented in Q4.</p> <p>Implementation to start in 2023.</p>

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> situation on 31/12/2022
<p><b>Simplification of appraisal reports and self-assessment</b></p> <p>Review the performance appraisal reports to ensure they are fit for purpose, following a consultation with reporting officers to identify key needs</p>	<p>Consultation on simplification of appraisal reports and objective setting</p> <p>Further development of reporting officers' corner and training</p>	<p>Q2 2022</p> <p>Q4 2022</p>	<p>Completed – consultation carried out, resulting in a revamped appraisal report ready for the 2023 appraisal exercise.</p> <p>Completed – the reporting officers' corner has been updated with a new guide for reporting officers. Training sessions were provided to reporting officers and reporting officers by delegation.</p>
<p><b>Assistance to management in cases of low and unsatisfactory performance</b></p> <p>Ensure adequate and timely assistance to management in cases of low and unsatisfactory performance or inappropriate behaviour of staff and managers.</p>	<p>Assistance to management in place</p>	<p>Q4 2022</p>	<p>Completed – assistance to management is in place and awareness-raising actions on the service provided by the performance management team were carried out in 2022.</p>
<p><b>Increased scrutiny upon recruitment and during probationary period, including for managers</b></p>			
<p>Develop a Psychological screening, based on a questionnaire.</p>	<p>Questionnaire in place</p>	<p>Q1 2022</p>	<p>In progress – the pilot of the psychological screening will be finalised in the second semester 2023.</p>
<p>Issue guidelines framing the assessment of probationary periods by managers</p>	<p>Guidelines in place</p>	<p>Q4 2022</p>	<p>In progress – the new the appraisal report template includes instructions for follow-up of probationary periods by managers. Awareness-raising of managers was carried out in 2022. The probation guide is being updated and will be communicated to DGs in the first semester 2023.</p>
<p><b>Corporate 360° Feedback Programme for Senior Managers</b></p>	<p>Number of participants</p>	<p>Increased</p>	<p>30 new participants in 2022 compared to 30 in 2021</p>

Output	Indicator	Target	Latest known results situation on 31/12/2022
<b>Comprehensive learning and development path</b>	Learning and development paths	End of 2022	Partly delivered – first three learning packages published (policymaking; human resources; budget & finance).
<b>Female Talent Development Programme</b>	Completed	End of 2022	Completed – fourth edition (2022) completed for 121 participants. Call for applications for the fifth edition (2023) launched in October 2022.

**Specific objective 4:** Supporting the change: towards staff-focused and efficient HR serviced

**Result indicator:** Embedding Change & Innovation

Source of the data: Staff surveys 2018 and 2021

Baseline	Interim Milestone*	Target	Latest known results
2018	2021	2024	2021
52%	55%	60%	55%

\*The table includes the figure in DG HR's strategic plan 2020-2024

**Main outputs in 2022**

Output	Indicator	Target	Latest known results situation on 31/12/2022
<b>An HR helpdesk service</b> Provide all staff and managers with an helpdesk entry point for HR services.	Introduction of the HR helpdesk service	Q2 2022	Completed
<b>Review of all HR services and processes</b> Carry out a full review of all HR services and processes to ensure they are fast, flexible and efficient, starting with the processes with dedicated actions in the HR strategy.	Definition of process owners and priorities. Improvement of first processes	Q4 2022	Completed – service catalogue developed and will be updated on an ongoing basis by process owners.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> situation on 31/12/2022
<p>Initiate a <b>new HR IT platform</b></p> <p>In view of delivering a top-tier commercially available HR IT platform supporting the refined HR delivery model and enable effective HR service delivery, an integrated pilot will start to test-drive the new platform in Q1 2022. This new platform, which will be accessible on mobile and aligned with industry best practice, will support staff and managers with all their operational needs and provide strategic insights for local and central HR in implementing the HR strategy.</p>	Start of integrated pilot of new platform	Q1 2022	Completed – a series of pilot projects and proofs-of-concept were run to test the suitability and flexibility of the envisaged platform in supporting the corporate HR function, and to assess the constraints and risks associated of its deployment. The work in 2022 confirms the readiness to launch the implementation phase for pre-selection, HR Service Desk and IDOC.

### Specific objective 5: Foster a secure workplace

**Result indicator:** Number of participants in security trainings and security briefings

**Source of the data:** HR.DS

<b>Baseline</b>	<b>Interim Milestone</b>	<b>Target</b>	<b>Latest known results</b>
2022	2023	2024	2022
8 149	8 500	9 000	8 149

## Main outputs in 2022

Output	Indicator	Target	Latest known results situation on 31/12/2022
<p><b>Future Integrated Security Operations Centre (ISOC)</b></p> <p>To contribute to the set-up of the future ISOC, DG HR will finalise the feasibility study on the needs and requirements of ISOC.</p> <p>The feasibility study constitutes preparatory work for the future launch of the call for tender regarding the establishment of ISOC.</p> <p>ISOC part of DG HR SIRIUS project (Security, Intelligence and Risk Management Upgraded Strategy)</p>	Completion of ISOC feasibility study	Q2 2022	<p>Completed – the report of the feasibility study was finalised in September 2022.</p> <p>A “statement of needs” (“cahier des besoins”) is in progress, which takes due account of the feasibility study.</p>
<p><b>Protection of the Berlaymont perimeter</b></p> <p>To strengthen the perimeter security of the Commission Headquarters through electronic detection systems and new physical security measures, DG HR will install state of the art detection systems to better detect and respond to unauthorised entry. This action is part of DG HR SIRIUS project.</p>	<p>a) Completion of installation of detection systems</p> <p>b) Completion of installation of new physical security systems</p>	<p>a) Q2 2022</p> <p>b) Q4 2022</p>	<p>a) Completed – the new detection systems were installed and became operational on the Berlaymont perimeter and on the roof in the third and fourth semester respectively.</p> <p>b) Delayed – due to a longer than anticipated planning permission process with the competent local authorities for the physical security systems in the Berlaymont perimeter on the Boulevard Charlemagne and on rue Archimède.</p>
<p><b>Protection of the Charlemagne building</b></p> <p>To protect the Charlemagne building from hostile vehicles, DG HR will deploy a security by design project that is integrated into the urban environment of the Boulevard Charlemagne.</p> <p>This action is part of DG HR SIRIUS project.</p>	Completion of installation of anti-hostile vehicle systems	Q4 2022	<p>Delayed – several conditions were imposed by the competent local authorities as part of the planning permission process, which has delayed the implementation.</p> <p>It is anticipated that the project will be delivered in the second semester of 2023.</p>

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> situation on 31/12/2022
<p><b>Regulation on information security</b></p> <p>To propose common information security rules for all Union institutions, agencies and agencies</p>	Adoption of the proposal for a Regulation by the Commission	Q1 2022	Completed – the Commission adopted the proposal for a Regulation on 22 March 2022.
<p><b>Roll-out of the SUE service</b></p> <p>To deploy the SECRET UE/EU SECRET IT System for all users in Member States and Commission departments.</p>	<p>a) Launch of the pilot project with the Member States for Foreign Direct investment screening</p> <p>b) Completion of the project</p>	<p>a) Q1 2022</p> <p>b) Q4 2022</p>	<p>a) Delivered – the deployment took place in 2022 in the Commission’s premises.</p> <p>b) Delayed - the pilot project within the EU institutions will start in March 2023 for a duration of three months.</p>
<p><b>Mission Security Package</b></p> <p>To limit the risk of exposure of Commission staff to potential security threats originating from hostile intelligence gathering attempts, DG HR will equip staff travelling to specific countries with dedicated mission security packages, including protection measures.</p>	Roll-out of a pilot project on mission security packages	Q3 2022	<p>Completed – the Mission Security Package pilot project has been rolled out.</p> <p>HR.DS is working with other stakeholders (DG DIGIT in particular) to solve the issues identified during the pilot phase.</p>

## **ANNEX 3: Draft annual accounts and financial reports**

**Table 1: Commitments**

**Table 2: Payments**

**Table 3: Commitments to be settled**

**Table 4: Balance Sheet**

**Table 5: Statement of Financial Performance**

**Table 5 Bis: Off Balance Sheet**

**Table 6: Average Payment Times**

**Table 7: Income**

**Table 8: Recovery of undue Payments**

**Table 9: Ageing Balance of Recovery Orders**

**Table 10: Waivers of Recovery Orders**

**Table 11: Negotiated Procedures**

**Table 12: Summary of Procedures**

**Table 13: Building Contracts**

**Table 14: Contracts declared Secret**

**Table 15: FPA duration exceeds 4 years**

**Table 16: Commitments co-delegation type 3 in 2022**



## Additional comments

*Tables 4 & 5*

*The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer.*

Note for all the tables in annex 3: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

*Refresh date for all the tables in annex 3: 28/02/2023*

<b>TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for DG HR</b>					
			<b>Commitment appropriations authorised*</b>	<b>Commitments made</b>	<b>%</b>
			<b>1</b>	<b>2</b>	<b>3=2/1</b>
<b>Title 01 Research and Innovation</b>					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	12.38	12.38	100.00 %
	01 02	Horizon Europe	5.95	5.95	100.00 %
<b>Total Title 01</b>			<b>18.34</b>	<b>18.34</b>	<b>100.00 %</b>
<b>Title 05 Regional Development and Cohesion</b>					
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0.53	0.53	100.00 %
<b>Total Title 05</b>			<b>0.53</b>	<b>0.53</b>	<b>100.00 %</b>
<b>Title 07 Investing in People, Social Cohesion and Values</b>					
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0.31	0.31	100.00 %
<b>Total Title 07</b>			<b>0.31</b>	<b>0.31</b>	<b>100.00 %</b>
<b>Title 08 Agriculture and Maritime Policy</b>					
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	0.18	0.18	100.00 %
<b>Total Title 08</b>			<b>0.18</b>	<b>0.18</b>	<b>100.00 %</b>
<b>Title 13 Defence</b>					
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	0.12	0.12	100.00 %
<b>Total Title 13</b>			<b>0.12</b>	<b>0.12</b>	<b>100.00 %</b>
<b>Title 14 External Action</b>					
14	14 01	Support administrative expenditure of the 'External Action' cluster	1.91	1.83	95.72 %
<b>Total Title 14</b>			<b>1.91</b>	<b>1.83</b>	<b>95.72 %</b>
<b>Title 15 Pre-accession Assistance</b>					
15	15 01	Support administrative expenditure of the "Pre-accession Assistance" cluster	0.59	0.56	94.95 %
<b>Total Title 15</b>			<b>0.59</b>	<b>0.56</b>	<b>94.95 %</b>
<b>Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework</b>					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	0.26	0.24	92.44 %
<b>Total Title 16</b>			<b>0.26</b>	<b>0.24</b>	<b>92.44 %</b>
<b>Title 20 Administrative expenditure of the European Commission</b>					
20	20 01	Members, officials and temporary staff	13.65	12.88	94.36 %
	20 02	Other staff and expenditure relating to persons	27.73	25.50	91.97 %
	20 03	Administrative Operating expenditure	67.44	66.07	97.98 %

	20 04	Information and communication technology related expenditure	6.46	5.89	91.20 %
<b>Total Title 20</b>			<b>115.27</b>	<b>110.34</b>	<b>95.72 %</b>
<b>Title 21 European Schools and Pensions</b>					

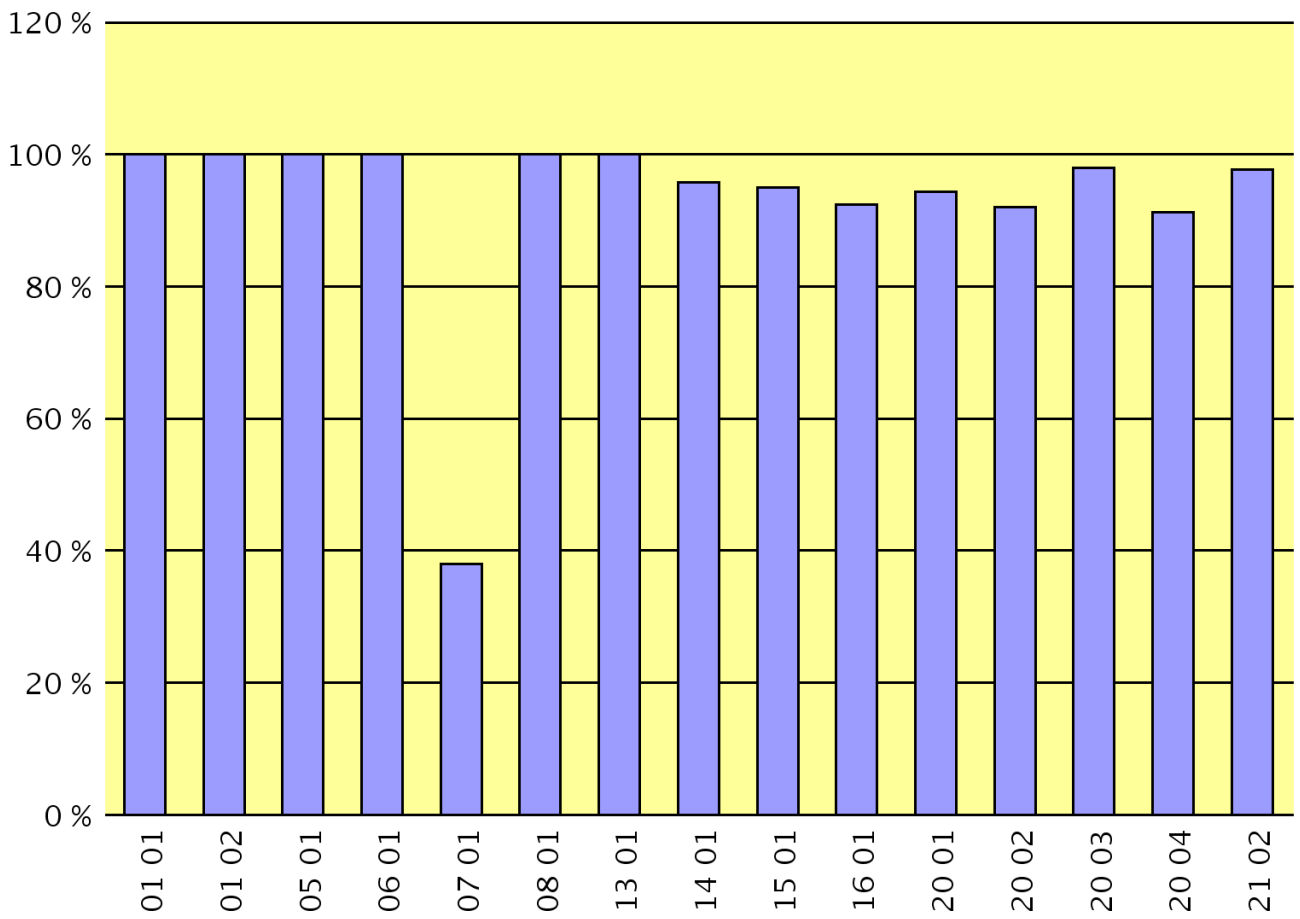
<b>TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for DG HR</b>					
			<b>Commitment appropriations authorised*</b>	<b>Commitments made</b>	<b>%</b>
			<b>1</b>	<b>2</b>	<b>3=2/1</b>
21	21 02	European Schools	240.40	234.81	97.67 %
<b>Total Title 21</b>			<b>240.40</b>	<b>234.81</b>	<b>97.67 %</b>
<b>Total Excluding NGEU</b>			<b>377.91</b>	<b>367.25</b>	<b>97.18 %</b>

<b>Title 01 Research and Innovation</b>					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.30	0.30	99.68 %
<b>Total Title 01</b>			<b>0.30</b>	<b>0.30</b>	<b>99.68 %</b>
<b>Title 06 Recovery and Resilience</b>					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.10	0.10	100.00 %
<b>Total Title 06</b>			<b>0.10</b>	<b>0.10</b>	<b>100.00 %</b>
<b>Title 07 Investing in People, Social Cohesion and Values</b>					
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0.51	0.00	0.00 %
<b>Total Title 07</b>			<b>0.51</b>	<b>0.00</b>	<b>0.00 %</b>
<b>Title 08 Agriculture and Maritime Policy</b>					
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	0.10	0.10	100.00 %
<b>Total Title 08</b>			<b>0.10</b>	<b>0.10</b>	<b>100.00 %</b>
<b>Total NGEU Only</b>			<b>1.01</b>	<b>0.50</b>	<b>49.88 %</b>

<b>Total DG HR</b>			<b>378.92</b>	<b>367.75</b>	<b>97.05 %</b>
--------------------	--	--	---------------	---------------	----------------

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

**% Outturn on Commitment Appropriations in 2022 for DG HR**



<b>TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2022 (in Mio €) for DG HR</b>					
			<b>Payment appropriations authorised *</b>	<b>Payments made</b>	<b>%</b>
			<b>1</b>	<b>2</b>	<b>3=2/1</b>
<b>Title 01 Research and Innovation</b>					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	14.41	7.75	53.76 %
	01 02	Horizon Europe	1.05	0.97	92.71 %
<b>Total Title 01</b>			<b>15.46</b>	<b>8.72</b>	<b>56.40%</b>
<b>Title 05 Regional Development and Cohesion</b>					
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0.77	0.35	45.21 %
<b>Total Title 05</b>			<b>0.77</b>	<b>0.35</b>	<b>45.21%</b>
<b>Title 07 Investing in People, Social Cohesion and Values</b>					
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0.36	0.21	59.02 %
<b>Total Title 07</b>			<b>0.36</b>	<b>0.21</b>	<b>59.02%</b>
<b>Title 08 Agriculture and Maritime Policy</b>					
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	0.20	0.17	84.74 %
<b>Total Title 08</b>			<b>0.20</b>	<b>0.17</b>	<b>84.74%</b>
<b>Title 13 Defence</b>					
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	0.14	0.10	68.07 %
<b>Total Title 13</b>			<b>0.14</b>	<b>0.10</b>	<b>68.07%</b>
<b>Title 14 External Action</b>					
14	14 01	Support administrative expenditure of the 'External Action' cluster	2.08	1.74	83.82 %
<b>Total Title 14</b>			<b>2.08</b>	<b>1.74</b>	<b>83.82%</b>
<b>Title 15 Pre-accession Assistance</b>					
15	15 01	Support administrative expenditure of the "Pre-accession Assistance" cluster	0.62	0.48	77.07 %
<b>Total Title 15</b>			<b>0.62</b>	<b>0.48</b>	<b>77.07%</b>
<b>Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework</b>					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	0.30	0.17	57.39 %
<b>Total Title 16</b>			<b>0.30</b>	<b>0.17</b>	<b>57.39%</b>
<b>Title 20 Administrative expenditure of the European Commission</b>					
20	20 01	Members, officials and temporary staff	18.87	12.65	67.02 %
	20 02	Other staff and expenditure relating to persons	39.02	24.47	62.70 %
	20 03	Administrative Operating expenditure	96.39	63.39	65.76 %
	20 04	Information and communication technology related expenditure	11.72	8.05	68.70 %
<b>Total Title 20</b>			<b>166.00</b>	<b>108.55</b>	<b>65.39%</b>
<b>Title 21 European Schools and Pensions</b>					

<b>TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2022 (in Mio €) for DG HR</b>					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
21	21 02	European Schools	242.37	235.87	97.32 %
<b>Total Title 21</b>			<b>242.37</b>	<b>235.87</b>	<b>97.32%</b>
<b>Total Excluding NGEU</b>			<b>428.30</b>	<b>356.36</b>	<b>83.20%</b>

<b>Title 01 Research and Innovation</b>					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	3.54	3.31	93.51 %
<b>Total Title 01</b>			<b>3.54</b>	<b>3.31</b>	<b>93.51%</b>
<b>Title 06 Recovery and Resilience</b>					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.10	0.05	52.86 %
<b>Total Title 06</b>			<b>0.10</b>	<b>0.05</b>	<b>52.86%</b>
<b>Title 07 Investing in People, Social Cohesion and Values</b>					
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0.10	0.00	0.00 %
<b>Total Title 07</b>			<b>0.10</b>	<b>0.00</b>	<b>0.00%</b>
<b>Title 08 Agriculture and Maritime Policy</b>					
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	0.10	0.07	65.48 %
<b>Total Title 08</b>			<b>0.10</b>	<b>0.07</b>	<b>65.48%</b>
<b>Total NGEU Only</b>			<b>3.84</b>	<b>3.43</b>	<b>89.26%</b>
<b>Total DG HR</b>			<b>432.14</b>	<b>359.79</b>	<b>83.26 %</b>

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

**% Outturn on Payment Appropriations in 2022 for DG HR**

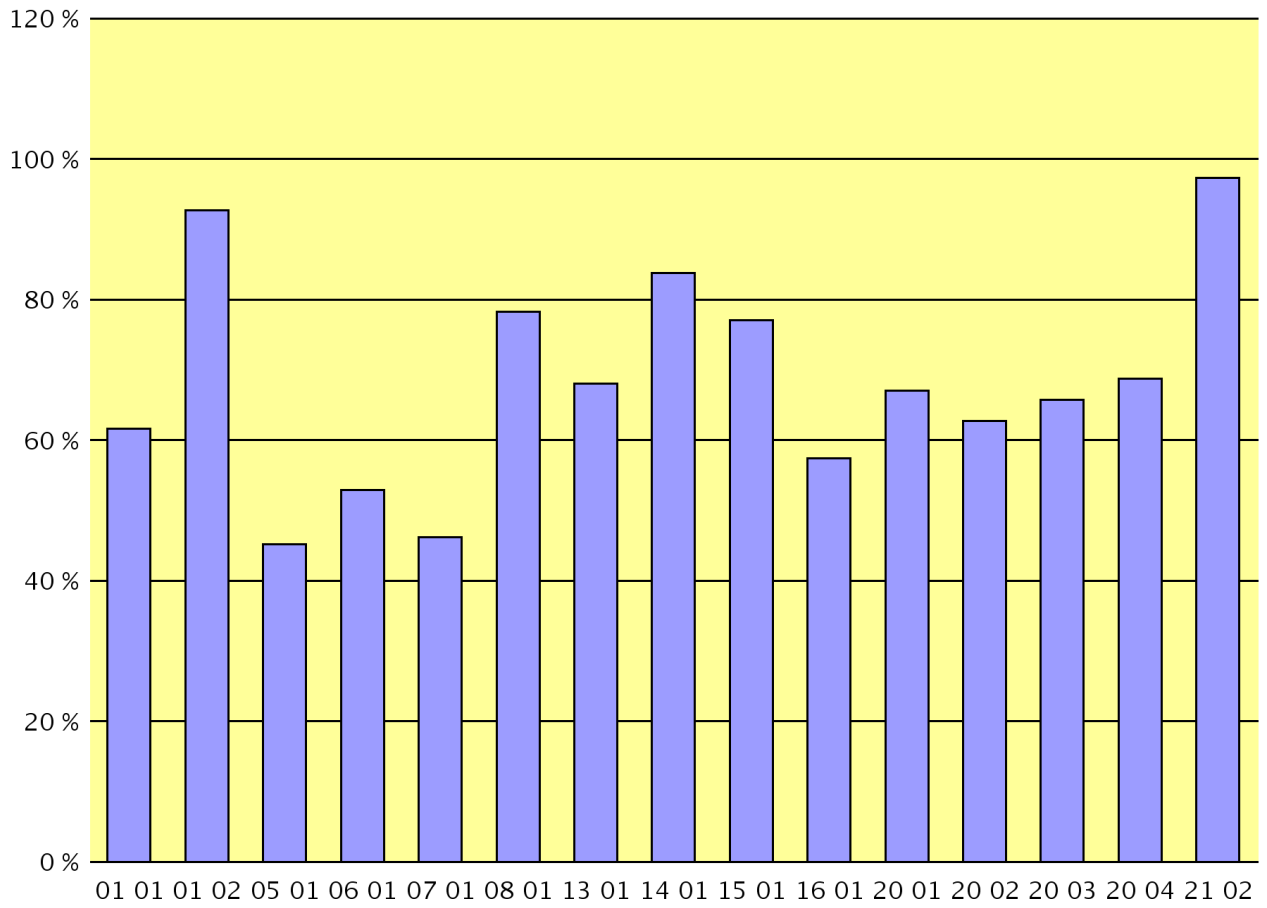




TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	12.38	6.41	5.97	48.21%	0.00	5.97	2.03
	01 02	Horizon Europe	5.95	0.97	4.98	83.69%	0.00	4.98	0.00
<b>Total Title 01</b>			<b>18.34</b>	<b>7.38</b>	<b>10.95</b>	<b>59.73%</b>	<b>0.00</b>	<b>10.95</b>	<b>2.03</b>
TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0.53	0.28	0.25	46.93%	0.00	0.25	0.24
<b>Total Title 05</b>			<b>0.53</b>	<b>0.28</b>	<b>0.25</b>	<b>46.93%</b>	<b>0.00</b>	<b>0.25</b>	<b>0.24</b>
TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0.31	0.19	0.12	39.12%	0.00	0.12	0.05
<b>Total Title 07</b>			<b>0.31</b>	<b>0.19</b>	<b>0.12</b>	<b>39.12%</b>	<b>0.00</b>	<b>0.12</b>	<b>0.05</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	0.18	0.16	0.02	8.49%	0.00	0.02	0.03
<b>Total Title 08</b>			<b>0.18</b>	<b>0.16</b>	<b>0.02</b>	<b>8.49%</b>	<b>0.00</b>	<b>0.02</b>	<b>0.03</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	0.12	0.08	0.04	34.28%	0.00	0.04	0.02
<b>Total Title 13</b>			<b>0.12</b>	<b>0.08</b>	<b>0.04</b>	<b>34.28%</b>	<b>0.00</b>	<b>0.04</b>	<b>0.02</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 01	Support administrative expenditure of the 'External Action' cluster	1.83	1.61	0.22	11.86%	0.00	0.22	0.20
<b>Total Title 14</b>			<b>1.83</b>	<b>1.61</b>	<b>0.22</b>	<b>11.86%</b>	<b>0.00</b>	<b>0.22</b>	<b>0.20</b>

TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
15	15 01	Support administrative expenditure of the "Pre-accession Assistance" cluster	0.56	0.46	0.11	18.78%	0.00	0.11	0.14
<b>Total Title 15</b>			<b>0.56</b>	<b>0.46</b>	<b>0.11</b>	<b>18.78%</b>	<b>0.00</b>	<b>0.11</b>	<b>0.14</b>
TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	0.24	0.14	0.10	40.58%	0.01	0.11	0.14
<b>Total Title 16</b>			<b>0.24</b>	<b>0.14</b>	<b>0.10</b>	<b>40.58%</b>	<b>0.01</b>	<b>0.11</b>	<b>0.14</b>
TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 01	Members, officials and temporary staff	12.88	8.51	4.37	33.94%	0.00	4.37	5.23
	20 02	Other staff and expenditure relating to persons	25.50	15.39	10.11	39.65%	0.00	10.11	11.29
	20 03	Administrative Operating expenditure	66.07	35.49	30.58	46.28%	0.00	30.58	28.96
	20 04	Information and communication technology related expenditure	5.89	3.06	2.83	48.04%	0.00	2.83	5.26
<b>Total Title 20</b>			<b>110.34</b>	<b>62.45</b>	<b>47.89</b>	<b>43.40%</b>	<b>0.00</b>	<b>47.89</b>	<b>50.73</b>

TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
21	21 02	European Schools	234.81	233.91	0.90	0.38%	0.00	0.90	1.97
<b>Total Title 21</b>			<b>234.81</b>	<b>233.91</b>	<b>0.90</b>	<b>0.38%</b>	<b>0.00</b>	<b>0.90</b>	<b>1.97</b>
<b>Total Excluding NGEU</b>			<b>367.25</b>	<b>306.67</b>	<b>60.58</b>	<b>16.50%</b>	<b>0.01</b>	<b>60.60</b>	<b>55.54</b>

TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.30	0.07	0.23	75.86%	0.00	0.23	3.42
<b>Total Title 01</b>			<b>0.30</b>	<b>0.07</b>	<b>0.23</b>	<b>75.86%</b>	<b>0.00</b>	<b>0.23</b>	<b>3.42</b>

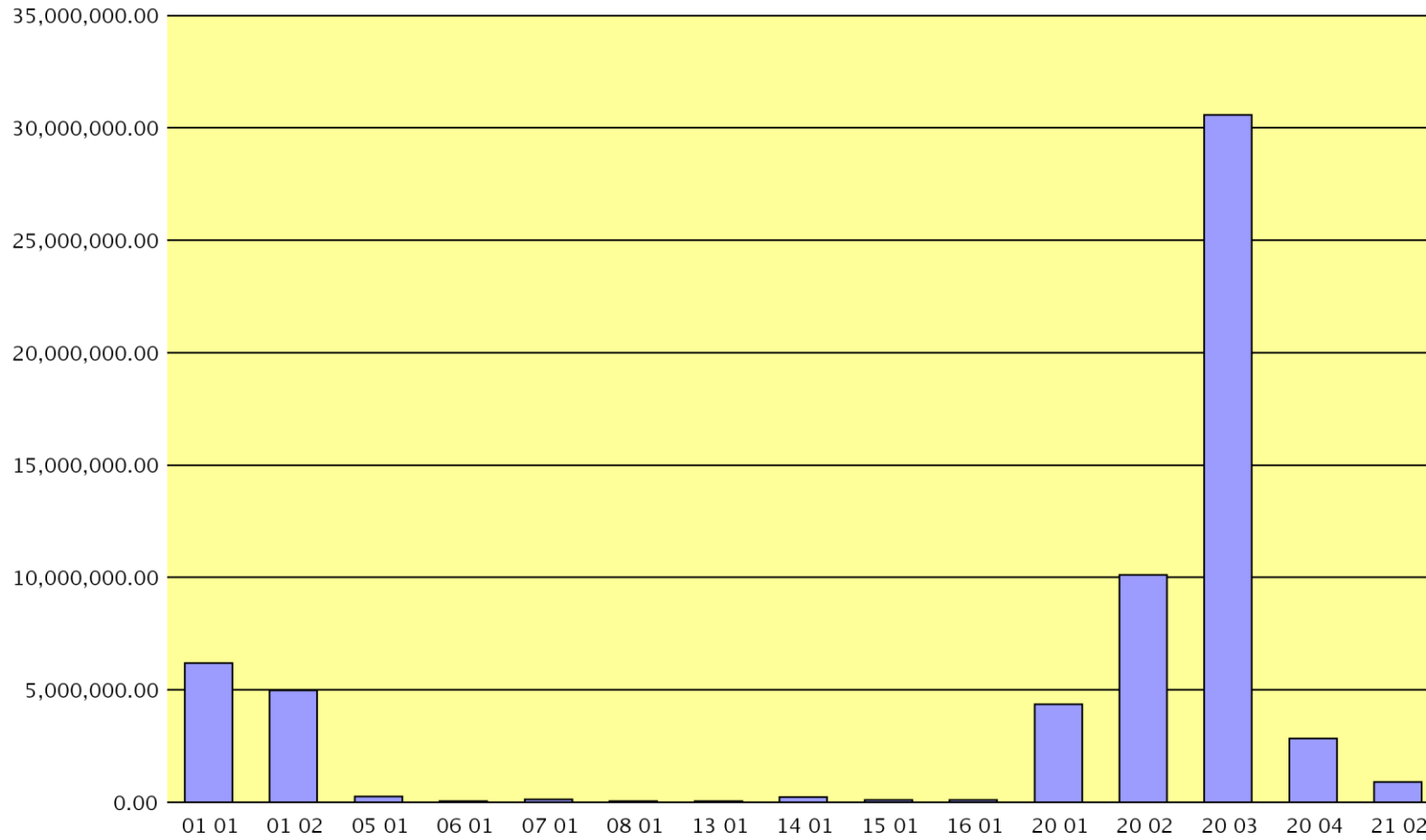
TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.10	0.05	0.05	47.14%	0.00	0.05	0.00
<b>Total Title 06</b>			<b>0.10</b>	<b>0.05</b>	<b>0.05</b>	<b>47.14%</b>	<b>0.00</b>	<b>0.05</b>	<b>0.00</b>

TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
<b>Total Title 07</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	0.10	0.07	0.04	34.52%	0.00	0.04	0.00
<b>Total Title 08</b>			<b>0.10</b>	<b>0.07</b>	<b>0.04</b>	<b>34.52%</b>	<b>0.00</b>	<b>0.04</b>	<b>0.00</b>
<b>Total NGEU Only</b>			<b>0.50</b>	<b>0.19</b>	<b>0.31</b>	<b>61.71%</b>	<b>0.00</b>	<b>0.31</b>	<b>3.42</b>

<b>Total for DG HR</b>			<b>367.75</b>	<b>306.86</b>	<b>60.90</b>	<b>16.56 %</b>	<b>0.01</b>	<b>60.91</b>	<b>58.96</b>
------------------------	--	--	---------------	---------------	--------------	----------------	-------------	--------------	--------------

**Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2022 HR**



**TABLE 4: BALANCE SHEET for DG HR**

<b>BALANCE SHEET</b>	<b>2022</b>	<b>2021</b>
<b>A.I. NON CURRENT ASSETS</b>	0.00	187,354.27
A.I.1. Intangible Assets	0.00	187,354.27
<b>A.II. CURRENT ASSETS</b>	989,098.65	1,139,045.91
A.II.2. Current Pre-Financing	0.00	0.00
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	989,098.65	1,139,045.91
A.II.6. Cash and Cash Equivalents	0.00	0.00
<b>ASSETS</b>	<b>989,098.65</b>	<b>1,326,400.18</b>
<b>P.II. CURRENT LIABILITIES</b>	<b>-1,158,943.68</b>	<b>-564,608.79</b>
P.II.4. Current Payables	-1,158,943.68	-564,608.79
P.II.5. Current Accrued Charges & Defrd Income	0.00	0.00
<b>LIABILITIES</b>	<b>-1,158,943.68</b>	<b>-564,608.79</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>-169,845.03</b>	<b>761,791.39</b>

P.III.2. Accumulated Surplus/Deficit	2,235,299,283.63	1,960,211,940.49
Non-allocated central (surplus)/deficit*	-2,235,129,438.60	-1,960,973,731.88

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

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

**TABLE 5: STATEMENT OF FINANCIAL PERFORMANCE for DG HR**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2022</b>	<b>2021</b>
II.1 REVENUES	-43,832,292.81	-36,173,673.62
II.1.2. EXCHANGE REVENUES	-43,832,292.81	-36,173,673.62
II.1.2.2. OTHER EXCHANGE REVENUE	-43,832,292.81	-36,173,673.62
II.2. EXPENSES	355,515,506.21	311,261,016.76
II.2. EXPENSES	355,515,506.21	311,261,016.76
II.2.10. OTHER EXPENSES	348,599,778.58	303,160,403.69
II.2.6. STAFF AND PENSION COSTS	6,915,454.40	8,100,613.07
II.2.8. FINANCE COSTS	273.23	
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>311,683,213.40</b>	<b>275,087,343.14</b>

*The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer.*

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

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



**TABLE 5bis : OFF BALANCE SHEET for DG HR**

<b>OFF BALANCE</b>	<b>2022</b>	<b>2021</b>
OB.1. Contingent Assets	583,046.35	583,046.35
GR for performance	583,046.35	583,046.35
OB.3. Other Significant Disclosures	0.00	-1,195,421.89
OB.3.3.7. Other contractual commitments	0,00	-1,195,421.89
OB.4. Balancing Accounts	-583,046.35	612,375.54
OB.4. Balancing Accounts	- 583,046.35	612,375.54
<b>OFF BALANCE</b>	<b>0.00</b>	<b>0.00</b>

--

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

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

**TABLE 6: AVERAGE PAYMENT TIMES for DG HR**

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
6	4	4	100.00 %	3.00				0.00	0 %
10	3	3	100.00 %	2.00				0.00	0 %
12	14	14	100.00 %	11.43				0.00	0 %
15	14	14	100.00 %	9.00				0.00	0 %
18	1	1	100.00 %	16.00				0.00	0 %
25	11	11	100.00 %	8.82				0.00	0 %
30	10,918	10,815	99.06 %	10.04	103	0.94 %	37.01	877,189.24	1 %
40	1	1	100.00 %	8.00				0.00	0 %
45	47	46	97.87 %	12.96	1	2.13 %	59.00	300.00	0 %
49	1				1	100.00 %	52.00	30,807.00	100 %
60	98	98	100.00 %	14.50				0.00	0 %
90	31	31	100.00 %	12.06				0.00	0 %
120	1,755	1,754	99.94 %	16.54	1	0.06 %	581.00	720.00	0 %

<b>Total Number of Payments</b>	<b>12,898</b>	<b>12,792</b>	<b>99.18 %</b>		<b>106</b>	<b>0.82 %</b>		<b>909,016.24</b>	<b>0 %</b>
<b>Average Net Payment Time</b>	<b>11.24</b>			<b>10.98</b>			<b>42.49</b>		
<b>Average Gross Payment Time</b>	<b>12.71</b>			<b>12.44</b>			<b>44.44</b>		

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	39	486	3.77 %	12,898	47,714,763.78	13.35 %	357,402,440.41

Late Interest paid in 2022			
DG	GL Account	Description	Amount (Eur)
HR	65010100	Interest on late payment of charges New FR	273.23
			<b>273.23</b>

NB: Table 6 only contains payments relevant for the time statistics. Please consult its exact scope in the AAR Annex3 BO User Guide ( [https://myintracomm.ec.europa.eu/budgweb/EN/abac/dwh/Pages/its-030-10-20\\_documentation.aspx](https://myintracomm.ec.europa.eu/budgweb/EN/abac/dwh/Pages/its-030-10-20_documentation.aspx) ).

**TABLE 7: SITUATION ON REVENUE AND INCOME in 2022 for DG HR**

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
32	Revenue from the supply of goods, services and work - Assigned revenue	21,585,551.35	94,300.00	21,679,851.35	21,479,875.35	94,300.00	21,574,175.35	105,676.00
33	Other administrative revenue	23,098,022.90	365,392.67	23,463,415.57	23,094,945.28	246,422.71	23,341,367.99	122,047.58
<b>Total DG HR</b>		<b>44,683,574.25</b>	<b>459,692.67</b>	<b>45,143,266.92</b>	<b>44,574,820.63</b>	<b>340,722.71</b>	<b>44,915,543.34</b>	<b>227,723.58</b>

**TABLE 8: FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2022 for DG HR**

<b>EX-ANTE CONTROLS</b>	<b>Irregularity</b>	<b>Total undue payments recovered</b>
NON ELIGIBLE IN COST CLAIMS		
CREDIT NOTES	476,911.95	<b>476,911.95</b>
RECOVERY ORDERS ON PRE-FINANCING		
<b>Sub-Total</b>	<b>476,911.95</b>	<b>476,911.95</b>

The amounts concern transactions where DG HR made corrections associated with inaccurate reporting by the supplier **before** the payment, such as invoices received with calculation errors, with ineligible elements or other irregularities. These amounts are systematically verified and adjusted (on the basis of supplier's credit notes) when appropriate.

<b>EX-POST CONTROLS</b>	<b>Irregularity</b>	<b>Total undue payments recovered</b>
INCOME LINES IN INVOICES		
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING	367,881.14	<b>367,881.14</b>
<b>Sub-Total</b>	<b>367,881.14</b>	<b>367,881.14</b>
<b>GRAND TOTAL (EX-ANTE + EX-POST)</b>	<b>844,793.09</b>	<b>844,793.09</b>

EUR 364 thousand (98%) of this amount concern the result of the regular application of the relevant clauses for adjustments within a framework contract to services effectively provided, rather than ex-post controls. The remaining amount EUR 4 thousand concerns corrections for ineligible amounts and services not provided but invoiced, and only corrected after the payment.

**TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2022 for DG HR**

	Number at 1/1/2022 1	Number at 12/31/2022	Evolution	Open Amount (Eur) at 1/1/2022 1	Open Amount (Eur) at 12/31/2022	Evolution
2010	1	1	0.00 %	3,782.09	3,782.09	0.00 %
2015	3	3	0.00 %	267,081.44	109,363.75	-59.05 %
2017	1		-100.00 %	4,706.68		-100.00 %
2019	1		-100.00 %	328.22		-100.00 %
2020	2	1	-50.00 %	15,605.32	5,824.12	-62.68 %
2021	13		-100.00 %	168,188.92		-100.00 %
2022		15			108,753.62	
	<b>21</b>	<b>20</b>	<b>-4.76 %</b>	<b>459,692.67</b>	<b>227,723.58</b>	<b>-50.46 %</b>

**TABLE 10: Recovery Order Waivers >= 60 000 € in 2022 for DG HR**

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

<b>Total DG HR</b>	
--------------------	--

<b>Number of RO waivers</b>	
-----------------------------	--

**There are 1 waivers below 60 000 € for a total amount of -4,706.68**

--

**TABLE 11: Negotiated Procedures in 2022 for DG HR**

### **Internal Procedures > € 60,000**

<b>Negotiated Procedure Legal base</b>	<b>Number of Procedures</b>	<b>Amount (€)</b>
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	3	2,734,700.00
<b>Total</b>	<b>3</b>	<b>2,734,700.00</b>

See additional comments under table 12

**TABLE 12: Summary of Procedures in 2022 for DG HR**

## Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure middle value contract (Annex 1 - 14.2)	9	1,047,056.00
Negotiated procedure without prior publication (Annex 1 - 11.1)	3	2,734,700.00
Open procedure (FR 164 (1)(a))	7	45,479,930.21
Restricted procedure without Dynamic purchasing system (FR 164 (1)(b))	1	442,860,000.00
<b>Total</b>	<b>20</b>	<b>492,121,686.21</b>

**Additional Comments:**

*Tables 11 & 12: Internal Procedures*

*Please note that a Negotiated procedure without prior publication (annex 1 - 11.1) for an amount of 2.5 MEUR was awarded in December 2021 but not reported in the 2021 annual activity report as the award notice was only dispatched in January 2022. This procedure is therefore included in the portfolio of procedures awarded in 2022.*

*In addition to the exceptional negotiated procedures included in the tables above, DG HR awarded five low value contracts (<60.000 EUR) for a total amount of 209.274 EUR. The justification for these awards is generally associated with technical captivity and extreme urgency. One procedure was concluded under annex 1 - 11.1 (f)(i) - Additional deliveries where a change of supplier would oblige the contracting authority to acquire supplies having different technical characteristics resulting in difficulties in operation and maintenance. This concerned the transition period for the change of service provider following a procurement procedure. The subject of the contract is the rental of the machine from the outgoing provider and the specific consumable materials.*



**TABLE 13: BUILDING CONTRACTS in 2022 for DG HR**

Legal Base	Procedure subject	Contract Number	Contractor Name	Contract Subject	Contracted Amount (€)

N/A

**TABLE 14: CONTRACTS DECLARED SECRET in 2022 for DG HR**

Legal Base	LC Date	Contract Number	Contract Subject	Contracted Amount (€)
Annex 1 - 11.1 (j) - Secret contract or contract requiring special security measures	19/10/2022	SI2.1168709	EXFO HR/2022/NP/0022 BDC 178/22 DS2	39,600.00
		1		<b>39,600.00</b>

**TABLE 15: FPA duration exceeds 4 years - DG HR**

N/A

**TABLE 16: Commitments co-delegation type 3 in 2022 for DG HR**

<b>ANNEX 3: HR COMMITMENTS MADE IN 2020 WITH RESPECT TO THE CO-DELEGATIONS TYPE III</b>	
	<b>Commitments made</b>
<b>Total</b>	<b>367,754,729.37</b>
<b>Of which Co-deleg Type III per giving DG</b>	<b>7,383,749.13</b>
<i>AGRI</i>	233,499.93
<i>CLIMA</i>	146,840
<i>CNECT</i>	320,000
<i>DEFIS</i>	150,178
<i>ECHO</i>	797,400
<i>EMPL</i>	369,136
<i>ENER</i>	106,200
<i>ENV</i>	0
<i>FPI</i>	30,000
<i>GROW</i>	99,987.94
<i>HERA</i>	110,897
<i>HOME</i>	109,653
<i>INTPA</i>	1,070,000
<i>JRC</i>	577,000
<i>MARE</i>	133,091.59
<i>MOVE</i>	314,754.05
<i>NEAR</i>	836,243.67
<i>OLAF</i>	667,000
<i>REGIO</i>	512,779
<i>RTD</i>	799,088.95

## ANNEX 4: Financial scorecard

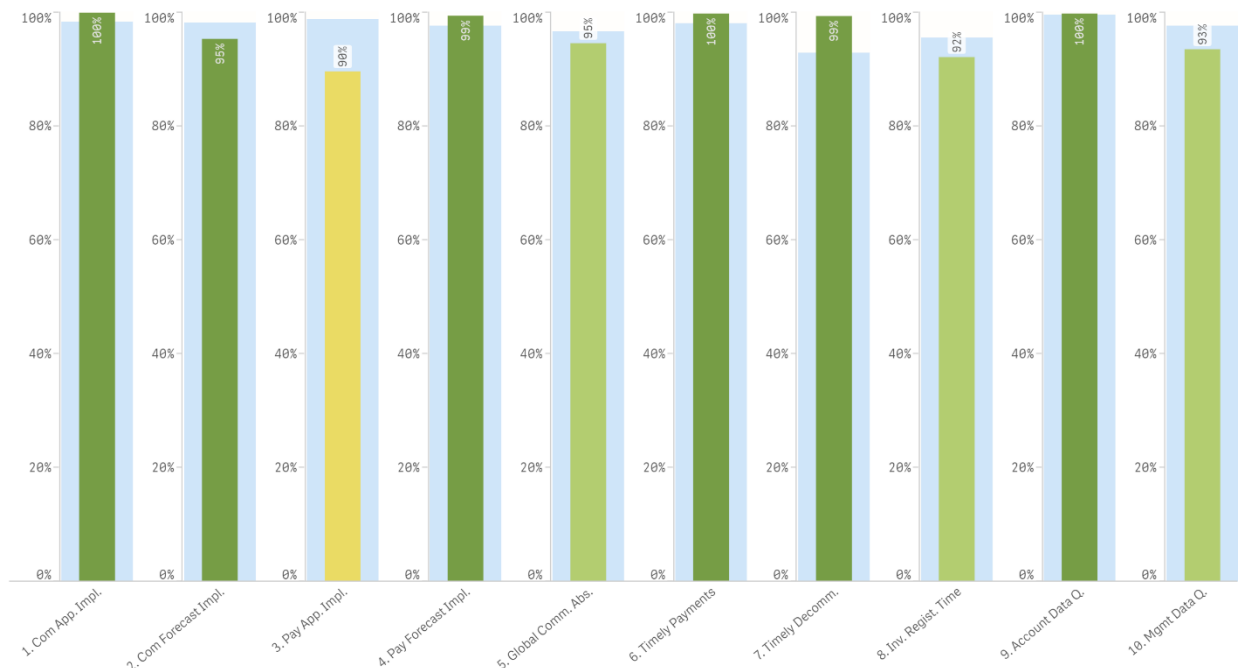
This annex summarises the annual result of the standard financial indicators measurement. 10 standard financial indicators are presented below, each with its objective and result for the Commission service and for the EC as a whole (for benchmarking purposes):

<ul style="list-style-type: none"> <li>- <b>Commitment Appropriations (CA) Implementation</b></li> <li>- <b>CA Forecast Implementation</b></li> <li>- <b>Payment Appropriations (PA) Implementation</b></li> <li>- <b>PA Forecast Implementation</b></li> <li>- <b>Global Commitment Absorption</b></li> </ul>	<ul style="list-style-type: none"> <li>- <b>Timely Payments</b></li> <li>- <b>Timely Decommitments</b></li> <li>- <b>Invoice Registration Time</b></li> <li>- <b>Accounting Data Quality</b></li> <li>- <b>Management Data Quality</b></li> </ul>
--	---

For each indicator, its value (in %) for the Commission service is compared to the common target (in %). The difference between the indicator's value and the target is colour coded as follows:

- 100 – >95% of the target: dark green
- 95 – >90% of the target: light green
- 90 – >85% of the target: yellow
- 85 – >80% of the target: light red
- 80 – 0% of the target: dark red

HR Indicator Scores for 2022 12



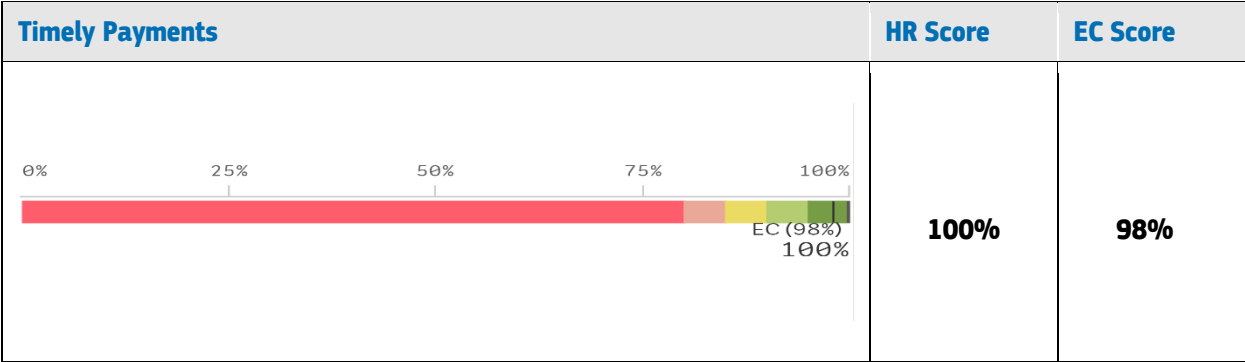
For each indicator the light blue bar denotes the EC Score.

<b>Indicator</b>	<b>Objective</b>	<b>Comment</b>	<b>HR Score</b>	<b>EC Score</b>
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		100%	98%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		95%	98%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		90%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		99%	98%
5. Global Commitment Absorption <sup>2</sup>	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		95%	97%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines		100%	98%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle		99%	93%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		92%	95%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		100%	100%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		93%	98%

---

<sup>2</sup> Due to technical limitation: 1. the indicator does not take into account the Com L1 Consumption between the FDC ILC date and. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose.

The timely payments indicator, which places emphasis on the amount paid on time, as opposed to the number of payments, paints a better picture. DG HR paid virtually all of the total amount due on time. This represents an improvement on last year's result of 99% paid on time.



The measures adopted the last few years (e.g. progress in moving to paperless workflows) have allowed DG HR to make important steps towards increasing the efficiency in all aspects of financial management and procurement.

DG HR concludes positively on the efficiency of the controls in place.

## ANNEX 5: Materiality criteria

This annex provides detailed explanation on how the AOD defined the materiality threshold as a basis for determining significant weaknesses that should be subject to a formal reservation to his/her declaration.

In the analysis leading to the decision on whether to issue reservations or not, DG HR used the following criteria:

- For financial transactions, the general control objective is to ensure that the level of errors, which remain undetected and uncorrected, does not exceed 2%;
- For other cases, the fact whether a serious breach had occurred vis-à-vis an internal control standard;
- And more generally, whether the Commission's reputation was at stake;
- Critical issues outlined by the European Court of Auditors or the Internal Audit Service.

**Since 2019 <sup>(3)</sup>, a 'de minimis' threshold for financial reservations has been introduced. Quantified annual activity report reservations related to residual error rates above the 2% materiality threshold are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.**

---

<sup>(3)</sup> Agreement of the Corporate Management Board of 30/4/2019.



## ANNEX 6: Relevant Control System(s) for budget implementation (RCSs)

A) ICT for HR Management (HRM) Support Services.

Stage 1 – Procurement

### A - Planning

**Main internal control objectives:** Ensuring that the decision to tender is optimal.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The needs are not well defined (operationally and economically) and that the decision to procure was inappropriate</p> <p>Discontinuation of the services provided due to a late contracting</p>	<p>Publication of intended procurements / Work program</p> <p>Note to AO(S)D on justification (economic, operation) for launching a procurement process Orientation note</p> <p>Point discussed during management meeting</p>	<p>Coverage: Procurement &gt;60.000 €</p> <p>Depth: Level 1</p>	<p>Total contract value / cost of control on procurement.</p> <p>Cost of control on procurement / number of procedures closed during the year</p> <p>Qualitative review of the Exceptions &amp; NCE</p> <p>Costs: FTE <sup>4</sup>linked to operational unit + central unit</p> <p>Benefits (qualitative): No litigation, compliance</p>

NB: for all controls, information in particular financial information related to inputs / outputs and follow-up should be collected

\*Depth: (definition of levels)

1. Minimal administrative / arithmetic control with no reference to supporting documents, reference to underlying documents.
2. Control with reference to corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification), but no reference to underlying documents.
3. Control with reference to fully independent corroborative information (e.g. a database which justifies certain elements of the claim, 3rd party or Commission assessment of milestones achieved, etc.)
4. Control with reference to and including access to the underlying documentation available at the stage of the process in question, for all inputs and outputs (e.g. timesheets, invoices, physical verification, etc.); i.e. control of the same intensity of transaction testing as those carried out by the ECA as part of the DAS

<sup>4</sup> FTE: Full Time Equivalent

## B - Needs assessment & definition of needs

**Main internal control objectives:** Ensuring that the tender results are optimal

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The best offer/s are not submitted due to the poor definition of the specifications	Financial circuit: AOS approval and supervision of specifications Additional unit supervision above a financial threshold: procurement >60.000 € Or use of a consultative/advisory committee GAMA and/or HR Procurement Board	Coverage: 100% Depth: Level 3 Coverage: Those replying to criteria: procedure >60.000€ Depth: Level 4	Total contract value / cost of control on procurement  Cost of control on procurement / number of procedures closed during the year  Qualitative review of the Exceptions & NCE Costs: FTE linked to operational unit + central unit Benefits (qualitative): No litigation, compliance

NB: for all controls, information in particular financial information related to inputs / outputs and follow-up should be collected

Depth: (definition of levels)

1. Minimal administrative / arithmetic control with no reference to supporting documents reference to underlying documents.
2. Control with reference to corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification), but no reference to underlying documents.
3. Control with reference to fully independent corroborative information (e.g. a database which justifies certain elements of the claim, 3rd party or Commission assessment of milestones achieved, etc.)
4. Control with reference to and including access to the underlying documentation available at the stage of the process in question, for all inputs and outputs (e.g. timesheets, invoices, physical verification, etc.); i.e. control of the same intensity of transaction testing as those carried out by the ECA as part of the DAS.

## C – Selection of the offer & evaluation

**Main internal control objectives:** Ensuring that the selection of the contractor is optimal.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three Es)
The most promising offer not being selected, due to a biased, inaccurate or 'unfair' evaluation process	Opening committee and Evaluation committee  Consultative committee GAMA  Conflict of interests  Exclusion criteria documented  Standstill period	Coverage: 100% Depth: Level 4  Coverage: Risk based sampling Depth: Level 4 Coverage: 100% Depth: Level 4 Coverage: 100% Depth: Level 4 Coverage: 100% Depth: N/A	Total contract value / cost of control on procurement  Cost of control on procurement / number of procedures closed during the year  Qualitative review of the Exceptions & NCE Costs: FTE linked to operational unit + central unit  Benefits (qualitative): No litigation, compliance

NB: for all controls, information in particular financial information related to inputs/outputs and follow-up should be collected

\*Depth: (definition of levels)

1. Minimal administrative / arithmetic control with no reference to supporting documents reference to underlying documents.
2. Control with reference to corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification), but no reference to underlying documents.
3. Control with reference to fully independent corroborative information (e.g. a database which justifies certain elements of the claim, 3rd party or Commission assessment of milestones achieved, etc.).
4. Control with reference to and including access to the underlying documentation available at the stage of the process in question, for all inputs and outputs (e.g. timesheets, invoices, physical verification, etc.); i.e. control of the same intensity of transaction testing as those carried out by the ECA as part of the DAS.

Stage 2: Financial transactions

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Contractor does not comply with the contractual provisions</p> <p>Amount paid is disconnected from the quality and the timing of the deliverables</p> <p>Business discontinues. Contractor unable to deliver.</p>	<p>Monitoring respect of contractual provisions.</p> <p>Financial circuit: all steps financial and operational</p> <p>Signature at higher hierarchical level for higher amounts</p> <p>Sensitive functions</p>	<p>Coverage: 100%</p> <p>Depth: Level 4</p> <p>Coverage: 100%</p> <p>Depth: Level 4</p> <p>Coverage: Those replying to criteria</p> <p>Depth: Level 2</p> <p>Coverage: AOSDs mainly</p> <p>Depth: N/A</p>	<p>Cost of control on the financial circuit / number of financial transactions done during the year.</p> <p>Percentage of automated payments done in the year.</p> <p>Cost of control on the financial circuit / value of payments executed during the year</p> <p>Qualitative review of the Exceptions &amp; NCE</p> <p>Costs: FTE linked to actors acting on financial circuits</p> <p>Benefits (qualitative and quantitative): Detect error before payment, sound financial management and respect of contractual provisions</p>

NB: for all controls, information in particular financial information related to inputs/outputs and follow-up should be collected

\*Depth: (definition of levels)

1. Minimal administrative / arithmetic control with no reference to supporting documents reference to underlying documents.
2. Control with reference to corroborative information incorporating an element of independent oversight (e.g. audit certificate or other verification), but no reference to underlying documents.
3. Control with reference to fully independent corroborative information (e.g. a database which justifies certain elements of the claim, 3rd party or Commission assessment of milestones achieved, etc.).
4. Control with reference to and including access to the underlying documentation available at the stage of the process in question, for all inputs and outputs (e.g. timesheets, invoices, physical verification, etc.); i.e. control of the same intensity of transaction testing as those carried out by the ECA as part of the DAS.

Stage 3: Supervisory measures

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>An error or non-compliance with specifications or a fraud is not detected</p> <p>Management of the procurement is not improved in general</p>	<p>Ex-post controls on procedures / contractors</p> <p>Whistleblowing (notably after yearly reporting of awarded contractors)</p> <p>Review of ex-post results</p> <p>Review of exception reporting</p> <p>Review of the process after each procedure</p>	<p>Coverage: Risk based percentage or financial controllers check each other's work once a year</p> <p>Depth: Level 4</p> <p>Coverage: potentially 100%</p> <p>Depth: N/A</p> <p>Coverage: Whole process but limited number of tenders</p> <p>Depth: Level 2</p> <p>Coverage: Whole process but limited number of tenders</p> <p>Depth: Level 2</p> <p>Coverage: Procedure &gt;60.000€</p> <p>Depth: Level 2</p>	<p>Ex-post control result/error found</p> <p>Total value checked by Control ex-post/costs ex-post controls</p> <p>Cost ex-post controls/total number of transactions checked by Control ex-post</p> <p>Costs: FTE mainly linked to Control ex-post</p> <p>Benefits Issues are followed and addressed, improvement of processes and procedures</p>

## **B) ICT for Financial Contribution to the European Schools**

### Governance

The European School System is regulated by an intergovernmental convention. The governance of the European School System is ensured by the Board of Governors at which the European Commission is represented (Commission 1 vote, Member States 1 vote each, EPO and parents have a voting right for certain issues). The Draft Budget of the European Schools is voted by the Board of Governors in April, it includes the potential EU financial contribution. Based on this a request for funding is formulated by the Board of Governors, DG HR is responsible for inserting a provision in the Commission's budget to cover the part of the Schools budget assigned to the Commission. Once the EU budget procedure is finalised, DG HR is responsible for accurately paying the contributions to each of the schools. Each type I school is paid in four instalments. There is no room for discretion in the treatment of the payments by DG HR. The first three instalments are fixed in proportion to the total amount payable and the final balance is paid on the basis of an update of budgetary situation provided by each school.

European Schools are responsible for the execution of their budget in compliance with their own Financial Regulation. Audits are carried out by the IAS and by the European Court of Auditors and discharged by the Board of Governors.

For European Schools type II, in April 2009, the reform of the European school system provided for the establishment of European schools of type II, national schools with sections for the European Baccalaureate. These schools receive accreditation from the Board of Governors of the European Schools, which allows, under certain conditions, the granting of a financial contribution. The Commission adopted the measures for the payment of this contribution (in proportion to the number of pupils, children of staff of the Institutions, Agencies/EU bodies, etc.) and, for the first time in the 2011 Commission Budget, appropriations have been earmarked to finance the EU contribution. In August 2013, the Commission adopted a new legal basis, which entered into force in 2014.

## Stage 1 – Planning / Budget preparation

**Main internal control objectives:** Ensuring that the Commission's request for the EU contribution to the European Schools (ES) proposed in its Draft Budget is optimal.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Budget needs are not well defined which may lead to a budget shortage or budget surplus</p> <p>Budget includes expenses that are not compliant with the rules</p>	<p>DG HR sends a note to the Secretary General (SG) of the ES giving orientations for the preparation of their Draft Budget.</p> <p>The forecasts of expenses and revenues prepared by the schools are reviewed in the framework of their Administrative Boards, in which the Commission, through DG HR, has one vote out of 8.</p> <p>The SG of the ES prepares an Advanced Draft Budget which is reviewed in the framework of the Budgetary Committee and then in the Governing Board, which adopts the overall draft budget of the European Schools, including the potential EU financial contribution. The Commission (DG HR) has one vote out of 30 in these two instances.</p> <p>Based on the request formulated by the Board of Governors of the ES, DG HR is responsible for the Commission's request for the EU contribution proposed in its Draft Budget.</p> <p>Finally, the Commission budget, including the contribution to the European Schools will be adopted by the Budget Authority.</p>	<p>Coverage: 100% Depth: Level 2</p> <p>Coverage: 100% Depth: Level 2</p> <p>Coverage: 100% Depth: Level 2</p> <p>Coverage: 100% Depth: Level 2</p>	<p>Cost of control/Commission contribution included in the Commission budget</p> <p>Costs: FTE linked to operational unit and financial unit</p> <p>Benefits (cannot be quantified): ES budget considering the needs of the schools, the orientations of the Commission and excluding expenses which are not compliant with the rules.</p>

## Stage 2 – Financial transactions

**Main internal control objectives:** Paying the four instalments of the contribution to each school in compliance with the financial regulation of the schools

### A. First three Instalments.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
Payments do not comply with the financial regulation of the schools	The first three payments are calculated as a share of the total amount (6/12, 4/12, 2/12)	Coverage: 100%	The first three payments are calculated as a share of the total amount (6/12, 4/12, 2/12)  Payments do not comply with the financial regulation of the schools

### B. Last instalment

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
Payments do not comply with the financial regulation of the schools	The final balancing payment is based on an updated budgetary situation provided by each school. In case of an increase of the Commission contribution requested by a school, an amended budget has to be adopted by the Board of Governors. The process described for stage 1 applies. Furthermore, the Commission, in cooperation with the SG, ensures that budget increases in some schools are at least compensated by economies in other schools. The surplus shown in the annual accounts of the schools are carried forward to the next year budget.	Coverage: 100% Depth: Level 2	Cost of control/Commission contribution included in the Commission budget  Costs: FTE linked to operational unit + financial unit  Benefits (qualitative): Compliance



## Stage 3 – Supervisory measures

**Main internal control objectives:** Ensuring compliance with the financial regulation.

### A. Supervisory measures by the Commission

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Payments of the financial contribution of the schools do not comply with the financial regulation</p> <p>The budget of the schools is not spent according to their financial regulation</p>	<p>Ex-post controls on a selection of payments</p> <p>European Schools are responsible for the execution of their budget in compliance with their own financial regulation.</p> <p>A financial control function exists within the SG of the schools</p> <p>Audits are carried out by the IAS and by the European Court of Auditors</p> <p>Discharge is given by the Board of Governors in which the Commission, represented by DG HR, has one vote out of 30.</p>	<p>Coverage: Sample Depth: Level 2</p> <p>The legal framework does not enable the Commission to perform any control on the schools' expenditure.</p>	<p>See above</p> <p>Costs: FTE linked to operational unit</p> <p>Benefits (qualitative): Compliance</p>

# ANNEX 7: Specific annexes related to "financial management"

## 1. Additional details on financial management and internal control

### DG HR Budget

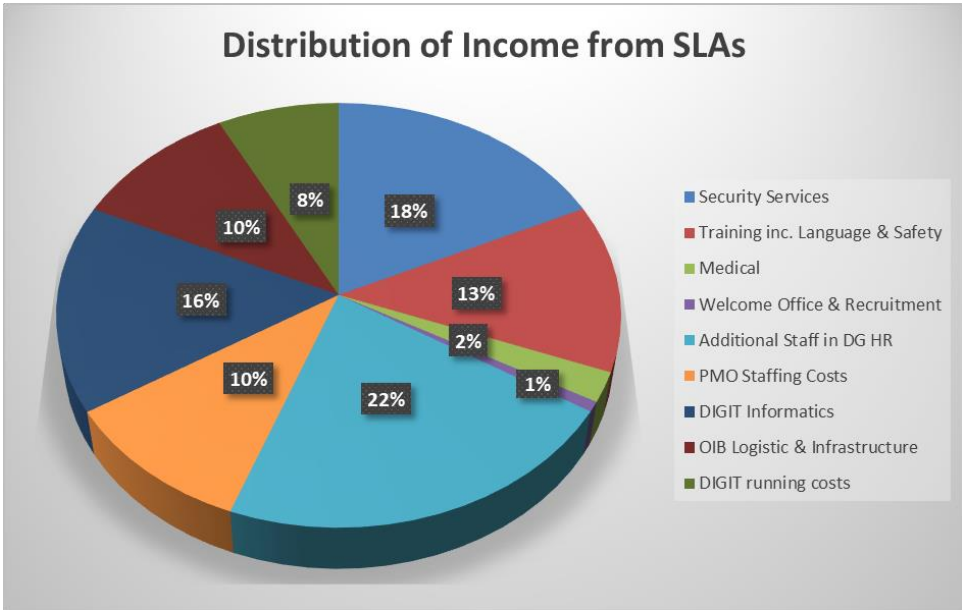
#### European Schools' Income

EUR 20.3 million of funding emanates from third parties to contribute to the European Schools' budget. This amount corresponds to financial contributions from Agencies and Institutions that operate in the cities where a European school is present. The funds received by DG HR are transferred in their entirety to the schools and thus this income does not fund DG HR's operations.

#### Budgets of Other DG's and Services Managed by DG HR

DG HR has been entrusted with activities to carry out on behalf of other DGs and services of the Commission. Access to funding for such activities is generally provided through the transfer of authorising powers from one Delegated Authorising Officer to another. The sub co-delegation arrangements are described in the Budget's Internal Rules each year. All such arrangements are described in more detail in SLAs or other Administrative Arrangements.

In 2022 DG HR charged EUR 21.4 million for services. Of this 66% representing EUR 14.2 million was returned to DG HR's operational and staffing budgets. This amount covered the costs associated with offering HRM support services to a broader client base. The remaining 34% was used to cover the extra costs incurred by other Commission services (OIB, DIGIT and PMO).



A large part of the revenue was allocated to the Commission's informatics DG, DIGIT to fund the provision of the HRM IT system, SYSPER, to other institutions and bodies. Other major costs incurred by DG HR to serve others, resulted in revenue for security services,

training and Medical Services. The additional revenue on the DG HR budget corresponds to 4.8% of the total DG HR budget or, excluding the European Schools, 17.4% of the operational budget.

The additional financial responsibilities amount to just over EUR 37 million. The credits delegated to DG HR cover mainly:

- Recruitment services (interim agency staff) for ~EUR 13.9 million.
- HRM Support Services, notably for specialist learning and development and recruitment for EUR 6 million.
- Co-financing of the corporate IT expenditure EUR 5.9 million
- Security services for informatics (DIGIT), Research family and infrastructure (OIB) EUR 7.2 million.
- Financial support services related to the IAS running costs < EUR 0.4 million.
- Specialist Services for Nuclear Medicine for the Joint Research Centre for a total amount of EUR 0.7 million.
- Other services for the Joint Research Centre for a total amount of EUR 2.9 million.

### ***Budget of DG HR managed by Other DG's and Services***

DG HR entrusted EUR 13,8 million, ~4,6% of its 2022 budget to other DGs of the European Commission for them to carry out certain tasks on its behalf. Most of the amount concerned was entrusted to DIGIT for IT support services and to the PMO to pay for various aspects of staff expenditure e.g., mission and medical costs, fellowships, and study visits. SG & DG BUDG, manage DG HR funds for Learning & Development activities and EPSO manages funds for the ERASMUS Traineeship programme for national civil servants.

The part of the budget entrusted to others has been managed under the same Commission rules and control framework. Through the existing reporting mechanisms, DG HR is not aware of any issues or weaknesses which may have a significant impact on the assurance and thus concludes that there are no control weaknesses affecting the assurance statement the DG.

## **The Internal Control context and financial control risks in DG HR**

### ***The European Schools: A distinct and separate mandate***

The European Schools, governed by an intergovernmental convention, have a distinct and separate mandate which is defined in terms of providing a multilingual and multicultural education for children. The fulfilment of the schools' mandate cannot thus be construed as 'executing a part of DG HR's mission'. For this reason, the European Schools are not considered as an entrusted entity which indirectly executes DG HR's budget.

The governance of the European School System is ensured by the Board of Governors, made up mainly of Member State representatives, in which the European Commission is represented with 1 vote.

The latest report from the European Court of Auditors shows the European Schools' financial management still needs substantial improvement. As highlighted above, the Commission has no role in the European Schools' management but does follow this matter closely. To this end, it strongly supports the Schools in following up on long outstanding audit recommendations and in adopting Commission IT solutions in the administrative domain (e.g. financial system, e-procurement tools).

### ***Financial risks: the type of financial operations managed by DG HR***

#### Effective and Efficient Financial Control

- Riskier transactions are subjected to more stringent & centralised scrutiny than low risk ones.
- More senior and highly qualified staff process the riskier transactions.

Workflows are designed to automate & approve low risk payments “en masse”.

To complete the financial risk profile of DG HR, the number of transactions, their complexity and size should be taken into consideration.

In 2022 DG HR dealt with 19,000 transactions and payments worth EUR 359.8 million. Many of these payments are routine in nature and around a third of them are associated with interim staffing services which are subject to a highly automated approval workflow. To make payment processing more efficient, such payment claims are dealt with “en masse”. Thus, the need for costly manual intervention is minimised. The average amount associated with DG HR's payments, at EUR 6,582, shows a 6.5% decrease compared to 2021.

The high value transactions are associated with the European Schools. The average amount paid to the schools was EUR 2.6 million and 28.6% lower than last year. These payments are highly regulated, and the authorisation workflow involves a dual verification step. The risks of paying the wrong amount or the wrong beneficiary are extremely limited and indeed no such errors have been detected in the ex-post controls.

Important risks in financial management are associated with DG HR's procurement activities and therefore the tendering procedures with higher risk profile are subjected to stronger highly centralised controls. In 2022, the use of the Commission's Public Procurement Management Tool (PPMT) became mandatory for all procurement procedures and DG HR put in place a decentralisation process for lower risk profile tendering procedures to a network of Local Procurement Officers (LPOs) throughout the organisation. Staff from a central Procurement and Internal Control Unit, oversees and supports their operational colleagues throughout the higher risk profile tendering processes, and provides training and support to the LPOs and any other colleague involved in less risky profile processes. In reality, procurement risks are not only financial because errors or procedural weaknesses but could also result in important legal challenges and reputational damage.

Moreover, it would be incorrect to consider DG HR's annual budget as a basis for assessing the financial risks associated with procurement work because the amounts associated with

contract awards relate to multiannual and often inter-institutional contracts. In 2022, the procurement services of DG HR supervised 36 procedures associated with EUR 614 million, some of these procedures were ongoing at the end of 2022. The number of procedures supervised decreased in 2022, compared to 2021. The number of contracts awarded in 2022 was higher than 2021, as was the average value of the contracts awarded. There were some large structural framework contracts, in particular in the field of security, and learning and development. The number of negotiated procedures is higher than in the previous year, which is justified for most of the cases by their value (middle value procedures).

22 high value tendering procedures were concluded in 2022, under the supervision of DG HR. Subsequently, DG HR awarded contracts worth EUR 516 million. It should be noted that to make efficiency gains and to avoid the dispersion of staff competencies within the Commission, DG HR extends procurement control and support services to EPSO/EUSA which awarded 3 contracts worth EUR 16.8 million.

### ***Building Assurance***

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

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 controls carried out relate to:

- Reports from Subdelegated Authorising Officers (AOSD);
- Results of ex-post control campaigns;
- Reports on recorded exceptions, non-compliance events and derogations;
- Contribution by the Director(s) in charge of Risk Management and Internal Control, including the risk assessment and the results of internal control review;
- Results of controls on high-risk procurement files at the GAMA (*"Groupe d'Analyse des Marchés Administratifs"*) and HR Procurement Board meetings;
- Scoreboard with performance indicators associated with financial management and control, discussed periodically with management;
- Results of the budget review and programming exercises;
- Limited conclusion of the Internal Auditor on the state of internal control, and the observations and recommendations reported by the Internal Audit Service (IAS);
- Observations and the recommendations reported by the European Court of Auditors (ECA)

## I. Effectiveness of controls

### a. Legality and regularity of transactions

#### Ex-Ante Controls

DG HR implements its budget in the direct management mode and the nature of its operations are linked to payments to the European Schools and payments for the delivery of HR services have an inherently low risk profile. It follows that the estimated risk at closure, is very low and this has been consistently evidenced through the results of key internal control processes and notably the results of ex-post controls.

Though errors are scarce, when they are identified, they are addressed ex-ante and they feature in DG HR's register of exceptions and non-compliance events. On the rare occasion when payment errors are identified ex post, DG HR fulfils its duty to protect the Communities' budget and monies are recovered.

The risk at payment is the AOD's best estimate of the amount of relevant expenditure that is not conform with contractual and regulatory provisions at the time of payment. This amount is based on the historic average of recoveries and corrections for the Commission over the past seven years.

DG HR has used the error rate from the ex-post controls. The estimated overall risk at payment for 2022 expenditure amounts to €0.004 million, representing 0.0% of the DG's total payments.

Having an extremely low error rate (0,00%) and a negligible risk of error at payment, DG HR has not developed an elaborate mechanism for correcting errors ex ante. The difference between the estimated risk and the future corrections estimate gives an estimated overall risk at closure of EUR 0.0 million. The table below, gives the overview of the estimated risk at closure.

**Table X: Estimated risk at payment and at closure (amounts in EUR million)**

DG HR Payments based on its Financial Portfolio	Payments made	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
	m EUR	m EUR	m EUR	%	m EUR	%	m EUR	%
HR services	123,92	123,92	0.00	0.00%	0.00	0.00%	0.00	0.00%
European Schools	235,87	235,87	0.00	0,00%	0.00	0,00%	0.00	0,00%
<b>DG HR total</b>	<b>359,79</b> m EUR	<b>359,79</b> m EUR	<b>0,00</b> m EUR	<b>0,00%</b>	<b>0,00</b> m EUR	<b>0,00%</b>	<b>0,00</b> m EUR	<b>0,00%</b>

During the reporting year the executed corrective capacity amounted in total to €0 million representing 0% of the relevant expenditure. The benefit at ex-ante level control amounts to €0 million, whilst recoveries and financial corrections following the results of ex post controls amounted to €0 million.

The results of DG HR's controls, including details of the ex-post controls and a summary of the reported exceptions and non-compliance events, are detailed hereafter.

## The Exceptions Register and Derogations

DG HR's register of exceptions and non-compliance events highlights eight exceptions and eighteen errors (non-compliance events) related to the non-respect of rules and procedures. The exceptions were granted to deal with specific circumstances. In all cases the risks were fully assessed prior to an exceptional procedure being adopted. The causes leading to the exceptions were systematically assessed, corrective actions proposed and monitored by the internal control coordinator.

The amount associated with the exceptions is estimated at EUR 1.0 million. Most exceptions are not associated with financial risks. One exception accounting for 71% (EUR 730 thousand) was awarded to extend an existing framework contract following an unsuccessful tendering procedure. The procedure had to be cancelled when technical problems were encountered in the electronic submission of a tender. Alternative solutions examined by the authorising officer did not offer the necessary business continuity guarantees. Technical problems were also the cause of an exception which led to DG HR accepting tenders outside of the standard eSubmission system. The exception was associated with a middle value tendering procedure for EUR 120 thousand.

The Russian war of aggression in Ukraine resulted in a third exception associated with a procurement for security services worth EUR 170 thousand. In this case, in order to speed up the contract award, the file was not presented for selection at the GAMA. Since the other aspects of the procedure, based on negotiations due to technical captivity, was followed in a regular manner, the associated risks were not significant.

The remaining exceptions are associated with limited or no financial risks e.g., awarding financial tasks to non-statutory staff. In all cases the authorising officer took care to mitigate the associated risks.

**Derogations** are 'permanent exceptions', awarded in cases where the inherent nature of some specific activities makes it difficult to reconcile their operational objectives with standard rules procedures. The Director General agreed to five derogations in 2022 and they were associated with enabling:

1. The late registration of the missions of the bodyguards which, by their nature, may be organised at short notice.
2. The payment of late claims for reimbursement from the beneficiaries of financial support for social aid.
3. The use of a specific venue that responds to security concerns for housing the 20-Year Service Medal ceremony.
4. The effective use of the European Schools budget, which is intrinsically linked to the school calendar year, to the calendar of the Commission's budget.
5. Qualified staff to provisionally perform AOSD tasks under the authority of a senior manager prior to the definitive approval of the Director. (2022)

The amount associated with the derogations in 2022 was EURO 1.3 million. The derogation associated with the European Schools' budget accounts for 70% of the total.

### **Non-Compliance Events: Errors detected ex-ante**

The eighteen non-compliance events accounted for some EUR 50 thousand. In most cases, the associated errors were linked to weaknesses in monitoring contract execution and/or a failure to formalise amendments to legal commitments. Generally, in these cases, the beneficiary's entitlement to payment was established and the associated goods and services had been delivered. The risks associated with inadequate monitoring of contract execution are associated with a risk of not having funds available in the budget to pay invoices. However, given the low amounts concerned, the financial risks were rather limited.

The average amount associated with the non-compliance events was EUR 4,000. In two instances the error amounted to ~EUR 15,000. One of the cases concerned a framework contract was used to deliver services that should before a scheduled contract amendment had been finalised. The other concerned orders that were placed without using the correct form.

### **Process Improvement: Analysing the Causes of Errors and Exceptions**

Whilst the number of exceptions and errors associated with Covid, subsided in 2022, there were two instances in which Covid was cited as the underlying cause of the problem. One contract for medical supplies had, due to Covid, been consumed earlier than envisaged and additional supplies were subsequently ordered at higher rates. In the other case, the reduced physical presence in the office was cited as the underlying cause of the error.

When analysing the reported exceptions, it was recognised that controls needed to be reinforced to address two issues that were subsequently singled out for follow-up measures. The first was associated with the implementation of 'self-interest training' (SIT) scheme. For this kind of training, the supplier is generally not selected by the Commission. Thus, the instances where SIT actions were noted as erroneous on the grounds of public procurement rules, were not pertinent for inclusion in the exception register. On the other hand, the authorisation process for processing cost claims appeared overly complicated. A targeted process review was initiated to improve the efficiency of the SIT authorisation process and to clarify roles and responsibilities of the actors in the workflow. The second issue was associated with internal practices aimed at ensuring the respect of the annuality principle. The finance unit partnered-up with the internal control team to identify and promote measures to enable an effective application of this important budgetary principle.

The reorganisation of DG HR in 2022, was handled correctly although two errors in the correct designation of roles and responsibilities amongst financial actors were noted. After analysis, and with a view to enabling financial staff to be quickly operational a derogation to the internal rules was proposed and adopted

### **Conclusion**

The analysis of the exceptions and non-compliance events shows that even though procedures may not have been correctly applied, the associated payments were generally accurate i.e., the right amount was duly paid to the right beneficiary. Moreover, the necessary actions to reinforce all related processes and procedures have been identified and will be implemented.



## The Ex-Post Controls

Annual ex-post control campaigns are well established in DG HR. The primary purpose is to estimate the DG's error rate and to ensure that the associated legality and regularity objective is achieved. The financial control objective is to ensure that the DG 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. A second objective of the ex-post control campaigns is to identify and remedy any financial control weaknesses.

### **Results of the 2022 ex-post exercise on the two main strands of activity:**

The sampling method used was designed to give rise to a meaningful result. Thus, a random and stratified sample was used taking into consideration the expenditure in two main sub populations: European Schools and other HRM support services.

Given the pressure on resources and the very low error rates found in former exercises, the sample size was significantly reduced compared to previous years. The ex-post control campaign for 2022 covered 96 transactions worth EUR 116 million representing 31.7% of the value of all payments and 5.5% of the value of the recoveries made by DG HR.

#### **Control Coverage associated with the Controlled Transactions**

Type of transaction	Number Ex-post controls	Value associated with the sample (MEUR <sup>5</sup> )	% of total transactions <sup>5</sup> covered by the sample
Payments	81	113,9	31.7 %
Recovery orders	15	2,4	5.5 %
<b>Total</b>	<b>96</b>	<b>116,3</b>	<b>28.8 %</b>

<sup>5</sup> MEUR = millions of euro, KEUR = thousands of euro

99% of the transactions checked in the ex-post controls were acceptable though some had minor shortcomings such as problems with the documentation. The more substantial errors, were generally associated with low value transactions. Indeed, the amounts associated with the errors were negligible with respect to the value of the controlled amount.

### **Results for the HRM Support Services Sub Population**

There is a substantial number of low value transactions in this sub population and the amounts associated with the checks correspond to 4.2% of the total value of payments. The scope for error is higher due, in part, to complexities associated with the payments based on publicly procured contracts. The results reveal an estimated error rate of 0.01%.

#### **Control Coverage for the Budget associated with HRM support services:**

Transaction type	Number Ex-post controls	Value associated with the sample (MEUR)
Payments	56	4.1
Recovery orders	13	1.1
<b>Total</b>	<b>69</b>	<b>5.2</b> <b>(4.2% of Procurement transactions)</b>

<sup>5</sup> Payments and recovery orders

**Results for the European Schools Sub Population**

The amounts associated with the checks on transactions with the European Schools correspond to 47% of the total 2022 payments to the Schools. There are relatively few transactions and limited scope for error. The results of the controls were, as in previous years, positive and the error rate associated with the European schools' budget is 0%. This positive result has been regularly confirmed by the Court of Auditors in their controls in recent years.

**Control Coverage for the Budget associated with the European Schools:**

Transaction type	Number Ex-post controls	Value associated with the sample (MEUR)
Payments	25	109.9
Recovery orders	2	1.3
<b>Total</b>	<b>27</b>	<b>111.2</b> <b>(47% of payments to European Schools)</b>

**Estimated Error Rate using a Weighted Average**

Considering that 66%<sup>6</sup> of DG HR's payments, associated with the European schools, is not affected by error, the estimated error rate using a weighted average for all payments made by DG HR is 0.00% for 2022.

Strand of DG HR Financial Activity	Estimated Error rate	% Total payments
Procurement and Other expenses	0.00%	34%
Contribution to the European Schools	0.00%	66%
<b>Total</b>	<b>0.00%</b>	<b>100%</b>

[Reports from Subdelegated Authorising Officers \(AOSD\)](#)

All authorising officers report regularly to the Director General on the implementation of operations they were entrusted with. In DG HR this reporting is done twice a year and all the empowered officers are required to provide their line managers with a comprehensive report covering their **key internal control and financial responsibilities**. The Directors' overview reports did not highlight any problems or weaknesses that had not already been identified and addressed through exception reports and internal control reviews.

[Ex-Ante Control of the Legality and Regularity of Procurement Procedures](#)

DG HR's own public procurement activities present the organisation with important opportunities and strategic challenges. To this end, the Procurement Board enables the senior management team to define DG HR's procurement strategy outside the context (and the constraints) of specific tendering procedures; review and approve orientation

---

<sup>6</sup> This proportion takes account of both the payments associated with DG HR's budget and the payments associated with additional income generated.

documents that prepare the launch of new procurement procedures; and assess and discuss award reports.

In 2022, the Board achieved noteworthy results in terms of administrative efficiency, economy of procedures and sound financial management. E.g., the agreement on a new, systematic approach concerning the use of on-line training services for language learning under an existing corporate Framework Contract.

In 2022, the Procurement Board examined 14 high value procurement procedures, at their initial or final stages. The procedures presented to the Procurement Board were worth an estimated 573 MEUR.

DG HR Procurements presented to the Procurement Board	
N° procurement procedures	14
Value associated with procurement procedures	573 MEUR

To reinforce its ex-ante controls on procurement, DG HR participates in the independent group of procurement experts together with 4 other DGs/Services, the GAMA (“Groupe d’Analyse des Marchés Administratifs”), which checks the high-risk procurement procedures launched by these DGs/Services, prior to awarding the associated contracts. All high value procurement procedures are potentially selected for presentation to the GAMA. The files that are finally presented to the GAMA are selected based on pre-determined risk criteria coupled with a randomising element.

When reviewing the selected procurement files, the group issues opinions on the legality and regularity of the procurement files. Should a procurement procedure prove to have weaknesses or risk being deemed irregular, the authorising officer is informed so that s/he can take the necessary remedial measures prior to the award of the contract.

In 2022, the GAMA examined five out of nine<sup>7</sup> files that were eligible for GAMA controls. The GAMA group issued positive opinions for all five DG HR files that were selected for scrutiny. The five files accounted for 99% of the total value of the associated awarded contracts.

**Results of ex-ante checks by the GAMA:**

Number and Value of Procurement	DG HR Procurements submitted to the GAMA		
	Total in 2022	Checked Ex Ante by GAMA	Proportion With errors (%)
N° procurement procedures	8	5	0%
Value associated with high-risk procurement procedures	MEUR 491.0	MEUR 486.2	0%

<sup>7</sup> One file was not submitted for the GAMA selection due to a situation of urgency. This was duly documented in an exception report (See previous section on exceptions).

## b. The Safeguarding of Assets

They correspond to internally generated IT Projects, worth EUR 3.7 million, (including Modules of the SysPer Human Resource Management System) which are this year fully amortised.

In February 2022, DG HR implemented the recommendation regarding the improvement of the LISO (Local Information Security Officer) function, following the ad-hoc ex-post control on IT access to a sample of Information Systems by the internal control sector. The implementation of the action plan related to the remaining recommendations from the concerned audit on information security in the HR family - regarding the documentation of certain procedures and controls – is ongoing.

In 2022, for any instances of detected personal data breach, DG HR followed the data breach management procedure adopted by the Data Protection Officer of the EC and notified the data breach to the European Data Protection Supervisor within the 72 hours deadline where legally required.

By focussing resources on DG HR personal data processing only, the restructured HR Data Protection Coordinator team was able to provide greater assistance to DG HR controllers and further raise the overall level of compliance with the data protection rules. 580 pieces of written data protection advice were given to HR Controllers to ensure compliance, including dealing with complex projects such as HRT, and responded to 410 meeting and oral requests from HR services in 2022.

### **II. Efficiency of controls**

The measures adopted the last few years (e.g., progress in moving to paperless workflows) have allowed DG HR to make important steps towards increasing the efficiency in all aspects of financial management and procurement.

In addition, in 2022 DG HR has progressively introduced the compulsory use of new tools such as PPMT contributing to increasing the efficiency of the controls in the procurement process.

### **III. Economy of controls**

The benefits of preventative controls are not all quantifiable e.g., ethics training and awareness raising actions taken to mitigate the risks of reputational damage. Consequently, they cannot be considered in the calculations below. Such unquantifiable benefits of controls remain important to DG HR's operations, and they underpin the control environment.

The principle of economy requires that the resources used by the institution in the pursuit of its objectives shall be made available in time, in appropriate quantity and quality and at the best price. The principle of efficiency concerns the best relationship between the resources employed and the results achieved. DG HR has developed indicators to measure the efficiency of the controls associated with financial management in line the Commission's requirements.

## **Indicators for the budget associated with procurement and transactions for HRM support services**

In 2022, an estimated EUR 11.9 million - a cost in line with 2021 considering the inflation - was invested in control activities (representing the cost of 79,38 FTEs, also in line with 2021). This investment assures a sound control over procurement procedures and financial transactions (payments, commitments and recovery orders).

The main cost-effectiveness indicators for stage 1: procurement regarding HRM support services (see annex 6) are:

- Total value contracts, EUR 516 million, compared to the FTEs estimated in procurement planning (10 FTEs) is EUR 51,6 million per FTE.
- Total value contracts, EUR 516 million compared to the average cost of 10 FTEs in control procurement planning is EUR 345 return per EUR spent on control.
- Cost of control on procurement, EUR 1,5 million for 22 procedures awarded during the year results in EUR 68 thousand per procurement procedure.

An estimated EUR 9,5 million was invested in ex ante controls of 19 047 transactions (including commitments, payments and recoveries) worth a sum of ~EUR 764 million.

The main cost-effectiveness indicators for stage 2: financial transactions, regarding HRM support services (see annex 6) are:

- Cost of control on the payments, EUR 6,5 million compared to 13 061 payments done is EUR 498 per payment.
- When looking at payments alone, 69% of the FTEs (EUR 6,5 million) were used to control payments worth EUR 359,8 million resulting in EUR 55,5 return per EUR spent on control.
- 5 451 automated payments done in the year over a total of 13 061 payments results in 42% of the payments being automated.

Most of the cost of transaction control (69%) was dedicated to the processing of payments. The cost, EUR 6.5 million, is in line with previous years and corresponds to 5%, of the total of amount paid in relation to HRM support services (EUR ~124 million). An estimated EUR 0.7 million was invested in internal control and ex-post controls on 96 financial transactions pertaining to DG HR and a further 40 pertaining to EPSO/EUSA.

An estimated EUR 1.6 million of staff costs were invested in controlling procurement procedures for contracts worth EUR 491 million (see table 12 in annex 3). Thus 0.3% of the total contract value was dedicated to control and the benefit: cost ratio is estimated at EUR 307, compared to EUR 49 in 2021, EUR 258 in 2020 and 88 in 2019. The fluctuations are linked to the value of contracts awarded as the time invested in control and the workload remained aligned. Indeed, the HRM support services worth more than Procurement Directive threshold are subjected to the same strict controls as per the Commission's Vademecum.

The main cost-effectiveness indicators for stage 3: supervisory measures regarding HRM support services (see annex 6) are:

- The error rate calculated comparing the error found in the ex-post controls (EUR 100) to the total value of payments checked (EUR 4 million) is negligible.

- The total value of payments checked by Control ex-post EUR 4 million compared to the estimated costs of the ex-post controls (1,6 FTEs, EUR 0,2 million) is EUR 20.
- The estimated cost of the ex-post controls (EUR 0,2 million) compared to the total number of transactions checked by Control ex-post (69) results in EUR 2,9 thousand.

### **Indicators for the financial contribution to European schools**

The European Schools' 2022 payments totalled EUR 235,9 million. The estimated costs of controlling the associated financial management overall are around EUR 0.46 million (staff costs) . Thus 0.2% of the payments to the European Schools were dedicated to control.

- The resulting error rate from the ex-post control was zero. The associated payments amounted to EUR 110 million.
- 28% of the cost of ex-post controls, EUR 208 thousand, were dedicated to the checks on European School transactions. Therefore, an estimated EUR 19,7 thousand is the return on every EUR spent on control on European School payments.

### **IV. Conclusion on the cost-effectiveness of controls**

It is recognised that the benefits gained from increased investment in control are not easily quantifiable. The sharp increase in benefit-cost ratio of control over procurement is a clear case in point. Ideally, the negative consequences of insufficient control should be measured to monetise the impact of sound internal control. This, of course, is undesirable and virtually impossible.

#### **Conclusion of the internal auditor**

All work undertaken by the Internal Audit Service in the period 2018-2022 , underpinning its conclusion, consists of:

- Audit on synergies and efficiencies review (2018);
- Consultancy on the governance and supervision of executive agencies (2019);
- Audit on the management of public cloud services (2020);
- Audit on data protection (2020),
- Audit on the Commission's strategy for data, information and knowledge management (2020);
- Audit on IT security management in the HR family (2021);
- Physical security of persons and assets in the Commission (2022)

and taking into account that:

- Management has accepted all the recommendations issued in 2018-2022;
- Management has adopted action plans to implement all the accepted recommendations. The IAS considers that these action plans are adequate to address the residual risks identified by the auditors;
- The implementation of these action plans is monitored through reports by management and follow-up audits by the IAS

## **List of 'very important' IAS recommendations accepted and not reported as implemented by management<sup>8</sup>.**

All recommendations listed below have been accepted, DG HR assessed their impact and their residual risks, and adopted action plans to mitigate the related risks.

### Accepted recommendations reported as not yet implemented by management

#### **IAS audit on IT security management in the HR family (2021)**

- Recommendation No 1: IT security governance related issues.  
Original due date: 31/03/2023  

The recommendation highlights a need to finalise the IT security plans for all of its IT systems, to reinforce the Local Informatics Security Officer function, to strengthen its process that would help ensure continual improvement of its IT security and to effectively monitor and follow-up of any identified IT security issues.
- Recommendation No 2: logical system-related controls.  
Original due date: 31/12/2023  

The recommendation focuses on a need to reinforce IT security processes and to strengthen the oversight function in order to better address risks associated managing and ensuring the confidentiality and integrity of sensitive data.
- Recommendation No 3: IT service provider management.  
Original due date: 31/12/2023  

The recommendation focuses on a need to update the agreement between DG HR and DIGIT in order to better define roles and responsibilities as regards the implementation, monitoring and reporting of IT security controls.

#### **IAS audit on physical security of persons and assets in the Commission (2022)**

- Recommendation No 1: Governance framework and organisational arrangements for physical security at the Commission. Original due date: 31/12/2023
- Recommendation No 3: Risk management framework for physical security at the Commission. Original due date: 31/12/2023
- Recommendation No 5: Internal control measures for physical security. Original due date: 31/12/2023

**ECA special report on 18/2022: EU institutions and COVID-19 Responded rapidly, challenges still ahead to make the best of the crisis-led innovation and flexibility,** with the following recommendation for DG HR:

- assessment of the suitability of fully remote and hybrid meetings and adopting guidelines on remote settings,

---

<sup>8</sup> Based on the latest reporting made by the Directorate-General/Executive Agency in TeamCentral (cut-off date 31 January 2022).

- assessment of the impact of telework and adaptation of the post-COVID-19 rules if needed, and
- monitoring and reporting on the environmental impact of the new ways of working.

Deadline for implementation: 31/12/2023

**ECA Special Report 17/2022 on the Commission's use of consultancy services,**

where the ECA made 4 recommendations to the Commission:

- Complete the existing framework governing the use of external consultants' services;
- Improve monitoring and mitigation of risks arising from using external consultants' services;
- Make better use of the results of external consultants' services;
- Improve reporting on the use of external consultants' services.

The first recommendation will be implemented jointly by DG HR, DG BUDG and the Secretariat-General.

Deadline for implementation: 30/06/2024



## Table Y on the estimated “cost of controls” at Commission level

### Table Y - Overview of DG HR’s estimated cost of controls at Commission (EC) level:

NB. The absolute values are presented in million EUR.

**- Overview of HR's estimated cost of controls at Commission (EC) level**

The absolute values are presented in EUR

HR	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
HRM support services	9.158.565,00 €	123.915.251,00 €	7,39%	595.431,00 €	5.153.349,53 €	11,55%	9.753.996,00 €	7,87%
Contribution to the European Schools	310.037,00 €	235.873.439,00 €	0,13%	147.492,00 €	111.181.278,05 €	0,13%	457.529,00 €	0,19%
<b>OVERALL total estimated cost of control at EC level for expenditure</b>	<b>9.468.602,00 €</b>	<b>359.788.690,00 €</b>	<b>2,63%</b>	<b>742.923,00 €</b>	<b>116.334.627,58 €</b>	<b>0,64%</b>	<b>10.211.525,00 €</b>	<b>2,84%</b>

**ANNEX 8: Specific annexes related to "assessment of the effectiveness of the internal control systems"**

Not applicable.

## ANNEX 9: Specific annexes related to "Control results" and "Assurance: Reservations"

### 2. Annex related to "Control results" - Table X: Estimated risk at payment and at closure

Table X: Estimated risk at payment and at closure

- Estimated risk at payment and at closure

DG HR	Payments made (2022;MEUR)	minus new prefinancing [plus retentions made] (in 2022;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2022;MEUR)	Relevant expenditure (for 2022;MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2022;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC, %)	Estimated future corrections [and deductions] (for 2022;MEUR)	Estimated risk at Closure (2022;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
HRM support services	123,92	0,00	0,00	123,92	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
European Schools	235,87	0,00	0,00	235,87	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
<b>DG total</b>	<b>359,79</b>	<b>0,00</b>	<b>0,00</b>	<b>359,79</b>		<b>0,00 - 0,00</b>	<b>0,00% - 0,00%</b>	<b>0,00 - 0,00</b>	<b>0,00 - 0,00</b>
					<b>Overall risk at payment in %</b>	<b>0,00% - 0,00%</b> <i>(7) / (5)</i>		<b>Overall risk at closure in %</b>	<b>0,00% - 0,00%</b> <i>(10) / (5)</i>

## Notes to the table X

(1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the total.

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.

In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are reported by the Delegated departments. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating departments.

(3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department). as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated departments, even for Cross-SubDelegations.

(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out [& adds the retentions made], and adds the pre-financing actually cleared [& subtracts the retentions released; and any deductions of *expenditure made by MS*] during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In this column, we disclose the detected error rates or equivalent estimates.

(8) The average recovery and corrections for the last 3 years is EUR 0 million, which is the best available indication of the corrective measures each department applied over the past years as a result of ex post controls. Given the very low level of risk at payment and thus very low amount of corrections, the AOD is using a rate of 0% for its estimated future corrections.

(9) For some programmes with no set *closure* point (e.g. EAGF) and for some multiannual programmes for which corrections are still possible afterwards (e.g. EAFRD and ESIF), all corrections that remain possible are considered for this estimate.

## ANNEX 10: Reporting – Human resources, digital transformation and information management and sound environmental management

### Human resource management

**Objective: DG HR employs a competent and engaged workforce and contributes to gender equality at all levels of management to deliver effectively on the Commission's priorities and core business**

**Indicator:** Number and percentage of first female appointments to middle management positions

**Source of data:** SEC(202)146

Baseline 1 December 2019	Target 2022	Target 2024	Latest known result 31 December 2022
44% female representation in DG HR's middle management (15 of 34)	3 first female appointments to Head of Unit positions	still to be defined	49% female representation in DG HR's middle management (18 of 35) 6 first female appointments to Head of Unit positions 2020-2022

**Indicator:** Staff engagement index

**Source of data:** Staff survey 2018 and 2021

Baseline 2018	Target 2024	Latest known result 2021
70%	71%	75%

### Digital transformation and information management

**Objective: DG HR is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission**

**Indicator:** Degree of implementation of the digital solutions modernisation plan

**Source of data:** DG HR

Baseline 2018	Milestone and target 2022 and 2024	Latest known result 2022
0%	25 and 40%	SYSPEP: 39% HR Service Desk: 19%

<b>Indicator:</b> Percentage of DG HR's key data assets for which corporate principles for data governance have been implemented <b>Source of data:</b> DG HR		
<b>Baseline</b> 2020	<b>Milestone and target</b> 2022 and 2024	<b>Latest known result</b> 2022
37%	50% and 80%	52%
<b>Indicator:</b> Percentage of staff attending awareness raising activities on data protection compliance <b>Source of data:</b> DG HR		
<b>Baseline</b> 2018	<b>Target</b> 2022 and 2024	<b>Latest known result</b> 2022
2%	50% and 100% of staff	32% staff attendance for 2022

## Sound environmental management

**Objective: To contribute to the common Commission objective and further improve the environmental performance of the institution**

**Indicator 1:** Percentage of events/conferences in accordance with EC Guidelines for sustainable meetings and events

**Source of data:** DG HR

<b>Target</b> 2021	<b>Milestone and target</b> 2022 and 2024	<b>Latest known result</b> 2022
Establish a baseline and start monitoring the process	50% and 100% of events/conferences	N/A Design and organise a 100% green DG HR Christmas party.

**Indicator 2:** Percentage of green items in DG HR-specific office supplies catalogue

**Source of data:** OIB (Local Proximity Teams)

<b>Target</b> 2021	<b>Milestone and target</b> 2022 and 2024	<b>Latest known result</b> 2022
Establish a baseline and start monitoring the process	60% and 80% of total items	N/A

**Indicator 3:** Percentage of DG HR contracts above 60 000 EUR including green criteria

**Source of data:** DG HR

<b>Target</b> 2021	<b>Targets</b> 2022 and 2024	<b>Latest known result</b> 2022
Establish a baseline and start monitoring the process	60% and 80% of total items	N/A

Main outputs			
Description	Indicator	Target	Latest known results
Design and organise the EMAS corporate communication campaigns and set up respective local EMAS actions for DG HR staff (1 per corporate campaign)	No. communication campaigns	2	2
	No. of local events	2	4*
Continue to promote paperless working methods at DG level and introduce a new paperless action for DG HR staff	No. new actions introduced	1	1 Corporate Paperless Photo Competition in collaboration with DIGIT
Use VeloMai high profile event to promote sustainable commuting	% increase of HR staff participating in VeloWalk	+ 3%	+59% participants in VeloMai
Analyse DG HR's missions trends /patterns, and optimise and gradually reduce CO2 emissions	Analysis and definition of HR actions	Report/document	N/A
Implement the EC Guidelines for sustainable meetings and events	Internal events with more than 50 persons using the Guidelines.	100%	N/A Design and organise a 100% green DG HR Christmas party

\*The majority of the local EMAS / greening communication actions were coordinated by Setting up of the EMAS Taskforce for The One building (LOI107), as a collaboration of the EMAS teams of DG HR, DG SCIC, DIGIT and EPSO. Specifically, (a) during the spring campaign in April-May 2022 (2 actions): i. the collection of old clothes and textiles in collaboration with CYCLUP – a Brussels-based upcycling and recycling organisation - and ii. 'Plogging' action at Brussels's parc Royal in collaboration with the Swedish Embassy in Brussels; and (b) during the waste action campaign in November-December 2022 (2 actions): i. a further collection of old clothes/textiles with in collaboration with CYCLUP and small electrical appliances in collaboration with and an additional collection initiative for small electrical appliances with Cyreo and ii. A dedicated Circular economy / upcycling info fair held in at LOI107.

\*\*In 2021, the VeloMai was combined with the Walking Challenge initiative, named "VeloWalk". Whilst there was a 58% decrease in DG HR participants in VeloMai due to COVID-19, there was an overall 71% increase in the total number of participants in VeloWalk .In 2022, VeloMai and Walking challenge were once again organised separately: 39 DG HR colleagues took part in VeloMai challenge cycling a total of 4.530 km, representing an increase of 59% in relation to 2021, and 5 DG colleagues took part in the Walking Challenge recording 147.436 steps.

N/A: these actions were postponed to 2023 due to the pandemic restrictions due to increased workload of the EMAS coordination team (HR.D.7) in the frame of the adoption of the Greening Communication and action plan in 2022, also supporting the role of the EMAS Correspondent in DG HR since 2008. In June 2022, a new EMAS Correspondent was appointed, and most of the most demanding actions should be put into place during 2023, finally assigned and hopefully most of resources' demanding actions may be put in place during 2023. Regarding CO2 emissions from missions, HR provided technical support to PMO to develop a simpler and more

transparent method for calculating and monitoring these emissions in the future, as required in the forthcoming communication on greening the commission.