




European Personnel Selection Office

Director

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**2014**

# **Annual Activity Report**

**European  
Personnel  
Selection Office  
(EPSO)  
&  
European School  
of Administration  
(EUSA)**



# TABLE OF CONTENTS – EPSO

<b>INTRODUCTION:</b>	<b>1</b>
EPSO IN BRIEF .....	1
THE YEAR IN BRIEF .....	1
<b>EXECUTIVE SUMMARY</b>	<b>5</b>
KEY PERFORMANCE INDICATORS.....	5
POLICY HIGHLIGHTS OF THE YEAR (EXECUTIVE SUMMARY OF PART I).....	6
KEY CONCLUSIONS ON RESOURCE MANAGEMENT AND INTERNAL CONTROL EFFECTIVENESS (EXECUTIVE SUMMARY ON PART 2 AND 3)..	7
INFORMATION TO THE COMMISSIONER .....	8
<b>1. POLICY ACHIEVEMENTS</b>	<b>9</b>
1.1 ACHIEVEMENT OF SPECIFIC OBJECTIVES .....	9
1.1.1 SELECTION OF HIGHLY QUALIFIED STAFF: SUFFICIENT NUMBER OF SUITABLY QUALIFIED CANDIDATES DELIVERED WITHIN THE DEADLINES FORESEEN.....	9
1.1.2 EVALUATION OF LINGUISTIC ABILITIES: TIMELY DELIVERY OF TESTS AND ASSESSMENTS OF DIPLOMAS AND CERTIFICATES.....	19
1.1.3 CONTRIBUTE TO THE RUNNING OF THE CERTIFICATION PROCEDURE: TIMELY DELIVERY OF CERTIFICATION EXAMS.	20
1.2 SPECIFIC EFFORTS TO IMPROVE 'ECONOMY' AND 'EFFICIENCY' OF SPENDING AND NON-SPENDING ACTIVITIES.....	21
1.2.1 IMPROVED INTERNAL TEST DEVELOPMENT PROCESS.....	21
1.2.2 REVISED TEMPLATES FOR NOTICES OF COMPETITION.....	21
<b>2. MANAGEMENT OF RESOURCES</b>	<b>22</b>
2.1 MANAGEMENT OF HUMAN AND FINANCIAL RESOURCES BY EPSO .....	23
2.2 BUDGET IMPLEMENTATION TASKS ENTRUSTED TO OTHER SERVICES AND ENTITIES. ....	28
2.3 ASSESSMENT OF AUDIT RESULTS AND FOLLOW-UP OF AUDIT RECOMMENDATIONS .....	28
<b>3. ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS</b>	<b>30</b>
3.1 PRIORITISED INTERNAL CONTROL STANDARDS 2013 – 2014.....	31
3.2 CONCLUSION .....	31
<b>4. MANAGEMENT ASSURANCE</b>	<b>33</b>
4.1 REVIEW OF THE ELEMENTS SUPPORTING ASSURANCE .....	33
4.2 RESERVATIONS AND OVERALL CONCLUSION ON ASSURANCE (IF APPLICABLE) .....	33
<b>DECLARATION OF ASSURANCE</b>	<b>34</b>



# TABLE OF CONTENTS - EUSA

<b>INTRODUCTION:</b>	<b>1</b>
THE EUROPEAN SCHOOL OF ADMINISTRATION IN BRIEF.....	1
THE YEAR IN BRIEF .....	1
<b>EXECUTIVE SUMMARY</b>	<b>2</b>
KEY PERFORMANCE INDICATORS.....	2
POLICY HIGHLIGHTS OF THE YEAR (EXECUTIVE SUMMARY OF PART I).....	3
INFORMATION TO THE COMMISSIONER .....	4
<b>1. POLICY ACHIEVEMENTS</b>	<b>5</b>
1.1 ACHIEVEMENT OF SPECIFIC OBJECTIVES .....	5
1.1.1 MANAGEMENT TRAINING .....	5
1.1.2 TRAINING OF NEW STAFF .....	7
1.1.3 BASIC TRAINING IN KEY SKILLS .....	8
1.1.4 SEMINARS AND CONFERENCES .....	10
1.1.5 CERTIFICATION TRAINING AND EXAMINATIONS (EUSA).....	11
1.1.6 TAILOR-MADE TRAINING .....	12
1.1.7 EXTERNAL ACTIVITIES .....	12
1.2 SPECIFIC EFFORTS TO IMPROVE 'ECONOMY' AND 'EFFICIENCY' OF FINANCIAL AND NON-FINANCIAL ACTIVITIES .....	13
1.2.1 INTER-INSTITUTIONAL CALL FOR TENDER.....	14
1.2.2 ERASMUS FOR PUBLIC ADMINISTRATION .....	14
<b>2. MANAGEMENT OF RESOURCES</b>	<b>15</b>
2.1 MANAGEMENT OF HUMAN AND FINANCIAL RESOURCES BY EUSA. ....	15
2.2 BUDGET IMPLEMENTATION TASKS ENTRUSTED TO OTHER SERVICES AND ENTITIES. ....	15
2.3 ASSESSMENT OF AUDIT RESULTS AND FOLLOW UP OF AUDIT RECOMMENDATIONS.....	15
<b>3. ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS</b>	<b>16</b>
<b>4. MANAGEMENT ASSURANCE</b>	<b>17</b>
<b>DECLARATION OF ASSURANCE</b>	<b>17</b>



## **INTRODUCTION:**

### **EPSO in brief**

#### **A 21<sup>st</sup> Century Selection Office for the EU Institutions**

The European Personnel Selection Office is an inter-institutional office, which was created on 26<sup>th</sup> July 2002 and became operational as of 1<sup>st</sup> of January 2003. Its mission is to serve the EU institutions by providing high quality, efficient and effective selection procedures that enable them to recruit the right person, for the right job, at the right time.

In 2008, and following six years of service during which EPSO successfully helped the Institutions meet the challenges of unprecedented enlargement in 2004 and 2006, the nature of the Human Resource challenges faced by the Institutions created a strong need to modernise, improve and speed up an increasingly outdated selection procedure which had changed little in 50 years. To this end, EPSO successfully implemented the "EPSO Development Programme" (EDP), introducing in 2010 a fixed annual cycle of key selection procedures for administrators, assistants and linguists and introducing a greater focus on competencies. In this way, EPSO reformed a significant part of the HR function in order to provide the EU Institutions with a new generation of motivated and talented staff members.

EPSO is continuously striving to achieve its ambitious vision, namely to be the best at selecting the best, which is described as follows:

- To become and remain the best international public sector selection service in the world by continually improving everything we do.
- To play our role in helping the European Civil Service be modern, efficient and effective.
- To be a great place to work that is challenging, enriching, rewarding and fun.

In 2014, EPSO handled a budget of around €27.2M (entirely under Heading V – Administrative Expenditure), which also included the budget of the European School of Administration (EUSA, approximately €6.5M). EPSO has several important framework contracts in place, the most important of which relate to Computer-Based Testing and test development.

The rules regarding the organisation and operation of EPSO state that the Management Board is its highest decision-making body. The Director of EPSO is responsible for the overall internal control system and the design, implementation and monitoring of the internal control measures applied in EPSO.

### **The year in brief**

In 2014, EPSO delivered 60 reserve lists in the context of Open Competitions, producing 1,200 laureates and reaching 97% of its cumulative published target figures, the highest result ever. The Office also completed Contract Agent selections for two profiles (producing 248 successful candidates).

In parallel, EPSO evaluated 763 diplomas and organised 389 language tests in the framework of the assessment of third language skills, as well as contributing to the successful completion of the certification exercise in which 159 AST Officials were tested on their suitability for appointment to the AD function group.

Going beyond this and in order to achieve its ambitious vision, EPSO worked towards five goals:

➤ Engage with candidates

EPSO continued to work hard in 2014 to pursue its employer-branding strategy, promoting the image of the EU civil service as an attractive career choice for Europe's brightest and best, and the external reputation of the EU Careers brand established in 2010 has continued to grow and improve. In 2014 the EU Careers brand was ranked 10th in the largest graduate employer survey in Europe (Trendence) and came 3rd in the same survey in France (for which EPSO received an award), making the EU Institutions once again the top-rated public sector organisation in Europe.

EPSO applies an equal opportunities policy and takes all reasonable measures to ensure equal treatment to all candidates. In terms of equality and diversity in 2014, the main focus was on disability and special needs in order to implement the United Nations Convention on the rights of persons with disabilities. EPSO completed an accessibility screening of its application process, including communication with candidates and the website. This has resulted in an action plan in line with the UNCRPD where the accessibility of the candidates' experience has been improved. Practice tests and satisfaction surveys have been produced in formats which are fully accessible to citizens using compensational software and the reasonable accommodations procedure for candidates with special needs has been redesigned in order to better attract candidates with disabilities, by better identifying their needs and blocking factors.

To illustrate the effectiveness of EPSO's equal opportunities policy in regard to candidates with disabilities, we would like to refer by way of example to the results of the generalist AD5-cycle (EPSO/AD/177/10) which was re-opened in 2013 and completed in 2014. The competition attracted in total 20,995 candidates, including 93 candidates with a disability (0.44% of the candidate pool). At the end of the selection process, the Selection Board identified 304 laureates, including 7 candidates with a disability (2.3% of the total number of laureates). So far, 5 of those laureates have been recruited by the Institutions. This indicates that the measures taken by EPSO to facilitate the participation of candidates with a disability on an equal basis are effective.

➤ Adapt and improve selection methods

In 2014, EPSO implemented its own testing algorithm to assemble test forms (ERICA: EPSO's Rasch Item Combination Algorithm). ERICA was successfully launched in March 2014 in the context of the AST-3 cycle (EPSO/AST/129/13). ERICA improves fairness towards candidates by ensuring an extremely accurate level of difficulty of test forms across all languages. It also increases the ownership for Selection Boards by allowing, in particular, the simulation of expected score distribution and a more efficient use of EPSO's item-bank by



widening the pool of questions used for every single competition (and thereby reducing the exposure rate of individual items).

In 2014 the self-assessment and self-selection tools (EU Career – My Career) proved to be very popular with applicants. The Self-selection and verbal, numerical, abstract reasoning is now available in 24 languages and the linguistic comprehension, accuracy & precision, prioritising & organising tests and situational judgement tests are delivered in three languages. So far, 400.000 online tests have been delivered – the positive outcomes are clear from EPSO's perspective: there are reduced applicant numbers, higher CBT booking rates and more motivated candidates providing very positive feedback on the tool. Indeed at the International Organisations Careers Development Roundtable held in Oslo in November 2014 EPSO won first prize for best practice in innovations in recruitment across the public sector with this self-selection tool, beating off competition from organisations such as the UN, UNICEF, the ILO and ICRC.

As far as the selection of contractual agents is concerned, a restricted working group with representatives from all Institutions was set up and chaired by EPSO in 2014 to design a new selection model for permanent testing of contract agents under generalists' profiles. The target date for roll-out of the new testing model was set at the end of 2015.

➤ Improve the recruitment process

Before the EPSO Development Programme of 2010, the supply of new staff was not always well-aligned with demand. As a result, many successful candidates remained on reserve lists indefinitely, unable to find jobs, which caused frustration and wasted resources. Thanks to the introduction of strategic HR planning, coupled with annual competitions and limited validity of reserve lists, there is now a much better correlation between the number of laureates and the Institutions' real recruitment needs and the vast majority of laureates are recruited (usually over 80%).

At the same time, EPSO has actively engaged with the Institutions to both simplify and speed up the resource-intensive recruitment process. Actions undertaken include removing the flagging process whereby Institutions were able to reserve candidates for months at a time; introducing a comprehensive eligibility check of supporting documents at the reserve list stage, obviating the need for any further checks during the recruitment process; and the implementation of the Recruiter Portal - a powerful search tool based on a more efficient data model allowing Institutions to efficiently identify suitable candidates for vacant posts and facilitating the exchange of data with the downstream systems for recruitment - which is due for delivery mid-2015. As a result of these changes, laureates can expect to be recruited within months.

➤ Improve organisational effectiveness

Following the transfer (in November 2013) of EPSO's IT unit to the Commission's DG DIGIT the cooperation between the two entities continued to grow in 2014. The IT Project office meets weekly while the IT Steering Committee meets every other month to review collaboration. In 2014 the focus was the consolidation of the Talent Suite of Applications, the Re-organisation of a support structure and

the description and design of the new Talent Pool and permanent CAST. Another area where EPSO strove to improve its organisational effectiveness was through the introduction of collaborative tools across a variety of projects in the Office, notably for its weekly IT project office meetings, its weekly management meetings, the Annual Management Plan, competition—specific resources, the selection board guide and the EPSO Working Group.

➤ Diversify and support new business

In addition to all of the EPSO-driven competitions run in 2014, EPSO also lent its support to the organisation of three new temporary agent selections for the Single Resolution Board which are due to be completed in the first half of 2015. In parallel, a set of competitions launched in 2013 were finalised, including two competitions launched by the Office of Harmonization for the Internal Market (OHIM) with 4700 contract agents registered in two function groups and 11 profiles resulting in 100 successful candidates, as well as the seven internal competitions published by the Commission producing 340 successful candidates. No particular difficulties were encountered with the delivery of these support activities.

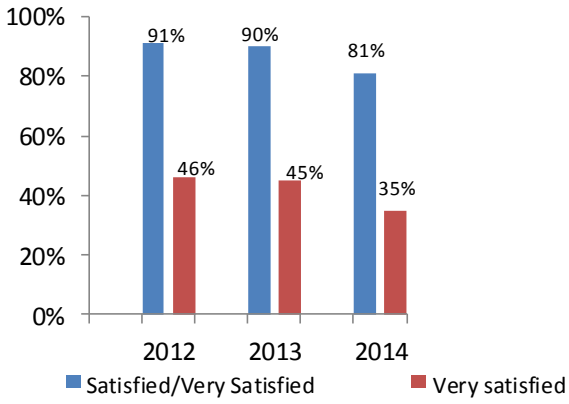
At the same time, EPSO's considerable achievements continue to gain recognition throughout the public sector at both national and international levels. The Office continues to develop its Network of Experts in the field of Personnel Selection and Recruitment across the Member States; and once again in 2014 has been encouraged by the ever-increasing level of participation at the twice-yearly Network meetings (in Budapest and Rome).

## EXECUTIVE SUMMARY

The Annual Activity Report is a management report of the European Personnel Selection Office to the College of Commissioners. It is the main instrument of management accountability within the Commission and constitutes the basis on which the Commission takes its responsibility for the management of resources by reference to the objectives set in the management plan and the efficiency and effectiveness of internal control systems, including an overall assessment of the costs and benefits of controls.

### Key Performance Indicators

<p>1. Laureate delivery rate (proportion of laureates delivered as % of the total number of laureates requested by the Institutions).</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Target (90%)</th> <th>Latest known result</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>90%</td> <td>85%</td> </tr> <tr> <td>2012</td> <td>90%</td> <td>78%</td> </tr> <tr> <td>2013</td> <td>90%</td> <td>82%</td> </tr> <tr> <td>2014</td> <td>90%</td> <td>97%</td> </tr> </tbody> </table>	Year	Target (90%)	Latest known result	2011	90%	85%	2012	90%	78%	2013	90%	82%	2014	90%	97%									
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<p>2. Improved online presence of the EU Career brand, as measured by the number of views/visitors of the EU Careers brand and the number of followers on Facebook and LinkedIn.</p>	<table border="1"> <thead> <tr> <th>Platform</th> <th>Target 2014</th> <th>Followers end 2014</th> </tr> </thead> <tbody> <tr> <td>Facebook</td> <td>150,000</td> <td>240,000</td> </tr> <tr> <td>LinkedIn</td> <td>10,000</td> <td>13,000</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>PAGE VIEWS</th> <th>2013</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td><b>EU CAREERS BRAND</b></td> <td></td> <td></td> </tr> <tr> <td>Documentum</td> <td>15,493,026</td> <td>27,948,569</td> </tr> <tr> <td>Wordpress</td> <td>4,011,770</td> <td>5,051,694</td> </tr> <tr> <td><b>Total</b></td> <td><b>19,506,809</b></td> <td><b>33,002,277</b></td> </tr> </tbody> </table>	Platform	Target 2014	Followers end 2014	Facebook	150,000	240,000	LinkedIn	10,000	13,000	PAGE VIEWS	2013	2014	<b>EU CAREERS BRAND</b>			Documentum	15,493,026	27,948,569	Wordpress	4,011,770	5,051,694	<b>Total</b>	<b>19,506,809</b>	<b>33,002,277</b>
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<p>3. Number of EU Careers Ambassadors in EU universities.</p>	<table border="1"> <thead> <tr> <th>Academic year</th> <th>Ambassadors</th> <th>Universities (all MS)</th> </tr> </thead> <tbody> <tr> <td>2013/2014</td> <td>87</td> <td>103</td> </tr> <tr> <td>2014/2015</td> <td>92</td> <td>112</td> </tr> </tbody> </table>	Academic year	Ambassadors	Universities (all MS)	2013/2014	87	103	2014/2015	92	112															
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<p>4. Candidate satisfaction rate with EPSO's Assessment Centre.</p>	 <table border="1"> <thead> <tr> <th>Year</th> <th>Satisfied/Very Satisfied</th> <th>Very satisfied</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>91%</td> <td>46%</td> </tr> <tr> <td>2013</td> <td>90%</td> <td>45%</td> </tr> <tr> <td>2014</td> <td>81%</td> <td>35%</td> </tr> </tbody> </table>	Year	Satisfied/Very Satisfied	Very satisfied	2012	91%	46%	2013	90%	45%	2014	81%	35%
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<p>5. Number of critical/very important audit recommendations overdue for more than 6 months</p>	<p>2012 : 0 2013 : 0 2014 : 0</p>												

### Policy highlights of the year (executive summary of part I)

EPSO has successfully built on its achievements over the past year, fulfilling its mission to enable the EU Institutions to meet their challenges by being able to recruit high quality staff; helping to further improve the applicants' experience and ensuring that the EU institutions are capable of attracting the very best in a highly competitive market for top talent.

Solid upstream coordination and pro-active competition management impact the running of competitions positively. In 2014, the improvement efforts were geared towards streamlining the information given to new Selection board members. In addition, an information and visibility campaign (including a video to attract new Selection Board members and articles in the "*Commission en direct*") was launched in close cooperation with the Institutions. The purpose was to raise awareness about the attractiveness of the work performed by selection board members and markers in helping select new staff, in order to find more volunteers and to ensure the smooth-running of competitions throughout the year.

As far as the selection of contractual agents is concerned, a restricted working group with representatives from all Institutions was set up and chaired by EPSO in 2014 to design a new selection model for permanent testing of contract agents under generalists' profiles. Based on the proposals elaborated by the restricted working group, the new permanent testing model was endorsed by EPSO's Management Board on 16 May 2014. Following on from that decision, a detailed business case was established by EPSO and approved by the restricted working group, in order to translate the features of the new selection model into the IT tools required to support permanent testing. The business case was finalised and shared with DIGIT in September 2014. Following its impact assessment, the target date for roll-out of the new testing model for contract agents was set at the end of 2015. Therefore, the suspension of the General Implementing Provisions for the selection of contract agents was prolonged by the Commission until December 2015.

Permanent CAST will rely on new IT solutions which will be developed by DG DIGIT in order to support all aspects of EPSO's work. The design and architecture of the new IT systems were achieved in 2014. A key element of this is the Talent Pool project, a new candidate-centric rather than reserve list-centric vision for EPSO IT systems, designed to share the technological platform and the common terminology of the other HR management (HRM) systems (e.g. Sysper), in order to facilitate full integration and reuse of common information throughout the career of a candidate e.g. mobility, career management, appraisal and learning & development. The Talent Pool project consists of 3 building blocks:

1. The *Candidate Portal* based on an enhanced EPSO Account (eCAS identification, Structured and harmonised CV, management of supporting documents and enhanced communication tools);
2. The *Recruiter Portal* offering recruiting services a powerful tool with which to find the best match to their needs in the talent pool of successful candidates in selection procedures (harmonised data, enhanced search and skill finder capability, talent management);
3. The *e-Selection* toolkit supporting selection procedures (application form builder, admission tool, remote marking facility, planning tool, result and assessment management, talent screener, ...).

EPSO also continues to attach great importance to the level of satisfaction expressed by candidates. For this reason, a new electronic satisfaction survey was introduced in 2014. Whereas in the past candidates were asked to fill in a paper questionnaire on the day of the assessment centre, they now have the possibility to fill in the questionnaire online afterwards from any computer and over a longer period. This has resulted in a much higher response rate to the survey in 2014 than in the past. However, due to this huge surge in the number of respondents, the 2014 results are not entirely in line with the results of previous years. Despite a small decrease in the percentage of candidates expressing themselves as being 'satisfied', or 'very satisfied', the satisfaction rate of candidates invited to EPSO's assessment centre has remained very high, clearly demonstrating that our selection procedures, as well as the way we treat candidates, continue to meet participants' expectations. It should also be mentioned that we have not observed any change in the number of complaints received about the Assessment Centre. The candidate satisfaction rate remains one of our priorities and has – again – been identified as one of EPSO's key performance indicators in our Management Plan for 2015.

### **Key conclusions on resource management and internal control effectiveness (executive summary on part 2 and 3)**

In accordance with the governance statement of the European Commission, (the staff of) EPSO conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

The Commission has adopted a set of internal control standards, based on international good practice, aimed at ensuring the achievement of policy and operational objectives. As required by the Financial Regulation, EPSO's Director has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

EPSO has assessed the effectiveness of its key internal control systems during the reporting year and has concluded that the internal control standards are effectively implemented. It has taken measures to further improve its compliance with internal control standard 5 "Objectives and Performance indicators" (as reported in Part 3).

In addition, EPSO has systematically examined the available control results and indicators as well as the observations and recommendations issued by internal auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives. Please refer to Part 2 for further details.

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

#### **Information to the Commissioner**

The main elements of this report and assurance declaration have been brought to the attention of Vice-President Kristalina Georgieva, responsible for Budget and Human Resources.

## 1. POLICY ACHIEVEMENTS

### 1.1 Achievement of specific objectives

#### 1.1.1 Selection of highly qualified staff: sufficient number of suitably qualified candidates delivered within the deadlines foreseen.

<b>Specific objective n°1: To provide Institutions with highly qualified staff according to their requests by organising open competitions and selection procedures in an inter-institutional context</b>		
<input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator (officials):</b> laureate delivery rate (administrators, assistants, linguists, specialists: meeting the targets set out in the Notices of Competition within the foreseen deadline). (source: <b>Notices of Competition, eRL database</b> )		
<b>Baseline 2012:</b> In 2012, EPSO achieved 78% of the cumulative published target figures for officials.	<b>Current Situation:</b> By 31 December 2014, EPSO had placed 1200 laureates on 60 different reserve lists, meeting 97% of its cumulative published target figures <sup>1</sup> .	<b>Target 2014:</b> ≥ 90% of the cumulative published target figures (which represents 120% of identified needs).
<b>Main outputs in 2014:</b> Delivery of reserve lists of AD&AST officials, as set out in the EPSO Work Programme		
<b>Result indicator (contract agents):</b> laureate delivery rate (source: <b>Calls for the expression of interest, CAST-database</b> )		
<b>Baseline 2012:</b> 3 selection procedures for contractual agents completed (translators, "childcare" and building management). For the 3 profiles together, 2378 laureates were identified (119% of the cumulative published targets).	<b>Current Situation:</b> 248 successful candidates identified, representing 90% of the cumulative published target figures.	<b>Target 2014:</b> ≥ 90% of the cumulative indicative target figures, both for specialists and generalist profiles, whilst at the same time achieving increased cost-efficiency for the selection of contract agents.
<b>Main outputs in 2014:</b> Selection procedures for contractual agents. New permanent selection process for contract agents designed, approved by the Stakeholders and fully operational.		

The actions under this objective cover the full range of steps needed to complete the selection processes, from planning and publication of the Notice of Competition to the publication of the list of successful candidates.

With regard to the Open Competitions organised by EPSO aimed at selecting future Officials, EPSO reached 97% of its cumulative published target figures, the highest result ever. The target of 90% of the published target figures was reached for 41 out of 60 selection procedures completed in 2014 (i.e. 68% of the total). For some competitions, the target was even exceeded. However, for 19 competitions (i.e. 32% of the total), Selection Boards did not identify sufficient successful candidates to fill all the available

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<sup>1</sup> The reserve lists for Open Competitions EPSO/AST/130/14 and EPSO/AD/275/13 were finalised in January 2014 whilst nearly all of the related organisational tasks were performed and completed in 2014. For this reason, the laureates of these competitions have been taken into account in the 2014 figures.

places on reserve lists, despite sustained and targeted efforts to attract and select suitable candidates<sup>2</sup>. The shortfall<sup>3</sup> almost exclusively concerned competitions for linguistic profiles, such as translators and lawyer-linguists, as well as some very specific profiles, such as Croatian Heads of Unit in the fields of Law, Economics and European Public Administration (AD9/AD12). Precise reasons for each shortfall were regularly examined in close cooperation with EPSO's stakeholders, amongst them the linguistic departments. One of the main reasons is undeniably the limited number of candidates on the labour market with the right profile and who are interested in a career in the EU institutions. Some candidates are reluctant to move abroad, whether that be to Brussels, or to Luxembourg.

As far as Contractual Agents with specialist profiles are concerned, EPSO continued to organise and/or support selections for drivers, researchers for the European Parliament and administrative assistants/various profiles for OHIM.

A restricted working group with representatives from all Institutions was set up and chaired by EPSO in 2014 to design a new selection model for permanent testing of contract agents under generalists' profiles. Based on the proposals elaborated by the restricted working group, the new permanent testing model was endorsed by EPSO's Management Board on 16 May 2014. Following on from that decision, a detailed business case was established by EPSO and approved by the restricted working group, in order to convert the features of the new selection model into the IT tools required to support permanent testing. The business case was finalised and shared with DIGIT in September 2014. Following its impact assessment, the target date for roll out of the new testing model for contract agents was set at the end of 2015. Therefore, the suspension of the General Implementing Provisions for the selection of contract agents was prolonged by the Commission until December 2015.

<b>Specific objective n°2: To attract the appropriate candidate pools for each selection procedure</b>		
<input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator:</b> Enhanced awareness of the EU Careers brand among graduates in top universities in the EU via the "EU Careers Ambassadors", in order to attract the most appropriate profiles for EPSO selection procedures. (source: <b>internal</b> )		
Baseline <b>2013:</b> EU Careers Ambassadors in 103 universities in all MS.	<b>Current Situation:</b> EU Careers Ambassadors in 112 universities in all Member States.	Target <b>2014:</b> EU Careers Ambassadors in 120 universities in the EU.
Baseline <b>2013:</b> 316 EU Careers Ambassadors events in 2013.	<b>Current Situation:</b> 319 Events organised in 2014.	Target <b>2014:</b> At least the same number of events as in 2013.

<sup>2</sup> For the Interpreter competitions published in 2013 and finalised in 2014, no target figure for successful candidates was pre-determined. All successful candidates were placed on the reserve lists, but the issue of attracting appropriate candidates still remains valid.

<sup>3</sup> It should be pointed out that the target number of laureates is set at 120% of identified needs, which indicates that even where there is a shortfall, the Institutions generally have sufficient laureates to meet their needs.



Baseline <b>2013:</b> over 50 dedicated Facebook pages.	<b>Current Situation:</b> 70 dedicated Facebook pages are operational.	Target <b>2014:</b> At least the same number of dedicated Facebook pages.
<b>Main outputs in 2014:</b> Training for EU Careers Ambassadors (65 in Brussels and 31 in the MS); production of promotional material to support their activities. Specific campaigns to promote selected competitions, either in Member States where it is difficult to attract an adequate number of candidates (relative to the Member State's population), or for which profiles are difficult to find, or both. Introduction of a self-selection tool for potential candidates.		
<b>Result indicator:</b> Improved online presence of the EU Careers brand (source: <b>EU Careers website, Facebook, LinkedIn</b> )		
Baseline <b>2013:</b> EU Careers website: 15.260 million views and 3 million unique visitors in 2013.	<b>Current Situation:</b> Almost 28m views (↑80%) and nearly 3.5 million unique visitors (↑14%).	Target <b>2014:</b> Retain number of views/visitors which will fluctuate according to number of competitions published.
Baseline <b>2013:</b> 128,645 followers on Facebook (stand: October 2013).	<b>Current Situation:</b> More than 240,000 Facebook followers.	Target <b>2014:</b> 150,000 followers on Facebook by end 2014.
Baseline <b>2013:</b> 3000 followers on LinkedIn.	<b>Current Situation:</b> Over 13,000 followers on LinkedIn.	Target <b>2014:</b> Increase the presence of the EU Careers brand on LinkedIn to 10,000 followers. To be present in at least two other social media platforms that have a significant presence in target MS.
<b>Main outputs in 2014:</b> A users' survey to evaluate the new EU Careers website. Better-targeted campaigns and information/communication products.		

In a bid to improve communications with candidates, in 2014 (amongst other initiatives to review communications with letters, general rules and the website) EPSO redrafted its Notices of Competitions to make them simplified, shorter and standardised.

In order to increase UK awareness (as one of EPSO's six focus countries), several innovative schemes were undertaken in 2014, including the UK's Language Undergraduate of the Year awards scheme – the winner being awarded a trip to Brussels to meet with several high ranking officials across the European Commission. The other notable event was the piloted University Careers Challenge undertaken across a University campus (Leicester) where students from the Economics department were invited to come together in teams to tackle a given European economic challenge. Again the winning team were invited over to the Commission's headquarters in Brussels.

Concerning the EU Careers Ambassadors, the emphasis in 2014 was put more on quality and less on quantity. To this end, a new methodology for the selection of the Ambassadors was introduced, using video-recorded interviewing (VRI) and applying stricter evaluation standards. This being said, twice the number of Ambassadors across EU universities in 2014 as compared to 2013 were selected this way.

More than 800 people participated in the users' survey to evaluate the EU Careers website. The feedback received will help EPSO to develop a new website and candidate portal that will i.a. allow for more attractive interactive presence on social media. Campaigns were launched through identified networks online and in print targeting the specific profile of candidate required for specialised competitions (e.g. in certain countries, or among international/European professional networks). The campaigns

were developed in close cooperation with the Institution(s) concerned, relevant MS services and other interested parties.

<b>Specific objective n°3: To manage interactions with candidates positively and proactively based on good customer relations management</b> <input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator:</b> Reduced number of complaints relating to service, timelines and/or correctness of information, and other issues stemming from communication. (source: <b>EPSO's Candidate Contact Service, legal sector</b> )		
<b>Baseline 2012:</b>	<b>Current Situation:</b> 1075 Requests for Review, none of which led to an Article 90 (2) and only 2 of which became Ombudsman complaints on the same grounds.	<b>Target 2014:</b> Reduction in number of complaints related to service, timeliness and/or correctness of information, and other issues stemming from communication by at least 20%.
<b>Main outputs in 2014:</b> A categorization of the main causes of complaints to help improve upstream coordination and communication.		
<b>Result indicator:</b> Higher - or at least similar - candidate satisfaction rate (source: <b>AC candidates' satisfaction survey</b> )		
<b>Baseline 2012:</b> Candidate satisfaction rate in 2012: 91% (of whom 46% said they were very satisfied).	<b>Current Situation:</b> Candidate satisfaction rate in 2014: 81% (of whom 35% said they were very satisfied).	<b>Target 2014:</b> At least 90% of the candidates invited to the assessment centre stage say they are either satisfied, or very satisfied with the assessment centre; at least 50% of them say they are very satisfied.
<b>Main outputs in 2014:</b> Conduct of electronic candidate satisfaction surveys. Introduction of actions in EPSO's internal communication strategy to improve contact with candidates at all stages of the selection procedure.		

EPSO continued its efforts in this area in 2014. Our candidate contact service replied to more than 28,000 questions by email and answered over 4,000 phone calls. Of the 1075 Requests for Review received during the year, none went on to become an Article 90(2) complaint and only 2 led to an Ombudsman complaint on the same grounds.

The categorization of the main causes of complaints revealed that most requests for review related to the admission stage and the use of the Talent Screener. Following internal consultations in EPSO, targeted measures will be implemented in 2015 in order to better inform candidates and train Selection Boards.

In November 2014, the European Ombudsman published a report "*Putting it right? – How the EU Institutions responded to the Ombudsman in 2013*", in which EPSO was singled out for setting the standard in terms of how to bring about systemic improvements and how to avoid future complaints.

Finally, a major operation was initiated with other units in EPSO to further improve communication with our candidates, which resulted in efficiency gains (less correspondence) and more clarity for candidates. Information has been streamlined and manuals developed to guide them clearly and precisely through each step in the process.

<b>Specific objective n°4: To progressively improve selection methods and tools, based on our experience and best practice.</b> <input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator:</b> More sophisticated method for assembling CBT test forms (LOFT) successfully introduced in 2014. (source: <b>internal</b> )		
<b>Baseline 2014</b>	<b>Current Situation:</b> Target met. EPSO designed its own testing algorithm to assemble test forms (ERICA: EPSO's Rasch Item Combination Algorithm). ERICA was successfully launched in March 2014 for the CBT tests of the AST 3-cycle (EPSO/AST/129/13).	<b>Target 2014:</b> Trial the new method in a competition and possibly extend the project to further competitions during 2014.
<b>Main outputs in 2014:</b> Successful implementation of the new method for assembling CBT test forms, in close cooperation with the CBT contractor.		
<b>Result indicator:</b> Technology-enhanced assessment supports are used as part of the Assessment Centre in order to improve the quality of assessment and to optimize the use of resources. (source: <b>internal</b> )		
<b>Baseline 2014</b>	<b>Current Situation:</b> Target met. Video-recorded interviewing (VRI) has been adopted as the next technology to be implemented in EPSO and will be used in the context of a competition for legal specialists. VRI was already successfully used in the context of the large scale selection procedure for EU Careers Ambassadors.	<b>Target 2014:</b> Development of competency matrix with a remote Assessment Centre phase, to be applied in a specific notice of competition.
<b>Main outputs in 2014:</b> Proposals made to the Institutions, in particular with regard to potential use of alternative technologies. Realization of a feasibility study.		
<b>Result indicator:</b> Fine-tuning and refinement of the existing 8 competencies and/or related 40 behavioural anchors, possibly proposing complementary aspects, such as the 5 components of Organizational Behaviour Citizenship. (source: <b>internal</b> )		
<b>Baseline 2014</b>	<b>Current Situation:</b> The results of the Stakeholder's survey were unequivocal: all existing competencies are important and there is no need to add additional ones. The current competency framework – including the related behavioural anchors – will therefore be maintained.	<b>Target 2014:</b> Reception, analysis and internal discussion of the results provided by the Stakeholder's survey. Together with a statistical analysis of past competitions, propose refinements to the existing competency framework and/or behavioural anchors.
<b>Main outputs in 2014:</b> Proposal for the revision of the competency framework and related behavioural anchors.		

ERICA (EPSO's Rasch Item Combination Algorithm) improves fairness towards candidates by ensuring a very accurate level of difficulty of test forms across all languages, increases ownership for the Selection Boards by allowing in particular the simulation of expected score distribution and allows a more efficient use of EPSO's item-bank by widening the pool of questions used for every single competition (and thereby reducing the exposure rate of individual items).

ERICA was successfully launched in March 2014 (in the context of the AST3-cycle) and was subsequently extended to all main cycles in 2014 (AD-cycle and linguistic cycle).

The decision to introduce video-recorded interviewing (VRI) was based on an exploratory analysis of new - technological – developments in the area of selection and recruitment. VRI will be used in 2015 in the context of a competition for legal specialists.

759 recruiters replied to the EPSO Stakeholder's Survey (representing a very satisfactory 42% of the sample). Based on the replies received, it was decided to maintain the current competency framework as such. Components of Organizational Behaviour Citizenship were used when building the new self-assessment tool, but have not been integrated in the existing competency framework.

<b>Specific objective n°5: To further develop in-house tools and expertise in selection, occupational psychology, psychometrics and other relevant fields.</b> <input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator:</b> Degree of achievement towards an integrated item database of CBT items. The database will allow to host all items in a single database, to update the content (create, edit, delete items; import/export) and to perform automated psychometric analyses. <div style="text-align: right;">(source: <b>internal</b>)</div>		
<b>Baseline 2014</b>	<b>Current Situation:</b> The xml format of the items was agreed and a full mirror image of all content of the CBT database was imported by EPSO in the first half of 2014. A draft business case was established at the end of the year and will be reviewed internally in 2015 to allow impact assessment and prioritisation of this project between EPSO and DIGIT.	<b>Target 2014:</b> Agreement between EPSO and DIGIT on the structure of the new database.
<b>Main outputs in 2014:</b> Format for the xml item transfer file and import contents, in agreement with the CBT contractor.		
<b>Result indicator:</b> Number of EPSO staff members fully trained and able to provide trainings on AC-related matters. <div style="text-align: right;">(source: <b>internal</b>)</div>		
<b>Baseline 2014</b>	<b>Current Situation:</b> Target has been met. Two additional EPSO staff members have completed their training and joined the EPSO training team. Several trainings delivered.	<b>Target 2014:</b> Two additional EPSO staff members fully-trained and ready to deliver the introductory training slot to non-permanent Selection Board members by the end of 2014.
<b>Main outputs in 2014:</b> AC-trainings delivered by internal trainers.		
<b>Result indicator:</b> Reduced number of cases for third marking by using the method of normalization of raw scores. <div style="text-align: right;">(source: <b>Markers' module</b>)</div>		
<b>Baseline 2014</b>	<b>Current Situation:</b> Normalization of scores was applied in several competitions, resulting in a reduction of 20% or more in the number of third markings required.	<b>Target 2014:</b> Reduce number of third marking by 20%.
<b>Main outputs in 2014:</b> Integration of an automatized feedback system (dashboard) for markers during 2014.		

The specification sheet for the automatized feedback system (dashboard) has been defined and sent to DIGIT for implementation, which is foreseen in 2015.

<b>Specific objective n°6: To engage with Institutions in simplifying and speeding up the recruitment process</b> <input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator:</b> Reduced number of flags for laureates in the electronic database eRL (both for existing and future reserve lists). (source: <b>electronic database for laureates eRL</b> )		
Baseline <b>2013:</b> 8 flags in eRL.	<b>Current Situation:</b> since mid-2014 only 3 flags are in use.	Target <b>2014:</b> 4 flags only in eRL (by mid-2014).
<b>Main outputs in 2014:</b> Progress report to be presented to EPSO Management Board in Spring. Simplified flagging method for laureates in place.		
<b>Result indicator:</b> Reviewed process for verification of candidates' supporting documents in view of speedy recruitment of laureates. (source: <b>internal</b> )		
Baseline <b>2014</b>	<b>Current Situation:</b> pilot project was implemented for a selection procedure requesting diplomas only. Results have been discussed with DG HR Commission.	Target <b>2014:</b> Implement processes to generate complete paper-based candidate file. IT solution to be explored at a later stage.
<b>Main outputs in 2014:</b> New process and workflow endorsed in-house and fully in place by the end of the year.		
<b>Result indicator:</b> Pro-active follow-up of the use of all existing reserve lists. (source: <b>electronic database of laureates eRL</b> )		
Baseline <b>2013:</b> Statistics on recruitment rates presented on a regular basis. Proposals made to EPSO Working Group for lists to be closed.	<b>Current Situation:</b> Detailed recruitment figures and laureate information were presented to EPSO stakeholders at regular intervals. A total of 346 reserve lists were extended until end 2015. A total of 76 reserve lists were closed by end 2014. Moreover, the Stakeholder satisfaction survey results were presented to the Working Group in January: overall evaluation of the laureates and reserve lists remains very positive.	Target <b>2014:</b> Presentation of statistics on recruitment rates on a monthly basis. Proposals to EPSO Working Group for lists to be closed each year. Systematic provision of information to all the Stakeholders on laureates' preferences for specific posts, areas of interest and Institutions, upon establishment of reserve lists. Implementation of the results stemming from the Stakeholder satisfaction survey due in December 2013, if applicable.
<b>Main outputs in 2014:</b> Maintenance of reserve lists in line with needs expressed by the Institutions.		

As requested by its key stakeholders, EPSO started to proceed with the simplification of the existing electronic database of laureates. Since mid-2014, the new simplified method of flagging was successfully applied to laureates on reserve lists, reducing the length of time candidates spend on reserve lists before recruitment and facilitating the organisation of job interviews by the recruiting services of the Institutions. Instead of the initial eight flags, only three are in use now.

In July, a new initiative was launched to create a new electronic portal for managing laureates. The idea is to facilitate the search for laureates and prepare the ground for future improvements in terms of e-Recruitment, enabling EPSO and the Institutions to collect and process data on candidates and future laureates from the outset. These measures are closely linked to improving the workflow currently in place for verifying candidates' documents for admission and recruitment purposes.

In order to shorten the overall recruitment phase, comprehensive eligibility checks will be integrated into the selection process at the final admission stage. A pilot-project was brought in in 2014 to collect and verify paper-based candidate files - originals or certified copies - for a selection procedure where only proof of diplomas was requested.

The results of this project were discussed with DG HR. Ensuing from this, a 2<sup>nd</sup> pilot-project has been launched for a selection procedure where candidates must provide proof of both diplomas and professional experience. These pilots will help ascertain the best way to implement the eligibility checks without significantly prolonging the overall length of the selection procedure.

<b>Specific objective n°7: To work with the Institutions to better identify needs and align supply and demand for laureates</b> <input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator:</b> Strategic planning 2015 – 2017 endorsed by October 2014 at the latest. (source: <b>internal</b> )		
<b>Baseline 2014</b>	<b>Current Situation:</b> The annual strategic planning exercise was launched at the EPSO Management Board meeting in July. The majority of the contributions were received several weeks after the initial deadline set for mid-October. Planning endorsed by the Management Board in January 2015.	<b>Target 2014:</b> Complete strategic planning exercise 2015 -2017 with the Institutions before October 2014.
<b>Main outputs in 2014:</b> Strategic planning 2015 - 2017.		
<b>Result indicator:</b> Best practice in the field of workforce planning shared with the Institutions. Introduction of new tools and methods if applicable. (source: <b>internal</b> )		
<b>Baseline 2014</b>	<b>Current Situation:</b> Target met. Taking into account the IAS Audit report and recommendations on planning, a proposal for new guidelines on strategic planning was drafted and presented to the inter-institutional Working Group in June. The approach was fully endorsed by all stakeholders, including a new template and new detailed follow-up tables for the entire exercise.	<b>Target 2014:</b> To initiate discussions on best practices with the members of the EPSO working group during the first semester.
<b>Main outputs in 2014:</b> Proposal on workforce planning submitted to the EPSO Management Board by the end of the year.		
<b>Result indicator:</b> EPSO's selection procedures reflecting the strategic needs expressed by the Institutions in terms of timing, targets, profiles and languages. (source: <b>internal</b> )		
<b>Baseline 2014</b>	<b>Current Situation:</b> Target met. Notices of Competition were published on time.	<b>Target 2014:</b> Notices of competitions prepared and published on time for the profiles and languages identified as priority, allowing for adequate and speedy recruitment of laureates.
<b>Main outputs in 2014:</b> Next strategic planning cycle confirmed by EPSO Management Board early November 2014. Implementation of recommendations stemming from the on-going IAS audit on strategic planning, if applicable.		

In 2014, recruitment rates continued to be high and were monitored frequently, in combination with a systematic sharing of feedback with its stakeholders.

Moreover, EPSO's ambition was to reinforce the identification of future needs by implementing both the recommendations of the IAS audit on strategic planning and the results of the stakeholder satisfaction survey conducted at inter-Institutional level. In this context, to ensure an efficient and effective planning exercise, EPSO shared best practice with all its stakeholders and established new guidelines on strategic planning. These new guidelines were fully endorsed by all the stakeholders, including a new template and new detailed follow-up tables for the entire exercise. However, since the information on requested profiles and figures for the 2015 competitions were received later than usual – only mid-December - the Management Board could only endorse the target figures for the coming three years (2015-2017) in January 2015.

<b>Specific objective n°8: To re-engineer existing processes to make them more cost-effective, efficient, agile and rapid</b>		
<input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator:</b> Quality Control reporting system implemented. (source: <b>internal</b> )		
<b>Baseline 2014</b>	<b>Current Situation:</b> Target met. Quality Control reporting system is available in a collaborative space, enabling easy gathering of input and consultation by the Management team.	<b>Target 2014:</b> System fully implemented before the end of the year.
<b>Main outputs in 2014:</b> Quality control reports available for Management on a regular basis		
<b>Result indicator:</b> Identified key processes successfully reengineered (source: <b>internal BPR-exercise</b> )		
<b>Baseline 2014</b>	<b>Current Situation:</b> Done. Description of tasks and areas of activity available in a collaborative space. "Traffic light" indicators point out when process needs to be redesigned in alignment with the IT-system.	<b>Target 2014:</b> Focus on two key areas: communication and admission.
<b>Main outputs in 2014:</b> Process documentation (workflows, checklists, etc.)		
<b>Result indicator:</b> Compliance with international standard ISO 10667 (assurance of quality and maintaining continuous improvement in occupational assessment processes) (source: <b>internal</b> )		
<b>Baseline 2014</b>	<b>Current Situation:</b> Target met. Analysis on compliance has been completed and the results are positive.	<b>Target 2014:</b> Assess compliance with ISO 10667, identify necessary actions and create an action plan, if necessary, by the end of 2014. Submission of the action plan to EPSO's Management Board.
<b>Main outputs in 2014:</b> List of required improvements and corresponding implementation actions		

In order to further improve efficiency/effectiveness and to facilitate process improvement, EPSO introduced the use of collaborative tools in 2014 across a variety of projects in the Office, notably for its weekly IT project office meetings, weekly management meetings, the Annual Management Plan, competition-specific resources, the Guide for Selection Boards and the EPSO Working Group.

Thanks to these tools, the process analysis was carried out in a more transparent and efficient way and the results shared more easily. The tools also allow process-owners to expand or correct the results, which gave an important boost to the credibility and the corporate ownership of the processes re-engineering exercise.

With this in mind, the existing quality control system was adapted and hosted on a collaborative space, allowing the submission and monitoring of input and enabling EPSO's Management team to make informed decisions.

A collaborative environment was also used to share the description of specific business processes. A system with "traffic lights" was introduced to highlight whether a particular process is stable, or needs to be revised in order to meet new requirements. As a result, several IT-projects have been initiated to make certain processes more effective. The analysis on compliance with ISO 10667 – which was launched in order to identify potential areas for improvement - has been completed. The results are positive: EPSO generally meets and sometimes even exceeds the requirements included in this norm. We will continue reviewing processes when required, in order to keep in line with this international standard.

<b>Specific objective n°9: To develop a comprehensive offering of flexible and adaptive services to meet changing stakeholders needs</b> <input checked="" type="checkbox"/> Non-spending (Heading V)				
<b>Result indicator:</b> Satisfaction rate stakeholders. (source: <b>internal survey</b> )				
<b>Baseline 2014</b>	<b>Current Situation</b>	<b>Milestone 2015</b>	<b>Milestone 2016</b>	<b>Target 2017</b>
Definition and provision of a catalogue of existing and new services for EU Institutions, agencies and bodies Last-known figure: 15 agencies used EPSO's staff selection services in 2012 on a charge-back basis generating an income of €94,716.	The information package for the Agencies was updated and the new catalogue is being further enhanced, in order to enable EPSO to organise new selections and conduct exercises for the regularisation of the decentralised selection processes organised in the past. A total of 16 agencies used EPSO's staff selection services in 2014 on a charge-back basis generating an income of €559,608.	Awareness-raising and provision of first new services according to the catalogue for standard profiles at AD and AST grades	Provision of new services according to the catalogue for all profiles, including middle management	Active use of the catalogue within EU Institutions, agencies and bodies.
<b>Main outputs in 2014:</b> Catalogue established.				



With a view to supporting new business, and in addition to the EPSO-driven competitions in 2014, EPSO conducted a verification exercise for the Fusion for Energy Agency (F4E) based in Barcelona to validate their recent TA and CA selection procedures. The Office also lent support in the organisation of three new temporary agent selections launched in October for the Single Resolution Board (SRB), a newly established EU regulatory agency based in Brussels. This is the first fully-fledged temporary agent selection procedure organised under the new flexible service model, including a new type of matrix and a full range of individual elements: advice on selection procedures, logistical support for publication and registration, launching a publicity campaign, use of Talent screener and running of Assessment Centres.

As for the cooperation with OHIM, EPSO completed two open competitions in the field of intellectual property in July and launched a contract agent selection in order to establish a database for administrative assistance and advisers/specialists based in Alicante.

### 1.1.2 Evaluation of linguistic abilities: timely delivery of tests and assessments of diplomas and certificates.

<b>Specific objective n°10: To evaluate the linguistic abilities in a third language of staff eligible for a first promotion (Officials and contract staff in function group IV)</b>		
<input checked="" type="checkbox"/> <i>Non-spending (Heading V)</i>		
<b>Result indicator:</b> Timely delivery of assessments concerning the diplomas and certificates submitted by the candidates. (source: <b>internal</b> )		
Baseline <b>2012:</b> 702 files evaluated within the deadline.	<b>Current Situation:</b> Target met. 763 diplomas assessed across various languages within the deadlines set. All diplomas submitted in due time in 2014 were assessed by the evaluation committees.	Target <b>2014:</b> 100% evaluation by the end of the year of files (diplomas and certificates) submitted within the deadline.
<b>Main outputs in 2014:</b> Delivery of assessments of linguistic ability by EPSO and the evaluation committees to satisfy the requirements of Articles 45§2 and 85§3 of CEOS.		
<b>Result indicator:</b> Timely delivery of linguistic tests. (source: <b>internal</b> )		
Baseline <b>2012:</b> 358 candidates tested within the deadline.	<b>Current Situation:</b> Target met. 389 tests delivered across various languages within the deadlines set (overall pass rate: 79.69%). All requests for testing in 2014 were duly processed.	Target <b>2014:</b> 100% implementation by the end of the year of requests received for testing third language capabilities.
<b>Main outputs in 2014:</b> Delivery of assessments of linguistic ability by EPSO and the external service provider to satisfy the requirements of Article 45§2 and Article 85§3 of CEOS.		
<b>Result indicator:</b> Satisfaction rate of candidates with the assessment of third language abilities. (source: <b>satisfaction survey for candidates</b> )		
Baseline <b>2014</b>	<b>Current Situation:</b> First satisfaction survey launched by EPSO in 2014, for the period 2013–2014. Satisfaction rate: 87%	Target <b>2014:</b> 95 % satisfaction rate of candidates who reply to the satisfaction survey.
<b>Main outputs in 2014:</b> Delivery of an online satisfaction survey for candidates processed during the year.		

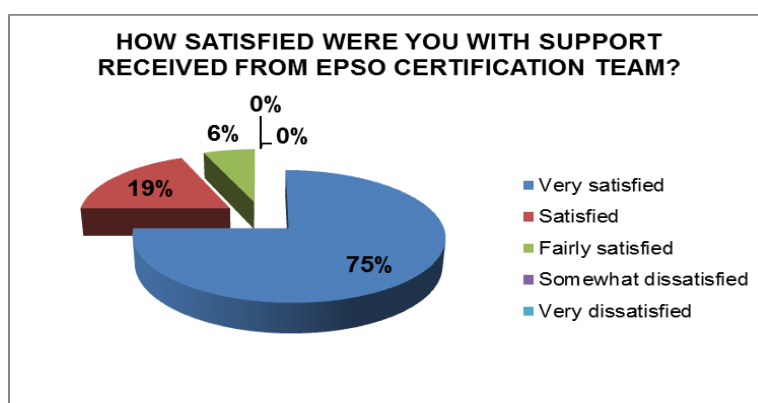
The satisfaction survey was sent to 2,323 staff members of all EU Institutions who used EPSO's services in 2013-2104 for the compulsory assessment of their knowledge of a third language. The response rate was close to 18 %.

Whilst the vast majority of users were satisfied, or very satisfied, with the evaluation of their third language, the feedback provided also gave ideas and suggestions for small potential improvements.

### 1.1.3 Contribute to the running of the Certification procedure: timely delivery of certification exams.

<b>Specific objective n°11: To contribute to the running of the certification procedure</b> <input checked="" type="checkbox"/> Non-spending ( <i>Heading V</i> )		
<b>Result indicator:</b> Delivery of timely and accurate certification examinations in compliance with the Institutions' requirements. (source: <b>internal</b> )		
Baseline <b>2012:</b> 222 candidates tested within the deadline. List of certified Officials delivered on time.	<b>Current Situation:</b> Target met. 129 candidates have been tested in four exams. 58 candidates passed and 71 failed (overall pass rate: 44.96 %). The list of certified Officials has been delivered within the deadline and results were published in December 2014.	Target <b>2014:</b> 100 % timely and accurate delivery of list of certified Officials according to the deadlines set by Institutions.
<b>Main outputs in 2014:</b> Delivery of examinations in order to enable the examining board to establish Reserve lists of certified Officials.		
<b>Result indicator:</b> Satisfaction rate of the examining board with the organisation of tests. (source: <b>internal</b> )		
Baseline <b>2012:</b> Examining board satisfied with quality of services delivered by EPSO/EUSA.	<b>Current Situation:</b> Target met. The first survey launched in 2014 by EPSO demonstrated a 100% satisfaction rate of the Examining Board with the overall support provided.	Target <b>2014:</b> 100 % satisfaction of examining board with tests delivered.
<b>Main outputs in 2014:</b> Delivery of examinations in compliance with examining board's expectations.		

In 2014, EPSO launched a satisfaction survey for the first time to collect detailed feedback from the members of the Examining board in EPSO's area of responsibility, i.e. organisation of tests and assistance to the Examining Board. The overall satisfaction of the Examining Board with the support provided reached 100 %.



## **1.2 Specific efforts to improve 'economy' and 'efficiency' of spending and non-spending activities.**

According to the Financial Regulation (Art. 30), the principle of economy requires that the resources used by the Institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality, and at the best price. The principle of efficiency concerns the best relationship between resources employed and results achieved.

The respect of these principles is continuously pursued through the implementation of internal procedures and predefined practices. These procedures ensure that activities are executed in an efficient manner (e.g. the different workflows contribute to the efficient cooperation between staff, units, etc...) and according to the principle of economy (e.g. the procurement rules ensure procurement in optimal conditions).

EPSO is continuously fine-tuning its internal arrangements, in order to improve the efficiency and economy of its operations. The following two initiatives show how these principles are implemented in our Office:

### **1.2.1 Improved internal test development process**

EPSO started a pilot-project in October 2014 to involve Permanent Selection Board Members as source persons (subject-matter experts) for the proactive development of exercises to be used in Assessment Centres for general competitions. The expected benefits and efficiency gains are, on the one hand, a reduction in time constraints in the development process (also allowing for better forecasting and planning in translation of the exercises) and, on the other hand, an improved understanding and smoother validation of exercises by the Selection Boards in published Open Competitions.

### **1.2.2 Revised templates for Notices of competition**

Having a standardized template for all new Notices of Competition since December 2014 helps the Institutions and EPSO to draft, adopt and translate the Notices more quickly and efficiently. In addition to being shorter and clearer, the new Notices are also available to all candidates, including the blind and visually-impaired. The overall aim is to facilitate communication towards candidates and the interpretation of these legally binding texts, both for the candidates and the selection board members. Such an improvement is likely to lead to fewer questions and complaints from candidates and speed up different phases of each selection procedure, notably the admission.

## 2. MANAGEMENT OF RESOURCES

Assurance is an objective examination of evidence for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes. This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to EPSO's Director. The reports produced are:

- the reports by AOSDs;
- the reports from Authorising Officers in other DGs managing budget appropriations in crossed sub-delegations;
- the reports of the ex-post supervision or audit;
- the opinion and the observations of the Internal Audit Capability (IAC);
- the observations and the recommendations reported by the Internal Audit Service (IAS).

This section reports the control results and other relevant elements that support management's assurance on the achievement of the internal control objectives<sup>4</sup>. It is structured in three separate sections: (1) EPSO's assessment of its own activities for the management of its resources; (2) the assessment of the activities carried out by other entities to which EPSO has entrusted budget implementation tasks; and (3) the assessment of the results of internal and external audits, including the implementation of audit recommendations.

In 2014, EPSO handled a budget of around €27.2M, which also included the budget of the European School of Administration (EUSA, approximately €6.5M). EPSO has responsibility for administrative credits only. These are committed under its sole responsibility, except for transactions made on behalf of EPSO by PMO, OIB, OIL, DG HR and DIGIT according to Internal Rules (and based on Service Level Agreements (SLA) in the case of OIB and DIGIT).

Of EPSO/EUSA's €27.2M operating budget for 2014, around €15.6M was spent on personnel expenses, infrastructure, utilities and buildings management. Of the remaining budget, €3.4M were set aside for the operational activities of the European School of Administration, €3.2M for Computer-Based Testing (CBT) and €0.5M for transactions to reimburse travel and subsistence expenses to candidates at the written and oral stages of selection procedures. Further important expenditure related to the Assessment Centres (€1.2M) and the procurement of test material (€0.5M).

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<sup>4</sup> Effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes, as well as the nature of the payments (FR Art 32).

The SLA with DG HR – which was renewed in October 2011 - for the provision of routine administrative support services to EPSO in the area of human resources and financial management (especially ex-post verifications, procurement, financial reporting and accounting) remained in force throughout 2014. The SLA is accompanied by a crossed sub-delegation between Authorising Officers by Delegation. The crossed sub-delegation agreed with the Director General of DG HR covers administrative credits in a limited number of areas.

The Director of EPSO remains responsible for the overall internal control system and the design, implementation and monitoring of the internal control measures applied in EPSO.

EPSO has chosen to operate using a partially decentralised financial circuit for its operational expenditure. According to this model, the finance team of the Resources and Administrative Support unit carries out financial initiation and ex-ante verification; other units are responsible for operational initiation and verification, as well as the function of authorising officer by sub-delegation for operational expenditure. DG HR applies the fully decentralised model for the expenditure managed on behalf of EPSO in the framework of the above-mentioned SLA.

As to the 2014 closure, EPSO has informed DG BUDG of the Commission of its decision to use a light cut-off procedure.

## **2.1 Management of human and financial resources by EPSO**

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives. Annex 5 (internal control template) outlines the main risks together with the control processes aimed at mitigating them and the indicators used to measure the performance of the control systems.

Financial management and control are grouped around three core processes: 1) Procurement (from the assessment of needs to the selection of the suppliers – award decision), 2) Financial operations (from establishing the financial commitment to payment, contract monitoring and eventually recoveries) and 3) Supervisory measures (including ‘ex-post’ controls and management checks).

### **Control effectiveness as regards legality and regularity**

EPSO has set up internal control processes aimed at ensuring the adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the nature of the payments concerned. The control objective is to ensure that the Office has reasonable assurance that the total amount of any financial operation authorised during the reporting year which would not be in conformity with the applicable contractual or regulatory provisions, does not exceed 2% of the total expenditure.

In order to reach conclusions, EPSO has reviewed the following indicators on legality and regularity and on sound financial management:

### ➤ **Ex-post controls**

On the basis of the Service Level Agreement between EPSO and DG HR of the Commission, DG HR.R.3 and the Director of EPSO, in his capacity as AOD, proceeded with ex-post controls on commitments (61.4% of the total amount of commitments), payments (31.5% of the total amount of payments) and recovery orders (69.3% of the total amount of recovery orders) in 2014. Great care is taken to ensure that the chosen samples are representative, that they cover eventual risks and that previously accepted recommendations are being implemented.

The 2014 report on internal control measures in the area of finance and procurement issued under the terms of the SLA shows that 78.1% of the controlled transactions were considered "fully acceptable" and 21.9% "acceptable with a comment" (minor shortcomings). None of the controlled transactions were considered "non-acceptable" (non-negligible shortcomings), which constitutes a significant improvement in comparison with 2013 (5.2% of all controlled transactions in 2013 were considered unacceptable).

Regular and systematic ex-post controls on a sampling basis at the level of the Director were also carried out in 2014 and no errors were noted.

In view of the above, it can be concluded that the ex-post controls did not bring to light any significant issues which may lead to a potential reservation in this annual activity report.

### ➤ **AOS reports**

In 2014, AOS reporting was carried out at four-monthly intervals.

EPSO's Director received a copy of each individual AOS report, as well as the interim summary reports prepared by DG HR. In general, the AOS reported only minor issues related to the budgetary execution and no significant problems were raised.

### ➤ **Average payment time**

With regard to payment deadlines, the statistics for 2014 show that 6.28% of the total 2,963 payments were late, a higher percentage than in previous years. Nearly all of the late payments in 2014 (171 out of a total of 186) were linked to one particular batch of reimbursement requests from candidates and were caused by internal staff issues, as well as technical problems encountered at the beginning of the year. No interests for late payment had to be paid due to the small amounts involved and the short exceeding of the deadlines. Without this particular batch of late reimbursements, less than 1% of all payments in 2014 would have been late.

For the reasons above and considering that appropriate measures have been taken to avoid a similar situation in the future, EPSO considers that the result for 2014 is positive and in line with the trend of the past few years.

In 2014, the average payment time was 16 days.

## ➤ **GAMA**

During 2014, EPSO/EUSA has finalised 3 tender procedures above the publication threshold (2 open procedures and 1 exceptional negotiated procedure on the basis of art. 134.1 (a) RAP). Two contracts were signed in June and December. For the third tender procedure, the award decision was taken in December 2014 and the contract signed in January 2015. The evaluation committees set up for these procedures included members coming from other Institutions or DGs.

As to the exceptional negotiated procedure on the basis of art. 134.1 (a) RAP, the contracting authority decided to use this procedure as no requests to participate had been submitted in response to a restricted procedure (EPSO/EUSA/PR/2013/008, lot 3) after the initial procedure had been completed.

None of the afore-mentioned procedures were examined by GAMA (Groupe d'analyse des marchés administratifs).

## ➤ **Reporting**

Management reporting focused on different aspects such as human resources (HR dashboard EPSO, which is updated on a monthly basis), finances (monthly financial reporting on payment delays), budget execution (monthly financial reporting on the evolution of appropriations: commitments and payments) and internal control (reporting on open audit recommendations and risks). The main findings were discussed at the level of EPSO management and appropriate measures were taken as necessary.

## ➤ **Exceptions reporting and non-compliance events**

In 2014, no non-compliance events were registered under the procedure of internal control standard 8.

## ➤ **Recovery of unduly paid amounts**

No erroneous payments were detected in 2014. For this reason, EPSO has not been obliged to recover any amount unduly paid. However, further to the careful verification of the requests for payment, an amount of approximately €67K was deducted from payments via credit notes.

On the basis of the available control results, no significant weaknesses have been unveiled which could have had a material impact as regards the legality and regularity of the financial operations. It is therefore possible to conclude that the control objective as regards legality and regularity has been achieved and that the error rate is below the materiality threshold.

## **Control efficiency and cost-effectiveness.**

The principle of efficiency concerns the best relationship between resources employed and results achieved. The principle of economy requires that the resources used by the Institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price. This section outlines the indicators used to monitor the efficiency of the control systems, including an overall

assessment of the costs and benefits of controls.

EPSO has limited spending operations and only manages administrative appropriations. The total number of FTE's involved in the three main control activities in EPSO/EUSA (procurement, financial operations and supervisory measures) is estimated at 9.85 FTE's<sup>5</sup>. The control activities are to a large extent a regulatory requirement which cannot be curtailed. As shown by the risks outlined in Annex 5, a significant proportion of the Office's appropriations would be at risk were they not in place.

As a quantitative estimation of the volume of errors prevented and detected is not available, it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls (as mentioned before, an amount of €67 K could be deducted from the payments via credit notes). The benefits of control in non-financial terms cover: better value for money, deterrent effects, efficiency gains, system improvements and, as mentioned above, compliance with regulatory provisions.

Taking into account the above, EPSO has decided to use a single global indicator this year to monitor and to report on the efficiency of its control systems: the overall cost of control, in percentage, at DG level. This indicator is calculated by dividing the total costs of control by all expenditure made during the year (payments made).

The estimated total costs of control include direct, indirect and overhead costs. The fact that some financial tasks (in the context of procurement procedures and ex-post controls) are performed by staff in the financial unit of DG HR on the basis of an existing SLA has been taken into account. In order to ensure that the cost estimation is as reliable and accurate as possible, Heads of Unit and team leaders in the Office and the School were consulted.

Based on this internal consultation/screening, it is estimated that a total of 9.85 FTEs (8.35 permanent staff members and 1.5 contractual staff) carry out financial and control activities<sup>6</sup> for EPSO: 6.1 FTEs in EPSO, 2.5 FTEs in EUSA and 1.25 FTE in the financial unit of DG HR.

Subsequently, the number of full-time equivalents (FTEs) obtained has been multiplied with the average "all-in" cost of an FTE in the Commission<sup>7</sup>. For EPSO, this gives an amount of €1.207M.

In 2014, EPSO executed 2,963 payments amounting to a total of €10.713M<sup>8</sup>.

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<sup>5</sup> Including 1.25 FTE in the financial unit of DG HR, executing financial and control activities on the basis of an existing Service Level Agreement.

<sup>6</sup> As to EPSO, most of the staff concerned works in the Resources unit, but also in 2 operational units dealing with the management of important framework contracts. EPSO's Director is involved in the preparation and monitoring of EPSO's budget and in the ex-post controls.

<sup>7</sup> This "all-in" cost includes not only the salaries, but also all other administrative costs linked to the employment of the person/agent, such as buildings, electricity and IT.

<sup>8</sup> All other payments were made on behalf of EPSO by PMO, OIB, OIL, DG HR and DIGIT according to Internal rules (and based on Service Level Agreements (SLA) in the case of OIB and DIGIT).



Based on the above, the overall cost of control indicator (%) for EPSO in 2014 is 11.3%<sup>9</sup>.

As this percentage might be relatively high in comparison with other services, the following must be taken into consideration:

Firstly, given the nature of its activities, EPSO is handling a very high number of low-value transactions (average amount paid is €3,600). Examples of such transactions are the amounts paid for on line publicity and promotion material, or the contributions paid to candidates' travel expenses. As a result, the administrative costs of handling these transactions are relatively high. Secondly, given the staff composition of EPSO's financial sector – which is entirely composed of AST-officials and contractual agents Function Group II - the estimated overall costs of our control activities would have been lower if the calculations had been based on the real (salary) costs of our staff, and not on the average cost of a Commission official.

To reach a conclusion as to the relative efficiency of the controls, it is necessary to analyse the evolution of these efficiency indicators over time and/or to compare them with relevant benchmarks. This is currently not possible, as this is the first year in which EPSO has calculated and reported this indicator.

### **Fraud prevention and detection**

EPSO has developed its anti-fraud strategy, as foreseen in the Commission's overall anti-fraud strategy<sup>10</sup>. Given the specific nature of EPSO's activities and the fact that the Office is not in charge of implementing operational appropriations, our anti-fraud strategy - which is accompanied by an Action Plan covering the period 2014/2017 - primarily focuses on training and awareness-raising.

EPSO ensures that that all newly recruited staff members participate in a targeted training course on Ethics and Integrity, in order to ensure that the fairness, equality and safe-handling of its selection processes are not compromised through unethical behaviour on the part of its staff. So far, 66 colleagues in EPSO and EUSA have followed the training course on Ethics (including 7 colleagues who followed the course in 2014). All Heads of Unit in the Office have followed specific fraud-awareness training.

As EPSO plays a critical role in the selection process for EU officials, it holds both sensitive information and valuable assessment assets. EPSO is in the fortunate position – due to its long experience in working in this sensitive area – of having both an awareness of the importance of these matters and a structure in place to address them. After the successful implementation of all the changes linked to the EPSO Development Programme, EPSO established an internal Security and Ethics Protocol in 2011, which was revised in 2014. The Protocol contains information on IT security and security-related aspects of our Assessment Centre procedures.

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<sup>9</sup>  $1,207,200/10.713,024 \times 100\% = 11.27\%$

<sup>10</sup> COM(2011) 376 24.06.2011.

Finally, this year's iCAT exercise (please refer to paragraph 3 this report) contained an "*Antifraud awareness assessment*". The self-assessment questionnaires were completed by 12 staff members (senior and middle management, AD- and AST-officials). Based on the replies given, it can be concluded that EPSO is fully committed to fraud prevention and that there are sufficient and adequate internal control mechanisms in place.

## 2.2 Budget implementation tasks entrusted to other services and entities

This section reports and assesses the elements that support the assurance on the achievement of the internal control objectives as regards the results of EPSO's supervisory controls on the budget implementation tasks carried out by other Commission services and entrusted entities distinct from the Commission.

### Crossed sub-delegation

As in previous years, EPSO entrusted parts of its budget (total amount involved: approx. €16.5M) for implementation by a number of crossed sub-delegations (to PMO, OIB, OIL, HR and DIGIT). EPSO being administratively linked to the Commission, the AOD is required to implement the appropriations subject to the same rules, responsibilities and accountability arrangements.

No particular problems have arisen with regard to the use of the resources concerned by these crossed sub-delegations in 2014. Resources were used for their intended purpose and in accordance with the principles of sound financial management, and the control procedures put in place ensure the legality and regularity of the underlying transactions

## 2.3 Assessment of audit results and follow-up of audit recommendations

EPSO is audited by both internal and external independent auditors: the internal audit capability (IAC) of DG HR of the Commission, the Commission internal audit service (IAS) and the European Court of Auditors.

During the period of reference, IAC (the internal audit capability) launched a second follow-up audit of the "*EPSO Human Resources selection process*". This follow-up audit was aimed at evaluating the actions taken by EPSO in response to the "Very Important" recommendation on EPSO's IT-strategy, resulting from the original audit finalised in 2009. This recommendation remained open after the first follow-up engagement was finalised in 2013. In parallel, IAC also reviewed two outstanding recommendations (both rated Very Important) from the "*Audit on the access rights management for the Commission's information systems (2004)*", related to EPSO IT structure. In January/February 2015, EPSO was informed that the IAC was ready to close all three recommendations.

In line with its work programme for 2014, IAC also conducted an audit on "*The appointment of Selection Board members in EPSO*". The final Audit Report was submitted to EPSO on 6<sup>th</sup> February 2015.

In April 2013, the Commission Internal Audit Service (IAS) started a performance audit on the selection process, in accordance with its 2013 IAS Audit Plan. On the basis of the results of the preliminary analysis, IAS decided to focus this audit on the "*Efficiency and*

*effectiveness of the planning stage of the selection process – EPSO and Commission"* and to cover the definition of needs by Commission DGs/Services, the coordination and monitoring role played by DG HR of the Commission and the planning process implemented by EPSO. In line with the defined scope, this "multi-DG audit" did not only cover EPSO – as originally planned – but also DG HR and a selection of operational DGs/Services. The final audit report was transmitted to EPSO in April 2014. In May 2014, EPSO established an Action Plan for the implementation of the accepted recommendations, which IAC deemed to be sufficient to mitigate the risks identified. The effective implementation of the Action Plan will be assessed during a follow-up audit, which the IAS will carry out in 2015.

### 3. ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

The Commission has adopted a set of internal control standards, based on international good practice, aimed at ensuring the achievement of policy and operational objectives. In addition, as regards financial management, compliance with these standards is a compulsory requirement.

EPSO has put in place the organisational structure and internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

EPSO's annual review of the effectiveness of its entire internal control system (ICS-15) is based on several elements:

- The voluntary report on compliance through the "ICM-tool" for the iCat 2014 exercise of EPSO;
- The risk assessment exercise of all EPSO's activities at the preparation stage of the 2015 Management Plan;
- Reported instances of exceptions and non-compliance events;
- Relevant audit findings;
- The report on internal control measures in the area of finance and procurement issued under the terms of the SLA with DG HR.

EPSO opted to carry out a voluntary report on compliance through the "ICMTool" for the iCAT 2014 exercise of EPSO. Self-assessment questionnaires were completed by 12 staff members: EPSO's Director, 5 Heads of Units, 4 AD-officials with team-leading responsibilities, the team leader of EPSO's financial sector (AST) and 1 AD-official in the European School of Administration. Overall answers and statistics from this exercise show a general effectiveness weighted percentage of 91.08%.

A full-scale risk assessment of all EPSO's activities took place at the preparation stage of the 2015 Management Plan. Risks, including those related to fraud, were identified at Unit level and discussed in a management meeting. Measures taken in the context of the internal strand of the EPSO Development Programme which resulted in the strengthening of EPSO's organisational effectiveness had a direct effect on the level of risk. The two identified critical risks relate respectively to external environment and legality and regularity. However, it appears that although the identified risks may impact more than one DG, they are directly linked to our own objectives and, for this reason, there is no need to flag these risks as cross-cutting following the dedicated process. In the meantime, we are already taking the necessary steps to address these risks (if applicable, with appropriate partners).

For an overview of audit results and the follow-up on audit recommendations, please refer to paragraph 2.3 of this report.

The SLA concluded with DG HR includes assistance in a number of areas of financial control and procurement designed to strengthen the financial management in EPSO. Of particular importance in this respect are the function of ex-post controls and financial reporting, and the outsourcing of EPSO's accounting function. The report on internal control measures in the area of finance and procurement issued under the terms of the SLA did not bring to light any significant issues which may lead to a potential reservation in this annual activity report.

Regular and systematic ex-post controls on a sampling basis at the level of the Director were also carried out in 2014 and no anomalies were noted.

### **3.1 Prioritised internal control standards 2014 – 2015**

In EPSO's Management Plan for 2014, internal control standard n° 5 (Objectives and Performance Indicators) was prioritised further to a wish of EPSO management to put more emphasis on the existing reporting structures to alert management each time an indicator shows that the achievement of an objective is at risk.

One of the initiatives implemented to improve the reporting structures has been the design of an Action Plan for the implementation of the 2014 Management Plan, using a collaborative environment (MS Sharepoint). All specific actions in the Action Plan were defined on the basis of the indicators and targets identified in the Management Plan. For each action, the Unit or business service responsible for implementation was mentioned. The Action Plan allowed EPSO's Management team to ensure a monthly follow-up of the implementation state-of-play, taking into account the progress updates by the colleague(s) in charge. Thanks to the increased frequency of the reviews, priorities and further actions to reach the declared targets could be identified in time.

The areas needing further improvements in terms of effectiveness are addressed in our 2015 MP, which reflects a determination to concentrate on Internal Control Standard n° 3 (Staff allocation and mobility). This does not mean, from a Management point of view, that the internal control system is not effective in this respect, but rather reflects EPSO's desire to further improve the effective implementation of this ICS.

### **3.2 Conclusion**

Concerning the overall state of the internal control system, EPSO complies with the three assessment criteria for effectiveness; i.e. (a) staff having the required knowledge and skills, (b) systems and procedures designed and implemented to manage the key risks effectively, and (c) no instances of ineffective controls that have exposed EPSO to its key risks. Further enhancing the effectiveness of EPSO's control arrangements in place, by inter alia taking into account any control weaknesses reported and exceptions recorded, is an on-going effort in line with the principle of continuous improvement of management procedures.

In conclusion, the internal control standards are effectively implemented in EPSO. In addition, EPSO has taken measures to further improve the efficiency of its internal control systems in the area of Objectives and Performance Indicators (ICS 5).

Despite the control architecture in place and the steps taken to mitigate risks to the extent possible, the following residual risks may still affect selection procedures:

- Legal challenges: there is a risk that the underlying fundamental principles of selection policy or practice are challenged successfully in the context of new Court cases. This also applies, in particular, to the language regime for open competitions;
- Geographical and gender balance: EPSO can only control to a limited extent how many and which candidates apply for a competition. The number of candidates applying varies significantly in the different Member States. Some profiles clearly attract more men than women (and vica versa). This might result in under- and overrepresentation issues (geographical and gender balance).

## **4. MANAGEMENT ASSURANCE**

This section reviews the assessment of the elements reported in Parts 2 and 3 and draws conclusions supporting of the declaration of assurance and namely, whether it should be qualified with reservations.

### **4.1 Review of the elements supporting assurance**

The information reported in Parts 2 and 3 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability reported and results in a complete coverage of the budget delegated to me, in my capacity as Director of EPSO.

In 2014, EPSO ensured the follow-up of the ex-post and ex-ante evaluations that took place in 2013 with the aim of improving EPSO's organisational effectiveness, its capacity to deliver and provide a better service to its key partners.

In 2014, EPSO's Director received regular reports from the sub-delegated authorising officers and other officials under his responsibility. Overall, only very few issues were reported to him, most of which related to the budgetary execution.

There was no instance in which EPSO's Director was obliged to issue a written reasoned instruction, as foreseen in Article 73(3) of the Financial Regulation.

In the light of the above-mentioned and taking into account the main findings and conclusions in Parts 2 and 3, it can be concluded that there is reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

### **4.2 Reservations and overall conclusion on assurance (if applicable)**

EPSO has sufficient assurance that a reservation on the declaration is not seen as necessary.

## DECLARATION OF ASSURANCE

I, the undersigned, Nicolas David BEARFIELD,

Director of EPSO,

In my capacity as authorising officer by delegation,

Declare that the information contained in this report gives a true and fair view<sup>11</sup>,

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

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

Confirm that I am not aware of anything not reported here which could harm the interests of the Institution.

Brussels, 26/3/2015

*Signed*  
**N.D. BEARFIELD**

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<sup>11</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.





**2014**

# **Annual Activity Report**

**EUROPEAN  
SCHOOL OF  
ADMINISTRATION  
(EUSA)**



## FOREWORD

This is the 10<sup>th</sup> annual activity report of the European School of Administration. It confirms that the School continues to deliver training programmes of high quality to a wide range of staff across the institutions, other bodies and agencies of the EU. It has met or surpassed its key performance indicators. It has contributed to enhancing the level of competence of staff of the European Civil Service at all levels thereby supporting the effectiveness of the institutions. In 2014, it delivered a record number of training programmes and welcomed a record number of participants.



# TABLE OF CONTENTS

<b>INTRODUCTION:</b>	<b>1</b>
THE EUROPEAN SCHOOL OF ADMINISTRATION IN BRIEF .....	1
THE YEAR IN BRIEF .....	1
<b>EXECUTIVE SUMMARY</b>	<b>2</b>
KEY PERFORMANCE INDICATORS.....	2
POLICY HIGHLIGHTS OF THE YEAR (EXECUTIVE SUMMARY OF PART I).....	3
INFORMATION TO THE COMMISSIONER .....	4
<b>1. POLICY ACHIEVEMENTS</b>	<b>5</b>
1.1 ACHIEVEMENT OF SPECIFIC OBJECTIVES .....	5
1.1.1 MANAGEMENT TRAINING .....	5
1.1.2 TRAINING OF NEW STAFF.....	7
1.1.3 BASIC TRAINING IN KEY SKILLS .....	8
1.1.4 SEMINARS AND CONFERENCES .....	10
1.1.5 CERTIFICATION TRAINING AND EXAMINATIONS (EUSA).....	11
1.1.6 TAILOR-MADE TRAINING .....	12
1.1.7 EXTERNAL ACTIVITIES .....	12
1.2 SPECIFIC EFFORTS TO IMPROVE 'ECONOMY' AND 'EFFICIENCY' OF FINANCIAL AND NON-FINANCIAL ACTIVITIES .....	13
1.2.1 INTER-INSTITUTIONAL CALL FOR TENDER.....	14
1.2.2 ERASMUS FOR PUBLIC ADMINISTRATION.....	14
<b>2. MANAGEMENT OF RESOURCES</b>	<b>15</b>
2.1 MANAGEMENT OF HUMAN AND FINANCIAL RESOURCES BY EUSA. ....	15
2.2 BUDGET IMPLEMENTATION TASKS ENTRUSTED TO OTHER SERVICES AND ENTITIES. ....	15
2.3 ASSESSMENT OF AUDIT RESULTS AND FOLLOW UP OF AUDIT RECOMMENDATIONS.....	15
<b>3. ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS</b>	<b>16</b>
<b>4. MANAGEMENT ASSURANCE</b>	<b>17</b>
<b>DECLARATION OF ASSURANCE</b>	<b>17</b>



## INTRODUCTION:

### The European School of Administration in brief

The European School of Administration was founded in January 2005 with the aim of improving and extending the range of learning opportunities available to staff of the European Civil Service. Its inter-institutional character has enabled it to achieve economies of scale and guarantee that staff across the institutions benefit from the same possibilities of access to high-quality training activities. By bringing staff of different institutions together the School also contributes to the spread of common values, promotes better inter-institutional understanding and cooperation, and facilitates the creation of valuable networks at various levels in the institutions.

For reasons of economy and efficiency the School is administratively attached to the European Personnel Selection Office (EPSO) but operates with a high degree of autonomy. It is answerable to the same management board as EPSO and also maintains permanent contact with the training departments in the individual institutions. This ensures that the School's training offer, which concentrates on skills and behaviours that are needed across the European Civil Service, is complemented by the individual institutions' own programmes to meet their specific needs.

The School plays a key role in the network of Directors of Institutes and Schools of Public Administration (DISPA) for which it acts as an informal secretariat. It also organises the Public Administration Erasmus traineeships which enable young civil servants in the Member States who deal with EU questions to learn more about the way the institutions function.

The School has a staff of 25, 4 of whom are based in Luxembourg.

### The year in brief

By the end of 2014 the School was nearly 10 years old. It is worth recalling that when it was established only two programmes were transferred to it by the institutions. In its first full year of operation (2006) it ran 68 courses and had a total of about 2100 participants. The figures below should be set against this background because they demonstrate how valuable the School has become to all the institutions and how its progressive development has enabled them either to reduce their own costs or redeploy their financial resources elsewhere.

The School's output in 2014 yet again broke all records in purely quantitative terms. In total, it offered **35 different training programmes** and ran **470 courses** compared with 429 in 2013. It attracted **7412 participants** compared with 6936 in 2013. A total of **15,619 participant days** were delivered. These increases were achieved despite a further cut of 2.1 % in its budget, which has now fallen by 13 % in 3 years.

**Participant satisfaction rates** remained extremely high at **96.7%**. Furthermore, **97.9%** of participants found the training programme they had attended was **relevant** to their work.

The School added three new programmes to its existing offer during 2014.

It also conducted a major survey on management training needs across the institutions. At the time of writing, the final results are in the process of being analysed and will be used to inform the design of the next generation of leadership and management programmes that the School will develop in the second half of 2015.

The 9<sup>th</sup> certification procedure was completed successfully providing 58 more assistant-grade staff with the opportunity to be appointed as administrators (new and re-sitting candidates combined).

The School provided 39 customised training programmes at the request of individual institutions (or departments within an institution) and Agencies – the most ever.

The School organised three further fortnight-long sessions of the Public Administration Erasmus programme and finally secured its continuation for 2015 and beyond.

As regards the key performance indicators these were either achieved or surpassed as described in the subsequent section of this report.

## EXECUTIVE SUMMARY

The Annual Activity Report is a management report of the Director of the European School of Administration to the College of Commissioners. It is the main instrument of management accountability within the Commission and constitutes the basis on which the Commission takes its responsibility for the management of resources by reference to the objectives set in the management plan and the efficiency and effectiveness of internal control systems, including an overall assessment of the costs and benefits of controls.

### Key Performance Indicators

The following performance indicators are the key to assessing whether the School:

- Functions as a genuine *inter-institutional body* which is the key reason for which it was set up
- Provides training programmes that *meet participants' expectations*
- Is successful in *diversifying its training methods* to take account of latest learning styles
- Manages its resources *efficiently*
- Helps participants improve their *performance in the workplace*.

The five key performance indicators for EUSA for 2014		
Key Performance Indicator	Situation at the end of 2014	Target 2014
1. The inter-institutional character of the School's training activities which is part of its fundamental <i>raison d'être</i>	31 % of non-Commission participants	30 % of non-Commission participants
2. The level of satisfaction expressed by participants	96 % of participants satisfied	≥ 90 % of participants satisfied



3. The degree to which more blended learning elements are introduced into the School's training programmes	53 % of courses contain a significant amount of blended learning elements	≥ 27 % of courses containing blended learning elements
4. The rate of attendance	91 %	≥ 90 %
5. The evaluation of the impact of the School's training activities	2 management courses and the Certification Training Programme have been analysed in 2014. The analysis of 9 Key Skills courses is currently ongoing.	10 training programmes to be analysed

### Policy highlights of the year (executive summary of part I)

The results indicate that the School has continued to meet its key targets. Full details of the School's output in terms of training programmes are contained in the annex to this report and its 3 new programmes are described in more detail in the later sections of this report.

An inter-institutional balance was maintained in respect of participant numbers and whenever an individual institution needed a larger than usual number of places the School took the necessary action to ensure that demand was always satisfied.

The high rates of participant satisfaction and the perceived relevance for the workplace of the School's programmes have already been mentioned in the preceding section. The second of these points is of particular importance because it strongly suggests that what participants learn is effectively transferred to the workplace. Indeed, during 2014 the School reinforced its work in terms of measuring the impact of its training programmes on the individual participant and this will be further extended in 2015.<sup>12</sup>

The School made considerable progress in diversifying its forms of delivery and a number of courses were on the brink of dispensing with traditional documentation in favour of "e-books" by the end of the year.

Participant attendance rates improved slightly although further discipline on the part of participants and their superiors is needed to reduce this waste of resources further.

The School continued its practice of permanent dialogue with all Institutions to ensure it did not duplicate their own training offer. However, it cannot ultimately control what individual Institutions may decide to put in place themselves and believes that further attention is required on their part in this respect.

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<sup>12</sup> Only the institutions themselves can measure the impact of learning and development activities on their organisational performance. The School is neither in a position to carry out such assessments nor does it have the mandate to do so.

## **Key conclusions on resource management and internal control effectiveness (Executive Summary on Part 2 and 3)**

In accordance with the governance statement of the European Commission, the staff of the School conduct their operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards. In particular, they actively apply the principle of good governance laid down by the European Ombudsman.

The Commission has adopted a set of internal control standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. As required by the Financial Regulation, the School has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

The School has assessed the effectiveness of its key internal control systems during the reporting year and has concluded that the internal control standards are effectively implemented. Furthermore, the School has taken measures to further improve the efficiency of its internal control systems in the area of evaluation of its activities as reported in Part 3.

The School considers that in general its internal control system functions satisfactorily. Moreover, ex-post controls are carried out by DG HR (under the service-level agreement signed with EPSO) and no critical issues have been raised with the School's financial transactions in 2014.

In addition, the School has systematically examined the available control results and indicators, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives. Please refer to Part 2 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented.

### **Information to the Commissioner**

The main elements of this report have been brought to the attention of Vice-President Kristalina Georgieva, responsible for Budget and Human Resources.

## 1. POLICY ACHIEVEMENTS

### 1.1 Achievement of specific objectives

#### 1.1.1 Management Training

<b>Specific objective n°1: To provide a range of learning and development opportunities that contribute to an improvement in the performance of staff who exercise or who may exercise management responsibilities thereby helping them and their institution achieve greater effectiveness</b>		
<input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator:</b> Participant satisfaction (source: <b>questionnaire completed by participants</b> )		
Baseline <b>2013:</b> 97 %	<b>Current Situation:</b> 96 %	Target <b>2014:</b> 90 % Rate set as part of the School's mission to provide high quality training and learning opportunities
<b>Result indicator:</b> Perceived relevance (source: <b>questionnaire completed by participants</b> )		
Baseline <b>2013:</b> 98 %	<b>Current Situation:</b> 99 %	Target <b>2014:</b> 90% Rate set as part of the School's mission to provide high quality training and learning opportunities
<b>Result indicator:</b> Non-Commission participation rate (source: <b>internal statistics extracted from the learning management system</b> )		
Baseline <b>2013:</b> 38 %	<b>Current Situation:</b> 32 %	Target <b>2014:</b> 30 % Rate set in order to ensure inter-institutional balance amongst participants
<b>Result indicator:</b> Attendance rate (source: <b>internal statistics extracted from the learning management system</b> )		
Baseline <b>2013:</b> 93%	<b>Current Situation:</b> 92%	Target <b>2014:</b> 90 % Rate set in order to ensure sound financial management
<b>Result indicator:</b> Diversification of delivery (source: <b>internal</b> )		
Baseline <b>2013:</b> 10 %	<b>Current Situation:</b> An average of 26 % of non-classroom based activities	Target <b>2014:</b> 20 % of non-classroom based activities
<b>Main outputs in 2014</b>		
<ul style="list-style-type: none"> <li>• 25 3-day courses for non-management staff (AST and AD) who lead teams</li> <li>• 29 3-day basic management courses for ADs who are not Heads of Unit</li> <li>• 8 3-day personal development courses for staff about the issues involved in being a Head of Unit ( 2 for women only and 6 mixed)</li> <li>• 10 4-day courses for newly-appointed Heads of Unit</li> <li>• 53 1-day thematic workshops for managers of all levels</li> <li>• 7 2-day course for Heads of Unit with at least 18 months' experience</li> <li>• 6 2-day advanced management courses for experienced Heads of Unit</li> <li>• 2 2-day residential management courses for Heads of Unit</li> <li>• 1 edition of the leadership programme for newly-appointed Directors</li> <li>• 4 editions of the Leadership Club for senior management</li> </ul>		

Overall the School organised a total of 145 management development programmes and workshops which were attended by 1,683 participants (up by 234 i.e. 16 %).

It is worth recalling the School's strategy over the years in terms of its leadership and development programmes. In line with its mandate to provide training when needs are similar across the institutions, it has always concentrated on the key moments individuals face as their management responsibilities evolve. In this way, it believes that it has made a significant contribution over time to improving the quality of management in the institutions, especially in terms of the way staff are managed and developed in order to achieve a high level of performance.

The School added two new initiatives to its offer in this field in 2014. The first was a 1-day seminar for Heads of Unit at the Jean Monnet House at Houjarray. This location is used by the European Parliament for seminars for its new staff and the School had been working for some time to put something in place there at Head of Unit level. The underlying aim of the seminar is to give participants the chance to re-connect with the *raison d'être* of the Union and reflect on how they can use this in their own development and that of their staff.

The second was a series of experimental group coaching sessions with alumni of the "Setting out as a Head of Unit" training programme.

As already mentioned, the School devoted considerable resources during 2014 to commissioning a needs analysis among a large and representative group of staff in all the institutions. The survey targeted people who had attended one of the School's management courses since January 2012 and non-participants who have management responsibilities.

810 people replied to the survey (a **21.4% feedback rate**), out of which 63% were Heads of unit or above. Out of all the respondents to the survey, 86% indicated that they are responsible for managing people.

Out of the sixteen items suggested in the survey, the three areas that respondents considered to be the most important were:

- "Developing and motivating staff": 46% of respondents (369),
- "Managing difficult people and dealing with conflict": 28% (226),
- "Strategic thinking": 25% (202).

There was no significant difference between replies from staff in different institutions. The survey also asked a series of questions about forms of training delivery and attitudes to training and the data was enriched by a number of focus groups and individual interviews.

Apart from the intrinsic interest of such an exercise – and the volume of responses make it statistically reliable – the information gathered will be invaluable in the design of the School's next generation of management and leadership development programmes, which will be put progressively in place from the first quarter of 2016. The corresponding call for tenders was launched after an intensive consultation process with all institutions. All of them are participating in this, along with 28 EU bodies and Agencies. It is estimated that the total saving resulting from the School running this procedure on their behalf rather than leaving each one to organise their own tender is in the region of €800,000.

### 1.1.2 Training of new staff

<b>Specific objective n°2: To help new staff understand the realities, values and specific challenges of working in the multicultural and multilingual environment of the EU institutions, contribute to their speedy integration and help them learn about how the EU has developed and works in practice</b> <input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator:</b> Participant satisfaction (source: <b>questionnaire completed by participants</b> )		
Baseline <b>2013:</b> 96 %	<b>Current Situation:</b> 96%	Target <b>2014:</b> 90 % Rate set as part of the School's mission to provide high quality training and learning opportunities
<b>Result indicator:</b> Perceived relevance (source: <b>questionnaire completed by participants</b> )		
Baseline <b>2013:</b> 93 %	<b>Current Situation:</b> 94 %	Target <b>2014:</b> 90 % Rate set as part of the School's mission to provide high quality training and learning opportunities
<b>Result indicator:</b> Non-Commission participation rate (source: <b>internal statistics extracted from the learning management system</b> )		
Baseline <b>2013:</b> 23 %	<b>Current Situation:</b> 22 %	Target <b>2014:</b> 30 % Rate set in order to ensure inter-institutional balance amongst participants
<b>Result indicator:</b> Attendance rate (source: <b>internal statistics extracted from the learning management system</b> )		
Baseline <b>2013:</b> 93 %	<b>Current Situation:</b> 92 %	Target <b>2014:</b> 90 % Rate set in order to ensure sound financial management
<b>Result indicator:</b> Diversification of delivery (source: <b>internal</b> )		
Baseline <b>2013:</b> 20 %	<b>Current Situation:</b> An average of 20 % of non-classroom based activities	Target <b>2014:</b> 20 % of non-classroom based activities
<b>Main outputs in 2014</b>		
<ul style="list-style-type: none"> <li>• 25 3-day "Working for the EU: realities and challenges "courses</li> <li>• 13 1-day EU4U</li> <li>• 15 1-day sessions explaining staff's social security entitlements</li> </ul>		

2014 saw the final year of delivery of the basic induction course entitled "Working for the EU: realities and challenges". The School's reflections on what to offer new staff from 2015 coincided with a major re-think in the Commission, and in some other institutions, about how to improve the initial training given to new recruits. In addition to the need for new staff to be operational as quickly as possible, there is an increasing general awareness of the importance of their "acclimatisation" ("acculturation") to the unique environment in which they find themselves working - and indeed to the uniqueness of the European project itself.

In this context, the School developed some years ago a seminar entitled the "History and stories behind European integration". More recently it has designed, again entirely with its own resources, a new one-day seminar that explains the latest major developments in the EU and the reasons for them ("EU4U"). Delivery of this seminar began in 2014. It has proved an instant success and shown up considerable gaps in staff's knowledge of many of the key developments going on around them.

These two seminars will become part of the new induction training path in the Commission and will also be highly recommended by other institutions to their new recruits.

The last piece of the School's revised offer for new staff will take the form of a short course with individual coaching for staff who are not only new in the institutions but who have also had to change countries to take up their posts, with the attendant challenges that can bring. The purpose is to help such staff adapt and become operational in as short a time as possible. By the end of 2014, much of the design work for this new seminar had been completed.

### 1.1.3 Basic training in key skills

<b>Specific objective n°3: To help staff acquire or extend the key range of skills they need to be effective in their jobs</b> <input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator:</b> Participant satisfaction (source: <b>questionnaire completed by participants</b> )		
Baseline <b>2013:</b> 97 %	<b>Current Situation:</b> 96 %	Target <b>2014:</b> 90 % Rate set as part of the School's mission to provide high quality training and learning opportunities
<b>Result indicator:</b> Perceived relevance (source: <b>questionnaire completed by participants</b> )		
Baseline <b>2013:</b> 98 %	<b>Current Situation:</b> 98 %	Target <b>2014:</b> 90 % Rate set as part of the School's mission to provide high quality training and learning opportunities
<b>Result indicator:</b> Non-Commission participation rate (source: <b>internal statistics extracted from the learning management system</b> )		
Baseline <b>2013:</b> 38 %	<b>Current Situation:</b> 38 %	Target <b>2014:</b> 30 % Rate set in order to ensure inter-institutional balance amongst participants

<b>Result indicator:</b> Attendance rate (source: <b>internal statistics extracted from the learning management system</b> )		
Baseline <b>2013:</b> 91%	<b>Current Situation:</b> 92%	Target <b>2014:</b> 90 % Rate set in order to ensure sound financial management
<b>Result indicator:</b> Diversification of delivery (source: <b>internal</b> )		
Baseline <b>2013:</b> 10 %	<b>Current Situation:</b> An average of 19 % of non-classroom based activities	Target <b>2014:</b> 30 % of non-classroom based activities
<b>Main outputs in 2014</b>		
1 or 2-day courses as follows: <ul style="list-style-type: none"> <li>• 25 Analysing and Solving Problems</li> <li>• 14 Productive Meetings</li> <li>• 28 Day-to-Day Negotiation</li> <li>• 31 Oral Communication</li> <li>• 23 Writing With Impact</li> <li>• 13 Effective Searching on the Web</li> <li>• 14 Working in Teams</li> <li>• 34 Personal Effectiveness</li> <li>• 36 Developing your Resilience</li> </ul>		

In purely quantitative terms this group of training courses once again saw a striking increase in terms of the numbers of both courses and participants with respective rises of 12 % to 218 and 18 % to 2,918.

It is worth mentioning in particular the success of the seminar on resilience which was added to the School's offer towards the end of 2013 and which attracted the highest number of participants of any of its courses in 2014 (543). This sends a significant message about how challenging staff find their environment, a message that has been reinforced by requests to develop a stress management workshop in 2015.

As part of the School's policy of constant evaluation, it was decided during the year to remove two courses from the "key skills" offer with effect from 2015, as a result of declining interest and doubts about whether the subject matter should not be tackled differently. As a result, some interactive, practical workshops will be organised around effective searching on the web in place of the seminar the School had been running.

Institutions have been asked if they wish other subjects to be added and there seems to be a desire to provide advanced courses in some areas. Other subjects were suggested by staff during two lunchtime conferences on the current state of training. These proposals will be analysed during 2015.

### 1.1.4 Seminars and Conferences

<b>Specific objective n°4: To help staff acquire or extend their knowledge on their external environment, pension scheme and on the role of the EDPS and the European Ombudsman</b> <input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator:</b> Participant satisfaction (source: <b>questionnaire completed by participants</b> )		
Baseline <b>2013:</b> 97 %	<b>Current Situation:</b> 99%	<b>Target 2014:</b> 90 % Rate set as part of the School's mission to provide high quality training and learning opportunities
<b>Result indicator:</b> Perceived relevance (source: <b>questionnaire completed by participants</b> )		
Baseline <b>2013:</b> 96 %	<b>Current Situation:</b> 99 %	<b>Target 2014:</b> 90 % Rate set as part of the School's mission to provide high quality training and learning opportunities
<b>Result indicator:</b> Non-Commission participation rate (source: <b>internal statistics extracted from the learning management system</b> )		
Baseline <b>2013:</b> 19 %	<b>Current Situation:</b> 24 %	<b>Target 2014:</b> 30 % Rate set in order to ensure inter-institutional balance amongst participants
<b>Result indicator:</b> Attendance rate (source: <b>internal statistics extracted from the learning management system</b> )		
Baseline <b>2013:</b> 84 %	<b>Current Situation:</b> 86 %	<b>Target 2014:</b> 90 % Rate set in order to ensure sound financial management
<b>Result indicator:</b> Diversification of delivery (source: <b>internal</b> )		
Baseline 2013: 20 %	<b>Current Situation</b> An average of 20 % of non-classroom based activities	<b>Target 2014:</b> 20 % of non-classroom based activities
<b>Main outputs in 2014</b>		
<ul style="list-style-type: none"> <li>• 13 1-day seminars on the History and Stories behind European Integration</li> <li>• 2 Master Classes: Brussels for Europe</li> <li>• 8 Lunchtime "Discover Brussels" conferences</li> <li>• 13 1/2 day sessions "All you need to know about your pension rights"</li> <li>• 8 2½ hour "Communicating in the Tower of Babel" workshops</li> <li>• 6 Lunchtime "European Ombudsman" conferences</li> <li>• 6 Lunchtime "European Data Protection Supervisor" conferences</li> </ul>		

This series of activities continued to attract significant numbers of participants and the lunchtime conference format continued to prove very popular with staff in general.

As already noted, the "History" seminar will become an integral part of the induction programme for new staff whilst continuing to be offered to existing staff as well through separate editions.



### 1.1.5 Certification training and examinations (EUSA)

<b>Specific objective n°5: a) To enable assistant grade staff selected for the certification procedure to become effective administrators by providing them with the wide range of skills they will need and b) to guarantee the quality of candidates who pass the examinations by ensuring that these are sufficiently demanding.</b>		
<input checked="" type="checkbox"/> Non-spending (Heading V)		
<b>Result indicator:</b> Candidates' evaluation of the training programme (source: <b>questionnaire completed by participants</b> )		
Baseline <b>2013:</b> 95 %	<b>Current Situation:</b> 100 %	Target <b>2014:</b> 95 <sup>13</sup> % Rate set as part of the School's mission to provide high quality training and learning opportunities
<b>Result indicator:</b> Percentage of successful candidates (source: <b>internal statistics</b> )		
Baseline <b>2013:</b> 54 %	<b>Current Situation:</b> 42.86 % (2013/14 candidates) 48.28% (re-sitting candidates)	Target <b>2014:</b> 60%
<b>Result indicator:</b> Rate of appointment of successful candidates (source: <b>regular statistics provided by Institutions</b> )		
Baseline <b>2013:</b> 74 % relating to first 7 exercises	<b>Current Situation:</b> 78.78 % (first 7 exercises) 74.57% (first 8 exercises)	Target <b>2014:</b> 70% three years after end of procedure
<b>Result indicator:</b> Perceived relevance (Learning transfer) (source: <b>questionnaire completed by participants</b> )		
Baseline <b>2013:</b> 72 %	<b>Current Situation:</b> 64 %	Target <b>2014:</b> 70 %
<b>Main outputs in 2014</b>		
<ul style="list-style-type: none"> <li>• 25 days classroom-based training for the 2013/2014 exercise plus individual study</li> <li>• 9 refresher courses for previous year's candidates who have failed one or more examinations</li> </ul>		

The 9<sup>th</sup> certification training programme was delivered successfully and the new contractor was able to maintain the same very high standard with which this programme has always been associated. Although the pass rate was lower than average - 58 candidates (30 new ones and 28 re-sitters) were successful – there is no evidence to suggest that this resulted from any weakness in the training of candidates.

By the end of 2014 a total of 755 AST staff had been appointed to the AD function group since the introduction of the certification procedure in 2006. This represents 75 % of the total number of successful candidates in the first 8 exercises. It is worth pointing out that certification constitutes a powerful demonstration on the part of the institutions of their willingness to invest in their staff – it is in fact a highly effective talent management programme.

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<sup>13</sup> This target is higher than for other programmes in order to continue to match the existing very high rates of satisfaction

### 1.1.6 Tailor-made training

<b>Specific objective n°5: To respond positively to any specific requests for assistance or tailor-made training programmes made by any of the institutions or EU agencies and bodies.</b>		
<input checked="" type="checkbox"/> <b>Non-spending (Heading V)</b>		
<b>Result indicator:</b> Percentage of requests satisfied (source: <b>internal statistics</b> )		
Baseline <b>2013:</b> 100 %	<b>Current Situation:</b> 100 %	Target <b>2014:</b> 100%

The School continued to respond to all needs for tailor-made training from a wide variety of customers: individual DGs or Directorates in the institutions, Commission Research Centres, agencies etc. and provided a record number of programmes. Furthermore, the School is increasingly asked to play an active role in local initiatives either by providing its expertise or in co-facilitating events.

It organised the first training activities requested by various services of the Court of Auditors following the agreement to transfer complete responsibility for certain types of activities to the School.

These trends – and the fact that many institutions make «repeat orders» - are testimony to the high regard in which the School is held and also the excellent customer service it provides.

The School was also invited to sit as a member of an expert panel advising the Director-General of the Joint Research Centre DG to accompany the major change process being undertaken there.

### 1.1.7 External activities

<b>Specific objective n°6: To contribute to efforts to reinforce links between officials of the institutions and national administrations (EPA)</b>		
<input checked="" type="checkbox"/> <b>Non-spending (Heading V)</b>		
<b>Result indicator:</b> Number of participants (source: <b>internal statistics</b> )		
Baseline <b>2013:</b> 171	<b>Current Situation:</b> 167	Target <b>2014:</b> 195
<b>Result indicator:</b> Participant satisfaction (source: <b>questionnaire completed by participants</b> )		
Baseline <b>2013:</b> 100 %	<b>Current Situation:</b> 99 %	Target <b>2014:</b> 95 % Rate set as part of the School's mission to provide high quality training and learning opportunities
<b>Result indicator:</b> Perceived relevance (source: questionnaire completed by participants)		
Baseline <b>2013:</b> 95 %	<b>Current Situation:</b> 94 %	Target <b>2014:</b> 90 % Rate set as part of the School's mission to provide high quality training that participants can transfer to the workplace
Main outputs in 2014: <b>Main outputs in 2014:</b> 3 2-week Erasmus traineeships		

The School organised the final 3 editions of this programme in the final phase of the "preparatory action". These were again highly appreciated by participants and member states and enabled a total of 167 young civil servants dealing with EU affairs in the member states to enhance their knowledge of the institutions and their decision-making processes. However the most significant piece of news in this field was the agreement secured by the School for the programme to be continued on an indefinite basis.

Although some cost-cutting measures have been introduced Member States were extremely pleased by the fact that it will continue, especially those who will be taking on the rotating Presidency in the coming years as they will be able to use this traineeship as a small but important part of their preparations.

Although not the subject of any specific indicators, mention should be made once again of the important role assumed by the School in the network of Directors of Institutes and Schools of Public Administration (DISPA). The School has for some years been the de facto coordinating body for the work of this network and as such plays an important role in setting the agendas of the twice-yearly meetings and in ensuring continuity in the themes treated.

In 2014 the School provided considerable assistance to the Greek and Italian members of DISPA in the organisation of their respective meetings and wrote and reproduced the minutes for both of them. It has also made information for members of the network more easily available by transferring it to dedicated pages of the School's Europa website.

## **1.2 Specific efforts to improve 'economy' and 'efficiency' of financial and non-financial activities**

According to the Financial Regulation (Article 30), the principle of economy requires that the resources used by the institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of efficiency concerns the best relationship between resources employed and results achieved.

The respect of these principles is continuously pursued through the implementation of internal procedures and predefined practices. These procedures ensure that activities are executed in an efficient manner (e.g. the different workflows contribute to the efficient cooperation between staff) and according to the principle of economy (e.g. the procurement rules ensure procurement in optimal conditions).

The School is continuously fine-tuning its internal arrangements in order to improve the efficiency and economy of its operations. The following two initiatives show how these principles are implemented in the School:

### **1.2.1 Inter-institutional call for tender**

The first important measure was the organisation of an inter-institutional call for tenders for management training courses and coaching sessions. With a view to reducing administrative costs and burden for the contracting authorities and trying to reduce prices offered by proposing a larger potential market to the tenderers, the School strived to ensure the widest possible consultation of institutions, European Union offices, bodies and agencies in order to identify the maximum number of potential contracting authorities.

Following this consultation, a total of 38 contracting authorities officially participated in this procurement procedure. Considering that the preparation of such a procedure (especially drafting technical specifications and coordinating the inputs from the main contracting authorities' needs) is very labor intensive, it is estimated that the total saving resulting from the School running this procedure on their behalf rather than leaving each one to organise their own tender is in the region of €800,000. This figure does not take into account the savings on translation costs, the possible reduction in prices tendered due to the larger size of the market or the significant reduction of costs related to the management of the administrative aspects of the procedure (drafting and publishing of the contract notice, opening and evaluation of the tenders).

### **1.2.2 Erasmus for public administration**

With a view to ensuring the continuity of the highly successful preparatory action "Erasmus for Public Administration" and in close cooperation with Directorate General for Human Resources and Security, the School has found a means to ensure budgetary coverage for this programme. In order to make savings, the number of yearly sessions was reduced from 4 to 3; the maximum number of participants per session from 60 to 45 and the travel costs to and from Brussels are no longer reimbursed. By so doing the annual savings can be estimated to about €400,000.

## **2. MANAGEMENT OF RESOURCES**

### **2.1 Management of human and financial resources by EUSA.**

This is covered in the EPSO activity report.

### **2.2 Budget implementation tasks entrusted to other services and entities.**

This is covered in the EPSO activity report.

### **2.3 Assessment of audit results and follow up of audit recommendations**

This section reports and assesses the observations and conclusions reported by auditors which could have a material impact on the achievement of the internal control objectives, and therefore on assurance, together with any management measures taken in response to the audit recommendations.

The School is generally audited by both internal and external independent auditors: its internal audit capability (IAC), the Commission internal audit service (IAS) and the European Court of Auditors (ECA).

During the period of reference, no specific audit work has been carried out by the IAS and the European Court of Auditors. The IAC carried out its regular ex-post controls and no observations or conclusions have a material impact on the achievement of the School's internal control objectives and assurance regarding the achievement of its business objectives.

As regards the implementation of recommendations issued in previous years, the relevant actions are implemented as planned. Consequently, the current state-of-play does not lead to assurance-related concerns.

### 3. ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

The Commission has adopted a set of internal control standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. In addition, as regards financial management, compliance with these standards is a compulsory requirement.

The School has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

The functioning of the internal control systems has been closely monitored throughout the year by the systematic registration of exceptions (under ICS 8).

The School considers that in general its internal control system functions satisfactorily.

This statement is based on the assessment that was carried out using a self-assessment questionnaire (iCAT questionnaire).

In its management plan for the reporting year, the School had foreseen a number of measures to improve the effective implementation of ICS 14 on evaluation. By the end of the reporting year, the following action had been taken:

- Ex-post evaluation of the quality of training delivered (satisfaction): improvement of the process for the monthly key quality performance indicators and their communication to contractors – monthly review of these indicators
- Ex-post evaluation of the quality of training delivered (impact on the individuals): setting up of a methodology for the measurement of learning transfer
- Ex-post evaluation of the quality of individual trainers: monthly follow-up of the statistical indicators and yearly in-depth follow up of qualitative comments
- Ex-ante evaluation of the quality of training teams: in-depth accreditation process for the new trainers proposed to work with the School in 2014 (especially concerning the Certification Training programme).

The School continues to take account of the risks involved in its activities and addresses them in its regular team meetings as and when appropriate.

The School buys mainly services/supplies in the area of training and training facilities. The contractors are mainly suppliers of training services in small to medium-sized companies within Europe. Procurement needs are clearly defined and justified from an economic or operational point of view and approved by the AOD. In this area no prominent risks have materialised.

In conclusion, the internal control standards are effectively implemented.

#### **4. MANAGEMENT ASSURANCE**

This is covered in EPSO's activity report.

#### **DECLARATION OF ASSURANCE**

This is covered in EPSO's activity report.

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