European Commission

Management plan 2022

INTERNAL AUDIT SERVICE (DG IAS)

Contents

INTRODUCTION

The political agenda of President von der Leyen, as set out in the political guidelines and further developed in the mission letters to all members of the Commission, was the starting point for the 2020-2024 Strategic Plan of the Internal Audit Service (IAS), implemented through the IAS annual Management Plans. Building on the 2020 and 2021 achievements, the purpose of this Management Plan (MP 2022) is to explain how key outputs planned for the year 2022 will further contribute to the implementation of the 2020-2024 IAS Strategic Management Plan and, more generally, to the achievement of the Commission's objectives.

The IAS[1], the sole internal audit service provider in the Commission and domain leader in internal audit for the decentralised EU agencies and other autonomous bodies, contributes in the most visible way to the following general and horizontal objective:

A modern, high-performing European public administration

The President puts a strong emphasis on modernising the way the Commission works, for example through digitalisation, use of collaborative working methods and an increased focus on sustainability.

The IAS provides to the audited entities and the College of Commissioners **assurance on the effectiveness of risk management, control, and governance processes**. It helps the audited entities to achieve their objectives and also contributes to the effective and efficient management of resources and the promoting a performance culture (economy, efficiency and effectiveness).

The IAS also indirectly contributes to the overall political headline ambitions[2] and objectives of the European Union. Based on in-depth risk assessments performed for each of the audited entities, the IAS auditors identify the highest risks that may adversely affect the achievement of the wide range of general and specific objectives contributing to the high-level political ambitions of the von der Leyen Commission and its priorities for 2019-2024. The IAS strategic audit plans (SAP) cover the systems and processes the audited entities put in place to address those risks.

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[1] The Internal Audit Service is an independent central service in the European Commission, led by the Commission's Internal Auditor, Dr Manfred Kraff. It audits management and control systems of each of the other 50 European Commission services and executive agencies, and a growing number to more than 50 decentralised EU agencies and other autonomous bodies receiving contributions from the EU budget (hereinafter called **'audited entities**').

[2] https://ec.europa.eu/info/priorities_en. The Political Guidelines focus on six headline ambitions for Europe over the next five years and well beyond: (1) A European Green Deal, (2) An economy that works for people, (3) A Europe fit for the digital age, (4) Promoting our European way of life, (5) A stronger Europe in the world, (6) A new push for European democracy. In addition, the administration has a horizontal objective to be a modern, high-performing European public administration.

Auditing has become more complex over the last years due to the increased number of interconnections between EU policies and the entities contributing to their implementation. Therefore, the Strategic Plan, and the subsequent Management Plans take into account this ongoing and evolving process. The IAS has to be very flexible, constantly monitor the situation, swiftly update the audit universe, identify newly emerging risks, and adapt its in-depth risk assessments and audit plans to new developments. The IAS is continuously adapting its own organisation and working methods accordingly.

The IAS conducts its internal audit activities in accordance with the governance arrangements of the European Commission, the Financial Regulation (FR)[3], the International Standards for the Professional Practice of Internal Auditing (Standards)[4] and the Code of Ethics of the Institute of Internal Auditors (IIA)[5]. It is working in an open and transparent manner, meeting the expected high level of professional and ethical standards. It reports and is functionally accountable to the Audit Progress Committee (APC) regarding its audit activities in the Commission and executive agencies. Similarly, for its work in decentralised EU agencies and other autonomous bodies, the IAS reports functionally to the Board and the Director of each respective entity.

> The Audit Progress Committee – to which the IAS reports its audit work in the Commission and the Executive Agencies – follows closely the acceptance and implementation of IAS's recommendations and takes action where necessary, which has a considerable persuasive effect vis-à-vis the audited entities concerned. In the decentralised EU agencies and other autonomous bodies this role is played by the Boards.

Under the von der Leyen Commission structure, the IAS falls under the political authority of the Commissioner for Justice, Mr Didier Reynders.

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[3] Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union.

[4] https://na.theiia.org/standards-guidance/Public%20Documents/IPPF-Standards-2017.pdf

[5] The IIA code of ethics describes the minimum requirements for conduct for the profession of internal auditing.

PART 1. Delivering on the Commission's priorities: main outputs for 2022

Our contribution to individual audited entities

Through its **assurance and consulting activities**[6], the Internal Audit Service adds value to the effective and efficient implementation of risk management, control and governance processes, EU policies, programmes and actions, efficient and economical management of resources, legal and regular spending of the EU budget and compliance with the legal frameworks by the audited entities.

The IAS **strategic audit plans** cover the systems and processes the audited entities put in place to address the highest risks that may adversely affect the achievement of the wide range of general and specific objectives contributing to the high-level political ambitions of the von der Leyen Commission and its priorities for 2019-2024.

The IAS will perform a wide range of **audits** in 2022, covering governance aspects and operational, financial and risk management processes, in order to provide assurance to the audited entities that the controls in place are effective in mitigating those risks that may impair the achievement of their objectives.

With a view to contributing to the Commission's performance-based culture, the Internal Audit Service also carries out **performance audits** as part of its strategic audit plan. These audits result in recommendations, for example concerning data and information management, data protection, supervision strategies regarding the implementation of programmes by third parties, control strategies for selected directorates-general and services, human resources management processes, and reviews assessing the implementation of the new internal control framework in the Commission.

Where weaknesses are identified in the course of the audit, **recommendations** are issued. These recommendations aim at mitigating the related risks in a cost-effective way, thereby adding value to the audited entity. The implementation of the accepted recommendations is verified through follow-up audits.

The IAS also issues (1) quarterly **overview reports** (or information notes) transmitted to the APC on the follow-up of IAS recommendations concerning Commission's Directorates-General and services and (2) **annual reports** on the status of open critical and significantly delayed very important IAS recommendations to decentralised EU agencies and other autonomous bodies.

The Internal Auditor issues each year a **conclusion on the state of internal control** (limited type assurance[7]) to each individual Directorate-General and service of the Commission, as a contribution to the preparation of their annual activity reports.

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[6] Mission charter of the Internal Audit Service of the European Commission [C(2020) 1760]

[7] These limited conclusions have been issued on an annual basis since 2016.

Our contribution to increasing public confidence in the European Union

The Financial Regulation[8] (FR, Art.247) requires the Commission to communicate to the European Parliament and the Council a set of financial and accountability reports, which constitute essential input for the annual "discharge procedure", through which the European Parliament and the Council hold the Commission accountable for the way it manages the EU budget. This also provides a greater focus on value for money value for money for citizens and thus contributes to **increasing public confidence in the European Union and enhancing its image**.
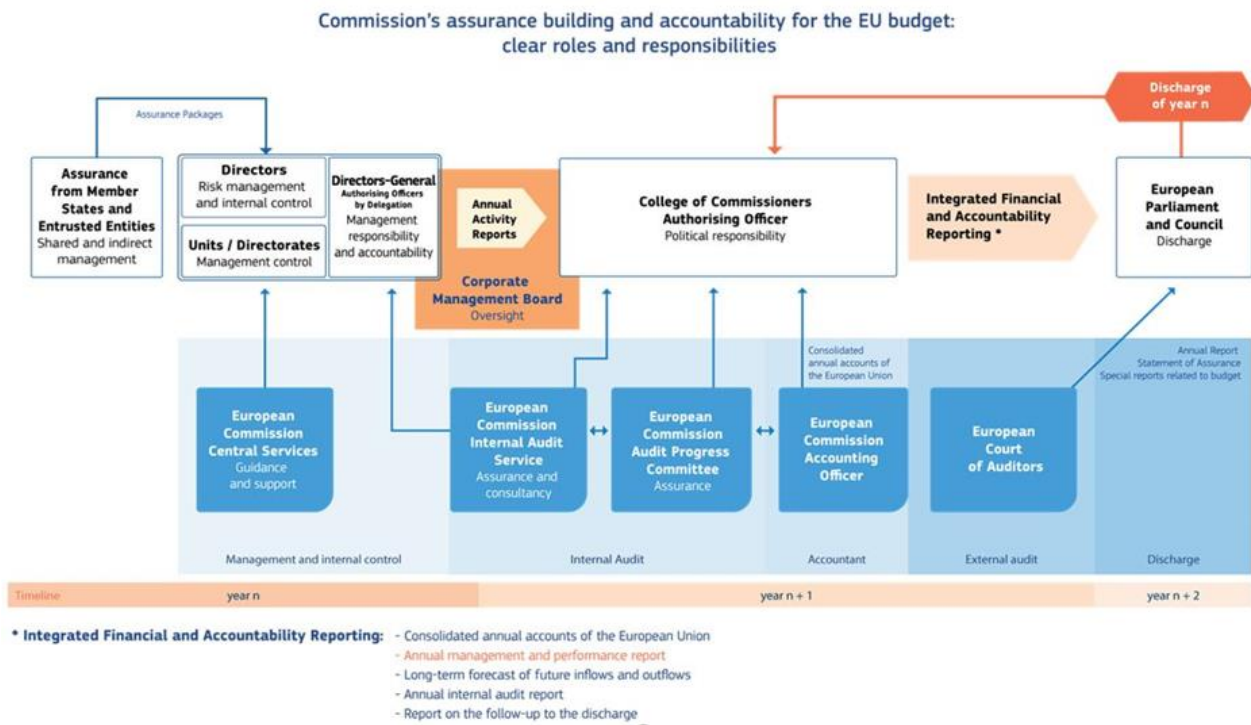
Figure 1 – Commission's Assurance and Accountability Chains. Source: European Commission.

Each year, at the end of the second quarter, the IAS contributes to the preparation of the **Commission's Integrated Financial and Accountability Reporting package (IFAR)**. The IFAR brings together comprehensive information on the implementation, performance, results, sound financial management and protection of the EU budget. It consists of five reports. The IAS contributes to two of these reports:

(1) Through the **Annual Report of the Internal Auditor** (FR, Article 118(4), the IAS reports each year to the Commission on its audit work in Commission Directorates-General, services and executive agencies. This report is issued early in the year and then summarised by the Secretariat-General of the European Commission in the annual report in accordance with Article 118(8) of the FR. It contains a summary of the number and type of internal audits carried out, the recommendations made and the action taken on those recommendations. It is forwarded by the Commission to the European Parliament

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[8] Regulation (EU, Euratom) 2018/1046 of the European Parliament and the Council of 18 July 2018

and the Council and discussed in the framework of the annual discharge procedure (as part of the IFAR).

(2) Through the Commission's **Annual Management and Performance Report for the EU budget (AMPR)**, the IAS presents its work and its annual **overall opinion on the Commission's financial management** (annex 2, section 2.3.2.), based on the audit work the IAS carried out in the area of financial management in the Commission during the previous 3 years. The overall opinion consolidates the IAS's work in the area of financial management.

Our commitment to constantly adapt to changes and emerging risks

Adjusting to political, cultural and organisational developments

The political orientations of the College, focusing on the six political headline ambitions and one horizontal objective, required Commissioners, DGs and decentralised EU agencies and other autonomous bodies to collaborate in completely new ways. In this context, the IAS needs to have in place an organisation and processes that allow it to respond accordingly to the political, cultural and organisational developments which have affected the European Commission in recent times.

The IAS finalised the main steps of its **reorganisation** in 2021, ensuring that it focuses on responsibilities for policy areas, in the most holistic way rather than by being organised according to responsibilities for audits in specific DGs/bodies or institutions. Its audit portfolios were therefore reviewed to best align with the objectives of the Commission, while ensuring that the audited entities are allocated across the units and directorates in a reasonably balanced way. This reviewed portfolio allocation will be fine-tuned in 2022, if need be, in order to adapt to our evolving environment and address potential issues identified when implementing the IAS's new set-up.

In parallel, the newly created resources and general affairs unit is now fully operational and will further help to ensure that the wide variety of IAS activities of a more horizontal and crosscutting nature are coordinated in an optimal way.

In 2022, building on the reorganisation, the IAS will implement actions that were identified in order to address some areas for optimisation identified in this context.
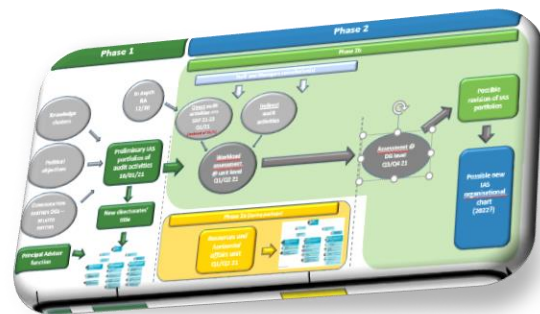
Changes to governance and accountability arrangements called for a re-think of the current allocation of responsibilities between the IAS directorates. Following a reassessment at the end of 2021, the IAS will update in 2022 its **knowledge clusters**, which were created in 2020 at the working level to help the IAS improve its knowledge sharing capacity across the boundaries of its directorates and units and promote a better understanding of the on-going developments

in the political and operational environment. The knowledge clusters, coupled with the revision of the audit portfolios, will continue supporting the IAS in ensuring that the risks are covered in an efficient and effective way and further strengthen the management of resources.

> Overall, the creation of knowledge clusters, the reorganisation of the IAS and the adjustment of audit portfolios enabled the IAS to achieve a better alignment of its organisation and structure to the political and high-level priorities of the Commission and the decentralised EU agencies and other autonomous bodies. This is contributing to a more effective coverage of the associated risks. Beyond the scope of the reorganisation, the IAS has identified areas for improvement and defined subsequent actions with the aim of further optimising its operations and increasing the added-value of its work for its stakeholders[9].

Ensuring coverage of the high risk areas of the audit universe

Based on their understanding of the evolving audit universe, the work undertaken by the IAS knowledge clusters contributes to the strategic risk assessments in preparation of the next IAS Strategic Audit Plans. In accordance with the IIA Standards these plans are risk based and the IAS's objective is **to cover the high risk areas in its audit universe** over a three or four year period (i.e. 2021– 2023) for the Commission and the Executive agencies, by carrying out the annual update of the in-depth risk assessment performed at the end of 2020, to identify existing high risks and audit priorities and by revising its Strategic risk-based Audit Plan 2021-2023 accordingly.

In order to be able to deliver the **annual overall opinion of the IAS on financial management in the Commission**, the plan also has to ensure a certain minimum coverage of financial management in all Commission services and executive agencies over the three-year period. In the decentralised EU agencies and other autonomous bodies, the objective is also to cover the highest risks in the period of the strategic internal audit plans (i.e. four-year period), but there is no obligation to deliver an overall opinion on financial management per agency.

The pandemic, as well as the measures taken by the Commission, decentralised EU agencies and other autonomous bodies in response to the crisis, create uncertainties and risks, which the IAS will continue to duly monitor. The IAS will continue to adapt its ways of working to ensure that its objectives are achieved.

Monitoring and delivering the audit plans, optimising the use of resources

The main operational challenge of the IAS is to complete all engagements included in its audit plans and make effective use of its resources.

The completion of the annual audit plans is monitored in the course of the year. They are reviewed mid-year to reflect new and emerging risks faced by the audited entities. The IAS successfully completes annually between 70 to 90 audit, consulting and risk assessment

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[9] See part 2.F: initiatives to improve economy and efficiency of financial and non-financial activities

engagements, covering **100% of the number of engagements planned to be completed in the year**.

The current transition phase we are experiencing due to the instability generated by the COVID-19 context and the evolution in the ways of working may impact the delivery of our audit plan. Nevertheless, the IAS will strive to meet its objectives by closely monitoring the implementation of its plans, and by seeking ways to enhance its efficiency.

The forced introduction of **remote auditing practices** during the pandemic, despite presenting a number of challenges, has overall been managed well on both sides by auditors as well as auditees. It presents new opportunities that will be further built upon in 2022 with a view to foster best practices, possibilities for improvement and efficiency gains, while fostering a greener Commission.

The IAS actively manages its operational performance through a detailed planning of audit tasks, allocation of staff to engagements, close monitoring of the respect of deadlines and milestones for all audits, detailed time recording for all staff and the regular analysis of the differences between budget and actual time spent on each audit. Audit staff spends on **average 85% of their time on audit activities**.

Senior management continues to support the implementation of the results of the lean auditing (methodology) working groups and the digital auditing task force, aiming for further efficiency gains in 2022.

Surveying stakeholders' feedback

As each year, in 2022 the IAS will continue its practice of surveying its auditees, by conducting satisfaction surveys with its key stakeholders. These include the members of the APC, chairs of the Boards of the decentralised EU agencies and other autonomous bodies, and senior management (Commission Directors-General, Directors of the executive agencies, Directors of the decentralised EU agencies and other autonomous bodies).

For the year 2022, the IAS will ensure – as in previous years – to receive confirmation from its stakeholders that its audits and recommendations cover the main risks and processes of the audited entity (past satisfaction rates of over 90%), provide added value to the operations and contribute towards effective risk management (past satisfaction rates of over 85%) and help to improve the internal control systems (past satisfaction rates of over 85%). The IAS will also ensure that its stakeholders still consider that the IAS performs its audits with objectivity, honesty and fairness (past satisfaction rates of over 90%), and that they continue to appreciate that contacts, communication and relations with the IAS auditors are not impacted by the COVID-19 related business continuity arrangements (satisfaction rate of over 90%).

The IAS will build on and fine-tune in 2022 its major reorganisation exercise, develop its more holistic audit approach, continue to expand its auditors' knowledge of auditees' objectives and operations and ensure the cost-effectiveness of its audit recommendations.

Complying with international auditing standards, internal methodology and guidelines

The IAS is working in an open and transparent manner, meeting the expected high level of professional and ethical standards. As an integral part of the day-to-day supervision, review, and measurement of the internal audit activity, the ongoing monitoring is incorporated into the routine policies and practices.

Periodic assessments are conducted to evaluate conformance with the Code of Ethics and the Standards. Each year, the IAS conducts its own internal quality assessment[10] and at the end of 2021, the external quality assessment (EQA)[11] exercise was launched for which the assessor's report was issued in December 2021, confirming the IAS's compliance all IIA Standards and the IPPF Code of Ethics. The external assessors also advised on opportunities for improvement, in line with leading practices, that will be implemented in the course of 2022.

In parallel, the IAS will continue in 2022 the roll-out and revision of the knowledge clusters, and implement the output and conclusions of the Lean Auditing working groups.

Overview of the main outputs in 2022

General objective: A modern, high-performing and sustainable European Commission
Specific objective 1: The IAS understands its audit environment and has a clear definition of its audit universe, which reflects the Commission and decentralised EU agencies and other autonomous bodies' objectives, priorities and risks.   *Related to spending programme(s): N/A*
Main outputs in 2022:
Other important outputs

Output	Indicator	Target
Updated audit universe reflecting the Commission/Agencies' organisation	Annual update of the audit universe	Q1 2022 (Commission) By end 2022 (Agencies)

Specific objective 2: The organisation of the IAS is adequate to cover the audit universe efficiently and effectively.   *Related to spending programme(s): N/A*
Main outputs in 2022:
Other important outputs

Output	Indicator	Target
Reassessed organisation chart (adjusted to the evolving audit	The IAS has an organisation which is adapted to the changes in the evolving audit environment (such as the structure, the organisational	By end of 2022, senior management validation of the fine-tuned audit portfolios, considered as aligned to the audit

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[10] IIA Standard 1311: Internal assessments must include: (1) Ongoing monitoring of the performance of the internal audit activity. (2) Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices.

[11] IIA Standard 1312: External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization.

universe and organisational culture)	culture and governance arrangements) and able to cover the audit universe (i.e. aligned with the results of its in-depth risk assessment and strategic audit planning): - re-assigned audit portfolios and related organisation chart aligned with the audit environment; - audit portfolios fine-tuned to ensure adequate work balance between audit teams, taking into account the new IAS Strategic Audit Plan.	universe and organisational structure.
	Performance	
Definition and implementation of an action plan defined to address some room for optimisation identified in parallel to the work on the reorganisation	Implementation status of the action plan *Performance*	Action plan validated. All 2022 planned actions implemented

Specific objective 3: Cover the high risk areas of the audit universe
Related to spending programme(s): N/A

Main outputs in 2022:

Other important outputs

Output	Indicator	Target
Identification of high risks to be covered based on the audit universe	Timeliness of the annual risk assessment	Q4 2022
	Identification of new emerging risks in the mid-year update of the audit plan	Mid-year 2022
Revised Strategic risk-based Audit Plan 2021-2023	Timeliness of the Strategic Audit Plan adoption	Q1 2023
Commission and Executive agencies only Assessment whether the audits in the previous three years covered 100% of the financial audit universe	% coverage, through the strategic audit plan and successive annual audit plans, of the financial management in Commission services resulting in the delivery of an overall opinion without material scope limitations.	100 % over a period of 3 years

Specific objective 4: Deliver the strategic audit plans through the annual audit plans effectively and efficiently.
Related to spending programme(s): N/A

Main outputs in 2022:

Other important outputs

Output	Indicator	Target
Audit, consulting and follow-up engagements planned for 2022	Completion rate of the 2022 Audit Plan ("C1" [12] engagements), after update of the Plan at mid-year.	100% of "C1" engagements in the 2022 audit plan finalised by January 2023

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[12] "C1" engagements are those planned to be completed by January of the year N+1.

Commission and Executive Agencies Mid-term review of the Annual audit plan. Updated Audit Plan for 2022	Timely preparation and delivery on time	July 2022
Strategic Internal Audit Plans (SIAPs) to be prepared for each entity where the previous SIAP is complete or has become obsolete	Timely preparation of SIAPs Delivery and update of yearly plans on time	Preparation of SIAPs on a rolling basis. Establishment of yearly plans for each agency/autonomous body, updated at mid-year.
Conclusions on the state of internal control to each individual Directorate-General and service of the Commission as a contribution to the preparation of their annual activity reports for 2021	Timely preparation and delivery on time	15 February 2022
Time spent on direct audit work and audit support work by auditors	Percentage of time spent on direct and indirect audit work by auditors (efficiency indicator)	85% of total working time available in 2022
2021 Annual Report of the Internal Auditor (Article 118(4) of the Financial Regulation)	Report issued	June 2022
Overall opinion of the IAS on financial management in the Commission	Report issued	June 2022
Quarterly overview reports (or information notes) transmitted to the APC on the follow-up of IAS recommendations concerning Commission's Directorates-General and services	Reports finalised and transmitted in time to the APC (4 reports in total)	March, May, September and November 2022
Annual reports on the status of open critical and significantly delayed very important IAS recommendations to decentralised EU agencies and other autonomous bodies (in case their agency has such recommendations)	Reports/notes finalised and transmitted to Directors and Management Boards	Timely issued (March 2022)
Mid-term review of the Management Plan	Report issued	June/July 2022

Specific objective 5: Meeting stakeholders' expectations (adding value and contributing to the improvement of the auditees' operations) *Related to spending programme(s): N/A*		
Main outputs in 2022:		
Other important outputs		
Output	**Indicator**	**Target**
Note on results of the IAS stakeholders' satisfaction survey.	Level of satisfaction of stakeholders (APC/Management Boards and Directors-General/Directors of EU agencies and other autonomous bodies)	Issued in Q1 Minimum 90%[13]
Results of satisfaction survey addressed to the audited services	Level of auditee satisfaction after each engagement on a scale from 1 (strong agreement) to 4 (strong disagreement)	Average score between 1 and 2
Results of analysis of the implementation of recommendations	Level of implementation of IAS recommendations issued in the previous 5 years, whose initial target date has passed	Issued in Q1 Minimum 90%

Specific objective 6: To ensure that the work of the IAS is conducted in accordance with the IAS charter, its internal methodology and guidelines and internal auditing standards *Related to spending programme(s): N/A*		
Main outputs in 2022:		
Other important outputs		
Output	**Indicator**	**Target**
External Quality Assessment (EQA)	Successful compliance with the internal methodology and guidelines of the IAS and with international internal auditing standards as assessed through the External Quality Assessment (EQA)	By Q1 2022
Action plan EQA	% level of implementation	100% of planned 2022 actions implemented
Output and conclusions of the Lean Auditing working groups	Implementation of the action plans defined by the working groups, as approved and decided by the Senior Management.	In accordance with the deadlines set in the action plan

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[13] The calculation is based on the average level of satisfaction of members of the APC, chairs of the boards of the decentralised EU agencies and other autonomous bodies, and senior management (Commission Directors-General, Directors of the executive agencies, Directors of the decentralised EU agencies and other autonomous bodies), in respect of the following two statements (a) IAS covering the main risks and processes, and (b) IAS work adding value.

PART 2. Modernising the administration: main outputs for 2022

The internal control framework [14] supports sound management and decision-making. It notably ensures that risks to the achievement of objectives are taken into account and reduced to acceptable levels through cost-effective controls.

The Internal Audit Service has established an internal control system tailored to its particular characteristics and circumstances. The effective functioning of the Service's internal control system is assessed on an ongoing basis throughout the year and is subject to a specific annual assessment covering all internal control principles, including its own risk assessment.

A. Human resource management

The IAS continues to function in a teleworking and remote auditing mode. While the full consequences of the COVID-19 pandemic are not fully known yet, the IAS continues to be productive, implements the various mitigating measures at the corporate level and adapts its ways of working, on the shorter term, to address the crisis situation, and on a medium and longer term, to best prepare and adapt to the subsequent phases of the crisis and the post-covid situation, in full compliance with the corporate guidance.

As mentioned in section 1 of the present report, the IAS actively manages its operational performance namely through detailed time recording for all staff and the regular analysis of the differences between budget and actual time spent on each audit. Audit staff spends on average 85% of their time on audit activities.

In order to ensure the effective management of human resources and to optimise the capacity to deliver on priorities, the IAS will start implementing its new HR strategy with a medium to long-term outlook, consistent with the overall corporate HR strategy and taking into account the lessons learned from the teleworking and remote auditing practices. The HR strategy covers the main elements of the change of the institutional culture, such as more agile, flexible, transparent and digital ways of working, more cooperation at all levels, pooling knowledge and expertise through knowledge clusters, and giving priority to performance measurement and reporting on achievements.

Maintain and further increase staff engagement

Enhancing staff engagement remains a high priority. Both professional and personal development opportunities are being given to the IAS staff.

The newly-created knowledge clusters give all audit staff the opportunity to learn more about other parts of the IAS, the Commission and decentralised EU agencies and other autonomous bodies as a whole, and they are more involved in the preparation of the next strategic audit plans.

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[14] Communication C(2017)2373 – Revision of the Internal Control Framework. The Commission's system covers all the principles of internal control identified in the Committee of Sponsoring Organizations of the Treadway Commission 2013 (COSO) Internal Control framework, including financial control, risk management, human resource management, communication and the safeguarding and protection of information.

The Staff Engagement Committee and the IAS Communication Team will also continue internal communication activities, including the IAS newsletter and the organisation of AudiTED talks, allowing auditors and non-auditors to share their experiences with colleagues. The implementation of the actions defined as a result of a management seminar that took place in November 2021 in the context of the IAS reorganisation will be shared and discussed with all IAS staff. The IAS will organise an Away Day in 2022 if and once the sanitary conditions will allow it to be handled safely and efficiently.

Initiatives such as job-shadowing and the IAS's international exchange programme will be further rolled out at a larger scale after the return to the office.

The IAS will also continue to promote (mainly via the IAS intranet) initiatives enabling staff to better manage their work-life balance (part-time, teleworking, time credits, recuperation, etc.). The positive experience with telework gained during the corona-crisis has worked as an accelerator in this domain. Finally, sports and social activities will restart after the return to the office. The IAS management affirmed its supports to the corporate culture of equality, diversity, respect, inclusion and empowerment by endorsing the IAS Charter on equal opportunities, work organisation and work-life balance, as well as the accompanied equality action plan.

The rationale behind these initiatives is not only that staff engagement is good for performance and productivity, but also that these factors increase the attractiveness of the IAS as an employer, stimulate staff retention and help keep the vacancy rate under control.

Increase the percentage of female representation at middle management level

The IAS is on target. The Commission adopted on 1 April 2020 new quantitative targets for first female appointments, whereby the IAS was set a target of one first female appointment as Head of Unit by end of 2022. This appointment took place on 1 July 2021.

The IAS will continue its initiatives to increase the pool of female candidates for middle management positions and will organise information sessions to familiarise female administrators with the role and tasks of an IAS middle manager, monitor the gender balance for Team Leader and DG Correspondent roles and encourage female officials to attend management courses.

Provide effective HR services in order to recruit, support and maintain a high-performance work force

Due to the COVID-19 pandemic the audit competition was delayed, but with the publication of the reserve-list, a reserve of candidates for vacancies arising in the medium term is now guaranteed. This should allow the IAS to reduce its vacancy rate in 2022, in particular following the expiry of temporary contracts in 2022.

Increase the capacity and the level of professionalism of internal auditors

To maintain its high level of professionalism, credibility and trust as expected by auditees, the IAS encourages its professional audit staff to being fully professionally certified.

The comprehensive specific audit training programme for its new and more experienced internal auditors, and by extension those of the EU institutions, will be reviewed during 2022, taking account of changes in the audit environment and priorities for internal audit, staff expectations and remote auditing and teleworking practices.

In 2022, Auditors' Forum seminars and two meetings of the Auditnet for the decentralised EU agencies and other autonomous bodies will be organised.

In parallel, other training opportunities outside the Commission will be offered in particular to lead auditors and IT auditors, via participation in specialised training courses, and conferences and webinars/seminars that address specific audit areas.

Promote (internal) communication and professional networking

Most communication activities of the IAS are of an 'internal' nature with external communication limited to networking with professional bodies and actors in the field of auditing.

The annual IAS Conference will take place in May 2022[15]. In addition, the IAS has regular contacts and interactions with professional bodies in the field of auditing, such as the Institute of Internal Auditors (global, EU and Belgian level).

The IAS will continue the job-shadowing initiative in the Commission as well as the IAS international exchange programme, which were both mentioned before, and which also promote professional and international networking for the senior auditors of the IAS.

Overview of the main outputs in 2022

Objective 7: The IAS employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business.		
Main outputs in 2022:		
Output	**Indicator**	**Target**
Strategic development		
Implementation of the HR strategy for the IAS	Implementation status of action plan	100% of due actions
Impact of Covid-19 crisis		
Implementation of the corporate measures	HR management will focus on the implementation of the corporate measures with the objective of maintaining the audit capacity as well as staff motivation and engagement while being in a 100% teleworking mode.	By end 2022
Staff engagement		

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[15] Due to covid-19 uncertainties, the conference originally scheduled in November 2020, postponed to June and later to September 2021, has finally been set to take place in May 2022.

Implementation of the Staff Engagement Committee plan	Complete all actions planned on staff engagement: involvement in the Strategic Audit Planning process, knowledge clusters, job-shadowing, international exchange programmes, AudiTED talks, and sports, social and internal communication activities.	By end 2022, depending on COVID-related restrictions
Maintain level of staff engagement (HR survey)	Keep IAS staff engagement index in line with Commission average, and possible increase further	IAS indicator: ≥ 75%
Staff retention and recruitment		
Definition of the role and the approach for the selection of Deputy Heads of Unit	Implement a Deputy Head of Unit function in all units in line with corporate requirements.	By end 2022
Promote the image of the IAS and the profession of internal auditor within the Commission.	Implementation status of related actions decided as part of the IAS HR strategy.	100% of planned 2022 actions implemented
Capacity building		
IAS auditors which have one or more professional audit qualifications	Percentage of staff certified (79.5% in 2019)	Minimum 70%
Update of the Internal Audit Training Programme (IATP)	Level of satisfaction of IAS staff with the structured training	Minimum 80%
Annual Conference	Timely implementation	May 2022

B. Sound financial management

The administrative budget of the IAS totals about €20m.

- As provided for by the Internal Rules, almost 98% of the IAS's budget is directly delegated to PMO, DG HR and DG DIGIT and this expenditure is therefore covered by the Declaration of assurance of DGs HR and DIGIT.

- The IAS[16] is accountable for the remaining 2% which is, however, co-delegated[17] to DGs HR and DIGIT. As the budget is managed under the same Commission rules, the primary AOD can in principle **rely on the legality and regularity, efficiency and cost-effectiveness of the controls in place in DG HR and DG DIGIT**. The co-delegation with DG HR is supported by a Service Level Agreement and the co-delegation with DG DIGIT by a Memorandum of Understanding.

The entire expenditure is either delegated to PMO, DG HR or DG DIGIT or co-delegated to DGs HR and DIGIT. The AODs of these services bear responsibility for their implementation and report in their annual activity reports. All standard controls are performed by the PMO and ex-post controls

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[16] According to Art 117(1) of the Financial Regulation, the Director-General of the IAS (the Commission's Internal Auditor) may not be the Authorising Officer by Delegation (AOD). This role is since 1 December 2020 exercised by the Director of IAS.C (previously the Director of IAS.A).

[17] Type II co-delegation, whereby the IAS is the primary AOD, while DGs HR and DIGIT are the secondary AODs.

are performed by DG HR on a sample of transactions executed by the PMO and DG HR in the framework of the existing service level agreements (SLA) with the IAS.

The IAS executes its **own controls to ensure compliance of the mission expenses** with the Commission's Guide for missions and with the IAS specific guidance. Therefore, all mission requests and cost claims are controlled ex-ante by a verifying officer. In addition, a sample of reimbursements is controlled ex-post within the IAS. These IAS controls are in addition to the standard controls performed by the PMO and the ex-post controls performed by DG HR on a sample of transactions executed by the PMO and DG HR in the framework of the existing SLA with the IAS.

Overview of the main outputs in 2022

Objective 8: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions.		
Main outputs in 2022:		
Output	**Indicator**	**Target**
Effective controls: Legal and regular transactions	Risk at payment	Remains < 2 % of relevant expenditure
	Estimated risk at closure	Remains < 2 % of relevant expenditure
Effective controls: Safeguarded information (*sensitive information*)	Positive assessment of the related IIA Standard during the IQA and EQA (quality assessment)	No issues of non-conformance with the IIA Standards
Efficient controls	Time-to-pay	Remains 100% of payments (in value) on time
Economical controls	Overall estimated cost of controls (mission expenditure)	< 10 % of mission budget managed

C. Fraud risk management

The IAS will continue to implement its anti-fraud strategy (AFS) action plan in 2022. This AFS was updated in the first quarter of 2020 (for the period 2020-2022) on the basis of the 2019 Commission Anti-Fraud Strategy (CAFS). It was reviewed by OLAF before its adoption by the Director General of the IAS. Its implementation is monitored twice a year with reporting to the management. Moreover, in the third quarter of 2022 the IAS will start the preparation of its next Anti-Fraud Strategy for the period 2023-2025.

The IAS continues to strongly rely on the ethical awareness and the stance of its staff. An information package on ethics is handed over to all new IAS staff upon recruitment. The IAS carries out additional preventive and detective controls such as ex-ante and ex-post controls on missions and the follow-up of potential conflicts of interest if reported by recruitment panel members and/or candidates.

The results of a recent staff survey (in the context of the 2020 Internal Quality Assessment) confirmed that staff have sufficient knowledge of fraud to identify 'red flags' indicating possible fraud when planning audit engagements. Nevertheless, the IAS will also in 2022 organise an Auditors' Forum to raise staff awareness on ethics, conflict of interest and fraud-related issues.

As indicated in the IAS' AFS action plan, the IAS will contribute to the implementation of the CAFS at the level of the Commission and the agencies and other bodies by promptly responding to all OLAF requests for information or support and by flagging fraud related audit results to OLAF.

Overview of the main outputs in 2022

Objective 9: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) ([18]) aimed at the prevention, detection and correction ([19]) of fraud.		
Main outputs in 2022:		
Output	**Indicator**	**Target**
Implementation of the 2022 actions included in the IAS anti-fraud strategy (2020-2022)	Percentage of the 2022 actions foreseen in the IAS Anti-Fraud strategy that are implemented in time.	100% of action points 2022 implemented in time
Information action	Timely delivery of a dedicated Auditors' Forum to raise staff awareness on the details of IAS AFS and its monitored delivery of the seven action points in its plan. The auditors' forum would also address possible ethics, conflict of interest, or other fraud-related issues.	Before end of 2022
Preparation and finalisation of the IAS Anti-Fraud Strategy 2023-2025	Conduct of the update and review in line with a planned methodology from Q3	Before end 2022

D. Digital transformation and information management

Audit management tool

The support for the current version of the audit management tool which the IAS is using (TeamMate) will end in the course of the period covered by the Strategic Plan 2020-2024.

In 2021, the IAS started a needs assessment in order to prepare for migration to a new TeamMate version (TeamMate+) or eventual acquisition and/or development of a different audit

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[18] Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM (2019) 196 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD (2019) 170 – 'the CAFS Action Plan'.

[19] Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

management tool. This exercise was and continues to be performed in close cooperation with DIGIT ensuring that it is integrated in the overall European Commission digital strategy.

In 2022, our aim will be to finalise a statement of work with a selected system vendor, followed by purchase order for the migration services and eventual software licenses, installation and configuration of the software, and a launch of a pilot audit project using the new tool.

As it was the case for the selection of TeamMate, the IAS will perform a detailed assessment of risks related to the handling on information (mostly Sensitive Non Classified) for the new audit management tool. The results of the assessment will be integrated in the new IT security plan. For what concerns information stored in the different EC corporate tools (ARES – Outlook – shared drives) the IAS follows the related regulatory framework.

As an administrative DG, the IAS uses the cyber security services provided by DG DIGIT. We do not devote any own resources in this.

Digital strategy

In line with the corporate initiatives around Innovation and Data@EC Strategy, the IAS has launched the project on Innovation and Digital Auditing, which aims at enhancing the use of data analytics and digital auditing within the IAS and increase the number of audits based on comprehensive data analysis. The project team assessed the results of a survey on available audit techniques and tools enabling the digitalising of audit work. It produced a progress report on 'Innovation and Digital Auditing' that was issued in early 2020. This was complemented during 2020 and 2021 with a number of pilot projects in the different technologies that were presented during the 100th and 103rd APC PG meeting.

In 2021, a multi-annual IAS innovation and digital auditing plan and a roadmap (IAS digital strategy 2022-2024) was drafted, which describes whether and how five technological areas (AI, data analytics and process mining, blockchain, data visualisation and publication of digital reports) would play a role in the work of the IAS in the coming years. The use of these technologies will improve the way the IAS reviews processes and information, in particular the quality of data. This will contribute to the Data Quality policy.

In 2022, the IAS will continue with its digital auditing initiatives in line with the IAS digital strategy 2022-2024. It will include recruiting/developing new profiles and strengthening the digital auditing working group.

Sharing platform for the IAS knowledge clusters and decentralised agencies

The IAS is promoting the use of collaborative tools like SharePoint and, shortly, Microsoft365 including Teams.

Since 2020, MyIC Collaborative Spaces is used to implement a sharing platform for the "IAS knowledge clusters". The IAS knowledge clusters were set up as cross-functional teams drawing on resources from all IAS directorates and units. They were established by the Director-General, under the steering and coordination of a Director and a lead Head of Unit, around specific themes. They aim at covering key political priorities/MFF headings/policy domains by gathering and sharing relevant knowledge on these themes.

Regarding Microsoft 365, it can be used for sharing the sensitive non-classified (SNC) information only after the staff members migrate to the new Welcome domain. As the migration to Welcome domain is gradually made available with a small number of IAS staff migrated, its use within the IAS remains limited. However, once the migration to Welcome domain is done for majority of the IAS staff in 2022, Microsoft Teams will be promoted for collaboration within the IAS and with other services.

Moreover, TeamMate is also a tool that is available to other DGs to work collaboratively on the implementation of action plans.

The IAS has also started to use CIRCABC (Communication and Information Resource Centre for Administrations, Businesses and Citizens) collaborative platform to exchange documents and collaborate with contacts from decentralised agencies that do not have access to the Commission's internal collaborative tools and/or ARES/HAN system. The CIRCABC external collaborative spaces should reduce e-mail exchanges, and provide better security, in particular when exchanging sensitive information. So far, CIRCABC has been used for collaboration with 20 agencies and other bodies.

By promoting the use of these tools as key working methods and providing support on their use, the IAS follows the collaborative working principle identified in the 2016 Communication on Data, information and knowledge management at the European Commission. At the same time, these elements contribute to the Data protection and Information security policy by providing means for secure exchange of sensitive information.

The IAS participates to the Secure Exchange cluster within the context of the DSMP. In this context, the IAS assessed its needs of exchanging documents with EUIBAs such as Agencies but concluded that there is no adequate tool. available This issue will be resolved at medium term if the IAS migrates its audit management system to the new version – TeamMate+.

Data protection

The IAS will work to achieve the objectives set out in the Commission's Data Protection Action plan[20]. In particular, it will continue:

- raising awareness of staff on data protection available trainings and encouraging them to attend them; depending on new developments regarding data protection and the need to share best practices, the IAS may organise additional sessions for all staff (specific content to be decided ad-hoc). In the coming years, the processes and procedures will continuously be monitored and updated and the staff awareness will be maintained through the structural training offer and periodic refresher initiatives;

- ensuring that all processing operations comply with Regulation (EU) 2018/1725, including obligations on records keeping, agreements with external processors, procedures for data subject rights and by allocating appropriate resources for compliance;

The IAS ensures compliance with the rules and the Commission's Data Protection Action Plan[21].

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[20] C(2020) 7625 final and C (2018)7432
[21] C(2020) 7625 final and C (2018)7432

Given the nature of the IAS activities which involve the processing of personal data (although not targeting specific individuals), the target for training new staff on aspects of data protection during audits should remain at 100% per year, every year, until 2024.

In practice this means that in 2022 the IAS will train all newcomers on data protection during audits but will not request the attendance of staff that attended the year before.

Overview of the main outputs in 2022

Objective 10: The IAS is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission		
Main outputs in 2022:		
Output	**Indicator**	**Target**
Audit management tool		
Migration/upgrade of IAS audit management system	Agreed statement of work (SOW) with vendor	SOW finalized by mid-2022
	Signed purchase order for migration services/licenses	PO signed by end Sept 2022
	Software installed in EC DC	Software installed by end Oct 2022
	Pilot audit project	Pilot audit project started by end of 2022
Digital strategy		
Implementation of the 2022 phase of the multi-annual IAS innovation and digital auditing plan (project)	Completion of actions defined for 2022 in the IAS Digital strategy 2022-2024 pilots and proof-of-concepts in the area of AI, data analytics, process mining and Visualization.	100% of actions defined for 2022 in the IAS Digital strategy 2022-2024 successfully implemented.
	Input of results in the Strategy document on 'Innovation and Digital Auditing'.	Design for some solutions decided.
	Degree of implementation of the project.	Initiation and planning phase of the project completed.
Implementing corporate data governance and data policies for its key data assets included in the EC data inventory.	Percentage of implementation of the corporate principles for data governance for the IAS' key data assets.	On target – 100% implementation
Data protection		
Awareness raising activities on data protection compliance (e.g. structural and ad-hoc trainings)	% of staff informed	100%

To check content of Internal audit training programme for consistency with provisions on data protection	Updated internal audit training programme	Q2 2022
All newcomers follow training on data protection	% of newcomers participated	100%
All processing operations are reflected in the records	% of records updated	100%

E. Sound environmental management

The IAS takes full account of its **environmental impact** in all its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work.

Having its offices in one of the Commission buildings participating in the Eco-Management and Audit Scheme (EMAS), the IAS will perform its actions in line with the EMAS and contribute to the reduction of the building's energy consumption, CO_2 emissions, waste generation, water use and office paper consumption (see table below).

The IAS will promote the EMAS corporate campaigns at local level and identify local environmental actions in order to support the Commission's commitment to implement the objectives of the Green Deal for its own administration, including becoming climate neutral by 2030.

In 2020, the "IAS green ambassadors" initiative was launched, a new subgroup of the Staff Engagement Committee was created which developed an action plan of EMAS initiatives by area and will continue in 2022 with updating and implementing the agreed initiatives.

More efficient use of resources (energy, water, paper)

Beyond the Commission EMAS targets, the IAS started as from 2020 and continuing in 2022 additionally promoting its own paper reduction targets through implementing digital and remote auditing practices which are ongoing IAS projects. With remote working, fewer pages have been used for print.

The IAS is prepared to continue its collaboration with DG COMP and OIB in the MADOU building and promote ways in which energy and water consumption can be reduced.

The IAS will continue in 2022 its awareness campaigns on these topics when appropriate, through communication channels targeting the IAS staff, to ensure further reductions are achieved.

Reducing CO2, equivalent CO2 and other atmospheric emissions

Beyond the Commission EMAS targets, the IAS continues to extend the CO_2 emission reduction beyond the building context (e.g. commuting, missions travels) through implementing digital and remote auditing practices which are ongoing IAS projects. It will implement in 2022 the new

corporate communication on Greening Commission. It will continue in 2022 to strongly support and participate in the active mobility initiatives of the Commission such as "VeloMai".

The IAS has taken into account the figures provided by DG HR on the missions performed by the IAS in the past and added a specific target based on the analysis of the missions and related CO_2 emissions figures.

Well consolidated teleworking arrangements allow for a better work/life balance, but also for a decrease in emissions due to a lower number of commuters, missions and buildings' users every day. The COVID-19 pandemic forced the IAS to significantly decrease the number of missions. Similar to other Commission services the results have been mostly positive. Audits continued and even started and finished remotely, internal and external meetings were held via various video-conferencing tools, and all administrative and audit IT tools could be operated from home as if staff were working from the office. The IAS will therefore keep promoting telework practices in 2022 to the extent possible. In parallel, it will pay close attention to limiting CO_2 emissions by adapting its missions' policy, in line with corporate guidance.

Reducing and management of waste

Specifically, in line with the increasing number of Commission buildings, the IAS supported and participated in implementing the waste sorting stations and removal of individual waste bins during Q4 2020 in the MADOU building. Thus, helping reduce the waste generation and increase the recycling rate of the Commission.

Additionally, the IAS is working with OIB to identify possibilities of implementing additional water fountains on several floors of the MADOU building to reduce plastic bottle waste.

The IAS will continue in 2022 its awareness campaigns on these topics through communication channels targeting the IAS staff, to ensure further reductions are achieved.

Promoting green public procurement (GPP)

The IAS will promote internally the use of "green items" (eg for meetings, for the purchase of office supplies from the corporate catalogue, etc.).

Supporting biodiversity

As part of the Green Deal and the EMAS policy, the OIB implements actions aiming at improving the environmental footprint of our Institution. In this context, OIB published a survey in July 2021 to collect feedback on how to enhance biodiversity in the surroundings of the Commission buildings. The IAS answered to the survey and is closely following the progress of the OIB biodiversity project and will support and participate in biodiversity projects in 2022 onwards if any will relate to the MADOU building (e.g. greening the MADOU building terraces).

Overview of the main outputs in 2022

Objective 11: The IAS takes account of its environmental impact in their actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work, with the support their respective EMAS Correspondents/EMAS Site Coordinators.

Main outputs in 2022: IAS-EMAS action plan

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

Output	Indicator	Target (2019 as baseline)
Staff awareness actions to reduce energy use in the framework of EMAS corporate campaigns and/or awareness actions about DG's total energy consumption in collaboration with OIB/OIL where appropriate.	Awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics from bullet 1 Number of actions ([22])	Minimum 1 awareness campaign per year
	Number or % of staff informed	100 % of staff informed
	Reduction of energy consumption of the building, water use, office paper consumption, CO_2 emissions from building and waste generation	In line with Commission average Reduce energy consumption (%)
Staff awareness actions to reduce water use (for example ensuring that staff use the technical services hotline (23) to report leaks) in the framework of EMAS corporate campaigns and/or awareness raising actions about DG's water consumption in collaboration with OIB/OIL where appropriate.	Awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics from bullet 1 Number of actions	Minimum 1 awareness campaign per year Number of actions
	Reduction of energy consumption of the building, water use, office paper consumption, CO_2 emissions from building and waste generation	In line with Commission average
Paperless working methods at DG level (such as paperless working: e-signatories, financial circuits, collaborative working tools) and staff awareness actions to reduce office paper use in the framework of EMAS corporate campaigns and/or raise awareness about DG's office paper use in collaboration with OIB/OIL where appropriate.	Number of awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics from bullet 1Number of actions	Minimum 1 awareness campaign per year Number of actions
	Number of sheets / person / day	-5% compared to 2021
Update and implement the IAS EMAS action plan	(1) Update the IAS-EMAS plan (2) Implementation of the IAS-EMAS plan by the IAS green ambassadors, a new subgroup of the IAS Staff Engagement Committee	(1) Update of the plan Q1 2022 (2) Implementation of minimum 50% of the actions planned for 2022

II. Reducing CO2, equivalent CO2 and other atmospheric emissions

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[22] Indicative actions include local staff awareness actions (e.g. info-fairs) and messages by senior management

[23] For example, for Brussels: Email: OIB-55555@ec.europa.eu and Tel: 55555 and for Luxembourg: Email: OIL-DISPATCHING-CENTRAL@ec.europa.eu and Tel: 32220.

Output	Indicator	Target (2019 as baseline)
Staff awareness actions on reducing GHG emissions	Number of IAS participants in VeloMai	30
	Amount of CO2 saved with VeloMai	480 KG CO2
Gradual increased use (and number of) VC ([24]) meeting rooms for meetings with stakeholders (avoiding business trips) in the DG, in collaboration with DG SCIC, OIB and OIL	Number of VC meeting rooms	1 VC meeting room
Promote Teleworking	Average number of days of teleworking per staff member	In line with Commission average
	% of reduction of CO2 emissions compared with 2019	5% reduction compared to 2019
	CO2 (t) emissions from DG's missions (% means of transportation used)	Under 0.6 tCO_2 per person
Staff awareness on digital pollution and gradual change of behaviours avoiding heavy emails, encouraging the use of ICT platforms, avoiding unnecessary storage of data.	Number of awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics	Minimum 1 awareness campaign per year

III. Reducing and management of waste

Output	Indicator	Target (2019 as baseline)
Staff awareness actions about waste reduction and sorting in the framework of EMAS corporate campaigns and/or staff awareness actions about DG's waste generation in collaboration with OIB/OIL where appropriate (for example, promote and label the waste sorting schemes in place).	% of staff informed	100 % of staff informed
Implementation of the EC Guidelines for sustainable meetings and events, e.g. reduce/eliminate single-use plastics, gadgets/gifts.	% of green events	100%

IV. Promoting green public procurement (GPP)

Output	Indicator	Target (2019 as baseline)
Staff awareness actions on the promotion of "green items" among EC office supplies'	Number of awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics	Minimum 1 awareness campaign per year

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[24] VC (Videoconferencing) room

V. Supporting biodiversity		
Output	**Indicator**	**Target** (2019 as baseline)
Staff awareness actions on supporting biodiversity (for example for urban sites, sponsor the creation and maintenance of urban gardens, insect hotels and green roofs within EC-premises with the support of volunteers)	Number of awareness campaigns (e.g. through IAS Intracomm news, IAS EMAS Intracomm page, IAS newsletter, IAS staff e-mails) on related topics	Minimum 1 awareness campaign per year Number of actions

F. Initiatives to improve economy and efficiency of financial and non-financial activities

For a number of years, the European Commission has been going through a fundamental change of its institutional culture. The political and economic environment of the EU will accelerate and reinforce this process that helps us to embrace the future.

Key elements of this necessary change of the institutional culture are:

- a more agile and flexible, as well as a more transparent and digital way of working;
- a new and more inclusive leadership, with fewer hierarchies;
- a breaking of silos and more cooperation at all levels;
- a method of working together at political level which is matched with increased cooperation at service level, pooling knowledge and expertise;
- a general attitude which makes sure that we do more with less;
- a high priority to performance measurement and reporting on achievements.

In response to the evolving audit universe and the increased number of interconnections, the IAS started in 2020 setting up a series of **knowledge clusters**. These are cross-functional IAS teams bringing together auditors across the IAS directorates and units to ensure knowledge sharing, analyse related risks and contribute to planning and implementing audits, as well as to reporting their results as regards crosscutting issues. They are set up around specific themes[25] and aim, to the extent possible, to reflect the range of key political priorities/MFF headings/policy domain(s) for those particular themes, in order to be better prepared to support the EU with the realisation of the political headline ambitions. The knowledge clusters will be further reviewed and adapted in 2022 in order to best align with the evolution of our environment and the related need for knowledge sharing between IAS units.

The definition, continuous review and adaptation of the knowledge clusters was accompanied by the implementation of the new set-up defined as a result of the **IAS reorganisation** (revision of the audit portfolios) that entered into force in 2021.

These elements will continue to enable the IAS in 2022 to take a holistic view, detached from the organisational structure of DGs, Decentralised EU agencies and other autonomous bodies, in

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[25] I. A Europe fit for the Digital Age; II. European Networks, Energy and Transport; III. Justice and Home Affairs, Migration and Border Management, Security; IV. European Green Deal; V. Regional Development and Cohesion, Investing in People, Social Cohesion and Values; VI. A modern, high performing and sustainable European Commission; VII. Research and Innovation; VIII. Education, Health, Internal Market, Industry, Defence and Space; IX. Economic, Monetary, Fiscal and Financial Policies, European Strategic Investments, Statistics and OLAF; and X. Neighbourhood and the World.

alignment with the institution's 'whole of government' approach. It will support the IAS in covering the risks in the audit universe in the most efficient and effective way, taking into account the evolving political, cultural and organisational developments of the European Commission.

In addition, building on its reorganisation and related analysis work performed, the IAS will define an **action plan** and implement the related 2022 actions that **were identified in order to address some potentials for optimisation** flagged in the context of the reorganisation and discussed in a management seminar which took place in November 2021.