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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	17 June 2025
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	SWD(2025) 159 final
Subject:	Commission Staff Working Document accompanying the document Report from the Commission to the European Parliament, the Council and the Court of Auditors: Annual report to the Discharge Authority on internal audits carried out in 2024

Delegations will find attached document SWD(2025) 159 final.

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Brussels, 17.6.2025
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COMMISSION STAFF WORKING DOCUMENT

Accompanying the document

REPORT FROM THE COMMISSION

TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COURT OF AUDITORS

Annual report to the Discharge Authority on internal audits carried out in 2024

{COM(2025) 314 final}

Contents

List of abbreviations

CIC: Common Implementation Centre
CINEA: European Climate, Infrastructure and Environment Executive Agency
DG AGRI: Directorate-General for Agriculture and Rural Development
DG BUDG: Directorate-General for Budget
DG CLIMA: Directorate-General for Climate Action
DG CNECT: Directorate-General for Communications Networks, Content and Technology
DG COMM: Directorate-General for Communication
DG COMP: Directorate-General for Competition
DG DEFIS: Directorate-General for Defence Industry and Space
DG DIGIT: Directorate-General for Digital Services
DG EAC: Directorate-General for Education, Youth, Sport and Culture
DG ECFIN: Directorate-General for Economic and Financial Affairs
DG ECHO: Directorate-General for European Civil Protection and Humanitarian Aid Operations
DG EMPL: Directorate-General for Employment, Social Affairs and Inclusion
DG ENER: Directorate-General for Energy
DG ENV: Directorate-General for Environment
DG ESTAT: Eurostat
DG FISMA: Directorate-General for Financial Stability, Financial Services and Capital Markets Union
DG HOME: Directorate-General for Migration and Home Affairs
DG HR: Directorate-General for Human Resources and Security
DG INTPA: Directorate-General for International Partnerships
DG JUST: Directorate-General for Justice and Consumers
DG MARE: Directorate-General for Maritime Affairs and Fisheries
DG MOVE: Directorate-General for Mobility and Transport
DG NEAR: Directorate-General for Neighbourhood and Enlargement Negotiations
DG REFORM: Directorate-General for Structural Reform Support
DG REGIO: Directorate-General for Regional and Urban Policy
DG RTD: Directorate-General for Research and Innovation
DG SANTE: Directorate-General for Health and Food Safety
DG TAXUD: Directorate-General for Taxation and Customs Union
DG TRADE: Directorate-General for Trade
EACEA: Education and Culture Executive Agency
EEA: European Environment Agency
EEAS: European External Action Service
EISMEA: European Innovation Council and Small and Medium-sized Enterprises Executive Agency
EFCA: European Fisheries Control Agency
ERCEA: European Research Council Executive Agency
ETF: European Training Foundation
FPI: Service for Foreign Policy Instruments
IAS: Internal Audit Service
IT: Information technology
JRC: Joint Research Centre
LS: Legal Service
OIB: Office for Infrastructure and Logistics in Brussels
OIL: Office for Infrastructure and Logistics in Luxembourg
OLAF: European Anti-Fraud Office
OP: Publications Office of the European Union
PMO: Office for the Administration and Payment of Individual Entitlements
REA: Research Executive Agency
SG: Secretariat-General

Context of this Staff Working Document

Part 1 of this Staff Working Document contains:

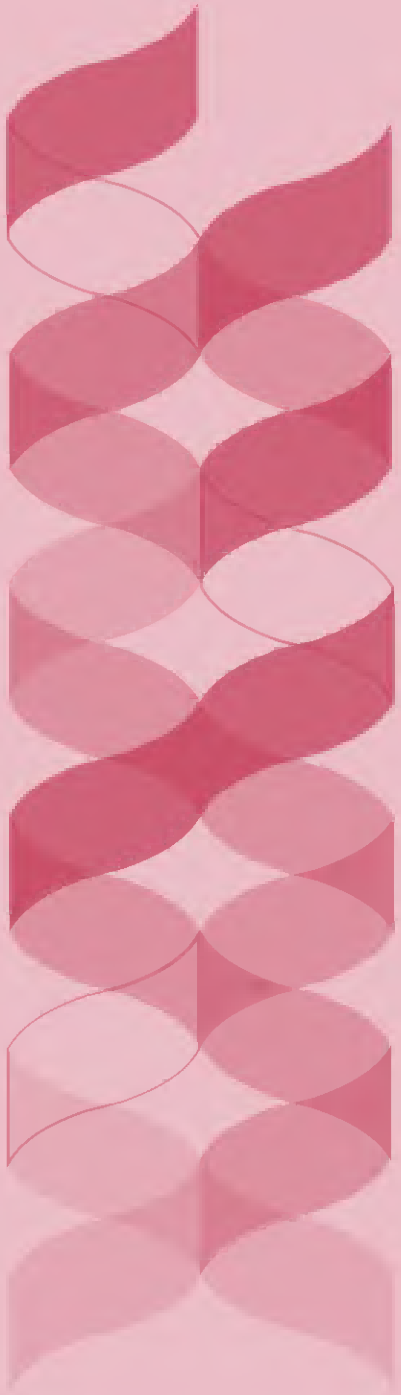
- a summary of the 23 finalised internal audit engagements ([1]) performed as part of the 2024 Internal Audit Service (IAS) audit plan (audits whose reports were issued between 1 February 2024 and 31 January 2025) ([2]),
- the main recommendations (critical and very important) ([3]) stemming from these engagements,
- information provided by the Directorates-General/services on the actions drawn up and/or implemented to address the IAS audit recommendations.

Each audit engagement followed the standard professional validation procedures and contradictory procedures involving auditor and auditee applicable when the engagement was finalised. The summary of each engagement aims to provide an overview of the audits and their main results.

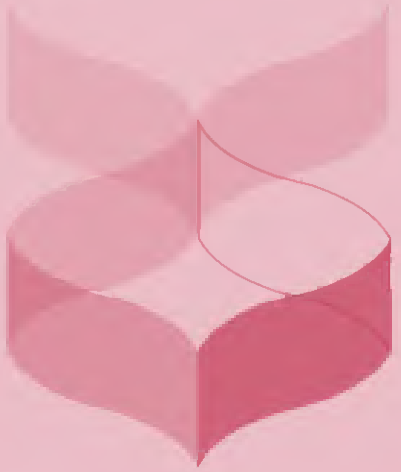
Part 2 of this Staff Working Document includes a summary of the results of the IAS follow-up engagements performed between 1 February 2024 and 31 January 2025 ([4]), including a list of audit engagements for which all recommendations were assessed as implemented following a follow-up audit by the IAS.

Part 3 provides an overview of the six long overdue very important recommendations as at 31 January 2025.

([1]) The IAS also finalised four other engagements (a risk assessment and insight notes) which are not included in this Staff Working Document.
([2]) Except for the audit on Human Resources management in the DG FISMA for which the final audit report was issued on 10 March 2025 and which, as an exception, is included in the Annual Internal Audit report for 2024.
([3]) Important recommendations are not listed in this Staff Working Document.
([4]) Each summary reflects the IAS's assessment of the implementation status of audit recommendations at the end of the follow-up engagement. They do not take account of any further action which the auditee may have undertaken and reported to the IAS since the release of the IAS follow-up note even if that action may have had an impact on the status of the recommendations.



Part 1
Final reports



Horizontal audits

1.1. Audit on the planning, programming, governance, and coordination of the Single Market Programme (DG COMP, DG ESTAT, DG FISMA, DG GROW, DG JUST, DG SANTE, DG TAXUD, EISMEA, HaDEA)

The objective of the audit was to assess the adequacy of the design and the efficiency and effectiveness of the governance and coordination processes of the Single Market Programme, including the preparation of the financing decisions/work programmes, and the budget planning, allocation, and monitoring.

There are no observations/reservations in the 2022 Annual Activity Reports of DG GROW and the other six Directorates-General and two Executive Agencies that implement the programme that relate to the areas/processes audited.

The fieldwork was finalised on 20 February 2024. All observations and recommendations relate to the situation as of that date.

The IAS acknowledged the commitment demonstrated by the DG GROW team responsible for coordinating the management of the Single Market Programme. The team has made continuous and proactive efforts to improve the programme's governance and coordination arrangements/processes, such as:

- going beyond the original remit envisaged in the memorandum of understanding to organise all monthly coordination meetings and taking a hands-on approach to programme management and coordination;
- looking to continually improve the process of preparation of the financing decision/work programme every year by incorporating the lessons learned from the previous exercise. These efforts helped to ensure that, for the first time, the programme's financing decision and work programme (2024) was adopted in the year preceding the year of implementation (2023).

The IAS did not formulate any critical or very important recommendations.

1.2. Audit on the assessment of human resource needs in the Commission at corporate level (DG BUDG, DG HR, the SG)

The objective of the audit was to assess whether the guidance and tools provided to the operational services and the processes employed by the central services (DG BUDG, DG HR and the SG) for the assessment of human resource (HR) needs in the Commission are adequate and effective to support the Commission in delivering existing and new tasks in line with its objectives and priorities.

There are no observations/reservations in the 2023 Annual Activity Report of the three audited Directorates-General that relate to the process audited. However, DG BUDG, DG HR and the SG have maintained a critical crosscutting risk related to the high pressure on resources, both human and financial.

The fieldwork was finalised on 4 December 2023. All observations and recommendations relate to the situation as at that date.

The IAS identified two very important issues concerning support from the central services for the assessment of HR needs at local level and quality checks on the Commission's HR needs by the central

services. It formulated six very important recommendations addressed to DG HR, DG BUDG and the SG.

On support from the central services for the **assessing of HR needs at local level** (three very important recommendations), **DG HR, DG BUDG and the SG,** should:

- **complement** the existing reporting requirements for HR needs in the budgetary (standard HR planning form) and legislative (legislative financial statement) context, with common principles and guidance to be used by Directorates-General in their assessment of HR needs. These should:
  - be proportionate in striking the right balance between flexibility and ensuring the consistency needed to allow the central services to consolidate the overall information at Commission level;
  - given the context of scarce resources, emphasise the need for the Directorates-General to exploit effectively all possibilities for internal redeployment and identify alternative ways to address the HR needs, including by effectively deciding on negative priorities and by proactively looking for synergies;
  - strengthen the instructions for the preparation of legislative financial statement for the Directorates-General to report clearly whether the HR needs of the new proposal will be met by the existing staff or via additional resources;
  - assess the appropriateness of continue using the 'incremental' approach or exploring the use of alternative approaches to assess HR needs, depending on the circumstances;
  - provide relevant parameters to assess workload, sufficiently flexible to allow both qualitative, and, where appropriate, quantitative aspects, such as output or more indirect indicators; and
  - enable the Directorates-General to have access to and interpret the data regarding the parameters to be used for their workload assessment.

- **reinforce** the exchange of good practices between services on the assessment of HR needs (for example in the context of the HR correspondent network and HR pills).

On the quality checks of the **Commission's HR needs by the central services** (three very important recommendations), **DG HR, DG BUDG and the SG** should:

- given the limited resources available at the central level, set up a procedure for proportionate and focussed quality checks to be performed by the central services on the HR needs reported by the Directorates-General in the legislative context (via the legislative financial statements) and the budgetary context (via the standard planning forms). These consistency/plausibility checks should aim at ensuring that the common principles and guidance (to be defined as per recommendations stated above) are respected by the Directorates-General when assessing their HR needs;
- ensure that the quality checks are implemented in practice;
- based on information (to be) provided by operational Directorates-General, build a sufficiently granular overview of the staff allocated to Commission activities. This will help the central services to identify and assess HR needs by comparing the distribution of resources allocated to activities between the Directorates-General to prioritise their HR needs and to identify any potential for (further) synergies.

Additional information provided the SG, DG BUDG, DG HR on the measures defined and/or implemented following the Internal Audit Service audit

A joint action plan was adopted by the three concerned DGs, with DG BUDG leading the most significant actions.

Support from the central services for the assessment of HR needs at local level has been implemented, mainly with the introduction of a revised Legislative Financial and Digital Statement (LFDS) to accompany each new legislative proposal, which was adopted as part of the revision of the Internal Rules in 2024. The new LFDS better assesses the staffing requests of DGs when presenting legislative proposals, with a requirement to specify what is possible by internal redeployment, what is additional, and how any additional needs can be financed. This sets out a much clearer framework for DGs, in which they can indicate which staff for a new initiative will be found via redeployment, and which cannot, aiding the overall assessment and quality checking process. Several other actions have been implemented, such as introducing new workload indicators and providing guidance on available tools for assessing workload. Developments in the new human resources transformation tool are ongoing. Work on the quality checks of the Commission's HR needs by the corporate services continues in collaboration with the SG, BUDG and HR, and in view of the preparation of the complementary allocation for 2025.

1.3. Audit on the allocation of human resources in EU Delegations (DG INTPA, DG NEAR, DG TRADE, the FPI, EEAS)

The objective of the audit was to assess if the process for allocating human resources in EU Delegations (EUDs) is adequately designed and efficiently and effectively implemented by the Commission Directorates-General/Services and the EEAS, and if it reflects the current budgetary constraints and the (geopolitical) priorities of the EU.

There are no observations/reservations in the 2023 Annual Activity Reports of the audited Directorates-General and Services that relate to the area/process audited.

The fieldwork was finalised on 3 June 2024. All observations and recommendations relate to the situation as at that date.

The audit identified the following strengths/good practices:

- overall, the audited Directorates-General comply with the instructions of the 'budget circular' and the 'stable staffing' principle;
- the 2022 workload assessment in EUDs (WLAD) was a comprehensive exercise that was prepared, launched and monitored through intensive consultations between the Commission's external action Directorates-General and the EEAS in the COMDEL and EUDEL committees. It was the first time that such an assessment led, especially for DG INTPA, DG NEAR and the FPI, to a comparison and scoring of EUDs workload through the analysis of a set of quantitative indicators. The assessment was completed with the full support and participation of EUDs;
- the collection, management and maintenance of the WLAD data for the Commission Directorates-General was ensured by key staff in DG INTPA who processed a significant amount of data and produced informative reports including graphical depictions through tables, charts and data sheets of key parameters and indicators;
- the COMDEL and EUDEL committees function well as platforms for escalating and discussing issues pertaining to the allocation and management of staff in EUDs.

The IAS identified one very important issue concerning the **design and implementation of the WLAD** and formulated six very important recommendations.

DG INTPA, DG NEAR, the FPI in view of the WLAD or a similar exercise, should:

- agree on a methodology that allows for comparisons of EUDs at global level;
- select the subset of key indicators that will contribute to the workload assessment, to improve the efficiency of the data collection process.

DG TRADE should:

- define, for the next WLAD or a similar exercise, a methodology combining the qualitative assessment with an analysis of available relevant quantitative data and criteria.

DG INTPA should:

- **define** what they intend to do with the WLAD data, particularly **in view of**:
  - their usage in the strategic reflections on size of the EUDs network and/or;
  - the opportunity to use historical data to set benchmarks for future workload assessments in EUDs.

DG INTPA should:

- as chair of the COMDEL and centre of gravity for Commission staff in EUDs**, make the necessary arrangements** for the Committee to follow-up and report (to the College and relevant stakeholders) on the 'more thorough assessment' of the adequacy and alignment to political priorities of staff posted by line Directorates-General in EUDs

Additional information provided by the FPI, DG INTPA, DG NEAR, DG TRADE on the measures defined and/or implemented following the Internal Audit Service audit

The proposed action plan sent by the FPI has been accepted by the IAS and is under implementation.

DG INTPA has accepted all recommendations and adopted action plans that are currently under review by the IAS. The auditors concluded that some weaknesses exist in the design and implementation of the process and formulated one very important recommendation. DG NEAR has adopted an action plan with a view to 1) engage with other Commission services to agree on a methodology that allows the comparison of all EU delegations, 2) select the subset of key indicators that will contribute to the workload assessment, to improve the efficiency of the data collection process. The IAS has accepted the action plan at the end of April 2025 and its implementation id ongoing.

In March 2025, the IAS accepted DG TRADE's action plan of December 2024 related to the very important recommendation on the methodology, and its implementation is ongoing.

1.4. Audit on the design of the control strategy for Horizon Europe (DG BUDG, DG RTD, SJ)

The objective of the audit was to assess the design of the control strategy for the implementation of Horizon Europe.

There are no observations/reservations in the 2023 Annual Activity Report of DG RTD that relate to the area/process audited.

The fieldwork was finalised on 16 September 2024. All observations and recommendations relate to the situation as at that date.

The IAS identified the following good practices and noted positive developments during the audit:

- the results of the survey conducted by the IAS in the context of the audit overall show a high satisfaction rate of the Directorates-General and the Executive Agencies with the control strategy currently developed for Horizon Europe;

- the Common Implementation Centre (CIC) has developed a number of initiatives in support to the control strategy and in parallel to the development of the specific control strategy documents:
  - the CIC developed a learning framework for Horizon Europe with input from implementing services, approved by the Horizon Europe Executive Committee on 21 February 2024. The framework consists of various learning packages tailored to the different staff categories, which are implemented through the EU Learn platform and aims to assist staff in managing Horizon Europe calls and projects effectively;
  - in the framework of the 'Client Centricity Project', the Funding & Tenders Portal was revamped in March 2024 and an eGrants mobile app is under development and planned to be launched in 2025. The portal now offers an artificial intelligence-based search functionality, a modern presentation of the website, as well as the possibility to set personalised recommendations to the users;
  - to facilitate the introduction and the implementation of lump sums, the CIC organised several promotion campaigns and held regular meetings with the stakeholders;
  - the CIC established a lump sum practitioners' group as a forum to discuss the methodology and the guidance for the implementation of lump sums within the Research family. Moreover, the CIC coordinated an exercise on the lessons learned in November/December 2023 with the Executive Agencies and Joint Undertakings and created an action plan for improvement of the lump sum approach under Horizon Europe in December 2023.

The IAS identified two very important issues concerning the design of the overarching 'Control Strategy' and the design of the ex post controls, and formulated two very important recommendations addressed to DG RTD.

On the **design of the overarching 'Control Strategy' DG RTD** should:

- develop a detailed roadmap(s) or action plan(s) to translate the strategic measures into concrete actions and timelines and define objectives, targets, and indicators and it should establish and implement the monitoring and reporting mechanism on the progress in the implementation; and
- develop the risks register specific for Horizon Europe as well as the practical modalities for its management and complete the risks and controls in Annex 1 'Relevant control system for direct management under Horizon Europe'.

On the design of the **ex post controls, DG RTD** should:

- finalise the establishment of the comprehensive framework for the performance of ex post controls in Horizon Europe (for example technical reviews on lump sum grants, the common audit service working arrangements and the methodology for the performance of the system and process audits and the related IT development); and
- considering the tight deadlines in launching the framework contract, the objective of performing a number of audits in 2024 and 2025 and the average duration of the audits, closely monitor the achievement of the targets for the audited participations, as set in the multi-annual audit plan, by developing regular reporting on the progress made and identifying corrective measures to be taken, if necessary.

Additional information provided by DG RTD on the measures defined and/or implemented following the Internal Audit Service audit

DG RTD has accepted all the recommendations and an action plan commonly drafted and agreed upon by RTD, BUDG and LS has been submitted mid-February 2025 to the IAS, which accepted it.

The two 'very important' recommendations are already being tackled by DG RTD, with various concrete actions for implementing the six strategic measures into one single document, together with relevant objectives, targets and indicators, being compiled.

DG RTD also started reassessing the risks presented in the Horizon Europe Control Strategy and updating the COMPASS checklist together with DG BUDG. Most other actions for recommendations 4, 5 and 6 from the IAS report have started or are already completed.

1.5. Audit on anti-fraud strategies in the external action family (DG ECHO, the FPI, DG INTPA ([5]), DG NEAR, EEAS)

The objective of the audit was to assess the adequacy of the design and the effective and efficient implementation of the anti-fraud activities in DG ECHO, DG INTPA, DG NEAR, the FPI and the EEAS as part of the external action family.

The IAS acknowledged the following strengths and good practices in DG ECHO:

- DG ECHO spent a lot of efforts in developing its anti-fraud strategy (AFS), in particular as regards the involvement of partners in its anti-fraud activities, resulting in an important number of cases being detected and reported by them. Furthermore, the cooperation with OLAF and the analysis of past fraud cases are examples of the efforts undertaken by DG ECHO to make its AFS a success;
- DG ECHO provides relevant manuals and information on the reporting mechanism for fraudulent behaviour both on its intranet (for staff) and its external webpage (for partners). In particular, it has developed templates that its partners and individuals should use to report fraud allegations and has prepared a document for staff describing how they can identify red flags in the different areas of its activity;
- DG ECHO analyses its fraud statistics to establish the level of undetected fraud in its funds. The results of this analysis have been discussed at family level and led to the identification of a cross-cutting risk regarding underreporting of fraud (undetected fraud) by United Nations agencies, for which a relevant action has been included in the 2023 Commission AFS action plan;
- despite the important number of allegations managed, DG ECHO's fraud team, ensures an effective assessment and follow-up of these cases, performing the preliminary inquiries, identifying and supporting the adoption of precautionary, corrective or reinforcing measures (suspension of new contracts and payments by the partner in a country or overall, suspension of payment until clarification on the existence of fraud is obtained, deduction from the final payment of the amount impacted by fraud, suspension and termination of the partnership upon different conditions);
- DG ECHO cooperated with the FPI and DG HOME in implementing the specific measure 29 ([6]) stemming from the Commission AFS 2019 and prepared a note which summarises the joint fraud risk analysis performed. This exercise enabled to identify common issues between different Directorates-General and Services, share good practices and to overcome the specificities and peculiarities of the specific Directorate-General and Service.

The IAS acknowledged the following strengths and good practices in the FPI:

- the FPI, cooperated with DG ECHO and DG HOME in implementing the specific measure 29 stemming from the Commission AFS 2019 and prepared a note which summarises the joint

([5]) The final audit report for DG INTPA was not issued by the cut-off date of 31 January 2025. This report is expected to be included in the Annual Internal Audit report for 2025.
([6]) Evaluation of fraud risks and vulnerabilities with regard to spending in emergency situations.

fraud risk analysis performed. This exercise enabled to identify common issues between different Directorates-General and Services, share good practices and to overcome the specificities and peculiarities of the specific Directorate-General and Service;

- when preparing its AFS and related action plan, the FPI performed an in-depth risk assessment to identify potential fraud risks associated with different financial instruments as well as the existing mitigating measures in place. This has enabled the FPI to optimise the use of resources by focusing on targeted controls that addressed the most significant fraud risks;
- the FPI has established a good fraud reporting mechanism to management at the level of instruments with sufficient detail per fraud case;
- the FPI sends annual reminders to staff on their obligation to report fraud;
- the FPI OLAF/EPPO contact point plays the same role also for LS, Ombudsman and Early Detection and Exclusion System because of the small size of the service (in Commission Directorates-General several colleagues fulfil these roles). This enables the OLAF/EPPO correspondent to have an overview on the different aspects of handling fraud allegations and implementing fraud recommendations. That knowledge allows giving adequate advice to operational/financial colleagues on pre-cautionary and corrective measures and efficient and effective use of the available fraud tools.

The IAS acknowledged the following strengths and good practices in DG NEAR:

- DG NEAR's anti-fraud manual clearly defines and allocates roles and responsibilities for fraud risk management at different levels in the Directorate-General;
- DG NEAR set up a procedure for the follow up of OLAF recommendations that defines who is responsible for the assessment and the implementation of the recommendations as well as the obligation to adopt an action plan within 3 months from the reception of OLAF's report. The procedure was the result of a joint effort of DG NEAR's anti-fraud team and the network of fraud focal points in the Delegations, which has improved the coordination and exchange of information between headquarters and delegations and clarified roles and responsibilities of the various actors in the follow-up of OLAF recommendations;
- DG NEAR management is annually required to remind their staff about the obligation to report fraud;
- the information on the fraud cases provided to the (top) management as well as information on fraud, prevention, detection, and correction included in the annual activity report is comprehensive;
- DG NEAR's anti-fraud team is very attentive to possible cross-cutting fraud issues at the external relations family level. In this respect, it detected two issues on mobility of local agent and on experts' database which have been included in the Commission AFS and followed up at family and Commission level respectively;
- DG NEAR set up working groups whose mandate is to assess existing controls and mitigating measures in case of recurrent fraud risks;
- DG NEAR performed a broad fraud risk assessment exercise in which it involved staff dealing more systematically with fraud and DG NEAR's management. The exercise included an in-depth analysis of the Directorate-General's fraud risk exposures;
- DG NEAR's OLAF team organises various anti-fraud awareness activities together with DG INTPA, OLAF and the FPI. It also launches regularly a dedicated anti-fraud survey, to both staff at headquarters and in the EUDs;
- DG NEAR is very engaged in promoting awareness among partners in pre-accession countries about their obligation in preventing frauds and detecting irregularities. In cooperation with OLAF, DG NEAR's OLAF correspondent participates in training sessions for national authorities and other partners' fora. Further to building stakeholders' knowledge on fraud prevention and detection, a brochure about 'fighting fraud in external relations' for national authorities and implementing partners, but also for 'committed citizens', was developed and since December 2023 is available on DG NEAR's intranet and Europa webpage. The webpage and the brochure strongly encourage anyone with relevant information or a suspicion regarding

possible wrongdoing involving EU funds to report the matter either to OLAF or the contracting authority (for those implementing the EU-funded projects from a partner country).

The IAS did not formulate any critical or very important recommendations.

1.6. Audit on the assurance building processes and audit strategy for the 2021-2027 programming period - Phase I: design (DG EMPL, DG MARE, DG REGIO)

The objective of the audit was to assess if the Directorates-General's assurance building processes for the funds implemented under shared management are adequately designed to mitigate key risks and address the main new elements of the 2021-2027 programming period.

The following reservations were made in the 2023 Annual Activity Reports (AAR) of DG REGIO, EMPL and MARE concerning specifically the processes under the scope of this audit engagement:

- for DG REGIO, a reservation concerning ERDF/CF management and control systems for 5 programmes of the 2021-2027 period (in 4 Member States);
- for DG EMPL, for the 2021-2027 programmes, DG EMPL assessed that management and control systems functioned effectively, except for three programmes (for two programmes deficiencies concern only part of the system;
- for DG MARE, as regards the European Maritime, Fisheries and Aquaculture Fund (EMFAF 2021-2027), no reservation was made for the 2021-2027 programming period.

The fieldwork was finalised on 27 November 2024. All observations and recommendations relate to the situation as of that date.

The IAS recognised the ongoing efforts made by DG REGIO, DG EMPL and DG MARE in designing an adequate assurance framework, taking into account the new elements introduced by the 2021-2027 programming period legislation. The IAS identified the following strengths and good practices in this area:

- single audit strategy (SAS): the SAS was jointly developed by the audited Directorates-General and sets out in a single document a common audit framework to be applied. More specifically, the SAS sets out the main audit objectives, the risks identified and the audit approach and methodology to mitigate those risks. This is particularly important in the context of multi-fund programmes, resources constraints and the slow start-up of the 2021-2027 programmes;
- comprehensive guidance and tools: the development of a robust set of methodological notes, planning memoranda, and checklists enable the Commission audit services to have a solid basis for the audit work. These notes and tools are also shared with the Member State authorities for their own use;
- Early Preventive System Audits (EPSAs): a clearly defined methodology is in place to reach an audit conclusion or audit opinion for the audited part of the system and related key requirements. This demonstrates that the type and extent of the audit work undertaken is reflected in the audit results. An audit conclusion is given when the audit covers the methodology and test of controls, while an audit opinion is issued when EPSA includes both test of controls and substantive testing;
- coordination arrangements with Audit Authorities (AA): the Directorates-General have established mature coordination arrangements with the AAs through (1) issuance of methodological notes (for example note on assessing the Member States management control systems or the reflection paper on risk based management verifications) (2) regular meetings including a bilateral annual coordination meeting with the AA of each Member State,

homologues ([7]) meeting and two multilateral technical meetings per year with the AAs. These initiatives promote consistent communication, facilitate knowledge sharing, and align auditing practices, contributing to a harmonised approach across regions and programmes.

The IAS identified one very important issue concerning the **single audit strategy** and formulated three very important recommendations addressed to DG EMPL, DG MARE and DG REGIO.

DG REGIO, DG MARE and DG EMPL should update the SAS and/or other internal documents by:

- setting out how the joint audit directorate for cohesion (DG REGIO and DG EMPL) will increase significantly the coverage of programmes through its on-the-spot audits, including the different types of compliance audit work and their contribution to its assurance objectives, taking into account the available resources, the implications for workload and the single audit arrangements; and
- explaining how they will obtain assurance on the reliability of the AAs work; how assurance will be provided to the Authorising Officer by Sub Delegation for financing not linked to cost schemes; and the overall approach for providing assurance on enhanced proportionate arrangement programmes, including the period when adjustments are necessary or when an enhanced proportionate arrangement is revoked.

Additional information provided by DG EMPL, DG MARE and DG REGIO on the measures defined and/or implemented following the Internal Audit Service audit

The action plan was satisfactory assessed by the IAS and the DGs started its implementation. The Single Audit Strategy is being updated, to address the recommendations from the IAS, in particular to explain how assurance on the reliability of audit authorities is obtained and how it will provide assurance for programmes under enhanced proportionate arrangements.

Only one very important recommendation on the Single Audit Strategy was issued to DG MARE. This recommendation is being addressed in accordance with the agreed action plan approved by the IAS and is expected to be completed as planned by 31 December 2025.

1.7. Audit on IT security risk management at the Commission (DG AGRI, DG CNECT, DG DGT, DG DIGIT, DG ECHO, DG ENER, DG MARE, OLAF, OP, DG RTD, DG SANTE, DG TRADE)

The objective of the audit was to provide assurance on the adequacy of the design, the efficiency and the effectiveness of the information technology security risk management (ITSRM) framework (methodologies, standards, guidelines and tools) and processes at the corporate (Commission) and at the decentralised (department) level, thus ensuring compliance with the European Commission IT security framework and international best practices.

There are no observations/reservations in the 2023 Annual Activity Reports of the Directorates-General covered by the audit that related to the area/process audited.

The fieldwork was finalised on 21 October 2024. All observations and recommendations relate to the situation as at that date.

The auditors identified the following strengths in relation to the ITSRM practices in the Commission:

([7]) Annual meeting of the European auditors of cohesion policy funds: 'the homologues group'.

- there is an established ITSRM methodology, with supporting IT tools for performing the risk studies;
- there is an established set of training materials and supporting services for conducting the ITSRM process;
- there is an established IT governance structure in place with regular reporting to it;
- strengths relating to ITSRM by each audited Commission department were also identified and are presented in the respective annexes providing the outcome of the audit work for each department and their related communication and information systems.

The IAS identified four very important issues concerning the ITSRM methodologies and tools, the risk appetite and acceptance criteria, the IT security monitoring and reporting and the completeness of accuracy if IT security information and formulated nineteen very important recommendations.

On **ITSRM methodologies and tools** the IAS formulated twelve very important recommendations:

At Directorates-General level:

DG AGRI, DG CNECT, DG DGT, DG DIGIT, DG ENER, DG MARE, OLAF, OP, DG TRADE should:

- update the IT security risk studies and related IT security plans during its next review to address the issues identified. In addition, residual risks above the risk acceptance criteria level should be formally accepted at the relevant organisational level and the IT security measures defined in the security plans should be timely implemented or reassessed.

At Commission level:

DG DIGIT should:

- develop a vision for the ITSRM framework. In this respect, DG DIGIT should establish and promote the use of Commission-acceptable IT security risk management methodologies and related tools. DG DIGIT should also provide up-to-date guidance on how to implement the ITSRM methodologies, and their related tools, and to overcome their limitations. A quality approach for IT security risk studies and plans should be established.

On **risk appetite and acceptance criteria** the IAS formulated five very important recommendations:

At Directorates-General level:

DG DGT, DG ENER, OLAF and OP should:

- formally define and document their IT security risk appetite and translate this into specific risk acceptance criteria (and levels) to be used as part of the IT security risk assessments.

At Commission level:

DG DIGIT should:

- in consultation with the Information Technology and Cybersecurity Board, the SG and DG BUDG, provide guidance: (1) for determining IT security risk objectives, risk appetite, associated risk acceptance criteria levels, in alignment with the corresponding business, department and corporate risks, and to propose thresholds and an approach to follow in case the thresholds would not be respected; (2) on how to integrate the corporate IT security risk management with the Commission risk management framework, including the mapping of the risk scales of the IT security risk methodologies with the ones of the Commission risk management.

On **IT security monitoring and reporting** the IAS formulated one very important recommendation:

At Commission level:

DG DIGIT should:

- enhance its reporting towards the Information Technology and Cybersecurity Board and be clearer on the coverage and quality of certain indicators. In coordination with the Information Technology and Cybersecurity Board, it should also define clear escalation paths and criteria for when and how the Commission departments should escalate high residual risks or lack of implementation of security measures to DG DIGIT and to the Information Technology and Cybersecurity Board. Commission departments should be reminded of the obligation to ensure the independence of the local information security officer as well as his/her ability to report directly to the Head of his/her Commission department. In addition, a standard format and content for system owners' reporting to DG DIGIT on the risks, risk management activities and security measures taken per communication and information system should be agreed upon.

On **completeness and accuracy of IT security information** the IAS formulated one very important recommendation:

At Commission level:

DG DIGIT should:

- reiterate to the Commission departments the importance of correctly and completely entering IT security data into the relevant registries (for example risk register, portfolio management) and provide guidance in this respect. Where feasible, a central monitoring of the accuracy of the data in the repositories should be established. DG DIGIT, in consultation with the Information Technology and Cybersecurity Board, the SG and DG BUDG, should emphasise that IT security activities are taken into account in the various phases of the communication and information system life-cycle. DG DIGIT should also remind all Commission departments of the importance of consulting, supporting and/or keeping informed all relevant stakeholders (for example delegated/operational controllers, data protection coordinator, local information security officer) in the different steps of the IT security risk management.

Additional information provided by DG DG AGRI, DG CNECT, DG DGT, DG DIGIT, DG ECHO, DG ENER, DG MARE, OLAF, OP, DG RTD, DG TRADE, DG SANTE on the measures defined and/or implemented following the Internal Audit Service audit

All audited departments have accepted all of the recommendations and have provided a satisfactory action plan. Implementation of actions is ongoing, and some have already been marked as implemented.

Single Market, Innovation and Digital

1.8. Audit on the preparation of the macro financial assistance programme to enlargement and neighbourhood countries (DG ECFIN)

The objective of the audit was to assess the adequacy of the design and the efficient and effective implementation of the governance, risk management and control processes put in place by DG ECFIN for the preparation of macro financial assistance (MFA) measures to enlargement and neighbourhood countries.

The fieldwork was finalised on 26 September 2024. All observations and recommendations relate to the situation as at that date.

The IAS identified two very important issues concerning the control strategy for MFA operations and the marking and protection of sensitive-non classified information and formulated two very important recommendations.

On **control strategy for MFA operations**, **DG ECFIN** should:

- further develop the control strategy for MFA operations, supported by a comprehensive risk analysis, to ensure that it:
  - encompasses the different steps of the process and related risks;
  - takes into account all the high risks affecting the MFA operations;
  - covers all controls that contribute to the assurance-building of the Directorate-General.
- define an ex post audit approach for MFA operations covering both loans and grants (and communicate it to the operational staff responsible for MFA).

On marking **and protection of sensitive-non classified information, DG ECFIN** should:

- assess and define which MFA-related documents are sensitive non-classified in the framework of the Commission Decision on Security, handle and store them according to the instructions;
- provide guidance and training to the relevant staff members.

Additional information provided by DG ECFIN on the measures defined and/or implemented following the Internal Audit Service audit

DG ECFIN has accepted all the recommendations, and an action plan has been submitted mid-February 2025 to the IAS, who accepted it.

1.9. Audit on human resources management (DG FISMA)

The objective of the audit was to assess the adequacy of the design and the effectiveness and efficiency of the internal control system put in place by DG FISMA to manage its human resources that supports the achievement of its operational objectives.

There are no reservations in the 2023 Annual Activity Report of DG FISMA that relate to the area/process audited.

The fieldwork was finalised on 18 December 2024. All observations and recommendations relate to the situation as at that date.

The IAS acknowledged the following strengths:

- DG FISMA has a matrix organisational structure where project teams complement, where needed/relevant, the regular units work on DG FISMA's policy areas. The project teams provide a collaborative cross-unit platform to pull know-how from within the Directorate-General;
- the project teams initiative is perceived by the Directorate's-General staff overall positively as a tool to promote collaboration and skills exchange, with positive impact on policy work and staff personal development;
- DG FISMA monitors human resource (HR) activities through restricted senior management meetings on resources, held every 1-2 months;
- the HR correspondent team organises regular meetings for middle management to keep Heads of Unit informed about key HR topics discussed at senior management level. These meetings ensure alignment and communication throughout the management levels.

The IAS identified one very important issue concerning the **HR strategic framework** and formulated one very important recommendation.

DG FISMA should:

- prepare its high-level local HR strategy bringing together, complementing and framing strategically all the existing initiatives. This document should be developed starting from the Directorate-General's specific critical/high HR risk areas and the future HR needs and contain the Directorate-General specific human resource management strategic objectives, the initiatives/actions to achieve these objectives, and the indicators to measure the results obtained. The local HR strategy should include actions with clear responsibilities for their implementation, deadlines, indicators and targets.

Additional information provided by DG FISMA on the measures defined and/or implemented following the Internal Audit Service audit

The improvements envisaged have been included in a satisfactory action plan.

1.10. Audit on the new nuclear decommissioning and waste management programme (NDWMP) (JRC)

The objective of the audit was to assess whether the JRC has adequately designed and efficiently and effectively implemented governance, management and control systems for the new nuclear decommissioning and waste management programme across all JRC nuclear sites.

There are no observations/reservations in the 2023 Annual Activity Report of the JRC that relate to the area/process audited.

The fieldwork was finalised on 10 July 2024. All observations and recommendations relate to the situation as at that date.

The IAS identified the following good practices and noted positive developments during the audit:

- the creation of a new JRC directorate to manage the NDWMP activities separately from the nuclear research activities;
- the experience and commitment of JRC NDWMP staff, with a combination of technical, project and contract management skill-sets unique to this department;
- the strategies developed to deal with uncertainties which are beyond the JRC's control, for example nuclear licensing delays and regulatory changes, lack of host Member State progress in construction of geological repositories for long-term storage of nuclear waste, technical constraints and contractual issues;

- the JRC has assessed internally the current status of NDWMP governance, cross-site organisation and its HR situation and has developed new ideas and approaches to be implemented to address the issues identified;
- an increasingly proactive approach to dealing with host Member States;
- progress made in decommissioning and waste management projects on the Ispra site, for example the first decommissioning licences have been granted by the Italian nuclear authorities for two facilities; achievement of technical/financial solutions to reduce the volume of certain types of waste and to incinerate others; procurement for framework contracts to externalise aspects of the decommissioning and waste management activities.

The IAS identified four very important issues concerning the JRC internal organisation of NDWMP responsibilities, the decommissioning plans for the JRC sites, the estimates for decommissioning the JRC nuclear sites, and the NDWMP budget flexibility needs, and formulated four very important recommendations.

On JRC **internal organisation of NDWMP responsibilities**, **the JRC** should:

- design a structure and approach to reinforce the inter-site organisation, coordination and communication between the various directorates;
- clearly define the NDWMP-related roles and responsibilities of the relevant units, including for the coordination with DG ENER; and
- clarify which types of activity should be covered by which budget line (NDWMP or other).

On **decommissioning plans for the JRC sites responsibilities**, **the JRC** should:

- define a common method and timing for preparing, approving and updating the decommissioning plans for the four nuclear sites, taking into consideration the relevant legal requirements and then prepare and approve (updated) decommissioning plans for all sites accordingly; and
- use the updated/approved decommissioning plans for the preparation of future NDWMP multiannual work programmes.

On **estimates for decommissioning the JRC nuclear sites, the JRC** should:

- conduct a new overall cost estimate exercise for its decommissioning activities, covering all four sites and using a harmonised methodology to the extent possible (including separating decommissioning from waste management costs and include full cost of staff involved in NDWM activities); and
- based on the outcome of the new overall cost estimate, reevaluate, in collaboration with DG BUDG, the 'financial provision for the nuclear dismantlement of JRC sites' in the EU annual accounts.

On **NDWMP budget flexibility needs, the JRC** should:

- In the context of the preparation of the next multi-annual financial framework, document the difficulties related to the N+1 rule for the NDWMP and discuss with DG BUDG the feasibility of an exception from the N+1 rule.

Additional information provided by JRC on the measures defined and/or implemented following the Internal Audit Service audit

There are four very important recommendations under implementation stemming from this audit. The JRC prepared an action plan addressing the recommendations which was approved by the IAS in October 2024. The JRC has implemented in good time the first actions addressing the recommendations and is progressing as planned. Decisive steps have been taken to reinforce

the governance, management and control systems framework of the NDWM programme across its nuclear sites. As most of the decommissioning activities will gradually increase in the coming years, the recommendations of the audit will support the improvement and strengthening of the functioning of the NDWMP in the future. However, they have no material impact on the effectiveness of the internal control system and achievement of the internal control objectives over the reporting period.

1.11. Audit on Horizon Europe – grant management phase I (from publication of the calls until signature of the grant agreements) (CINEA)

The objective of the audit was to assess the adequacy of the design and the effective and efficient implementation of the internal control system for the Horizon Europe grant management processes (from the preparation of the call for proposals to the signature of the grant agreements) in CINEA, with a particular focus on whether:

- the grant agreements effectively support the achievement of the Horizon Europe objectives; and
- the processes in place ensure that the best research projects are selected and translated into grant agreements in compliance with the applicable rules.

There are no reservations in the 2023 Annual Activity Report of CINEA related to grant management under Horizon Europe.

The fieldwork was finalised on 6 December 2024. All observations and recommendations relate to the situation as of that date.

The IAS acknowledged the ongoing efforts made by CINEA to ensure the effective implementation of the internal control system for the initial phases of the Horizon Europe grant management processes in the context of an increasing workload and time pressure.

The IAS identified the following good practices and noted positive developments during the audit:

- in relation to the grant agreement preparation, CINEA has established clear tasks and responsibilities between the relevant departments and actors (i.e. operational (project officer) and financial (financial officer) aligned with the eGrants Vademecum, complementing the IT system (Compass);
- when performing their work, the project officers and financial officers complete detailed checklists to document the process leading to the conclusions of their checks. The checklists are uploaded in the Compass grant agreement preparation workflow.

The IAS identified two very important issues concerning the management of conflict of interest and the evaluation process and formulated two very important recommendations.

On **Management of conflict of interest (CoI), CINEA** should:

- include, in its procedures for Horizon Europe, operational provisions on how to perform and document the checks on CoI for experts participating in evaluations and how to assess the existence of CoI;
- ensure that the checks are effectively performed and documented and that there is appropriate trace of the decisions taken when a CoI situation is detected; and
- send reminders for the update of the expert's profiles at the latest prior to assignment of the proposals.

On **evaluation process, CINEA** should:

- ensure that the formal appointment of the evaluation committee is performed in line with the guidance in place in the eGrants Vademecum by adequately completing the relevant appointing document validated and archived in ARES. CINEA should also ensure that the panel report includes all relevant information as defined by the corporate template, all panel reports are signed by the relevant actors in ARES as indicated in the eGrants Vademecum, the information on the gender ratio for the proposals with equal ranking is included in the panel report and the call evaluation report.

Additional information provided by CINEA on the measures defined and/or implemented following the Internal Audit Service audit

An action plan was established to address all audit findings and considered satisfactory by the IAS on 15 April 2025.

1.12. Audit on Horizon 2020 grant management phase IV (final payment and closure) (ERCEA)

The objective of the audit was to assess the adequacy of the design and the effective and efficient implementation of ERCEA's internal control system related to Horizon 2020 final payments and closure of the projects, to ensure that it supports the legality, regularity and sound financial management of ERCEA's expenditure.

The period on which the audit focused was the final payments executed from January 2022 to March 2024.

There are no observations or reservations in the 2023 Annual Activity Report of ERCEA that relate to the area/process audited.

The fieldwork was finalised on 10 December 2024. All observations and recommendations relate to the situation as at that date.

The auditors acknowledged the efforts made by ERCEA in ensuring the effective implementation of the grant management processes for the final payments and closure under the Horizon 2020 programme.

In this context, the IAS identified the following strengths/good practices:

- ERCEA effectively processes the final payments for Horizon 2020 projects in a timely manner (i.e. reaching the targets of the time-to-pay indicator);
- ERCEA manages effectively the beneficiary's complaints on the final payment (contradictory procedure);
- ERCEA adequately processes the release of guarantee funds and the initiation and validation of de-commitments in ABAC ([8]).

The IAS did not formulate any critical or very important recommendations.

([8]) Tool for accrual based and budgetary accounting.

Cohesion, resilience and values

1.13. Audit on the European Union Solidarity Fund (EUSF) (DG REGIO)

The objective of the audit was to assess the adequacy of the design and the effective implementation of DG REGIO's internal control processes for managing the EUSF.

There are no observations/reservations in the 2023 Annual Activity Report of DG REGIO that relate to the area/process audited.

The fieldwork was finalised on 10 April 2024. All observations and recommendations relate to the situation as of that date.

The IAS recognised the ongoing efforts made by DG REGIO and identified the following strengths and good practices concerning the preparation of applications and the implementation on the ground:

- in the process of preparing the application, DG REGIO provides rapid ad hoc support to help with the application forms upon the applicant country's request. For example, in view of the Covid-19 crisis the Directorate-General organised three Question and Answer sessions to help eligible states with major public health emergencies (MPHE) at the stage of: (1) preparation of applications, (2) preparation of disbursement of the EUSF assistance and its implementation, and (3) at closure; and
- DG REGIO facilitates knowledge sharing between beneficiary States, for example between the Italian and Croatian authorities and by encouraging Croatia to help Turkey by sharing knowledge on the designation of the independent audit body and the implementation phase.

The IAS identified two very important issues concerning the design of the management and control system of the EUSF and the management process of the EUSF and formulated two very important recommendations.

On the **design of the management and control system** of the EUSF, **DG REGIO** should:

- in times of temporary peaks in activity or unavailability of resources, monitor risks to the effective management and business continuity of the EUSF, and where necessary, take adequate measures including through flexible solutions to allocate staff;
- ensure that guidance available for applicant countries for natural disasters is updated when needed, provide information on methodologies for damage assessment and reflect on alternatives to evaluate damages to cultural heritage;
- reassess the legal framework and guidelines for MPHE, taking into account the previous experience with managing MPHE applications; and
- ensure that sensitive information is always protected when using the Commission's ICT services.

On the **management process of the EUSF**, **DG REGIO** should:

- update the assessment checklist (form) with information on the checks to be done for the preliminary / initial assessment of applications, sufficiently support the assessment of the applications with relevant documents and ensure that reasons/justifications for rejecting a request for advance payment are properly explained and documented;
- regularly update the monitoring tables and take actions to improve the timeliness of the different phases of the EUSF management process; and
- submit reports on the EUSF to the European Parliament and the Council on time.

Additional information provided by DG REGIO on the measures defined and/or implemented following the Internal Audit Service audit

An action plan has been submitted mid-September 2024 and it was satisfactory assessed by the IAS. The implementation of the action plan is ongoing. This includes addressing the design of the management and control system of the EUSF by developing flexible solutions to allocate staff and updating procedures and guidance. The management process of the EUSF is also being enhanced by updating the assessment form/checklist and monitoring tables and the section on EUSF in the single audit strategy.

1.14. Audit on the performance of the management of experts for proposal evaluation (EACEA)

The objective of the audit was to assess if the internal control system set-up for the expert evaluator management process (selection, contracting and payment) in EACEA is adequately designed and effectively implemented to ensure:

- that the selected experts adhere to the criteria (in terms of experience, skills, knowledge and independence) defined for the fulfilment of their evaluation tasks;
- compliance with applicable rules.

The fieldwork was finalised on 12 July 2024. All observations and recommendations relate to the situation as at that date.

The IAS did not formulate any critical or very important recommendations.

Natural resources and environment

1.15. Audit on the preparedness of DG AGRI in designing the assurance building model under the new Common Agricultural Policy strategic plans (DG AGRI)

The objective of the audit was to assess the preparedness of DG AGRI in designing the control framework to provide assurance that the Common Agricultural Policy (CAP) expenditure under the new delivery model is implemented in line with the CAP legal framework.

There are no observations/reservations in the 2023 Annual Activity Report of DG AGRI that relate to the area/process audited.

The fieldwork was finalised on 12 June 2024. All observations and recommendations relate to the situation as at that date.

The IAS recognised that despite a slow start, the work of DG AGRI in designing the assurance framework under the CAP new delivery model gathered good pace, especially from the last quarter of 2023 onwards. The adaptation of the IT systems, notably SFC ([9]), Compass Corporate ([10]) and CATS/COMBO ([11]) was completed in time for the 2023 clearance exercise. DG AGRI staff have also produced relevant guidance and clear draft documents that address the requirements of the clearance procedure under the new delivery model and respond to the questions of the Member States. GREX ([12]) and bilateral meetings provide a good framework for a continuous dialogue with the Member States and the IAS auditors observed that the information sharing with Member States is done in a transparent way.

Furthermore, the IAS acknowledged the competence and commitment of DG AGRI staff who have concomitantly contributed to the implementation of the new CAP and to the measures addressing recent and ongoing crises impacting the agricultural sector (in relation to food security, energy and fertiliser prices), in spite of the limited availability of resources.

The IAS identified three very important issues concerning the design of the assurance framework under the new delivery model, the assessment of the certification bodies' audit strategies and the decision on how to report on assurance for expenditure under the CAP strategic plans in the Annual Activity Report, and formulated three very important recommendations.

On the **design of the assurance framework under the new delivery model, DG AGRI** should:

- finalise the working document on serious deficiencies, the guidelines on the calculation of financial corrections and on the grading of the governance systems.

  In addition, it should prepare and/or update internal guidelines to make full use of the assessment of the integrated administration and control system quality assurance report results for the purpose of assessing certification body's work on the functioning of the governance systems.

On the **assessment of the certification bodies' audit strategies, DG AGRI** should:

([9]) SFC stands for 'Shared Fund Management Common System'. It is the IT tool for electronic exchange of information between Member States and the Commission.
([10]) Tool co-developed with other Directorate-Generals and used in DG AGRI to automate the processing of the CAP strategic plans, and Annual Performance Reports.
([11]) Integrated audit system for the management of the audit process in AGRI Directorate H.
([12]) Expert group on horizontal questions concerning the CAP.

- further assess the adequacy of the audit strategies of the certification bodies. Furthermore, it should use the results of this ongoing analysis to feed its risk assessment as well as to justify direct audit work in line with the provision of Article 48 of the CAP horizontal Regulation.

On the **decision on how to report on assurance** for expenditure under the CAP strategic plans in the **Annual Activity Report, DG AGRI** should:

- In consultation with DG BUDG and the SG, develop and implement a revised reporting methodology for its Annual Activity Report, in line with the requirements of the Financial Regulation.

Additional information provided by DG AGRI on the measures defined and/or implemented following the Internal Audit Service audit

DG AGRI submitted an action plan that was accepted by the IAS on 9 December 2024 and its implementation is ongoing. On 14 March 2025 as a result of its follow-up, the IAS concluded that the first recommendation had been adequately and effectively implemented and could therefore be closed.

1.16. Audit on the implementation and monitoring of the EU emission trading system (EU ETS) (DG CLIMA)

The objective of the audit was to assess the adequacy of the design and effective implementation of the processes (governance, risk management and internal controls) put in place by DG CLIMA for implementing and monitoring the EU ETS (stationary installations only), including the Union Registry and related tools and the management of EU ETS auctions.

The following reservation was made in the 2023 Annual Activity Report concerning specifically the area/process under the scope of this audit engagement:

- Reservation on reputational/legal/financial grounds related to remaining significant security weakness identified in the Union Registry of the EU ETS.

The fieldwork was finalised on 29 November 2024. All observations and recommendations relate to the situation as at that date.

The IAS acknowledged that DG CLIMA used the opportunity of reopening the delegated and implementing acts under the EU ETS Directive to address some of the issues identified in the EU ETS Phase 3 and to implement lessons learnt.

Despite the heavy workload and complex legal framework, DG CLIMA staff showed commitment to perform their tasks and willingness to improve the efficiency of the EU ETS related processes.

The IAS also recognised the immense work and efforts by DG CLIMA in the areas of EU ETS reviewed (including the management of auctions), despite the scarce resources they operate with.

The IAS identified six very important issues concerning the administration of the free allowances, the monitoring of allowances under phase 4 of the EU ETS, the process for updating the national allocation tables, the monitoring of the Member State implementation of the EU ETS legal framework, the reliance on external consultants and the user access management, confidentiality of information and sensitive functions, and formulated ten very important recommendations.

On **administration of the free allowances**, (three very important recommendations), **DG CLIMA** should:

- align the processes for introducing updates to the national allocation table in the Union Registry with the provisions of the delegated acts and ensure that these updates are adequately and timely integrated in the Union Registry;
- clarify in the legal basis (delegated regulation) the responsibility for ensuring the correct allocation of the free allowances to the holding accounts within the legal deadline.
- prepare a written procedure clarifying how to handle the impact of retroactive changes, in particular as regards decrease of allocated free allowances adopted after the surrendering deadline.
- assess, as part of the review of the national implementation measures for the period 2026-2030, the economic and climate impact of free allocations allocated to operators in excess of their verified emission as well as report regularly on them.

On **monitoring of allowances** under phase 4 of the EU ETS (one very important recommendation), **DG CLIMA** should:

- put in place written procedures for the monitoring and use, where relevant, of the not needed amounts of the 3% conditional free allowances;
- ensure that the opening balance and all subsequent movements of the new entrants' reserve are properly documented and kept up-to-date and that national allocation table updates are recorded in line with the legal basis.

On process for **updating the national allocation tables** (one very important recommendation), **DG CLIMA** should:

- reinforce its monitoring of the status and progress in the assessment of the requests in the activity level change (ALC) tool;
- as from the 2nd period of the phase 4 of the ETS put in place a process to monitor whether all change requests are submitted by the Member States, provided that the amendments to the ALC Regulation to obtain additional data on activity level changes are adopted.

On **monitoring of the Member State implementation of the EU ETS legal framework** (one very important recommendation), **DG CLIMA** should:

- establish a structured and documented process for monitoring whether the Member States implement the EU ETS legal framework adequately;
- propose implementing acts including detailed rules on penalties to be adopted by the Commission.

On **reliance on consultants** (one very important recommendation), **DG CLIMA** should:

- perform a comprehensive assessment of the EU ETS tasks outsourced, to assess the related risks, and design and implement adequate mitigating measures as appropriate, in consultation with the central services.

On **user access management, confidentiality of information and sensitive functions** (three very important recommendations), **DG CLIMA** should:

- design and implement procedures for offboarding users and for regularly reviewing user accounts and access rights;
- revise the assessment of the sensitive functions related to the EU ETS and implement necessary actions;
- update its instructions for the handling of sensitive information and put in place procedures to ensure that all relevant documents are marked, in line with the instructions;
- enhance security measures to protect confidentiality of information.

Additional information provided by DG CLIMA on the measures defined and/or implemented following the Internal Audit Service audit

The audit was finalised at the very end of 2024 and resulted in ten very important recommendations as a result of the extensive scope of the audit. Moreover, the implementation of several of the recommendations started already, with the majority of the actions planned to be completed in 2025.

1.17. Audit on assurance building for expenditure under direct management (DG MARE)

The objective of the audit was to assess the adequacy of the design and the effectiveness and efficiency of DG MARE's assurance building processes covering expenditure under direct management relating to sustainable fisheries partnership agreements (SFPAs), grants and procurement.

There are no reservations in the 2023 Annual Activity Report of DG MARE that relate to the process audited.

The fieldwork was finalised on 30 May 2024. All observations and recommendations relate to the situation as at that date.

The IAS auditors recognised the high expertise of the staff of DG MARE, and their strong commitment and dedication to the objectives despite the high workload, as well as the difficult political context in which they operate as regards the SFPAs. They also acknowledged the well-developed and clear procedures available on DG MARE's my-intracomm pages, which display all the necessary information for the staff in charge of budgetary and financial management.

The IAS identified two very important issues concerning the nature of the SFPAs and the financial management and monitoring of SFPAs and formulated two very important recommendations.

On the **nature of the SFPAs, DG MARE** should:

- clarify, the legal nature of the financial assistance provided to SFPAs and, if necessary, update its own guidelines on sectoral support and align the sectoral support provisions of the agreements/protocols with the provisions of the Financial Regulation on budget support;
- enhance the coordination process with DG INTPA during the implementation of the SFPA's sectoral support component.

On the **financial management** and **monitoring of SFPAs, DG MARE** should:

For the future SFPA agreements/protocols:

- systematically seek to include in the agreements/protocols detailed provisions conditioning the payment of sectoral support to the achievement of objectives, and provisions allowing audits or investigations of projects funded under sectoral support as well as providing the possibility to recover unduly paid funds (both for access payments and sectoral support);
- when such conditions cannot be included due to the outcome of negotiations, DG MARE should highlight the deviations in the Commission Communication to the Council on the signature of the agreements/protocols.

For the current SFPA agreements/protocols:

- For access payment:
  - further detail and document the checks to be made on the fulfilment of conditions for access fees when making the related payments. In case the payment is made although

some provisions are not complied with, prepare an exception decision at the appropriate management level.

- For sectoral support:
  - prepare a guidance describing the checks to be performed, based on the Fishery's attaché documented analysis, to identify possible non-compliance issues prior to the Joint committee meeting, where decisions on the level of achievement of objectives are made;
  - further detail and document checks to be made on compliance with provisions of the protocol. In case the payment is made although some provisions are not complied with, ensure that an exception decision was taken at the appropriate management level.

Additional information provided by DG MARE on the measures defined and/or implemented following the Internal Audit Service audit

The IAS recommendations are being addressed according to the agreed action plan approved by IAS. The implementation of IAS recommendations is ongoing and is expected to be completed as planned in 2025.

Neighbourhood and the world

1.18. Audit on controls over the financial management of the civilian Common Security and Defence Policy Missions implemented by the Service for Foreign Policy Instruments (FPI)

The objective of the audit was to assess the design and effectiveness of the internal control system put in place by FPI for the implementation of the Common Foreign security Policy budget allocated to Common Security and Defence Policy (CSDP) Missions.

The fieldwork was finalised on 4 December 2024. All observations and recommendations relate to the situation as at that date.

The IAS identified two very important issues concerning the FPI checks on the progress and final reports and the audits on final reports and ex-post audits and formulated two very important recommendations.

On the **FPI checks on the progress and final reports, the FPI** should:

- develop internal instructions to support its review of the progress and final reports by the Missions to define:
  - the main operational and financial checks that should be done as regards cost eligibility at the stages of the progress and final reports;
  - the checks to be done on the procured equipment/ and material and the capital expenditure to ensure that the information provided on the cost incurred matches the amount in the inventory;
  - the checks on the completeness of the submitted reports and their annexes (for instance by using the checklist on payment of balance included in INTPA Companion); and
  - where to document the checks done on cost eligibility and reports completeness to ensure proper traceability;
- revise the reporting requirements for the CSDP Missions and request them:
  - to clearly indicate the advance payments made and report the related amount separately from the costs incurred;
  - to report on the amount of the legal commitments; and
  - to provide information on their value added tax arrangements and the amount of value added tax included in the reported costs (recoverable or non-recoverable);
- clarify the reporting requirements and conditions for the items to be included in the statement of inventory in the progress and final reports, the reporting of donated equipment and purchased with previous Mandates' funds;
- instruct the Missions to produce for the final report the required annexes on the fixed assets and transferred equipment and to request the external auditors to certify them;
- request from the external auditors to describe and present the specific results of the performed physical inventory checks in the audit reports accompanying the final reports of the CSDP Missions.

On audits on **final reports and ex-post audits, the FPI** should:

- request from the auditors performing mandate audits to provide an audit opinion covering the functioning of the control systems and the assertions in the management declaration;

- require from the external auditors to justify in the audit report the percentages of transactions that they decided to test and introduce a process of reliance on previous audit results for the ex post audits;
- take measures to address the delays encountered in the delivering of the mandate and ex post audit reports;
- present in a transparent manner the calculation and input figures used for the detected and residual error rate regarding the Common Foreign security Policy budget taking into account the treatment of the reported financial findings and the actual amounts to be recovered;
- establish in the control strategy for the CSDP Mission a validation and approval mechanism for the cases when the FPI does not implement (fully) financial audit findings and ensure that all such decisions are properly documented.

Additional information provided by the FPI on the measures defined and/or implemented following the Internal Audit Service audit

In April 2025, the FPI submitted an action plan in response to the IAS audit report on controls over the financial management of the civilian Common Security and Defence Policy Missions implemented by the FPI. The IAS has approved the FPI action plan, which the FPI aims to fully implement by February 2026. The IAS has stated it will then assess the effective implementation of the action plan within one year. The IAS committed to advise the FPI, on internal control and assurance building linked to the implementation of some of the recommendations of this audit.

1.19. Audit on indirect management with partner countries (DG INTPA)

The objective of the audit was to assess if DG INTPA has designed and if it implements effectively, efficiently, and in line with the rules in place an ex ante control system for the award of procurement contracts and grant agreements signed under indirect management with partner countries (IMPC).

There are no observations/reservations in the 2023 Annual Activity Report of DG INTPA that relate to the area/process audited.

The fieldwork was finalised on 5 December 2024. All observations and recommendations relate to the situation as at that date.

The IAS acknowledged the following strengths:

- In July 2024, DG INTPA decided to cease to implement grants via the IMPC management mode. This decision is in line with the results of our sample testing, which revealed that the quality of documentation received from partner countries was not good and required extensive involvement of DG INTPA's staff when performing ex ante controls. According to the information received from DG INTPA, the last grant agreements under IMPC are expected to be signed in 2028.
- DG INTPA has Portfolio Dashboard, a tool available to all its staff, including in EU Delegations, to visualise data coming from various IT tools used by the Directorate-General (amongst others, CRIS ([13]) and OPSYS ([14])). The tool enables DG INTPA to monitor various aspects of the actions and contracts as well as its key performance indicators. Training on Portfolio Dashboard is available in the form of e-learning modules and via dedicated sessions provided by unit INTPA.R2 on request.

([13]) Common relex information system.
([14]) The new operational system in external action.

The IAS identified two very important issues concerning the design of the ex ante control system and the guidance and training and formulated two very important recommendations.

On the **design of the ex ante control system, DG INTPA** should:

- (a) specifically, it should establish timelines for the submission by the contracting authority of the key documents in the award procedures to ensure the timely launch and finalisation of these award procedures; (b) introduce ex ante controls for those important stages of the award procedures for which such controls are not yet required; (c) introduce checks to verify that the steps approved ex ante by the EU Delegation are effectively implemented by the contracting authority, and (d) instruct the EU Delegations to ask for the final version of documents approved conditionally. Finally, (e) DG INTPA should monitor the implementation of IMPC on a regular basis and take action in case systemic and repetitive issues are detected in EU Delegations.

- On the **guidance and training**, **DG INTPA** should:

- (a) streamline its guidance on ex ante controls in the practical guidelines on contract procedures, and (b) address the weaknesses detected in the existing checklists. (c)&(e) Moreover, it should introduce mandatory attendance to training sessions on the practical guidelines on contract procedures for operational and financial staff in charge of ex ante controls that (d) should also encompass modules on conflict of interest/collusion in grant and procurement award procedures. (f) Finally, DG INTPA should monitor the implementation of the aforementioned training requirements, and take remedial action, if needed.

Additional information provided by DG INTPA on the measures defined and/or implemented following the Internal Audit Service audit

DG INTPA accepted points (b), (c) and (e) of recommendation No 1, action plans are submitted to the IAS to address those sub-recommendations and they were accepted by the IASDG INTPA did not accept the following sub-recommendations:

1.a - Defining formal timelines for the submission, by the contracting authority, of the key documents in the award procedures to ensure that they are timely launched and finalised. As a minimum, such timelines should be defined for the key steps of the process such as the submission for the ex-ante approval of the guidelines for applicants, the tender dossier, the evaluation report, and the submission of the contract for endorsement.

There is no legal basis for imposing deadlines on the launching of award procedures, there is only a deadline for signing contracts. There is already a forecasting exercise (twice per year) for contracts and payments.

1.d - Instructing the EU Delegations to request the partner country to provide the final version of the documents approved conditionally to be able to verify if the Delegation's comments were adequately taken into account in the revised version.

This control is done at the subsequent steps of the procedure and until endorsement, with due regard to the balance between the intensity of controls and the need to ensure principle of ownership.

DG INTPA accepted points (a), (b), (d), (e) and (f) of recommendation No 2. Action plans are already submitted to the IAS to address those sub-recommendations and they were accepted by the IAS

DG INTPA did not accept sub-recommendation No 2. c - Ensure the regular availability of the advance courses on PRAG, as a minimum in English and French.

There are no resources to have advanced PRAG trainings in French. The basic PRAG trainings are already available in French.

It should be noted that payments under indirect management with partner countries are following a downward trend representing 5% of total payments (down from 8% in 2021). For actions decided after 19 July 2024 and in the context of DG INTPA's simplification exercise, Programme-Estimates can no longer be signed with partner countries. Also, partner countries may no longer award and manage EU-funded grants in indirect management.

General services

1.20. Audit on the protection of personal data (PMO)

The objective of the audit was to assess whether PMO has put in place an adequate and effective control system for the key business processes handling (sensitive) personal data to ensure compliance with the provisions of the Internal Data Protection Regulation (IDPR).

The fieldwork was finalised on 19 June 2024. All observations and recommendations relate to the situation as at that date.

The IAS identified four very important issues concerning (1) the accountability, roles and responsibilities, (2) the arrangements in case of jointly processing, international transfers of personal data and service level agreements, (3) the compliance with data protection principles and (4) the IT controls to ensure the integrity, confidentiality and availability of personal data, and formulated four very important recommendations.

On **accountability, roles and responsibilities, PMO** should:

- formally define the roles and responsibilities of the operational controllers, the Data Protection Coordinator (DPC) and his/her assistants;
- approve at the appropriate hierarchical level the job descriptions of the operational controllers and of the DPC and his/her assistants;
- introduce mechanisms for the operational controllers to communicate in good time to the IT unit the data protection business needs of the supporting IT systems;
- set up (via the DPC) a comprehensive personal data guidance and training plan;
- hold regular meetings with the DPC of DG DIGIT (as IT provider) to discuss data protection issues of common interest; and
- ensure that the DPC has a direct reporting line to senior management on all data protection issues.

On **arrangements** in case of **jointly processing, international transfers of personal data and service level agreements, PMO** should:

- establish an overview of all the operations for which other Directorates-General/Services are the delegated controller and for which PMO carries out part of the delegated controller's processing operations and formalise internal arrangements with the relevant delegated controllers;
- conclude an internal arrangement with DG DIGIT to define the respective responsibilities regarding data protection obligations when DG DIGIT is the service provider of the IT systems processing personal data;
- with regard to the international transfers: confirm under which cases a 'transfer impact assessment' is needed and, when applicable, carry out such assessment and document (in the record) the method used by the Office to lawfully transfer personal data to third countries and international organisations; and
- finalise the update of the service level agreements with its clients to reflect the recommendations issued by the EDPS on the status of PMO as separate controller.

On **compliance with data protection principles**, **PMO** should:

- regarding the principle of 'transparency and accountability', regularly review and update its personal data records, the corresponding privacy statements (which have to be effectively communicated to the data subjects) and the data protection impact assessment (where required);

- regarding the principle of 'data minimisation', for the processing operation of missions' management, share with the travel service provider only the personal data of staff members going on mission;
- regarding the principle of 'storage limitation': unambiguously state the retention period in its personal data records and privacy statements, adopt a procedure for the regular deletion of personal data as soon as the applicable retention period has elapsed, perform a screening of all personal data processed by PMO for which the retention period has elapsed and proceed with the deletion of these data without delay; and
- regarding the principle of 'confidentiality': use channels for the exchange of personal data that ensure an adequate level of security, ensure that any persons who are given access to personal data by PMO within their processing operations sign appropriate declarations of confidentiality and liaise with DG HR to limit personal data disclosures to the relevant members of the Comité de Gestion du Regime Commun d'Assurance Maladie.

On **IT controls** to ensure the integrity, confidentiality and availability of personal data, **PMO** should:

- update its IT security risk assessments and IT security plans to address the gaps and errors identified by the auditors;
- only use production data in production and acceptance environments;
- develop a logging and monitoring policy and procedure applicable to all environments (i.e. production and non-production) and PMO applications;
- develop a password policy/procedure applicable to all PMO applications and raise awareness on such policy/procedure;
- finalise the implementation of the on-going security activities for all PMO systems and report to senior management on their implementation;
- establish a well-defined phase-out process and deliverables/artifacts required, including a clear retention period and a procedure for deletion of data for databases of decommissioned applications.

Additional information provided by PMO on the measures defined and/or implemented following the Internal Audit Service audit

The PMO has submitted an action plan that has been accepted by the IAS in December 2024. The implementation of the recommendations is on track. Four out of the seven recommendations will be implemented before end of June 2025. Other actions require a longer implementation period because they involve IT developments and/or cooperation with other services.

The most urgent and/or important actions have already been implemented, in particular in relation to the accountability, roles and responsibilities, the rights of data subjects and the handling of personal data breaches. Regarding IT controls, the PMO has planned the necessary tasks to implement this recommendation, of which 40% will be completed by the end of 2025 and the rest by the end of 2026.

1.21. Audit on procurement (DG SCIC)

The objective of the audit was to assess if the governance, risk management and internal control framework set-up by SCIC for its procurement activities is adequately designed, efficient and effective and provides reasonable assurance that the key internal control objectives are achieved.

There are no observations/reservations in the 2023 Annual Activity Report of DG SCIC that relate to the area/process audited.

The fieldwork was finalised on 18 September 2024.

The IAS noted the efforts made by DG SCIC to improve its internal control framework for procurement activities.

More specifically, the IAS welcomed the existence of a network of Financial Correspondents (FCN) in SCIC, which is chaired and coordinated by Unit SCIC C.2 (Budget and Financial Management). The FCN is composed of staff from the Budget and Financial Management unit as well as from the operational units dealing with finance and procurement files. The FCN has proved to be an effective tool for the effective functioning of the procurement activities by disseminating relevant information, including on procurement aspects, in a timely manner (for example on procurement training), sharing best practices or drawing lessons from common errors as well as raising awareness on anti-fraud measures and ethical matters.

The IAS did not formulate any critical or very important recommendations.

Information technology

1.22. Limited review of SUMMA in preparation for 'going live' (DG BUDG)

The objective of the limited review was to assess whether DG BUDG has put in place appropriate controls to address the main risks regarding the transition from ABAC to SUMMA ([15]).

There are no observations/reservations in the 2023 Annual Activity Report of DG BUDG that relate to the area/process audited.

The fieldwork was finalised on 20 February 2024. All observations and recommendations relate to the situation as of that date.

The auditors recognised the ongoing efforts made by DG BUDG to bring the SUMMA programme to a successful completion. In addition, we noted a number of good practices as follows:

- A regular and well-established series of programme management meetings and various business, technological and organisational activities which aim to ensure close monitoring and reporting on potential issues.
- An increased formalisation of responsibilities and closer collaboration between DG BUDG and other Commission departments owning the IT systems to be integrated with SUMMA since July 2023.
- Data migration activities aiming at achieving high levels of data quality and data migration script success rates, regularly sharing the status, and providing a transparent status of open transactions / issues to the departments.
- An extensive range of various training activities and support materials / techniques available to current / future SUMMA users.
- A change management network defined, established and steered by DG BUDG applying the lessons learned and feedback from 2023 activities.
- The synergy between a broad user acceptance testing involving several hundreds of users across the Directorates-General, to thoroughly test the system and at the same time allow an early understanding at Directorate-
- General level of the changes to be expected at working level.
- The performance of various IT security tests, such as an SAP security audit, vulnerability scans and penetration testing, aimed at supporting the identification and correction of key IT security vulnerabilities.
- A continuous communication on SUMMA programme activities and progress per various streams to Commission staff and specific working groups.

The IAS identified three very important issues concerning the monitoring of the readiness of the SUMMA solution, the integration of local IT systems and the IT security and formulated three very important recommendations.

On **monitoring of** the **readiness of the SUMMA** solution**, DG BUDG** should:

- perform a cleaning exercise to obtain a complete and up-to date status of the functional requirements and defects. Coupled with other monitoring work plans, this should in turn enable the identification of what remains to be finalised, making a clear distinction between mandatory requirements and non-mandatory improvements. In the event of any potential blocking issues,

([15]) Tools for accrual based and budgetary accounting.

which could impact the January 2025 go-live decision, these should be clearly communicated in the upcoming SUMMA Steering Committees.

On **integration of local IT systems, DG BUDG** should:

- clarify the final list of IT systems to be integrated with SUMMA and report the list to the SUMMA Steering Committee. It should strengthen the existing close monitoring arrangements to include the status on acceptance testing, training and change management activities (once these phases are reached). In the event that any delays are identified which could pose a significant risk to the go-live of an integrated system appropriate contingency plans should be defined.

On **IT security, DG BUDG** should:

- update and formally approve the IT security risk assessment and IT security plan which should cover the complete scope of SUMMA IT system before the go-live (January 2025). In line with that assessment, defined IT security measures should be implemented before the go-live, or residual risks above the risk acceptance criteria should be formally identified and a roadmap should be adopted for implementing the missing IT security measures. It should report on a regular basis IT security activities related to SUMMA (for example risks, status of security measures) to the SUMMA Steering Committee. It should also formalise data protection impact assessments and update data processing records for SUMMA.

Additional information provided by DG BUDG on the measures defined and/or implemented following the Internal Audit Service audit

Three very important recommendations were reported as implemented by DG BUDG, and one of them has been reviewed and closed by the IAS (on monitoring of the readiness of the SUMMA solution). Two recommendations concern the integration of local IT systems and the IT security, and they are being reviewed by the IAS.

1.23. Audit on IT financing framework (DG DIGIT)

The objective of the audit was to assess: (1) the adequacy of the design and the effective implementation of the control framework put in place by DG DIGIT for the management of the baseline IT services and of the charge-back processes, including the adequacy of the tools to effectively monitor and report on these activities; and (2) whether the current IT financing framework is adequate to enable DG DIGIT to deliver sustainable corporate IT services going forward.

The fieldwork was finalised on 7 June 2024. All observations and recommendations relate to the situation as at that date.

The IAS noted the significant progress made by DG DIGIT in the last few years to drive and facilitate the digital transformation of the Directorates-General and of the Commission as a whole, exploiting the capabilities offered by the digital technologies. In 2023, DG DIGIT continued to develop the corporate IT infrastructure, with a particular emphasis on cloud. This has led to the Directorates-General migrating their existing information systems to the cloud.

DG DIGIT has also improved its services as regard the Digital Workplace (DWP). For example, in 2023, it completed the rollout of the WELCOME domain (i.e. the digital environment of the Commission designed for remote and hybrid work), to all headquarter staff.

The above initiatives are particularly important considering the limitations of the current IT financing framework and are aligned with the positive results of the 2023 annual DG DIGIT survey, with 94% of staff satisfaction with the IT helpdesk, 86% with corporate equipment and 91% of overall satisfaction with the Digital Workplace services.

The IAS identified one very important issue concerning the concept of baseline IT services and the adequacy of the current IT financing framework to deliver sustainable corporate IT services going forward and formulated one very important recommendation.

On the **concept of baseline IT services and the adequacy of the current IT financing framework, DG DIGIT,** in cooperation with **DG BUDG and the SG**, should:

- in the context of the preparation of the next multi-annual financial framework, assess whether the current IT financing framework is still fit for purpose and if not, propose a more agile and flexible IT financing framework, considering the current context (budgetary constraints and inflationary pressure), the expected challenges (increasing demand of IT services), and the EC Digital Strategy priorities. This analysis should include an assessment on whether the current concept of baselines for IT services is still relevant and if so, for which IT services.

  To have a good basis for the above analysis, **DG DIGIT** should first **strengthen** the following elements:

  — its costing model to be able to calculate the total IT costs and show to the Information Technology and Cybersecurity Board and customers the evolution of those costs as well as to have a sound cost-based process for the charged-back amounts;

  — the reporting to the Information Technology and Cybersecurity Board to provide comprehensive information on the evolution of 'baselines IT services' for an efficient decision-making process by the Information Technology and Cybersecurity Board and a timely identification of potential budget gaps; and

  — the IT tools supporting the management of the IT financing to ensure data integrity, effective access management and security of the IT tools.

Additional information provided by DG DIGIT on the measures defined and/or implemented following the Internal Audit Service audit

DIGIT prepared and submitted an action plan, which was accepted by the IAS in January 2025. DIGIT is implementing the action plan according to the agreed target dates (Q2 2025 for the 'very important' recommendation), therefore mitigating the related risks. In coordination with the SG and DG BUDG, DIGIT is currently working on a proposal for a revised IT financing framework to address the 'very important' recommendation issued.

Part 2
Follow-up engagements

Audits for which some recommendations remain open

2.1. Audit on the design and set-up of the Digital Europe Programme in DG CNECT and HaDEA

Follow-up performed in DG CNECT

Based on the results of the two follow-up audits, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendation No 1 (important): preparation of the work programmes and calls; synergies with other programmes
- Recommendation No 2 (important): evaluation process
- Recommendation No 4 (very important): conflict of interests and ethics
- Recommendation No 5 (important): conflict of interests and ethics
- Recommendation No 7 (important): checks on financial capacity and ownership control assessment for restricted calls

All recommendations from this audit addressed to DG CNECT have been closed.

Follow-up performed in HaDEA

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 3 (important): evaluation process

2.2. Audit on preparedness of the management and control systems regarding the implementation of the Citizens, Equality, Rights and Values (CERV) and Justice programmes in DG JUST and EACEA

Follow-up performed in DG JUST

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 2 (important): selection of experts – evaluation of the proposals and structure of the evaluation reports.

Follow-up performed in EACEA

Based on the results of the two follow-up audits, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendation No 1 (important): calls for proposals with financial support to third parties (regranting)
- Recommendation No 3 (important): selection of experts - evaluation of the proposals and structure of evaluation reports

- Recommendation No 5 (important): financial capacity checks and risk monitoring

All recommendations from this audit addressed to EACEA have been closed.

2.3. Audit on crisis communication in DG COMM, DG ECHO, DG SANTE and the SG

Follow-up performed in DG COMM

Based on the results of the follow-up audit, the IAS concluded that the following recommendations were adequately and effectively implemented :

- Recommendation No 2 (important): capacity building – exercising
- Recommendation No 3 (important): capacity building – training

2.4. Audit on European Commission actions against food fraud in DG AGRI, OLAF and DG SANTE

Follow-up performed in DG AGRI

Based on the results of the two follow-up audits, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendation No 1 (very important): allocation of tasks between DG AGRI and DG SANTE as regards organic food products
- Recommendation No 2 (very important): screening of notifications and monitoring of detected potential issues in Member State control systems

Follow-up performed in DG SANTE

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 3 (very important): screening of notifications

The recommendation below was not fully and/or adequately implemented:

- Recommendation No 5 (downgraded from very important to important): address weaknesses in the integrated rapid alert system for food and feed (iRASFF)

To address the issues identified, DG SANTE improved the links made between the three networks and updated the iRASFF privacy statement. It also defined an access control policy/procedure.

However, the auditors found that while progress had been made to ensure appropriate user access rights in iRASSF, some weaknesses remained.

2.5. Audit on the implementation of the Innovation Fund in DG CLIMA and CINEA

Follow-up performed in DG CLIMA

Based on the results of two follow-up audits, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 1 (very important): establishment of the evaluation committee and evaluation by external experts

All recommendations from this audit addressed to DG CLIMA have been closed.

Follow-up performed in CINEA

Based on the results of the follow-up audit, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendation No 2 (very important): establishment of the evaluation committee and evaluation by external experts
- Recommendation No 4 (very important): other elements pertaining to the evaluation process
- Recommendation No 5 (important): redress procedures

The recommendation below was not fully and/or adequately implemented:

- Recommendation No 3 (downgraded from very important to important): management of conflict of interests (CoI) in the evaluation process

While CINEA had adequately implemented most of the recommendation in relation to the management of CoI in the evaluation process for the Innovation Fund, there remained a need for further clarification in the guidelines on ethics rules and conflict of interests for CINEA staff.

2.6. Audit on the management of public cloud services in DG DIGIT, DG HR and the SG

Follow-up performed in DG DIGIT

Based on the results of follow-up audit, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendation No 2 (very important): cloud security services
- Recommendation No 4 (important): public cloud service provider performance measurement and reporting

The recommendation below was not fully and/or adequately implemented:

- Recommendation No 3 (important): cloud-related IT security risk management tool (GovSec)

DG DIGIT has successfully integrated the GovSec modules for risk management (IT security risk management) and data protection impact assessment functionalities into the existing IT Security Governance, Risk and Compliance tool). This has enhanced cloud risk management by facilitating risk assessment, control tracking and compliance with security and data protection rules. Additionally, DG DIGIT has actively engaged business representatives and key stakeholders through the GovSec Steering Committee and Cybersecurity Policy Implementation Community meetings, promoting discussions on IT security. However, DG DIGIT did not address the audit recommendation to propose to the Information Technology and Cybersecurity Board to formally endorse GovSec (or any other equivalent application) as the corporate tool for IT security risk management, nor to mandate its full use for all system owners in conformance with the IT security risk management methodology.

2.7. Audit on IT security management in the HR family - DG DIGIT, DG HR, EPSO and PMO

Follow-up performed in DG HR

Based on the results of the two follow-up audits, the IAS concluded that the recommendation below was not fully and/or adequately implemented:

- Recommendation No 1 (downgraded from very important to important): IT security governance

DG HR has made significant progress in implementing the recommendation. The inventory of information systems is regularly updated, and IT security compliance is monitored and periodically reported to the IT Steering Committee. Additionally, the IT security roles and responsibilities have been reviewed and agreed between DG HR and DG DIGIT. Moreover, DG HR assigned the system owners and system security officers to all its information systems and documented the security plans for SYSPER ([16]) and COMREF ([17]), together with their implementation roadmaps. According to these two roadmaps, progress has been made to implement security controls for both information systems. The controls were expected to be fully implemented by the end of 2024.

2.8. Audit on the protection of personal data under the responsibility of DG RTD (CIC), CINEA, EACEA, EISMEA, ERCEA and REA

Follow-up performed in DG RTD (CIC)

Based on the results of the follow-up audit, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendation No 2 (very important): transfer of personal data to third countries
- Recommendation No 3 (important): retention of digital and paper files

The recommendation below was not fully and/or adequately implemented:

- Recommendation No 1 (downgraded from very important to important): controllership of the funding and tenders' portal (FTOP)

DG RTD and the audited executive agencies signed the joint controllership agreement covering the processing in the FTOP. During its 45th meeting on 24 November 2023, the eGrants and eProcurement Steering Board, which is the overarching governance body for the FTOP, created a new data protection task force. The task force decided to follow the recommendations of the Data Protection Officer of the Commission and to publish individual corporate records for each processing activity (for example participant registration, external experts) instead of a single record covering all activities. The records will be listed in Annex III of the joint controllership agreement. Some of these corporate records already exist but need to be updated whilst others need to be created to reflect the joint controllership agreement and any processing changes that have taken place in the meantime in the FTOP. Until all records covering corporate processes are created, updated and listed in Annex III, the risks related to the data processing in FTOP are only partially mitigated.

Follow-up performed in ERCEA

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

([16]) Corporate HR management system.
([17]) Data hub between Sysper and other IT systems disseminating HR master data.

- Recommendation No 2 (important): record management

The recommendation below was not fully and/or adequately implemented:

- Recommendation No 1 (important): controllership of the funding and tenders portal

The Director of ERCEA signed the joint controllership agreement covering the processing in the FTOP.

During its 45th meeting on 24 November 2023, the eGrants and eProcurement Steering Board, which is the overarching governance body for the FTOP, created a new data protection task force. The task force decided to follow the recommendations of the Data Protection Officer of the Commission and to publish individual corporate records for each processing activity (for example participant registration, external experts) instead of a single record covering all activities. The records will be listed in Annex III of the joint controllership agreement. Some of these corporate records already exist but need to be updated whilst others need to be created to reflect the joint controllership agreement and any processing changes that have taken place in the meantime in the FTOP. Until all records covering corporate processes are created, updated and listed in Annex III, the risks related to the data processing in FTOP are only partially mitigated.

2.9. Audit on interruptions, suspensions and financial corrections for European Structural and Investment Funds 2014-2020 by DG EMPL, DG MARE and DG REGIO

Follow-up performed in DG MARE

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 14 (important): monitoring and reporting on interruptions, suspensions, financial correction processes

All recommendations from this audit addressed to DG MARE have been closed.

2.10. Audit on the preparedness for closing the 2014-2020 programming period of the European Structural and Investment Funds in DG EMPL, DG MARE and DG REGIO

Follow-up performed in DG REGIO

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 4 (very important): planning of the closure exercise

2.11. Audit on the management of recovery orders for competition fines (incl. guarantees for competition fines) and for recovery orders in the context of the Commission's 'corrective capacity' – Phase II

Follow-up performed in DG BUDG

Based on the results of the two follow-up audits, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 1 (important): overall coordination and monitoring

The recommendation listed below was not fully and/or adequately implemented:

- Recommendation No 2 (downgraded from very important to important): dealing with insolvencies and bankruptcies

This recommendation comprises four sub-parts, out of which three have been implemented. The following sub-point remains open:

In February 2024, the Commission adopted 'An enhanced corporate strategy for the management of the Commission's debtors. Its purpose is to increase the chances of recovery of the Commission's claims on behalf of the Union, by speeding up the recovery process. It introduces four strategic measures, namely: (1) recovery performance standards, which quantify the existing requirements of the Financial Regulation; (2) transparent compliance monitoring and reporting, allowing for comparisons of performance and enhanced monitoring; (3) reinforced accountability, with corporate escalation mechanisms; and (4) synergies and efficiencies brought by partial centralisation, including combined waiver decisions.

DG BUDG provides information on the financial situation (i.e. beyond any latest published annual accounts and creditworthiness from commercial databases) for overdue debtors to enable Authorising Officers to take preventive and mitigating measures. As per the above corporate strategy, this information might be extended 'In the future possibly also on risky contractors and beneficiaries, or even on all legal entities (which are private law bodies) that have an ongoing contract or grant agreement with Commission departments.'

While the IAS acknowledged the efforts and progress made by DG BUDG to implement this point, the risks identified during the audit have not yet been fully mitigated for all categories of contractors and beneficiaries, as not all of them are currently being included in the process of exchange of information about their financial situation.

Nevertheless, the IAS concluded that the actions taken, together with those which are currently ongoing or planned, effectively reduce the risks initially identified regarding the lack of an effective and efficient exchange of information on insolvencies/bankruptcies between Commission services, together with weaknesses in the preventive and detective controls over the liquidity status of legal entities.

2.12. Audit on the physical security of persons and assets in the Commission – DG COMM, DG DIGIT, DG HR, OIB and OIL

Follow-up performed in DG COMM

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 2 (very important): governance framework and organisational arrangements for physical security at the Commission – DG COMM

The recommendation below was not fully and/or adequately implemented:

- Recommendation No 4 (very important): risk management framework for physical security at the Commission – DG COMM

The IAS acknowledged that some progress has been made to implement the above action plan but one point need to be addressed by DG COMM and HR.DS jointly with the European Parliament in December 2023.

According to recent information provided in February 2025 by DG COMM (after the cut-off date for this report), DG COMM, jointly with HR.DS, discussed the matter further with the European Parliament and a pragmatic solution was identified with the Parliament. The IAS will follow up the effective implementation of this action in due time.

Follow-up performed in DG HR

Based on the results of the follow-up audit, the IAS concluded that the following recommendations were not fully and/or adequately implemented:

- Recommendation No 3 (very important): risk management framework for physical security at the Commission – DG HR

While the IAS acknowledged that some progress has been made in the implementation of the action plan, the recommendation has not been fully implemented. Besides the point mentioned above in cooperation with DG COMM and the European Parliament, another one related to the implementation of a new IT platform was delayed because of data protection issues linked to the platform initially chosen by the Secretariat General.

- Recommendation No 5 (downgraded from very important to important): internal control measures for physical security

While the IAS acknowledged that some progress has been made in the implementation of the above action plan, the recommendation has not been fully implemented. In particular, a feasibility study regarding landlines was not implemented as it was not considered effective. to have one sole emergency number across all sites. In addition, some key performance indicators were prepared but not finalised yet.

Other actions have been adequately addressed. In particular, DG HR updated the crisis manual, developed key performance indicators, a dashboard and a governance structure to oversee the guards service and reviewed and updated the standard operating procedures for the security inspections, which were endorsed by the Director of Security.

In conclusion, the actions taken by DG HR (together with those on-going), reduce the risks initially identified regarding weaknesses in the internal control measures for physical security.

2.13. Audit on the review of the Commission's risk at payment in DG AGRI, DG BUDG, DG EMPL, DG INTPA, DG NEAR, DG REGIO, DG RTD, EISMEA, ERCEA and REA

Follow-up performed in DG RTD, EISMEA, ERCEA and REA

Based on the results of the follow-up audit, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendations No 3 (DG RTD), No 4 (REA), No 5 (ERCEA) and No 6 (EISMEA) (very important): analysis and (internal) reporting of the root causes of error in relation with the ECA's findings

All recommendations from the review on the Commission's risk at payment addressed to DG RTD, EISMEA, ERCEA and REA have now been closed.

2.14. Audit on the performance framework for research

Follow-up performed in DG RTD

Based on the results of the follow-up audit, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendation No 1 (important): monitoring and performance of Horizon 2020
- Recommendation No 2 (very important): reporting on Horizon programmes
- Recommendation No 3 (important): completeness of the performance framework
- Recommendation No 4 (important): Horizon Europe – objectives and indicators
- Recommendation No 5 (important): Horizon Europe – controls on data and guidance
- Recommendation No 6 (important): Horizon Europe – missions

The recommendation below was not fully and/or adequately implemented:

- Recommendation No 7 (important): partnerships

DG RTD established two working groups to further refine the monitoring and performance framework for European partnerships, namely:

— the Partnership Knowledge Hub, gathering as observers the representatives of EU Member States and associated countries, and the 49 EU partnerships, to allow enhanced cooperation and coordination with the partnerships;
— a dedicated working group gathering the representatives of the units in DG RTD and in the other partner Directorates-General in charge of EU partnerships, to facilitate the exchanges of information and coordination on the partnerships.

Moreover, it published the second biennial monitoring report on European partnerships in September 2024.

However, the main parts of the recommendation have not been implemented. In particular: The current 'Guidance on the development of key performance indicators for European partnerships, including baseline and target setting' developed by DG RTD, does not:

— formulate clear definitions for the terminology used in specific objectives;
— link the partnerships specific impact pathways with the key impact pathways;
— provide a robust methodology for target setting and clarify the approach as regards the data collection requirements and controls for the partnerships' common indicators;

There is no written agreement with the partnerships on the relevant data to be made available and on the data collection requirements and controls for the partnerships' common indicators.

In addition, the 2024 biennial monitoring report has brought forward a growing gap between partnerships' input (both in quantity and quality) regarding their performance and the monitoring. This resulted in only a minority of partnerships presenting a fully completed key performance indicator table.

2.15. Audit on the pillar assessment in the external action family – DG BUDG, DG ECHO, the FPI, DG INTPA and DG NEAR

Follow-up performed in DG BUDG

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 12 (important): substantive changes

2.16. Audit on indirect management with entrusted entities in DG INTPA and DG NEAR

Follow-up performed in DG NEAR

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was not fully and/or adequately implemented:

- Recommendation No 6 (important): risk-based ex ante checks

The IAS recommended DG NEAR to use available sources of information to centrally identify systemic issues that would warrant intensified checks before the clearing, final payment or recovery and to inform EU Delegations and headquarters units about such systemic issues and instruct them when and how to perform intensified checks.

To address this recommendation, DG NEAR planned to 'design an annual process in order to analyse issues encountered in its cooperation with IMEEs […]' and to 'formulate suitable follow-up measures (including intensified/more frequent checks) when issues of a systemic nature are identified'.

Although DG NEAR has put in place an annual process to analyse such issues, the IAS review of DG NEAR's 2021 and 2022 annual analysis identified gaps in relation to the formulation of 'suitable follow-up measures' for issues of a systemic nature. More specifically, the main actions are fairly vague and not defined in a 'SMART' (specific, measurable, attainable, realistic and time-bound) way, which limits DG NEAR's ability to monitor their effective implementation to ensure that such issues will not occur again in the future.

2.17. Audit on the implementation of bilateral trade agreements in DG AGRI, DG ENV and DG TRADE

Follow-up performed in DG AGRI

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 1 (important): division of responsibilities and guidance on implementation of bilateral trade agreements

Follow-up performed in DG TRADE

Based on the results of the follow-up audit, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendation No 1 (important): guidance related to the implementation of bilateral trade agreements
- Recommendation No 2 (important): overview of cooperation structures and of ongoing cooperation with third countries
- Recommendation No. 3 (important): functioning of the committees
- Recommendation No. 4 (important): transparency - publication of agreement-related information
- Recommendation No. 5 (important): document management related to bilateral trade agreements
- Recommendation No. 6 (very important): use of ex post evaluations and supporting studies to improve the implementation of bilateral trade agreements
- Recommendation No. 8 (very important): trade barriers

2.18. Audit on contractual expenditure verifications in the FPI, DG INTPA and DG NEAR

Follow-up performed in DG INTPA

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation *No* 4 (important): quality review of contractual expenditure verification reports

The recommendations listed below were not fully and/or adequately implemented:

- Recommendation No 1 (important): identification of transactions subject to contractual expenditure

The IAS recommended to DG INTPA to review the risk assessment criteria and thresholds that trigger mandatory contractual expenditure verifications to ensure they remain suitable.

The IAS acknowledged the work done by DG INTPA to determine new thresholds for mandatory contractual expenditure verifications. The Directorate-General fixed the threshold for grants and fee-based service contracts at EUR 325 000, lowered the high-value contract threshold from EUR 5 000 000 to EUR 3 000 000, and exempted low-risk global price service contracts from mandatory contractual expenditure verifications or agreed upon procedures. However, these thresholds are not yet in place as the external action Directorates-General have not yet adopted and enforced the new model grant agreement.

- Recommendation No 2 (important): procedure for selecting external auditors

The recommendation called for an update of the terms of reference, to ensure that external auditors proposed to carry out contractual expenditure verifications have the necessary knowledge and experience in verifying EU expenditure. It also required to establish guidance for the finance and contracts teams on the approval process of the external audit firm and clear criteria for rejecting candidates.

DG INTPA has updated the terms of reference. However, the guidance for finance and contracts teams on the approval process is not complete. In particular, it lacks specifics on who should approve the audit firm, the source documents for approval, the types of supporting documents to review, and examples of situations where a proposed external auditor should be rejected.

- Recommendation No 3 (very important): objective and design of contractual expenditure verifications as a control

The IAS recommended to: (1) clarify the objective of the contractual expenditure verifications as a control; (2) revise the risk assessment template and sampling methodology for external auditors; and (3) revise the terms of reference template for contractual expenditure verifications to clearly describe verification procedures, and listing, where relevant, supporting documents for external auditors, and including standardised answers for auditors' conclusions.

DG INTPA has revised the terms of reference, which now clearly states the objective of the contractual expenditure verifications, includes a revised sampling methodology and contains detailed work programmes and guidelines for the external auditors. The changes were communicated to the EU Delegations and relevant Directorates-General.

However, the IAS assessed that, points (2) and (3) of the original recommendation have not yet been effectively implemented. In particular:

- Risk assessment methodology and sampling methodology (point (2)):
  - the revised terms of reference do not state how the sample should be selected, i.e. whether it should be risk-based, random, or follow another methodology (i.e. monetary unit sampling). Hence, verifiers may select low-risk, non-problematic transactions to minimise reporting and validation efforts, reduce time spent on verification and increase profit margins;
  - the sample size indicated in the terms of reference is small and not defined to enable the contractual expenditure verifications to be a robust control (i.e. 10% of total expenditure in most cost categories (HR, travel, and other costs, services) and 20% of total expenditure for equipment or between 5, 10 and 20 transactions whichever number is the highest). This leads to a smaller sample size than the one used in DG RTD's certification of financial statements, which DG INTPA claimed to use as benchmarked methodology;
  - the sampling instruction requires the external auditor to consider 'whichever number is the highest' between the number of transactions and the percentage of total costs declared. This instruction is unclear as the two elements (number of transactions and total costs) are not comparable;
  - there is still no requirement for the verifiers to extend the sampling if errors exceed a certain threshold.

Moreover, the internal procedures (i.e. the Companion) have not be amended to specify what should be done if a contractual expenditure verification identifies a significant number of errors.

- Terms of reference: work programme, documentation and guidelines (point (3)):
  - the ISRS 4400 principles for agreed upon procedures states that 'the procedure and the related findings should be clear, not misleading and not subject to varying interpretations' ([18]), however the revised terms of reference leaves the external auditor to 'apply this guideline to tailor working papers as appropriate'. This does not remove ambiguity and does not ensure consistency in the work performed by the verifiers;
  - the terms of reference mentions the existence of an 'applicable Practical Guide' for procurement procedures, but it does not clarify what this guide is about. Moreover, the provisions in the terms of reference for the check on the procurement procedures are not aligned with the actual contractual requirements for procurement in force (i.e. Annex IV of the grant contract);
  - as in the previous version, the terms of reference do not require the verifier to clearly document and report the results of each procedure applied, including population sizes and items tested, to ensure transparency and the possibility to review the work done by the verifier to increase transparency and the ability to assess the quality of the work performed by verifiers.

2.19. Limited review on data protection in DG ECHO, the FPI, DG INTPA, DG NEAR, DG TRADE and DG TAXUD

Follow-up performed in DG ECHO, DG INTPA, DG NEAR, DG TRADE, DG TAXUD and the FPI

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 1-6 (Important): international data transfers

([18]) Point 22 (c) in chapter: 'Engagement, Acceptance and Continuance – International Standard on Related Services (ISRS) 4400', April 2020

The aforementioned recommendations from the limited review addressed to the 5 DGs and the FPI have now been closed.

2.20. Limited review of SUMMA in preparation for 'going live' in DG BUDG

Based on the results of the follow-up audit, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendation No 1 (very important): monitoring of the readiness of the SUMMA solution
- Recommendation No 7 (important): programme management and contingency planning

The recommendations listed below were not fully and/or adequately implemented:

- Recommendation No 2 (very important): integration of local IT systems, with original target date for implementation of 31 December 2024

At the time of the IAS follow-up note issued on 13 November 2024, the list of IT systems to be integrated with SUMMA is defined and all the systems considered as high-risk are monitored and presented to the SUMMA Steering Committee.

In relation to the progress towards the finalisation of the integration, close monitoring has been established. Testing is progressing on all integrations and DG BUDG informed the Steering Committee on 16 October that there are no blocking points for the go-live (though defects were identified during the testing process and are getting resolved or mitigation measures are being defined). Several systems are at risk of delay with further testing to be done by the end of November 2024. The IAS invited DG BUDG to continue monitoring closely the integrations progress, and the identification and presentation of the risks related to any delay. The preparation of the necessary contingency plans for the business processes that may not be fully supported by the integrations at the time of the go-live will also have to be closely monitored.

- Recommendation No 3 (very important): IT security, with original target date for implementation of 31 December 2024

The data protection impact assessments have been performed and the data processing record and privacy statement have been updated. The record and privacy statement are in the workflow to be validated by the data protection coordinator and the data protection officer (DPO) before final publication in the DPO register.

The IT security risk study and IT security plan have been drafted but not yet formally approved. The list of security measures to be implemented as a result of the risk study have also been defined. Through the review of the received documents, the IAS has noticed several concerns related to asset modelling (linking assets with the primary assets), impact levels, risk acceptance criteria level and status as well as timeline of implementation of defined IT security measures. The IAS invited DG BUDG to communicate the risks with their levels to the system owner / accounting officer / DG BUDG Director-General for risk approval and acceptance.

- Recommendation No 4 (important): data migration, with original target date for implementation of 31 December 2024.

Data quality of the Commission departments is continuously improving and on 12 November 2024 (based on the Qlik Sense Data quality – SUMMA Readiness Monitoring dashboard), all but one of the departments met the score of 99% for SUMMA readiness and all but four had less than 100 pending corrections for SUMMA data quality issues. However, these scores can be evolutive as new transactions are encoded and therefore, regular monitoring is required until the go-live.

Regarding data migration scripts, their readiness is improving every month, as presented in the SUMMA Steering Committee, however it still does not reach the defined target of 90%. The last migration tests were ongoing until the end of October (in the migration environment) and should continue until the end of November (in preproduction environment).

The IAS invited DG BUDG to continue close monitoring and communicating to the SUMMA governance bodies and the Commission departments the data quality of the department's transactions as well as continue improving the data migration scripts to reach the target levels.

- Recommendation No 5 (important): training activities, with original target date for implementation of 31 March 2025.

Training is established and provided with regular monitoring by DG BUDG on number of staff trained. Training materials are available and updated in function of the needs. The statistics and cases of high cancellation percentage are shared with the Commission departments, asking for feedback to know whether the number of relevant staff to be trained needs to be updated. Progress in the number of staff trained is visible, but the targets defined are not yet reached. The IAS invited DG BUDG to continue monitoring and communicating to the SUMMA governance bodies and to the Commission departments the progress in the number of relevant staff trained.

Regarding the possibility to establish a playground environment for SUMMA users, the analysis has been made and few options have been provided. However, the final decision is still pending.

- Recommendation No 6 (important): change management activities, with original target date for implementation of 31 December 2024.

Change management risks have been identified, assessed and mitigation measures are defined and ongoing for the majority of the risks. The SUMMA readiness indicator reported in the SUMMA Steering Committee shows that the target of having more than 90% of critical residual risks with mitigation measures has been achieved.

The network of change management coordinators in DG BUDG has now been established and an activation lab meeting (i.e. kick-off meeting) has occurred. The coordinators have been invited to the monthly change coordinators touchpoint.

The IAS invited DG BUDG to continue monitoring and communicating to the SUMMA governance bodies and to the Commission departments on change management risks and the related mitigation measures before and after the go live.

2.21. Limited review of the security plan and associated security measures of the EU emissions trading system (ETS) information system managed by DG CLIMA

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 1 (very important): information technology (IT) security plan

2.22. Audit on the CASE@EC project in DG COMP

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 5 (important): registration process

2.23. Audit on human resources management in DG COMP

Based on the results of the two follow-up audits, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 1 (important): HR strategic management

2.24. Audit on public procurement in DG DIGIT

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 4 (important): risk assessment of the procurement processes

The recommendation below was not fully and/or adequately implemented:

- Recommendation No 5 (important): controls in pre-tendering and tendering phases (ex ante)

This recommendation comprises five sub-points, out of which four have been implemented considering the actions taken as follows:

- DG DIGIT strengthened its pre-tendering activities by requesting its clients to base their budget estimates as much as possible on more detailed/updated data (for example lists of projects/activities and the associated budget). More specifically, DG DIGIT updated its template note to the EU Institutions prior to the launch of a procedure with additional instructions on estimates of future needs and more detailed data to be provided;
- DG DIGIT strengthened and documented the controls on low value procedures and very low value procedures by using the public procurement management tool for those procedures, thus allowing for a centralised planning and supervision. As from September 2022, the use of the public procurement management and e-submission tools has been made obligatory for the low value and very low value procedures. New guidelines, templates and workflows have also been developed to assist DG DIGIT's staff members when managing these procedures;
- DG DIGIT reviewed the DIGIT Procurement Board's terms of reference to monitor and ensure compliance with the applicable deadlines to avoid delays in contracting and potential disruptions in the operational activities. In particular, the revised terms of reference establish a regular reporting to the DIGIT Procurement Board, including an overview of the status of procedures in preparation. According to Article 5.3 of the revised rules, as a standing point in the agenda for each meeting, the DIGIT Procurement Board reviews DIGIT's rolling procurement programme;
- DG DIGIT uses the monitoring tools currently available (for example ABAC and contractors' reports) to identify major consumption deviations early enough to launch new procurement procedures. DG DIGIT's objective is to have more efficient tools available in e-procurement for consumption monitoring. In this context, DG DIGIT is currently discussing with multiple EU Institutions on their future use of e-procurement, which would enable a wider visibility for consumption monitoring.

Regarding the sub-points not fully implemented, the action plan required DG DIGIT to present its needs (which are also corporate) to the members of the Grants and Procurement Steering Board in order to agree on a specific action plan and timeline to satisfy those needs. While IAS acknowledges that DG DIGIT adopted the eProcurement paper on DIGIT needs and the necessary functionalities to address those needs, the timeline to satisfy those needs has not yet been agreed with the parties concerned. Currently, discussions are foreseen, and the timeline is expected to be endorsed by the Grants and Procurement Steering Board in 2025.

2.25. Audit on the effectiveness of the protection of personal data of beneficiaries of and participants in the Erasmus+ and European Solidarity Corps programmes managed by DG EAC

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 1 (downgraded from very important to important): information to Erasmus+ participants during personal data collection

2.26. Audit on human resources management in DG ECFIN

Based on the results of the follow-up audit, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendation No 6 (important): staff allocation
- Recommendation No 7 (important): monitoring and reporting

2.27. Limited review of the Recovery and Resilience Facility control and audit strategies in DG ECFIN

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 1 (important): design of control and audit strategy

2.28. Audit on the financial management of Humanitarian Aid under indirect management in DG ECHO

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 3 (important): verifications of UN/IO

2.29. Audit on the effectiveness and efficiency of Eurostat's performance management system – DG ESTAT

Based on the results of the follow-up audit, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendation No 1 (important): activities and outputs
- Recommendation No 3 (important): planning, monitoring and reporting

2.30. Audit on performance management in the FPI

Based on the results of the two follow-up audits, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 2 (important): quality of objectives and indicators

The recommendations below were not fully and/or adequately implemented:

- Recommendation No 1 (downgraded from very important to important): performance management framework

The IAS reviewed the actions taken by the FPI for the three sub-points and concluded that two of them have been effectively implemented, while for the third one some actions are still to be finalised. The detailed assessment is presented here below:

- The IAS recommended the FPI to assign a central coordination role for developing, monitoring and steering the performance management framework, together with sufficient human resources.

Responsibility for developing, updating, monitoring and steering of the performance management framework has been centralised in Unit FPI.4 'Budget, Finance, Relations with other Institutions'. The unit oversaw the revision of the FPI results framework in the light of the FPI strategic plan 2020-2024 and of the new instruments under the 2021-2027 Multi-annual Financial Framework. Two people in the

unit specifically focus on the results agenda (representing in total one full time equivalent). The IAS considered that sufficient actions have been put in place to address the issue originally identified, consequently this part of the recommendation is assessed as effectively implemented.

- The IAS recommended the FPI to further develop the performance management framework, so that it covers all activities under the FPI's control in a coherent manner.

At the end of 2021, the FPI carried out an in-depth revision of the results framework's performance indicators, among others to align them with the NDICI-GE Regulation, the FPI strategic plan 2020-2024 and DG INTPA's Global Europe Results Framework. The FPI results framework now covers all FPI instruments and on-budget operations. Nevertheless, the FPI considered that a further revision was needed and launched it in 2023. The revision is currently ongoing with the updated deadline of 31 December 2024. Considering the progress already made in the revision of the results framework in 2021, and the fact that the results framework now covers all the FPI's on-budget instruments, the IAS considered that the residual risk has decreased from 'high' to 'medium'.

- The IAS recommended to rationalise the use of outsourcing contracts by centrally collecting the needs of units and pooling contracts across all relevant units with similar needs, wherever possible.

The FPI centralised the use of contracts related to the results agenda in May 2022 through a common Project Implementation Monitoring system support contract, serving all the FPI units implementing the NDICI. As from 2024, this contract has been replaced by a technical assistance facility for monitoring, design, evaluation and knowledge management, serving DG INTPA, DG NEAR and the FPI, and funded by DG INTPA and DG NEAR-managed funds under NDICI. The IAS considered that sufficient actions have been put in place to address the issue originally identified, consequently this part of the recommendation was assessed as effectively implemented.

- Recommendation No 4 (important): Use of evaluation results for performance monitoring:
  - guidance on using evaluation results for performance monitoring and sharing evaluations with external stakeholders: the evaluation section of the FPI manual (comparing the version of July 2018 subject to the audit with the current version of January 2022) has not yet been revised to clarify how to use in practice evaluation results in the context of performance monitoring and how to share evaluation results with external stakeholders;
  - follow-up of evaluations; use of EVAL module: the integration of the EVAL module in OPSYS ([19]), initially planned for end 2019, was delayed for technical reasons and only happened in September 2023. A further revision of the evaluation section in the FPI manual is planned for the beginning of 2024, once the revision of the EC evaluation handbook that is currently being carried out by DG INTPA is completed.

2.31. Audit on the performance of the treatment of stakeholders' complaints concerning the internal market in DG GROW

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 1 (important): provision of information to complainants

([19]) The new operational system in external action.

2.32. Audit on the European anti-fraud office´s effectiveness in the area of fraud prevention activities - OLAF

Based on the results of the follow-up audit, the IAS concluded that the following recommendations were adequately and effectively implemented:

- Recommendation No 1 (important): OLAF's support to Commission services in designing their local anti-fraud strategies and reporting on their implementation
- Recommendation No 2 (important): the fraud-prevention and detection network and the Commission anti-fraud website

2.33. Audit on the grant and procurement award process under European Neighbourhood Instrument (ENI) direct management in DG NEAR

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was not fully and/or adequately implemented:

- Recommendation No 3 (important): supervision missions

DG NEAR had already implemented part one of the recommendation requiring the updating of the process manual as indicated in the previous follow-up note.

In the second part, the IAS recommended to DG NEAR to 'adequately follow the provisions of the process manual as regards the supervision mission frequency, performance, and follow-up'.

The IAS found that the procedures described in the process manual for supervision missions (hereafter supervision manual) are currently not followed in practice. The test of two final reports of recently completed supervision revealed that the following procedures related to the action plans were not respected:

- provision by the EU Delegation (EUD) of an action plan within 30 working days of receipt of the final report;
- for the two samples tested, the action plan was only provided after 5 and 9 months respectively;
- assessment and approval of the action plan by the Head of Unit of the Geographical unit within 15 working days after receiving the action plan;
- this timeframe was not respected for both sampled reports. Moreover, for one supervision mission, the IAS did not find evidence of formal approval of the action plan;
- report by the EUD on its action plan progress within 6 and 12 months after the final mission report is issued.

This timeframe was not respected for both samples tested: in both cases the EUDs only provided one update on their action plans (respectively 1 year and 10 months after the issuance of the final report and 9 months after the issuance of the final report).

The IAS noted that the 2022 Annual Activity Report of DG NEAR included the following statements acknowledging the need for further progress in relation to supervision missions:

- 'the follow-up of action plans of previous missions needs to be enhanced', and
- 'it will be enhanced in 2023, on the basis of the revised Supervision Mission Manual'.
- the revised 2023 version of the supervision manual now includes a 'mandatory closure meeting between the EUD and the supervision mission team to ensure that all recommendations are appropriately (and timely) addressed'.

2.34. Audit on the annual audit plan in DG NEAR

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was not fully and/or adequately implemented:

- Recommendation No 2 (important): follow-up of audit results

The IAS recommended to DG NEAR to improve its strategy on the follow-up of financial findings and issue corresponding guidance as well as to make full use of findings stemming from verification missions to international organisations.

As indicated in the closing note of the first follow-up, DG NEAR adopted a 'Procedure to report on findings stemming from verification missions to international organisations' in January 2022, but the guidance on the follow up of financial findings was at that time incomplete.

2.35. Audit on performance management in DG TAXUD

Based on the results of the follow-up audit, the IAS concluded that the following recommendation was adequately and effectively implemented:

- Recommendation No 2 (important): reporting related issues

List of audits for which all recommendations were closed in 2024

Based on the results of the follow-up engagements performed in 2024, the IAS concluded that the audits listed below could be closed as all the recommendations were assessed as implemented.

HORIZONTAL AUDITS

2.36. Audit on planning, programming, governance, and coordination of the Single Market Programme in DG COMP, DG ESTAT, DG FISMA, DG GROW, DG JUST, DG SANTE, DG TAXUD, EISMEA and HaDEA

2.37. Audit on monitoring the implementation and performance of 2014-2020 operational programmes by DG EMPL, DG MARE and DG REGIO

2.38. Audit on the preparation for the 2021-2027 programming period by DG EMPL, DG MARE and DG REGIO

2.39. Audit on the cooperation and coordination mechanisms between the European Training Foundation (ETF) and the European Commission services

2.40. Audit on the Commission's control system in relation to the reliability of performance information on EU financial programmes in DG BUDG and the SG

2.41. Audit on the management of experts in H2020 grants in DG CNECT, DG RTD, EASME, INEA and REA

2.42. Audit on the implementation of anti-fraud actions in the research area in DG CNECT, DG RTD, EASME, ERCEA and REA

SINGLE MARKET, INNOVATION AND DIGITAL

2.43. Audit on the delegations and efficiency of decision making in the European Joint Undertaking for ITER and the Development of Fusion for Energy and cooperation mechanisms with DG ENER

2.44. Audit on the design and early implementation of the European Innovation Council in DG CNECT, DG RTD and EISMEA

2.45. Audit on European Union Finance for Innovators in DG RTD

NATURAL RESOURCES AND ENVIRONMENT

2.46. Audit on LIFE implementation in DG CLIMA, DG ENER, DG ENV, and CINEA

2.47. Audit on DG AGRI's management of the wine market – DG AGRI ([20])

2.48. Audit on the financial clearance of accounts in DG AGRI

SECURITY AND DEFENCE

2.49. Audit on the preparedness of DG DEFIS for the management of the European Defence Fund – DG DEFIS

NEIGHBOURHOOD AND THE WORLD

2.50. Audit on the control strategy for humanitarian aid actions in DG ECHO

2.51. Audit on the control strategy for grant management under the Union Civil Protection Mechanism in DG ECHO

([20]) Recommendation 3 on control statistics on wine crisis measures (important) was only partly implemented. The residual risk was accepted by DG AGRI.

GENERAL SERVICES

2.52. Limited review of HERA's assessment of its Internal Control Framework for the 2022 Annual Activity Report – HERA

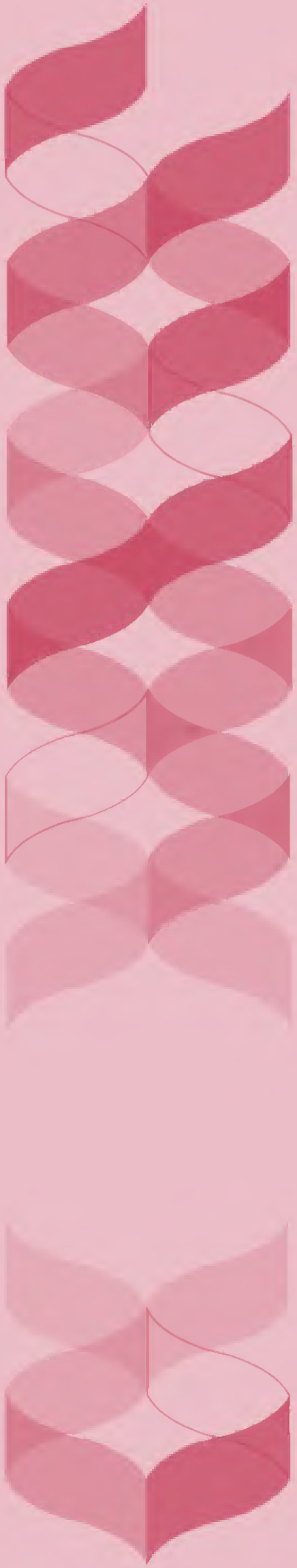
2.53. Audit on the Joint Research Centre's support to European Union policy and knowledge management - JRC

INFORMATION TECHNOLOGY

2.54. Audit on IT governance and management in DG HOME and DG JUST

2.55. Audit on the progress in the implementation of the European Commission digital strategy in DIGIT

2.56. Audit on the management and monitoring of compliance with the Commission's information technology (IT) security framework in DG DIGIT



Part 3 - Summary of long overdue recommendations

At the end of the reporting period, 31 January 2025, there were 6 very important long overdue recommendations, overdue by more than six months compared to the original expected completion dates set in the auditees' initial action plans. In the meantime, one of those has been downgraded from very important to important.

No.	Entity	Audit title	Recommendation title	Final report date	Original agreed completion date	Revised expected completion date	Expected delay
I	**DG INTPA**	IAS.C4-2022-Y COMM-001: Contractual expenditure verifications	**Clarify the objective of the CEV, revise the terms of reference and prepare guidance**	31.1.2023	31.12.2023	31.12.2025	**Unknown but more than 1 year**

Contractual expenditure verifications in the external action Directorates-General take the form of 'agreed-upon procedures' pursuant international standard ISRS 4400, according to which the external auditor is obliged to do only those tests that are explicitly prescribed in the terms of reference, which should be clear, not misleading and not subject to varying interpretations. This is a fundamentally different concept from 'audits', where the international standards on auditing instruct the external auditor what to test and how.

The IAS found that the terms of reference for contractual expenditure verifications (CEV) are not sufficiently detailed regarding the verifications to be done and there is no standard work programme to follow. In addition, the external auditor is not required to report in detail on the exact verification procedures performed. As a result, most CEV reports reviewed by the IAS did not allow the reader to understand on which basis the external auditor concluded on the eligibility of the expenditure.

Due to unclear or incomplete instructions, guidance and templates, the external auditor may not acquire the level of knowledge of the EU context and the expenditure eligibility rules that would enable their proper application during the expenditure verifications. This may ultimately weaken the reliability of CEV reports in detecting irregular expenditure.

An IAS follow-up found that the recommendation has only partly been implemented, hence the residual risk remains high.

No.	Entity	Audit title	Recommendation title	Final report date	Original agreed completion date	Revised expected completion date	Expected delay
II	**DG HR**	IAS.B4-2021-Y COMM-002: Physical security of persons and assets in the Commission	**Risk management framework for physical security at the Commission**	4.10.2022	31.12.2023	31.10.2025	**1 year and 10 months**

While the IAS acknowledged that some progress has been made in the implementation of the action plan, the recommendation has not been fully implemented. In particular, one point needed to be addressed by DG COMM and HR.DS jointly with the European Parliament. According to recent information provided in February 2025 by DG COMM (after the cut-off date for this report), DG COMM jointly with HR.DS discussed the matter further with the European Parliament and a pragmatic solution was identified with the Parliament. Another outstanding point is related to the implementation of a new IT platform which was delayed because of data protection issues linked to the platform initially chosen by the Secretariat General.

No.	Entity	Audit title	Recommendation title	Final report date	Original agreed completion date	Revised expected completion date	Expected delay
III	**DG COMM**	IAS.B4-2021-Y COMM-002: Physical security of persons and assets in the Commission	**Risk management framework for physical security at the Commission**	4.10.2022	31.12.2023	15.5.2025	**1 year and 6 months**

While the IAS acknowledged that some progress has been made in the implementation of the action plan, the recommendation has not been fully implemented. In particular, one point needed to be addressed by DG COMM and HR.DS jointly with the European Parliament. According to recent information provided in February 2025 by DG COMM (after the cut-off date for this report), DG COMM, jointly with HR.DS, discussed the matter further with the European Parliament and a pragmatic solution was identified with the Parliament.

No.	Entity	Audit title	Recommendation title	Final report date	Original agreed completion date	Revised expected completion date	Expected delay
IV	**DG HR**	IAS.B4-2021-Y COMM-002: Physical security of persons and assets in the Commission	**Governance framework and organisational arrangements for physical security at the Commission**	4.10.2022	31.12.2023	30.6.2026	**2 years and 6 months**

The formalisation and validation of a comprehensive security strategy was delayed, given that discussions at the political level (beyond DG HR's control) are ongoing regarding the potential administrative reorganisation of internal/corporate security. To ensure coherence in steering the security guards' service provision, HR.DS.1 is responsible for the overall governance of the cooperation with the security guard service contractors.

Concerning the establishment of a formal agreement with DG COMM on delineating their roles and responsibilities as regards physical security, the Corporate Management Board decided on 20 November 2024 to transfer the security of the Commission representations from DG COMM to DG HR (HR.DS) as domain leader. The work undertaken with the JRC is close to finalisation.

A new intranet site for Local Security Officers (LSOs) was created in September 2023, accessible only to officially nominated LSOs, which gathers all security information and procedures necessary for the implementation of LSOs responsibilities. A new checklist for LSOs was prepared with all HR.DS Units to ensure LSOs are consistently informed of all tasks associated with their responsibilities.

As regards the Commission representations (EU Houses), DG COMM and DG HR jointly established in March 2023 a roadmap with six actions to implement the EC/EP Security framework. Actions of the roadmaps are being implemented.

No.	Entity	Audit title	Recommendation title	Final report date	Original agreed completion date	Revised expected completion date	Expected delay
V	**DG DIGIT**	IAS.B4-2021-DIGIT-001 Public procurement in DG DIGIT and assets in the Commission	**Steering of ICT**	28.7.2022	31.12.2023	30.6.2025	**1 year and 6 months**

DG DIGIT reported the implementation of four of the five sub-recommendations: DG DIGIT adopted the Strategy Paper on DG DIGIT's new ICT Procurement Delivery Model (sub-recommendation A), proposed to the Information Technology and Cybersecurity Board the creation of a corporate IT Procurement Board (ITPB) with a view of obtaining an overview across the Commission of all ICT high value procurements and contracts (sub-recommendation C), the use of the Public Procurement Management (PPMT) and eSubmission tools has been made obligatory for the procedures with low and middle value and it is supported by the new guidelines (sub-recommendation D) and DG DIGIT's Orientation Document templates have been updated to include a new section on sustainability aspects (sub-recommendation E).

For the remaining sub-recommendation B, actions are still pending. According to DG DIGIT:

- DIGIT worked on the set-up of the professional services broker, which will include an advisory function to support the migration from 'Time and Means' contracts to other delivery modes. The delay on this sub-recommendation is linked to the cancellation of the Cloud II DPS2 MC12 (DAFNE) procedure, and the time needed to prepare a replacement procurement procedure for result-based projects.
- In the meantime, DIGIT has launched:
  - MAIA procurement procedure to award framework contracts that will cover the acquisition of IT professional services covering development, maintenance, migration, support and operations in fixed price and quoted time and means modes where the main lot is awarded through reopening of competition;

— FREIA procurement procedure to award framework contracts in the cybersecurity domain to be executed partly through result-oriented contracts awarded through reopening of competition;

— PROSERV DPS, which enables competitions for IT studies, consulting, managed services and development in fixed price or quoted time and means modes.

The above actions complete the part of sub-recommendation B related to "set up a comprehensive set of procurement tools enabling result-oriented alternatives to the use of time and means contracts". The experience gained on these alternative contractual models will then feed into the proposal for a roadmap for the progressive reduction of time and means, to be submitted to the ITCB for endorsement.

No.	Entity	Audit title	Recommendation title	Final report date	Original agreed completion date	Revised expected completion date	Expected delay
VI	**DG EAC**	IAS.C2-2019-EAC-001: Effectiveness of the protection of personal data of beneficiaries of and participants in the Erasmus+ and European Solidarity Corps programmes managed by DG EAC	**Transfer of personal data to third countries**	28.1.2021	15.12.2021	31.3.2025	**3 years and 3 months**

The IAS recommended that DG EAC should analyse, with the support of the data protection officer (DPO), how compliance of its programmes with the internal data protection regulation (IDPR) concerning international transfers of data can be ensured in the context of the order ([21]) and the announced guidance of the European Data Protection Supervisor (EDPS). The DG reported that it analysed with DG JUST, the Legal Service and the DPO different possibilities to ensure compliance of the transfers to third countries with the IDPR. A suitable transfer tool (i.e. adequate and robust safeguard measures that protect the rights and freedoms of the data subjects) has been identified and the EDPS has been consulted formally on this solution - as requested by the IDPR; their analysis of the latest contribution to the EDPS is now pending.

([21]) On 14 October 2020, the EDPS gave all European institutions a formal order to a) perform a mapping exercise to provide information concerning processing operations that involve international transfers of data and b) report to it any identified risks and gaps, in accordance with the order. The EDPS also asked the European institutions to perform, in a second phase, a case-by-case 'transfer impact assessment' to identify the level of protection provided by the third country of destination of the data. To facilitate this assessment, the EDPS will provide in due time specific guidance