



2014

Annual Activity Report

Annexes

DG Education and Culture

March 2015

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ANNEX 1: Statement of the Resources Director

I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission¹, I have reported my advice and recommendations to the Director-General on the overall state of internal control in the DG.

I hereby certify that the information provided in Parts 2 and 3 of the present AAR and in its annexes is, to the best of my knowledge, accurate and exhaustive.

Brussels, 26 March 2015

SIGNED

Arturo CABALLERO BASSEDAS

¹ SEC(2003)59 of 21.01.2003.

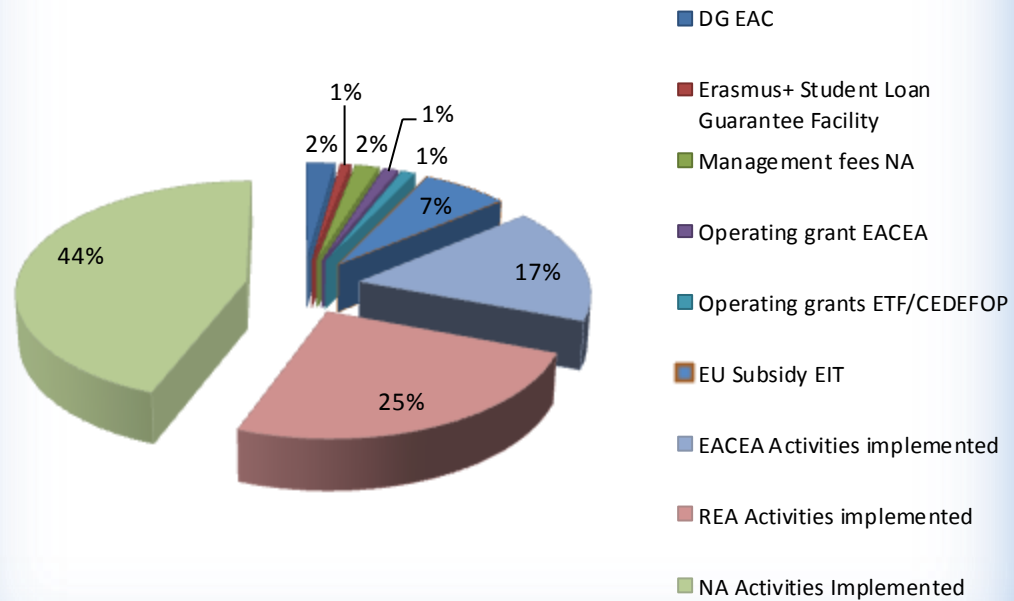
ANNEX 2: Human and Financial resources

Table 1: Human Resources by ABB activity				
Code ABB Activity	ABB Activity	Establishment Plan posts	External Personnel	Total
15 02	Education, Training, Youth and Sport - Erasmus +	260	49	309
15 03	Researchers and Innovation - Horizon 2020	23	9	32
15 04	Culture and audiovisual - Creative Europe	54	11	65
15 AWBL-01	Administrative support for the Directorate-General for education and culture or for the Commission (Library and e-resources centre and the Traineeships Office)	149	32	181
15 AWBL-02	Policy strategy and coordination for the Directorate-General for education and culture	50	10	60
Total		536	111	647

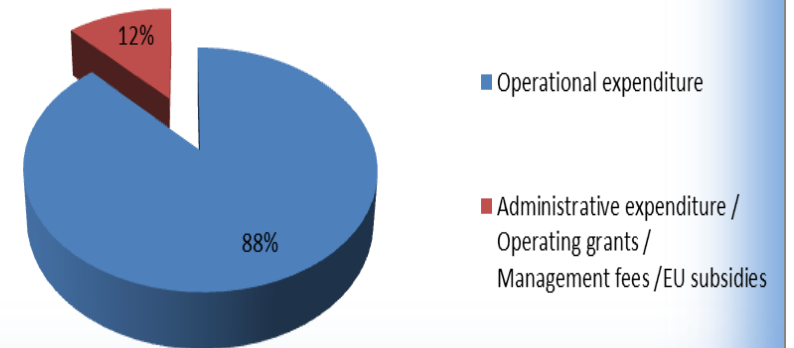
Table 2: Financial Resources by Programme (Chapter) and Management Mode (EUR)

EAC and Executive Agencies (EACEA/REA) - implementation of Commitment Appropriations (CA)													
Budget Chapters	Commitments			Management by DG EAC	Management by entrusted entities								
					Erasmus+ Student Loan Guarantee	Management fees NA	Operating grant EACEA	Operating grants ETF/CEDEFOP	EU Subsidy EIT	EACEA Activities implemented	REA Activities implemented	NA Activities Implemented	
	Available	Executed	Exec. %	Executed	Executed	Executed	Executed	Executed	Executed	Executed		Executed	
15 01	Administrative expenditure of the 'Education and culture' policy area	73.176.578	68.899.107	94,2 %	31.075.237			37.823.870					
15 02	Erasmus+	1.894.038.876	1.825.910.416	96,4 %	33.887.253	28.348.000	64.288.234		37.578.502		260.526.438		1.401.281.989
15 03	Horizon 2020	1.105.153.016	1.089.758.744	98,6 %	1.042.957					233.229.156		855.486.631	
15 04	Creative Europe	179.310.953	176.363.960	98,4 %	9.076.806						167.287.154		
16 03	House of European History	800.000	0	0,0 %	0								
19 05	Cooperation with third countries under the Partnership Instrument (PI)	9.369.332	9.369.259	100,0 %	550.000						612.280		8.206.979
21 01	Administrative expenditure of the 'Development and cooperation' policy area	1.607.630	1.400.730	87,1 %				1.400.730					
21 02	Development cooperation instrument (DCI)	100.356.946	100.356.946	100,0 %							74.606.756		25.750.190
21 03	European Neighbourhood Instrument (ENI)	106.769.355	106.769.355	100,0 %							53.117.754		53.651.601
22 01	Administrative expenditure of the 'Enlargement' policy area	261.100	200.880	76,9 %				200.880					
22 02	Enlargement process and strategy	31.237.427	30.943.492	99,1 %							12.377.397		18.566.095
	TOTAL	3.502.081.213	3.409.972.889	97,4 %	75.632.253	28.348.000	64.288.234	39.425.480	37.578.502	233.229.156	568.527.779	855.486.631	1.507.456.854
					2,22%	0,83%	1,89%	1,16%	25,09%	1,10%	6,84%	16,67%	44,21%
					2,22%	97,78%							

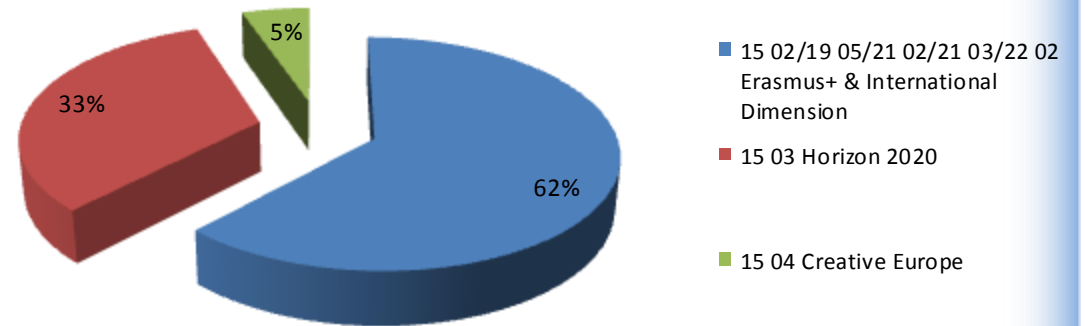
Management Mode - Commitment Appropriations (CA)



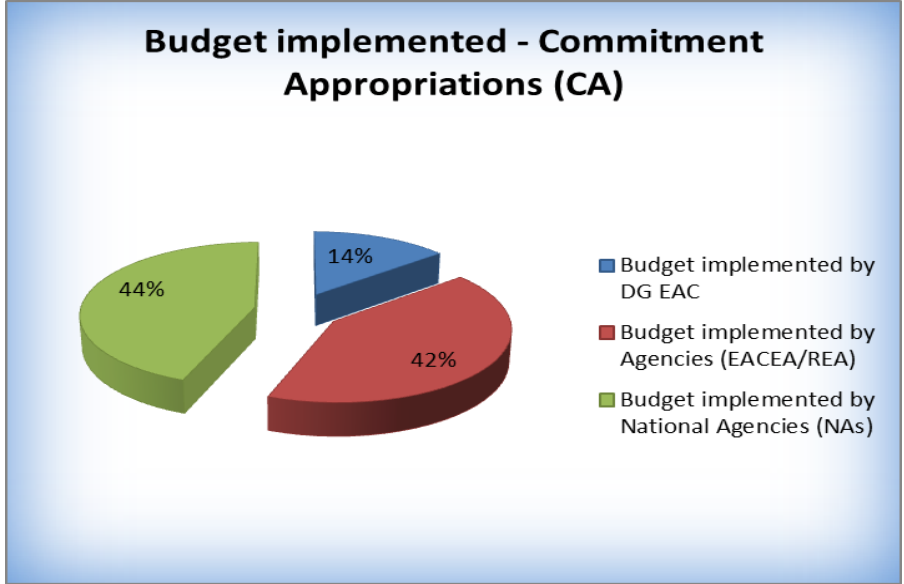
Operational and other expenditure - Commitment Appropriations



EAC and Executive Agencies (EACEA/REA)- (CA) by Programme



EAC and Executive Agencies (EACEA/REA) -Operational Appropriations (CA) by Programme			
Budget Chapters		Commitments	
		Executed	% chapter
15 02/19 05/21 02/21 03/22 02	Erasmus+ & International Dimension	2.073.349.468	62,1 %
15 03	Horizon 2020	1.089.758.744	32,6 %
15 04	Creative Europe	176.363.960	5,3 %
TOTAL		3.339.472.172	100,0 %



Budget implementation	Commitments	
	Executed	%
Budget implemented by DG EAC	478.501.625	14,0 %
Budget implemented by Agencies (EACEA/REA)	1.424.014.410	41,8 %
Budget implemented by National Agencies (NAs)	1.507.456.854	44,2 %
TOTAL	3.409.972.889	100,0 %

**Table 3: IMPLEMENTATION OF THE GLOBAL ENVELOPE - BUDGET LINES CONCERNED: 15 01 02 11 00 01 TO 15 01 02 11 00 06
(based on information received from BUDG services following the 2016 Budget circular)**

(IN EUROS)		APPROPRIATIONS 2014 (C1)			APPROPRIATIONS carried over (C8)	
BUDGET LINE*	BUDGET LINE DESCRIPTION	AVAILABLE APPROPRIATIONS 2014	COMMITMENTS 2014	PAYMENTS 2014	AMOUNTS OF APPROPRIATIONS CARRIED OVER FROM 2013	% IMPLEMENTATION ON APPROPRIATIONS CARRIED OVER FROM 2013
15.010211.00		3.871.444			(*)89.938,	
15.010211.00.01.10	Mission expenses		1.000.000	871.507	64.742,02	60,52%
15.010211.00.01.30	Representation expenses		5.000	4.192	3.111,44	66,19%
15.010211.00.02.20	Meeting costs		1.370.000	1.367.903	213,21	88,79%
15.010211.00.02.40	Conference costs		502.740	379.624	48.652,25	100,00%
15.010211.00.03	Meetings of committees		170.000	136.937	1.898,71	31,82%
15.010211.00.04	Studies and consultations		585.145	337.450	185.365,27	14,95%
15.010211.00.05	Development of management and information systems		66.498	36.439	51.167,58	98,59%
15.010211.00.06	Further training and management training		172.062	97.219	101.288,14	89,45%
	TOTAL	3.871.444	3.871.444	3.231.271	456.438,62	56,84%

(*) € 89.938,35 have been recommitted

ANNEX 3: Draft Annual Accounts and Financial Reports

DG EAC - Financial Year 2014

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

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 (excluding Building Contracts)

Table 12 : Summary of Procedures (excluding Building Contracts)

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Additional comments

1) The current receivables in Table 4 and Tables 7 and 9 present different total amounts due to technical problems with the assignment of profit centers. DG BUDG was informed and consulted, but not able to solve this issue. The receivable amount presented in Tables 7 and 9 is correct and at Commission level the difference is balanced and has no impact.

2) Article 128 FR Transparency

The average time to grant according to Article 128 FR is fully respected by DG EAC. The average time referring to Article 128 (2a) FR) is 43 days at DG EAC (max 6 months) and the average time set out in Article 128 (2b)FR is 37 days at DG EA (max 3 months).

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2014 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 15 Education and culture					
15	15 01	Administrative expenditure of the `Education and culture- policy area	74,64704574	70,35257119	94,25 %
	15 02	Erasmus+	1636,517145	1567,043974	95,75 %
	15 03	Horizon 2020	259,1926378	236,7727176	91,35 %
	15 04	Creative Europe	10,07846527	9,07680595	90,06 %
Total Title 15			1980,435294	1883,246069	95,09%
Title 16 Communication					
16	16 03	Communication actions	0,8	0	0,00 %
Total Title 16			0,8	0	0,00%
Title 19 Foreign Policy Instruments					
19	19 01	Administrative expenditure of the `Foreign Policy Instruments- policy area	0	0	
	19 05	Cooperation with third countries under the Partnership Instrument (PI)	8,756979	8,756979	100,00 %
Total Title 19			8,756979	8,756979	100,00%
Title 21 Development and Cooperation					
21	21 01	Administrative expenditure of the `Development and Cooperation- policy area	1,60763	1,40073	87,13 %
	21 02	Development cooperation instrument (DCI)	25,75019	25,75019	100,00 %
	21 03	European Neighbourhood Instrument (ENI)	53,651601	53,651601	100,00 %
Total Title 21			81,009421	80,802521	99,74%
Title 22 Enlargement					
22	22 01	Administrative expenditure of the `Enlargement- policy area	0,2611	0,20088	76,94 %
	22 02	Enlargement process and strategy	18,86003	18,566095	98,44 %
Total Title 22			19,12113	18,766975	98,15%
Total DG EAC			2090,122824	1991,572544	95,28 %

* 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

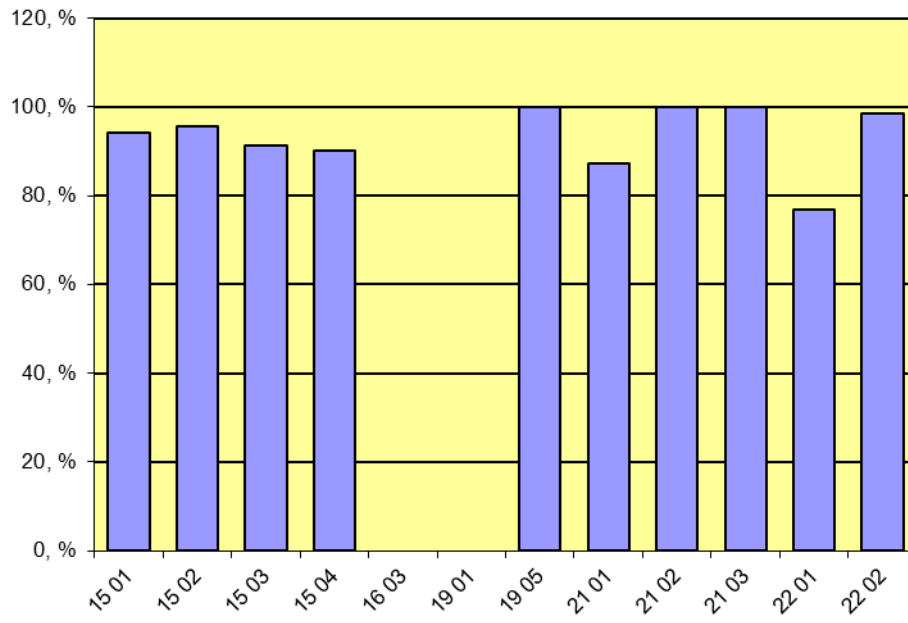


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2014 (in Mio €)					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 15 Education and culture					
15	15 01	Administrative expenditure of the `Education and culture- policy area	87,34367853	67,57131445	77,36 %
	15 02	Erasmus+	1434,881579	1281,60223	89,32 %
	15 03	Horizon 2020	190,0189386	166,6306454	87,69 %
	15 04	Creative Europe	10,09964648	9,09575049	90,06 %
Total Title 15			1722,343842	1524,89994	88,54%
Title 16 Communication					
16	16 03	Communication actions	0	0	
Total Title 16			0	0	
Title 19 Foreign Policy Instruments					
19	19 01	Administrative expenditure of the `Foreign Policy Instruments- policy area	0	0	
	19 05	Cooperation with third countries under the Partnership Instrument (PI)	0,5853	0,21	35,88 %
Total Title 19			0,5853	0,21	35,88%
Title 21 Development and Cooperation					
21	21 01	Administrative expenditure of the `Development and Cooperation- policy area	1,60763	1,40073	87,13 %
	21 02	Development cooperation instrument (DCI)	0	0	
	21 03	European Neighbourhood Instrument (ENI)	3,8436	0	0,00 %
Total Title 21			5,45123	1,40073	25,70%
Title 22 Enlargement					
22	22 01	Administrative expenditure of the `Enlargement- policy area	0,2611	0,20088	76,94 %
	22 02	Enlargement process and strategy	1,1074	0	0,00 %
Total Title 22			1,3685	0,20088	14,68%
Total DG EAC			1729,748872	1526,71155	88,26 %

** 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"

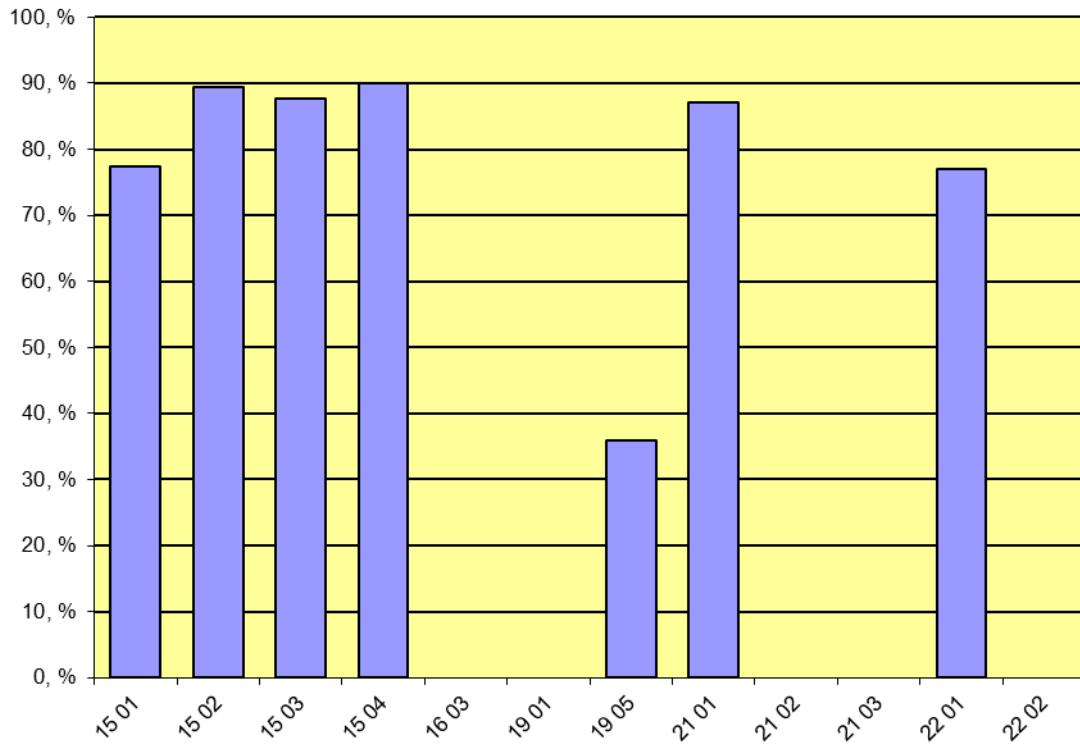


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2014 (in Mio €)

Chapter			2014 Commitments to be settled				Commitments to be settled from financial years previous to 2014	Total of commitments to be settled at end of financial year 2014 (incl corrections)	Total of commitments to be settled at end of financial year 2013 (incl. corrections)
			Commitments 2014	Payments 2014	RAL 2014	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 15 : Education and culture									
15	15 01	Administrative expenditure of the `Education and culture- policy area	70,35257119	56,32	14,03431983	19,95 %	0,26	14,30	12,99
	15 02	Erasmus+	1567,043974	1120,52	446,5196836	28,49 %	41,58	488,10	218,87
	15 03	Horizon 2020	236,7727176	103,51	133,2582486	56,28 %	12,39	145,65	75,86
	15 04	Creative Europe	9,07680595	5,43	3,64611502	40,17 %	2,11	5,75	6,04
Total Title 15			1883,246069	1285,79	597,458367	31,72%	56,33204663	653,7904136	313,7620349
Title 19 : Foreign Policy Instruments									
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	8,756979	0,21	8,546979	97,60 %	0,00	8,55	0,00
Total Title 19			8,756979	0,21	8,546979	97,60%	0	8,546979	0
Title 21 : Development and Cooperation									
21	21 01	Administrative expenditure of the `Development and Cooperation- policy area	1,40073	1,40	0	0,00 %	0,00	0,00	0,00
	21 02	Development cooperation instrument (DCI)	25,75019	0,00	25,75019	100,00 %	0,00	25,75	0,00
	21 03	European Neighbourhood Instrument (ENI)	53,651601	0,00	53,651601	100,00 %	0,00	53,65	0,00
Total Title 21			80,802521	1,40	79,401791	98,27%	0	79,401791	0
Title 22 : Enlargement									
22	22 01	Administrative expenditure of the `Enlargement- policy area	0,20088	0,20	0	0,00 %	0,00	0,00	0,00
	22 02	Enlargement process and strategy	18,566095	0,00	18,566095	100,00 %	0,00	18,57	0,00
Total Title 22			18,766975	0,20	18,566095	98,93%	0	18,566095	0
Total DG EAC			1991,572544	1287,60	703,973232	35,35 %	56,33204663	760,3052786	313,7620349

= "Breakdown of Commitments remaining to be settled (in Mio EUR)"

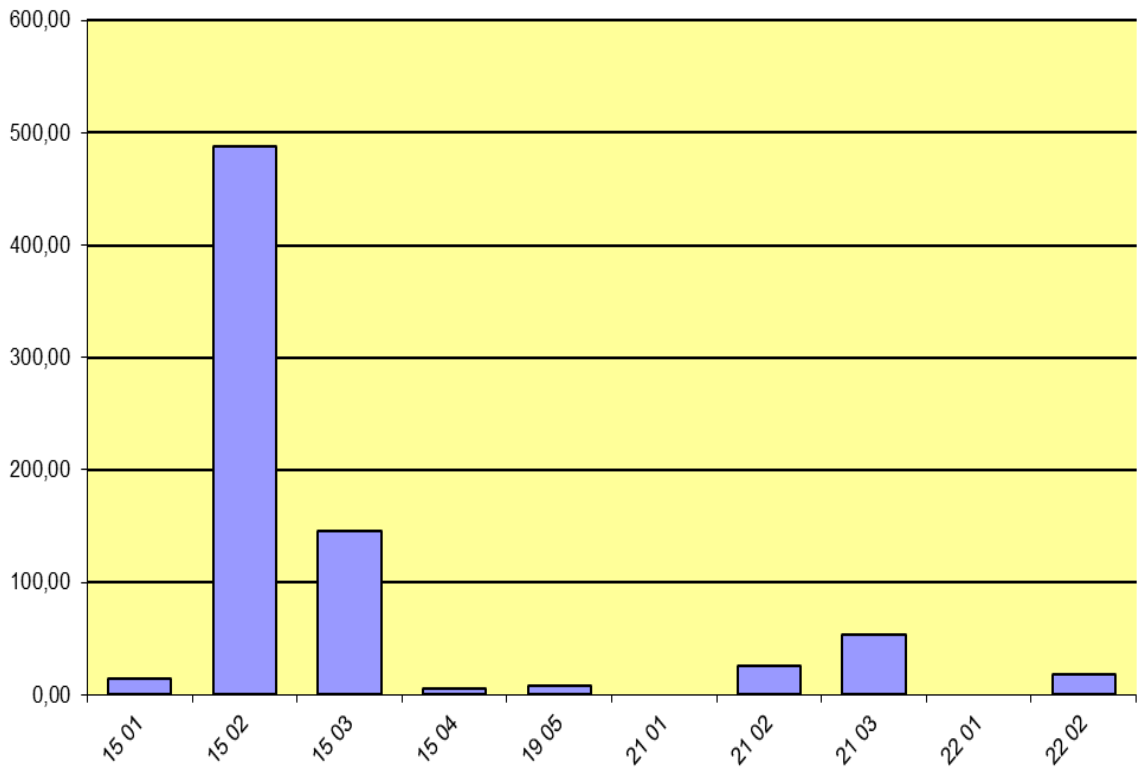


TABLE 4 : BALANCE SHEET

BALANCE SHEET	2014	2013
A.I. NON CURRENT ASSETS	144.584.379,44	132.142.667,83
A.I.1. Intangible Assets	2.228.116,35	2.805.998,57
A.I.6. Non-Current Pre-Financing	142.356.263,09	
A.I.7. OLD LT Pre-Financing	0,00	129.336.669,26
A.II. CURRENT ASSETS	922.123.786,01	1.001.946.837,55
A.II.2. Current Pre-Financing	916.453.523,83	984.208.551,47
A.II.4. Exchange Receivables	2.091.073,07	5.579.378,98
A.II.5. Non-Exchange Receivables	3.579.189,11	12.158.907,10
ASSETS	1.066.708.165,45	1.134.089.505,38
P.III. CURRENT LIABILITIES	-15.613.196,49	-26.097.721,22
P.III.4. Accounts Payable	-959.436,98	-2.390.926,54
P.III.5. Accrued charges and deferred income	-14.653.759,51	-23.706.794,68
LIABILITIES	-15.613.196,49	-26.097.721,22
NET ASSETS (ASSETS less LIABILITIES)	1.051.094.968,96	1.107.991.784,16
P.I.2. Accumulated Surplus / Deficit	1.416.070.739,70	11.291.191,00
Non-allocated central (surplus)/deficit*	-2.467.165.708,66	-1.119.282.975,16
TOTAL	0,00	0,00

It should be noted that the balance sheet and economic outturn account presented in Annex 3 to this Annual Activity Report, represent only the (contingent) assets, (contingent) 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 economic outturn account 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

STATEMENT OF FINANCIAL PERFORMANCE	2014	2013
II.1 REVENUES	-128.625.064,46	-168.980.388,26
II.1.1. NON-EXCHANGE REVENUES	-128.168.279,55	-170.224.915,23
II.1.1.5. RECOVERY OF EXPENSES	-613.279,55	-3.671.245,23
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-127.555.000,00	-166.553.670,00
II.1.2. EXCHANGE REVENUES	-456.784,91	1.244.526,97
II.1.2.1. FINANCIAL INCOME	-2.226.733,78	-4.752.696,78
II.1.2.2. OTHER EXCHANGE REVENUE	1.769.948,87	5.997.223,75
II.2. EXPENSES	1.516.018.187,17	1.573.759.936,96
II.2. EXPENSES	1.516.018.187,17	1.573.759.936,96
11.2.10. OTHER EXPENSES	63.284.442,93	62.364.437,23
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	38.533.384,91	119.500.450,57
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	199.753.657,21	127.041.746,31
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	1.218.270,78	2.689.014,80
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	1.213.226.811,61	1.262.354.991,43
II.2.6. STAFF AND PENSION COSTS		-204.509,00
II.2.8. FINANCE COSTS	1.619,73	13.805,62
STATEMENT OF FINANCIAL PERFORMANCE	1.387.393.122,71	1.404.779.548,70

Explanatory Notes (facultative):

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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 2014 - DG EAC

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
29	1	1	100,00 %	15			
30	6600	6528	98,91 %	8,984528186	72	1,09 %	36,34722222
45	2433	2426	99,71 %	6,601401484	7	0,29 %	60,14285714
50	69	67	97,10 %	20,37313433	2	2,90 %	66
60	799	791	99,00 %	19,32869785	8	1,00 %	64,75
75	8	8	100,00 %	23,75			
90	36	36	100,00 %	32,05555556			
105	2	2	100,00 %	30			

Total Number of Payments	9948	9859	99,11 %		89	0,89 %	
Average Payment Time	9,693104142			9,406532103			41,43820225

Target Times							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	263	242	92,02 %	12,98760331	21	7,98 %	27,38095238
29	1	1	100,00 %	15			
30	943	862	91,41 %	16,78190255	81	8,59 %	41,22222222
50	13	12	92,31 %	21	1	7,69 %	76
60	8	8	100,00 %	22,375			
75	3	3	100,00 %	41,33333333			

Total Number of Payments	1231	1128	91,63 %		103	8,37 %	
Average Payment Time	18,00893582			16,11613475			38,73786408

Suspensions							
Average Report Approval Suspension	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
3	65	357	3,59 %	9948	130.686.697,63	8,59 %	1.521.996.485,96

Late Interest paid in 2014			
DG	GL Account	Description	Amount (Eur)
EAC	65010100	Interest on late payment of charges New FR	1 336,47
			1 336,47

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2014

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	
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	4465682,34	231687,6	4697369,94	3297645,04	221652,83	3519297,87	1178072,07
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	1134909,43	56760	1191669,43	1133814,02	56760	1190574,02	1095,41
59	OTHER REVENUE ARISING FROM ADMINISTRATIVE MANAGEMENT	1804427,79	0	1804427,79	1804427,79	0	1804427,79	0
60	CONTRIBUTIONS TO UNION PROGRAMMES	127555000	0	127555000	127555000	0	127555000	0
66	OTHER CONTRIBUTIONS AND REFUNDS	43160730,16	11739255,35	54899985,51	41460047,48	11365989,2	52826036,68	2073948,83
70	INTEREST ON LATE PAYMENTS	12671,54	143,59	12815,13	7048,87	143,59	7192,46	5622,67
90	MISCELLANEOUS REVENUE	1914,68	8329,31	10243,99	0	0	0	10243,99
Total DG EAC		178135335,9	12036175,85	190171511,8	175257983,2	11644545,62	186902528,8	3268982,97

TABLE 8 : RECOVERY OF UNDUE PAYMENTS
(Number of Recovery Contexts and corresponding Transaction Amount)

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2014	Irregularity		TOTAL Qualified		TOTAL RC(incl. non-qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
2001					1	4.548,47		
2002					3	4.694,63		
2003					1	100,00		
2004	1	7480,4	1	7.480,40	4	50.080,52	25,00%	14,94%
2005					4	48.440,16		
2006	1	2441,39	1	2.441,39	8	53.546,90	12,50%	4,56%
2007	2	232316,72	2	232.316,72	8	308.699,23	25,00%	75,26%
2008	1	2305,09	1	2.305,09	13	91.542,12	7,69%	2,52%
2009	4	19707,38	4	19.707,38	46	1.821.542,54	8,70%	1,08%
2010	7	20808,87	7	20.808,87	109	36.082.600,96	6,42%	0,06%
2011	3	13504,09	3	13.504,09	26	2.677.636,07	11,54%	0,50%
2012					61	1.274.585,65		
2013					61	2.314.350,33		
2014					96	2.032.093,02		
No Link					3	2.975,67		
Sub-Total	19	298563,94	19	298.563,94	444	46.767.436,27	4,28%	0,64%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		TOTAL Qualified		TOTAL RC(incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES									1	219.967,42		
NON ELIGIBLE IN COST CLAIMS	7	15910,39	13	93338,46			20	109248,85	20	109.248,85	100,00%	100,00%
CREDIT NOTES	29	710020,9	15	85822,17			44	795843,07	195	1.038.255,47	22,56%	76,65%
Sub-Total	36	725931,29	28	179160,63			64	905091,92	216	1367471,74	29,63%	66,19%
GRAND TOTAL	36	725931,29	47	477724,57			83	1203655,86	660	48134908,01	12,58%	1,90%

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2014 FOR EAC

	Number at 01/01/2014	Number at 31/12/2014	Evolution	Open Amount (Eur) at 01/01/2014	Open Amount (Eur) at 31/12/2014	Evolution
1999	1	1	0,00 %	8.000,00	8.000,00	0,00 %
2002	2	1	-50,00 %	118.079,19	66.034,77	-44,08 %
2003	2	2	0,00 %	38.667,00	38.667,00	0,00 %
2004	2		-100,00 %	19.500,00		-100,00 %
2005	9	5	-44,44 %	109.757,47	93.094,47	-15,18 %
2007	1	1	0,00 %	79.532,80	79.532,80	0,00 %
2008	4	1	-75,00 %	97.659,39	35.259,94	-63,89 %
2009	2	1	-50,00 %	20.706,16	6.586,16	-68,19 %
2010	2		-100,00 %	663.934,76		-100,00 %
2011	1	1	0,00 %	8.329,31	8.329,31	0,00 %
2012	2	1	-50,00 %	112.885,78	56.125,78	-50,28 %
2013	24		-100,00 %	10.759.123,99		-100,00 %
2014		23			2.877.352,74	
	52	37	-28,85 %	12.036.175,85	3.268.982,97	-72,84 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2014 >= EUR 100.000

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
1	3233140103	3241010869	-648.000,00	Private Companies		

Total DG	-648.000,00
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Number of RO waivers	1
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*Commission Decision C(2014)3866 on 16/06/2014.
Justification: Following the article 91§1 b) of the RAP, the debt cannot be recovered in view of the insolvency of the debtor.*

TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG EAC - 2014**Procurement > EUR 60,000**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 134.1(a)	1	189.450,00
Art. 134.1(b)	3	952.269,49
Art. 134.1(c)	1	2.500.000,00
Art. 134.1(e)	1	220.000,00
Total	6,	3.861.719,49

As requested by DG BUDG (Ares(2014)810896), DG EAC can explain that the sharp increase in the value of negotiated procedures in 2014 is exceptional and will not be repeated in 2015. It concerns 6 out of a total of 46 procurement procedures but is due primarily to the replacement of a service provision for 2015 periodicals for the library to ensure business continuity after its supplier was declared bankrupt in November 2014. In addition, the provision of the specialised library management system contract was renewed for the last time. An open tender for the replacement service is ongoing.

TABLE 12 : SUMMARY OF PROCEDURES OF DG EAC EXCLUDING BUILDING CONTRACTS

Internal Procedures > € 60,000		
Procedure Type	Count	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	6	3.861.719,49
Open Procedure (Art. 127.2 RAP)	12	19.780.627,50
TOTAL	18	23.642.346,99

Additional comments

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TABLE 13 : BUILDING CONTRACTS

Total number of contracts :	
Total amount :	

Legal base	Contract Number	Contractor Name	Description	Amount (€)

No data to be reported

TABLE 14 : CONTRACTS DECLARED SECRET

Total Number of Contracts :

Total amount :

Legal base	Contract Number	Contractor Name	Type of contract	Description	Amount (€)

No data to be reported

ANNEX 4: Materiality criteria

In line with Commission guidelines, the deficiencies leading to reservations should fall within the scope of the declaration of assurance. The following types of possible deficiencies can be relevant in DG EAC's context:

- Significant repetitive errors detected during ex post controls or supervision exercises. The frequency and duration of the errors will be the determining factor to judge their significance.
- Significant weakness in one of the control systems identified by auditors, in supervision exercises, or in the assessment of the implementation of the internal control standards. A particularly relevant case for DG EAC would be identified weaknesses in the control chain of National Agencies.
- Situation where a major critical issue that is of relevance to the declaration has been identified by the European Court of Auditors, the Internal Audit Service or the Internal Audit Capability.
- Situation where the DG knows that it does not have sufficient evidence from internal control systems or audit coverage.
- Situation where the DG has evidence that a significant risk remain unmitigated.
- A significant risk for the reputation of the Commission.

When significant weaknesses are identified, a quantification of the amount at risk should be carried out when possible.

As the DG implements its budget through three very different implementation modes (see section 2.1-2.2), which have different risk profiles and which each have their own control and supervision arrangements, it is considered that observed quantified weaknesses should be assessed against the part of the budget spent in each specific implementation mode. As the Directors of the executive agencies are Authorising Officers by Delegation for the parts of the programmes delegated to them, they take responsibility for this spending in their declaration of assurance in the AARs of the executive agencies. Consequently, the operational spending through executive agencies is not part of the declaration of assurance of the Director General of the parent DGs, only the subsidy for the EA's operating budget. The following diagram gives an overview of the discussed basis for assessing materiality for the two other implementation modes.

Overview of basis for assessing materiality

Erasmus+ 15.02	Horizon 2020 15.03	Creative Europe 15.04
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Indirect management through NAs	
Direct management by DG EAC	

In order to better capture the multi-annual nature of programmes and control activities, a multi-annual approach to the calculation of error rates has been introduced as from AAR 2012. The detected error rate calculated in the 2014 AAR is based on audits carried out over the prior 4 years. Cashed recoveries related to the audit findings (no extension of audit findings is possible in the context of DG EAC's beneficiary population) are deducted to arrive at the residual error rate. If the amount at risk surpasses 2% of the budget for a specific implementation mode during the multiannual reporting period, a reservation should be considered.

In order to quantify the weaknesses, a detected error rate is obtained through random ex post audits for each implementation mode.

Where the deficiency consists of an observed serious weakness in the control system, it will not always be possible to quantify the amount at risk based on observed errors. This can be in particular relevant for the indirect management through National Agencies, where, in the framework of the single audit model, the DG's assurance is mainly based on a verification of the functioning of the control system. In such a case, the following steps are taken to calculate the percentage of the budget at risk:

- Analyse the effectiveness of the control system of each NA/NAU combination and conclude, based on all available information (audits, visits, Declarations of Assurance, reporting...), if the system gives acceptable, partial or no assurance.
- Identify the part of the budget that has been executed through systems with acceptable, partial and no assurance.
- Deduct any relevant suspensions of payments and any financial corrections to obtain the maximum open exposure.
- As an approximation for the potential exposure, consider that 20% of the calculated maximum open exposure is at risk for NA/NAUs with no assurance; 5% of the exposure for NA/NAUs with partial assurance; the observed error rate in random testing for NA/NAUs with acceptable assurance.

ANNEX 5: Internal Control Template(s) for budget implementation (ICTs)

Procurement management

Stage 1: Programming, evaluation and selection of tenders

A - Preparation, adoption and publication of the Annual Work Programme and Calls for tender and other procurement procedures

Main control objectives: Ensuring that the tenders submitted meet the objectives, priorities and needs set by DG EAC; Compliance.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>Risk that the annual work programme and the subsequent calls for tender or other procurement procedures do not adequately reflect the objectives and priorities or are not consistent with DG EAC legal bases.</p> <p>Risk that the needs are not well defined (operationally and economically) and that the procedure to procure was inappropriate.</p>	<p>Definition of needs and procedures to be launched in the Work program or other planning tools.</p> <p>Tenders discussed during directorial management meetings and sometimes at the level of the Directors Board.</p> <p>Planning of procedures and monitoring at the level of central financial unit, collaboration with Service Support to Directors (SuDs) and Operating Units (OU).</p>	<p>Coverage / Frequency: 100% of procurement procedures (nature of checks may differ for specific contracts under non-competitive Framework Contracts)</p> <p>Depth: In-depth analysis of procedures maybe differentiated depending on the type of procedure</p>	<p>Costs: <i>Cost of staff involved in procurement planning</i></p> <p>Benefits: <i>Qualitative benefits: Comprehensive Work Programme and planning give assurance that procedures meet DG EAC objectives, priorities and needs and that the procedures are appropriate to the needs.</i></p>	<p>Effectiveness: <i>% of number of calls and other procurement procedures launched / number of calls and other procurement procedures planned in WP or other planning tools</i></p>
<p>Risk of high quality offers not being submitted due to the choice of the procedure and/or the specifications</p>	<p>Regular preparatory meetings between central financial unit and OU before launching the procedures</p>	<p>Coverage / Frequency: 100% of procurement procedures (nature of checks may differ for specific contracts under non-</p>		

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
	Financial circuit : Central Financial Unit validation and AOS approval on specifications	competitive Framework Contracts) Depth: In-depth analysis of the procedures maybe differentiated depending on the type of procedure		

B - Selecting and awarding: Evaluation, ranking and selection of tenders

Main control objectives: Ensuring that the tenders submitted meet the objectives, priorities and needs set by DG EAC; Compliance; Prevention of fraud.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
Risk of most advantageous offer not being selected, due to a deficiencies in the selection/evaluation process	Documented procedures available for OU together with templates on intranet (Based on Business Process Management analysis) Appointment of the evaluation committee members who might be assisted for important calls by independent experts Validation by the AO of the evaluation stage In addition, if applicable: opinion of advisory bodies Training sessions on new	Coverage / Frequency: 100% of procurement procedures (nature of checks may differ for specific contracts under non-competitive Framework Contracts) Depth: In-depth analysis of procedures maybe differentiated depending on the type of procedure	Costs: Cost of staff involved in the selection/evaluation of calls. If applicable, cost of the external experts Benefits: A robust selection/evaluation process allows the DG to cover its needs in an efficient way and limits the possible litigations High quality services provided	Effectiveness: <i>% of number of evaluated tenders / total number of tenders received</i>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
	<p>regulatory provisions for procurement given to staff involved in contracts management.</p> <p>Systematic checks on operational and legal aspects performed before signature of the contract.</p>			

Stage 2: Contracting and monitoring the execution

Main control objectives: Ensuring that the tenders submitted meet the objectives, priorities and needs set by DG EAC.

Ensuring that the operational results (deliverables) are of good value and meet the objectives and conditions; ensuring that the related financial operations comply with regulatory and contractual provisions; prevention of fraud; ensuring appropriate accounting of the operations; compliance.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>Risk of payments which are not in accordance with the applicable contractual and regulatory provisions.</p> <p>Risk of non-implementation of the contract (the tasks foreseen are not, totally or partially carried out in accordance with the technical description and requirements foreseen in the contract)</p> <p>Risk of inadequate quality or not reaching policy objectives</p>	<p>Effective external communication and guidance to the tenderers.</p> <p>Preparatory meetings for sensitive and high risk contracts.</p> <p>Operational and financial checks in accordance with the financial circuits and the provisions of the contractual documents in order to ensure that each stage (including amendment) of the procedure/work programme is correctly and fully implemented.</p> <p>Monitoring measures are put in place also at the moment of interim reports.</p> <p>Supervision and authorisation by the AO during the procedure/work programme implementation</p>	<p>Coverage / Frequency: 100% of procurement procedures</p> <p>Depth: In case of doubts at the time of payment, more in-depth controls are put in place</p>	<p>Costs: Cost of staff involved in this phase</p> <p>Benefits: Qualitative and quantitative benefits :</p> <p>Detection of errors before payment, sound financial management and respect of contractual provisions</p> <p>Reduction of the committed amounts for contracts and more efficient use of funds due to risk detection.</p> <p>Reduction of the error rate</p> <p>Operational results are of good value and meet the objectives and conditions</p>	<p>Effectiveness: Number of suspended or refused reports/total number of reports</p>

Stage 3: Ex-post controls

A - Reviews, audits and monitoring

Main control objectives: Measuring the level of error in the population after ex-ante controls have been undertaken; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls; identifying possible systemic weaknesses in the ex-ante controls, or weaknesses in the rules

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>Risk of not detecting by ex-ante controls errors, non-compliance with specifications or potential frauds</p> <p>The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries and contractors), which is the main driver of the error rate.</p>	<p>At intervals carry out ex-post controls and external audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed</p> <p>Additional sample if necessary to address specific risks</p> <p>At intervals IAC audits carried out on DG EAC procedures</p> <p>Ex-post controls and audit planning and monitoring of the action plan implementation.</p> <p>In case of systemic error being detected, extrapolation to all similar non-audited procedures.</p>	<p>MUS and random Selection</p> <p>Audit programme of approximately 10 MUS and 10 randomly selected items per year on procurement, with a coverage of 3%, and a 100% depth of testing.</p> <p>Period checks of procurement transactions in the context of the regular accounting control process</p>	<p>Costs: Cost of staff involved in the coordination and execution of the ex-post controls and audits.</p> <p>Benefits: Reduction in the number and budget value of the errors detected by the auditors.</p> <p>Improvement of ex-ante controls or risk approach in ex-ante controls by feeding back findings from audits.</p> <p>Improvement in rules and guidance from feedback from audits.</p>	<p>Effectiveness:</p> <p>Consistent error rate data for the AAR.</p>

Grants direct management

Stage 1: Programming, evaluation and selection of proposals

A - Preparation, adoption and publication of the Annual Work Programme and Calls for proposals and other grants procedures

Main control objectives: Ensuring that the proposals submitted meet the objectives and priorities set by DG EAC; Compliance; Prevention of fraud

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The annual work programme and the subsequent calls for proposals or other grant procedures do not adequately reflect the objectives and priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p> <p>The annual work programmes are not consistent with DG EAC legal bases.</p>	<p>Hierarchical validation within the authorising department</p> <p>Inter-service consultation, including all relevant DGs; adoption by the Commission</p> <p>Explicit allocation of responsibility.</p> <p>Validation of calls or other grant procedures by the central financial unit before launching the procedure</p>	<p>Coverage / Frequency: 100%</p> <p>Depth: All work programmes and calls or other grant procedures are thoroughly reviewed at all levels, including for operational and legal aspects. In-depth controls are put in place for riskier grant procedures.</p>	<p>Costs: estimation of cost of staff involved in the preparation and validation of the annual work programmes and calls or other grant procedures.</p> <p>Benefits: Qualitative benefits. A good Work Programme and well prepared calls or other grant procedures give assurance that applications meet DG EAC objectives and priorities. Clear planning/programming ensure simplification of procedures Quantitative benefits: number of applications or number of work program objectives met.</p>	<p>Effectiveness: % of number of calls or other grant procedures launched / number of calls or other grant procedures planned in WP</p>
<p>In the preparation of simplified form of grants, the</p>	<p>Methodologies on calculating simplified form of</p>	<p>Coverage / Frequency: 100% of procedures</p>	<p>Costs: estimation of cost of staff involved in the</p>	<p>Effectiveness:</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>categories of eligible costs are not clearly identified in advance</p>	<p>grants have been prepared. Commission decisions were taken on their use.</p> <p>The method for determining lump sums, unit costs or flat-rate financing is based on either adequate statistical data, certified historical data or usual accounting practices of the beneficiary.</p> <p>Regular meetings between central financial unit and Operational Unit (OU) were organised to discuss the methodologies and to harmonize the use of this form of grants at the lever of the DG</p> <p>Regular monitoring/follow-up of their implementation in DG EAC.</p>	<p>concerned by simplified forms of grants</p> <p>Depth: in-depth analysis for categories of costs with high degree of complexity and risk</p>	<p>preparation and implementation of simplified form of grant</p> <p>Benefits: Qualitative benefits refer to simplification of grants procedures and consequent ease of application.</p>	<p>% number of grant procedures concerned by simplified forms of grants/total number of grant procedures</p>

B - Selecting and awarding: Evaluation, ranking and selection of proposals

Main control objectives: Ensuring that the proposals submitted meet the objectives and priorities set by DG EAC; Compliance; Prevention of fraud

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the objectives and priorities and the eligibility, selection and award criteria defined in the annual work programme and subsequent calls for proposals and/or invitations to submit proposals.</p>	<p>Documented procedures available to operational staff with relevant guidance documents such as templates e.g., via the intranet (based on Business Process Management analysis)</p> <p>Appointment of the evaluation committee members who might be assisted for important calls by independent experts</p> <p>Evaluation committee members are selected for their technical expertise and independence (e.g. sworn declaration for conflicts of interests)</p> <p>Validation by the AO of the evaluation stage In addition, if applicable: opinion of advisory bodies; comitology where appropriate</p> <p>Training sessions on new regulatory provisions for grants given to staff involved</p>	<p>100% of individual or spontaneous applications are evaluated.</p> <p>More in depth analysis can be carried out depending on the type of grants</p>	<p>Costs: estimation of cost of staff involved in the evaluation process. If applicable, cost of the external experts</p> <p>Benefits: a robust evaluation process contributes to assurance on the good implementation of the WP</p>	<p>Effectiveness: <i>% of number of evaluated applications / total number of applications received</i></p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
	<p>in grant management to improve performance</p> <p>Systematic checks on operational and legal aspects performed before signature of the grant agreement or decision.</p>			

Stage 2: Contracting

Main control objectives: Ensuring that the proposals accepted meet the objectives and priorities set by DG EAC; Compliance

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>Procedures do not comply with the regulatory framework.</p>	<p>Documented procedures available to operational staff with relevant guidance documents such as templates e.g., via the intranet(based on Business Process Management process analysis)</p> <p>Project Officers implement evaluators' recommendations in contracting with applicants</p> <p>Hierarchical validation of proposed adjustments.</p>	<p>100 % of proposals are checked by financial initiators and verifiers before commitment</p> <p>Depth may be differentiated depending on the nature of the grant or beneficiary</p>	<p>Costs: estimation of cost of staff involved in the contracting process.</p> <p>Benefits: Qualitative benefits: The mitigating controls put in place to ensure the respect of rules and procedures contribute to avoiding possible errors at the stage of contracting.</p>	<p>Effectiveness: % of errors or challenges to contractual procedures</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
	<p>Ex-ante verification of the proposed budget</p> <p>Signature of the grant agreement or decision by the AO.</p>			

Stage 3: Monitoring the execution

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions; ensuring that the related financial operations comply with regulatory and contractual provisions; prevention of fraud; ensuring appropriate accounting of the operations

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The actions foreseen are not, totally or partially carried out in accordance with the technical description and requirements foreseen in the grant agreements or decisions and/or the amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p>	<p>Kick-off meetings (if applicable) and "launch events" involving the beneficiaries in order to avoid beneficiary reporting errors.</p> <p>Effective external communication about guidance to the beneficiaries.</p> <p>Operational and financial checks in accordance with the financial circuits and the provisions of the contractual documents in order to ensure that each stage (including amendment) of the action/work programme is correctly and fully implemented.</p> <p>Supervision and authorisation by the AO during the action/work programme implementation.</p> <p>Audit certificates for final</p>	<p>100% of the projects are controlled each time a payment is made or an amendment is issued.</p> <p>In case of doubts at the moment of the payment, more in-depth controls are put in place.</p>	<p>Costs: estimation of cost of staff involved in this phase.</p> <p>Benefits: any reduction of the committed amounts for grants due to risk materialization. (data not available so far)</p> <p>Reduction of the error rate.</p> <p>Operational results from the projects are of good value and meet the objectives and conditions</p>	<p>Effectiveness: % of errors detected at an operational or financial level</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
	payments required in compliance with FR.			
Non-detection of grants with high risk of non-implementation when no bank guarantee is requested.	<p>Methodology on evaluation of pre-financing risks and guidelines on pre-financing payments are in place in conformity with FR</p> <p>Training sessions on new regulatory provisions for grants given to staff involved in grants management</p> <p>Workshops on risk assessment for staff concerned</p> <p>Verification at the stage of payments</p>	<p>100% of grants for which a pre-financing is foreseen are subject to a risk analysis</p> <p>An in-depth evaluation of risks is carried out for each grant concerned by a pre-financing, based on a set of criteria (value, duration, type of grant, subject, financial capacity, type of payments).</p>	<p>Cost: estimation of cost of staff involved in risk analysis</p> <p>Benefits: assurance that riskier actions are identified and mitigating measures (e.g. guarantees) are taken in order to preserve EU financial interests.</p>	<p>Effectiveness: % number risk analysis/number of grants concerned by pre-financing payment</p>

Stage 4: Ex-post controls

A - Reviews, audits and monitoring

Main control objectives: Measuring the level of error in the population after ex-ante controls have been undertaken; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls; identifying possible systemic weaknesses in the ex-ante controls, or weaknesses in the rules

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>Risk of not detecting by ex-ante controls errors or non-compliance with specifications or frauds</p> <p>The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries, which is the main driver of the error rate.</p>	<p>At intervals carry out ex-post controls and external audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed.</p> <p>Additional sample to address specific risks, where appropriate.</p> <p>At intervals IAC audits carried out on DG EAC procedures</p> <p>Ex-post controls and audit planning and monitoring of the action plan implementation.</p> <p>In case of systemic error detected extrapolation to all the non-audited similar procedures.</p>	<p>MUS Selection</p> <p>Audit programme of approximately 10 externally contracted audits per year on projects, with a coverage of 10%, and a 100% depth of testing.</p> <p>Period checks of grant transactions in the context of the AAR and the regular accounting control process</p>	<p>Costs: Cost of staff involved in the coordination and execution of the ex-post controls and audits.</p> <p>Benefits: Reduction in the number and budget value of the errors detected by the auditors.</p> <p>Improvement of ex-ante controls or risk approach in ex-ante controls by feeding back findings from audits.</p> <p>Improvement in rules and guidance from feedback from audits.</p>	<p>Effectiveness:</p> <p>Consistent error rate data for the AAR.</p>

B - Implementing results from ex-post audits/controls

Main control objectives: Ensuring that the (audit) results from the ex-post controls are implemented.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
Risk of non-implementing of action plans for correcting errors, irregularities and cases of fraud detected	Ex-post supervision strategy, performed by external auditors, AOSD decision based on the recommendation of the auditors and proper follow up of recoveries.	100% of results are implemented	<p>Costs: Cost of staff involved in the implementation of the audit results.</p> <p>Benefits: Budget value of the errors, detected by ex-post controls/audits, which have actually been corrected</p>	<p>Effectiveness:</p> <p>Recovery of ineligible amounts</p>

Indirect management – National Agencies

Stage 1 – Establishment (or prolongation) of the mandate to the entrusted entity.

Main control objectives: Ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality & regularity), delegated to an appropriate entity (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The establishment (or prolongation) of the mandate of the National Agency is affected by legal issues, which would undermine the legal basis for the management of the related decentralised EU funds (via that particular National Agency).</p>	<p>For the period 2007-2013, the Member States/participating countries provide the Commission with the preliminary assurances (ex-ante declaration of assurance) that the minimum conditions established by the legal bases are fulfilled by the National Agencies</p> <p>Before the Commission signs a contract with the National Agency, DG EAC a) reviews the ex-ante declaration/ex-ante compliance assessment b) approves the work programme of the National Agency.</p> <p>After each year of programme implementation, the National Authorities provide an ex-post declaration of assurance on the proper management of</p>	<p>Coverage/Frequency: 100%</p> <p>Depth: Checklist includes a list of the requirements of the regulatory provisions to be complied with.</p> <p>If risk materialises, funds delegated during the year(s) to the entrusted entity may be subject to error and irregularity</p>	<p>Costs: estimation of cost of staff involved in the preparation, adoption and selection work.</p> <p>Benefits: The potential error which could affect the budget amount entrusted to the National Agency, if significant (legal) errors would otherwise be detected.</p>	<p>Effectiveness: Smooth transition to next programme;</p> <p>Efficiency: Timely conclusion of process.</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	<p>the funds by the NAs, on the functioning of their control system and on the probity of the accounts presented in the NAs yearly reports.</p> <p>DG EAC has set minimum standards of control and procedures for the NAs (Guide for National Agencies, updated annually) and issued Guidelines for National Authorities.</p> <p>For the period 2014-2020 the same preliminary assurance is provided through the handover and ex-ante Compliance Process.</p> <p>Negotiation of legal base with the Legislative Authority, following which the designation of the National Authority, National Agency and Independent Audit Body.</p>			

Stage 2 – Ex-ante (re)assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”).

Main control objectives: Ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously while respecting all 5 ICOs.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The financial and control framework deployed by the National Agency is not fully mature to guarantee achieving all 5 ICOs (<i>legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy</i>).</p> <p>For the Erasmus+ programme (2014-2020):</p> <p>- Ex-ante Compliance Assessments for the new National Agencies are of poor quality</p>	<p><u>LLP/YiA (programmes 2007-2013):</u></p> <p>- DG EAC has set minimum standards of control and procedures for the NAs (Guide for National Agencies, updated annually) and issued Guidelines for National Authorities.</p> <p><u>Erasmus+ Programme (2014-2020):</u></p> <p>Guidance documents on the designation of National Agencies under E+, on the ex-ante Compliance Assessments and on the transition/handover between National Agencies</p> <p>Ex-ante assessment, conditional to sign a Delegation Agreement with the new National Agency</p> <p>Guidance to Independent Audit Bodies</p> <p>Hierarchical validation by the AOSD of Directorate B</p>	<p>Coverage/frequency: 100% of National Agencies</p> <p>Depth : all ex-ante assessment are analysed with the same depth, independently of the level of decentralised funds that will be entrusted to the National Agency</p>	<p>Costs: estimation of cost of staff involved in the ex-ante assessment process (which includes missions).</p> <p>Benefits: The potential error in the (average annual) total budget avoided.</p>	<p>Effectiveness: Positive performance of stakeholders achieved</p> <p>Efficiency Indicators: Timeliness of process (guidance is clear and properly applied by stakeholders)</p>

Stage 3 – Operations: monitoring, supervision, reporting (“representation” / “control around the entity”).

Main control objectives: Ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, in order to possibly mitigate any potential financial and/or reputational impacts (legality & regularity, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>Due to weak "modalities of cooperation, supervision & reporting", the Commission is not (promptly) informed of relevant management issues encountered by the National Agency, and/or does not (promptly) react upon notified issues by mitigating them or by making a critical observation and recommendation for them – which may reflect negatively on the Commission’s governance reputation and quality of accountability reporting.</p>	<p>The Commission – National Agency Agreement (for LLP/YiA) or Delegation Agreement (Erasmus+) specifying the control, accounting, audit, publication, etc. related requirements – <i>incl. the modalities on reporting back relevant and reliable control results</i></p> <p>Analysis of yearly Declarations of Assurance prepared by National Authorities on its secondary controls (controls on systems of NAs, in particular on the operation of primary controls)</p> <p>Analysis of audit reports commissioned by National Authorities under its secondary controls</p> <p>Analysis of yearly NA reports which are certified by the National Authorities (yearly Declaration of Assurance)</p> <p>Risk-based supervisory visits</p>	<p>Coverage: 100% of the National Agencies and Authorities are monitored/supervised.</p> <p>Frequency: annually</p> <p><u>In case of</u> operational and/or financial issues, measures are being reinforced.</p> <p>The depth is the same for all National Agencies.</p>	<p>Costs:</p> <ul style="list-style-type: none"> - estimation of cost of staff involved in the actual (regular or reinforced) monitoring and supervising the National Agencies (which includes missions) - cost of externalised financial audits of COM-NA Agreements of National Agencies <p>Benefits: Assurance on the budget amount entrusted to the National Agency.</p>	<p>Effectiveness: Conclusions reached on the basis of annual reports are confirmed by monitoring visits, audits and other supervisory activities.</p> <p>Efficiency Indicators: Timeliness of delivery of annual reports</p> <p>Cost effectiveness : Long term resource monitoring</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	<p>to National Agencies and National Authorities</p> <p>Financial audits on yearly sampled National Agencies</p> <p>Regular reporting to Senior Management and in AAR of the supervision results.</p> <p>Regular NA meetings, training of NA staff</p> <p>Information seminars for National Authorities and regular updates and improvements of guidelines for them</p> <p><u>If appropriate/needed:</u></p> <ul style="list-style-type: none"> - monitoring visits to National Agencies to support and provide advice - individual targeted follow-up of critical recommendations - precautionary measures - intervention, e.g. via own audits on-the-spot, - referral to OLAF 			

Stage 4 – Commission contribution: payment or suspension/interruption.

Main control objectives: Ensuring that the Commission fully assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution (legality & regularity, sound financial management, anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Commission pays out the (next) contribution to the National Agency, while not being aware of the management issues that may lead to financial and/or reputational damage.</p>	<p>The Commission – National Agency Agreement (for LLP/YiA) or Delegation Agreement (Erasmus+) specifying the control, accounting, audit, publication, etc. related requirements</p> <p>Management review of the supervision results.</p> <p>Ex-ante Operational Verification and Financial Verification, ‘in-depth’ as required</p> <p>Hierarchical validation of contribution payment of operating grant and funds for decentralised actions and recovery of non-used funds for decentralised actions</p> <p><u>If appropriate/needed:</u> suspension or interruption of payments</p>	<p>Coverage: 100% of the contribution payments.</p> <p>Frequency: usually annually</p> <p>The depth is the same for all National Agencies.</p>	<p>Costs: estimation of cost of staff involved in the (in-depth) OV and FV of the contribution payments/recoveries to/from the National Agencies.</p> <p>Benefits: The potential error in the (average annual) total budget avoided.</p> <p>Benefits in case of recovery or suspension/interruption: the amount and % value of budget recovered or not paid out</p>	<p>Effectiveness: Appropriate information available to support payment or suspension decision.</p> <p>Efficiency Indicators: Timeliness of information and action when issues are noted</p>

Stage 5 – Audit and evaluation, Discharge for decentralised agencies

Main control objectives: Ensuring that assurance building information on the entrusted entity’s activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Commission has not sufficient information from independent sources on the National Agencies' management achievements, which prevents conclusions being correctly drawn on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission’s governance reputation and quality of accountability reporting.</p>	<p>The Commission – National Agency Agreement (for LLP/YiA) or Delegation Agreement (Erasmus+) specifying the control, accounting, audit, publication, etc. related requirements – incl. independent audit function and cooperation with IAS and ECA</p> <p>Assessment of ex-post yearly Declarations of Assurance provided by National Authorities on its secondary controls.</p> <p>NAs include in their yearly reports the results of primary controls (controls carried out by or under the responsibility of the National Agency on the actions that it manages). Types and minimum requirements for controls are set out by DG EAC and are legally binding for the National Agencies.</p> <p>Own supervisory visits_of</p>	<p>Coverage: sample as needed (random for financial audits, value-targeted, risk-based for supervisory visits).</p> <p>Frequency: multiannual planning for financial audits; no pre-determined frequency for supervisory visits</p> <p>The depth for financial audits is the same for all National Agencies. For supervisory visits, the depth is adapted to identify risks.</p>	<p>Costs: estimation of cost of staff involved in the coordination and execution of supervisory visits. Cost of the appointment of audit firms for the outsourced financial audits.</p> <p>Benefits: The potential error in the (average annual) total budget avoided</p> <p>Benefits: budget value of the errors with the beneficiaries detected and subsequently corrected.</p>	<p>Effectiveness: Assurance being provided via yearly Declarations of Assurance and corroborated by other supervision data.</p> <p>Efficiency: Timeliness and administrative cost of process.</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	<u>National Agencies and/or National Authorities</u> Yearly sample of selected National Agencies for financial audit - referral to OLAF			

Indirect management – EACEA, REA, Cedefop, ETF and EIT

Stage 1 – Establishment (or prolongation) of the mandate to the entrusted entity (“establishment act” and “delegation act”).

Main control objectives: Ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality & regularity), delegated to an appropriate entity (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy).

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The establishment (or prolongation) of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).</p> <p>The mandate is not finalised in time to allow programme implementation to proceed by the Agency/ entity.</p>	<p>Existing and long established general legal bases (since 2003 for EAs), multiple mandate extensions in the past</p> <p>Cost-benefit analysis carried out by external consultant and adjustments thereafter ensure value for money</p> <p>Standard template provided by central services and standard wording</p> <p>Hierarchical validation within the authorising department</p> <p>Inter-service consultation, including all relevant DGs</p> <p>Opinion of Council (Committee on Executive Agencies) and Parliament</p> <p>Adoption by the Commission</p> <p>Possibility to make necessary clarifications to the text in the context of revision of the</p>	<p>Coverage/Frequency: 100%/once</p> <p>Depth: Standard templates include all requirements of the regulatory provisions to be complied with.</p> <p>If extreme challenge to the legality of the establishment and delegation materialises, regularity of funds delegated during the year(s) to the entrusted entity could be questioned.</p> <p>Impact of late adoption would affect effectiveness and efficiency.</p>	<p>Costs: cost of staff involved in the preparation, adoption and selection work: this is a largely unavoidable cost and arises infrequently.</p> <p>Benefits: Reputational risk of parent DGs intact.</p> <p>Avoidance of possible additional costs which might result from delays.</p>	<p>Effectiveness: Quality of the legal work (basic act, LFS and delegation act, etc): number of control failures; number of initially negative CIS opinions and timeliness.</p> <p>No litigation cases. No OLAF inquiries. No ECA criticism.</p> <p>Efficiency: Ease of application – timeliness.</p>

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	Delegation Act Specific Financial Regulation Common approach endorsed by EP, Council and Commission (July 2012) and Road map on decentralised Agencies			

Stage 2 – Ex-ante (re)assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”).

Main control objectives: Ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously with respect of all 5 ICOs.

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs (<i>legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy</i>).</p>	<p>Verification of the equivalence and guaranty of the system of internal control</p> <p>As EACEA and REA are well established, the mitigating controls regarding a serious breakdown in the control framework can be regarded as at “cruising speed”.</p> <p>The supervision arrangements constitute the principle control mechanism to ensure the high quality of EACEA’s and REA’s control structures are maintained.</p> <p>The above situation applies by analogy to the Decentralised Agencies, which are even longer established and have a greater financial autonomy (including separate budgetary and discharge process)</p>	<p>Coverage/frequency: DG EAC does not carry out direct controls on the underlying transactions (except for EIT’s reinforced supervision by DG EAC), but uses the supervision mechanisms in place to ensure ICOs are being achieved.</p> <p>Depth: if there was a (hypothetical) particularly serious issue, the parent DGs of the Agency can perform in-depth checks under Article 22 of the Delegation Act of EAs, or action via the steering committees for EAS or governing boards for Traditional Agencies.</p>	<p>Costs: not applicable, no ex-ante assessment process required.</p> <p>Benefits: Reputational risk of parent DGs intact.</p>	<p>Effectiveness: Potential requirement for parent DGs to increase supervision due to deterioration in “Stage 3” indicators</p> <p>Efficiency Indicators: Deterioration in “Stage 3” indicators of time-to-pay, etc.</p>

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	<p>For EIT, full financial autonomy will be granted only after a positive ex-ante assessment of the management environment</p> <p>Requiring prior approval for the riskier transactions (contracts above EUR 60 000 and grants)</p>			

Stage 3 – Operations: monitoring, supervision, reporting (“representation” / “control with the entity”).

Main control objectives: Ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, in order to possibly mitigate any potential financial and/or reputational impacts (legality & regularity, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>Due to weak "modalities of cooperation, supervision & reporting", the Commission is not aware of relevant management issues encountered by the entrusted entity, and/or does not react on a timely basis to issues notified by mitigating them or by making a reservation for them – which may reflect negatively on the Commission’s governance effectiveness and quality of accountability reporting.</p>	<p>For EAs, Delegation Act specifying the control, accounting, audit, publication, etc. related requirements including reporting of error rates and the reservations in the context of the Annual Activity Report.</p> <p>For Traditional Agencies, monitoring via the governing board and the discharge process.</p> <p>Monitoring or supervision of the entrusted entity (e.g. ‘regular’ monitoring meetings at operational level; <u>review of reported control results and any underlying mngt/audit reports</u>; representation and intervention in the Steering Committee, scrutiny of the Annual Activity Report, etc).</p> <p>Management review of the supervision results.</p> <p><u>If appropriate/needed:</u></p> <p>- reinforced monitoring of</p>	<p>Coverage: 100% of the entities are monitored/supervised.</p> <p>Frequency: monthly budget reports, quarterly coordination and Steering Committee meetings, etc.</p> <p><u>For EAs, in case of</u> operational and/or financial issues, measures can be reinforced under Article 22 of the Delegation Act to any depth that is deemed appropriate.</p>	<p>Costs: estimation of cost of staff involved in the actual (regular or reinforced) monitoring of the entrusted entities.</p> <p>Benefits: The potential error in the (average annual) total budget avoided.</p>	<p>Effectiveness: Relevance and reliability of the overall performance of the supervision arrangements, and their coherence with the conclusions provided by external sources (evaluations, IAS, ECA, OLAF, complaints, etc.)</p> <p>Efficiency Indicators: Timeliness of provision of information resource monitoring of administrative cost.</p>

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	operational and/or financial aspects of the entity - intervention, e.g. via own audits on-the-spot, - potential escalation of any major governance-related issues with entrusted entities - referral to OLAF			

Stage 4 – Commission contribution: payment or suspension/interruption.

Main control objectives: Ensuring that the Commission fully assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution (legality & regularity, sound financial management, anti-fraud strategy).

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage.</p>	<p>Reliance on “Stage 3” controls above, plus compliance with budget adopted by the Steering Committee/ governing board.</p> <p><u>If appropriate/needed:</u> suspension or interruption of payments</p>	<p>Coverage: 100% of the contribution payments.</p> <p>Frequency: twice yearly as specified in the Memorandum of Understanding</p> <p>Depth covers the compliance and verification stages of the financial circuit.</p>	<p>Costs: estimation of cost of staff involved in the financial circuit of the contribution payments/recoveries to/from the entrusted entities.</p> <p>Benefits: The potential error in the (average annual) total budget avoided.</p> <p>Benefits in case of recovery or suspension/interruption: the amount and % value of budget recovered or not paid out due to identified irregularities.</p>	<p>Effectiveness: Number of queries regarding budgets or payments.</p> <p>Efficiency Indicators: Time-to-pay/recover.</p>

Stage 5 – Audit and evaluation, Discharge for decentralised agencies

Main control objectives: Ensuring that assurance building information on the entrusted entity’s activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Commission does not have sufficient information from independent sources on the entrusted entity’s management performance, which prevents conclusions being drawn on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission’s governance effectiveness and quality of accountability reporting.</p>	<p>Close review within the discharge and internal audit process of IAC, IAS and ECA findings and the entity’s response.</p> <p><u>If appropriate/needed:</u></p> <ul style="list-style-type: none"> - own ex-post audit(s) on-the-spot, by the Parent DG, <u>of the entity and/or its beneficiaries, normally only in the context of a serious breakdown in the control framework.</u> - potential escalation of any major governance-related issues with entrusted entities - referral to OLAF 	<p>Coverage: Entity’s yearly audit sample of beneficiaries and multi-annual strategy. Sample as per the audit strategies of the IAC, IAS and ECA</p> <p>Frequency: Entity’s IAC will perform multiple audits per year, ECA once a year, IAS less frequently.</p> <p>Normally, the sample will be statistically representative to enable drawing valid management conclusions about the entire population during the programme’s lifecycle.</p> <p>For EAs, the depth can be reinforced under Article 22 of the Delegation Act to any depth that is deemed appropriate.</p>	<p>Costs: estimation of cost of staff involved in the coordination and execution of the own audits and outsourced audits (if any).</p> <p>Benefits: The potential error in the (average annual) total budget avoided.</p> <p>Benefits: budget value of the errors with the entity’s beneficiaries detected by the own auditors, and subsequently corrected. Reputational benefits of clean audit opinion.</p>	<p>Effectiveness: Assurance being provided); consistent and credible error rate, residual error rate below tolerable threshold.</p> <p>ECA opinion on the account and legality and regularity of the underlying transactions</p> <p>Discharge granted</p> <p>Efficiency: Resource monitoring, estimation of benefits.</p>

ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission

1. **Programmes concerned:** Erasmus+ (2014-2020) and Lifelong Learning and Youth in action (2007-2013)
2. **Annual budgetary amount** entrusted to these bodies in 2014: **€ 1,465.5 million** (see table for breakdown by national agency)
3. **Duration of the delegation** : 2014-2020
4. **Justification of recourse to indirect centralised management and justification of the selection of the bodies:** the recourse to national agencies and their appointment by the Member States/participant countries are set in the legal bases of the Erasmus+ programme at Articles 26, 27 and 28 of the Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+'.
5. **Synthetic description of the implementing tasks entrusted to these bodies**
 - i. Management of the project life cycle of the decentralised actions of the Programme: Information and publicity at national level on the Programme and, where applicable, the calls for proposals; Information and counselling of potential applicants; Receipt and evaluation of grant applications; Establishment and supervision of evaluation committees; Decision on the award of grants; Publication of information on supported projects; Commitment of funds for projects and signing of contracts with project beneficiaries; Pre-financing payments to beneficiaries; Monitoring projects, including visits to projects and thematic monitoring meetings; Analysis and control of final activity and final financial reports; Balance payments and recovery of funds; On-the-spot checks on projects; Reporting to the Commission and to the National authority.
 - ii. Monitoring and evaluating the decentralised actions of the Programme: Organisation of national thematic monitoring meetings between projects and of national participation in European thematic monitoring meetings; Organisation of national valorisation meetings bringing together project coordinators and potential users and of national participation in European valorisation events; Reporting on the impact of the Programme actions at national level; Studies, analyses and surveys on the Programme actions at national level; Contribution to national reports on implementation of the

Programme and to evaluation of the Programme; Contribution to achieving synergies at national level with other Community programmes.

- iii. Continuation and winding up of the actions from the Lifelong Learning (2007-2013) and Youth in Action (2007-2013) programmes.

LIST OF ERASMUS+ NATIONAL AGENCIES² AND 2014 BUDGET BREAKDOWN

COUNTRIES			National Agency Erasmus+	2014 Annual budgetary amount ³ (€)
Belgium/DE	BE03	01_BE_DE_ALL	Jugendbüro der Deutschsprachigen Gemeinschaft VoG	529.327 €
Belgium/FR	BE01	01_BE_FR_EDU	Agence francophone pour l'éducation et la formation tout au long de la vie - AEF-Europe	12.472.333 €
Belgium/FR	BE04	01_BE_FR_YOU	BIJ - Bureau International Jeunesse (BIJ)	2.006.230 €
Belgium/NL	BE02	01_BE_NL_EDU	EPOS vzw	16.586.324 €
Belgium/NL	BE05	01_BE_NL_YOU	JINT	3.105.627 €
Bulgaria	BG01	02_BG_ALL	Human Resource Development Centre - HRDC	25.455.073 €
Czech Republic	CZ01	03_CZ_ALL	Dům zahraniční spolupráce (DZS) Centre for International Cooperation in Education	34.277.829 €
Denmark	DK01	04_DK_ALL	Danish Agency for Higher Education	20.230.443 €

² Abstraction is made from the Swiss LLP/YiA NA.

³ Funds for grant support (decentralised funds), contribution to networks and management costs

Germany	DE01	05_DE_HE	Nationale Agentur für EU-Hochschulzusammenarbeit im Deutschen Akademischen Austauschdienst (NA-DAAD)	76.246.755 €
	DE03	05_DE_SE	Pädagogischer Austauschdienst der Kultusministerkonferenz, Nationale Agentur für EU-Programme im Schulbereich	52.482.714 €
	DE02	05_DE_VET_AE	Nationale Agentur Bildung für Europa beim Bundesinstitut für Berufsbildung	17.691.970 €
	DE04	05_DE_YOU	JUGEND für Europa	18.115.390 €
Estonia	EE01	06_EE_ALL	Centre for Educational Programmes, Archimedes Foundation	12.860.245 €
Ireland	IE01	07_IE_SE_VET_AE_YOU	Léargas the Exchange Bureau	11.220.741 €
			The Higher Education Authority	8.016.742 €
	IE02	07_IE_HE		
Greece	EL01	08_EL_EDU	IKY - State Scholarships' Foundation	32.388.359 €
	EL02	08_EL_YOU	INEDIVIM Youth and Lifelong Learning Foundation	4.198.006 €
Spain	ES01	09_ES_EDU	Servicio Español para la Intercionalización de la Educación (SEPIE)	116.045.502 €

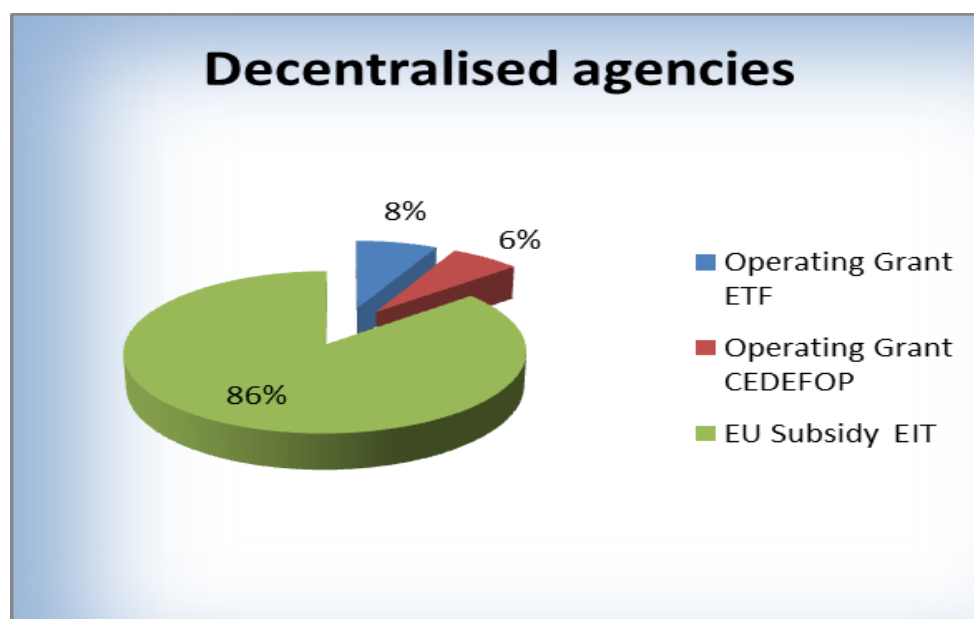
	ES02	09_ES_YOU	AGENCIA NACIONAL ESPAÑOLA DE LA JUVENTUD (INJUVE) (Spanish National Agency for Youth)	11.697.659 €
France	FR01	10_FR_EDU	Agence Erasmus+ France / Education Formation	124.466.893 €
	FR02	10_FR_YOU	Institut National de la Jeunesse et de l'Education Populaire (INJEP)	14.637.033 €
Croatia	HR01	11_HR_ALL	Agencija za mobilnost i programme Europske unije (AMPEU) Agency for Mobility and EU Programmes	13.965.654 €
Italy	IT02	12_IT_SE_HE_AE	Agenzia Nazionale Erasmus+ - INDIRE	80.879.480 €
	IT01	12_IT_VET	Agenzia Nazionale Erasmus + - ISFOL	35.083.719 €
	IT03	12_IT_YOU	Agenzia nazionale per i giovani	12.883.452 €
Cyprus	CY01	13_CY_EDU	Foundation for the Management of European Lifelong Learning Programmes	6.817.783 €
	CY02	13_CY_YOU	Youth Board of Cyprus	2.438.205 €
Latvia	LV01	14_LV_EDU	VIAA - State Education Development Agency	13.016.671 €
	LV02	14_LV_YOU	Agency for International Programmes for Youth	2.911.552 €
Lithuania	LT01	15_LT_EDU	Education Exchanges Support Foundation	18.469.255 €
	LT02	15_LT_YOU	Agency of International Youth Co-operation	3.280.553 €
Luxembourg	LU01	16_LU_EDU	Anefore asbl	4.375.929 €

	LU02	16_LU_YOU	Service National de la Jeunesse	1.846.258 €
Hungary	HU01	17_HU_EDU	Tempus Public Foundation	27.700.293 €
	HU02	17_HU_YOU	National Institution for Family and Social Policy (NIFSP) Erasmus+ Youth National Agency	4.629.656 €
Malta	MT01	18_MT_ALL	European Union Programmes Agency	6.199.419 €
Netherlands	NL01	19_NL_EDU	Nationaal Agentschap Erasmus+ Onderwijs & Training	42.276.994 €
	NL02	19_NL_YOU	Nederlands Jeugdinstituut	5.924.936 €
Austria		20_AT_EDU	OeAD (Österreichische Austauschdienst)-Gesellschaft mit beschränkter Haftung	24.313.299 €
		20_AT_YOU	Interkulturelles Zentrum	3.847.693 €
Poland	PL01	21_PL_ALL	Foundation for the Development of the Education System	105.551.896 €
Portugal	PT01	22_PT_EDU	Agência Nacional Erasmus+ Educação e Formação	32.622.084 €
	PT02	22_PT_YOU	Erasmus+ Juventude em Ação	4.662.674 €
Romania	RO01	23_RO_ALL	Agentia Nationala pentru Programe Comunitare in Domeniul Educatiei si Formarii Profesionale	54.200.495 €
Slovenia	SI01	24_SI_EDU	CMEPIUS "Center Republike Slovenije za mobilnost in evropske programe izobrazevanja in usposabljanja"	11.939.851 €
	SI02	24_SI_YOU	Zavod MOVIT NA MLADINA	2.947.723 €
Slovakia	SK01	25_SK_EDU	Slovak Academic Association for International Cooperation	18.697.273 €

	SK02	25_SK_YOU	IUVENTA – Slovak Youth Institute	3.527.507 €
Finland	FI01	26_FI_ALL	Centre for International Mobility CIMO (Kansainvälisen liikkuvuuden ja yhteistyön keskus)	26.919.572 €
Sweden	SE01	27_SE_EDU	Swedish Council for Higher Education	25.774.797 €
	SE02	27_SE_YOU	Swedish Agency for Youth and Civil Society	4.570.593 €
United Kingdom	UK01	28_UK_ALL	British Council	119.906.248 €
Iceland	IS01	29_IS_EDU	Landskrifstofa Menntaáætlunar ESB [National Agency for the Erasmus+ programme	5.365.919 €
	IS02	29_IS_YOU	Evrópa unga fólksins (National Agency for the Erasmus+ programme - Youth)	1.841.355 €
Liechtenstein	LI01	30_LI_EDU	Agentur für Internationale Bildungsangelegenheiten (AIBA)	2.514.527 €
	LI02	30_LI_YOU	aha - Tipps & Infos für junge Leute	471.732 €
Norway	NO01	31_NO_EDU	Norwegian Centre for International Cooperation in Education	16.273.609 €
	NO02	31_NO_YOU	Bufdir - Barne-, ungdoms- og familiedirektoratet Bufdir – Directorate for Children, Youth and Family Affairs	3.389.632 €
Turkey	TR01	32_TR_ALL	The Centre for European Union Education and Youth Programmes	95.637.523 €
FYROM	MK01	33_MK_ALL	National Agency for European Educational Programmes and Mobility	3.044.222 €
TOTAL ERASMUS+				1.465.451.228 €

ANNEX 8: Decentralised agencies

Decentralised Agencies		Policy area	Annual budgetary amount entrusted in 2014 by DG EAC
			Total (€)
CEDEFOP	European Centre for the Development of Vocational Training	Education and Training	€ 17.434.633,39
ETF	European Training Foundation	Education and Training	€ 20.143.868,66
EIT	European Institute for Innovation and Technology	Innovation	Total: € 233.229.156,00 of which: a) administrative expenditure: € 4.335.000,000 b) Operational expenditure: € 228.894.156,00



ANNEX 9: Performance information included in evaluations

This Annex provides information on evaluations⁴ which have been finalised⁵ in 2014.

Evaluation of European Capitals of Culture 2013	
ABB activity:	15.01.04
Type of evaluation:	Other (O)
Summary of performance related findings and recommendations:	<p>The "European City of Culture" (ECOC) action was launched in 1985. Each calendar year, two European cities hold this title. The overall aim of the Action is to highlight the richness and diversity of European cultures and the features they share, as well as to promote greater mutual understanding between European citizens. The European Commission gives each city a conditional prize of 1,5m EUR; the rest of the funding comes mainly from municipal, regional or state sources. The Action is evaluated yearly.</p> <p>The evaluation assessed the implementation of the two 2013 ECOC: Košice in Slovakia and the Marseille-Provence area in France. It examined the relevance, efficiency, effectiveness and sustainability of the Action, drew conclusions emerging from these two ECOC and considered implications for the ECOC Action as a whole.</p> <p>The evaluation concluded that, despite the significant differences between the two cities, they implemented interesting and innovative ECOC that were consistent with the objectives of the Action. Both cities benefited from extensive and varied cultural programmes; Marseille-Provence 2013 in particular was a high profile national and international event, generating considerable media interest. It was perhaps the best-attended ECOC to date, with events reaching an estimated 11 million people. Both programmes reflected the European dimension of ECOC, especially Marseille-Provence, which featured numerous exchanges with other European countries as well as new collaborations with the wider Mediterranean region. Both ECOC made significant efforts to involve residents and bring culture to new audiences through artist residences and activities focusing on specific neighbourhoods or ethnic groups. In Košice this was supported by the development of new cultural infrastructure, financed in large part through the ERDF.</p> <p>Both ECOC attracted strong support and funding from government partners, though their budgets varied significantly. Košice's final budgets were affected by the economic context and political changes, while Marseille-Provence's pledged budget of €98 million was delivered, including €16.5 million of private sector contributions.</p> <p>For Marseille-Provence, the main legacy effects were increased recognition as a cultural and tourism destination and strengthened networking between cultural operators and policymakers across the territory and internationally. Košice 2013 was part of a long-term plan for urban transformation; as a result of ECOC the city has new cultural facilities, legacy bodies in culture and tourism, new long-term</p>

⁴ Surveys, rolling reviews, data collection, public consultations, legal implementation reports or other types of studies do not qualify as evaluations and are not part of this Annex.

⁵ Final Evaluation Report approved

	<p>cultural development strategies and ongoing funding commitments by public agencies.</p> <p>At the level of the ECOC Action, the conclusions of the evaluation confirm that the ECOC title remains highly valued, generates extensive cultural programmes and significant impacts. The EU title and financial contribution have a considerable leverage effect, making it a cost-effective and efficient initiative.</p> <p>The recommendations are based on the evaluators' considerations of the 2013 ECOC but relate to the implementation of the ECOC Action as a whole. They include the promotion of other sources of financing such as the EU Structural Funds through the identification of good practices and the provision of relevant advice; a policy dialogue with Member States to incentivise private sector investment in the arts and culture; the enhancement of the dissemination of good practices from ECOC; the establishment of guidelines and indicators for the cities' own evaluations and the publication of cities' own evaluation reports. The evaluation also suggests that the recommendations from the selection and monitoring panels should relate to the criteria in Article 14 of the 2014 Decision and that Member States should be encouraged to indicate their funding to the potential candidate cities when the call for applications is issued.</p>
Availability of the report on Europa:	http://ec.europa.eu/dgs/education_culture/more_info/evaluations/index_en.htm

Evaluation of the European Commission's Traineeship Programme	
ABB activity:	
Type of evaluation:	Internal Commission activity (I)
Summary of performance related findings and recommendations:	<p>The European Commission's Traineeship Programme gives about 1,400 university graduates from all over the world the opportunity to do an internship in this institution for a period of 5 months. It has existed since 1960 and currently has an annual budget of around 7,000,000 EUR. The objective of the Programme is twofold. On the one hand, it aims to improve the employability perspectives of trainees by providing them with the opportunity to put into practice the competences acquired in formal education. On the other hand, it aims to benefit the Commission by continuously bringing in the fresh academic knowledge, dynamism and enthusiasm of each successive intake of trainees.</p> <p>This is the second evaluation of the Programme (the first one was carried out in 2008); it assesses the Programme's relevance, effectiveness, efficiency and sustainability during the period from 2007 to 2013.</p> <p>The evaluation concluded that the Programme's objectives are highly relevant, that the Programme is indeed reaching its objectives and that it does so in a cost-effective way. Given the poor labour market conditions and the lack of similar opportunities for practical experience, the Programme fills an important need. The traineeships are not only highly appreciated by participants and Commission officials alike, but they also help ease the trainees' pathway into the labour market. The Commission also benefits directly, thanks to the work done by the trainees and to their enthusiasm, recent academic knowledge and fresh thinking; and indirectly, through improved attitudes towards the European institutions and willingness to cooperate with them.</p> <p>The analysis showed that there is an adequate balance among trainees in terms of gender and nationality and that traineeships have a positive effect on networking. The evaluation commended the efficiency savings realised through the</p>

	<p>modernisation and digitisation of procedures, particularly in connection with pre-selection, and favourably compares the management of the Commission's programme to those of other EU institutions.</p> <p>The main area for improvement identified is the final selection procedure, which was perceived as cumbersome and opaque, due to the variety of practices in place in different Commission DGs and services. Another weakness concerns the lack of explicit learning objectives in the job descriptions of trainees. Monitoring activities were found to be unsystematic and their findings do not appear to be properly exploited or disseminated. Another, more fundamental, recommendation concerned the clarification of the programme objectives in the Programme's legal base (i.e. the Commission decision governing the Traineeship Programme). The evaluation also suggested finding ways to further exploit synergies with other EU institutions, and studying the possibility to increase the number of traineeships if budget resources are available.</p>
Availability of the report on Europa:	http://ec.europa.eu/dgs/education_culture/more_info/evaluations/index_en.htm

Evaluation of implementation of the European Credit System for Vocational Education and Training (ECVET)	
ABB activity:	15.02.22
Type of evaluation:	Regulatory instrument (R)
Summary of performance related findings and recommendations:	<p>The European Credit System for Vocational Education and Training (ECVET) is meant to facilitate the transfer, recognition and accumulation of competences and/or qualifications across levels of education and training, to support citizens move across and within countries and build their flexible learning pathway. The system was officially set up by the 2009 Recommendation and is based on learning outcomes approach, i.e. recording what an individual has actually learned and is qualified for.</p> <p>At this stage, shortly after the testing phase, no impact that ECVET may have had with reference to its objectives has been detected. Conclusions based on largely qualitative judgements can be drawn on whether the implementation of ECVET seems to be moving towards these objectives, and what can be done to this purpose.</p> <p>During the evaluation period of 2009-2013 the European Credit System for Vocational Education and Training (ECVET) had limited progress at the national level. While it remained pertinent to the changing EU policy objectives in the field of vocational education and training (VET), it was not considered by all EU Member States to be equally useful, with commitment to it depending largely on the their VET and credit systems. Countries with already functioning credit systems and those with VET systems dominated by workplace-based training saw less added value in ECVET than those without a credit system or units/modules and/or those predominantly school-based.</p> <p>The most valuable elements of ECVET as perceived by stakeholders were the (units of) learning outcomes and the ECVET documents (Memoranda of Understanding and Learning Agreements), but there was no particular relevance or demand for credit points due to their unclear technical specifications. There is considerable potential and support for greater integration of these elements of ECVET with other EU tools in the context of the European Area of Skills and Qualifications.</p>

	<p>ECVET had a comparatively complex and unclear (to its stakeholders) governance, communication and support structure, although its separate bodies performed their respective functions well. The monitoring of national level progress and ECVET pilot projects was performed strongly, but the Leonardo da Vinci transfer of innovation and mobility projects with ECVET element were not sufficiently followed up.</p> <p>The ECVET projects strongly increased the quality of mobility and developed awareness and understanding of learning outcomes approach, but were unable to increase the political commitment at the national level, or to bring stronger permeability of any kind between VET and higher education.</p> <p>The recommendations of the evaluation called for: a greater focus on the benefits and elements seen as most relevant, particularly learning outcomes; linking with other tools, particularly Europass, EQF and ECTS; making the EU level governance structure lighter and clearer; better monitoring of all projects using ECVET so that lessons can be learned and effectively disseminated; further consolidation and improvement of the targeting of support actions to users of ECVET and NCPs and a stronger focus on quality to promote development of long term partnerships and trust.</p>
Availability of the report on Europa:	http://ec.europa.eu/dgs/education_culture/more_info/evaluations/index_en.htm

Evaluation of the strategic framework for European cooperation in education and training (ET 2020)	
ABB activity:	15.01.04
Type of evaluation:	Other (O)
Summary of performance related findings and recommendations:	<p>The main aim of the ET 2020 framework, adopted through Council Conclusions of May 2009, is to support Member States in further developing their educational and training systems. European cooperation under ET 2020 is implemented making use of the Open Method of Coordination (OMC) and draws mainly on: (i) the four strategic objectives for European cooperation; (ii) common reference tools and approaches; (iii) peer learning and the exchange of good practice and (iv) periodic monitoring and reporting.</p> <p>As regards the objectives and priority areas of ET 2020, they are broad and many, and provide a framework within which activities take place, rather than being a consistent and strong driving force for change across education and training systems. It is recommended that the objectives are streamlined and more tightly focused via sharpened priority areas. A more systematic and consistent connection between ET 2020 and sectoral agenda-setting and delivery would enable the more effective implementation of ET 2020. This requires action in respect of ET 2020 objectives, reporting mechanisms and OMC processes.</p> <p>As regards the operational dimension, mechanisms have not been systematically put in place to enable ET 2020 to deliver the 'clear and visible outcomes' specified in the 2009 Council Conclusions. The use of benchmarks and indicators is not systematically applied, and those that have been devised do not effectively serve as a tool to monitor direct progress in the achievement of the strategic objectives.</p>

	<p>To achieve this requires the specification of more detailed intended outcomes linked to each objective, which it is feasible to both monitor and measure.</p> <p>The relationship between ET 2020 and Europe 2020 and the European Semester has evolved and become closer over time. For its part, processes within the ET 2020 framework support the delivery of the Europe 2020 headline targets and national reforms to increase performance of education systems with intelligence and the development of innovative thinking. At the same time, there is scope to improve political level interactions between the two domains, and to clarify the linkages between ET 2020, Europe 2020 and the European Semester for ET 2020 participants and Member States.</p> <p>ET 2020 comprises both formal and informal governance elements, both of which are essential to its effectiveness. However, the way in which these elements relate to one another has been loose and not well-understood by some participants or part of the wider community. This lack of transparency deters participation and undermines the effectiveness of processes and outputs. ET 2020 also lacks adequate levels of visibility and outside of those directly involved, awareness tails off dramatically.</p> <p>The effectiveness of ET 2020 in delivering change in Member States depends on a balance of factors, those intrinsic to ET 2020 and those internal to Member States. However, a lack of impact in Member States is likely to be due less to the effectiveness of ET 2020 processes and outputs and more to weaknesses in the take-up of ideas within Member States themselves. A key added value of ET 2020 has been its success in stimulating transnational dialogue across Member State borders on a scale not possible without the existence of a European framework. This led stakeholders to highlight the ‘acceleration’ of learning as a key added value of ET 2020.</p>
Availability of the report on Europa:	http://ec.europa.eu/dgs/education_culture/more_info/evaluations/index_en.htm