



2019

Annual Activity Report

**Paymaster's Office
(PMO)**



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PMO IN BRIEF

The mission of the Office for the Administration and Payment of Individual Entitlements (PMO) is to provide to current and former staff of the European Commission and many of the other EU institutions and agencies the following services:

- establishment of individual financial rights for staff, pensioners and rights holders;
- payment of salaries, pensions and related entitlements;
- reimbursement of health insurance, mission and expert claims;
- delivery of EU laissez-passer and handling of third-country visas for staff.

PMO contributes to general objective 11 of the Commission: "To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents." The PMO's expenditure is exclusively administrative in nature and is implemented under centralised direct management.

The PMO's work is characterised by the variety and complexity of the legal and regulatory framework that underlies the payment conditions, by the large number of claims processed, and by the shared responsibility with other services.

With regard to its relations with its clients/users, the feedback system in the PMO Staff Contact platform uses "smileys" to indicate the level of satisfaction from the interaction with the service: green smiling, yellow indifferent and red frowning faces, show a general client satisfaction rate of over 80%.



The PMO has a certain degree of autonomy for reasons of economy and quality of service and subsequently has a specific management and supervision structure:

- The Director is the authorising officer by delegation and has the responsibility of producing a declaration of assurance and an annual activity report;
- The PMO Management Committee, chaired by the Director-General of DG Human Resources and Security and composed of eight members representing the main stakeholders and clients of the Office.

In terms of financing, the PMO charges back the services it provides to external services or bodies through a charge-back mechanism based on Service Level Agreements.

To implement its activities, the PMO operates nine major IT systems and is dependent on DG DIGIT for their development and maintenance. An IT Task Force is operational since 2017 to drive forward the development of PMO's IT tools to achieve increased efficiencies. In 2019 special attention was paid to privacy & security of information.

The PMO continues to have the administrative responsibility for the Secretariat of the OLAF Supervisory Committee. A new Head of Unit was appointed in 2019.

This report covers the management of former Director of PMO, Veronica Gaffey, who was in office until 15 March 2019 and is signed by Giuseppe Scognamiglio, Acting Director since then.

EXECUTIVE SUMMARY

This Annual Activity Report is the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties¹.

a) Key results and progress towards the achievement of general and specific objectives of PMO

PMO's workload is constantly increasing, with the main challenges in 2019 being the on-boarding of the European Council and the European Ombudsman. PMO's objective remains to maintain efficiency and effectiveness in various processes while improving service for everyone. In a nutshell, in 2019, PMO established individual rights of close to 42.500 agents from the Commission, the Council, the EEAS, the Court of Auditors, Ombudsman and EU agencies and paid more than 48.000 salaries and 25.700 pensions every month; it also reimbursed over 3 million medical claims, over 148.000 mission claims and over 66.000 expert files. Finally, PMO produced and delivered more than 2.500 EU Laissez-passer and treated more than 3.700 visa requests. It is worth noting that, from its creation in 2003, the PMO has doubled the volumes it treats while human resources have only increased by 50%.

Communication with current and former staff and affiliates:

Communication with active and retired staff on matters relating to pay and benefits remains important. In 2019, 10 editions of HR Staff Matters Newsletter were sent to active staff and 10 PMO NEWS to staff of the other Institutions and Agencies. The PMO also publishes articles in the pensioners' reviews: VOX (2 editions in 2019) and Info Senior (4 editions in 2019).

Since the entry into force of the "Staff Contact" portal in May 2019, Staff Contact has replaced PMO Contact. Staff Contact represents an improved, modernised and secure information portal, in which staff can find replies to their questions, using their EU-login.

Linked to specific objective 2, through Staff Contact (the new platform for all questions on staff matters) PMO answered close to 7.400 online queries per month on average in 2019, a decrease of 16% compared to 2018. This is primarily due to the inclusion of a separate FAQ page, which covers the most common questions asked – this in turn increased the time for replies, as they now refer to more complex issues that require further elaboration. The average time taken to reply to online queries was 9 days (7 days in 2018), while queries processed outside the deadline of 15 working days amounted to 17% (14% in 2018). The analysis of 'smileys' – green, yellow and red – to indicate the level of satisfaction from interaction with the service, shows an increase of client satisfaction from 77% in 2018 to 83% in 2019.

Effectiveness and efficiency of operational structure:

The positive evolution regarding the processing of inward transfers of pension entitlements continued, with nearly 3.000 files finalised in 2019.

Linked to specific objective 1, the average time needed for reimbursement of medical expenses was 12 days in 2019, within the target of 15 days set in the PMO Strategic

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

Plan. The number of claims that were handled in less than 30 days also stayed within target at 96%, of which over 80% were reimbursed within 20 days.

Despite the increase of almost 8% in the number of claims processed, the average time taken to reimburse mission expenses remained at 8 calendar days in 2019, under the target of 10 days.

The average time taken to reimburse expenses of experts attending Commission meetings remained at an average of 7 days, compared to 2018. PMO became system owner on 1 October 2017 of the IT tool for management and reimbursement of experts "AGM" (Advanced Gateway to EU Meetings).

Data quality, first emerging as a risk during 2017, has registered substantial improvement in 2019, which has had a positive impact on the pensions and medical insurance liabilities calculation at year-end.

Finally, in 2019, work in PMO was already underway in view of several of the challenges ahead in 2020: the exit of the UK from the European Union will have an impact on the work of several units in PMO, which will have to react very rapidly to changes in the determination of rights and obligations; the arrival of the new Commission in late 2019 as well as the European Parliament elections represented a sensitive and important workload, especially managing the Accredited Parliamentary Assistants; last but not least, the on-boarding of the European Council, the European Ombudsman, as well as several agencies by PMO in 2019, has already resulted in a reinforced effort of preparation and execution of the tasks in hand.

The next page shows the evolution of activities over the years 2018-2019. All data are extracted from PMO databases.



Activities	Short description	2018			2019			Evolution	
		Number of files	Human resources	Total spent (MEUR)	Number of files	Human resources	Total spent (MEUR)	Files	HR
Establish individual rights	Staff members managed (rights)		71,5	3.114,6	42.500	74,3	3.207,7		3,9%
Calculation and payment of salaries per month	Staff members managed (salaries)	43.672	40		48.000	61		10% ²	52,5%
Calculation and payment of pensions per month	Establishment of rights and payment of pensions and other indemnities to all former staff under Staff Regulations and GEOS.	24.690	31	1.839,9	25.787	46,5	1.949,9	4,4%	50,0%
Manage transfers of pension rights ³	Management of transfers of pension rights from external schemes towards the Pension Scheme of the European Union's	3.674	21	-102,1	2.859	22,4	-83,3	-22,2%	6,7%

² On-boarding of European Council

³ Transfer IN not included in the total amount for operational activities

Activities	Short description	2018			2019			Evolution	
		Number of files	Human resources	Total spent (MEUR)	Number of files	Human resources	Total spent (MEUR)	Files	HR
	Institutions.								
Manage severance grants and transfers 'OUT' of pension rights	Management and payment of severance grants	253	8	42,2	255	7	45,9	0,8%	-13,8%
	Establishment of rights and payment of capitals representing acquired pension rights towards external pension schemes, and severance grants for all former staff linked to termination of service.	457			450			-1,5%	
Calculation and payment of unemployment allowances	Establishment of rights and payment of unemployment benefits for former temporary and contract staff.	1.459	8	19,5	2.338	9	26,9	60,2% ⁴	12,5%
Calculation and reimbursement of sickness insurance expenses (JSIS)	Calculation and reimbursement of sickness / accident insurance expenses.	3.072.390	269	340,4	3.098.975	233	339,3	0,9%	-13,4%
		1.997							
Calculation and reimbursement of mission expenses	Calculation and reimbursement of mission expenses.	138.317	38,5	77,9	148.532	43	78,8	7,4%	11,7%

⁴ Incl. Accredited Parliamentary Assistants (APA)

Activities	Short description	2018			2019			Evolution	
		Number of files	Human resources	Total spent (MEUR)	Number of files	Human resources	Total spent (MEUR)	Files	HR
Emission of visas	Issuing visa for staff going on mission or taking up duties in EU delegation.	3.661	4,5	0,1	3.742	5,5	0,1	2,2%	22.2%
Enrolment and Issuance of <i>Laissez-passer</i>	Manage the full operational process of EU Laissez-passer (from the reception of applications and the registration of biometric and biographical data to the delivery of the Laissez-passer to applicants	1.827	6,5		2.509	6,5		37,33%	0%

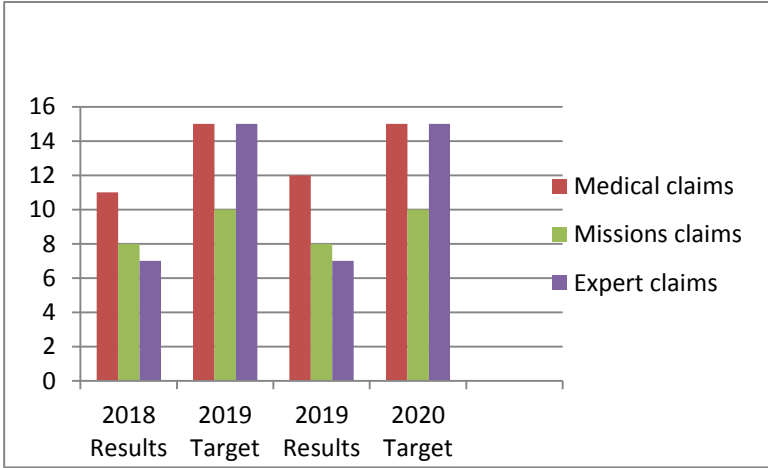
Activities	Short description	2018			2019			Evolution	
		Number of files	Human resources	Total spent (MEUR)	Number of files	Human resources	Total spent (MEUR)	Files	HR
Calculation and reimbursement of experts'/candidates expenses	Reimbursement of travel and / or subsistence expenses for government and private experts' called in the various working groups of the Commission, and the costs associated with the holding of these meetings. Reimbursement of travel and subsistence expenses for persons invited to tests or selection procedure or to an interview or medical examination	63.076	15	32,8	66.618	15	34,6	5,48%	0%
Manage daily allowances for SNEs	Manage daily allowances for SNEs.	610,92	1	34,8	610,17	1	34,8	0%	0%
Other			6	4,5		6	4,6	2,22%	0%
Total operational activities		3.357.004	520	5.506,6	3.445.539	530	5.722,6	2,64%	1,9%

Source: Business Intelligence, operational units, PMO.

To note that HR calculations include direct and indirect staff costs (situation at 01.01.19)

b) Key Performance Indicators (KPIs)

The most relevant key performance indicators are presented below:

		TARGET	RESULT in 2019																																
1. Average time taken to treat claims	😊	Average time needed to handle reimbursement claims (in days)  <table border="1"> <caption>Average time needed to handle reimbursement claims (in days)</caption> <thead> <tr> <th>Year</th> <th>Type</th> <th>Medical claims</th> <th>Missions claims</th> <th>Expert claims</th> </tr> </thead> <tbody> <tr> <td rowspan="2">2018</td> <td>Results</td> <td>11</td> <td>8</td> <td>7</td> </tr> <tr> <td>Target</td> <td>15</td> <td>10</td> <td>15</td> </tr> <tr> <td rowspan="2">2019</td> <td>Results</td> <td>12</td> <td>8</td> <td>7</td> </tr> <tr> <td>Target</td> <td>15</td> <td>10</td> <td>15</td> </tr> <tr> <td rowspan="2">2020</td> <td>Results</td> <td>15</td> <td>10</td> <td>15</td> </tr> <tr> <td>Target</td> <td>15</td> <td>10</td> <td>15</td> </tr> </tbody> </table>		Year	Type	Medical claims	Missions claims	Expert claims	2018	Results	11	8	7	Target	15	10	15	2019	Results	12	8	7	Target	15	10	15	2020	Results	15	10	15	Target	15	10	15
Year	Type	Medical claims	Missions claims	Expert claims																															
2018	Results	11	8	7																															
	Target	15	10	15																															
2019	Results	12	8	7																															
	Target	15	10	15																															
2020	Results	15	10	15																															
	Target	15	10	15																															
2. Correct establishment of entitlements, correct calculation and payment of salaries and pensions	😊	Error rate of < 1 % of the amount paid annually.	< 1 %																																
3. Achievement of the IT strategy - percentage of programmed project milestones implemented on time	😊	85% of IT milestones timely implemented	85% of milestones of IT projects planned for 2019 achieved.																																

<p>4. Average time taken to reply to enquiries through the:</p> <p>Staff Matters Online</p>	<p>😊</p>	<p style="text-align: center;">Average time to reply to Staff contact online enquiries (in working days)</p> <table border="1"> <caption>Average time to reply to Staff contact online enquiries (in working days)</caption> <thead> <tr> <th>Year/Type</th> <th>Average Time (Working Days)</th> </tr> </thead> <tbody> <tr> <td>2018 Results</td> <td>~7</td> </tr> <tr> <td>2019 Target</td> <td>~6</td> </tr> <tr> <td>2019 Results</td> <td>~9</td> </tr> <tr> <td>2020 Target</td> <td>~5</td> </tr> </tbody> </table>	Year/Type	Average Time (Working Days)	2018 Results	~7	2019 Target	~6	2019 Results	~9	2020 Target	~5
Year/Type	Average Time (Working Days)											
2018 Results	~7											
2019 Target	~6											
2019 Results	~9											
2020 Target	~5											
<p>5. Customer satisfaction and Staff engagement</p>	<p>😞</p>	<p>Staff engagement index: 58% (2018) Increase from 2016 (59)</p>										

Source: PMO units, Business Intelligence

Nota bene: These KPIs were set at the time of the 2014 Strategic Plan. The results that are currently reported, although very good as such in terms of quality of the replies, deviate from the targets (rapidity of replies). These KPIs, which are only focused on average times, have proved to not always be within the framework of realistic expectations. The experience shows that the effort required to marginally improve delays is not proportionate. In this situation, and based on current client satisfaction, it seems more opportune to maintain realistic targets, while focusing on the client.

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

The PMO conducts its operations in compliance with the applicable legal laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

The financial regulation requires that the organisational structure and the internal control systems used to implement the budget be set up in accordance with these principles. PMO has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed as deficiencies were identified. Please refer to AAR section 2.1.3 for further details.

PMO has systematically examined the available control results and indicators, including those aimed to supervise entities to which the PMO has entrusted budget implementation tasks through co- / cross- or sub-delegations, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives. Please refer to Section 2.1.1 for further details.

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

d) Provision of information to the Commissioner(s)

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

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

All targets related to the specific objectives have been achieved. Further details on the main outputs related to these objectives can be found in Annex 12.

PMO's workload is constantly increasing. The main challenge in 2019 remained to maintain efficiency and effectiveness in various processes while focusing on improving service for everyone. It established individual rights of more than 42.500 staff from the Commission, the Council, the EEAS, the European Court of Auditors, the European Ombudsman and EU agencies and paid more than 48.000 salaries and almost 26.000 pensions every month; it also reimbursed over 3 million medical claims, over 148.000 missions claims and over 66.000 expert files. Finally, PMO produced and delivered more than 2.500 EU Laissez-passer and treated more than 3.700 visa requests. Since its creation in 2003, PMO has doubled the volumes it handles while human resources have only increased by 50%.

Offering a correct and timely payment of salaries, pensions and other related entitlements, a swift reimbursement of health insurance, mission and expert claims, a smooth delivery of EU laissez-passer and visas, and more generally accessible and customer-friendly services, is essential to allow the Commission – and increasingly staff from other Institutions and outside bodies – to carry out their duties unhindered. Special focus on Security & Privacy complete the overall picture.

1.1 Specific objective 1: Ensuring at all times the correct and timely handling of all types of transactions

The low rate of Article 90 complaints upheld, below the maximum set as a target of 10%, and a detected error rate below 1%, confirm the high quality of PMO services (see details in Part 2 of the report).

The positive trend with regard to the reimbursement continues. The average time needed for reimbursement of **medical claims** remained stable at 12 days, compared to 11 days in 2018. The number of claims handled in less than 30 days remained within target at 96%, of which over 80% were reimbursed within 20 days.

The average time taken to reimburse **mission expenses** also remained stable, despite an increase of almost 8% in the number of claims processed. The average reimbursement duration remains at 8 calendar days in 2019, with almost all claims being processed by the 10 day target deadline.

The average time taken to reimburse expenses of **experts**, attending Commission meetings remained at an average of 7 days in 2019, as it was in 2018, while the number of claims processed increased by almost 6%.

Further details regarding the main outputs related to this objective can be found in Annex 12.

1.2 Specific objective 2: Offering better quality of customer service

Since the entry into force of the "Staff Contact" portal in May 2019, Staff Contact has replaced PMO Contact. This represents an improved, modernised and secure information portal, in which staff can find replies to their questions, using their EU-login.

By the end of the year, it received more than 87.000 **online tickets**, which represents a decrease of close to 16% compared to 2018. This decrease can be attributed to the inclusion of a FAQ page that provides directly answers to the more frequent requests for

information.

The average time taken to reply to online queries slightly increased to 9 days compared to 7 in 2018, primarily as these now refer to more complex questions that require further elaboration. The percentage of queries processed outside the deadline of 15 working days was reported at 16%, primarily because of the complexity of the questions received.

In 2017, PMO became system owner of the new IT tool for management and reimbursement of experts "AGM" (Advanced Gateway to EU Meetings). Throughout 2019, the on-boarding of all DGs and agencies progressed as planned, as well as the gradual phasing out of the old tool APEX.

The extension of services to other institutions required all systems underpinning the functioning of the PMO activities to absorb new activities. The IT systems were further developed in the light of this objective. In 2019, efforts continued to (i) streamline procedures and business processes which underpin the organisation; (ii) extend the coverage of information systems especially for individual pecuniary rights; (iii) roll-out aspects of new systems (Payment Factory and Staff Contact); (iv) analysing the possibility to replace ageing systems in a timely manner (New payroll application); (v) develop the inter-institutional dimension of eServices (Payment Factory, Sysper-rights).

PMO achieved 85% of the planned IT developments, in line with the expected target for 2019 and despite some delays in Sysper projects for which development priorities have changed because of the on-boarding of the European Council and of the Agencies.

The PMO commitment to **communication** with active and post-active staff on matters relating to pay and benefits remained high. The PMO contributes to the HR Staff Matters Newsletter, of which 10 editions were sent to active staff. For staff of the other Institutions and Agencies, 10 newsletters PMO News were sent. The PMO also publishes articles in the pensioners' reviews: VOX (2 editions in 2019) and Info Senior (4 editions in 2019).

In 2019 PMO organised information sessions on pension rights, unemployment benefits and transfer of pension rights. Those presentations, dedicated to the staff of the European institutions and agencies working in Brussels and in the JRC sites (videoconference), will continue in 2020. Similar sessions were set up in institutions and agencies outside Brussels.

In 2019, AIACE continued to be an important partner for the PMO. In this context of partnership, the network of AIACE Ambassadors was established in February 2018, making it easier to reach a larger number of people and therefore meet the expectations of a larger number of pensioners. The ambassadors relay information, help solve problem cases, help to understand the needs and specific situations encountered in the Member States. In the same spirit of cooperation, PMO's participation in meetings with AIACE international and with local sections (i.e. within the Member States) have been strengthened. In order to be more efficient in PMO's relations with the AIACE, these are managed by the JSIS through a single point of contact, which is the Centre of Excellence of the JSIS Front Office.

With regard to the JSIS, the new health-screening programmes were consolidated and were launched in late 2019. The new programme aims to combine a visit to a general practitioner, a set of relevant examinations and a complete debriefing again with the general practitioner. In 2019 a number of agreements with health centres in Belgium, Luxembourg, Italy, Greece and Spain have been signed. The Central Office, with the support of the Settlements Offices, continues the negotiations with potentially interested health centres and hospitals to ensure the best possible arrangements.

Additionally, the project for a mobile application (front office application to allow the JSIS members to access certain services through their mobile phones) was initiated and used at a pilot phase together with DG HR. Further developments are envisaged in 2020.

JSIS is putting a particular emphasis on client services and especially on its most vulnerable members. New teams have been dedicated to persons with serious illness and disabilities and to front office welcome desks, where members benefit from personalised support and information. The organisation of the three settlement offices through dedicated centres of excellence ensures the same high level of service to members, regardless of where they are located.

Several improvements in MiPS, the application for the management of mission claims, were implemented in 2019, including the new budgetary screens. Work was started on the development of the MiPS mobile platform, with the first releases scheduled for 2020.

To ensure alignment with the rules laid down in the new Guide to Missions and Authorised Travel, in application since March 2018, MiPS was adapted to the needs. Trainings continue to be organised and special sessions for the new College were provided at the end of the year covering all issues related to organisation of missions, including services provided by the corporate travel agency, as well as on budgetary issues related to the global envelope. A paperless processing of payment files was implemented between Cabinets and PMO with multiple advantages such as savings on paper, simplified treatment and shorter delays.

The new online booking tool, NEO, was deployed to the Commission and the Council for direct reservation of flights, trains, rental cars and hotels. Trainings in English and French were organised in Brussels, Luxembourg and other sites in Europe. As a result, NEO adoption was over 16% by December 2019, allowing important savings (over EUR 70.000) to the annual missions' budget.

Following a restricted procurement procedure, a new travel agency framework contract entered into force in April 2019 enriched with a specific lot for travel agency services in connection with the organisation of meetings and events. Also in the context of missions, a new call for tenders was launched for car rental services.

On the occasion of the renewal of the EP and the arrival of the new College, PMO explored new ways of improving its services to Commissioners, their Cabinet members and MEPs, by sending a mobile enrolment station to the EP premises and the Berlaymont. Collecting biometric data on the spot considerably facilitated the production of an important number of EU Laissez-passer without any waste of time for the people concerned during a very busy period for them.

Visa request files were further simplified and the use of paper is now limited to documents explicitly required by the Embassies.

Further details on the main outputs related to this objective can be found in Annex 12.

1.3 Specific objective 3: Deepening inter-institutional synergies

Following the on-boarding of the European Court of Auditors in 2018, PMO proceeded with the on-boarding of the European Council and the European Ombudsman in 2019, while it sought to further intensify collaborations with the Economic and Social Committee, the European Parliament and other Institutions. In 2019, PMO also started the on-boarding (to continue into 2020) of Agencies (most notably Frontex), for the full catalogue of services.

These services are based on either statutory provisions or Service Level Agreements (SLAs). The PMO has reviewed its **charge-back methodology**, in line with IAS recommendations and the Commission Guidance on the provision of services to other EU Institutions, Agencies and Bodies. Following the new directives on data protection, the SLA's are being revised with some already being signed in 2019. Further SLA's are expected to be signed throughout 2020.

The design of the New Pay Application, aimed to replace NAP before 2025, has been a

matter of important Inter-Institutional debate throughout 2019. An external market study of available payroll solutions was conducted between March and August. The aim was to scan the market for newer technologies and to seek for a best fitting solution regarding the specific needs of the EC payroll rules. Conclusions were presented to stakeholders in November. Meanwhile the functional payroll description documents are being maintained with latest evolutions of the NAP.

In November 2019, Sysper Pension was opened to pensioners. Since then, pensioners can introduce modifications related to their individual entitlements directly in Sysper. During the year, the development of the Unemployment part of Sysper Pension progressed and its launch is foreseen in 2020. At the same time, Fixpen is no longer used for the procedures concerning the pensions and it should be abandoned during 2020. The module Sysper Activity has been implemented with the possibility to introduce the request for pension and the request to transfer the pension rights.

Finally, work in PMO is already underway in view of several challenges ahead in 2020: the exit of the UK from the European Union in 2020 will have an impact on the work of several units in PMO, which will have to react very rapidly to changes in the determination of rights and obligation; the arrival of the new Commission in late 2019 as well as the European Parliament elections represent a sensitive and important workload ; last but not least, the on-boarding of the European Council as well as several agencies by PMO in 2019, has already resulted in a reinforced effort of preparation and execution of the tasks in hand.

2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

2.1 Financial management and internal control

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

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

- the reports by AOSDs;
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at Service level;
- the reports on ex-ante/a posteriori/ex-post controls;
- the register of exceptions;
- the limited conclusion of the internal auditor on the state of control, and the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA).

These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director of PMO.

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

2.1.1 Control results

To illustrate the weight of the different operational domains and related controls, this table shows the total payments⁵ made per main type of PMO activity.

PMO expenditure 2019	Expenditure (MEUR)	Percentage
Salaries and other entitlements	3.242,4	56,7%
Post activity (pensions, unemployment and other entitlements)	2.022,7	35,3%
<i>Total "salaries, post-activity and associated entitlements" (domain/ ICT 1)</i>	5.265,1	92%

⁵ The total shown here is different from total payment appropriations shown in Annex 3. The present table includes extra-budgetary managed funds (JSIS and Unemployment Fund) and the full subdelegated credits to other DGs (irrespective of whether they are paid in 2019/2020). It does not include PMO operating expenditure (EUR 52.6 million).

Joint Sickness Insurance Scheme (JSIS)	339,3	5,9%
Missions	78,8	1,4%
Experts and candidates	34,6	0,6%
<i>Total of "reimbursement of medical, expert and mission claims" (domain/ ICT 2)</i>	452,7	7,9%
Other	4,8	0,1%
Total	5.722,6	100 %

Source: budget implementation, PMO

PMO revenues and income 2019	Revenues (EUR million)	Percentage
Contributions (taxes, pension)	1.043,4	73,5%
Contributions (JSIS, unemployment, insurance) – extra-budgetary managed	377,3	26%
<i>Total of contributions (ICT 3)</i>	1.420,7	98%
Charge-back of services to other Institutions and bodies (ICT 4)	14,2	1%
Other	14,9	1%
Total	1.449,8	100 %

Source: budget implementation, PMO

The presentation of the Internal Control Templates (ICT) for the areas listed above is provided in Annex 5.

As per the specific rules of co-delegation of budget, some tasks are entrusted to other Commission DGs and Services that report on the implementation of the budget and the related internal control system in their own Annual Activity Report. No problems regarding the delegations were signalled to the PMO by the concerned entities.

In 2019, PMO carried out a control exercise to reconcile data in two IT systems (Sysper, where statutory rights are determined and NAP, which provides the calculation of salaries). Mass adjustments were made in NAP to align the inconsistencies that were purely technical in nature, with no financial impact.

1. Effectiveness= the control results and benefits

- **Legality and regularity of the transactions**

The PMO is using internal control processes to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions for which it is

responsible, taking into account the nature of commitments as well as the nature of the payments concerned. The control objective is to ensure that the residual error rate does not exceed 2% (cf. materiality criteria in annex 4).

The PMO control strategy is based on the principle that to establish an entitlement or the request for reimbursement, a case handler compares the submitted documents to the relevant eligibility criteria. Every decision is supervised, except for some allowances where the review of some lower risk and less complex files is performed on a sample basis, due to the high number of declarations received. Depending on the complexity of the claim, a more detailed analysis will be carried out to arrive at a sound decision.

Given the repetitiveness of the main PMO activities, this leads to a continuous adjustment and improvement of the internal control system. Corrective measures are taken when an error is linked to a system weakness. Such measures involve training, reallocation of files, tighter verification or focused ex-post checks.

The results of ex-post controls are analysed and they too may result in corrective measures. When the result of an ex-post control indicates a need to take further action, a detailed action plan is formulated.

Every transaction **in Salaries, Post Activity & Associated Entitlements** is subject to ex-ante verification. All errors are corrected retroactively and the results of corrections influence the accuracy of future transactions. The ex-ante controls revealed no material errors.

The results **for ex-ante controls in the area of medical, expert and mission claims** show that the total detected error rate of the ex-ante controls remains well below the materiality threshold of 2 %, as shown in the table below. The samples taken are considered as representative of their individual population, and are then weighted against the total population of their sectors. Extrapolating to the overall population, minus the population controlled and corrected, the detected error rate is calculated 1,46% for this domain (2).

Scope ex-ante control	# files verified	Total amount verified (EUR)	% Value Total of population covered	Detected error rate 2019	Detected error rate 2018
Reimbursement of medical and expert claims - domain 2	18.486	20.800.716,21	4,59%	1,46%	0,22%

Source: reports on ex ante controls, PMO

The table below gives an overview of the results of the ex-post controls carried out during the year.

Scope ex-post control (expenditure areas)	# files verified	Total amount verified (euro)	% Value Total of population covered	Detected error rate 2019	Detected error rate 2018	Detected error rate 2017
Salaries, pensions and associated entitlements - domain 1	107	23.978.249,47	0,46%	0,50%	0,18%	0,08%
Reimbursement of expert and mission claims - domain 2 ⁶	1.710	1.961.993,39	0,43%	0,05%	0,074%	0,20%

Source: reports on ex post_controls, PMO

For Salaries & Associated Entitlements, the results of the ex-post controls show a total detected error rate estimated at 0,50% (total financial error/total amount verified).

⁶ in 2019, all ex post controls on medical claims were based on risk-based samples. They were not included in the error calculation, as these results cannot be extrapolated

For reimbursement of medical, expert and mission claims, the total detected error rate of all ex-post controls, of which many are targeted to the higher risk areas, remains well below the materiality threshold of 2%; confirming the accuracy and quality of transactions processing by the PMO and the effectiveness of the ex-ante controls. The financial impact is low, and the corrections are usually made directly in the system (recovery from salaries). The residual error rate is calculated at 0,05% (weighted, as for the ex-ante).

Samples for these ex post controls are selected on a random and representative basis to detect errors in the files controlled, calculate the financial impact of these, proceed with the necessary corrections and/or structural modifications. Not included are targeted controls that focus on specific areas/issues and usually cover 100% of the population in question.

The reimbursement of medical claims in the framework of the Joint Sickness Insurance Scheme (JSIS, the health insurance scheme for staff of the European Union institutions) and the payment of unemployment benefits result in additional control objectives for the related JSIS fund and the Unemployment Fund (handling unemployment allowances following termination of service). Hence, a number of control actions are carried out by the Office:

- JSIS: an independent audit is carried out every year by an external auditor which has resulted in a clean audit opinion in the previous years, including the most recent audit report on the financial year 2018;
- The evolution of the Unemployment Fund is carefully followed by the PMO with different services of the Commission (DG HR and DG BUDG). The fund increased to almost EUR 31 million at the end of 2019. The evolution of this fund is reported to all stakeholders and addressed in an inter-DG working group.

In conclusion, both funds are subject to follow-up controls set up by the PMO, revealing no material issues.

- ***Fraud prevention, detection and correction***

PMO has developed and implemented its own anti-fraud strategy since 2013, elaborated on the basis of the methodology provided by OLAF.

PMO issued in December 2017 a revised anti-fraud strategy to elaborate the updated risk typology based on the PMO specific context of constant interaction with beneficiaries. In addition, it provided information on the strategic objectives it focuses on, as well as an action plan covering implementation of the strategy in 2018-2022. Following OLAF's update of the strategy in 2019, an update of the anti-fraud strategy in PMO is foreseen for 2020.

The legal sector ascertains the appropriate treatment of all potential cases (transfer to OLAF and IDOC⁷). Two cases were transferred in 2019 and these are still ongoing.

In addition, the regular ex-post supervision carried out, as well as specific anti-fraud related checks are embedded in the internal control strategy. The authorising officers by sub-delegation (AOSD) report on their activities to the Director with the obligation to explicitly mention any anomalies that occurred. No material issues were reported. The degree of implementation of the anti-fraud strategy, internal control results and the evaluation of the annual risk analysis exercise covering also fraud-related risks, give reasonable assurance that the fraud risk is sufficiently managed and mitigated.

Due to the nature of the activities carried out by the PMO, the sensitivity of personal data managed and the increased importance attributed to privacy and security issues, there is particular interest in the **management of information**. To obtain sufficient assurance

⁷ Investigation and Disciplinary Office of the Commission

that all data processed is accurately and sufficiently protected, specific measures have been created and specific indicators are closely supervised.

- A systematic verification of all persons with access to the financial information systems is carried out.
- The exception registry is kept up to date on a day-to-day basis. Seven exceptions/non-compliance events were registered during the year.
- Regarding the basis on which PMO takes decisions, an indicator is used for the number of article 90 complaints that are upheld. The indicator for 2019 was 9,28% of all complaints received. However, the decision to uphold an article 90 complaint does not necessarily indicate that an error was committed when taking the initial decision.

2. Efficiency

PMO pays considerable attention to delivering quality results, which in part can be assured through effective controls. Payment times have remained well below the targets established in the strategic report, while backlogs of SMP tickets were greatly reduced and ex post controls reported a limited financial impact.

There was however a shift from controls towards other activities during the year due to major projects (integration of the European Council, the Ombudsman and several agencies, implementation of the Sysper Pension project), activities (staff changes due to European Parliament elections, arrival of new Commission) and a change in legislation (data protection). As a consequence, monitoring of internal control and some planned control activities were delayed, while additional quality controls were put in place on these projects to allow for delivery of quality results. The situation was exceptional, and PMO will take this opportunity to benefit from the lessons learnt and put the required measures in place for the future.

3. Economy

PMO has analysed the costs and benefits of the two main control processes, i.e. ex-ante and ex-post controls. However, since a quantitative estimation of the volume of errors prevented is not available, it is only possible to quantify a part of the related benefits, other than the amounts recovered because of these controls. In consequence, the cost-benefits of controls are analysed on the basis of an estimation of the costs of control in relation to the value of the related funds managed.

The cost estimates are based on the overall cost of an official or contract agent, as estimated by the Commission. The estimated full-time equivalents (FTEs) allocated to the control-related functions are validated by line managers (heads of sectors / heads of units) for each staff separately based on the actual assignment of responsibilities and distribution of tasks.

In domain 1 (**salaries, post-activity and associated entitlements**) an estimated €2,8 million were invested in controlling financial transactions worth approximately €5,27 billion. Thus 0,05% of the total value of transactions checked was dedicated to controls.

In domain 2 (**reimbursement of medical, expert and mission claims**) an estimated €0,6 million were invested in controlling financial transactions worth approximately €0,5 billion. Thus 0,12% of the total value of transactions checked was dedicated to controls.

Overall conclusion

The overall controls carried out by the PMO units throughout 2019 confirm the high quality of internal control, with the total residual error rate remaining largely below 2 % (cf. materiality criteria in Annex 4).

In the context of the protection of the EU budget, at the Commission's corporate level, the PMO estimated overall amounts at risk and their estimated future corrections at an overall amount at risk at payment of EUR 26,96 million and an overall amount at risk for revenue and income at EUR 5,36 million (overcharge) – taking into consideration the recommended proxy of 0,5% for administrative expenditure. This is the AOD's best, conservative estimation of the amount of relevant expenditure during the year (EUR 5,39 billion) and revenue and income (EUR 1,07 billion) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made.

This expenditure will be subsequently subject to ex-post controls and a proportion of the underlying error will be detected and corrected in successive years (in line with the provisions in the Staff Regulations). The nature of PMO activities, payment of salaries, pensions and reimbursement of claims, makes for an easy recovery of found errors, as corrections can be deducted from monthly salary or pension payments, with a relatively stable population (staff and their families). This implies that corrections made following the identification of errors have a positive impact not only in the past but also in the future. The future corrections for 2019 payments are estimated at zero. No historic information is available for revenue and income.

Based on the above, the estimated overall amount at risk at closure is equal to the overall amount at risk at payment, EUR 26,96 million, as detailed in the table below.

Table X - Estimated overall amount at risk at closure

PMO	"payments made" (FY; m€)	<i>minus</i> new prefinancing [<i>plus</i> retentions made*] (in FY; m€)	<i>plus</i> cleared prefinancing [<i>minus</i> retentions released* and deductions of expenditure made by MS] (in FY; m€)	= " relevant expenditure " (for the FY; m€)	Average Error Rate (<i>weighted</i> AER; %)	estimated overall amount at risk at <i>payment</i> (FY; m€)	Average Recoveries and Corrections (adjusted ARC; %)	estimated future corrections [and deductions] (for FY; m€)	estimated overall amount at risk at closure (m€)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Management of salaries, post-activity and related entitlements	5.265,1	N/A	N/A	5.265,1	0,05%	2,63mEUR and 0,05% of (5)			2,63mEUR
Management of medical, expert and mission claims	452,7	N/A	N/A	452,7	1,46%	6,61 mEUR and 1,46% of (5)			6,61 mEUR
Overall payments, total as per Annex 3	5.392			5.392	0,5%⁶	EUR 26,96million and 0,5% of (5)	0		26,96mEUR
Contributions	1.420,7				0				
Charge back	14,2				1,20%	0,17			
Overall revenue and income, total as per Annex 3	1.072,4	N/A	N/A	1.072,4	0,5%⁸	5,36 million			5,36 million

⁸ Recommended proxy for administrative expenditure

4. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results regarding effectiveness, efficiency and economy of controls (see also Annex 5 for cost-effectiveness for entitlements / reimbursements), PMO has assessed the effectiveness of the control system and reached a positive conclusion on the cost-effectiveness of controls for which it is responsible.

The main benefits of control can be expressed in non-financial terms: an efficient and effective internal control system allows for accurate management of incoming claims and definition of entitlements at the source, avoiding errors with a long-term impact. It also ensures compliance with regulatory provisions. Since a quantitative estimation of the volume of errors prevented is not available, it is only possible to quantify a part of the related benefits, other than the amounts recovered because of these controls.

Control is inherent to the core activities of the PMO and is structured around four pillars: high level and well trained staff, control by design in our IT systems, ex ante and ex post controls.

To calculate the cost of control, staff performing ex ante and ex post controls as well as authorising expenses are taken into account and attributed the annual average FTE costs including "habillage" by DG BUDG. In 2020, a screening will take place to reassess the actual number of staff involved and adjust the number of FTEs if necessary.

An overall estimation of the cost of control for ex-ante controls and ex post controls, carried out in PMO (including JSIS), and for the financial verification is roughly estimated at EUR 3,3 million, which corresponds to 0,06% of total payments made by PMO (EUR 5.722,6 million). The unique nature of the PMO's activities, consisting mainly of recurrent mass payments of salaries and pensions, explains why a limited number of transactions cover a vast amount of payments. The variety of control mechanisms, but in particular the control by design and automated controls, guarantee a high degree of reliability at a low cost of control.

To reach an absolute conclusion as of the relative efficiency of the controls, it is preferable to analyse the evolution of these efficiency indicators over time. Already the results of the efficiency indicators from the previous and current year provide the assurance that control management is efficient.

2.1.2 Audit observations and recommendations

This section reports and assesses the observations, opinions and conclusions reported by auditors including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

The PMO is audited by both internal and external independent auditors: the Commission Internal Audit Service (IAS) and the European Court of Auditors (ECA).

2.1.2.1. Audits by the IAS

By 31 January 2020, the IAS had completed the following audits resulting in "very important" recommendations:

1. Audit on control strategy for the JSIS, including accidents insurance (2018), which resulted in two recommendations rated "very important": Verification of the statistical sampling used in JSIS control strategy and formalise and consolidate one control strategy document for all the components that make up this strategy.

PMO sent an action plan on 21.02.2019, with comments received on 11.03.2019 and a revision provided by PMO on 14.03.2019. The IAS accepted the revised plan on 26.03.2019. PMO has accepted these very important recommendations, building on the work that has already been carried out in the respective domains. The controls already in place and the action plan proposed provide sufficient assurance to the management that these two recommendations do not have an impact on the declaration of assurance.

2. Audit on the charge back process (2016), where one recommendation remains open, that of signature of SLAs with Institutions. PMO is already undertaking further actions, involving different stakeholders in this regard. Following a revision of the chargeback policy for Institutions late in the year, SLAs were updated early in 2020 and sent to the Institutions for signature. The actions already taken provide sufficient assurance that this recommendation does not have an impact on the declaration of assurance.

The overall conclusion of management is that the level of completion is satisfactory in all internal control related aspects.

2.1.2.2. Opinion of the IAS

The Internal Auditor concluded on the state of internal control in PMO.

Based on all work undertaken by the IAS in the period 2017-2019, namely,

- Audit on IT programme and project management in the HR family (2017)
- Consulting engagement on the accounting for JSIS direct billing in PMO (2018)
- Audit on control strategy for the JSIS, including accidents insurance (2018)

and taking into account that:

- Management has accepted all the recommendations issued in 2017-2019
- 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;
- Management has assessed a number of action plans as implemented which have not yet been followed up by the IAS.

The Director General of the IAS concluded that the internal control systems in place for the audited processes are effective, except for the observations giving rise to the 'very important' recommendations. These recommendations still need to be addressed, in line with the agreed action plans or by the submission and implementation of an agreed action plan.

2.1.2.3. Court of Auditors

In the context of DAS 2019 (launched in the second half of 2019), PMO has replied to questions and additional requests for information from the Court. A recurrent issue involved the management of family allowances for staff members. PMO has already put in place several measures to further improve the update of the personal situation and the management of family allowances:

- use of the IT tool SYSPER for easier and direct encoding by agents
- the rights granted for a limited period or with a specific end date, allowing for regular controls
- extended communication through dedicated channels and on exchanges of information on obligation of agents to update their information.

Furthermore, PMO put in place a control exercise of all non-declared situations of allowances received from other sources.

At the time of issuance of this report, the final report from the Court for DAS 2019 has not been received yet.

2.1.2.4. Conclusion

The audit work and opinions by both internal and external auditors reveal that the internal control system in place at the PMO gives more than reasonable assurance regarding the achievement of the business objectives.

2.1.3 Assessment of the effectiveness of the internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

PMO uses the organisational structure and the internal control systems

suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

The inherent risks to which the PMO is exposed are related to the main fields of activity:

- The establishment of entitlements requires profound knowledge and experience of the staff regulations and legality and regularity criteria. A decision on an entitlement has recurring material financial implications for a long period (depending on the nature of the entitlement);
- A reimbursement claim can result from a decision made by another service (recruitment, mission, leave, etc.) or from an individual request from a staff member. The vast number of claims, the shared responsibility with other services and the varying complexity are also inherent risks to the achievement of PMO objectives.

PMO has assessed its internal control system during the reporting year and has concluded that it is effective and that the components and principles are present and functioning as intended, with some improvements needed.

This assessment was based on interviews with all PMO units together with individual contributions received, and consolidated for PMO as a whole. The evaluation of the internal control principles did not reveal material issues about the reasonable assurance given by the Director. The implementation of the principles shows no deterioration compared to previous years. As a step towards further strengthening the role of internal control in PMO, a particular focus will be given on including internal control issues (e.g. discussion on control reports) in the management meetings as of 2020. This will ensure increased awareness and participation of PMO management in the process. An internal reorganisation is currently underway to provide more coordination resources to this domain.

PMO keeps an up-to-date register of all its exceptions and non-compliance events, which are duly notified to the Director, registered in Ares and published on MyIntracomm. Seven exceptions/non-compliance events were registered for the year 2019. The registry of exceptions registered minor internal control weaknesses.

Further to this, a thorough risk analysis exercise, coordinated by the Internal Control Coordinator, enabled the Office to update its risk registry. The risk analysis shows that the main risks are sufficiently managed by the Internal Control System. In 2019, there were no critical risks identified.

In 2019, four sensitive posts are still occupied by the same staff member for a period surpassing the five-year threshold due to resource constraints. A risk analysis, already performed in 2015, revealed that the most cost-efficient solution was to not remove the persons but add a level of supplementary review by management. PMO has structural difficulties attracting new candidates for these sensitive functions and is currently looking into ways of ensuring knowledge transfer.

Finally, the results of ex-ante and ex-post controls carried out throughout the PMO in 2019 confirm that the total error rate remains consistently low. The ex-post results also provide assurance on the effectiveness of the ex-ante controls. With its circular process, both for itself but also for its clientele, the PMO is continuously reflecting to improve the cost effectiveness of its control strategy

using the control results. When there are errors detected, they are immediately corrected. In cases where errors that are detected are of a systemic nature, a revision of procedures and systems takes place. The low rate of errors found in ex-post controls together with the low percentage of error established year after year by the Court of Auditors show that the internal control is effective.

In conclusion, the internal control principles are implemented as intended, with some improvements needed in all internal control components, and in particular in the "control environment", "control activities" and "monitoring".

2.1.4 Conclusions on the assurance

This section reviews the assessment of the elements already reported above (in Sections 2.1.2 and 2.1.3), and the sub-conclusions already reached. It draws an overall conclusion to support the declaration of assurance and whether it should be qualified with reservations.

The information reported in Section 2.1 stems from a systematic monitoring and analysis of the evidence available. The results provide sufficient guarantee as to the completeness and reliability of the information reported and refer to a comprehensive coverage of the budget delegated to the Acting Director of the PMO.

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

2.1.5 Declaration of Assurance

DECLARATION OF ASSURANCE

I, the undersigned, Giuseppe Scognamiglio,

Acting Director of PMO, in my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view⁹.

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

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

Confirm that I am not aware of anything not reported here which could harm the interests of the Office or those of the Commission”.

Place, date

.....

(signature)

Giuseppe SCOGNAMIGLIO

⁹ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

2.2 Other organisational management dimensions

2.2.1 Human resource management

The current HR delivery model offers a centralised management of all HR services by an Account Management Centre (AMC) working as a client service for the DGs. PMO is supported by AMC 7 which serves DG HR, DG BUDG, EPSO, OIB, PMO and SCIC. In each DG, a HR Business Correspondent is responsible for defining HR strategy and taking HR decisions, which the AMC implements in cooperation with the HR corporate services.

PMO participates in the pilot for centralisation of the Local Information Security Officer (LISO) function, which has proven to be a positive experience. The PMO LISO is placed at the disposal of DIGIT since 01/03/2018.

PMO is committed to supporting female representation in middle management. With a current representation of 43% on 1/1/2020 PMO will achieve its target of one first female appointment to head of unit by early 2020 (College decision SEC(2017)359).

In 2019, two Heads of Unit were appointed – one in the OLAF Supervisory Committee and one in the Luxembourg unit.

Following the reception of the 2018 staff satisfaction survey results in May 2019, the Acting Director of PMO organised a series of discussions with units on specific results in order to understand better the main concerns of PMO staff. These discussions allowed raising dissatisfactions related to the specificity of the Office (career/mobility, communication, internal organisation) but also related to the structure of the survey and clarity of the questions. The PMO HR.BC team and PMO Communication team have developed a series of actions (development plan) to implement in 2020 to respond to the main concerns of PMO staff. PMO also sent this development plan to DG HR in order to reflect on HR actions at Corporate level.

In 2019, PMO put in place a special task force to cope with the end of the Parliament Legislature and the management of the Accredited Parliamentary Assistants (APAs), who ended their contract. In 2020 the end of contract for a further 200 APAs and for the contractual and temporary agents linked to Brexit is expected. The increase in the end of contracts has also had an effect on the transfer OUT of the pension rights.

The Commission Fit@work policy is implemented through a multi-annual health and well-being programme that will be renewed in 2020. Since PMO's move into a collaborative workspace, OIB and PMO Offices offer a wide range of activities in the shared well-being room and PMO events are organised regularly. PMO is also enlarging the well-being activity offers as much as possible.

The main outputs for 2019 were:

- *Participation in the simplification of processes within the HR delivery model while ensuring business continuity and quality of service in the three PMO sites (Brussels, Luxemburg and Ispra);*
- *Renewal of PMO's newcomer policy and improving working conditions policy;*
- *Developing a local fit@work strategy in line with the new fit@work Commission programme; and enlarging the well-being activity offers;*

- *Development of a communication training programme to further improve oral and written communication, responding to the needs of PMO's clients.*
- *Allowing targeted staff to participate in specific workshops on psychosocial risk prevention*

In addition, PMO will continue to support communication to staff on corporate HR priorities by publishing available information on its internet and through targeted communications, when appropriate. The following table shows the total human resources available within the Office as of 01/01/2020 (including the OLAF Supervisory Committee Secretariat – 8 posts).

(Posts)

ABB Activity	Officials and temporary staff	Contractual agents	Other external personnel	Total
Administration	166 ⁽¹⁾	440 ⁽²⁾	25	631

⁽¹⁾ 160 job quotas available in Sysper on 01/01/2020: 40 AD and 125 AST posts and 1 SC.

⁽²⁾ Total of 440 contractual agents in 01/01/2020.

2.2.2 Better regulation (only for DGs managing regulatory acquis)

N.A.

2.2.3 Information management aspects

In 2018, the Commission adopted a Data Protection Action Plan (C(2018) 7432) aimed at ensuring compliance of all Commission departments with the new rules.

In 2019, all Commission departments were asked to inform the new College about progress the Commission has made in achieving compliance with the new data protection rules. The PMO made tremendous efforts towards this goal, and the following elements can be highlighted:

- As regards the principle of accountability, PMO worked on awareness among management and staff about data protection and cybersecurity requirements. To this end, general trainings on regulation 2018/1725 and Commission Decision 2017/46 were given to all units of the PMO.
- The PMO launched a specific communication/awareness campaign on how to deal with data breaches to ensure that staff was adequately trained on the procedures to be followed in case of data breaches through a campaign on MyIntracomm (video + reviewed pages on data protection) and external posting. Specific instructions for the follow up in case of a data breach have been notified to the PMO middle and enlarged management.. With these measures, PMO has complied its processing operations with the general principles (Art. 4 Reg. 2018/1725).

- In addition, PMO also decided to enhance security measures (organisational measures within the office) and revise the specific list of retention for PMO files. A data protection impact assessment has been launched for the Assmal platform in PMO.
- The PMO analysed all its notifications and the data processing operations described and worked on the integration of the "old notifications" into the "new register" (article 31 of the Regulation 2018/1725).
- PMO has established that internal rules governing restrictions of data subjects rights are not necessary (except for cases provided for by Conclusion 221/04)
- As regards the relationships with the citizen, in conjunction with the work undertaken on notifications, privacy statements have been updated or are in the process of being revised. The revised privacy statements have been/will be published in the front and back office platforms of the IT applications for which the PMO is the system owner. They will also be published on internal internet site of PMO.
- As regards the relationships with PMO's clients, a specific presentation has been held on data protection requirements, in collaboration with the EDPS for the representatives of the agencies and other institutions.

With regard to the corporate strategy for data, knowledge and information management, PMO intends to keep the number of registered documents that are not filed to a minimum. To achieve this, reports are produced and sent to the DMO correspondents in the Units (further information can be found in annex 2).

2.2.4 External communication activities

External communication for PMO relates to communication for the staff in general (from the Commission, other Institutions, retirees, etc.). There is no communication to EU citizens and as a result no indicator from the Eurobarometer metrics.

PMO continues to invest in high-quality information to active and retired staff from all institutions and agencies, tailored to matters relating to pay and benefits.

PMO organised 2 Info Tours for staff of Covent Executive Agencies and for staff of the European Ombudsman. In 2019, 10 editions of HR Staff Matters Newsletter were sent to active staff and 10 PMO NEWS to staff of the other Institutions and Agencies. The PMO also publishes articles in the pensioners' reviews: VOX (2 editions in 2019) and Info Senior (4 editions in 2019).

In 2019, PMO published an article about an important milestone, i.e. the production of the 10 000th EU *Laissez-passer*, in the context of the overall promotion campaign of this travel document amongst the staff of the Institutions.

Information published on the different media is regularly updated. Requests for information and questions asked via PMO contact were handled effectively.

It should be noted that all communication activities are carried out internally in PMO with the aid of OIB in producing the printed material.

In terms of internal communication, PMO informed the staff of the Office about the subjects that concern them, aiming to promote a strong team spirit within the office and a commitment to providing quality service.

Please refer to Annex 2 and 12 for further details.