



# Annual Activity Report 2023

annexes

LEGAL SERVICE

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

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


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

Brussels, on 25 March 2024

*(electronic signature)*

Gilles GANTELET

Director of Resources, Risk management and Internal Control

 Electronically signed on 25/03/2024 13:50 (UTC+01) in accordance with Article 11 of Commission Decision (EU) 2021/2121

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

# ANNEX 2: Performance tables

## General objectives and impact indicators

<b>General objective 6:</b> A push for European democracy			
<b>Impact indicator 8:</b> Perceived independence of the national justice systems in the European Union			
<b>Source of the data:</b> Flash Eurobarometer 519- Perceived independence of the national justice systems in the EU among the general public - June 2023 - - Eurobarometer survey (europa.eu)			
Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2023)
56% (EU 2/28)	53%	increase	53 %

This indicator measures the percentage of the general public that perceives the independence of national justice systems as very or fairly good.

<b>General objective 7: A Modern high-performing and sustainable European Commission</b>			
<b>Impact indicator 1:</b> Image of the European Commission			
<b>Source of the data:</b> Standard Eurobarometer 100 - Autumn 2023 - December 2023 - - Eurobarometer survey (europa.eu)			
Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2023)
43 % (EU 27)	47 %	increase	44 %

This indicator is based on the question ‘In general, does the EU conjure up for you a very positive, fairly positive, neutral, fairly negative or negative image?’ The indicator gives the share of positive and fairly positive views on this question.

## 1.1. Legal Advice

**Specific objective 1A** *Legal Proposals for adoption by the Council and the Parliament are transparent and of high quality to ensure full benefit of the rules to EU citizens*

*Administrative*

**Result indicator:** Reply rate to consultations to Commission DGs and Services

**Source of the data:** Decide <sup>(2)</sup>, Secretariat General

Baseline (2020)	Interim Milestone		Target (2024)	Latest known results (2023)
	(2022)	(2023)		
93%	>87%	>92%	>92%	85 %


The increased number of consultations and the very short deadlines provided have meant that the target reply rate of 92% could not be met.

### Main outputs in 2023:

#### Other important outputs – A. Legal Advice

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Legal advice to the President and the Commission	Attendance by DG in Commission and Heads of Cabinet meetings	100 %	100 %

#### Other important outputs – B. Advice on quality of legislation and legal revision

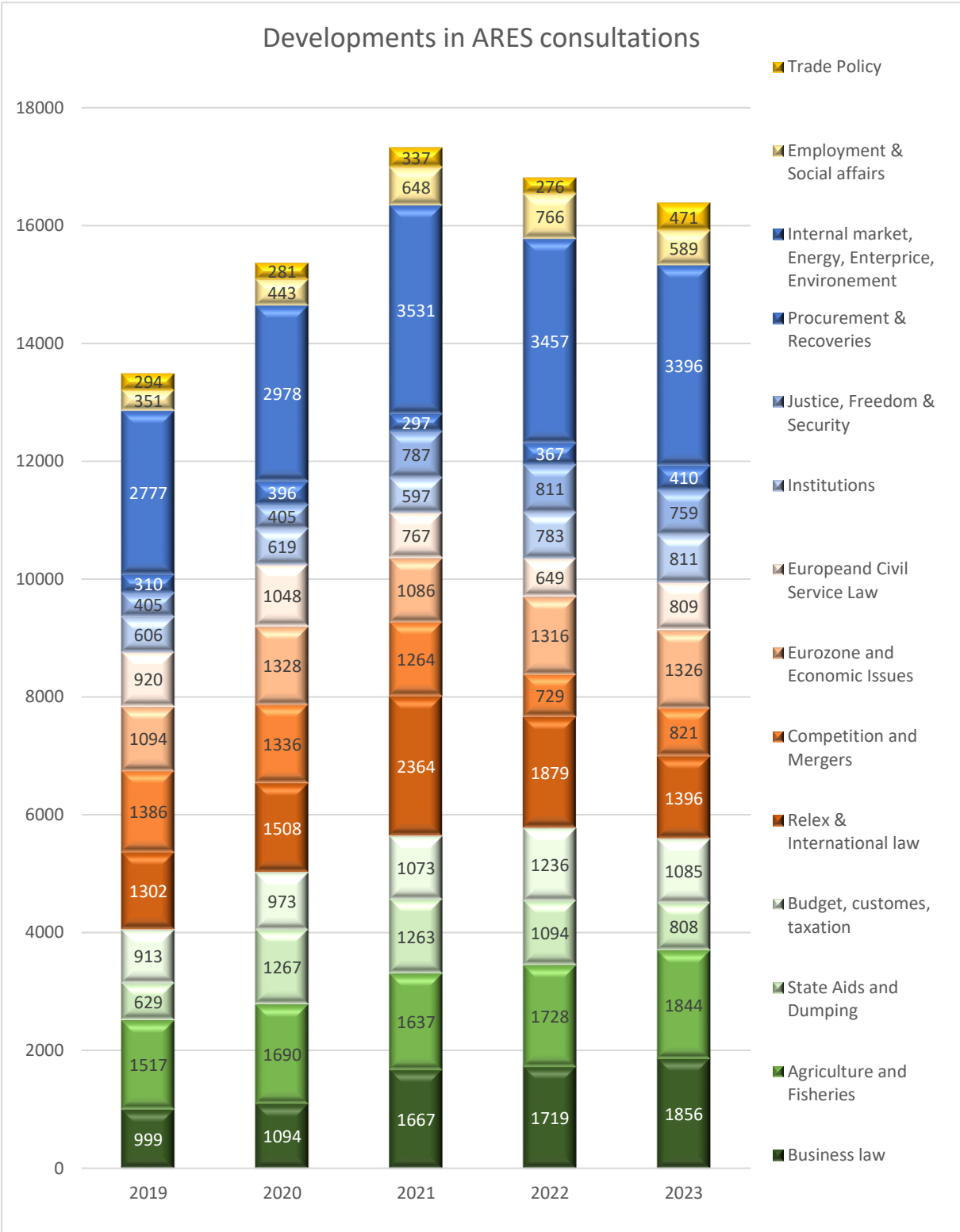
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Legal revision of all selected draft legal proposals	% of selected texts	100%	100%
Codification of all identified pursuant to the Commission agenda planning 	% of identified acts	100%	100%
Legal revisions in two or more official languages	Number of texts	>100	86
Corrigenda	Number of texts	>250	427

<sup>(2)</sup> Decide is the database for following the Commission decision-making process

**Table 1 below shows developments in the number of consultation requests per category for 2019–2023 and percentages of replies within the respective deadlines during 2023.**

Number of consultations and replies within deadline.							
	2019	2020	2021	2022	Target	2023	
ARES	13.503	15.336	17.318	16.381	17.000	<b>16.831</b>	-
Decide (normal deadlines)	7.850	8.779	10.424	10.417	10.500	<b>9.920</b>	82%
Fast track (short deadlines in Decide)	152	144	112	117	120	<b>132</b>	100%
Requests for Access to documents	275	209	205	219	220	<b>181</b>	97%
Number of documents requested	635	524	477	653	-	<b>477</b>	n/a
Parliamentary questions	4.400	6.853	5.681	4.094	4.100	<b>3.653</b>	100%
Petitions	729	768	832	489	500	<b>493</b>	100%
Ombudsman	65	39	31	35	30	<b>39</b>	97%
<b>Consolidated average reply rate within deadline</b>	93%	93%	88%	87%	92%		<b>85%</b>

**Graph A shows the development in the numbers of consultations registered in ARES and their attribution to the various teams from 2019-2023.**



Graph A: Development in consultations registered in ARES per year and legal team (Source: ARES)

The number of consultations received and registered in ARES in 2023 was above average compared to the past five years.

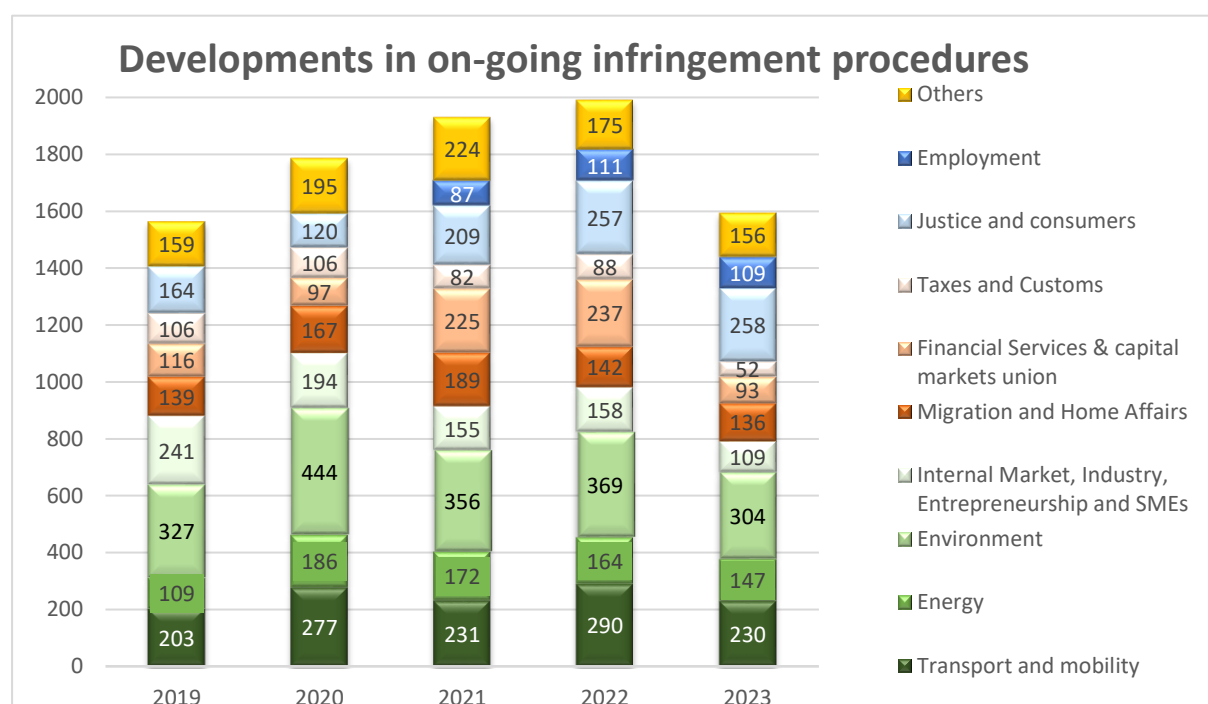
## 1.2. Infringement procedures

Table 2 shows developments in Infringement procedures.

Number of Infringement procedures managed by the Legal Service per year					
	2019	2020	2021	2022	2023
New	797	903	847	647	<b>528</b>
Closed	805	757	704	504	<b>1.037</b>
On-going	1.564	1.786	1.930	1.991	<b>1.594</b>

Table 2: Developments in infringement procedures (Source: Themis database)

Graph B shows developments in infringement procedures by subject from 2019-2023.



Graph B: Evolution of Infringement procedures (consultations) (Source: Themis database)

In 2023, the number of on-going infringement consultations has decreased by 10% compared to the average for the past 5 years.

Table 3 shows the development in infringement court cases from 2019-2023.

Number of Infringement cases brought before the Court by the Legal Service per year (and status of case)					
	2019	2020	2021	2022	2023
New cases	34	16	19	35	<b>49</b>
Closed cases	35	33	23	22	<b>33</b>
- Of which withdrawn cases	9	3	3	3	10
- With a Court judgment	26	30	20	19	23
Pending cases	56	45	36	49	<b>65</b>

Table 3: Number of Infringement court cases (Source: Base Contentieux database).




### 1.3. Quality of Legislation

**Specific objective 1B:** Legal proposals for adoption by the Council and the Parliament are transparent and of high quality to ensure full benefit of the rules to EU citizens.

*Administrative spending*

**Result indicator 1.2:** Contribution to ensure that draft legal proposals are of high linguistic quality when they are sent to the Council and European Parliament for adoption

**Source of the data:** Decide, Commission Agenda planning

<b>Baseline (2020)</b>	<b>Interim Milestone (2022)</b>	<b>Target</b>	<b>Latest known results (2023)</b>
All selected draft legal proposals to undergo legal revision	Maintain	100%	100%
All identified acts to be codified as per the Commission agenda planning 	Maintain	100%	100%

#### Main outputs in 2023:

#### Other important outputs

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (situation on 31/12/2023)</b>
Legal revisions in two or more official languages	Number of texts selected and reviewed	80	86
Corrigenda texts	Number of texts selected and reviewed	400	427

**Table 4 shows developments in the work performed by the LEG team from 2019-2023.**

#### Number of legal texts dealt with by the Quality of Legislation team per year

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Target</b>	<b>2023</b>
Selected draft legal proposals from <i>Decide</i>	1.403	1695	1.843	1.759	2.200	<b>1975</b>
% of total proposals in <i>Decide</i>	18%	19%	19%	18%		<b>20%</b>
Of which revised in >2 official languages	150	89	112	91	80	<b>86</b>
Number of corrigenda	394	395	400	405	400	<b>427</b>
Codified texts from the <i>Commission Agenda Planning</i>	3	5	3	3	4	<b>3</b>
Number of pages reviewed	38.000	40.816	50.762	57.274	41.000	<b>44.049</b>

Table 4: Number of texts revised (Sources: *Decide* and *Jurrev*)

## 1.4. Legal Representation

**Specific objective 2** *Guarding the Treaties and defending the interests of the European Commission in courts, tribunals and other arbitration bodies to ensure the full benefit of the law for all EU citizens*

*Administrative*

**Result indicator 2.1:** Legal representation is timely and of high quality in order to defend the interests of the European Commission and the EU citizens

**Source of the data:** *Base Contentieux*, and NAT (Legal Service databases)

<b>Baseline (2020)</b>	<b>Interim Milestone</b>	<b>Target (2024)</b>	<b>Latest known results</b> (situation on 31/12/2023)
	(2022)		
All written documents are filed at the courts within deadline	Maintain at 100%	100%	100%
Presence by Legal Service staff at all court hearings in the Courts of the Union	Maintain at 100%	100%	100%
Legal representation in all national courts	Maintain at 100%	100%	100%

**Main outputs in 2023:**

**Other important outputs – Thematic Legal Teams**

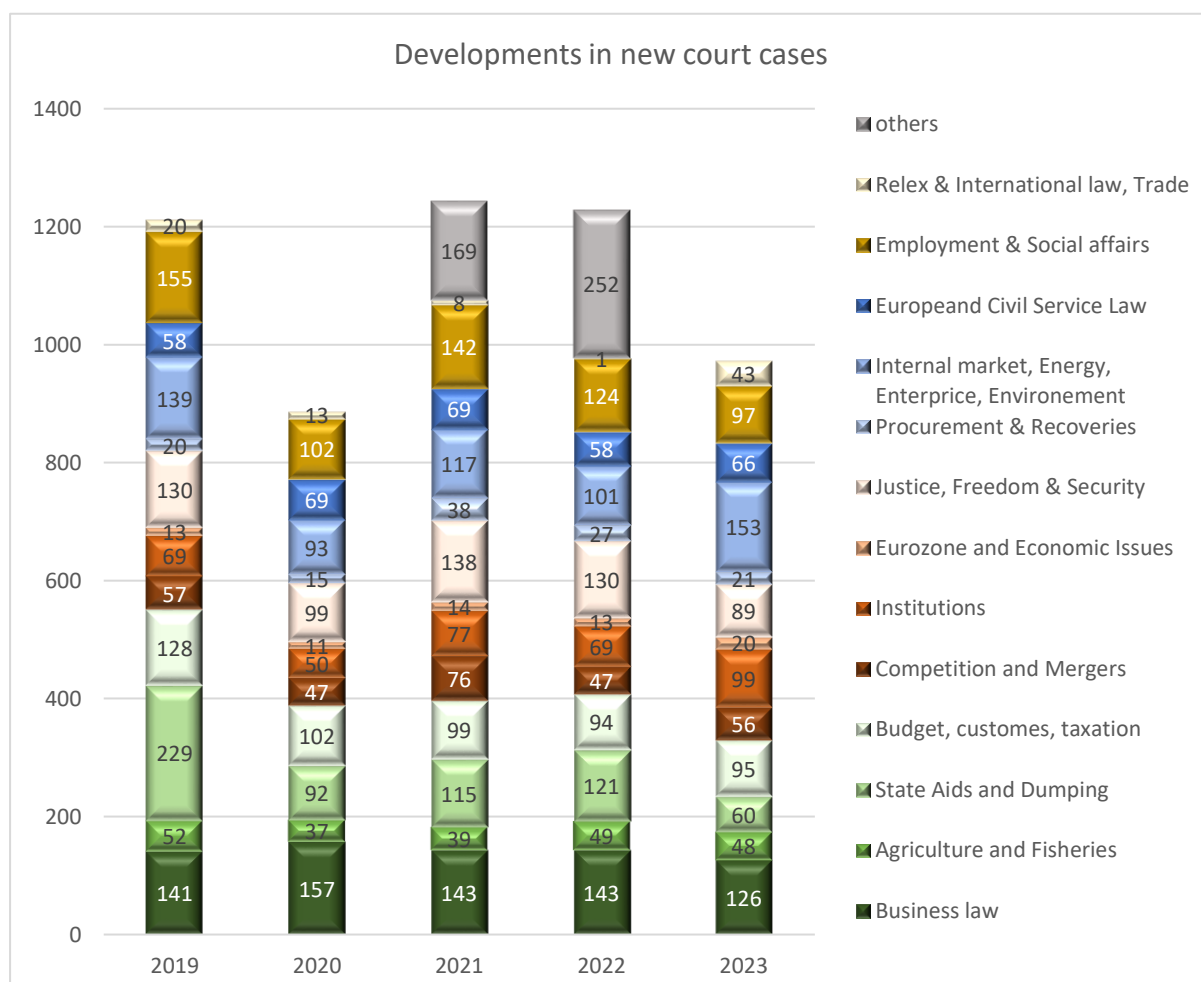
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2023)
Written documents filed at the courts	Percentage of documents filed within deadline	100 %	100 %
Presence of a member of the Legal Service at all hearings in the Courts of the Union	Percentage of presence	100 %	100 %
Presence of an appointed national lawyer or member of the Legal Service at national court hearings	Percentage of presence	100 %	100 %

**Table 5 shows developments in the numbers of cases registered in the Union Courts from 2019-2023.**

Number of registered cases in the Courts of the Union per year						
	2019	2020	2021	2022	Target	2023
New cases registered at the Courts of the Union	1,465	1,098	1,244	1,229	1,200	<b>1,223</b>
No intervention by the Commission	254	211	169	252		<b>250</b>
New cases dealt with by the Legal Service	1,211	887	1,075	977		<b>973</b>
Closed cases	1,218	1,065	1,238	1,109	1,100	<b>1,213</b>
Pending cases	1,923	1,956	1,962	2,084	2,100	<b>2,094</b>

Table 5: Developments in the numbers of cases in the Courts of the Union (Source: *Base Contentieux* database)

**Graph C shows the number of cases attributed to the legal teams from 2019-2023.**



Graph C: Development in the numbers of new Court cases before the European Court of Justice registered in the Legal Service (Source: *ARES* database)

**Table 6 shows the outcome of the closed cases in the Courts of the Union and the EFTA court for 2023.**

<b>Outcome of Court decisions per jurisdiction for 2023</b>						
<b>Jurisdiction</b>	<b>Won</b>	<b>Lost</b>	<b>Partly</b>	<b>Non-applicable*</b>	<b>No intervention**</b>	<b>Total Court decisions</b>
Court of Justice	451	41	42	172	4	706
General court	238	39	29	48	150	354
EFTA	6	0	1	0	1	8
<b>TOTAL</b>	<b>695</b>	<b>81</b>	<b>72</b>	<b>220</b>	<b>155</b>	<b>1,068</b>

Table 6: Results of the proceedings before the Courts of the Union (Source: *Base Contentieux*).

Out of the 1,222 Court decisions, 1,214 were taken by the Union Courts and 16 by the EFTA court.

\*) Non-applicable: These are cases registered at the Courts of the Union for which a decision has already been taken, for direct orders, for inadmissible cases and for cases where the Commission only gives advice.

\*\*) No intervention: Cases in which the European Commission is not a party, but the European Council, the European Parliament or one of the European Agencies is.

**Table 6 shows the outcome on various other court cases etc.**

<b>Performance table 3: Number of cases per year and per jurisdiction</b>					
<b>Jurisdiction</b>	<b>Cases <sup>(3)</sup></b>	<b>2021</b>	<b>2022</b>	<i>Target</i>	<b>2023</b>
Infringement cases	Pending cases	36	49	50	<b>65</b>
	New Cases	19	35	35	<b>49</b>
Preliminary Rulings	Notified cases	611	562	600	<b>533</b>
National Courts	Pending cases	759	745	800	<b>798</b>
	New Cases	63	125		<b>138</b>
WTO	Pending cases	99	95	95	<b>91</b>
	New Cases	9	8	8	<b>6</b>
Arbitration cases	Pending cases	154	162	160	<b>178</b>
	New Cases	21	5	15	<b>6</b>

<sup>(3)</sup> Figures for pending cases are indicative.

## 1.5. Negotiation on the access to the European Convention of Human Rights (ECHR)

<b>Specific objective 3:</b> Negotiations on the accession of the European Union to the European Convention on Human Rights (ECHR)			
<i>Administrative spending</i>			
<b>Result indicator:</b>		Regular reporting on the progress on the negotiations to the Commissioners	
<b>Source of the data:</b>		Reports from the CDDH (Le comité directeur pour les droit de l' hommes) ad hoc negotiation group	
Baseline (2019)	Interim Milestone (2022)	Target	Latest known results (2023)
Appointment of the Legal Service to negotiate the accession of the European Union to the ECHR	5 negotiation rounds held in 2022, and which have been reported on.	Initiation of the ratification process	Process initiated
<b>Main outputs in 2023:</b>			
<b>Other important outputs</b>			
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Reports on the progress in the negotiations to accede to the ECHR	Number of negotiation rounds reported on	>2 per year	2 reports

## 1.6. Reform of the statutes of the European Court of Justice

<b>Specific objective 4:</b> <i>Negotiations on the modifications of the Statutes of the Court of Justice</i>			
<i>Related to spending programme: NO</i>			
<b>Result indicator:</b> [		Approval by the Parliament and the Council of the modifications proposed for the Court of Justice.	
<b>Source of the data:</b>		Opinion of the Commission	
Baseline (2023)	Interim Milestone <sup>(4)</sup>	Target	Latest known results (2023)
	n/a (this task was attributed to the Legal Service on 13.11.2022)	(year + explanation how the target was agreed)	
Opinion by the Commission on the request for modifications of the Statutes of the Court of Justice		By end of 2023	Opinion by the Commission given on 10.3.2023.

<sup>(4)</sup> The column should be deleted if only short-and medium term (less than 3 years) targets are set.

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

AAR 2023 Version 3

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

**Table 1 : Commitments**

**Table 2 : Payments**

**Table 3 : Commitments to be settled**

**Table 4 : Balance Sheet**

**Table 5 : Statement of Financial Performance**

**Table 5 Bis: Off Balance Sheet**

**Table 6 : Average Payment Times**

**Table 7 : Income**

**Table 8 : Recovery of undue Payments**

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

**Table 10 : Waivers of Recovery Orders**

**Table 11 : Negotiated Procedures**

**Table 12 : Summary of Procedures**

**Table 13 : Building Contracts**

**Table 14 : Contracts declared Secret**

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

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

<b>TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2023 (in Mio €) for DG SJ</b>					
			<b>Commitment appropriations authorised*</b>	<b>Commitments made</b>	<b>%</b>
			1	2	3=2/1
<b>Title 02 European Strategic Investments</b>					
02	02 04	Digital Europe programme	0,10	0,10	100,00 %
<b>Total Title 02</b>			<b>0,10</b>	<b>0,10</b>	<b>100,00 %</b>
<b>Title 07 Investing in People, Social Cohesion and Values</b>					
07	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00	0,00	0,00 %
<b>Total Title 07</b>			<b>0,00</b>	<b>0,00</b>	<b>0,00 %</b>
<b>Title 20 Administrative expenditure of the European Commission</b>					
20	20 02	Other staff and expenditure relating to persons	0,10	0,10	99,67 %
	20 03	Administrative Operating expenditure	3,29	2,37	72,05 %
	20 04	Information and communication technology-related expenditure	0,28	0,28	99,85 %
<b>Total Title 20</b>			<b>3,67</b>	<b>2,75</b>	<b>74,91 %</b>
<b>Total Excluding NGEU</b>			<b>3,77</b>	<b>2,85</b>	<b>75,57 %</b>
<b>Total DG SJ</b>			<b>3,77</b>	<b>2,85</b>	<b>75,57 %</b>

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

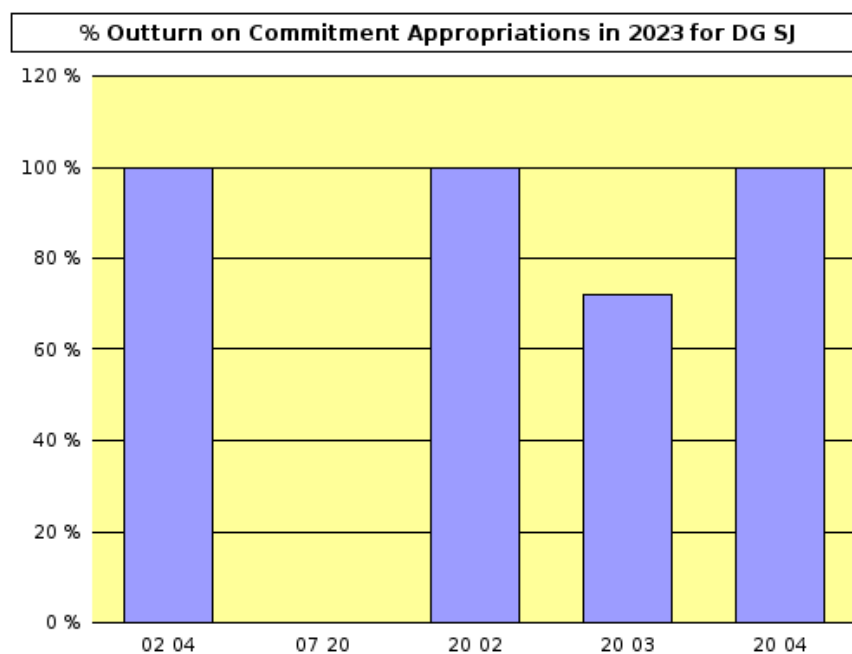


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2023 (in Mio €) for DG SJ					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 European Strategic Investments					
02	02 04	Digital Europe programme	0,13	0,13	100,00 %
<b>Total Title 02</b>			<b>0,13</b>	<b>0,13</b>	<b>100,00%</b>
Title 07 Investing in People, Social Cohesion and Values					
07	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00	0,00	0,00 %
<b>Total Title 07</b>			<b>0,00</b>	<b>0,00</b>	<b>0,00%</b>
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0,14	0,04	31,23 %
	20 03	Administrative Operating expenditure	4,69	2,78	59,22 %
	20 04	Information and communication technology-related expenditure	0,44	0,29	66,71 %
<b>Total Title 20</b>			<b>5,26</b>	<b>3,11</b>	<b>59,11%</b>
<b>Total Excluding NGEU</b>			<b>5,39</b>	<b>3,24</b>	<b>60,09%</b>
<b>Total DG SJ</b>			<b>5,39</b>	<b>3,24</b>	<b>60,09 %</b>

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

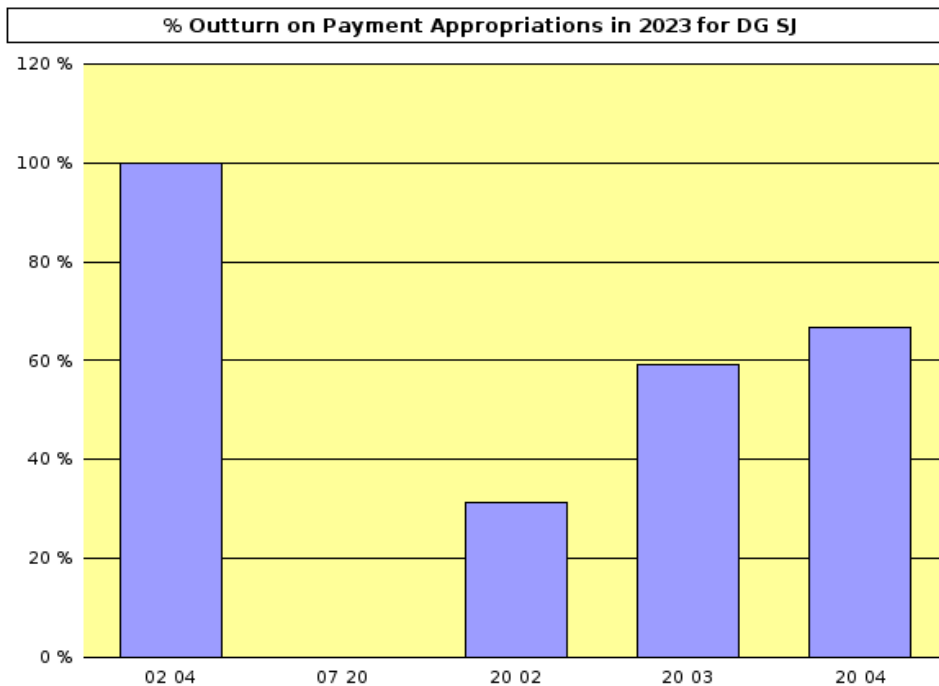
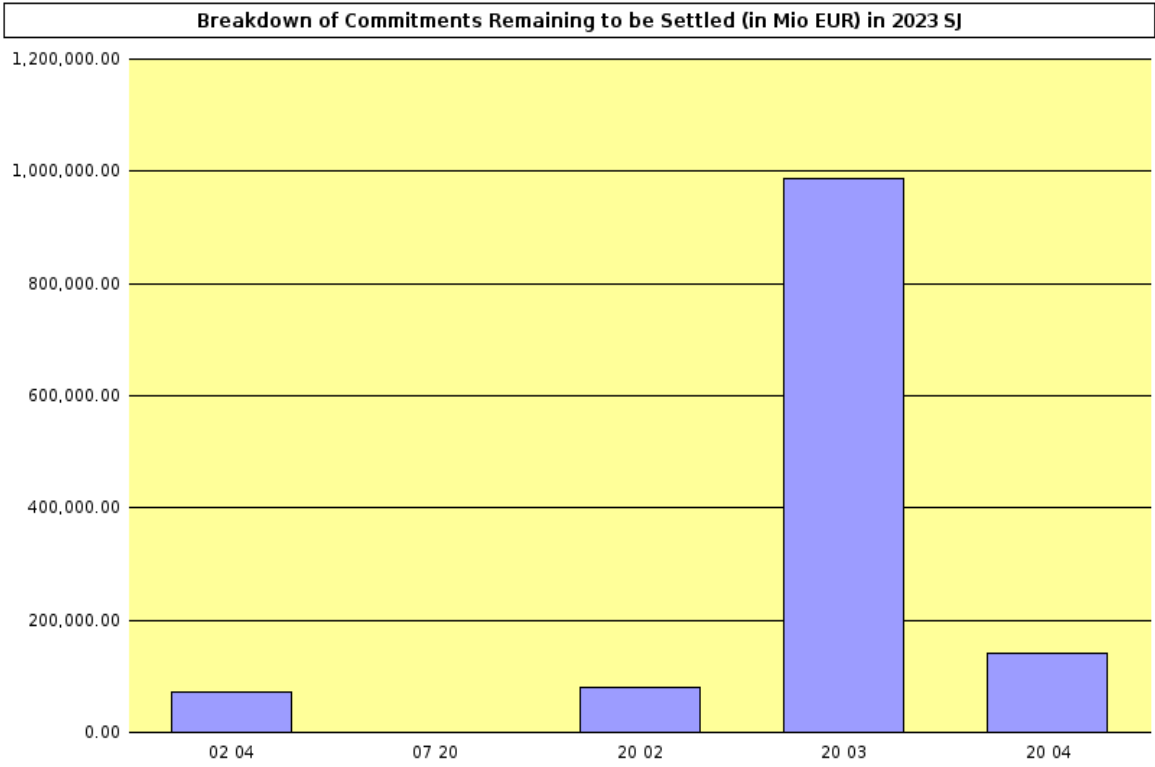




TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG SJ									
			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 04	Digital Europe programme	0,10	0,03	0,07	69,33%	0,00	0,07	0,10
<b>Total Title 02</b>			<b>0,10</b>	<b>0,03</b>	<b>0,07</b>	<b>69,33%</b>	<b>0,00</b>	<b>0,07</b>	<b>0,10</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG SJ									
			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 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00	0,00	0,00	0,00%	0,00	0,00	0,00
<b>Total Title 07</b>			<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00%</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG SJ									
			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 02	Other staff and expenditure relating to persons	0,10	0,02	0,08	82,49%	0,00	0,08	0,04
	20 03	Administrative Operating expenditure	2,37	1,38	0,99	41,70%	0,00	0,99	1,40
	20 04	Information and communication technology-related expenditure	0,28	0,14	0,14	50,36%	0,00	0,14	0,16
<b>Total Title 20</b>			<b>2,75</b>	<b>1,54</b>	<b>1,21</b>	<b>44,03%</b>	<b>0,00</b>	<b>1,21</b>	<b>1,60</b>
<b>Total Excluding NGEU</b>			<b>2,85</b>	<b>1,57</b>	<b>1,28</b>	<b>44,92%</b>	<b>0,00</b>	<b>1,28</b>	<b>1,70</b>
<b>Total for DG SJ</b>			<b>2,85</b>	<b>1,57</b>	<b>1,28</b>	<b>44,92 %</b>	<b>0,00</b>	<b>1,28</b>	<b>1,70</b>



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

<b>BALANCE SHEET</b>	<b>2023</b>	<b>2022</b>
A.II. CURRENT ASSETS	495.048,34	497.233,92
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	495.048,34	497.233,92
<b>ASSETS</b>	<b>495.048,34</b>	<b>497.233,92</b>
P.II. CURRENT LIABILITIES	-9.910.096,72	-4.012.854,21
-9.910.096,73	-9.910.096,73	-4.006.203,00
0,01	0,01	-6.651,21
0,00	0,00	0,00
<b>LIABILITIES</b>	<b>-9.910.096,72</b>	<b>-4.012.854,21</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>-9.415.048,38</b>	<b>-3.515.620,29</b>

Non-allocated central (surplus)/deficit*	-22.966.146,66	-25.929.190,15
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<b>TOTAL DG SJ</b>	<b>0,00</b>	<b>0,00</b>
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P.III.2. Accumulated Surplus/Deficit	32.381.195,04	29.444.810,44
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The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer

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

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

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

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2023</b>	<b>2022</b>
<b>II.1 REVENUES</b>	<b>-876.735,95</b>	<b>-910.853,63</b>
II.1.1. NON-EXCHANGE REVENUES	-30.005,53	-821.344,64
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-30.005,53	-821.344,64
II.1.2. EXCHANGE REVENUES	-846.730,42	-89.508,99
II.1.2.2. OTHER EXCHANGE REVENUE	-846.730,42	-89.508,99
<b>II.2. EXPENSES</b>	<b>9.105.922,61</b>	<b>3.847.238,23</b>
II.2. EXPENSES	9.105.922,61	3.847.238,23
II.2.11.OTHER EXPENSES	8.975.684,58	3.700.135,98
II.2.2. EXP IMPLEM BY COMMISS&EX.AGENC. (DM)	130.238,03	147.102,25
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>8.229.186,66</b>	<b>2.936.384,60</b>

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

<b>OFF BALANCE</b>	<b>2023</b>	<b>2022</b>
OB.2. Contingent Liabilities	-24.406.901,94	-19.495.304,00
OB.2.7. CL Legal cases OTHER	-24.406.901,94	-19.495.304,00
OB.4. Balancing Accounts	24.406.901,94	19.495.304,00
OB.4. Balancing Accounts	24.406.901,94	19.495.304,00
<b>OFF BALANCE</b>	<b>0,00</b>	<b>0,00</b>

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

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

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

**TABLE 6: Payment times**

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
30	367	350	95,37 %	11,71	17	4,63 %	37,88	103.286,27	3, %
60	2	2	100,00 %	12,50				0,00	0, %

<b>Total Number of Payments</b>	<b>369</b>	<b>352</b>	<b>95,39 %</b>		<b>17</b>	<b>4,61 %</b>		<b>103.286,27</b>	<b>3, %</b>
<b>Average Net Payment Time</b>	<b>12,9</b>			<b>11,7</b>			<b>37,9</b>		
<b>Average Gross Payment Time</b>	<b>13,1</b>			<b>11,9</b>			<b>37,9</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	10	5	1,36 %	369	52.352,50	1,62 %	3.236.497,80

DG	GL Account	Description	Amount (Eur)

TABLE 7: SITUATION ON REVENUE AND INCOME in 2023 for DG SJ								
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	
33	Other administrative revenue	915.204,86	497.233,92	1.412.438,78	885.656,39	31.734,05	917.390,44	495.048,34
<b>Total DG SJ</b>		<b>915.204,86</b>	<b>497.233,92</b>	<b>1.412.438,78</b>	<b>885.656,39</b>	<b>31.734,05</b>	<b>917.390,44</b>	<b>495.048,34</b>

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

EX-ANTE CONTROLS BY TRANSACTION	Irregularity	Total ex-ante amounts
NON-ELIGIBLE IN COST CLAIMS		
CREDIT NOTES	13.731,23	13.731,23
RECOVERY ORDERS ON PRE-FINANCING		
<b>Sub-Total</b>	<b>13.731,23</b>	<b>13.731,23</b>

EX-POST CONTROLS BY TRANSACTION	Irregularity	Total ex-post amounts
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING		
INCOME LINES IN INVOICES		
<b>Sub-Total</b>		
<b>GRAND TOTAL (EX-ANTE + EX-POST)</b>	<b>13.731,23</b>	<b>13.731,23</b>

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

	Number at 1/1/2023 1	Number at 12/31/2023 3	Evolution	Open Amount (Eur) at 1/1/2023 1	Open Amount (Eur) at 12/31/2023	Evolution
2001	2	2	0,00 %	14.873,61	14.873,61	0,00 %
2013	2	2	0,00 %	44.199,09	41.746,11	-5,55 %
2014	6	6	0,00 %	44.177,50	44.177,50	0,00 %
2015	2	2	0,00 %	64.210,68	64.210,68	0,00 %
2016	11	9	-18,18 %	75.685,50	74.185,50	-1,98 %
2017	19	15	-21,05 %	51.900,00	45.935,44	-11,49 %
2018	9	8	-11,11 %	100.481,10	99.776,10	-0,70 %
2019	2	2	0,00 %	24.739,00	24.739,00	0,00 %
2020	2	2	0,00 %	35.371,62	35.371,62	0,00 %
2021	3	1	-66,67 %	6.160,45	660,45	-89,28 %
2022	5	2	-60,00 %	35.435,37	19.823,86	-44,06 %
2023		9			29.548,47	
	<b>63</b>	<b>60</b>	<b>-4,76 %</b>	<b>497.233,92</b>	<b>495.048,34</b>	<b>-0,44 %</b>

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

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

Number of RO waivers

There is 1 waiver below 60 000 € for a total amount of -705 €

*Justifications:*

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

**TABLE 11: Negotiated Procedures in 2023 for DG SJ**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
<b>Total</b>		

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

**Internal Procedures > € 60,000**

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure without prior publication (Annex 1 - 11,1)	1	2,000,000
<b>Total</b>	<b>1</b>	<b>2,000,000</b>

No contracts signed >60,000 €, The sum of all 168 contracts signed in 2023 is 926,846,23,

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

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

Not applicable

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

Legal Base	LC Date	Contract Number	Contract Subject	Contracted Amount (€)

Not applicable

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

Not applicable

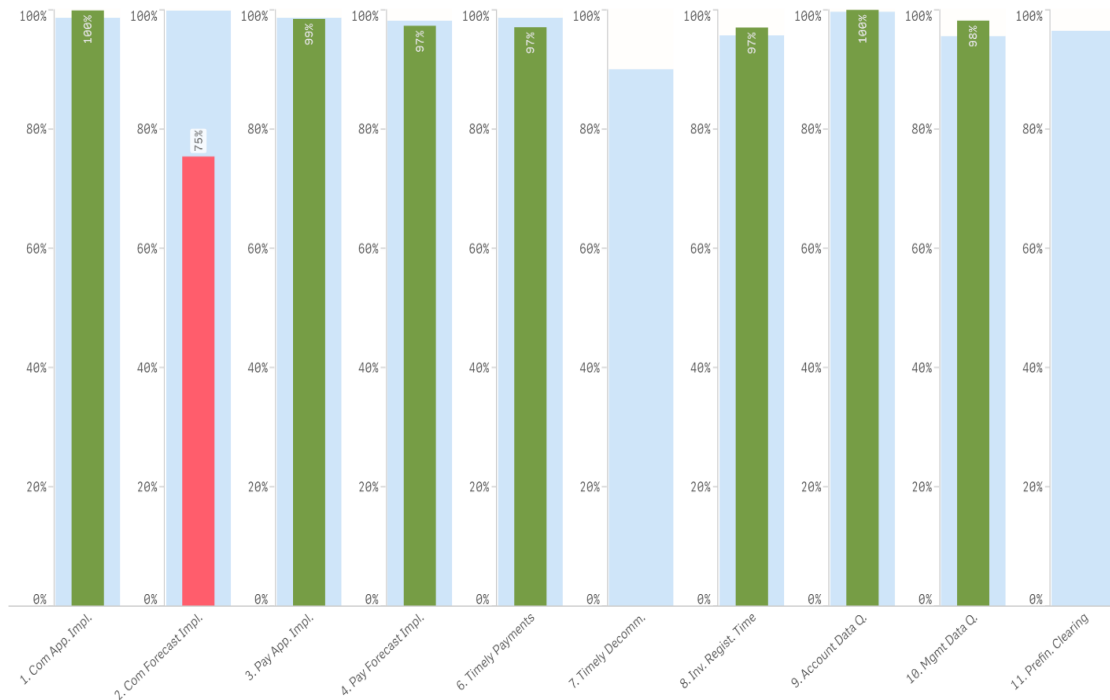
**TABLE 16: Commitments co-delegation type 3 in 2023 for DG SJ**

Not applicable



## ANNEX 4: Financial scorecard

SJ Indicator Scores for 2023 12



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

Indicator	Objective	Comment <sup>5</sup>	SJ 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	The Legal Service decommits unused budget amounts and transfer those to DG BUDG before year end. The Legal Service score should therefore be 100%.	75%	100%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		99%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast		97%	98%

	in a financial year			
5. Global Commitment Absorption <sup>6</sup>	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	The indicator is not applicable for the Legal Service in 2023 due to the lack of underlying transactions recorded by the Legal Service in 2023.	-	98%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines		97%	99%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	The indicator is not applicable for the Legal Service in 2023 due to the lack of underlying transactions recorded by the Legal Service in 2023.	-	90%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		97%	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		98%	96%
11. Timely Invoice PF clearing	Ensure efficient clearing by invoices of prefinancing payments within the invoice payment time limit	The indicator is not applicable for the Legal Service in 2023 due to the lack of underlying transactions recorded by the Legal Service in 2023.	-	100%

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with Financing Agreement, under the FR2018 Article 114.2. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

## **ANNEX 5: Materiality criteria**

Since 2019 <sup>(7)</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.

In this sense, the Legal Service has selected as its materiality threshold 2% of annual payment consumption. For 2023, it is set at EUR 64,000 and complemented with a second threshold in its daily management, namely that transactions exceeding EUR 30,000 must be brought to the attention of the Director-General or his deputy for approval.

Controls implemented by the Legal Service in its financial procedures are designed to detect and correct any errors which may occur.

Each year, the Legal Service estimates the financial exposure linked to lost court cases and other situations in which the Legal Service must pay the legal fees of the opposing party. The procedure for identifying and determining the amount to be provided for has been applied over many years.

The general approach is to be conservative in the assessment of the provision for lost court cases. The total exposure is split into a provision of the amount most likely to be paid (40%) with the remaining part being recorded as a contingent liability (60%).

The actual figures are compared with the estimates in order to improve the accuracy of the provision.

No errors, which occurred in 2023 were, by their nature or frequency, considered to be of significant or of material importance. Therefore, the Legal Service considers that it has an appropriate level of management and control systems in place.

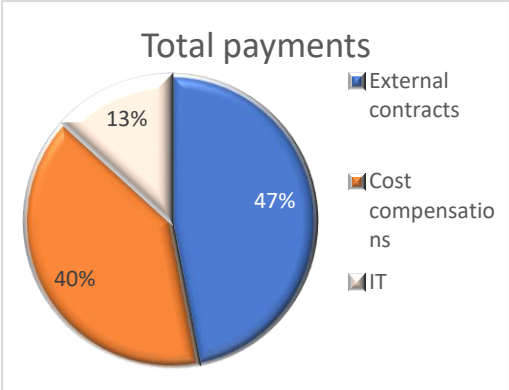
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<sup>(7)</sup> Agreement of the Corporate Management Board of 30/4/2019.

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

The Legal Service has no programme or policy spending, only administrative expenditure. The most significant payments were for the administrative budget line for **Legal Advice, Litigation** and which is divided into two sub-categories:

- Procurement of legal expertise (47%)
- Costs paid to opposing parties for their legal costs (40%)
- IT (13%) (of which 4% is co-delegated to DIGIT)



Graph A: Total payments in 2023, Source: ABAC

## 1. Procurement of legal expertise

### Stage 1: Ex ante controls in the procurement of legal expertise

External legal expertise is mainly needed for representation in national court cases for which recognised national lawyers are required and occasionally for cases in the Union Courts where specialised legal expertise is needed. The work performed by the external lawyers covers a limited part of the Legal Service's work. Once it has been determined that external legal expertise is required, potential external lawyers or legal experts are identified and a negotiated procedure is initiated. The Legal Service uses negotiated procedures without publication of a contract notice in the Official Journal according to Article 134 RAP (Rules of Application to the Financial Regulation).

**Main internal control objectives:** Effectiveness, efficiency and economy, compliance (legality and regularity), fraud prevention and detection.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Risk of not obtaining value for money due to – sometimes - limited time available for the negotiation procedure.</p> <p>Risk of non-compliance with legality and regularity and criticism of choice of contract partner due to limited time available for the</p>	<p>The purpose of the established authorisation chain is to ensure that proposed contracts with external providers will ensure value for money.</p> <p>Assessment of legal expertise of the external provider</p> <p>The Financial Cellule</p>	<p>100% of the specifications are verified at Director level (Head of Unit in R.3 Contracts and Recoveries)</p> <p>100% of the contracts above the financial threshold (for contracts with external lawyers: EUR 20.000 for Head of</p>	<p><i>Effectiveness:</i></p> <p>Number of contracts discontinued due to poor quality of service.</p> <p><i>Efficiency:</i></p> <p>Average cost per contract.</p> <p><i>Economy:</i></p> <p>Estimation of cost of</p>

negotiation procedure	provides management with quarterly information about the contracts with external providers allowing for hierarchical control of awarded contracts.	Unit and EUR 30.000 for Director) are reviewed at DDG/DG level depending on risk and sensitivity.	staff involved and the related contract values (if external expertise is used).
Due to time constraints, there may not be enough time to identify the most competent external provider  The most economically advantageous offer is not selected due to the limitations in the negotiated procedure  Damage to the Legal Service's reputation if conflict of interest is discovered.	Review of all contracts by the Financial Cellule, by the legal coordinator and approval by the Director and by the Director General for contracts above EUR 30.000.  Declaration on honour regarding exclusion criteria requested for all tenders > EUR 15.000.  Frequent staff awareness on conflict of interest.	100 % of contracts are controlled by the Financial Cellule before signature by the Director-General.  Contracts below EUR 20.000 are signed by Head of Unit and below EUR 30.000 are signed by the Directors.  Contracts above EUR 30.000 are signed by the Director-General	<i>Effectiveness:</i>  Number of complaints received  <i>Efficiency:</i>  Average cost of a contracting procedure.  <i>Economy:</i>  Estimation of costs involved
Poor or non-execution by the external provider due to lack of competence in the legal area  The services are not, totally or partially, provided in accordance with the requirements in the contract and/or the amounts paid exceed those due in accordance with the applicable contract	Close monitoring of the work by the staff in the teams  The Financial Cellule keeps records on total consumption of each contract.	100% of contracts and invoices for the work executed by the external provider are monitored and controlled by the teams.  100% of received invoices are controlled by the Financial Cellule. The <i>Certified correct</i> is given by the agents in charge.	<i>Effectiveness:</i>  % error rate relating to contract management and payments.  <i>Efficiency:</i>  Timely payments  Late interest payments  <i>Economy:</i>  Estimation of cost of staff involved.

## Stage 2: Ex post controls in the procurement of legal expertise

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Poor or non-execution by the external provider due to lack of competence in the legal area</p> <p>The legal services provided are not, totally or partially, in accordance with the requirements in the contract and/or the amounts paid exceed contracted amounts.</p>	<p>Close monitoring of the work by the staff in the teams</p>	<p>100% of contracts and invoices from external legal experts are monitored and controlled by the teams</p> <p><i>Certified Correct</i> by agent.</p> <p><i>Good for payment</i> by Director /HoU R.2, or Director-General if &gt;EUR 30.000.</p> <p>The Financial Cellule checks 100% of invoices</p>	<p><i>Effectiveness:</i></p> <p>% error rate relating to contract management and payments.</p> <p><i>Efficiency:</i></p> <p>Timely payments</p> <p>Late interest payments</p> <p><i>Economy:</i></p> <p>Estimation of cost of staff involved.</p>
<p>An error or non-compliance with regulatory and contractual provisions, including technical specifications, or fraud is not prevented, detected or corrected by ex-ante control, prior to payment.</p>	<p>Supervisory desk review of procurement and financial transactions</p> <p>Ex-post publication of contracts awarded (and subsequent publication in the EU Financial Transparency System)</p> <p>Review of ex-post results</p> <p>Review of derogations and non-compliance events reported.</p> <p>Quarterly review of the summary data of awarded contracts</p>	<p>Sample test at least once a year to determine any errors or systemic problems or weaknesses in the procedures.</p> <p>100% of contracts approved by a hierarchical superior and for contracts &gt;EUR 30.000 approval by Director-General.</p> <p>Quarterly report on contracts with external lawyers are reviewed by management.</p> <p>100% of invoices reviewed by the Financial Cellule</p> <p>Review and assessment of potential derogations and non-compliance events during the year (100% covered).</p>	<p><i>Effectiveness:</i></p> <p>Amounts associated with errors detected (related to fraud, irregularities and error).</p> <p><i>Efficiency:</i></p> <p>Costs of the ex-post controls and supervisory measures with respect to the 'benefits'.</p> <p>Average cost of an ex-post control</p> <p><i>Economy:</i></p> <p>Estimation of cost of staff involved</p>

## 2. Compensation to opposing parties for their legal costs

### Stage 1: Ex ante controls when paying compensation to opposing parties for their legal costs

The court may decide that the legal costs incurred by the opposing party should be compensated, fully or partly, by the Legal Service. By its nature, there is no procurement procedure preceding these payments. The obligation arises as a result of the court decision. Upon receipt of the cost claim from the opposing party, the Legal Service assesses the amount claimed. The claim is then either accepted, re-negotiated or the court is asked to determine the amount to be paid.

At year end, the Legal Service makes provisions for claimed cost compensations which have not yet been agreed on. This provision is based on historical experience. The difference between the claimed compensation amount and the provisional amount is recorded as a contingent liability.

**Main internal control objectives:** Effectiveness, efficiency and economy, compliance (legality and regularity), fraud prevention and detection.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>For individual claims and payments:</p> <p>Risk that the budget request will be sufficient to cover future payments to opposing parties for their legal fees.</p> <p>Risk that the year-end closing provision could be insufficiently conservative to cover future cost claims from opposing parties.</p>	<p>The database for litigation requires all closed court cases to be assessed if there is a financial consequence.</p> <p>Provision of cost claims from opposing parties is calculated (for the year end closure).</p> <p>Actual payments are compared with the estimates. The ratio is used for future budget requests.</p>	<p>100% of closed cases which have a financial consequence are covered.</p> <p>Yearly assessment based on best estimate is compared with actual outcome.</p> <p>This procedure has, over the years, provided precise estimates</p>	<p><i>Effectiveness:</i></p> <p>Assessment of precision by comparing estimates with actual figures.</p> <p><i>Efficiency:</i></p> <p>Estimated average cost per payment.</p> <p><i>Economy:</i></p> <p>Estimation of cost of staff involved</p>
<p>For individual claims and payments:</p> <p>Acceptance of claims from opposing parties that are too high, resulting in unnecessarily high expenditure for the Legal Service.</p>	<p>Analysis, assessment and discussion with the hierarchy in order to determine a reasonable amount for the opposing party's legal costs.</p> <p>The DDG decides on all claims &gt;EUR 30.000 and a proposal to accept the amount, or gives mandate to negotiate it by the</p>	<p>100% of claims are approved by the hierarchy, only after that approval is the invoice recorded and the payment procedure initiated.</p> <p>All invoices are checked by the Financial Cellule</p>	<p><i>Effectiveness:</i></p> <p>Number of control failures</p> <p><i>Efficiency:</i></p> <p>Average cost per payment.</p> <p>Late interest payments</p> <p><i>Economy:</i></p> <p>Estimation of cost of staff involved</p>

	agent/ Director		
Year-end closure: Risk that claims for payments to the opposing party are not identified for the year-end closure.	The data base for litigation requires the lawyer in charge to provide information about financial consequences the information is monitored on a regular basis to ensure that it is up-to-date and disclosed according to instructions	Yearly assessment at year-end closure.	<i>Effectiveness:</i> Comparison of claimed amounts with paid amounts. <i>Efficiency:</i> Average cost per payment Late interest payments <i>Economy:</i> Estimation of cost of staff involved

## Stage 2: Ex post controls when paying compensation to opposing parties for their legal costs

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
A claim is not identified and discussed with the hierarchy	Yearly review of all payments to opposing parties distributed to all Directors for review and approval.	100% of payments for opposing parties' legal costs are reviewed by the hierarchy.  100% of payments for opposing parties' legal costs of more than EUR 30.000 are approved by the Director-General.  100% of payments are reviewed by the Financial Cellule.	<i>Effectiveness:</i> Amounts associated with errors detected and in % over totally paid amounts. <i>Efficiency:</i> Costs of the <i>ex post</i> controls and supervisory measures with respect to the 'benefits'. <i>Economy:</i> Estimation of cost of staff involved



### 3. Other costs (IT, Cross delegated budget lines with DIGIT and DG COMM)

#### Stage 1: Ex ante controls for other costs

The Legal Service invests in IT systems supporting its internal operations. For their development, the Legal Service uses the Commission framework contract for IT services and the invoiced hours performed by external staff (*intra-muros*) are e-invoiced based on the time sheets filled in by the external staff and which are approved by the Legal Service.

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
Incorrect invoicing of contracted external staff	Contracting through framework contracts.  Approval of external staffs reported hours by IT sector.  Management and monitoring of the work performed by external staff by the staff in the IT sector	100% of time sheets and invoices checked.	<i>Effectiveness:</i> Number of incorrect time sheets <i>Efficiency</i> Cost of controls <i>Economy:</i> Estimation of cost of staff
Incorrect charging by DIGIT	Agreed upon budget for the cross delegated budget line.	Yearly agreement on the charges.	<i>Effectiveness:</i> Number of incorrect internal charges <i>Efficiency</i> Cost of controls <i>Economy:</i> Estimation of cost of staff
Incorrect charging by DG COMM	Agreed upon subscriptions on an annual basis. are monitored by staff in the Legal Service library upon receipt of charges	Yearly agreement on the charges for the subscriptions	<i>Effectiveness:</i> Number of incorrect charges <i>Efficiency</i> Cost of controls <i>Economy:</i> Estimation of cost of staff

## Stage 2: Ex post controls for other costs

Invoices from external suppliers and other DGs are reviewed monthly by the sectors in charge of the budget lines.

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
Incorrect charging by external provider	Review of invoices from external contractors and comparison with budget.	100% of invoices are reviewed.	<i>Effectiveness:</i> Number of incorrect charges <i>Efficiency:</i> Cost of controls <i>Economy:</i> Estimation of cost of staff
Incorrect charging by DIGIT DIGIT does not deliver in accordance with what was agreed	Charged followed monthly by the IT sector. idem	100% of charges from DIGIT are reviewed monthly.	<i>Effectiveness:</i> Number of incorrect charges <i>Efficiency:</i> Cost of controls <i>Economy:</i> Estimation of cost of staff
Incorrect charging by DG COMM Subscriptions are not delivered	Agreed-upon subscriptions on an annual basis are monitored by staff in the Legal Service library upon receipt of invoices	100% of transactions	<i>Effectiveness:</i> Number of incorrect charges <i>Efficiency:</i> Cost of controls <i>Economy:</i> Estimation of cost of staff

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

The financial circuit in the Legal Service complies with baseline requirements.

In 2023,

- no audits were carried out by ECA in the Legal Service,
- the expenditure for legal services, mission expenditure and issued recovery orders underwent *ex-post* controls to ensure completeness and correctness,
- the Legal Service signed 180 contracts and amendments to existing contracts for legal services for a total amount of EUR 1.5 million,
- the Legal Service made 325 payments for contracted legal services for an average amount of EUR 4,600,
- the Legal Service made 40 payments to compensate opposing parties for their legal costs for an average amount of EUR 31,900.

**Table Y - Overview of DG's/EA's estimated cost of controls at Commission (EC) level:**

SJ	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)
Legal Advice and litigation	126.695,00 €	1.500.394,54 €	8,44%	62.645,00 €	1.500.394,54 €	4,18%	189.340,00 €	12,62%
Cost compensation to opposing parties	62.645,00 €	1.274.801,56 €	4,91%	37.025,00 €	1.274.801,56 €	2,90%	99.670,00 €	7,82%
Provision and contingent liabilities	- €	- €	0,00%	12.810,00 €	34.316.999,37 €	0,04%	12.810,00 €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
<b>OVERALL total estimated cost of control at EC level for expenditure</b>	<b>189.340,00 €</b>	<b>2.775.196,10 €</b>	<b>6,82%</b>	<b>112.480,00 €</b>	<b>37.092.195,47 €</b>	<b>0,30%</b>	<b>301.820,00 €</b>	<b>10,88%</b>

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

**Sound Financial Management**

**Objective:** The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions.

**Main outputs in 2023:**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest know results (31/12/2023)</b>
Effective controls: Legal and regular transactions	Risk at payment	Remains < 2 % of relevant expenditure	<0.5%
	Estimated risk at closure	Remains < 2 % of relevant expenditure	<0.5%
Effective controls: Safeguarded information	Number of breaches	Zero breaches	Zero breaches
Efficient controls	Timely payments	>95% of payments (in value) on time	%
Economical controls	Overall estimated cost of controls	Remains < 8.5% of funds managed	%

## Fraud risk management

**Objective:** The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) <sup>(8)</sup> aimed at the prevention, detection and correction <sup>(9)</sup> of fraud.

### Main outputs in 2023:

Output	Indicator	Target	Latest known results (31/12/2023)
Finalised Legal Anti-Fraud strategy (AFS)	Publication of the updated AFS	End of 2023	Olaf expected to endorse the LS AFS in Q1 2024
Assessment of reported breaches, updates of guidelines and instructions, and issuance of new guidelines and instructions.	N° of meetings held by the working group for Ethics and Handling of Information	2 times per year	2 meetings held
Ensuring that the ethics rules are known by all staff in the Legal Service	Yearly confirmation of ethics awareness	100 %	99.4%
Improvement of fraud awareness in the Legal Service	Legal teams to be instructed to address fraud risks and the Anti-Fraud Strategy in a team meeting	1 time per year	Directors reminded during the yearly internal control meetings

<sup>(8)</sup> Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019)196, the CAFS action plan (COM(2023)405 final, and SWD(2023)245 final.

<sup>(9)</sup> Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

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

Table X : Estimated risk at payment and at closure

EA SJ	Payments made (2023;MEUR)	minus new prefinancing [plus retentions made] (In 2023;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MSJ] (In 2023;MEUR)	Relevant expenditure (for 2023;MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2023;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC, %)	Estimated future corrections [and deductions] (for 2023;MEUR)	Estimated risk at Closure (2023;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
Legal fees	1,50	0,00	0,00	1,50	0,50% - 0,50%	0,01 - 0,01	0,00% - 0,00%	0,00 - 0,00	0,01 - 0,01
Cost compensation to opposing parties	1,27	0,00	0,00	1,27	0,50% - 0,50%	0,01 - 0,01	0,00% - 0,00%	0,00 - 0,00	0,01 - 0,01
IT	0,42	0,00	0,00	0,42	0,50% - 0,50%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
Other expenditure	0,04	0,00	0,00	0,04	0,50% - 0,50%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
<b>Sub-total</b>	<b>3,24</b>	<b>0,00</b>	<b>0,00</b>	<b>3,24</b>		<b>0,02 - 0,02</b>	<b>0,00% - 0,00%</b>	<b>0,00 - 0,00</b>	<b>0,02 - 0,02</b>
operating budget	0,00	0,00	0,00	0,00	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
<b>Total EA (operational + operating)</b>	<b>3,24</b>	<b>0,00</b>	<b>0,00</b>	<b>3,24</b>		<b>0,02 - 0,02</b>	<b>0,00% - 0,00%</b>	<b>0,00 - 0,00</b>	<b>0,02 - 0,02</b>
					<b>Overall risk at payment in %</b>	<b>0,50% - 0,50%</b>		<b>Overall risk at closure in %</b>	<b>0,50% - 0,50%</b>
						<i>(7) / (5)</i>			<i>(10) / (5)</i>

### Notes to the table A

- (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.
- (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 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 adjusted average recovery and corrections percentage is based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective measures each department applied over the past years as a result of ex post controls.

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

### HUMAN RESOURCES

<b>Objective: The Legal Service employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission’s priorities and core business</b>			
<b>Indicator 2:</b>		Staff engagement index in the Commission	
<b>Source of data:</b>		European Commission Staff Survey	
<b>Baseline (2018)</b>	<b>Target</b>	<b>Latest known results (31/12/2023)</b>	
69%, European Commission rate	increase	73%	
73% Legal Service rate	increase	76%	
<b>Main outputs in 2023:</b>			
<b>Description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (31/12/2023)</b>
Gender balance on the nominations of management or equivalent positions	percentage	Period 2023-2024: 1 first female appointment	1 first female appointment out of 2 in 2023 (50%)
Implementation of the Legal Service Training Strategy for 2023	Completion of training strategy actions scheduled for 2023	Fully implemented by end of 2023	Legal Service Training Strategy in place as from 28 September 2023.
Diversity & Inclusion Action Plan	Implementation of the Action Plan	Implement as soon as adopted by DG HR	Published by DG HR on 3 July, 2023 and followed up accordingly within the Legal Service
Female Talent Development Program: External Management Development program Female empowerment training	n° of participants n° of participants n° of cycles	2 participants 1 participant One cycle of training for female lawyers	2 participants 1 participant 1 cycle of training for female lawyers organised
Knowledge sharing by organisation of lunch time conferences	N° of lunch time conferences	>16 per year	16 lunch-time conferences 5 high-level conferences

## DIGITAL TRANSFORMATION AND INFORMATION MANAGEMENT

**Objective: The Legal Service 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**

### Main outputs in 2023:

Description	Indicator	Target	Latest known results (31/12/2023)
<b>Digital transformation</b>			
Further develop ULM Pleadings, the new search engine of court procedural documents	ULM Pleadings, a new faster search service for previous court submissions is being released.	> 50 searches/week with average response time < 3 seconds.	The analytics to extract this information is still under development.
Revamp of the ULM Dashboard to include more information, via the 'ULM Data Convergence' project	Percentage of lawyers using directly ULM Dashboard, i.e. without delegation.	>50%	The analytics to extract this information is still under development.
Rewriting of the 3 modules Base Contentieux, Board, Templates of Unified Litigation Management	All modules are put into production for use by the legal teams	100% of the teams are using these new modules	100%
Launching 'LS VOC' project to revamp the knowledge management list of themes with a view to introduce automation of tagging	Implementation of the intelligent tagging function, and incorporation of a list of tags specific to the Legal Service.	100% of the teams are using the new tagging system.	50%
<b>Information and IT security rules</b>			
Local Cyber awareness raising campaigns	Number of campaigns	1 per year	Several horizontal actions held by central services and therefore no local campaign was considered necessary.
Security Sections of GovIS2 complete and updated at least once per year	Percentage of completion	End of 2023 100%	100%
Security Plans declared in GovIS2 and not older than 2 years	Percentage of compliance	End of 2023 100%	100%
IT security controls implemented in particular those related to MFA/EU Login	Percentage of compliance	End of 2023 80%	80%



<b>Description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (31/12/2023)</b>
<b>Data, Information and Knowledge management</b>			
Artificial Intelligence Action Plan aligned with the Innovation Framework of the Commission	The Action Plan to be circulated for discussion and approval	Approval by end of 2023	Delivered end of 2023
Launching a new Wiki-style knowledge management database in the field of external relations based on Web Content Management Corporate approved Solutions like SharePoint Online	The database is released. Percentage of lawyers working on matters related to external relations using the Wiki.	End of 2023 >50%	Action currently put on stand-by awaiting the Artificial Intelligence strategy to be adopted in 2024 and the migration of My SJ
Implementation of the corporate principles for data governance for the Legal Service key data assets	Percentage of implementation of the corporate principles for data governance for key data assets	Interim milestone by 2023: 50%	50%
Enhancing staff skills and competences for effective use of data, information and knowledge, particularly related to the Data Management activities including reporting	Key data stakeholders trained within SJ	Interim milestone by 2023: 50%	50%
<b>Data protection</b>			
DSMP (Digital Strategy Management Plan) allowing for a wider availability of Ref2Link within the Commission	Implementation of recommendations	85% of recommendations are implemented	85%
A collaborative platform for the co-edition of Sensitive, Non-classified documents	Evaluation of a real-world suitability solution especially in the context of the M365	Proposal for approval by end of 2023	SharePoint-on-Premises used
All record editors (DPMS) to undergone training in Data Protection	Percentage of identified staff	100% of target group	On the job training given to all Record Holders in 2023.
IT 'Business Implementation Group' to propose new IT projects by testing new IT tools, providing feedback to the Business Manager, creating communication material to disseminate knowledge and organising interactive trainings for business users.	In the frame of the Legal Service Reform, an IT group has been created,	Creation of group completed.	Group active

## EMAS

<b>Impact indicator 4:</b> Environmental performance in the Commission			
<b>Source of the data:</b> <a href="#">ES_2022_Results_2021_Corporate_Summary (europa.eu)</a>			
<b>Baseline (2019)</b>	<b>Interim Milestone (2021)</b>	<b>Target (2024)</b>	<b>Latest known results (31/12/2021)</b>
Non-hazardous waste generation  BERL building: 406.920 kg	-63%	Achieve greater reduction [before: -26% or 0.17 (tonnes / person)]	BERL building: 150.243 kg, a decrease by 63%

This indicator looks at the percentage reduction compared to the 2019 levels for the Berlaymont building, in which the Legal Service staff work.

**Objective:** The Legal Service takes account of its environmental impact in its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work, with the support their respective EMAS Correspondents/EMAS Site Coordinators.

### Main outputs in 2023:

<b>Description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (31/12/2023)</b>
<b>More efficient use of resources (energy, water, paper):</b>			
<b>Priority action to support the Greening the Commission Communication and action plan</b>			
Participation in energy saving actions by local information campaigns to staff	Number of information actions	3	2
Participation in reducing water consumption by local information campaigns to staff	Number of information actions	3	1
<b>Reducing CO<sub>2</sub>, equivalent CO<sub>2</sub> and other atmospheric emissions</b>			
<b>Promoting more sustainable traveling options. Legal Service signed the EC Travel Pledge in 2022</b>			
Staff awareness actions on reducing GHG emissions (such as actions on sustainable commuting during EU Mobility week and VeloWalk corporate events)	CO <sub>2</sub> emissions from DG/service's missions	Reduce or maintain Legal Service's CO <sub>2</sub> emissions from missions (%) compared to 2019	87% of missions in the Legal Service are by train or shared vehicle
Staff awareness actions on reducing GHG emissions (such as actions on sustainable commuting during EU Mobility week and VeloWalk corporate events)	Number of information campaigns	3	2

Description	Indicator	Target	Latest known results (31/12/2023)
Staff awareness actions on digital pollution and gradual change of behaviours avoiding heavy emails, encouraging the use of ICT platforms, avoiding unnecessary storage of data.	Number of information campaigns	3	2
<b>Reducing and management of waste</b>			
Implementation of the EC Guidelines for sustainable meetings and events, e.g. sustainable catering, reduce/eliminate single-use plastics, gadgets/gifts.	Number of green events	100%	100% (1 event)
Staff awareness actions about waste reduction and sorting in the framework of EMAS corporate campaigns	Number of information campaigns	3	6
<b>Promoting green public procurement (GPP)</b>			
Staff awareness actions on the promotion of “green items” among EC office supplies’ catalogue (for example, introduce a DG-specific office supplies’ catalogue, including only 100% “green items”).	Number of information campaigns	3	2

**ANNEX 11: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission.**

Not applicable.

**ANNEX 12: EAMR of the Union Delegations**

Not applicable.

**ANNEX 13: Decentralised agencies and/or EU Trust Funds**

Not applicable.

