



European  
Commission

# Annual Activity Report 2023 annexes

DIRECTORATE-GENERAL FOR HUMAN  
RESOURCES AND SECURITY

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## **ANNEX 1: Statement of the Director(s) 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 Human Resources and Security to the acting Director-General.

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

Date 27 March 2024

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 27 March 2024

Adrian Dusa

Head of Unit Planning and Policy Coordination in 2023

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<sup>(1)</sup> C(2017)2373 of 19.04.2017.  
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## ANNEX 2: Performance tables

<b>General objective: A modern, high performing and sustainable European Commission</b>				
<b>Impact indicator:</b> Staff engagement index in the Commission				
<b>Source of the data:</b> Staff surveys				
<b>Baseline</b>	<b>Interim result</b>		<b>Target</b>	<b>Latest known results</b>
(2018)	(2021)		(2024)	(2023)
69%	72%		Increase	73%
<b>Impact indicator:</b> Percentage of female representation in management in the Commission				
<b>Source of the data:</b> European Commission				
<b>Baseline</b>	<b>Interim result</b>		<b>Target</b>	<b>Latest known results</b>
(2019)	(1 December 2022)		(2024)	(1 December 2023)
40.5%	46.1%		>=50%	47.8%
<b>Impact indicator:</b> Environmental performance in the Commission* - Carbon footprint** (tonnes CO2e)				
<b>Source of the data:</b> Environmental statement 2022				
<b>Baseline</b>	<b>Interim results</b>		<b>Target</b>	<b>Latest known results</b>
(2019)	(2020)	(2021)	(2030)	(2022)
219 801	-36%	-40%	- 38%	-32%
<b>Impact indicator:</b> Environmental performance in the Commission* - Energy consumption of buildings (MWh / person)				
<b>Source of the data:</b> Environmental statement 2022				
<b>Baseline</b>	<b>Interim results</b>		<b>Target</b>	<b>Latest known results</b>
(2019)	(2020)	(2021)	(2024)	(2022)
10.4	-13%	-14%	-12%***	-28%
<b>Impact indicator:</b> Environmental performance in the Commission* - Water use (m3 / person)				
<b>Source of the data:</b> Environmental statement 2022				
<b>Baseline</b>	<b>Interim results</b>		<b>Target</b>	<b>Latest known results</b>
(2019)	(2020)	(2021)	(2024)	(2022)
18.0	-25%	-36%	-5%***	-38%
<b>Impact indicator:</b> Environmental performance in the Commission* - Office paper consumption (sheets / person / day)				
<b>Source of the data:</b> Environmental statement 2022				
<b>Baseline</b>	<b>Interim results</b>		<b>Target</b>	<b>Latest known results</b>
(2019)	(2020)	(2021)	(2024)	(2022)
18.7	-64%	-74%	-15%***	-75%
<b>Impact indicator:</b> Environmental performance in the Commission* - Non-hazardous waste generation (tonnes / person)				
<b>Source of the data:</b> Environmental statement 2022				
<b>Baseline</b>	<b>Interim results</b>		<b>Target</b>	<b>Latest known results</b>
(2019)	(2020)	(2021)	(2024)	(2022)
0.216	-53%	45%	-11%***	-54%

\* 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 - 'I achieve a good balance between work life and private life' (Commission)

Baseline (2018)	Interim result (2021)	Target (2024)	Latest known results (2023)
56%	54%	61%	59%

### Main outputs in 2023:

#### Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Training on ethics	Number of staff that attended training courses on ethics, including participation in e-learning courses	3 500 (as per 2021 & 2022)	10 025
New anti-harassment policy, (Commission decision, a guide for staff and an action plan for harassment prevention)	Adoption of the Commission decision followed by the release of the guide and action plan by DG HR	Q1 2023	Completed with delay Adopted on 12/12/2023
Greening: new guide to missions for staff	Adoption	Q1/2 2023	Delayed – Interservice consultation in June 2023, first phase of social dialogue completed end 2023 in view of adoption in 2024
Greening: new staff commuting policy	Adoption	Q1/Q2 2023	Delayed - First draft completed end 2023 in view of interservice consultation in 2024
Greening: first Greening/EMAS integrated action plan	Adoption (EMAS Steering Committee)	Q1 2023	Completed
Greening: EMAS registration extension to Nicosia and Budapest Commission's representation	EMAS verification certificate	Q4 2023	Completed
Internal gap analysis and follow up to improve health and safety management system (ISO 45001)	Gap analysis carried out	Q4 2023	Completed – Gap analysis for Luxembourg completed in Q4 2023 and in Q1 2024 for Brussels
	Launch of the new approach on evacuation of buildings	Q2 2023	Ongoing - Presentation of options for new approach given to Resource Directors in Q4 2023
New internal corporate communication and staff engagement strategy	Endorsed by the Corporate Communication Steering Committee	Q2 2023	Completed
New Commission intranet	Launch of main corporate assets and transition of several local DG intranets	Q4 2023	Partly delivered - 15 local intranet and 3 corporate thematic sites are launched. Go-live of main corporate assets is imminent, pending the resolution of dependencies
Preparation of new decision on absence/sickness management (ref. be well action plan 1.1.2)	Draft decision	Q4 2023	Delayed - First draft prepared but further simplification required. Aim for adoption before end 2024
Create an integrated approach to mental well-being (ref. be well action plan 2.1.1)	Creation of a single-entry point	Q4 2023	Completed - Programme has been implemented and a SharePoint platform is now available online
Introduce new special leave to enhance equal sharing of responsibility for a new-born/newly adopted child (ref. be well action plan 2.2.3)	Decision adopted by the College	Q4 2023	Delayed - First draft prepared. It is aimed for adoption in 2024

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Evaluation of the implementation of the working time and hybrid working Decision (ref. be well action plan 3.1.1)	Evaluation finalised	30 September 2023	Completed
Participate in the European Schools' governance and contribute to their well-functioning and sustainability	Start the gradual implementation of the future Brussels European Schools configuration in view of the opening of the 5 <sup>th</sup> School in 2028	School year 2023/24	Completed
	Implementation of the revised cost-sharing mechanism	Q4 2023	Completed
Harmonisation of HR policies across agencies with HR model decisions to be adopted by agencies	Model decision, based on the Commission decision on working time and hybrid working to agencies, agreed by the Commission	Q1 2023	Completed

### 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 (2019)	Interim result (2022)	Target (2024)	Latest known results (2023)
12	13	6	15

### Main outputs in 2023:

#### Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Preparation of joint action plans to improve geographical balance of under-represented Member States	Joint action plans prepared for under-represented MS	15 in 2023	Completed
Targeted communication campaign to support the action plans for ensuring geographical balance	Campaign concept and communication plan adopted	Q2 2023	Ongoing - 15 joint action plans on geographical balance have been published. Communication plan on the attractiveness of the Commission as employer is being finalised.
Development of workforce planning methodology - available methodologies screened and the appropriate one selected and adapted to Commission needs	First actions started - number of outreach events providing EC specific information	10-20 outreach events Q4 2023	Completed - More than 30 consultations were conducted with Commission services, the Parliament and other stakeholders on skills mapping in the Commission and the evolution of AST/SC function group in Commission staff
Organise external competitions according to new competition model	First competition published	Q2 2023	Completed - Competitions under the new model were published by EPSO
Organise the internal competitions according to the planning published in 2022	Publication of the competitions according to the planning agreed	Publication of all the competitions on time	Completed
Implement the decision rendering the junior professionals programme permanent and expanding its scope	First call, on the basis of the decision, open also to eligible staff from the executive agencies	Q1 2023	Completed

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Analyse the feasibility of an inter-institutional junior professionals programme	Launch the inter-institutional debate on the feasibility of setting up an inter-institutional junior professionals programme	Q4 2023	Completed – Preliminary discussion with other institutions has been initiated
Follow-up on the exercise started in 2022 to define the role and future of the AST and AST/SC function groups	DG HR will prepare to organise an AST internal competition open to AST-SC colleagues,	Q2 2023	Delayed – Following the analysis, the internal competition will be published by the end of February 2024
Temporary agent decision	Adoption	Q2 2023	Delayed – The draft is being finalised with the various stakeholders. Adoption is scheduled for Q2 2024
Guidelines for recruiting units	Dissemination in all DGs	Q2 2023 (depending on the adoption of the temporary agent decision)	Completed
External publication of TA positions	% of TA positions published externally	10% of TA positions published externally in 2023	Completed
Roll-out of Metro Line	All DGs covered	Q1 2023	Delayed – Due to change of governance. Testing completed and ready to deploy. Roll-out (pilot with 4 DGs before full roll-out) following the pending data protection clearance

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

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

**Source of data:** Staff surveys <sup>(2)</sup>

Baseline (2018)	Interim result (2021)	Target (2024)	Latest known results (2023)
37%	36%	55%	46%

**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 (2019)	Interim result (2022)	Target (2024)	Latest known results (2023)
7.7% of Commission staff (officials, temporary agents and contract agents) having a CG session in the year	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.	10% of the Commission staff	Completed – 19% of staff have been reached through career guidance sessions and/or workshops and webinars. (As some staff participate in more than one activity, the figure is not fully comparable with the baseline)
Career guidance service rated excellent or good by 86% of staff	90.2%	>85%	89%

<sup>(2)</sup> The reference population has changed over time (the 2018 staff survey included non-statutory staff, which was not the case in 2021 and 2023 except for Seconded National Experts). The formulation of the question has also changed from “I am well informed about my career options and the related services available to help me to manage my career” in 2018 and 2021 to “I am well informed about my career options” in 2023. This may have influenced the result.

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

Baseline (2019)	Interim result (2022)	Target (2024)	Latest known results (2023)
10% 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.	95% of all staff profiles	100% of job profiles are covered through LinkedIn and more targeted offers are available through learning packages

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

Baseline (2019)	Interim result (2022)	Target (2024)	Latest known results (2023)
55.9%	57.7%	60%	58.3%

**Result indicator:** Management index  
**Source of data:** Staff surveys <sup>(3)</sup>

Baseline (2018)	Interim result (2021)	Target (2024)	Latest known results (2023)
60%	65%	62%	68%

**Main outputs in 2023:**  
**Other important outputs**

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
New pilot exchange programme between the Commission and executive agencies	Launch of the pilot Evaluation of the pilot finalised	Launch of the pilot Q2 2023 Evaluation of the pilot Q4 2023	Completed – The pilot was completed and evaluated
Start the process to review the General Implementing Provisions governing the recourse to contract staff	Draft ready for inter-service Consultation and concertation with Unions	Q3 2023	Delayed – The review process started
New career talk for newcomers	Communication campaign and launch/number/of invitations / number of talks,	Q2 2023	Completed – Newcomer Career Talks launched in June 2023
4 Year Career Talk – initial evaluation	Evaluation finalised Number of invitations / number of talks	Q3 2023 Min. 1 200 invitations / min. 120 talks	Completed Completed – In 2023, over 1 500 invitations/over 200 talks in total

<sup>(3)</sup> The reference population has changed over time (the 2018 staff survey included non-statutory staff, which was not the case in 2021 and 2023 except for Seconded National Experts). The formulation of a few questions has also changed. This may have influenced the result. However, to facilitate a comparison over the years, one question that was substantially changed has been removed from the index calculation for all years.



<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2023)
Career talks and coaching for managers following the 360 report	Start career talks and coaching for managers	Starting Q1 2023	Completed
	Number of invitations / number of talks	Min. 80 invitations / min. 60 career talks and coaching in total	Completed – 216 coaching sessions with external coach 40 career guidance sessions 48 further sessions with internal coach
Annual Career Days	Delivery of the event	Q4 2023	Completed
Development of the interactive dashboard	Communication campaign and delivery	Q3 2023	Completed
HR Search for HR Professionals	Rollout to HR Correspondents	Q1 2023	Completed
Ongoing professionalisation of the Career Guidance Officers and Coaches	Number of training sessions	Min. 12 training sessions in 2023 (8 sessions held since DG HR's reorganisation in 2022)	Completed – Over 12 training sessions in 2023
Inter-Institutional Career Guidance Training for Career Guidance Officers	Number of participants / institutions / executive agencies	Min. 8 participants / min. 4 institutions / executive agencies (previous training in 2021 with 19 participants)	Completed – 15 participants / 8 institutions
Revised guidelines and model of delivery for coaching	Published guidelines	Q3 2023	Completed
Design (or further develop/fine-tune existing) learning packages for: - managers, document management staff; - economists, administrative assistants, scientists and researchers, international relation officers; - IT experts, linguists, auditors; - programme/project/process managers and lawyers	Publication of learning packages for managers and document management staff	Q1 2023	Completed
	Publication of learning packages for economists, administrative assistants, scientists and researchers and international relation officers	Q2 2023	Partly completed – economics and statistics to be completed by Q2 2024
	Publication of learning packages for IT experts, linguists and auditors	Q3 2023	Partly completed – Interpretation (part of linguists package), external audit (part of audit package) to be completed by Q2 2024
	Publication of learning packages for programme/project/process managers and lawyers.	Q4 2023	Partly completed – Law and infrastructure & logistics to be completed by Q2 2024
Programme for the early identification of talent	1 <sup>st</sup> Programme approved by management	Q3 2023	Delayed – Evaluation completed and presented to management, Q4 2024
Increased awareness and scrutiny on management of probation period and underperformance	Systematic training of new heads of unit and presentations to Commission managers	Throughout 2023	Completed – The new guide for managers on probationary periods was distributed to all Commission managers in December 2023. Trainings for managers have been organised, including systematic induction of new heads of unit
Rollout of the revamped appraisal report with the 2023 annual exercise	Rollout to the entire Commission and institutions/agencies with SLA	Q1 2023	Completed

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

**Result indicator:** Embedding Change & Innovation

**Source of the data:** Staff surveys

Baseline (2018)	Interim result	Target (2024)	Latest known results (2023)
	(2021)		
52%	56%	60%	58%

**Main outputs in 2023:**

**Other important outputs**

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
HR service catalogue	Final HR service catalogue accessible to clients	Q4 2023	Completed – Available in Share point online
Process review	Identification of the processes considered as priority for revision	Q3 2023	Completed – Business process optimisation done for Preselection-Selection-Recruitment
Technological swap for Staff Contact (enabler for future improvements)	Migration of Staff Contact to a new HR IT platform	Q4 2023	Ongoing
Technological swap for Staff Contact (enabler for future improvements)	Migration of Staff Matters website to the new HR Service Desk IT platform	Q4 2023	Ongoing
New HR Service Desk capability - Initial version 1	Ready for production	Q4 2023	Ongoing
New IDOC Case Management - Version 1	Ready for production	Q4 2023	Ongoing
New Pre-selection, Selection, Recruitment - Initial Version 1	Design & Configuration completed	Q4 2023	Ongoing

**Specific objective 5:** Foster a secure workplace

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

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

Baseline (2022)	Interim result	Target (2024)	Latest known results (2023)
	(2022)		
8 149	8 149	9 000	10 100

## Main outputs in 2023:

### Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Elaborate the security strategy concept, including the definition of KPIs	Strategy document finalised	Q4 2023	Postponed to Q4 2024
Common approach on the information security regulation	Progress in Council	Q4 2023	Ongoing – Draft report was adopted by the EP Committee in September 2023. It is under negotiation in the Council
Implement a new governance structure for the management of the guard contract in Brussels and Luxembourg.	Brussels and Luxembourg guard services contracts brought under the operational responsibility of HR.DS.1.	Q2 2023	Completed
Integrate the Duty office, Control Room and Guards supervision team/Dispatch	Development of processes and standard operational procedures	Q2 2023	Postponed to 2024
Implement a new IT platform for risk management	Collect all relevant documents to be included in the repository  Roll-out the new IT platform for risk management	Q3 2023	Ongoing
		Q4 2023	Postponed to Q4 2024
Roll-out the SUE system for highly classified information in close cooperation with the Council	Roll-out of the system in all Member States that are ready for deployment.	Q4 2023	Delayed – Roll-out will start in Q1 2024
Develop the new infrastructure for RUE-X and RTOP, including the roll-out of RTOP to targeted agencies	Back-up system in Luxembourg put in operations	Q4 2023	Completed
Implement a set of measures to protect from unauthorised aerial vehicles (drones), working closely with other EU institutions and stakeholders	Study phase. Implementation mainly during 2023	Q4 2023	Ongoing - Currently finalising public procurement procedure for protective physical security measures against unauthorised aerial vehicles.  A second procedure to be launched. Implementation in 2024 and 2025.
Protect the BERLAYMONT building by strengthening its external entrances and surrounding accessible glass	Procurement phase	Q3 2023 (Berlaymont entrance)	Completed

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

### **Annex 3 Financial Reports - DG HR - Financial Year 2023**

**Table 1 : Commitments**

**Table 2 : Payments**

**Table 3 : Commitments to be settled**

*Refresh date : 27/02/2024*

**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: 27/02/2024*

<b>TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2023 (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	12.52	12.52	99.96 %
	01 02	Horizon Europe	0.00	0.00	0.00 %
<b>Total Title 01</b>			<b>12.52</b>	<b>12.52</b>	<b>99.96 %</b>
<b>Title 02 European Strategic Investments</b>					
02	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0.02	0.02	100.00 %
<b>Total Title 02</b>			<b>0.02</b>	<b>0.02</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	0.40	0.39	96.50 %
<b>Total Title 05</b>			<b>0.40</b>	<b>0.39</b>	<b>96.50 %</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	0.64	0.64	100.00 %
<b>Total Title 07</b>			<b>0.64</b>	<b>0.64</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	0.10	0.10	100.00 %
<b>Total Title 08</b>			<b>0.10</b>	<b>0.10</b>	<b>100.00 %</b>
<b>Title 11 Border Management</b>					
11	11 02	Integrated Border Management Fund (IBMF) - Instrument for financial support for border management and visa	0.01	0.01	100.00 %
<b>Total Title 11</b>			<b>0.01</b>	<b>0.01</b>	<b>100.00 %</b>
<b>Title 13 Defence</b>					
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	0.30	0.30	100.00 %
<b>Total Title 13</b>			<b>0.30</b>	<b>0.30</b>	<b>100.00 %</b>
<b>Title 14 External Action</b>					
14	14 01	Support administrative expenditure of the 'External Action' cluster	1.19	1.19	100.00 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.02	0.02	100.00 %
<b>Total Title 14</b>			<b>1.20</b>	<b>1.20</b>	<b>100.00 %</b>
<b>Title 15 Pre-accession Assistance</b>					
15	15 01	Support administrative expenditure of the "Pre-accession Assistance" cluster	0.10	0.09	86.81 %
<b>Total Title 15</b>			<b>0.10</b>	<b>0.09</b>	<b>86.81 %</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	0.37	0.33	87.87 %

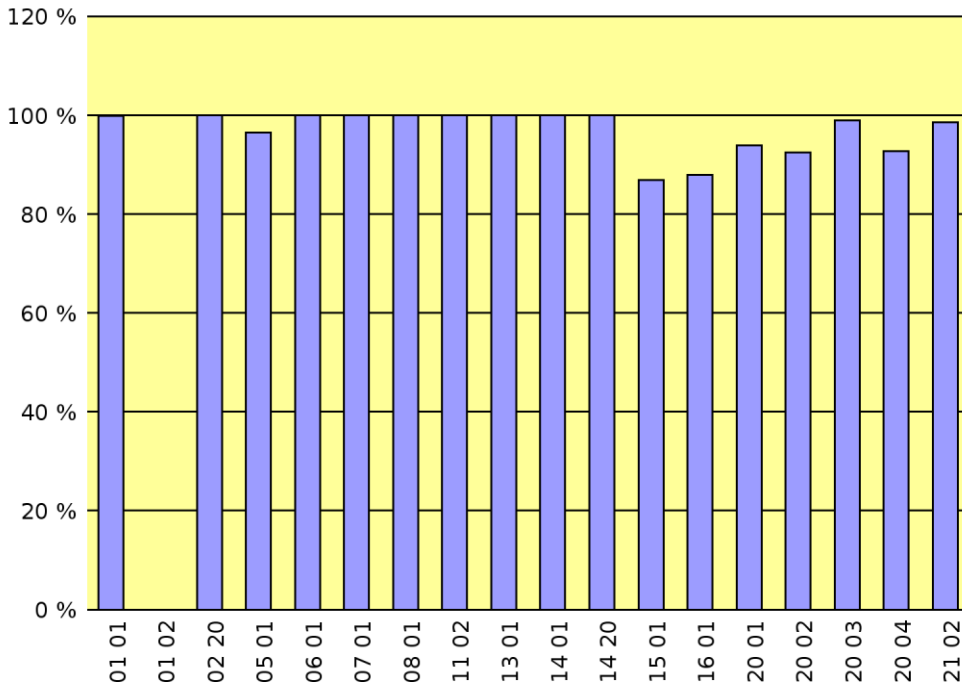
<b>TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2023 (in Mio €) for DG HR</b>					
			<b>Commitment appropriations authorised*</b>	<b>Commitments made</b>	<b>%</b>
			<b>1</b>	<b>2</b>	<b>3=2/1</b>
<b>Total Title 16</b>			<b>0.37</b>	<b>0.33</b>	<b>87.87 %</b>
<b>Title 20 Administrative expenditure of the European Commission</b>					
20	20 01	Members, officials and temporary staff	13.84	12.99	93.90 %
	20 02	Other staff and expenditure relating to persons	28.36	26.21	92.42 %
	20 03	Administrative Operating expenditure	59.02	58.41	98.97 %
	20 04	Information and communication technology-related expenditure	6.50	6.03	92.71 %
<b>Total Title 20</b>			<b>107.71</b>	<b>103.64</b>	<b>96.21 %</b>
<b>Title 21 European Schools and Pensions</b>					
21	21 02	European Schools	259.78	256.08	98.57 %
<b>Total Title 21</b>			<b>259.78</b>	<b>256.08</b>	<b>98.57 %</b>
<b>Total Excluding NGEU</b>			<b>383.16</b>	<b>375.30</b>	<b>97.95 %</b>

<b>Title 01 Research and Innovation</b>					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.02	0.01	48.51 %
<b>Total Title 01</b>			<b>0.02</b>	<b>0.01</b>	<b>48.51 %</b>
<b>Title 06 Recovery and Resilience</b>					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.09	0.09	100.00 %
<b>Total Title 06</b>			<b>0.09</b>	<b>0.09</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	0.51	100.00 %
<b>Total Title 07</b>			<b>0.51</b>	<b>0.51</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	0.00	0.00	0.00 %
<b>Total Title 08</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00 %</b>
<b>Total NGEU Only</b>			<b>0.62</b>	<b>0.61</b>	<b>98.05 %</b>

<b>Total DG HR</b>			<b>383.78</b>	<b>375.91</b>	<b>97.95 %</b>
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\* 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 2023 for DG HR**





<b>TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2023 (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	18.49	15.07	81.51 %
	01 02	Horizon Europe	4.90	4.82	98.33 %
<b>Total Title 01</b>			<b>23.39</b>	<b>19.89</b>	<b>85.04%</b>
<b>Title 02 European Strategic Investments</b>					
02	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
<b>Total Title 02</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>Title 05 Regional Development and Cohesion</b>					
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0.65	0.36	54.87 %
<b>Total Title 05</b>			<b>0.65</b>	<b>0.36</b>	<b>54.87%</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	0.76	0.56	73.95 %
<b>Total Title 07</b>			<b>0.76</b>	<b>0.56</b>	<b>73.95%</b>
<b>Title 08 Agriculture and Maritime Policy</b>					
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	0.12	0.08	68.25 %
<b>Total Title 08</b>			<b>0.12</b>	<b>0.08</b>	<b>68.25%</b>
<b>Title 11 Border Management</b>					
11	11 02	Integrated Border Management Fund (IBMF) - Instrument for financial support for border management and visa	0.01	0.00	0.00 %
<b>Total Title 11</b>			<b>0.01</b>	<b>0.00</b>	<b>0.00%</b>
<b>Title 13 Defence</b>					
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	0.41	0.31	74.37 %
<b>Total Title 13</b>			<b>0.41</b>	<b>0.31</b>	<b>74.37%</b>
<b>Title 14 External Action</b>					
14	14 01	Support administrative expenditure of the 'External Action' cluster	1.39	1.22	87.99 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
<b>Total Title 14</b>			<b>1.39</b>	<b>1.22</b>	<b>87.99%</b>
<b>Title 15 Pre-accession Assistance</b>					
15	15 01	Support administrative expenditure of the "Pre-accession Assistance" cluster	0.19	0.07	38.48 %
<b>Total Title 15</b>			<b>0.19</b>	<b>0.07</b>	<b>38.48%</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	0.43	0.17	39.52 %
<b>Total Title 16</b>			<b>0.43</b>	<b>0.17</b>	<b>39.52%</b>

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2023 (in Mio €) for DG HR					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
<b>Title 20 Administrative expenditure of the European Commission</b>					
20	20 01	Members, officials and temporary staff	18.21	13.22	72.62 %
	20 02	Other staff and expenditure relating to persons	38.47	25.62	66.58 %
	20 03	Administrative Operating expenditure	89.37	54.19	60.64 %
	20 04	Information and communication technology-related expenditure	9.33	6.20	66.49 %
<b>Total Title 20</b>			<b>155.38</b>	<b>99.23</b>	<b>63.86%</b>
<b>Title 21 European Schools and Pensions</b>					
21	21 02	European Schools	260.68	256.18	98.27 %
<b>Total Title 21</b>			<b>260.68</b>	<b>256.18</b>	<b>98.27%</b>
<b>Total Excluding NGEU</b>			<b>443.42</b>	<b>378.08</b>	<b>85.26%</b>

<b>Title 01 Research and Innovation</b>					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.25	0.22	88.82 %
<b>Total Title 01</b>			<b>0.25</b>	<b>0.22</b>	<b>88.82%</b>
<b>Title 06 Recovery and Resilience</b>					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.11	0.09	79.74 %
<b>Total Title 06</b>			<b>0.11</b>	<b>0.09</b>	<b>79.74%</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	0.38	0.30	79.79 %
<b>Total Title 07</b>			<b>0.38</b>	<b>0.30</b>	<b>79.79%</b>
<b>Title 08 Agriculture and Maritime Policy</b>					
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	0.04	0.03	91.20 %
<b>Total Title 08</b>			<b>0.04</b>	<b>0.03</b>	<b>91.20%</b>
<b>Total NGEU Only</b>			<b>0.78</b>	<b>0.65</b>	<b>83.19%</b>

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\* 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 2023 for DG HR**

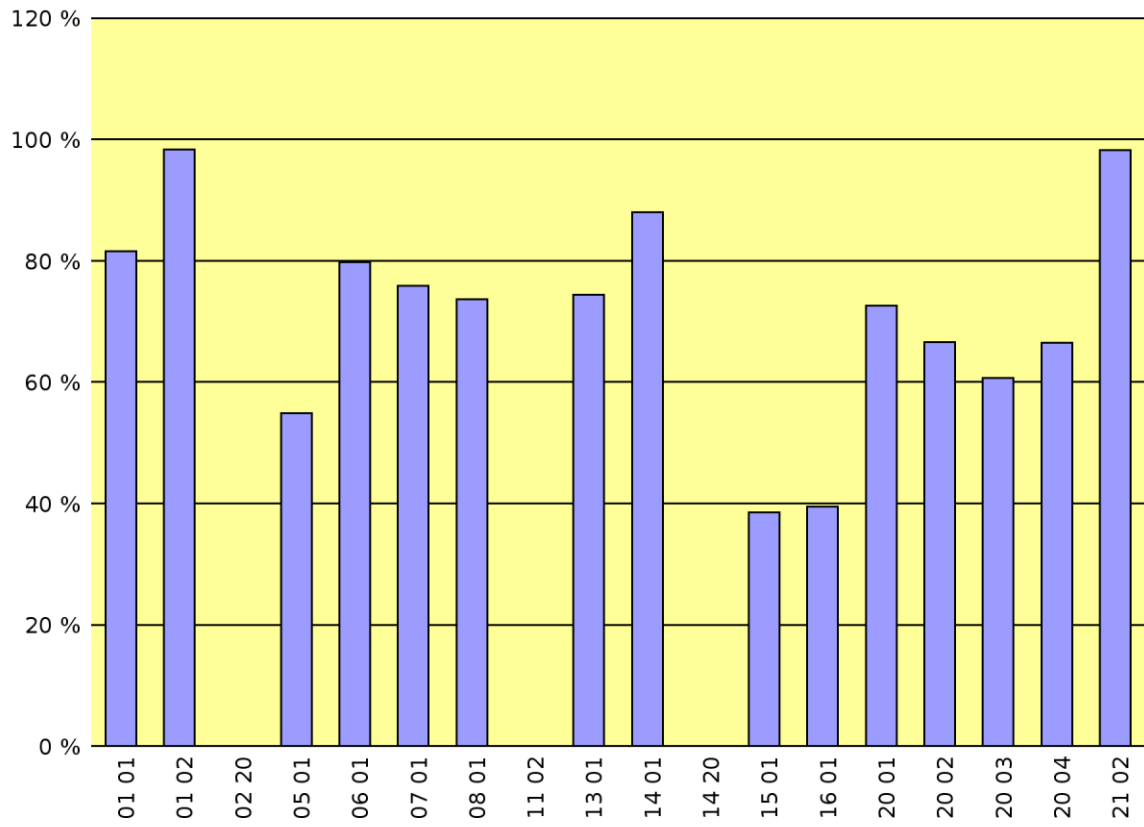


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
			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	12.52	9.92	2.59	20.74%	0.01	2.60	5.97
	01 02	Horizon Europe	0.00	0.00	0.00	0.00%	0.08	0.08	4.98
<b>Total Title 01</b>			<b>12.52</b>	<b>9.92</b>	<b>2.59</b>	<b>20.74%</b>	<b>0.08</b>	<b>2.68</b>	<b>10.96</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0.02	0.00	0.02	100.00%	0.00	0.02	0.00
<b>Total Title 02</b>			<b>0.02</b>	<b>0.00</b>	<b>0.02</b>	<b>100.00%</b>	<b>0.00</b>	<b>0.02</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
			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	0.39	0.28	0.11	29.37%	0.00	0.11	0.25
<b>Total Title 05</b>			<b>0.39</b>	<b>0.28</b>	<b>0.11</b>	<b>29.37%</b>	<b>0.00</b>	<b>0.11</b>	<b>0.25</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
Chapter			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	0.64	0.51	0.13	19.79%	0.00	0.13	0.12
<b>Total Title 07</b>			<b>0.64</b>	<b>0.51</b>	<b>0.13</b>	<b>19.79%</b>	<b>0.00</b>	<b>0.13</b>	<b>0.12</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
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	0.10	0.07	0.03	27.61%	0.00	0.03	0.02
<b>Total Title 08</b>			<b>0.10</b>	<b>0.07</b>	<b>0.03</b>	<b>27.61%</b>	<b>0.00</b>	<b>0.03</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
11	11 02	Integrated Border Management Fund (IBMF) - Instrument for financial support for border management and visa	0.01	0.00	0.01	100.00%	0.00	0.01	0.00
<b>Total Title 11</b>			<b>0.01</b>	<b>0.00</b>	<b>0.01</b>	<b>100.00%</b>	<b>0.00</b>	<b>0.01</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
			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	0.30	0.20	0.10	33.54%	0.00	0.10	0.11
<b>Total Title 13</b>			<b>0.30</b>	<b>0.20</b>	<b>0.10</b>	<b>33.54%</b>	<b>0.00</b>	<b>0.10</b>	<b>0.11</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
			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	1.19	1.07	0.12	10.13%	0.00	0.12	0.22
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.02	0.00	0.02	100.00%	0.00	0.02	0.00
<b>Total Title 14</b>			<b>1.20</b>	<b>1.07</b>	<b>0.14</b>	<b>11.34%</b>	<b>0.00</b>	<b>0.14</b>	<b>0.22</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
			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	0.09	0.06	0.03	30.69%	0.00	0.03	0.11
<b>Total Title 15</b>			<b>0.09</b>	<b>0.06</b>	<b>0.03</b>	<b>30.69%</b>	<b>0.00</b>	<b>0.03</b>	<b>0.11</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
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	0.33	0.16	0.17	52.09%	0.05	0.22	0.11
<b>Total Title 16</b>			<b>0.33</b>	<b>0.16</b>	<b>0.17</b>	<b>52.09%</b>	<b>0.05</b>	<b>0.22</b>	<b>0.11</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
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	12.99	9.38	3.62	27.84%	0.00	3.62	4.37
	20 02	Other staff and expenditure relating to persons	26.21	17.53	8.68	33.11%	0.00	8.68	10.11
	20 03	Administrative Operating expenditure	58.41	24.36	34.04	58.29%	0.00	34.04	30.35
	20 04	Information and communication technology-related expenditure	6.03	3.25	2.78	46.10%	0.00	2.78	2.83
<b>Total Title 20</b>			<b>103.64</b>	<b>54.52</b>	<b>49.12</b>	<b>47.40%</b>	<b>0.00</b>	<b>49.12</b>	<b>47.67</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
Chapter			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	256.08	255.28	0.80	0.31%	0.00	0.80	0.90
<b>Total Title 21</b>			<b>256.08</b>	<b>255.28</b>	<b>0.80</b>	<b>0.31%</b>	<b>0.00</b>	<b>0.80</b>	<b>0.90</b>

<b>Total Excluding NGEU</b>	<b>375.30</b>	<b>322.06</b>	<b>53.25</b>	<b>14.19%</b>	<b>0.13</b>	<b>53.37</b>	<b>60.45</b>
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**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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
Chapter			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	0.01	0.01	0.00	30.15%	0.00	0.00	0.23
<b>Total Title 01</b>			<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>30.15%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.23</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
Chapter			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	0.09	0.06	0.03	35.95%	0.00	0.03	0.05
<b>Total Title 06</b>			<b>0.09</b>	<b>0.06</b>	<b>0.03</b>	<b>35.95%</b>	<b>0.00</b>	<b>0.03</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 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
Chapter			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	0.51	0.30	0.20	39.93%	0.00	0.20	0.00



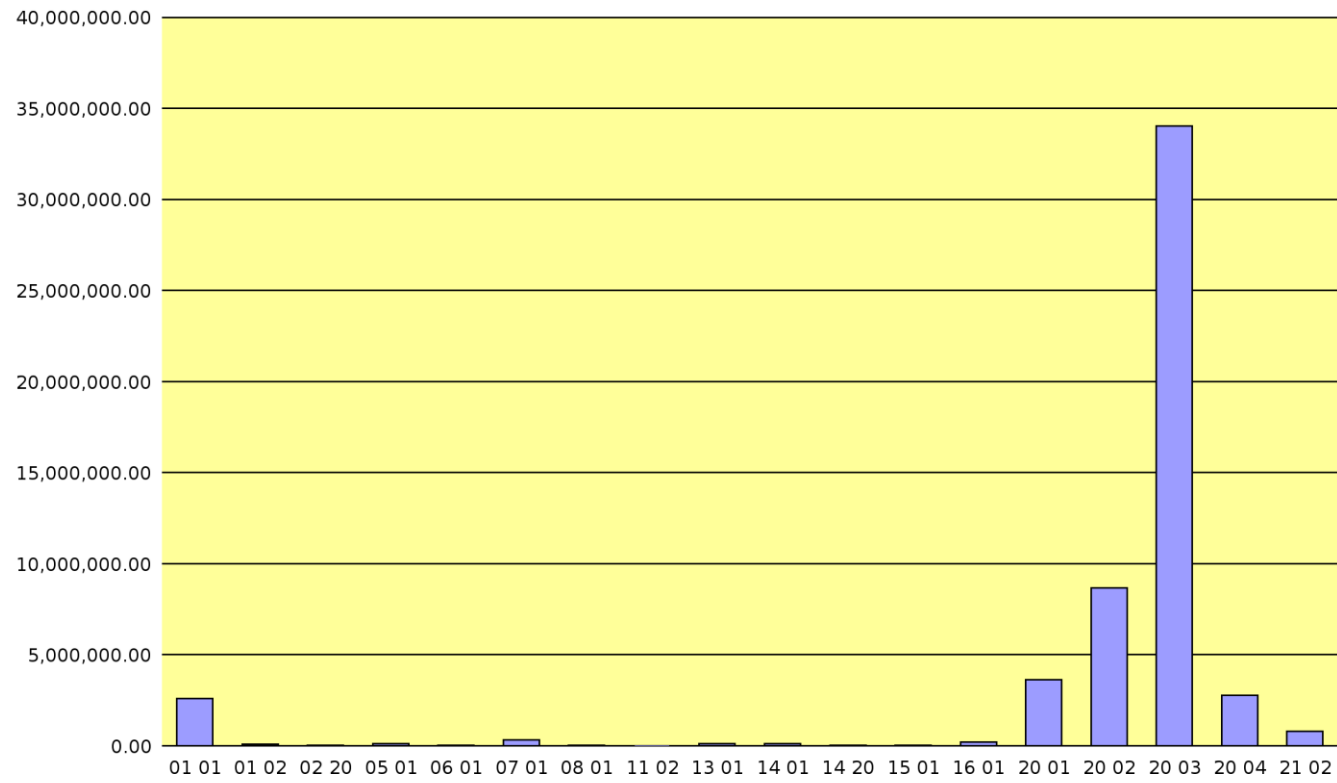
<b>Total Title 07</b>	<b>0.51</b>	<b>0.30</b>	<b>0.20</b>	<b>39.93%</b>	<b>0.00</b>	<b>0.20</b>	<b>0.00</b>
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**TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HR**

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
			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	0.00	0.00	0.00	0.00%	0.00	0.00	0.04
<b>Total Title 08</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>0.04</b>
<b>Total NGEU Only</b>			<b>0.61</b>	<b>0.37</b>	<b>0.24</b>	<b>39.15%</b>	<b>0.00</b>	<b>0.24</b>	<b>0.31</b>

<b>Total for DG HR</b>			<b>375.91</b>	<b>322.43</b>	<b>53.48</b>	<b>14.23 %</b>	<b>0.13</b>	<b>53.61</b>	<b>60.76</b>
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Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2023 HR



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

<b>BALANCE SHEET</b>	<b>2023</b>	<b>2022</b>
<b>A.I. NON CURRENT ASSETS</b>	0.00	0.00
A.I.1. Intangible Assets	0.00	0.00
<b>A.II. CURRENT ASSETS</b>	690,676.23	989,098.65
A.II.2. Current Pre-Financing	0.00	0.00
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	690,676.23	989,098.65
A.II.6. Cash and Cash Equivalents	0.00	0.00
<b>ASSETS</b>	<b>690,676.23</b>	<b>989,098.65</b>
<b>P.II. CURRENT LIABILITIES</b>	<b>-1,178,581.84</b>	<b>-1,158,943.68</b>
P.II.4. Current Payables	-1,178,581.84	-1,158,943.68
P.II.5. Current Accrued Charges & Defrd Income	0.00	0.00
<b>LIABILITIES</b>	<b>-1,178,581.84</b>	<b>-1,158,943.68</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>-487,905.61</b>	<b>-169,845.03</b>

P.III.2. Accumulated Surplus/Deficit	2,546,982,497.03	2,235,299,283.63
Non-allocated central (surplus)/deficit*	-2,546,494,591.42	-2,235,129,438.60

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>2023</b>	<b>2022</b>
II.1 REVENUES	-45,619,366.50	-43,832,292.81
II.1.2. EXCHANGE REVENUES	-45,619,366.50	-43,832,292.81
II.1.2.2. OTHER EXCHANGE REVENUE	-45,619,366.50	-43,832,292.81
II.2. EXPENSES	381,371,490.50	355,515,506.21
II.2. EXPENSES	381,371,490.50	355,515,506.21
II.2.11. OTHER EXPENSES	373,411,046.48	348,599,778.58
II.2.2. EXP IMPLEM BY COMMISS&EX.AGENC	78,255.48	
II.2.6. STAFF AND PENSION COSTS	7,866,769.32	6,915,454.40
II.2.8. FINANCE COSTS	15,419.22	273.23
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>335,752,124.00</b>	<b>311,683,213.40</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 5bis : OFF BALANCE SHEET for DG HR**

<b>OFF BALANCE</b>	<b>2023</b>	<b>2022</b>
OB.1. Contingent Assets	120,240.00	583,046.35
GR for performance	120,240.00	583,046.35
OB.3. Other Significant Disclosures	0.00	0.00
OB.3.3.7. Other contractual commitments	0.00	0.00
OB.4. Balancing Accounts	-120,240.00	-583,046.35
OB.4. Balancing Accounts	-120,240.00	-583,046.35
<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
10	6	6	100.00 %	2.17				0.00	0 %
12	14	14	100.00 %	7.00				0.00	0 %
17	2	2	100.00 %	7.00				0.00	0 %
24	10	10	100.00 %	12.20				0.00	0 %
26	14	14	100.00 %	21.00				0.00	0 %
29	1	1	100.00 %	8.00				0.00	0 %
30	10,460	10,414	99.56 %	10.65	46	0.44 %	41.70	226,194.75	0 %
31	14	14	100.00 %	18.00				0.00	0 %
38	1	1	100.00 %	6.00				0.00	0 %
45	60	60	100.00 %	16.60				0.00	0 %
47	2	2	100.00 %	17.50				0.00	0 %
60	127	123	96.85 %	21.46	4	3.15 %	83.00	4,020,681.84	8 %
90	1	1	100.00 %	6.00				0.00	0 %
120	1,725	1,724	99.94 %	12.82	1	0.06 %	316.00	25.00	0 %

<b>Total Number of Payments</b>	<b>12,437</b>	<b>12,386</b>	<b>99.59 %</b>		<b>51</b>	<b>0.41 %</b>		<b>4,246,901.59</b>	<b>1 %</b>
<b>Average Net Payment Time</b>	<b>11.27</b>			<b>11.10</b>			<b>50.31</b>		
<b>Average Gross Payment Time</b>	<b>12.65</b>			<b>12.46</b>			<b>59.57</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	41	422	3.39 %	12,437	50,647,048.29	13.46 %	376,321,116.51

Late Interest paid in 2023			
DG	GL Account	Description	Amount (Eur)
HR	65010100	Interest on late payment of charges New FR	15,419.22
			<b>15,419.22</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 2023 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	25,405,463.83	105,676.00	25,511,139.83	25,076,291.43	105,676.00	25,181,967.43	329,172.40
33	Other administrative revenue	21,924,631.16	122,047.58	22,046,678.74	21,907,719.16	106,321.37	22,014,040.53	32,638.21
<b>Total DG HR</b>		<b>47,330,094.99</b>	<b>227,723.58</b>	<b>47,557,818.57</b>	<b>46,984,010.59</b>	<b>211,997.37</b>	<b>47,196,007.96</b>	<b>361,810.61</b>

**TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2023 for DG HR**

<b>EX-ANTE CONTROLS BY TRANSACTION</b>	<b>Irregularity</b>	<b>Total ex-ante amounts</b>
NON ELIGIBLE IN COST CLAIMS		
CREDIT NOTES	1,067,128.47	<b>1,067,128.47</b>
RECOVERY ORDERS ON PRE-FINANCING		
<b>Sub-Total</b>	<b>1,067,128.47</b>	<b>1,067,128.47</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 BY TRANSACTION</b>	<b>Irregularity</b>	<b>Total ex-post amounts</b>
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING	744,442.38	<b>744,442.38</b>
INCOME LINES IN INVOICES		
<b>Sub-Total</b>	<b>744,442.38</b>	<b>744,442.38</b>
<b>GRAND TOTAL (EX-ANTE + EX-POST)</b>	<b>1,811,570.85</b>	<b>1,811,570.85</b>

The amount of EUR 0.7 million 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.



**TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2023 for DG HR**

	Number at 1/1/2023 1	Number at 12/31/2023	Evolution	Open Amount (Eur) at 1/1/2023 1	Open Amount (Eur) at 12/31/2023	Evolution
2010	1	1	0.00 %	3,782.09	3,782.09	0.00 %
2015	3	2	-33.33 %	109,363.75	10,920.00	-90.01 %
2020	1	1	0.00 %	5,824.12	1,024.12	-82.42 %
2022	15		-100.00 %	108,753.62		-100.00 %
2023		30			346,084.40	
	<b>20</b>	<b>34</b>	<b>70.00 %</b>	<b>227,723.58</b>	<b>361,810.61</b>	<b>58.88 %</b>

**TABLE 10 :Recovery Order Waivers >= 60 000 € in 2023 for DG HR**

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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**Total DG HR**

**Number of RO waivers**

There are 2 waivers below 60 000 € for a total amount of -1,700

**TABLE 11 : Negotiated Procedures in 2023 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 (a) - Follow-up of an open/restricted procedure where no (or no suitable) tenders/requests to participate have been submitted	1	2,074,000.00
Annex 1 - 11.1 (f) (i) - Supplies of additional deliveries	1	74,000.00
<b>Total</b>	<b>2</b>	<b>2,148,000.00</b>

**TABLE 12 : Summary of Procedures in 2023 for DG HR**

## Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure middle value contract (Annex 1 - 14.2)	8	6,535,175.00
Negotiated procedure without prior publication (Annex 1 - 11.1)	2	2,148,000.00
Open procedure (FR 164 (1)(a))	14	28,261,634.50
Restricted procedure without Dynamic purchasing system (FR 164 (1)(b))	1	19,383,000.00
<b>Total</b>	<b>25</b>	<b>56,327,809.50</b>

### Additional Comments:

One of the above-mentioned open procedures, worth EUR 8 million, was awarded by DG EAC. The contract management was transferred to DG HR in the context of the transfer of the Blue Book traineeship office.

**TABLE 13 : BUILDING CONTRACTS in 2023 for DG HR**

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

**TABLE 14 : CONTRACTS DECLARED SECRET in 2023 for DG HR**

Legal Base	LC Date	Contract Number	Contract Subject	Contracted Amount (€)
Annex 1 - 11.1 (i) - Secret contract or contract requiring special security measures	02/08/2023	SI2.1347369	GLOBAL SECURITY HR/2023/NP/0111_BDC 224/23_DS2	55,690.00
		1		<b>55,690.00</b>

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

**TABLE 16 : Commitments co-delegation type 3 in 2023 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>375,913,112.06</b>
<b>Of which Co-deleg Type III per giving DG</b>	<b>6,606,968.37</b>
<i>AGRI</i>	110,000
<i>CLIMA</i>	341,000
<i>CNECT</i>	548,500
<i>DEFIS</i>	86,775
<i>ECHO</i>	834,448.99
<i>EMPL</i>	1,171,807
<i>ENER</i>	81,000
<i>ENV</i>	89,000
<i>FPI</i>	2,674.44
<i>GROW</i>	193,219.15
<i>HERA</i>	44,000
<i>HOME</i>	93,000
<i>INTPA</i>	70,000
<i>JRC</i>	210,000
<i>MARE</i>	65,000
<i>MOVE</i>	381,420.58
<i>NEAR</i>	569,313.48
<i>OLAF</i>	572,000
<i>REFORM</i>	29,688
<i>REGIO</i>	353,779
<i>RTD</i>	760,342.73

## ANNEX 4: Financial scorecard

The annual result is presented in the form of a scorecard comprising the eleven standard financial indicators. The indicators are presented below, each indicator has an objective and a result both for DG HR and for the Commission as a whole (for benchmarking purposes):

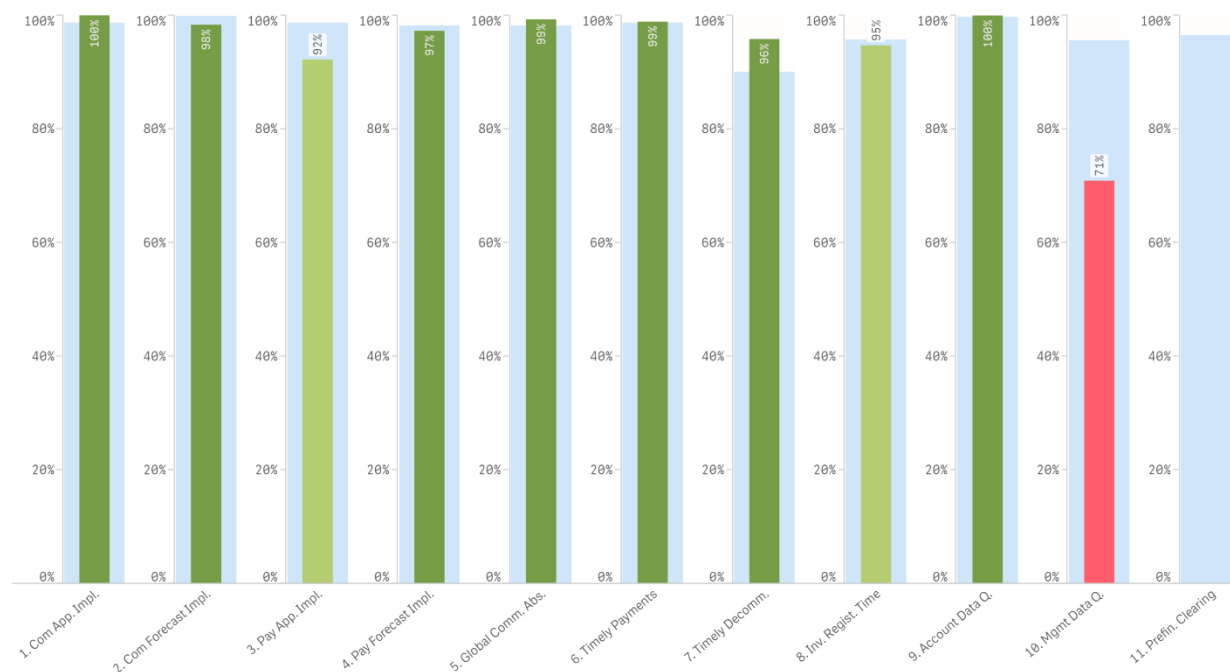
The Scorecard: Eleven Standard Financial Indicators	
1. Commitment Appropriations (CA) Implementation	6. Timely Payments
2. CA Forecast Implementation	7. Timely Decommitments
3. Payment Appropriations (PA) Implementation	8. Invoice Registration Time
4. PA Forecast Implementation	9. Accounting Data Quality
5. Global Commitment Absorption	10. Management Data Quality
	11. Timely Invoice PF clearing <sup>(4)</sup>

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

DG HR achieved a result of 100 – 95% for most targets and over 90% for all but one target for management data quality. The result for indicator N° 10, Management Data Quality, is associated with a recurrent manual procedure mass closure of legal commitments linked to interimaire expenditure. The procedure was ongoing on 31/12/2023 and only completed in the first days of January 2024.

HR Indicator Scores for 2023 12





Indicator	Objective	Comment	HR Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		100%	99%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		98%	100%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		92%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		97%	98%
5. Global Commitment Absorption	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		99%	98%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines		99%	99%
7. Timely Decommittments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle		96%	90%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		95%	96%
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	The procedure for the <i>mass closure of legal commitments</i> linked to <i>interimaires</i> expenditure was ongoing at 31/12/2023 and completed early January 2024.	71%	96%
11. Timely Invoice PF clearing		The indicator is not applicable for DG HR in 2023 due to the lack of underlying transactions recorded by DG HR in 2023.	-	100%

## **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 principle;
- 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>(5)</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.

The implementation of this 'de minimis' threshold applies at the level of the annual activity report reservations, i.e. not at all affecting the detailed reservations at the level of the Payment Agency(s)/Operational Programme(s).

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<sup>(5)</sup> Agreement of the Corporate Management Board of 30/4/2019.  
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## 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 the decision to procure was inappropriate.</p> <p>Discontinuation of the services provided due to late contracting</p>	<p>Publication of planned procurements / Work program</p> <p>Note to AO(S)D on justification (economic, operation) for launching a procurement process Preparation 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>(6)</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.

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<sup>(6)</sup> FTE: Full Time Equivalent  
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## 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	<p>Financial circuit: AOS approval and supervision of specifications.</p> <p>Additional supervision above a financial threshold: procurement &gt;60.000 €</p> <p>And/or use of a consultative/advisory committee GAMA and/or HR Procurement Board</p>	<p>Coverage: 100% Depth: Level 3</p> <p>Coverage: Those replying to criteria: procedure &gt;60.000€ Depth: Level 4</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 linked to operational unit + central unit</p> <p>Benefits (qualitative): No litigation, compliance</p>

## 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	<p>Opening committee and Evaluation committee with members from different departments.</p> <p>Consultative committee GAMA and/or Procurement Board</p> <p>Conflict of interests declarations.</p> <p>Exclusion criteria documented</p> <p>Standstill period to address tenderers concerns.</p>	<p>Coverage: 100% Depth: Level 4</p> <p>Coverage: Risk based sampling Depth: Level 4</p> <p>Coverage: 100% Depth: Level 4</p> <p>Coverage: 100% Depth: Level 4</p> <p>Coverage: 100% Depth: N/A</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 Costs: FTE linked to operational unit + central unit</p> <p>Benefits (qualitative): No litigation, compliance</p>

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% Depth: Level 4</p> <p>Coverage: 100% Depth: Level 4</p> <p>Coverage: Those replying to criteria Depth: Level 2</p> <p>Coverage: AOSDs mainly 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>

### 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

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 Board of Governors, 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 32 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 twol payments are calculated as a share of the total amount (6/12, 4/12)	Coverage: 100%	The first three payments are calculated as a share of the total amount (6/12, 4/12)  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 as well as by an external auditor (Deloitte).</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 Benefits (qualitative): Compliance</p>

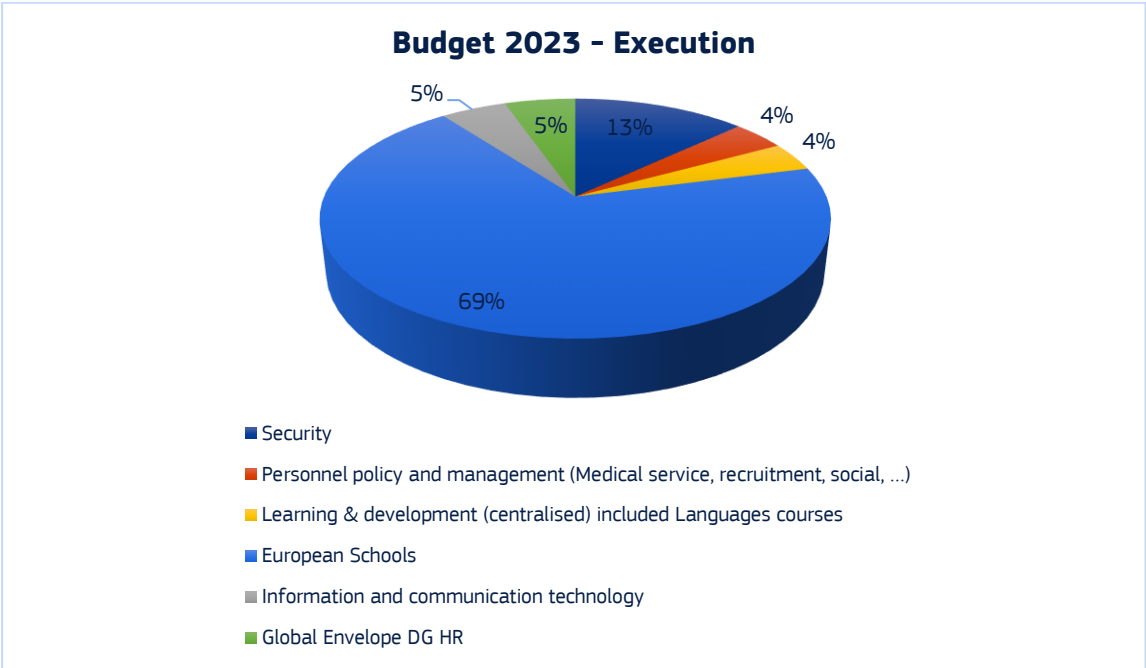
# ANNEX 7: Specific annexes related to "financial management"

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

### DG HR Budget

#### Budget 2023 – Execution

In the execution of the 2023 budget worth almost EUR 376 million, 69% of the funds were directed towards European Schools, facilitating quality education for the children of Commission staff across various locations. The second largest part of the budget was used for security measures aimed at safeguarding operations and assets within the European Commission. Expenditure on personnel policy and management, covering essential services such as the medical service, recruitment, and social support, received EUR 13 million to ensure the well-being and effectiveness of the Commission’s workforce. Another significant allocation was used to support learning and development initiatives, including centralized programs such as language courses to enhance the professional skills of employees. Finally, both the Global Envelope (covering general running costs) and ICT expenditure, managed by DG HR, each received approximately 5% of the budget, facilitating strategic investments and operational support crucial for the efficient functioning of the Commission's human resources and IT infrastructure, respectively.



### ***Additional Financial Responsibilities Entrusted to DG HR***

Beyond the allocated budget, additional financial responsibilities entrusted to DG HR total just over EUR 68.6 million. These relate to 1) funding managed by DG HR on behalf of the European Schools and 2) funding to cover costs incurred to provide additional support to other DGs and to other EU entities (Institutions, Agencies and bodies).

All budget allocations received from other entities were covered by the internal control system applied to DG HR expenditure.

### ***European Schools' Income***

EUR 21 million of funding emanates from third parties to contribute to the European Schools' budget (traditional and Accredited European Schools). 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 Entrusted to DG HR by Other DG's***

DG HR has been entrusted with EUR 47.6 million for 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 the budget of 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 service level agreements (SLAs) or other Administrative Arrangements.

In 2023, a significant formal agreement between DG EAC and DG HR was reached regarding the transfer of all transactions associated with the "Blue Book" Traineeships Office. This agreement led to the creation of a cross sub-delegation involving a budget transfer of EUR 13.3 million. Subsequently, in 2024, this cross sub-delegation evolved into a co-delegation Type I. This co-delegation pertains to financial transactions related to various aspects of trainee support, including the monthly allowance, travel expenses, health insurance, as well as expenditures for events and other activities managed by the trainees.

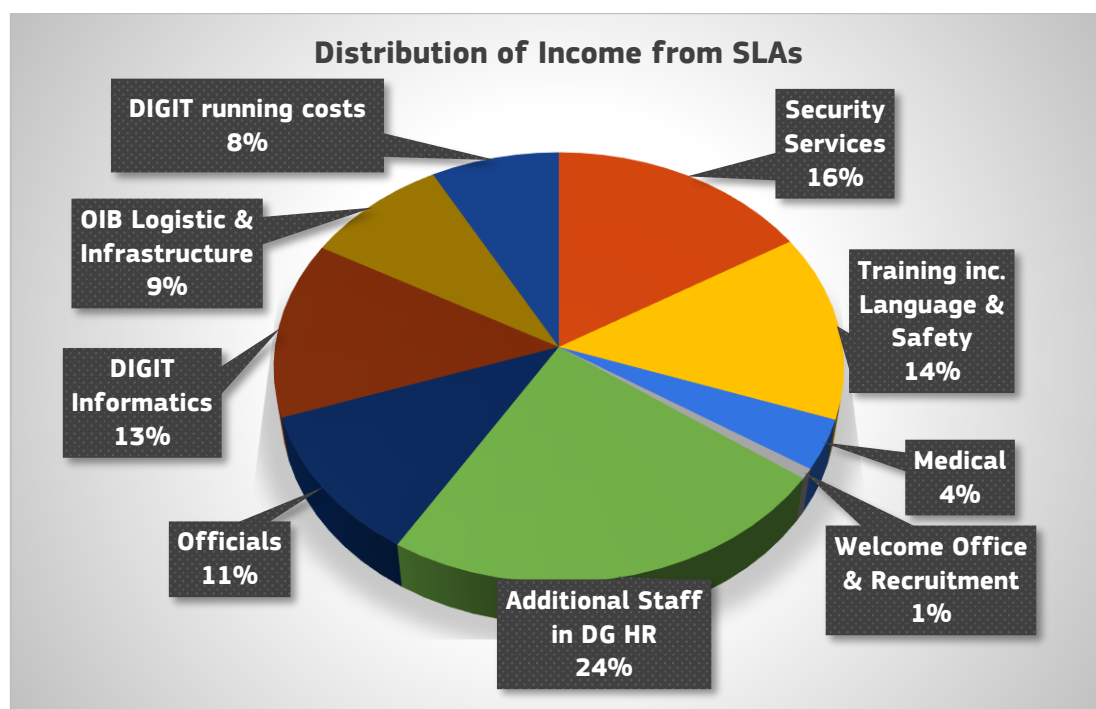
Other key responsibilities entrusted to DG HR primarily cover:

- Recruitment services (interim agency staff) amounting to approximately EUR 13.2 million.
- HRM Support Services, including specialist learning and development and recruitment, totalling EUR 2 million.
- Co-financing of corporate IT expenditures (INTPA appropriations) totalling EUR 5.6 million.

- Security services for informatics (DIGIT), Research family, and infrastructure (OIB) totalling EUR 9.7 million.
- Financial support services related to the IAS running costs estimated at less than EUR 0.2 million.
- Specialist Services for Nuclear Medicine for the Joint Research Centre, totalling EUR 0.7 million.
- Other services for the Joint Research Centre, totalling EUR 2.9 million.

### **Chargeback for Services Provided by DG HR**

In 2023, DG HR charged EUR 25.3 million for services delivered to other EU entities. Out of this amount, 70% (EUR 17.7 million) was reallocated to DG HR's operational and staffing budgets. This allocation covered the expenses related to providing HRM support services to a wider range of clients. The remaining 30% was utilized to offset additional costs borne by other Commission services (OIB, DIGIT, and PMO).



The chargeback for these services generated extra revenue representing ~5% of DG HR's total budget. Excluding the European Schools, it accounts for 16.7% of the operational budget. A significant portion of the revenue was directed towards the Commission's informatics department, DIGIT, to support the provision of the HRM IT system, SYSPER, to various institutions and bodies. DG HR also covered the costs of providing services to others, notably for security, training, and medical services.

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

DG HR allocated EUR 11.6 million to other DGs within the European Commission for the execution of specific tasks on its behalf. The majority of this funding (99%) was delegated to DIGIT for IT support services <sup>(7)</sup>. For all budget allocations entrusted to other DGs, DG HR utilized existing reporting mechanisms to monitor these funds and is not aware of any significant issues or weaknesses that could impact assurance. Therefore, it concludes that there are no control weaknesses affecting the assurance statement of the DG.

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

### ***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 2023 DG HR dealt with 21 375 transactions including payments worth EUR 384.6 million (EUR 378 million relating to DG HR budget, and the rest on behalf of other services). Many of these payments are routine in nature with 28% of them are associated with interim staffing services, and 13% with blue book trainees for the period September-December, the latter two being 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 8 054, shows a 15.5% decrease compared to 2022.

The high value transactions are associated with the European Schools. The average amount paid to the schools was EUR 3.6 million and 38.5% higher 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

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<sup>(7)</sup> The chargeback process of HR for IT services involves allocating costs incurred by DG HR for IT support services provided by DIGIT, the Directorate-General for Informatics.

centralised controls. In 2023, the mandatory use of the Commission's Public Procurement Management Tool (PPMT) for all types of procurement procedures was further consolidated. This led to increasing transparency and considerably strengthened compliance with the public procurement legal framework. In addition, the integration of PPMT with other electronic tools, such as eSubmission and the Funding and Tenders Portal, was significantly improved. As a result, DG HR achieved cost reductions and managed to limit the risks associated with procurement. The whole procurement process is currently based on automation, simplification, and environmental performance.

The decentralisation process of tendering procedures presenting a lower level of risk was also achieved in the organisation. Those procedures are now conducted by a network of Local Procurement Officers (LPO's) specifically designated for that purpose and having the necessary expertise in the field of procurement. However, the central Procurement and Internal Control Unit continues to provide support when appropriate to prevent exposure to legal risks. The unit also promotes a continuous training to diffuse knowledge about the latest developments concerning EU public procurement. Therefore, the financial and litigation risks which could result from procedural irregularities remain limited. In 2023, the procurement services of DG HR intervened in a total of 33 high and middle value procedures. The number of procedures supported by the procurement services increased in 2023, compared to 2022.

More generally, 21 high value tendering procedures were completed in 2023, under the supervision of DG HR. Subsequently, 48 contracts were awarded, worth EUR 78 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.

### ***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)

## Effectiveness of controls

### *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 Exceptions Register and Derogations*

DG HR's register of exceptions and non-compliance events highlights three exceptions and thirty 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 17 thousand. They are associated with the extension of contract deadlines and the application of an indexation clause in the context of the new environment of high inflation. Alternative solutions examined by the authorising officer did not offer the necessary guarantees.

**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 2023 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 regularisation of social security clearance amounts related to the contracts under Belgian labour law
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.

The amount associated with the derogations in 2023 was EURO 1.1 million. The derogation associated with the European Schools' budget accounts for 73% of the total.

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

The thirty non-compliance events accounted for some EUR 467 thousand. In three cases representing 84% of this amount, the associated errors relate to contract monitoring and management, and respect of financial circuits following a contract amendment. In the remaining cases, the associated errors were linked to weaknesses in monitoring contract execution and/or a failure to formalise amendments to legal commitments, respect of procurement and reimbursement procedures, linked to the annuality principle, IT systems, and data protection. 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.

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

DG HR continued addressing the issue of the '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 is ongoing at the relevant service to improve the efficiency of the SIT authorisation process and to clarify roles and responsibilities of the actors in the workflow.

About the issue of the reinforcement of controls in respect of the annuality principle, the finance unit supported by the internal control team continued with the actions to promote measures to enable an effective application of this important budgetary principle, achieving good results reducing the number of instances of incompliance.



Finally, as regards the controls linked to contract planning and monitoring, it has been noted the increase of larger framework contracts, reducing the number of smaller ones, making the controls more efficient, and leading to an improvement in the number of exceptions in this regard. However, there have still been identified a number of cases in 2023 and the work will continue in 2024.

## **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.

### **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 2023 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 2023 covered 49 transactions worth EUR 7.3 million representing 1.5% of the value of all payments and 3.7% 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>(1)</sup> )	% of value of transactions <sup>(8)</sup> covered by the sample
Payments	40	5.6	1.5 %
Recovery orders	9	1.7	3.7 %
<b>Total</b>	<b>49</b>	<b>7.3</b>	<b>1.7 %</b>

<sup>(1)</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 supporting documentation. **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 1.1% 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 %.

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

Transaction type	Number Ex-post controls	Value associated with the sample (MEUR)
Payments	34	1.6
Recovery orders	7	0.1
<b>Total</b>	<b>41</b>	<b>1.7</b> <b>(1.1% of Procurement transactions)</b>

### Results for the European Schools Sub Population

The amounts associated with the checks on transactions for the European Schools correspond to 2% of the total 2023 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	6	4.0
Recovery orders	2	1.6
<b>Total</b>	<b>8</b>	<b>5.6</b> <b>(2% of payments to European Schools)</b>

<sup>(8)</sup> Payments and recovery orders  
HR\_aar\_2023\_annexes

## Estimated Error Rate using a Weighted Average

The estimated error rate using a weighted average for all payments made by DG HR is 0% for 2023.

Strand of DG HR Financial Activity	Estimated Error rate	% Total payments
Procurement and Other expenses	0.00%	33%
Contribution to the European Schools	0.00%	67%
<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**. 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 DG HR 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 preparation notes relating to the launch of new high value procurement procedures; and assess and discuss reports relating to the award of high value procurement procedures.

### Statistics on coverage of ex-ante checks by the Procurement Board in 2023 (for DG HR):

DG HR Procurements presented to the Procurement Board	
N° procurement procedures	9
Estimated value associated with procurement procedures	MEUR 270.6
N° procurement procedures	8
Awarded value associated with procurement procedures	MEUR 34.4

The procurement control and support services delivered by DG HR to EPSO/EUSA, ensured that the procedures of EPSO/EUSA were also subjected to the scrutiny of the Procurement Board.

**Statistics on coverage of ex-ante checks by the Procurement Board in 2023 (for EPSO/EUSA):**

EPSO/EUSA Procurements presented to the Procurement Board	
N° procurement procedures	2
Estimated value associated with procurement procedures	MEUR 78.3
N° procurement procedures	2
Awarded value associated with procurement procedures	MEUR 1.1

Given the nature of DG HR’s operations, the results of the controls do not translate into figures or savings. The errors were often linked to procedural elements and thus the corrective measures focused on reviewing and revising procedures, enhancing staff training or improving monitoring systems.

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 in principle submitted 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(s).

**Results of ex-ante checks by the GAMA in 2023 (for DG HR):**

Number and Value of Procurement	DG HR Procurements submitted to the GAMA	
	Total in 2023	Checked Ex Ante by GAMA
N° procurement procedures	13	5
Awarded value associated with procurement procedures	MEUR 38.7	MEUR 29.2

The GAMA issued positive opinions for all five DG HR files that were selected for scrutiny, two of which included specific recommendations. In the context of the procurement control and support services delivered by DG HR to EPSO/EUSA, procurement procedures of these Services are also presented to the GAMA.

**Results of ex-ante checks by the GAMA in 2023 (for EPSO/EUSA):**

Number and Value of Procurement	EPSO/EUSA Procurements submitted to the GAMA	
	Total in 2023	Checked Ex Ante by GAMA
N° procurement procedures	2	0
Awarded value associated with procurement procedures	MEUR 1,1	MEUR 0,0

**The Safeguarding of Assets**

The assets of DG HR 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 2023, for any instances of detected personal data breach, DG HR followed the data breach management procedure as stipulated 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.

The HR Data Protection Coordinator team was able to provide assistance to DG HR controllers and further raise the overall level of compliance with the data protection rules. 334 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 234 meeting and oral requests from HR services in 2023.

**Fraud prevention, detection and correction**

DG HR has supported OLAF in the finalisation of the updated action plan to implement the Commission’s anti-fraud strategy in 2023.

DG HR has continued in 2023 the implementation of the actions defined as continuous in its local anti-fraud strategy, in the areas of fraud prevention (e.g. controls on access to HR data, training on ethics, enhanced supervision through the multi-service committee (GAMA), systematic implementation of the segregation of duties in the financial circuits), detection (annual campaigns of ex-post controls, implementation of whistleblowing policy) and correction (e.g. implementation of the results of IDOC investigations e.g. sanctions).

**Efficiency of controls**

The measures adopted the last few years (e.g., the implementation of the eProcurement tools and 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.

2023 was the first full year in which DG HR introduced the compulsory use of the eProcurement tool, PPMT for all procedures. This tool contributes to increasing the efficiency of the compliance controls of the procurement process.

### 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 controls on procurement and transactions for HRM support services**

In 2023, an estimated EUR 11.8 million was invested in controls for procurement operations and associated financial transactions (payments, commitments and recovery orders). The cost was in line with 2022 considering the impact of increased staff costs. The amount is calculated on considering that a total ~ 78 FTEs staff were involved in controlling transactions. The number of FTE staff decreased by 1.8% when compared to 2022.

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

- Total value contracts, EUR 117 million<sup>(9)</sup>, compared to the FTEs estimated in procurement (13.6 FTEs) is EUR 8.6 million per FTE.
- Total value contracts awarded divided by the cost of staffing for procurement control gives a return per EUR spent on control of EUR 62 <sup>(10)</sup>.
- Cost of control on procurement, EUR 1.9 million for 21 procedures awarded during the year results in EUR 91 thousand per procurement procedure.

An estimated EUR 9.2 million was invested in ex ante controls of 21 375 transactions (including commitments, payments and recoveries). This represents a 3% cost reduction with respect to previous years. The cost corresponds to 7.5%, of the total of amount paid in relation to HRM support services (EUR ~122 million).

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<sup>(9)</sup> See table 12 in annex 3

<sup>(10)</sup> This value fluctuates significantly from year to year due to that fact that it is linked to the value of the contracts awarded e.g. it ranged from EUR 307 in 2022 to EUR 49 in 2021.

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

- Cost of control for payments, which account for 72% of all transactions, is estimated to be EUR 6.6 million (72% of EUR 9.2 million). Dividing this cost by 15 216 payment transactions gives a cost of control of EUR 431 per payment transaction..
- 5 635 automated payments done in the year over a total of 15,216 payments results in 37% of the payments being automated. As a result, the cost of control divided purely by manual payments, would result in a cost of EUR 970 per payment transaction.
- The ex-ante payment controls relate to payments worth a total of EUR 128.4 million. The resulting return on (control) investment amounts to EUR ~20.

An estimated EUR 0.7 million was invested in internal control and ex-post controls on 49 financial transactions pertaining to DG HR and a further 39 pertaining to EPSO/EUSA. 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 0) to the total value of payments checked (EUR 5.6 million) is negligible.
- The total value of payments checked by Control ex-post EUR 5,6 million compared to the estimated costs of the ex-post controls (1,6 FTEs, EUR 0,2 million) is EUR 28.
- The estimated cost of the ex-post controls (EUR 0,2 million) compared to the total number of transactions checked by Control ex-post (49) results in EUR 4 thousand.

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

The European Schools' 2023 payments totalled EUR 256.2 million. The estimated costs of controlling the associated financial management overall are around EUR 0.32 million (staff costs). Thus 0.1% 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 4 million.
- 11% of the cost of ex-post controls, EUR 83 thousand, were dedicated to the checks on European School transactions. Therefore, an estimated EUR 10.4 thousand is the return on every EUR spent on control on European School payments.

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

It is recognised that the benefits gained from increased investment in control are not easily quantifiable. Ideally, the negative consequences of insufficient control should be measured to monetise the impact of sound internal control. This, of course, is virtually impossible.

## Audit observations and recommendations

### ECA

The ECA Special Report N° 20/2023 "Supporting persons with disabilities - Practical impact of EU action is limited" issued on 12/10/2023 containing four recommendations, out of which one relevant to DG HR:

The EU institutions should lead by example and:

- a) measure progress towards including persons with disabilities into their workforce;
- b) report on progress regularly (preferably every two years) in full respect of data protection rules, by comparing their own data against comparable information at EU level, and where feasible also at member state level.

Deadline for implementation: 31/12/2025.

### IAS

The internal auditor 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 as listed below. These recommendations are being addressed, in line with the agreed action plans.

[List of 'very important' IAS recommendations accepted and not reported as implemented by management and/or closed by the IAS <sup>\(11\)</sup>.](#)

#### 1. 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 - Updated target date: 31.12.2024.

#### 2. Audit on protection of confidentiality of information at corporate level (2023);

- Recommendation No 5: provision for external service providers (ESPs) to ensure confidentiality of information.

DG HR will improve the monitoring of the security screening of externals with the automation of the tool to distinguish the non-screened from the screened ESPs.

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<sup>(11)</sup> Based on the latest reporting made by the Directorate-General in TeamCentral (cut-off date 31 January 2024).



Due date: 30/06/2025

- Recommendation No 7: IT controls to ensure protection of SNC information.  
DG HR will adjust the training and awareness material related to the handling of SNC information in accordance with the new IT tools and processes approved for use.

Due date: 30/06/2025

- Recommendation No 9: process for managing information security incidents.  
DG HR will put in place a workflow tool to follow up on incidents.

Due date: 31/12/2024

## 2. Cost of controls

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

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	10.748.047,00 €	122.548.211,97 €	8,77%	620.355,10 €	1.697.964,94 €	36,54%	11.368.402,10 €	9,28%
European Schools	322.805,00 €	256.175.423,05 €	0,13%	121.044,90 €	5.657.426,25 €	2,14%	443.849,90 €	0,17%
<b>OVERALL total estimated cost of control at EC level for expenditure</b>	<b>11.070.852,00 €</b>	<b>378.723.635,02 €</b>	<b>2,92%</b>	<b>741.400,00 €</b>	<b>7.355.391,19 €</b>	<b>10,08%</b>	<b>11.812.252,00 €</b>	<b>3,12%</b>

\* if the control costs are not attributable to a single RCS and may relate to a 'mix' of expenditure, revenue, assets/liabilities, etc, they may be grouped

\*\* ratio possibly "Not Applicable (N/A)", e.g. if a RCS specifically covers an Internal Control Objective such as safeguarding sensitive information, reliable accounting/reporting, etc

\*\*\* any 'holistic' control elements (e.g. with 'combined' ex-ante & ex-post characteristics) can be reported in the ex-ante column provided that a footnote clarifies this (their nature + their cost). Example: MS system audits in shared management.

\*\*\*\* These include revenue operations (e.g. assigned revenue, fines, interest); assets (e.g. (in)tangible or financial assets, inventories, treasury) and financial liabilities or 'off balance sheet' items (e.g. employee benefits, guarantees offered or other commitments)

## **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"

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

Table X: Estimated risk at payment and at closure

DG HR	"payments made" (FY; MEUR)	minus new prefinancing [plus retentions made] (FY; MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (FY; MEUR)	= "relevant expenditure" (FY; MEUR)	Detected error rate or equivalent estimates	estimated risk at payment (FY; MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC; %)	estimated future corrections (FY; MEUR)	estimated risk at closure	
									(FY; MEUR)	(FY; %)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
HRM support services	122,55	0,00	0,00	122,55	0,00%	0,00	0,00%	0,00	0,00	0,00%
European Schools	256,18	0,00	0,00	256,18	0,00%	0,00	0,00%	0,00	0,00	0,00%
<b>DG HR total</b>	<b>378,72 MEUR</b>	<b>0,00 MEUR</b>	<b>0,00 MEUR</b>	<b>378,72 MEUR</b>	<b>0,00 %</b>	<b>0,00 MEUR</b>	<b>0,00 %</b>	<b>0,00 MEUR</b>	<b>0,00 MEUR</b>	<b>0,00 %</b>
<b>Overall risk at payment in %</b>						<b>0,00 %</b>		<b>Overall risk at closure in %</b>		<b>0,00 %</b>

#### 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 DG HR 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.

## 2. Reservations

Not applicable

# 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(2020)146 and SEC (2023) 200

Baseline (1 December 2019)	Target	Latest known results (31/12/2023)
44% female representation in DG HR's middle management (15 of 34)	2020-2022 target: 3 first female appointments 2023-2024 target: No target assigned	47% female representation in DG HR's middle management (17 of 36) N.B. DG HR had already met the 2020-2022 target of 3 first female appointments to middle management positions by the end of 2022. In 2023, DG HR made 2 first female appointments out of 5 (40%).

**Indicator:** Staff engagement index  
**Source of data:** Staff surveys

Baseline (2018)	Target 2024	Latest known results (31/12/2023)
70%	72%	77%

### Main outputs in 2023:

Description	Indicator	Target	Latest known results (31/12/2023)
All staff town hall sessions	Number of town hall sessions	6 town hall sessions by Q4 2023 (7 town hall sessions were held in 2022)	Completed
Appointments of Female Deputy Heads of Unit	Number of female Deputy Heads of Unit	50% of female Deputy Heads of Unit by Q4 2023	Completed - 57% female Deputy Heads of Unit (16 of 28)

Description	Indicator	Target	Latest known results (31/12/2023)
Information sessions for team managers who are interested in becoming Head of Unit	Number of information sessions for team managers who are interested in becoming Head of Unit	2 information sessions for team managers who are interested in becoming Head of Unit by Q4 2023	Delayed - Action postponed to 2024 in the framework of the upcoming work on talent management on a corporate level

## 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)	Target (2024)	Latest known results (31/12/2023)
0%	40%	ServiceNow (20%) HR Service Desk (80%)

**Indicator:** Percentage of DG HR's key data assets for which corporate principles for data governance have been implemented

**Source of data:** DG HR

Baseline (2020)	Target (2024)	Latest known results (31/12/2023)
37%	80%	75%

**Indicator:** Percentage of staff attending awareness raising activities on data protection compliance

**Source of data:** DG HR

Baseline (2018)	Target (2024)	Latest known results (31/12/2023)
2%	100%	100%

## Main outputs in 2023:

Description	Indicator	Target	Latest known results (31/12/2023)
Implementation of the corporate principles for data governance for DG HR's key data assets (12)	Percentage of implementation of the corporate principles for data governance for [the service's] key data assets	65% (52% achieved in 2022)	60,6%
Implementation of a tool aiming at generating multiple choice questions using artificial intelligence: moving from the prototyping phase to a stable minimum viable product that can be used in the context of simulated or real competitions	Number of simulated or real competitions.	At least one simulated or real competition.	Delayed - The funding of artificial intelligence products for use in simulated or real competitions is still subject to approval
Raising data protection awareness among HR professionals and staff members through targeted trainings	Number of targeted training sessions	At least one given by HR Data Protection Coordinator	4
Information related to IT security risk updated in reference system: GovIS	Number of reviews of GovIS information	At least two reviews of the security section of GovIS2 entries	Completed – 2 reviews: Gestmax (for bluebook traineeship management) and HR Service Desk
Implementation of IT priority controls on relevant systems	Percentage of implementation of IT priority controls on relevant systems in particular compliance with Multi-factor authentication/EU Login	100%	90%
Revised IT security plan	Number IT security plans updated in 2023	2 in 2023 (out of 3 from 2021 and 9 from 2022)	2 IT Security revised in 2023

(12) For each key data asset, services should assess if the following principles have been respected (see also this [practical guidance](#)):

- Identify and designate the data owner and the data steward(s).
- Instruct their data stewards to share the metadata of their data assets in the Commission's data catalogue and to keep them up to date.
- Design and document processes for data collection/creation, acquisition, access, sharing, use, processing preservation, deletion, quality, protection, and security. Information concerning these processes should be made available to anyone interested, as long as any confidentiality restrictions are respected.
- Make any necessary changes and updates to the IT systems used for storing, managing, and disseminating these data assets to implement the aforementioned requirements and processes.



## Sound environmental management

**Objective:** Half the CO2 emissions from professional travel between 2019-2024

**Indicator:** CO2 emissions (t) from DG HR staff professional travel

**Source of data:** EMAS coordination team (HR.D.7) / MIPS

Baseline (2019)	Target (2024)	Latest known results (31/12/2023)
1 426 504 CO2 (t)	-50%	-35%

### Main outputs in 2023: Main outputs in 2023:

#### I. More efficient use of resources (energy, water, paper):

Description	Indicator	Target	Latest known results (31/12/2023)
<b>Priority action to support the Greening the Commission Communication and action plan</b>			
Participation in corporate energy saving actions, by closing down DG/service's buildings during the Christmas and New Year's / summer holiday period, and/or optimisation of the temperature in EC buildings.	Number of DG/service's buildings participating in: - end of year energy saving action - summer energy saving action - optimisation of comfort hours and/or comfort temperature	50% of DG/service's buildings participating in - end of year energy saving action - summer energy saving action - optimisation of comfort hours and/or comfort temperature	L107 is one of the buildings participating and acting as 'hub' during the 'BEST' energy saving actions
<b>Other recommended actions</b>			
Staff awareness actions to reduce energy, water and paper use in the framework of EMAS corporate campaigns.	Number of actions	1	Completed - 2 actions organised
	Number or % of staff informed/participated related to <ul style="list-style-type: none"> <li>• Energy consumption</li> <li>• Water consumption</li> <li>• Paperless working methods</li> </ul>	100%	100%

Description	Indicator	Target	Latest known results (31/12/2023)
Establish baseline (2022) concerning energy, water and paper consumption per DG building, in collaboration with OIB/OIL.	<ul style="list-style-type: none"> <li>Energy consumption per DG/service building (MWh/person per year)</li> <li>Water consumption per DG/service building (m3/person)</li> <li>Paper consumption per DG/service (prints/person)</li> </ul>	<ul style="list-style-type: none"> <li>Reduce energy consumption (%) <sup>(13)</sup></li> <li>Reduce water consumption (%) <sup>(14)</sup></li> <li>Reduce paper consumption (%)</li> </ul>	2019-2022 trends for BREY, BRE2 and PLB3 (for L107 only 2022 data is available). Energy: (Electricity –37% and gas: +19%) Water: –63% Paper: –53% Source: Environmental Statement 2023 (data 2022) – soon to be published on MY IC and Europa

## II. Reducing CO2, equivalent CO2 and other atmospheric emissions

### Priority action to support the Greening the Commission Communication and action plan

Analysis of DG/service's missions trends / patterns (based on corporate EC-staff's professional trips (missions <sup>15</sup> )	Signed the EC DG/service Travel Pledge	Yes	Yes
Establish a baseline (2022)	CO2 (t) emissions from DG/service's missions	Reduce DG/service's CO2 emissions from missions <sup>16)</sup> (%)	Established baseline (2019): 1 426 504 CO2 (t) 2023: 925 261 CO2 (t) –35% between 2019-2023

### Other recommended actions

Staff awareness actions on sustainable commuting during EU Mobility week and VeloWalk corporate events and/or raise staff awareness on sustainable commuting in collaboration with OIB or OIL (e.g. availability of bike parking facilities, lockers and showers, promote the reduction of parking spaces' use amongst staff).	Number or % of staff informed/participated	100%	100%
	% of sustainable commuters <sup>(17)</sup> at DG/service	10% <sup>(18)</sup>	29 participants in VeloMai (compared to 39 in 2022) Total cycled distance 4.487 km (compared to 4 530 km in 2022)

<sup>(13)</sup> Overall reduction of energy consumption for DG/service (all buildings) from 2019 to 2023 (%).

<sup>(14)</sup> Overall reduction of water consumption for the DG/service (all buildings) during 2019-2023 (%).

<sup>15</sup> Data provided by PMO/MiPs.

<sup>16</sup> Overall reduction of CO2 emissions from missions for the DG/service from 2019 to 2023 (%).

<sup>17</sup> Sustainable commuting usually refers to environmentally friendly travel modes, such as: public transport (bus, tram, subway, light rail), walking, cycling, and carpooling.

<sup>18</sup> Based on the results of the corporate staff mobility survey conducted by HR.A.4 during 2022.

Description	Indicator	Target	Latest known results (31/12/2023)
<b>III. Reducing and management of waste</b>			
<b>Priority action to support the Greening the Commission Communication and action plan</b>			
Implementation of the EC Guidelines for sustainable meetings and events in all major internal events, e.g. DG HR Christmas Party.	Number of green events	100%	Completed - 100% of large-scale events (e.g. DG HR Christmas Party)
<b>Other recommended actions</b>			
Staff awareness actions about waste reduction and sorting in the framework of EMAS corporate campaigns.	Number of actions Number or % of staff informed/participated	1 100%	Completed
Establish waste generation baseline (2022) in DG HR buildings, in collaboration with OIB/OIL.	Waste generation per DG/service building (kg/person)	Y (2022)	2019-2022 trends for BREY, BRE2 and PLB3 (for L107 only 2022 data is available). Waste: -74% Source: Environmental Statement 2023 (data 2022) - soon to be published on MY IC and Europa
<b>IV. Promoting green public procurement (GPP)</b>			
<b>Priority action in line with the Greening the Commission Communication and action plan</b>			
Launch of a Preparation Note to all operational units in DG HR to consult the Interinstitutional Green Public Procurement Helpdesk for their high-value procedures.  Establish a baseline on the number of contracts (respective value in EUR) including "green" criteria, among high-value contracts.	Y/N  Y/N	Y  Y	Postponed to 2024  Due to the lack of reliable follow-up mechanisms in place for the monitoring of inclusion of 'green criteria' in DG HR tenders, it was opted to address Green Public Procurement recommendations to all high-value DG HR contracts.
<b>Other recommended actions</b>			
Staff awareness actions on the promotion of "green items" among EC office supplies' catalogue.	Number of actions	1	1
	Number or % of staff informed/participated	100%	100%