

Brussels, 15 June 2026  
(OR. en)

10596/26  
ADD 1

FIN 891

**COVER NOTE**

---

From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

date of receipt: 15 June 2026

To: Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

---

No. Cion doc.: SWD(2026) 149 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 2025

---

Delegations will find attached document SWD(2026) 149 final.

---

Encl.: SWD(2026) 149 final



Brussels, 15.6.2026  
SWD(2026) 149 final

**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 2025**

{COM(2026) 279 final}

# Contents

|                                                                                                                                                                                         |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>PART 1 FINAL REPORTS</b> .....                                                                                                                                                       | <b>6</b>  |
| <b>Financial Processes</b> .....                                                                                                                                                        | <b>7</b>  |
| 1.1. Procurement (DGT) .....                                                                                                                                                            | 7         |
| 1.2. Procurement (EISMEA).....                                                                                                                                                          | 8         |
| 1.3. Project management and payment process for the EU4Health Programme (HaDEA) .....                                                                                                   | 9         |
| 1.4. Project management and payment process of the European Defence Fund (DG DEFIS) .....                                                                                               | 10        |
| 1.5. Early implementation of grants in the short-term defence instruments (DG DEFIS) .....                                                                                              | 11        |
| 1.6. Simplification measures in cohesion funding in the 2021-2027 programming period (DG REGIO, DG EMPL) .....                                                                          | 12        |
| 1.7. Horizon Europe – European Innovation Council grant agreements preparation and award procedures (DG RTD, EISMEA) .....                                                              | 13        |
| 1.8. Implementation of the Connecting Europe Facility – Transport (DG MOVE, CINEA) .....                                                                                                | 15        |
| 1.9. Assurance building processes and audit strategy for the 2021-2027 programming period - design (DG HOME).....                                                                       | 17        |
| 1.10. Amendments of the Common Agricultural Policy national strategic plans (DG AGRI) .....                                                                                             | 19        |
| 1.11. Design of the performance monitoring and evaluation framework for the Common Agricultural Policy 2023-2027 (DG AGRI).....                                                         | 20        |
| 1.12. Non-Governmental Organisations (NGO) funding under the LIFE programme (DG ENV, DG CLIMA, DG ENER, CINEA).....                                                                     | 22        |
| 1.13. Reliability of audit opinions on the legality and regularity of Erasmus+ expenditure declared by National Agencies (DG EAC) .....                                                 | 23        |
| 1.14. InvestEU Fund – methodology for key performance indicators and key monitoring indicators, controls over indicators and internal steering and cooperation mechanism (DG GROW)..... | 24        |
| 1.15. Control results provided by partners (management declarations) (DG INTPA) .....                                                                                                   | 26        |
| 1.16. Control results provided by partners – management declarations (DG ENEST) .....                                                                                                   | 27        |
| 1.17. Financial management – high value procurement and contract management (DG TAXUD) .....                                                                                            | 28        |
| 1.18. Financial management – Grants (DG TAXUD) .....                                                                                                                                    | 31        |
| 1.19. Controls over aid to countries covered by a crisis declaration (DG MENA) .....                                                                                                    | 32        |
| 1.20. Recovery and Resilience Facility risk assessment methodology and <i>ex post</i> audits (DG ECFIN).....                                                                            | 33        |
| <b>Operational Processes</b> .....                                                                                                                                                      | <b>36</b> |
| 1.21. Personnel selection process (EPSO) .....                                                                                                                                          | 36        |
| 1.22. Management of childcare services (OIB, OIL) .....                                                                                                                                 | 37        |
| 1.23. Coordination between DG FISMA and European Supervisory Authorities (DG FISMA).....                                                                                                | 39        |
| 1.24. Management of the control data of the Common Fisheries Policy (DG MARE) .....                                                                                                     | 41        |
| 1.25. Management of EURES and the EURES portal (DG EMPL) .....                                                                                                                          | 43        |
| 1.26. Management of in-kind contributions under Horizon Europe (DG RTD) .....                                                                                                           | 44        |
| <b>Support Processes</b> .....                                                                                                                                                          | <b>46</b> |
| 1.27. Information technology (IT) governance and IT security management (DG DEFIS).....                                                                                                 | 46        |
| 1.28. Arachne+ project (DG BUDG, DG EMPL/DG REGIO, DG DIGIT) .....                                                                                                                      | 47        |

|                                                                                               |                                                                                                                                                                  |           |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 1.29.                                                                                         | Human Resources Transformation programme (DG HR) .....                                                                                                           | 50        |
| <b>PART 2 FOLLOW-UP ENGAGEMENTS.....</b>                                                      |                                                                                                                                                                  | <b>52</b> |
| <b>Audits for which some recommendations remain open after IAS follow-up in 2025 ( ).....</b> |                                                                                                                                                                  | <b>53</b> |
| 2.1.                                                                                          | Audit on the preparedness of DG AGRI in designing the assurance building model under the new Common Agricultural Policy Strategic Plans .....                    | 53        |
| 2.2.                                                                                          | Audit on CASE@EC project in DG COMP .....                                                                                                                        | 53        |
| 2.3.                                                                                          | Audit on IT security management in DG EAC.....                                                                                                                   | 53        |
| 2.4.                                                                                          | Audit on the New nuclear decommissioning and waste management programme (NDWMP) in JRC .....                                                                     | 54        |
| 2.5.                                                                                          | Audit on the protection of personal data in the Office for Administration and Payment of Individual Entitlements in PMO .....                                    | 54        |
| 2.6.                                                                                          | Audit on measuring and reporting on the performance of technical support projects in DG REFORM .....                                                             | 54        |
| 2.7.                                                                                          | Audit on protection of personal data under the responsibility of CINEA, EACEA, EISMEA, ERCEA, REA and the CIC.....                                               | 54        |
| 2.8.                                                                                          | Audit on the preparedness for closing the 2014-2020 programming period of the European Structural and Investment Funds by DG EMPL and DG MARE and DG REGIO ..... | 55        |
| 2.9.                                                                                          | Audit on the Joint Audit Directorate for Cohesion (DAC) in DG EMPL and DG REGIO .....                                                                            | 55        |
| 2.10.                                                                                         | Audit on Physical security of persons and assets in the Commission, HR / DIGIT / COMM / OIB / OIL                                                                | 56        |
| 2.11.                                                                                         | Audit on the assessment of HR needs in the Commission at corporate level in DG BUDG, DG HR and SG .....                                                          | 56        |
| 2.12.                                                                                         | Audit on protection of confidentiality of information at corporate level in DG HR, DG DIGIT and SG                                                               | 56        |
| 2.13.                                                                                         | Audit on the management of large-scale building projects involving works in OIB and OIL .....                                                                    | 57        |
| 2.14.                                                                                         | Review of the Commission's risk at payment in DG BUDG, DG EMPL, DG INTPA, DG NEAR, DG REGIO, DG RTD, EISMEA, ERCEA and REA .....                                 | 57        |
| 2.15.                                                                                         | Audit on the External Investment Plan – European Fund for Sustainable Development (EFSD) Guarantee in DG INTPA and DG NEAR.....                                  | 58        |
| 2.16.                                                                                         | Audit on Intervention-level evaluations in FPI, former DG NEAR and DG INTPA .....                                                                                | 59        |
| <b>List of audits for which all recommendations were closed in 2025 .....</b>                 |                                                                                                                                                                  | <b>59</b> |
| <b>PART 3 SUMMARY OF LONG OVERDUE RECOMMENDATIONS .....</b>                                   |                                                                                                                                                                  | <b>61</b> |

## 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 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 EMPL: Directorate-General for Employment, Social Affairs and Inclusion

DG ENER: Directorate-General for Energy

DG ENEST: Directorate-General for Enlargement and Eastern Neighbourhood

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 MENA: Directorate-General for Middle East, North-Africa and Gulf

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 SCIC: Directorate-General for Interpretation

DG TAXUD: Directorate-General for Taxation and Customs Union

DGT: Directorate-General for Translation

EACEA: Education and Culture Executive Agency

EISMEA: European Innovation Council and Small and Medium-sized Enterprises Executive Agency

EPSO: European Personnel Selection Office

ERCEA: European Research Council Executive Agency

FPI: Service for Foreign Policy Instruments

IAS: Internal Audit Service

HaDEA: European Health and Digital Executive Agency

HERA: Health Emergency Preparedness and Response Authority

IT: Information technology

JRC: Joint Research Centre

OIB: Office for Infrastructure and Logistics in Brussels

OIL: Office for Infrastructure and Logistics in Luxembourg

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 29 finalised assurance audit engagements <sup>(1)</sup> performed as part of the 2025 audit plan of the Internal Audit Service (IAS) (i.e. audits for which the reports were issued between 1 February 2025 and 31 December 2025) <sup>(2)</sup>;
- the main recommendations (critical and very important) <sup>(3)</sup> resulting from these audit 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 that were 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's follow-up engagements performed between 1 February 2025 and 31 December 2025 <sup>(4)</sup>. These include a list of audit engagements for which all the recommendations were assessed as having been implemented following a follow-up audit by the IAS.

**Part 3** provides an overview of the five long overdue very important recommendations on 31 December 2025.

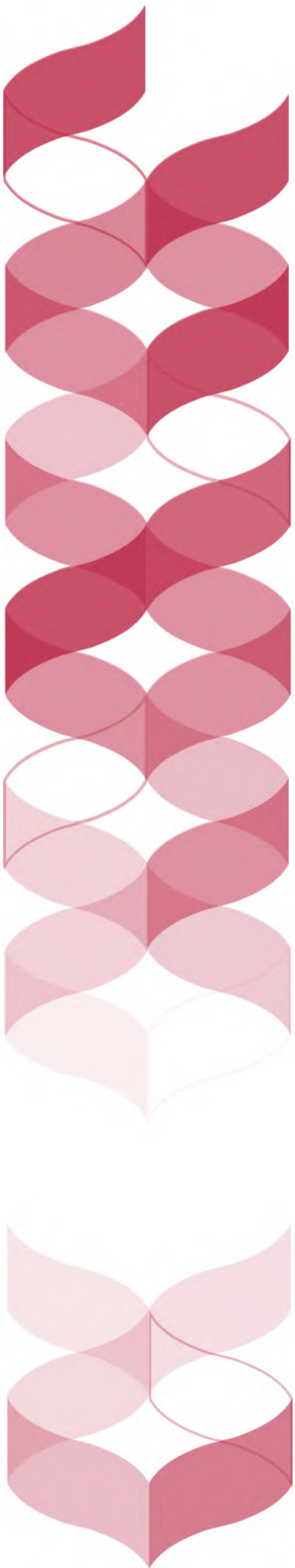
---

<sup>(1)</sup> The IAS also finalised six non-assurance – advisory or insight – engagements. These are not covered in this Staff Working Document.

<sup>(2)</sup> Except for the audit on human resources management in DG FISMA. The final audit report was issued for this on 10 March 2025 and was, exceptionally, included in the annual internal audit report for 2024.

<sup>(3)</sup> Important recommendations are not listed in this Staff Working Document.

<sup>(4)</sup> 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 into account any further action which the auditee may have undertaken and reported to the IAS since the release of the IAS's follow-up note even if that action may have had an impact on the status of the recommendations.



## Part 1

### Final reports

---

# Financial Processes

## 1.1. Procurement (DGT)

---

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

### Audit results

*Is the governance framework for procurement activities adequately designed and efficiently and effectively implemented?*

The governance framework established by DGT for procurement activities is adequately designed, efficiently and effectively implemented. The organisational structure in DGT to deal with procurement activities is adequate, the roles and responsibilities of the various actors involved are clearly defined, including the required competencies and the ethical aspects to consider. The evaluation panels are appointed in accordance with the Financial Regulation and the Vademecum.

*Is the risk management framework for procurement activities adequately designed and effectively implemented?*

The risk management framework for procurement activities is overall adequately designed. DGT identified the risks related to the procurement processes and defined control activities to mitigate them. However, the implementation of the risk management framework is only partially effective as the IAS found some issues on the internal control framework (see below) for which the control activities defined by DGT were not fully effective to address them.

*Is the internal control framework for procurement activities adequately designed, efficiently and effectively implemented?*

The internal control framework for procurement activities is overall adequately designed. This covers the budgetary and legal commitments, the identification of needs, the planning of the procurement procedures, the tendering and evaluation phases and the preparation and adoption of the award decision. The procurement process follows overall the requirements of the Financial Regulation and Vademecum. However, the IAS found several issues regarding the effectiveness and efficiency of the internal control framework. In particular, the auditors identified issues regarding: (a) DGT's interpretation and implementation of the legal base/guidance applicable to procurement for outsourced translation (e.g. the concept of 'subject matter' and the estimation of the initial value for a framework contract); (b) the (documentation of) controls/procedures in the pre-tendering and tendering phases (e.g. completeness of information in some award decisions); and (c) the monitoring and reporting processes (e.g. no formalised monitoring of budget consumption for an inter-institutional framework contract).

### Audit conclusion

The IAS concluded that although DGT has, overall, designed an adequate governance, risk management and internal control framework for its procurement activities, there remains a very important issue concerning its effectiveness and efficiency, particularly as regards the procurement approach for outsourced translation.

### Audit recommendations

Recommendation No 1, on the **procurement approach for outsourced translation, DG DGT** should:

- define a procurement approach for outsourced translation.

#### **Additional information provided by DG DGT on the implemented measures**

DG DGT established an action plan consisting of 12 sub-actions to address all audit findings, which was considered as satisfactory by the IAS. Half of the sub-actions had a deadline for implementation by the end of the first quarter 2026 and have been implemented. These included actions such as organising meetings with DG BUDG on the correct interpretation of some legal and procurement concepts, establishing a procedure for ensuring completeness of information in the award decision, implementing new rules in financial circuits. DG DGT is therefore fully on track to meet the planned implementation dates.

## **1.2. Procurement (EISMEA)**

---

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

### **Audit results**

*Is the governance framework for procurement activities adequately designed and efficiently and effectively implemented?*

The governance framework established by EISMEA for procurement activities is adequately designed, efficiently and effectively implemented. The centralised positioning of the procurement sector is adequate for and adapted to the needs of the Agency, the roles and responsibilities of the various actors in the procurement sector and operational units within EISMEA are clearly defined. The evaluation panels are appointed in accordance with the Financial Regulation and the Vademecum. However, the relation between the parent Directorates-General and EISMEA is not sufficiently translated into practical arrangements as regards the split of roles and responsibilities at operational level, which may create issues in the preparation phase of the procurement.

*Is the risk management framework for procurement activities adequately designed and effectively implemented?*

The risk management framework for procurement activities is overall adequately designed. The procurement sector has developed a list of risks related to the procurement processes and implemented activities to mitigate them. However, the implementation of the risk management framework is, in some cases, only partially effective as the IAS found: (a) issues in the preliminary market analysis and identification of risks for the particular procurement procedures; and (b) three middle value procedures processed in parallel and presenting similarities, which may be perceived as a case of contract fragmentation.

*Is the internal control framework for procurement activities adequately designed, efficiently and effectively implemented?*

The internal control framework for procurement activities is overall adequately designed and efficiently and effectively implemented. This covers the budgetary and legal commitments, the identification of needs, the planning of the procurement procedures, the tendering and evaluation phases and the preparation and adoption of the award decision. The procurement process follows overall the requirements of the Financial Regulation and corporate Vademecum on procurement. The e-tendering is the default solution, and the main IT system (public procurement management tool - PPMT) for the procurement process is overall adequately used. However, the IAS found that in one case sampled the Agency and the parent Directorates-General did not adequately identify a conflict-of-interest situation, and the selection and award criteria were in some cases too strict or not

proportional. In addition, data related to procurement files, including sensitive documents are not always stored and handled in compliance with the Commission's rules.

#### Audit conclusion

The IAS concluded that, overall, EISMEA has adequately designed and efficiently and effectively implemented the governance, risk management and internal control framework for its procurement activities, which provides reasonable assurance that the key internal control objectives are achieved, except for one very important issue concerning the identification of the conflict of interest aspects, which EISMEA needs to reinforce, in cooperation with its parent Directorates-General.

#### Audit recommendation

Recommendation No 3, on the **checks on (potential) conflict of interest aspects, EISMEA** should:

- reinforce the checks on (potential) conflict of interest aspects.

#### **Additional information provided by EISMEA on the implemented measures**

EISMEA accepted the recommendation and submitted an action plan to the IAS early February 2026, who assessed it as satisfactory. The implementation of the recommendation is on track and EISMEA is committed to duly implement the agreed corrective actions in 2026.

### **1.3. Project management and payment process for the EU4Health Programme (HaDEA)**

---

The objective of the audit was to assess the effectiveness of the governance, risk management and internal control processes put in place by HaDEA for project management and payments of EU4Health grants (including anti-fraud checks and corrective mechanisms) with the aim to achieve the programme's objectives, in compliance with the applicable rules.

#### Audit results

*Are the governance, risk management and internal control processes related to the project management and payment processes adequately implemented by competent HaDEA staff?*

HaDEA implements its control strategy by providing training and guidance to its staff and by effective management supervision. The business continuity procedures have been defined and effectively implemented. In addition, HaDEA monitors the project execution through activities that are proportionate to the level of risk and complexity of the projects.

*Is the payment process effective and does it ensure compliance with the legal provisions?*

The payment process is overall effective and ensures compliance with the legal provisions. The financial workflows are efficient and *ex ante* controls are performed in line with the requirements of the Financial Regulation. Financial corrections are properly calculated and applied when necessary, but the audit identified some shortcomings in the documentation of the checks performed and the reporting about control results.

*Is the grant amendment process effective and does it ensure compliance with the legal provisions?*

The grant amendment process was effective and ensured compliance with the legal provisions. Existing controls ensure that the amendments comply with the provisions of the grant agreements and the rules governing the responsible actors and the timing of amendments are respected.

### Audit conclusion

The IAS concluded that the internal control system that HaDEA has put in place for the project management and payment process for the EU4Health Programme (grant management and payment) is adequately designed and effectively implemented, in compliance with the applicable rules.

### Audit recommendations

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

## **1.4. Project management and payment process of the European Defence Fund (DG DEFIS)**

---

The objective of the audit was to assess the adequacy of the design and effective and efficient implementation of the governance, risk management and internal control systems put in place by DG DEFIS for the project management of the European Defence Fund grants and the *ex ante* financial controls on their interim payments, in compliance with the applicable rules.

### Audit results

*Are DG DEFIS governance, risk management and internal control systems for the project management and payment process of the European Defence Fund adequately designed?*

DG DEFIS has designed adequate governance, risk management and internal control systems for the project management and payment process of the European Defence Fund that include:

- project management / monitoring activities that are proportionate to the European Defence Fund projects' complexity / risks and are in line with the requirements of the Financial Regulation;
- clear definition, assignment and communication of the roles and responsibilities for the European Defence Fund project management and interim payments;
- provision of appropriate training and guidance to the staff involved in the audited process;
- adequate business continuity measures; and
- proper management supervision for the European Defence Fund project management and interim payments.

*Has the project management process for the European Defence Fund grants been effectively implemented?*

The project management process for the European Defence Fund grants has been effectively implemented as the European Defence Fund project management steps have been effective, the *ex ante* project management controls for the 'certified correct' endorsement have been sufficient, and the documentation of the project management activities in system for grant management (SyGMa)/COMPASS is adequate.

*Has the payment process for the European Defence Fund grants been effectively implemented and does it ensure compliance with the legal provisions?*

The payment process for the European Defence Fund grants has been effectively implemented and in compliance with the legal provisions as: (a) the *ex ante* financial controls on the periodic financial reporting for supporting the 'certified correct' endorsement have been sufficient; and (b) the approval workflow has been effective and efficient, both of which ensure compliance with the legal provisions.

### Audit conclusion

The IAS concluded that DG DEFIS has put in place adequate governance, risk management and internal control systems to ensure effective and efficient project management of the European Defence Fund grants and *ex ante* financial controls on their interim payments, in compliance with applicable rules.

### Audit recommendations

The IAS did not formulate any recommendations.

## **1.5. Early implementation of grants in the short-term defence instruments (DG DEFIS)**

---

The objective of the audit was to assess the adequacy of design and effective implementation of DG DEFIS control system for the first phases of the management of the grants under the European defence industry Reinforcement through common Procurement Act (EDIRPA) and the act in support of ammunition production (ASAP) to effectively support the achievement of the objectives of the two instruments through the preparation of the work programmes.

### Audit results

*Are the controls for the preparation, and implementation of the annual work programme and for the drafting and publication of calls for proposals for EDIRPA and ASAP adequately designed and effectively implemented?*

The process for the preparation, and implementation of the annual work programme and for the drafting and publication of calls for proposals for EDIRPA and ASAP is overall effective and in accordance with the applicable legal provisions. However, the audit identified some shortcomings as regards the demonstration by potential EDIRPA beneficiaries specifically how the Union contribution is (notably if retroactive) necessary to offset obstacles in common procurement during the duration of the grant action.

*Are the controls for the evaluation, ranking and selection of proposals for EDIRPA and ASAP adequately designed and effectively implemented?*

DG DEFIS has designed and implemented a control system for evaluating, ranking and selecting the proposals that is adapted to the respective specificities of EDIRPA and ASAP and is in line with applicable rules. The control system includes specific guidance, structures and templates/checklists that supported the evaluation, ranking and selection of proposals process.

*Are the controls for the preparation and approval of the grant agreements adequately designed and effectively implemented?*

The DG DEFIS process for the preparation and approval of the grant agreements adequately supports the effective translation of retained proposals into grant agreements and controls in place ensure compliance with the applicable legal provisions.

### Audit conclusion

The IAS concluded that the control system that DG DEFIS has put in place for the early implementation of grants in the short-term defence instruments for ASAP and EDIRPA was overall adequately designed and implemented in accordance with the applicable rules.

### Audit recommendations

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

## 1.6. Simplification measures in cohesion funding in the 2021-2027 programming period (DG REGIO, DG EMPL)

---

The objective of the audit was to assess if DG REGIO and DG EMPL have designed and implemented adequate and effective internal control processes for the capacity building, the *ex ante* assessment and the monitoring of the simplified cost options and financing not linked to costs which serve the intended objective of enhancing simplification in the implementation of the Cohesion Policy funds in the 2021-2027 programming period.

### Audit results

*Are the processes of capacity building, ex ante assessment and monitoring of simplified cost options simplified cost options and financing not linked to costs in the programming period 2021-2027 adequately designed?*

The Directorates-General, including the joint audit Directorate for Cohesion, have made significant efforts to establish internal networks, communities of best practice and mechanisms to build and maintain staff capacity to use simplified cost options and financing not linked to costs. However, the established networks lack a formal mandate which limits their full potential to operate for achieving (strategic) objectives. The training on simplified cost options and financing not linked to costs is not always tailored to the specific roles and needs, and it needs to be complemented by practical examples and lessons learned. Finally, there is a concentration and dependence on one contractor which provides expertise to the Directorates-General on simplification and results-based approaches. Moreover, this contractor is also potentially in a situation of professional conflicting interests considering its involvement in different contracts. Such situations have not been identified and further assessed by the Directorates-General and they have not taken any specific mitigating measures to manage the related risks.

In the area of *ex ante* assessment, overall, internal procedures, guidance and checklists were adequately designed. However, some specific guidance was lacking on the process for the assessment of adjustment methods of simplified cost options, on the documentation of the informal phase of programming and on the roles and responsibilities for the assessment of financing not linked to costs.

The Shared Fund Management in the European Union period 2021-2027 (SFC2021) access controls, the related Launchpad reports and other monitoring tools were not adequately designed to meet business needs for either control and effective monitoring and reporting on simplified cost options and financing not linked to costs

*Are the processes of capacity building, ex ante assessment and monitoring of simplified cost options and financing not linked to costs adequately, effectively and timely implemented?*

The Directorates-General' capacity building initiatives reflect a positive effort to encourage knowledge-sharing and collaboration. However, the auditors could not verify how the members of the various simplification enablers shared their acquired knowledge with the relevant staff in the Directorates-General for effective use.

As regards *ex ante* assessment, internal procedures were not always implemented consistently in practice. These concern the documentation of the informal phase, the availability of the audit authority's assessments for simplified cost options and the final documents for simplified cost options and financing not linked to costs and financing not linked to costs to run internal and inter-service consultations, the assessment of simplified cost options by desk officers and the assessment of simplified cost options and financing not linked to costs by the auditors.

While some practical tools were put in place for monitoring and reporting on simplified cost options and financing not linked to costs, they are not always reliable as they require manual interventions and lack a system of version control of data.

### Audit conclusion

The IAS concluded that DG REGIO and DG EMPL have designed and implemented adequate and effective internal control processes for the capacity building, *ex ante* assessment and monitoring and reporting on simplified cost options and financing not linked to costs to enhance simplification in the implementation of the cohesion policy funds in the 2021-2027 programming period, except for three very important issues concerning: (a) the *ex ante* assessment of simplified cost options and financing not linked to costs; (b) capacity building and procurement of services around such simplification measures; and (c) the monitoring and reporting on simplified cost options and financing not linked to costs.

### Audit recommendations

Recommendations No 1 and 2, on **the *ex ante* assessment of simplified cost options and financing not linked to costs, DG REGIO and DG EMPL** should:

- improve guidance, documentation and *ex ante* assessments of simplified cost options and financing not linked to costs.

Recommendations No 3 and 4, on the **capacity building and procurement of services for simplified cost options and financing not linked to costs, DG REGIO and DG EMPL** should:

- enhance training on simplified cost options and financing not linked to costs, and monitor risks of concentration/dependency on external experts and their potential professional conflicting interests.

Recommendations No 5 and 6, on the **monitoring and reporting on simplified cost options and financing not linked to costs, DG REGIO and DG EMPL** should:

- manage access rights and improve monitoring and reporting tools on simplified cost options and financing not linked to costs.

#### **Additional information provided by DG REGIO and DG EMPL on the implemented measures**

DG REGIO and DG EMPL established an action plan to address all audit findings, which was considered satisfactory by the IAS. The implementation of the recommendations is on track to meet the deadlines set out in the action plan (all deadlines are in 2026).

## **1.7. Horizon Europe – European Innovation Council grant agreements preparation and award procedures (DG RTD, EISMEA)**

The objective of the audit was to assess whether EISMEA and DG RTD designed and implemented adequate, effective and efficient internal control processes for the grant agreements preparation and award procedures under the European Innovation Council (EIC) programme, ensuring compliance with the applicable rules.

### Audit results

*Is the specific control environment of the grant agreements preparation and coordination between the grant and investment component including the award, procedure adequately designed within EISMEA and DG RTD to address the specificities of the EIC in compliance with applicable rules?*

EISMEA, with the support of DG RTD, has defined a specific control environment for the preparation of the EIC grant agreements (including the award decisions) and for the coordination between the grant and investment

components built on corporate guidance, procedures and IT systems and complemented by manual of procedures, checklists and instructions specific to the EIC.

However, this control environment is not adequately designed and not complete, hence failing to effectively integrate the specificities of the EIC programme and to provide a robust framework for ensuring compliance with applicable rules. Among the missing elements, the IAS observed the lack of procedures framing the implementation of the parallel preparation of the single award decisions and the grant agreement preparation to avoid that award decisions are adopted without completing necessary checks. Additionally, there is no harmonisation of the economic security measures between grant and investment components.

The existing guidance is also not complete as regards specific measures for mitigating risks associated with beneficiaries who have weak financial capacity and criteria for assessing retroactive start date requests, funding holding companies, monitoring the investment budget under the EIC Accelerator, operational checklists for amending award decisions.

*Have the retained project proposals been effectively and efficiently translated into legally binding grant agreements?*

The retained project proposals have been effectively translated into legally binding grant agreements, however the IAS identified inefficiencies and lapses in the implementation of some controls and processes that needs to be implemented during the grant agreement preparation phase for both the EIC Acceleration and the EIC Transition grants. Specifically, EISMEA did not conduct: (a) effective financial capacity assessment checks for EIC Accelerator grants until June 2023 (and even then, the checks were not consistently effective); and (b) systematic financial capacity checks for EIC Transition grants. EISMEA accepted and signed 55% of the EIC Accelerator grant agreements with a retroactive start date even though corporate guidance states that such instances should be exceptional. Moreover, no criteria were established to justify the use of retroactive start date. It also failed to verify sufficiently the applicants' specific legal statuses as small and medium-size enterprises and middle-capitalisation enterprises. Lastly, the time-to-grant results for the EIC Accelerator were inaccurately reported and misrepresented in the 2024 Annual Activity Report.

*Are the processes and controls for the preparation and adoption of the award decision and single award decision (including the amending decisions) effectively and efficiently implemented, in compliance with the regulatory framework?*

The controls for preparing and adopting award decisions, single award decision and amending decisions, were not always effectively and efficiently implemented in compliance with the regulatory framework. Single award decisions were adopted before completing grant agreement preparation checks and in a number of cases, they related to projects that did not meet eligibility criteria. Additionally, one amending award decision in a holding company was made without performing *ex ante* eligibility checks. Finally, award decisions with maximum indicative investment amounts exceeding the available budget by EUR 1.31 billion (+58%) were also adopted. In terms of efficiency, substantial delays were noted in the time-to-grant key performance indicator for the EIC Accelerator scheme that exceeded the target despite performing grant agreement preparation and award procedures simultaneously.

### **Audit conclusion**

The IAS concluded that EISMEA and DG RTD did not adequately design and implement the internal control processes for the grant agreements preparation and award procedures specific to the European Innovation Council Accelerator scheme, resulting in cases of non-compliance with the applicable rules, while EISMEA partially effectively and efficiently implemented the internal control process for the European Innovation Council Transition and Pathfinder schemes.

## Audit recommendations

Recommendation No 1, on the **EIC grant agreement preparation phase, EISMEA** should:

- reinforce the design and implementation of the controls related to the European Innovation Council grant agreement preparation phase.

Recommendation No 2, on the **time-to-grant: monitoring and reporting, EISMEA** should:

- revise the reporting on the time-to-grant indicator in the Annual Activity Report and assess the key root causes for delays.

Recommendation No 3, on the **award decision process, DG RTD** and **EISMEA** should:

- revise the award decision process – critical.

Recommendation No 4, on the **amending award decision process, DG RTD** and **EISMEA** should:

- revise the amending award decision process.

Recommendation No 5, on the **budget monitoring and communication of the award decisions to the European Investment Bank, DG RTD** should:

- reinforce budget monitoring and ensure formal transmission of the award decisions to the European Investment Bank.

### **Additional information provided by DG RTD and EISMEA on the implemented measures**

DG RTD and EISMEA accepted all recommendations, with the exception of one sub-recommendation (only partially accepted). They submitted a joint action plan to the IAS mid-March 2026, who assessed it as satisfactory. The implementation of all recommendations is on track. Both services are committed to implement corrective actions as swiftly as possible to ensure that any potential risks are appropriately mitigated within a short timeframe (before third quarter 2026 for the critical recommendation, at the latest by the end of 2026 for the rest).

## **1.8. Implementation of the Connecting Europe Facility – Transport (DG MOVE, CINEA)**

---

The objective of the audit was to assess the effective and efficient implementation of the governance, risk management and control processes established by CINEA and DG MOVE for the implementation of Connecting Europe Facility (CEF) Transport (Phase II, i.e. after the award of the grant agreement), in line with the applicable rules.

### **Audit results**

*Do DG MOVE and CINEA effectively and efficiently implement their working arrangements for the implementation of the projects funded under CEF Transport?*

The working arrangements between DG MOVE and CINEA are implemented effectively and efficiently, with roles and responsibilities clearly defined in the Memorandum of Understanding of August 2021. DG MOVE provides policy direction and strategic oversight, while CINEA ensures the operational management of CEF Transport

projects, including monitoring, reporting and payments. This division of tasks is consistently applied in practice and supports clarity and accountability.

Coordination mechanisms are well established and function smoothly at both the strategic and the operational level; regular meetings, management exchanges and operational contacts between project officers ensure continuous alignment. The systematic exchange of information and reporting strengthens collaboration and allows issues to be addressed in a timely manner.

The arrangements also demonstrate flexibility and adaptability. Adjustments to implementation, such as project amendments or extensions, are applied consistently and discussed with DG MOVE when necessary. Both parties consider the Memorandum of Understanding adequate, and no significant issues have been identified. Overall, the cooperation framework enables effective programme delivery and efficient use of resources.

*Has CINEA, in cooperation with its parent Directorate-General as appropriate, designed and implemented adequate processes for monitoring the implementation of the projects funded under CEF Transport?*

CINEA has designed processes to monitor the implementation of actions funded under the CEF2 Transport programme. The roles and responsibilities are defined and understood, monitoring mechanisms are consistently applied.

Beneficiaries are well informed of their obligations through a combination of tools, templates and practical guidance, supported by frequent communication with project officers, facilitating effective implementation.

Monitoring and reporting arrangements provide both regular oversight and assurance on the progress of actions. However, certain elements of the monitoring framework are not fully proportionate to the potential risk levels of some actions and therefore require improvement, namely:

- There is currently no documented methodology with defined criteria or red flags to support a consistent, risk-based decision on when to perform additional on-site visits.
- There is limited guidance supporting project managers in their assessment of technical reports, in particular as regards the elements that may be considered riskier or red flags and there was no documented evidence that these external technical reports were adequately analysed.
- The CINEA procedures and guidelines lack details on the steps to be taken in case of recurrent delays or quality issues linked to underperformance.

*Has CINEA, in cooperation with its parent Directorate-General as appropriate, designed and implemented adequate controls in relation to payments?*

CINEA, in cooperation with its parent Directorate-General where appropriate, has put in place adequate and effective controls in relation to payments. The financial circuits are clearly documented (electronic Manual of Procedures - eMOP), and roles and responsibilities (Project Officers, Financial Officers and Heads of Sector) are well defined and respected, ensuring that regulatory and contractual requirements are met before any payment is authorised.

Staff are provided with clear guidance and targeted training to ensure the necessary expertise for carrying out financial tasks. CINEA ensures that compliance checks are performed in accordance with the applicable rules and properly documented. No indications of double funding were identified in the reviewed sample, with checks performed on invoices (accounting number, date and amount) to verify that costs had not been previously claimed.

For the projects examined, pre-financing, interim and final payments were subject to the required checks (including the Certified Financial Statement where applicable), and in cases of project termination, recoveries were successfully carried out. No recurrent errors or systemic weaknesses were identified, and mechanisms exist

to inform the parent Directorate-General when needed. Overall, the internal control framework for payments is considered appropriate and effective.

*Does CINEA effectively manage amendments, as appropriate in cooperation with DG MOVE?*

CINEA effectively manages the amendments process, and its controls comply with the grant agreement provisions. CINEA has prepared detailed process manuals and procedures to manage the workflow for amendments. A sample review of projects with amendments did not identify any cases where these procedures were not followed. The involvement of DG MOVE is limited to specific cases as described in the process manuals.

*Are the working arrangements between CINEA and DG MOVE for reporting and communicating the results of the projects funded under CEF Transport effectively and efficiently implemented?*

The working arrangements between CINEA and DG MOVE for reporting and communicating project results are effectively implemented, with feedback to policy aligned with expectations set out in the Memorandum of Understanding. A series of correspondents have been established to facilitate working arrangements and collaboration between CINEA and DG MOVE. DG MOVE contribution is further strengthened through the use of sophisticated dashboards and data visualisation tools, enhancing transparency and supporting oversight. Established key performance indicators and stakeholder feedback surveys provide insight into the performance of both grant management and of project officers.

#### **Audit conclusion**

The IAS concluded that CINEA and DG MOVE have adequately designed and effectively and efficiently implemented processes for the effective and efficient implementation of CEF Transport, in line with the applicable legal framework.

#### **Audit recommendations**

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

## **1.9. Assurance building processes and audit strategy for the 2021-2027 programming period - design (DG HOME)**

---

The objective of the audit was to assess the adequacy of the design and set up of DG HOME's 'governance, risk management and control processes' for assurance building of funds implemented under shared management in the 2021-2027 programming period.

#### **Audit results**

*Has DG HOME provided relevant, clear and sufficient information to their staff on key changes and features regarding DG HOME funds implemented under shared management in the 2021-2027 programming period?*

Overall, DG HOME has identified key features and changes to the legislative framework, impacting the provision of assurance for its funds delivered under the shared management mode. It has established a structured approach towards the dissemination of information to staff and has provided training, guidance and tools to support. In addition, there has been an active coordination between DG HOME, the Joint Audit Directorate for Cohesion and other Directorates-General implementing funds under the Common Provision Regulation in setting up common guidance and training materials for auditors regarding common features of the 2021-2027 programming period, which can be considered as a good practice.

*Has DG HOME provided adequate support and tools to assist Member States in the design and set up of their management and control systems for funds implemented under shared management in the 2021-2027 programming period?*

Through established communication procedures, IT tools and regular meetings, DG HOME has set up a structured dialogue with the national authorities and provides support to Member States regarding the design and functioning of the management and control system, with specific attention to the newly established authorities and new aspects introduced by the regulatory framework. In this context, it was noted that DG HOME closely cooperates with the Joint Audit Directorate for Cohesion and other Directorates-General implementing funds under the Common Provision Regulation, in providing information to Member States on topics relevant for all funds under the Common Provision Regulation legal framework.

*Are the single audit strategy and underpinning internal procedures adequately designed to address DG HOME specific risks and new elements concerning its legality and regularity processes for the 2021-27 Funds under shared management?*

Overall, DG HOME has set up audit arrangements based on the single audit strategy commonly developed by all Directorates-General covered by the Common Provision Regulation. However, for the specific aspects of the audit approach for the 2021-2027 programming period and the internal processes regarding preventive and corrective measures, by the end of the fieldwork, DG HOME had not fully established additional audit arrangements related to the special handling of documents. Besides, a comprehensive risk assessment approach and audit planning incorporating fund-specific and common risk factors was at that time still under the development. Finally, DG HOME still needs to validate internal procedures regarding the application of preventive measures and establish a procedure describing the process on the application, monitoring and reporting of financial corrections.

#### **Audit conclusion**

The IAS concluded that for the 2021-2027 programming period, DG HOME has, overall, adequately designed and set up governance, risk management and control processes supporting assurance building for funds delivered under the shared management mode, except for the HOME fund – specific audit arrangements, including risk assessment and audit planning under the single audit strategy, and the internal processes for the preventive and corrective measures that still need to be finalised to fully set up all required elements.

#### **Audit recommendations**

Recommendation No 1, 2 and 3, on **audit strategy, risk assessment and audit planning, DG HOME** should:

- develop additional DG HOME-specific audit arrangements for single audit strategy.
- set-up a risk assessment model for DG HOME funds.
- revise the methodology and approach for developing the audit plan.

Recommendation No 4, on **interruptions, suspensions and financial corrections processes, DG HOME** should:

- establish and finalise procedures for application of preventive and corrective measures.

#### **Additional information provided by DG HOME on the action plan**

DG HOME established an action plan to address all recommendations, assessed as satisfactory by the IAS. By the end of 2025, DG HOME reported as implemented the recommendation on the audit strategy and the recommendation on the risk assessment. DG HOME considered the recommendation on establishing and finalising the procedures for application of preventive and corrective measures to be implemented in the first quarter of 2026.

The remaining actions related to the partially implemented recommendation on revising the methodology and approach for developing the audit plan are ongoing. DG HOME continues monitoring the execution of the audit plan (the audits for 2025 have already been performed). In order to fully implement the recommendation, DG HOME will report any deviations in the revised audit work programme and incorporate the results into future updates of the audit plan.

## 1.10. Amendments of the Common Agricultural Policy national strategic plans (DG AGRI)

---

The objective of the audit was to assess in DG AGRI the adequacy of the design and the effectiveness and efficiency of the implementation of the internal control processes for reviewing and approving the amendments to the Common Agricultural Policy national strategic plans, including the review and follow-up of notifications.

### Audit results

*Has DG AGRI adequately designed its processes for the review and approval of the Common Agricultural Policy strategic plans amendments?*

Overall, DG AGRI has designed adequate and detailed procedures for the review and approval of the Common Agricultural Policy amendments and notifications, which are presented in its Vademecum, and which are updated on a regular basis. It has also designed templates for communicating with Member States. Moreover, DG AGRI has set up the New Consistency Board to address outstanding technical issues in the implementation of the Common Agricultural Policy strategic plans (including when reviewing amendment requests), ensuring consistent and coordinated responses. This is especially important given the complexity of the Common Agricultural Policy legal framework.

However, the mandate and rules of functioning of the New Consistency Board were not fully clear as regards New Consistency Board conclusions requiring formal endorsement. After the fieldwork ended, DG AGRI adopted a revised mandate clarifying those elements.

In addition, there was a lack of clarity on the date of start of eligibility for approved changes in the European Agricultural Fund for Rural Development interventions which were previously notified but found non-compliant with the legal basis for notifications. For future notifications and amendments, this should be clarified, due to an ongoing Common Agricultural Policy Omnibus Regulation which will modify the process for amendments and is planned to enter into force in January 2026. In addition, DG AGRI had also not provided clear guidance to Member States on how to indicate in the amendments which changes were notified and at which date.

Furthermore, there was a lack of clarity on what can be accepted in terms of deviations between the overall target numerators of result indicators and related outputs (in case of direct link between the two). Finally, the requirements to Member States for the presentation of planned outputs did not allow to identify the planned aggregated outputs for a group of unit amounts, in case the intervention also benefited from additional national financing generating outputs.

*Does DG AGRI effectively and efficiently implement its processes for the review and approval of the Common Agricultural Policy strategic plan amendments?*

Overall, DG AGRI has adequately implemented its procedures for the review and approval of the Common Agricultural Policy amendments. In addition, DG AGRI effectively monitors the progress of the assessment and approval of amendments including through regular monitoring of deadlines and sharing of information within DG AGRI and with other Directorates-General involved. As a result, it has managed to approve the amendment requests within the legal deadline, despite the significant number of amendment requests and the large volume of changes included in each of them, which impose a continuous heavy workload on DG AGRI staff.

However, there were some misalignments between the procedures prescribed in the Vademecum and the practices observed with regards to the pre-consultation with other Directorates-General and the consultation within DG AGRI during the assessment of the amendment request. In addition, there was a misalignment between the Vademecum and the practice as regards the use of the return for corrections.

Furthermore, based on sample testing, corrections of non-compliance in the Common Agricultural Policy strategic plans identified after their approval were not always requested from the Member States.

Finally, there were some gaps as well as information not up to date in the documentation of the assessment of some of the amendment requests reviewed. In addition, not all approved amendments and related 'At a glance' documents were published on time on the Europa website, contrary to the instructions in the Vademecum.

### **Audit conclusion**

The IAS concluded that DG AGRI has adequately designed and effectively and efficiently implemented internal control processes for reviewing and approving the amendments to the Common Agricultural Policy national strategic plans, including the review and follow-up of notifications, except for two very important issues which relate to the date of start of eligibility of European Agricultural Fund for Rural Development notified changes, as well as to the clarification on the acceptable deviations between result indicators and outputs and correction of detected non-compliances in the Common Agricultural Policy strategic plans.

### **Audit recommendations**

Recommendation No 4, on the **notifications and date of start of eligibility, DG AGRI** should:

- ensure clarity on the date of eligibility for notified changes.

Recommendation No 6 and 7, on **the errors and inconsistencies in the Common Agricultural Policy strategic plans, DG AGRI** should:

- request corrections on detected non-compliances in Common Agricultural Policy strategic plans.
- clarify acceptable deviations between outputs and result indicators and reinforce checks on outputs.

#### **Additional information provided by DG AGRI on the implemented measures**

DG AGRI accepted all recommendations and submitted an action plan, assessed as satisfactory by the IAS, in April 2026, to mitigate the risks identified.

## **1.11. Design of the performance monitoring and evaluation framework for the Common Agricultural Policy 2023-2027 (DG AGRI)**

The objective of the audit was to assess whether DG AGRI has adequately designed the Common Agricultural Policy 2023-2027 performance monitoring and evaluation framework (PMEF) in order to monitor, evaluate and report on the performance of the Common Agricultural Policy under the New Delivery Model.

### **Audit results**

#### *Intervention logic*

Overall, the Common Agricultural Policy strategic plan interventions, designed at Member State level, respond to the Common Agricultural Policy objectives and are sufficiently linked to the result and impact indicators. This is to a large extent thanks to DG AGRI's advice and consistent support to Member States.

#### *Performance monitoring and evaluation framework indicators*

DG AGRI has prepared fiches for the performance monitoring and evaluation framework indicators, which allows for a uniform interpretation on how data must be collected and reported by Member States. Within DG AGRI, the allocation of responsibilities regarding who is responsible on which Common Agricultural Policy indicators is clear. Furthermore, to cope with the challenges related to data quality, DG AGRI has put in place instructions, designed in-house controls and established structured communication with data providers such as Eurostat.

#### *Support to Member States on the implementation of the Common Agricultural Policy strategic plans and for monitoring their performance*

Overall, DG AGRI has put in place adequate procedures for providing support to the Member States in the implementation of the Common Agricultural Policy strategic plans and for monitoring their performance, apart from the following very important weakness:

While the Common Agricultural Policy regulation allows Member States to request amendments on milestones and targets for result indicators, it does not provide clear grounds under which such amendments may be rejected. In the absence of clear provisions in the basic legislation and not to undermine the effectiveness of the biennial performance review, DG AGRI has agreed on an approach to deal with such requests for amendments, which has evolved over time as the implementation of the Common Agricultural Policy strategic plans progressed. However, this approach remains difficult to implement in the absence of a clear legal basis and needs further clarification and documentation.

#### *Processes for evaluating and reporting on the Common Agricultural Policy 2023- 2027*

DG AGRI has put in place adequate processes to deliver the evaluations as required by the Common Agricultural Policy strategic plan Regulation, through the preparation of a fit for purpose multiannual plan for studies.

In addition, DG AGRI disseminates available data on the performance monitoring and evaluation framework indicators through the Agri-food Data Portal (AGRIDATA portal). Preparations are ongoing for reporting on the performance of the new Common Agricultural Policy in the new 2024 Annual Activity Report of DG AGRI.

However, in terms of performance reporting, the performance programme statements accompanying the draft budget for 2025 and annexed to the 2023 Annual Management and Performance Report for the EU budget did not include data for the Common Agricultural Policy 2023-2027 core indicators, although some data were already available for a number of indicators.

#### **Audit conclusion**

The IAS concluded that overall, DG AGRI has adequately designed the Common Agricultural Policy 2023-2027 performance monitoring and evaluation framework to monitor, evaluate and report on the performance of the Common Agricultural Policy under the New Delivery Model, except for one very important issue relating to the approach for approving changes to targets and milestones for result indicators.

#### **Audit recommendations**

Recommendation No 1, on the **approval of changes to milestones and targets for result indicators, DG AGRI** should:

- update and clarify the approach for assessing requested changes to milestones and targets.

### **Additional information provided by DG AGRI on the implemented measures**

DG AGRI accepted the recommendation from the IAS and submitted an action plan that was assessed as satisfactory by the IAS, in June 2025, to mitigate the risks. Actions related to recommendation 1 are ongoing. DG AGRI continues to monitor the execution of the audit plan.

This recommendation was due on 31 March 2026. DG AGRI planned to implement it in two steps, as approved by the IAS in the action plan.

DG AGRI considers that the first action has been implemented (the outcome of the dedicated meeting of the Expert Group on the implementation of the CAP Strategic Plans Regulation was used for the discussions on the design of the new Performance Regulation for 2028-2034 and in particular for the selection of the indicators).

The second step, on the clarification of the approach for assessing requested changes to milestones and targets, has been discussed in the next New Consistency Board meeting on 5 June 2026. Once the agreement is reached, the Vademecum will be updated accordingly. DG AGRI expects by consequence to close the recommendation once the new version of the Vademecum has been validated.

## **1.12. Non-Governmental Organisations (NGO) funding under the LIFE programme (DG ENV, DG CLIMA, DG ENER, CINEA)**

The objective of this audit was to assess whether DG ENV, DG CLIMA, DG ENER and CINEA, responsible for the Programme for the Environment and Climate Action (LIFE), have taken effective measures to implement the 'Guidance on funding for activities related to the development, implementation, monitoring, and enforcement of Union legislation and policy' for the grants signed after its issuance, i.e. under the 2024 LIFE calls for proposals and onwards. The objective of the audit did not include an evaluation of the applicable legal basis and of the corporate guidance.

### **Audit results**

Based on the work performed within the scope of the audit, the IAS assessed the measures taken to comply with the corporate guidance as follows:

*Have the Commission services concerned (parent Directorates-General) provided adequate guidance to CINEA, in alignment with the EC corporate guidelines?*

The LIFE programme parent Directorates-General took a series of measures, including providing orientation to CINEA on how the corporate guidance should be applied in practice, responding to specific queries and advising on individual cases for the proposals submitted under the LIFE 2024 calls for proposals. They also ensured a proper follow-up on the matter at the CINEA Steering Committee and LIFE Working Group meetings.

For future LIFE calls, they clarified in the 2025–2027 LIFE Multi-Annual Work Programme that operating grant agreements should not require beneficiaries to undertake specific, detailed activities directly targeting EU institutions, their staff or members, or to take positions on specific policy issues.

Additionally, they informed the non-governmental organisations with whom they had an ongoing operating grant, about the impact of the corporate guidance by holding meetings on 28 November 2024, 4 December 2024, and 3 June 2025.

*Has CINEA implemented the corporate guidance effectively?*

CINEA has carried out a series of measures to implement the corporate guidance, including providing targeted training to external experts involved in the grant agreement preparation phase and incorporating in the text of the 2025 LIFE calls for proposals — as part of the criteria for eligible activities - the requirement to ‘respect EU values and European Commission policy regarding reputational matters’, including a reference to the corporate guidance.

Furthermore, during the preparation of the action and operating grants awarded following the 2024 LIFE call, successful beneficiaries were informed, as part of the guidance note for the grant preparation phase, about the new compliance requirements related to the corporate guidance. In addition, beneficiaries of operating grants signed under the 2024 LIFE calls were informed of the reporting requirements for the implementation of their grant agreements, which include compliance with the corporate guidance.

To align its internal operations with the requirements stemming from the corporate guidance, CINEA has revised its procedures for the evaluation and award of grants to non-governmental organisations and updated the existing checklist accordingly. CINEA performed a review of all successful proposals under the 2024 LIFE call to remove from the work packages to be included in the grant agreements, references to activities that they consider are not in line with the corporate guidance, such as those framed as lobbying or targeting directly (members of) EU institutions for specific policy outcomes. A register has also been established to track proposals requiring adjustments during the grant agreement preparation phase. However, the experience gained by CINEA staff and lessons learnt from the 2024 exercise have not yet been fully consolidated for use in future calls for proposals.

CINEA also reported the results of the screening of pre-2024 ongoing LIFE grants to its parent Directorates-General and to EC central services.

Overall, CINEA has put in place adequate measures for preventing, detecting and addressing potential conflict of interests for experts involved in the evaluation of proposals, as well as for evaluation committee members. However, based on sample testing, the auditors identified one case where the declaration of confidentiality and absence of conflict of interests of one voting member of an evaluation committee was signed around four months after the evaluation committee had taken place.

#### **Audit conclusion**

The IAS concluded that the Commission services responsible for the LIFE programme have taken adequate measures to implement the ‘Guidance on funding for activities related to the development, implementation, monitoring and enforcement of union legislation and policy’ so that activities such as those framed as lobbying or targeting directly (members of) EU institutions for specific policy content or outcome, are not mandated as a requirement, or condition for Union financing.

#### **Audit recommendations**

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

### **1.13. Reliability of audit opinions on the legality and regularity of Erasmus+ expenditure declared by National Agencies (DG EAC)**

---

The objective of the audit was to assess whether the measures taken by DG EAC to ensure the reliability of audit opinions issued by the independent audit bodies (IABs) on the legality and regularity of expenditure reported by the national agencies are adequately designed and effectively implemented to obtain the necessary assurance on the use of Erasmus+ funds.

#### **Audit results**

*Are the minimum requirements for the controls set by DG EAC for IAB and national agencies and the assessment of the audit opinions on the legality and regularity of expenditures declared by the national agencies adequately designed, in compliance with the applicable rules?*

DG EAC has a well-established procedure for setting minimum requirements for the independent audit body's work (in the form of yearly guidelines) and for assessing the independent audit opinions, including clear roles and responsibilities for DG EAC staff involved in the process. The yearly guidelines include a comprehensive set of requirements with a recommended methodological approach, provisions on audit population reconciliation and sampling, as well as indicative audit programmes and audit opinion templates which are timely communicated to the national authorities and IAB. However, the requirements for the national agencies to check the 'top 15%' of beneficiaries receiving 70-75% of the budget need clarification and the monitoring of primary checks performed by national agencies is not fully effective.

*Is the assessment that DG EAC performs on the independent audit opinions on the legality and regularity of expenditure declared by the national agencies effective to ensure the necessary assurance is obtained?*

Overall, DG EAC effectively assesses the independent audit opinions on the legality and regularity of Erasmus+ expenditure. However, the IAS audit identified inconsistencies in verifying the audit population for primary checks and deviations from the recommended sampling parameters for financial transaction testing in some of the sampled independent audit opinions.

*Does DG EAC follow up on the observations arising from the independent audit opinion and the actions taken by national agencies and national authorities in response to the observations?*

DG EAC follows up the observations reported in the independent audit opinions and their implementation by the national agencies on a regular basis. However, no formalised internal methodology exists for assessing the observations and no action plans for the implementation are requested from the national agencies and approved by DG EAC.

#### **Audit conclusion**

The IAS concluded that DG EAC has effectively implemented measures that are adequately designed to ensure the reliability of audit opinions issued by the IABs on the legality and regularity of expenditure reported by the national agencies to obtain the necessary assurance on the use of Erasmus+ funds, except for one very important issue related to the management of observations.

#### **Audit recommendations**

Recommendation No 2, **on the management of observations, DG EAC** should:

- improve the follow-up of observations.

#### **Additional information provided by DG EAC on the implemented measures**

DG EAC submitted an action plan addressing all audit findings in January 2026, which was assessed as satisfactory by the IAS. All planned measures related to this recommendation are ongoing and fully on track. They are expected to be fully implemented within the agreed timeframe (end of December 2026).

## 1.14. InvestEU Fund – methodology for key performance indicators and key monitoring indicators, controls over indicators and internal steering and cooperation mechanism (DG GROW)

---

The objective of the audit was to assess the adequacy of the design and the effective implementation of: (a) the internal steering and coordination mechanism put in place by DG GROW for the financing of the InvestEU Fund operations; (b) the methodology developed on indicators (key performance indicators and key monitoring indicators) to monitor the implementation of the InvestEU Fund; and (c) the controls put in place over the operational reporting by Implementing Partners (IPs).

### Audit results

*Is there an adequate and effective internal steering and coordination mechanism in place, allowing DG GROW to meet the InvestEU Fund's objectives and to maximise its impact?*

The Commission (DG ECFIN and since February 2025 DG GROW) has established an adequate and effective internal mechanism that allows the participating Directorates-General to provide appropriate policy steer and coordination. Commission Directorates-General have access to timely and adequate data on the implementation of InvestEU operations. Moreover, there is a clear and comprehensive division of work, roles and responsibilities between the Directorates-General involved in the implementation of the InvestEU Fund. This was confirmed by the Directorates-General that participated in the survey launched by the IAS as part of this audit. 85% of the survey participants agreed that the roles and responsibilities of DG GROW and their own DG as regards the implementation of the InvestEU Fund are clearly defined and well understood.

*Has DG GROW established a robust methodology on performance and monitoring indicators for the financing of InvestEU Fund operations and is this effectively used to monitor the implementation of the Fund?*

The performance management framework for the InvestEU Fund has been defined in the InvestEU Regulation, which contains both key performance and key monitoring indicators. In June 2022, DG ECFIN developed the methodology for the calculation of InvestEU key performance and key monitoring indicators which was then revised in February 2024 to include additional indicators proposed by the InvestEU Steering Board (such as indicators on climate mitigation, biodiversity and gender equality) and to clarify some of the calculation methodologies.

When assessing the performance management framework put in place to track the progress of InvestEU towards the achievement of the Union's objectives and evaluate its performance the IAS found that the objectives defined in the legal basis are not 'specific', the indicators have no baselines and are not always accompanied by a target. Moreover, the approach to measure the long-term effect of the programme has not yet been defined. Additionally, specific indicators for digitisation and climate are not fully aligned with best practices set in these areas by the Commission or are not independently verified.

As part of their control activities, DG GROW officers perform checks on the aggregate data reported by the IPs on a semi-annual basis and carry out monitoring visits to the IPs. However, the internal control strategy does not: (a) define which specific checks should be performed during the monitoring visits to ensure the completeness and accuracy of the data underlying the aggregate values of indicators provided by the implementing partners; (b) formalise the target in terms of implementing partners to be visited each year, and (c) define the approach for selecting implementing partners to be accompanied on their visits to financial intermediaries/financial beneficiaries.

Article 8(8) of the InvestEU Regulation and the Commission Notice on the InvestEU Programme climate and environmental tracking guidance stipulate that the Commission, together with the implementing partners, shall seek to ensure a balanced distribution between the projects mainly contributing to climate mitigation priorities and those contributing to environmental priorities under the 'Sustainable Infrastructure Window' of InvestEU.

The analysis carried out by the IAS of the available data indicated a 95%-5% split between climate and environmental spending for the Sustainable Infrastructure Window (by the end of 2024), which is below the expectations in the area.

#### Audit conclusion

The IAS concluded that overall, DG GROW has designed and implemented an adequate and effective internal steering and coordination mechanism for the financing of InvestEU Fund operations and has put in place a robust methodology on performance and monitoring indicators to monitor the implementation of InvestEU, except for one very important issue related to the quality of objectives and key performance indicators and key monitoring indicators set in the legal basis.

#### Audit recommendations

Recommendation No 1, on the **performance management system, DG GROW** should:

- improve the design of the performance management system.

#### **Additional information provided by DG GROW on the implemented measures**

DG GROW submitted a draft action plan, which is being assessed by the IAS. Nevertheless, DG GROW already started the implementation of the actions it proposed in the action plan.

## **1.15. Control results provided by partners (management declarations) (DG INTPA)**

---

The objective of the limited review was to assess whether DG INTPA has designed and implements an adequate system that ensures that the management declarations effectively contribute to the assurance on the effective implementation of EU funds under indirect management with entrusted entities, as well as on the accuracy of financial reporting and its compliance with the Financial Regulation.

#### Audit results

*Has DG INTPA designed an adequate control framework to comply with the Financial Regulation requirements on management declarations?*

DG INTPA has put in place a control framework for the management declarations which encompasses guidance and checklists for the staff and templates related to contribution agreements (including for financial instruments) that the entrusted entities have to use for their management declarations. However, the IAS found that guidance (instructions, templates and checklists) is not accurate, complete and/or sufficiently clear on some important elements of the management declaration handling process which would enable more effective controls on the compliance of the management declaration with the requirements of the Financial Regulation. During the fieldwork, the IAS also found that there is no mechanism, neither at local or at corporate level, to collect and analyse information on issues encountered with global management declarations in view of identifying and addressing systemic/ repetitive issues.

*Does DG INTPA implement its control system effectively, efficiently, and in line with the rules in place?*

The IAS found that a management declaration was available for 38 out of 39 sampled files for which it was required. However, the controls designed were not always implemented effectively, efficiently, and in line with the applicable rules. The IAS identified two major issues concerning the handling of management declarations,

notably: (a) submission deadline and validity period for payments and clearings of global management declarations was not aligned with the provisions of the Financial Regulation; (b) insufficient and/or inadequate checks, resulting in accepting as valid for processing payments and clearings management declarations that were either non-compliant with the agreements and/or templates or not accompanied by an audit opinion. The IAS also found that DG INTPA's approach to preparing the Annual Activity Report does not align with the principle of sound financial management as the assurance relies on global management declarations from the preceding year rather than those pertaining to the year covered by the Annual Activity Report.

*Does DG INTPA's reporting on management declarations in the Annual Activity Report comply with DG BUDG's instructions?*

DG INTPA reporting on management declarations in the Annual Activity Reports is not fully in line with DG BUDG's instructions as the DG does not collect all the data necessary to properly fill in the tables on management declarations.

#### **Audit conclusion**

The IAS concluded that the system designed and implemented by DG INTPA to ensure that the management declarations contribute to the assurance on the effective implementation of EU funds under indirect management with entrusted entities, the accuracy of financial reporting and its compliance with the Financial Regulation is adequate except for two very important issues related to some aspects of the design of the control framework for management declarations, and the effectiveness and efficiency of management declarations as a control measure.

#### **Audit recommendations**

Recommendation No 1, on the **design of the control framework for management declarations, DG INTPA** should:

- improve the control framework for management declarations.

Recommendation No 2, on the **assurance provided from global management declarations, DG INTPA** should:

- increase the effectiveness of management declarations as a control tool.

#### **Additional information provided by DG INTPA on the implemented measures**

INTPA drafted an action plan that was accepted by IAS. DG INTPA has already implemented Recommendation No 2, with follow-up pending by IAS. Implementation of Recommendation 1 is underway.

## **1.16. Control results provided by partners – management declarations (DG ENEST)**

---

The objective of the limited review was to assess whether DG ENEST has designed and implements an adequate system that ensures that the management declarations effectively contribute to the assurance on the effective implementation of EU funds under indirect management with entrusted entities, as well as on the accuracy of financial reporting and its compliance with the Financial Regulation.

#### **Audit results**

*Has DG ENEST designed an adequate control framework to comply with the Financial Regulation requirements on management declarations?*

DG ENEST has put in place a control framework for the management declarations which encompasses guidance and checklists for the staff and templates that the entrusted entities have to use for their management declarations. However, the IAS found issues in these elements that need to be further developed to enable more effective controls of management declarations.

*Does DG ENEST implement its control system effectively, efficiently, and in line with the rules in place?*

The IAS found that a management declaration was available for all 41 sampled payments and clearing files, for which it was required. However, the controls designed were not always implemented effectively, efficiently, and in line with the rules in place. Specifically, the IAS identified two major issues related to handling management declarations, notably: (a) an erroneous interpretation and application of the rules related to global management declarations (both as regards the submission deadline, and their validity period for payments and clearings); (b) inadequate application of the guidance in place resulting in accepting as valid for processing payments and clearings management declarations that were either non-compliant with the agreements and/or templates or not accompanied by an audit opinion.

*Does DG ENEST's reporting on management declarations in the Annual Activity Report comply with DG BUDG's instructions?*

DG ENEST reporting on management declarations in the Annual Activity Report is not fully in line with DG BUDG's instructions as the DG does not collect the data allowing it to fill in properly the tables on management declarations.

#### **Audit conclusion**

The IAS concluded that the system designed and implemented by DG ENEST to ensure that the management declarations contribute to the assurance on the effective implementation of EU funds under indirect management with entrusted entities, the accuracy of financial reporting and its compliance with the Financial Regulation is adequate except for two very important issues related to some aspects of the design of the control framework for management declarations, and the effectiveness and efficiency of management declarations as a control measure.

#### **Audit recommendations**

Recommendation No 1, on the **design of the control framework for management declarations, DG ENEST** should:

- improve the control framework for management declarations.

Recommendation No 2, on the **assurance provided from global management declarations, DG ENEST** should:

- increase the effectiveness of management declarations as a control tool.

#### **Additional information provided by DG ENEST on the implemented measures**

DG ENEST accepted all recommendations and sent the action plan to the IAS on 23 January 2026. The IAS accepted the action plan on 9 February 2026. Both very important recommendations are being implemented and will be finalised by 1 September 2026.

## 1.17. Financial management – high value procurement and contract management (DG TAXUD)

---

The objective of the audit was to assess whether the internal control system set up by DG TAXUD for high value procurement and contract management is adequately designed, and efficiently and effectively implemented.

### Audit results

*Has the internal control environment of public procurement in DG TAXUD been adequately designed and effectively and efficiently implemented?*

DG TAXUD has defined and implemented internal roles and responsibilities for all procurement related tasks. DG TAXUD's staff involved in the procurement process are made aware of their specific roles and the applicable rules.

DG TAXUD has properly reported procurement risks, and associated mitigating actions, in its risk register. The risks related to specific framework contracts are monitored and reported to the Public Procurement Committee. However, there is no consolidated assessment of risk(s) identified in different steps or instances of the procurement process, nor a structured approach to follow up on or monitor the formulated mitigating actions relating to different procurement activities.

In addition, DG TAXUD has not consolidated the control activities specific to procurement into a comprehensive, formalised control strategy covering the different steps of the procurement process and the related risks, as identified in various risk assessment exercises.

Although DG TAXUD has designed actions to mitigate the ethics-related risk associated to public procurement, it has not assessed the effectiveness of these measures in strengthening a fraud-proof procurement and contract management system.

*Is the procurement planning adequately designed and effectively and efficiently implemented?*

DG TAXUD has designed and implemented a procurement planning process. However, the process shows very important issues which may affect the effective and efficient achievement of the Directorate-General's objectives in the audited area. These weaknesses concern the design and implementation of specific steps in the planning process, in particular:

- a. the estimation of the total contract value, where DG TAXUD relied solely on historical prices without conducting adequate market research,
- b. the duration of the framework contracts, whereby the automatic renewal extended the contracts beyond the standard four-year limit, without sufficient documented justification,
- c. the preparation phase of procurement procedures. There is no evidence of a root cause analysis of delays stemming from the past procurement procedures enabling the DG to assess the time required for the planning steps. Moreover, the DG did not take specific measures to enhance internal cooperation and communication between Directorates to ensure a smooth completion of the procurement steps.

*Is the tendering and award process implemented according to the internal controls and applicable rules?*

The preparation and publication of procurement documents, and the communication with tenderers have been implemented according to the applicable procurement rules.

However, the IAS identified very important issues as regards the selection and award criteria defined in the tender dossier and the evaluation of tenders. The award criteria defined by DG TAXUD in the tender documents

were not sufficiently clear, detailed, or directly related to the technical specifications of the tender. In addition, evaluation reports highlighted weaknesses identified during the evaluation process, but they did not specify how the DG intended to address them in the final selection process, nor mention of any specific corrective measures that should be undertaken during the contract execution stage.

#### *Is the contract management effectively and efficiently implemented?*

DG TAXUD has established processes for contract monitoring.

The financial and operational aspects of the IT contract's implementation were reported periodically and timely to ensure the achievement of the entity's objectives. Internal guidance was made available for the operational units covering the operational aspects contract management of IT contracts.

However, the IAS has identified very important issues in the documentation and/or implementation of DG TAXUD's *ex ante* key controls on commitments and payments. These concern mainly: (a) the design and implementation of the payment checklist/workflow; (b) the documentation of *ex ante* operational key controls for an informed-based payment validation by the Authorising Officer by sub-delegation; and (c) gaps in the design and implementation of early detection and exclusion system checks. These issues may affect the effective and efficient implementation of contract management by the responsible staff members.

DG TAXUD has a contract monitoring control process in place allowing to report issues related to the procurement deliverables. Nevertheless, DG TAXUD did not make use of performance and retention money guarantees provisions for the audited framework contracts nor the related specific contracts and did not justify why it did not apply these safeguards.

The financial circuit for procurement is centralised and the financial team in the Directorate E plays a key role, by providing an active support to the operational units throughout the procurement life cycle (from the identification of needs up to the final payment of the relevant contract). However, the procedural framework for financial circuit authorisations, budgetary and legal commitments and payments were not formally approved or up to date.

DG TAXUD has ensured that contract amendments were concluded in accordance with established procedures. However, DG TAXUD has systematically made specific contract extensions without documenting a justification on the exceptional circumstances when accepting them. In addition, there is no evidence of any assessment of past specific contracts to determine more reasonable durations for on-demand specific contracts, that would provide sufficient margin to reduce the need for amendments.

DG TAXUD retains all financial and operational documents related to the implementation of specific contracts. However, commitment and payment files were incomplete or inconsistent making it difficult to retrieve complete documentation.

#### **Audit conclusion**

The IAS concluded that the internal control system set up by DG TAXUD for high value procurement and contract management needs to be significantly enhanced to strengthen its efficiency and effectiveness, notably with regard to: (a) the procurement control strategy; (b) the award criteria and evaluation process; (c) the contract value estimation and contract duration; (d) the early detection and exclusion system checks; and (e) *ex ante* controls over payments.

#### **Audit recommendations**

Recommendation No 1, on **control strategy, DG TAXUD** should:

- improve the DG's risk management and develop a control strategy.

Recommendation No 3, on **award criteria and evaluation process**, DG TAXUD should:

- enhance the award criteria and evaluation process.

Recommendation No 4, on **contract value estimation and contract duration**, DG TAXUD should:

- carry out market analysis when estimating contract value and justify automatic renewal of framework contracts.

Recommendation No 6, on **early detection and exclusion system**, DG TAXUD should:

- consult the early detection and exclusion system database throughout the procurement and contract management lifecycle.

Recommendation No 8, on **ex ante controls on payments**, DG TAXUD should:

- enhance *ex ante* controls on payments.

#### **Additional information provided by DG TAXUD on the implemented measures**

DG TAXUD submitted an action plan addressing all audit recommendations in January 2026, which was assessed as satisfactory by the IAS. All actions are currently ongoing and progressing according to schedule. Full implementation is expected within the agreed timeframe, with some measures due by the end of June 2026 and the remainder by the end of December 2026.

## **1.18. Financial management – Grants (DG TAXUD)**

The objective of the audit was to assess whether the internal control systems established by DG TAXUD for managing grants under the Customs Control Equipment Instrument programme are adequately designed and effectively implemented.

### **Audit results**

*Has DG TAXUD put in place an adequate control framework for the call preparation and for the management of its grants?*

DG TAXUD has defined clear organizational structures, roles and responsibilities for managing Customs Control Equipment Instrument grants and has in place: (a) internal procedures / guidelines /tools; (b) a set of guidance to beneficiaries; and (c) relevant trainings modules, on the spot trainings and information sessions for the staff involved. However, DG TAXUD has not yet developed a control strategy targeted to the specific Customs Control Equipment Instrument risks. Furthermore, the existing guidance (corporate and/or DG TAXUD specific) requires enhancement and should be centralised for easier access.

*Does DG TAXUD effectively manage the preparation, selection, and award of the Customs Control Equipment Instrument calls?*

DG TAXUD has: (a) prepared its calls, with improvement noted for the second call; (b) evaluated proposals timely, in line with applicable deadlines; (c) implemented a lessons-learned approach as regards the call preparation and the evaluation of proposals; and (d) prepared grant agreements in due time and in line with award decision.

However, the IAS did not find evidence, neither in the eGrants system nor in the grant preparation report, on whether the shortcomings mentioned at evaluation summary report stage have been duly considered during the grant agreement preparation phase.

*Does DG TAXUD efficiently and effectively monitor the implementation of the Customs Control Equipment Instrument grant agreements?*

Overall, DG TAXUD has in place tools and procedures for monitoring Customs Control Equipment Instrument grants, and effectively and efficiently implements *ex ante* checks on payments and on amendments. However, DG TAXUD does not provide enough evidence in eGrants of the continuous monitoring of the projects financed under the Customs Control Equipment Instrument and of the payment processing (in particular the checks preceding the certified correct).

#### **Audit conclusion**

The IAS concluded that overall, DG TAXUD has adequately designed and effectively implemented the internal control system for managing its grants activities under the Customs Control Equipment Instrument programme, except for two very important issues related to the Customs Control Equipment Instrument s control strategy, and the evidence in eGrants of the continuous project monitoring and of the payment processing.

#### **Audit recommendations**

Recommendation No 1, on **control strategy, DG TAXUD** should:

- develop a control strategy for the Customs Control Equipment Instrument and establish the methodology for the calculation of the Customs Control Equipment Instrument error rate.

Recommendation No 4, on **evidence-based grant agreement monitoring, DG TAXUD** should:

- clarify procedures for the certified correct and expected audit trail to document the checks performed for grant agreement monitoring.

#### **Additional information provided by DG TAXUD on the implemented measures**

DG TAXUD submitted an action plan addressing all audit recommendations in January 2026, which was assessed as satisfactory by the IAS. All actions are currently ongoing and progressing according to schedule. Full implementation is expected within the agreed timeframe, with some measures due by the end of June 2026 and the remainder by the end of December 2026.

## **1.19. Controls over aid to countries covered by a crisis declaration (DG MENA)**

---

The objective of the audit was to assess the adequacy of the design, and the effective implementation of the risk management and control systems put in place by DG MENA to ensure that the financial aid provided to the sampled countries covered by a crisis declaration is delivered following the principle of sound operational and financial management.

#### **Audit results**

*Is the control system over financial aid to each of the sampled countries covered by a crisis declaration adequately designed to ensure that such aid is delivered according to the principle of sound financial management?*

The design of key controls is overall adequate, but the guidance on controls for crisis contexts is scattered across multiple documents and not consolidated, leading to inconsistent application and variable quality of justifications. While EU Delegations adapt and strengthen controls in practice, the lack of a single, comprehensive reference limits systematic risk mitigation, monitoring, and reporting. Good practices exist at specific EU Delegations but are not consistently shared.

*Is the control system over financial aid to each of the sampled countries covered by a crisis declaration adequately implemented in practice?*

Overall, the key controls for financial aid under crisis declarations are largely in place and functioning, with measures to mitigate risks such as fraud, corruption, conflict of interest, and double funding. However, their consistent application is affected by varying experience levels of staff responsible for applying the relevant rules (due to staff turnover) and fragmented guidance across multiple documents. While many EU Delegations demonstrate good practices, such as structured evaluation committees and thorough legal and financial checks, some gaps persist, including incomplete verification of legal entities or eligibility criteria. Headquarters-level oversight remains limited, with annual reporting and coding constraints reducing the ability to systematically monitor flexible procedures. Consequently, although the framework is sound, its effectiveness depends heavily on staff knowledge and manual processing.

*Is there effective monitoring and reporting on the effectiveness/ adequacy of key controls to ensure that financial aid is delivered effectively?*

The monitoring, reporting, and follow-up mechanisms for financial aid under crisis declarations remain largely manual, and not sufficiently structured. While a tagging system exists within the corporate IT system, it is not tailored to capture crisis declaration cases effectively, limiting the ability to systematically identify and track contracts for which flexible arrangement apply. Monitoring at Delegation level continues to rely heavily on staff knowledge and ad hoc checks, and reporting through tools such as External Assistance Management Reports and Annual Activity Reports provides limited and non-consistent insights on control effectiveness or risk exposure.

#### **Audit conclusion**

The IAS concluded that the risk management and control systems put in place by DG MENA to ensure that the financial aid provided to countries covered by a crisis declaration are delivered following the principle of sound operational and financial management is adequately designed and effectively implemented except for the monitoring and reporting mechanism related to contracts concluded under flexible procedures.

#### **Audit recommendations**

Recommendation No 1, on **monitoring and reporting related to contracts concluded under flexible procedures, DG MENA** should:

- improve monitoring and reporting for flexible procedures.

#### **Additional information provided by DG MENA on the implemented measures**

The IAS issued the final audit report in December 2025. DG MENA set up an action plan, considered satisfactory by the IAS in April 2026. DG MENA has already started working on the implementation of the agreed actions, particularly as regards upgrading the features on the IT systems. No major difficulties are expected for the action plan to be implemented within the planned timeframe.

## 1.20. Recovery and Resilience Facility risk assessment methodology and *ex post* audits (DG ECFIN)

---

The objective of the audit was to assess the risk management and control processes for the Recovery and Resilience Facility *ex post* audits (i.e. audit on milestones and targets and combined system audits) and their compliance with the Recovery and Resilience Facility Regulation.

### Audit results

*Has DG ECFIN designed an adequate risk assessment methodology and ex post audit process?*

DG ECFIN's risk assessment methodology for selecting milestones and targets for *ex post* audits is clear and adequate. However, the methodology has not been reviewed since it was developed to ensure that the key risk factors remain valid, and that the risk scoring system enables clearer comparisons of risk levels of milestones and targets. In addition, there are no clear instructions on how to document possible modification of risk levels following the application of professional judgment.

The design of the *ex post* audit process is adequate and well detailed, but instructions for drafting audit objectives and scope are not clear, as well as some performance indicators.

*Is the risk assessment methodology and the ex post audits on the Recovery and Resilience Facility efficiently and effectively implemented by DG ECFIN?*

Overall, the risk assessment methodology and the audit process are implemented as designed. The risk assessments files sampled were well documented, although with varying practices across the teams not harmonised. *Ex post* audits were executed, documented, and reported according to the internal procedures. Audit deliverables tested, such as mission planning memoranda and audit reports are of good quality. However, there is a long audit throughput time resulting in an extended duration of *ex post* audits. The main reasons for the long duration of audits are their complex nature and broad audit scope (combining elements of different type of engagements), the length of the review of supplementary documentation, quality assurance and internal consultation, deadline extensions granted to Member States for providing additional documents, as well as time required for official translation of draft and final audit reports.

*Is DG ECFIN's monitoring and reporting on Recovery and Resilience Facility ex post audits efficient and effective?*

DG ECFIN has defined four core indicators to monitor the implementation of the audit strategy, two of which are regularly followed up and reported in the Annual Activity Report but require further clarification.

DG ECFIN's reporting on the *ex post* audits sampled was overall efficient and effective. However, the information on *ex post* audits included in the Annual Activity Report does not provide details on their status (completed, reporting stage, flash report) at the cut-off date for reporting.

*Ex post* audit reports and audit deliverables include the statement that audits are conducted in accordance with International Standards on Auditing and in particular with the International Organization of Supreme Audit Institutions (INTOSAI) standard International Standards of Supreme Audit Institutions (ISSAI) 4000, however the current formulation is misleading as it does not clarify the degree of compliance with the standard (partially or in full).

### Audit conclusion

The IAS concluded that, overall, DG ECFIN adequately designed and effectively implemented risk management and control processes for the Recovery and Resilience Facility risk assessment methodology and *ex post* audits on milestones and targets, in compliance with the Recovery and Resilience Facility Regulation, except for the two very important issues related to the duration of audits and auditing standards and quality assurance programme

### Audit recommendations

Recommendation No 3, on **duration of audits and reporting**, **DG ECFIN** should:

- reduce delays in the *ex post* audit process and ensure completeness of Annual Activity Reports.

Recommendation No 4, on **auditing standard and quality assurance programme**, **DG ECFIN** should:

- clarify the framework and standards guiding the *ex post* audits and enhance the quality assurance programme.

#### **Additional information provided by DG ECFIN on the implemented measures**

DG ECFIN submitted an action plan, assessed as satisfactory by the IAS in December 2025. All planned measures are expected to be fully completed within the agreed timeframe (end of June 2026).

The recommendation on reducing delays in the *ex post* audit process and ensuring completeness of annual activity reports is being addressed and its implementation will be reflected in DG ECFIN's annual activity report. The recommendation on clarifying the framework and standards guiding the *ex post* audits and enhancing the quality assurance programme is being addressed and some evidence has already been submitted to the IAS ahead of the implementation deadline.

# Operational Processes

## 1.21. Personnel selection process (EPSO)

---

The objective of the audit was to assess the adequacy of the governance, risk management and control processes set up by EPSO for the design of the new competition model for permanent staff.

### Audit results

*Is the framework underlying the new competition model adequately designed to support EPSO's mission as selection office of the EU institutions and bodies?*

EPSO provided evidence of a stakeholder engagement process when designing the new competition model. However, weaknesses exist in the way EPSO identifies the needs and expectations of its clients, which includes a lack of a formalised set of criteria for the prioritisation of their needs and of an effective feedback mechanism to obtain input from all stakeholders. Also, the communication process between EPSO and its clients is ad hoc and reactive, rather than structured and proactive.

Primarily explained by the fact that EPSO has been operating in continuous crisis mode since the suspension of the competitions in 2023, more than two years after EPSO's Management Board decision to deploy the new competition model, EPSO has not yet adopted: (a) a roadmap, which should have been preceded by a risk assessment to identify the risks and challenges linked with the deployment; and (b) a procedure supporting the new selection process.

The new organisational structure and the roles and responsibilities of the actors involved support the overall objective of the recent reorganisation of EPSO which consisted of adapting its structure to the new competition model. However, this reorganisation needs to be completed by updating some job descriptions and carrying out, in due course, an impact analysis of the new competition model on EPSO resources.

In the past few years, EPSO has faced significant challenges as indicated above and drew some lessons from the issues experienced, particularly with the former service provider when launching the new call for tender. However, there is no evidence of a structured and comprehensive process to learn lessons from past experiences, covering other areas of EPSO's activities within the new competition model. Also, with a more forward-looking perspective and to improve efficiency in its operations, EPSO needs to prepare well and timely for the use of Artificial Intelligence.

*Is the new competition model adequately designed to ensure compliance with the legal basis and achieve its objectives?*

The new competition model indicated above has been designed with a view to ensuring compliance with the Staff Regulation and its implementation rules. The objectives of the main pillars of the new competition model are to have 'faster, leaner and more accessible' competitions. However, EPSO has not yet defined adequate indicators to measure the achievement of these objectives. As a consequence, EPSO's monitoring of the progress towards the achievement of these objectives, once the new model is fully implemented, is not adequate and EPSO's senior management and the members of EPSO's Management Board do not receive reports to oversee the achievement of the objectives and the progress of individual competitions.

### Audit conclusion

The IAS concluded that the governance, risk management and control processes set up by EPSO for the new competition model for permanent staff are not adequately designed.



## Audit recommendations

Recommendation No 1, on the **management of clients' needs and communication aspects**, EPSO should:

- manage clients' needs and communication aspects.

Recommendation No 2, on the **roadmap for the deployment of the new competition model and procedure for the selection process**, EPSO should:

- set-up a roadmap and a procedure and carry out an impact analysis of the new competition model.

Recommendation No 3, on the **objectives of the new competition model – indicators and monitoring**, EPSO should:

- define key performance indicators and monitor the achievement of objectives of the new competition model.

Recommendation No 5, on **lessons learnt**, EPSO should:

- analyse lessons learnt.

### **Additional information provided by EPSO on the implemented measures**

EPSO established an action plan to address all audit findings, considered as satisfactory by the IAS.

All planned measures are expected to be fully completed within the agreed timelines. Progress has been achieved with key actions in their advanced stage or close to completion. Notably, the roadmap to analyse and monitor the new competition model is well advanced.

## **1.22. Management of childcare services (OIB, OIL)**

---

The objective of the audit was to assess the adequacy of the design of the framework and the adequacy of the design and the effective implementation of the control system (including IT controls over eKidWeb) put in place by OIB and OIL for the management of the childcare services.

### **Audit results**

#### *Have OIB and OIL designed an adequate framework for the provision of childcare services?*

OIB and OIL have established a set of operational/working procedures to regulate certain aspects of their daily operations and management of childcare services. However, the IAS noted that the legal basis for the provision of the childcare services is outdated. Additionally, there is a misalignment between the legal basis on OIL's shared role and responsibilities with the European Parliament, and there is also no formal agreement with them for managing childcare services.

Regarding OIB, the IAS also notes that the large size of the operational units of the childcare services may hinder effective control. Additionally, while OIB has a good practice of cooperation with one of the organisations specialised in the field of childcare from which it receives additional assurance on the quality of the services provided by the external partners, a comprehensive comparative analysis of the potential benefits and drawbacks of the delivery model with external partners as opposed to the services managed internally is lacking.

Furthermore, some oversight committees' legal basis are outdated and there are no effective measures to ensure rotation of members or prevention of conflicts of interests.

Finally, there are no agreements between OIB and the Parents Associations of the European Schools to clarify their respective roles and responsibilities regarding children's safety and security and the Offices do not have a complete set of Service Level Agreements with all their clients to define their respective rights and obligations regarding the provision of childcare services.

*Have OIB and OIL adequately designed and effectively implemented a control system for the management of the childcare services?*

The IAS found that both Offices have established strong educational and operational aspects of childcare services, including pedagogical policies, performance metrics and adequate training of the pedagogical staff, as well as an adequate system to monitor the quality and receive feedback from clients and staff on the childcare services, resulting in high satisfaction rate.

However, the IAS identified issues in the financial aspects related to the interinstitutional budgeting and for the cost allocating processes, an outdated and undocumented methodology for establishing and allocating costs and undocumented justification of the different scales of the parental contributions for afterschool childcare in Brussels and Luxembourg.

*Has OIB designed adequate controls on the project management and IT security of the IT application (eKidWeb) used by OIB and OIL to support the provision of childcare services?*

The IAS acknowledges the efforts made by OIB and OIL to migrate and implement an IT application (eKidWeb) to support the provision of the childcare services but notes several issues related to project management, and the IT security controls of eKidWeb. The IAS found that the project management and change management processes are not sufficiently detailed and are not fully aligned with established procedures. Additionally, OIB does not comply with IT security standards (e.g. use of production data, access management process). The IAS also identified weaknesses in logging and monitoring, management of sensitive information, and risk management.

### **Audit conclusion**

The IAS concluded that while the Offices have overall designed an adequate framework and control system for the management of childcare services, there remain three very important issues in the implementation of the control system concerning: (a) the roles and responsibilities of the oversight committees and external actors involved; (b) the establishment of the interinstitutional budget and allocation of costs and calculation of parental and institutional contributions; and (c) IT controls on project management and IT security of eKidWeb.

### **Audit recommendations**

Recommendation No 5 and 6, on the **roles and responsibilities of the external actors and oversight committees involved in the provision/supervision of childcare services, OIB and OIL** should:

- revise the legal basis of oversight committees, clarify the role of the Parents Associations of the European Schools and ensure a comprehensive overview of all the agreements with clients.

Recommendation No 7 and 8, on the **budget of the Childcare centre / Centre-polyvalent d'enfance and cost allocation, including institutional and parental contributions, OIB and OIL** should:

- improve the budget of the childcare centre / centre-polyvalent d'enfance and cost allocation processes, including the calculation of the institutional and parental contributions.

Recommendation No 9 and 10, on the **IT controls on the project management and IT security of the IT application (eKidWeb) used for the provision of childcare services, OIB and OIL** should:

- improve the IT controls on project management and IT security of eKidWeb.

#### **Additional information provided by OIB and OIL on the implemented measures**

OIB and OIL established an action plan addressing all audit findings., considered as satisfactory by the IAS. The implementation of the recommendations has started with actions to be implemented between 2026 and 2028. The implementation is on track to meet the planned deadlines.

### **1.23. Coordination between DG FISMA and European Supervisory Authorities (DG FISMA)**

---

The objective of the audit was to assess the adequacy of the design and the effective and efficient implementation of the coordination mechanisms between DG FISMA and the European Supervisory Authorities (ESAs) – the European Banking authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), and the European Securities and Market Authority (ESMA), to support the achievement of the respective key objectives.

#### **Audit results**

*Have DG FISMA and the European Supervisory Authorities designed an adequate organisational set up for the overall coordination?*

DG FISMA has developed internal guidance, which formally defines roles and responsibilities of coordination between DG FISMA and the European Supervisory Authorities on the Single Programming Document, resources allocation and technical standards. Working arrangements between DG FISMA and ESAs are in place covering cooperation in the areas of technical standards and technical advice, international matters and guidelines. However, they no longer reflect the current modalities of cooperation between DG FISMA and the European Supervisory Authorities and are not up to date regarding the description of the processes and procedures to be followed.

The communication channels in the framework of the Standing Committees and the information exchange mechanisms between DG FISMA and the European Supervisory Authorities are overall adequately designed.

*Are the coordination mechanisms between DG FISMA and the European Supervisory Authorities in the horizontal areas covered by the audit adequately designed and effectively and timely implemented?*

The coordination process in place on the draft Single Programming Document is adequately designed and effectively and timely implemented. However, the IAS observed recurrent comments in the Commission Opinion on the Single Programming Document about administrative aspects which reveal that the European Supervisory Authorities did not improve the Single Programming Document over time. Moreover, the absence of formal feedback from the European Supervisory Authorities of DG FISMA's comment was only recently addressed.

The coordination process between DG FISMA and the European Supervisory Authorities regarding the preparation of new mandates and ad hoc tasks is overall adequate and timely implemented. However, concerning the request of new services by non-partner Directorates-General, the IAS did not find evidence (for the two cases sampled) that DG FISMA had analysed these proposals and their impact on the European Supervisory Authorities' resources before the agreement with the other Directorates-General was signed, as required in the note issued by the Secretariat General.

In line with the European Supervisory Authorities funding regulation, DG FISMA performed reviews of their operations, however the internal planning document has not been complemented by other instructions to drive

the DG' staff through the review exercise. The IAS also found that the European Supervisory Authorities' review process, as per the Funding Regulation, differs from the evaluation of the EU decentralised agencies both in scope and methodology. So far DG FISMA has conducted one impact assessment to evaluate 'the powers, governance and funding framework' in 2017, but no other assessments on the European Supervisory Authorities' performance have been carried out since.

The Commission's proposal on the new market integration package regulation adopted in December 2025 aligns the review clause with existing evaluation requirements for the decentralised agencies, enabling the Commission to assess the relevant aspects of ESMA's performance

*Are the coordination mechanisms between DG FISMA and the European Supervisory Authorities in the policy areas covered by the audit adequately designed and effectively and timely implemented?*

The coordination of drafting, amending and adoption of the technical standards is well organised and timely implemented. DG FISMA plans the work and leads or participates in the consultations of the various working groups between Commission and the European Supervisory Authorities representatives efficiently and effectively. DG FISMA effectively supports the work of these working groups.

Concerning the questions and answers process design, some elements have not been defined and mutually agreed between DG FISMA and the European Supervisory Authorities. Moreover, the internal guidance established by DG FISMA is not updated/comprehensive and the existing indicators do not enable to measure the performance of the process.

In terms of the questions and answers process implementation, there is no proper monitoring of and reporting on the state of play of the on-going questions and answers nor an analysis of the root causes of delays. The IT tool used by DG FISMA does not contain reliable or consistent data to enable the DG's senior management to have an overview of the files. Finally, the IAS did not find evidence that DG FISMA has carried out a lessons learnt exercise to further analyse the issues identified and to improve the process based on stakeholder feedback.

#### Audit conclusion

The IAS concluded that DG FISMA has adequately designed and effectively and efficiently implemented the coordination mechanisms with the European Supervisory Authorities, to support the achievement of the respective key objectives except for the three very important issues related to the questions and answers process and review and evaluation.

#### Audit recommendations

Recommendation No 1, on **questions and answers: process design**, **DG FISMA** should:

- enhance the questions and answers process design.

Recommendation No 2, on **questions and answers: process implementation**, **DG FISMA** should:

- enhance the implementation of the questions and answers process.

Recommendation No 3, on **review and evaluation**, **DG FISMA** should:

- improve review process design.

**Additional information provided by DG FISMA on the implemented measures**

Following the adoption by the IAS of the final audit report in December 2025, DG FISMA submitted an action plan, which is being assessed by the IAS. Notwithstanding, DG FISMA has already launched the implementation of some actions to ensure a timely completion of the action plan.

## 1.24. Management of the control data of the Common Fisheries Policy (DG MARE)

---

The objective of the audit was to assess whether DG MARE has adequately designed and effectively and efficiently implemented processes for managing the control data of the Common Fisheries Policy, in line with the applicable legal framework.

### Audit results

#### *Has DG MARE put in place an adequate data management framework covering the management of control data?*

DG MARE has put in place a data management framework in line with the Commission corporate guidance. This framework includes a data management strategy covering the management of control data and a Digital Steering Committee, overseen at DG level, responsible for setting up and monitoring data and digital strategies with the support of the DG MARE data network working group and of the Integrated Fisheries Data Management programme Committee.

In addition, internal coordination and dissemination of updated information on data related issues is ensured through the activities of the local data correspondent as well as through regular meetings of the data network working group and of the Integrated Fisheries Data Management Committee. Awareness events and topical presentations are also organised by the data management unit.

However, in terms of implementation of the data management strategy, there are no concrete action plans or indicators to steer and monitor its progress. Moreover, data owners and data stewards have not been officially assigned, although it is required by the corporate guidance and there is a lack of back up arrangements in the data management unit.

#### *Has DG MARE put in place adequate processes to ensure that it receives data from the Member States/ third countries as per the legal basis?*

Overall, where there is a specific legal requirement for Member States to submit control data to the Commission, DG MARE has put in place adequate processes for the reception of such data. Nevertheless, Member States did not systematically send timely information on closures of fisheries, in line with Article 35 of the Control Regulation. The auditors found that DG MARE had not put in place a process for improving Member States' compliance with their reporting obligations on closures of fisheries.

DG MARE currently faces difficulties to access some control data (i.e. disaggregated catch data from fishing logbooks) from certain Member States which consider that this is not required under the current legal basis. To address this issue, the amended Control Regulation, mostly applicable from January 2026, clarifies the need for flag Member States to 'ensure direct electronic exchange of relevant information concerning vessels flying its flag' to the Commission (or the body designated by it), including fishing logbook information.

In addition, DG MARE is continuously improving its IT environment and the functionalities of its systems and monitoring tools to facilitate the submission and exchanges of fisheries control data, based on a universal standard, as well as to lessen duplication of data requirements wherever possible. DG MARE has also delivered specific training events and exchanged extensively with Member States and third countries on the digitalisation of the EU certification scheme, resulting in a high level of preparedness for the introduction of the CATCH IT Tool in January 2026.

### *Has DG MARE put in place processes to ensure adequate quality of control data?*

While Member States are primarily responsible for ensuring that all control data submitted or made available to the Commission as per the relevant regulations are accurate and complete, based on a validation system set up for that purpose, DG MARE has taken a number of steps to improve the quality of the control data.

Through expert groups, implementation documents and guidance, DG MARE has been working closely with Member States to help them improve the quality of the control data submitted. Thanks to continuous improvement of its IT environment, DG MARE is enhancing automated checks on the quality of the data. Based on the review of the outcome of these automated checks, DG MARE follows-up on detected inconsistencies, which are considered most material, through bilateral exchanges with the Member States concerned, to ensure adequate action is taken. In addition, DG MARE conducts verifications and audits, which may include data validation systems in their scope, and follows up appropriately the related Member State's action plans.

However, while the Control Regulation requires Member States to send to DG MARE updates of national plans on data validation systems, there is no procedure for their assessment and follow-up.

In order to further improve the exchange and quality of Member State's control data, the revised Control Regulation enables the Commission to include, in an implementing act, provisions on data quality and validation of data. The revised implementing act accompanying the Control Regulation is currently being finalised. It will include mandatory data validation rules for the Member States aiming at substantially improving the quality of the data provided. The adoption is planned for the Autumn 2025, which will likely lead to delays in the IT systems' necessary updates and as a result in the implementation of the revised Control Regulation.

### *Has DG MARE put in place processes to ensure adequate use and dissemination of control data?*

DG MARE has established a comprehensive list of reporting obligations towards the Regional Fisheries Management Organisations and in the South-West Atlantic. This list is updated annually and sent to the Council. In addition, DG MARE adequately disseminates control data as per the current legal limits and published for the first time in 2024 aggregated catch data. In addition, DG MARE has taken steps to allow the reuse and wider sharing of data through the amendment of the Control Regulation, applicable as from January 2026.

However, the following areas in the use and sharing of control data need improvement:

- monitoring of the consumption of fishing opportunities and of Member State closures of fisheries; notification on the Commission's website of such closures;
- use of information received on alleged illegal, unregulated and unreported fishing activities; notification and dissemination of updated information relating to illegal, unregulated and unreported fishing activities;
- checks on and transmission of Regional Fisheries Management Organisations lists of vessels with fishing authorisations.

### **Audit conclusion**

The IAS concluded that DG MARE has adequately designed and effectively and efficiently implemented processes for managing the control data of the Common Fisheries Policy, in line with the legal framework applicable at the time of the audit, except for one very important issue related to the reception, use and publication of data related to fishing opportunities.

## Audit recommendations

Recommendation No 2, on the **reception, use and publication of data related to fishing opportunities and closures of fisheries, DG MARE** should:

- improve monitoring of data on fishing opportunities and closure of fisheries.

### **Additional information provided by DG MARE on the implemented measures**

DG MARE and the IAS agreed on an action plan in December 2025. The implementation of the recommendations is ongoing and expected to be completed as planned by the end of November 2026.

## **1.25. Management of EURES and the EURES portal (DG EMPL)**

The objective of the audit was to assess the adequacy of the design and the effective implementation of the governance arrangements for the management of the European Employment Services (EURES) and the EURES portal in DG EMPL.

### Audit results

*Are the governance arrangements for the management of EURES adequately designed?*

DG EMPL and the European Labour Authority (ELA) put in place a number of arrangements to govern the cooperation between themselves on the management of EURES. These include principles of cooperation, referred to as the 'operational agreement', a handover note from DG EMPL, a Memorandum of Understanding, and other cooperation arrangements on specific areas. However, these arrangements are not always sufficiently detailed or up to date in a number of areas, including IT governance and the mandate of the IT Steering Committee. In addition, there is no formal data processing agreement in place between ELA and DG EMPL. A EURES portal strategy 2023-2030 is in place and an overall EURES strategy is being prepared, for which the approval process, according to DG EMPL, needs to be aligned with the provisions set in the EURES regulation.

*Are the governance arrangements for the management of EURES effectively implemented?*

DG EMPL applies the PM2 methodology for project management, however, it is not clear how this is tailored or customised to the EURES project to cover the artefacts and principles of this methodology. In addition, the system owner's responsibilities are not clearly defined in the handover documents and operational agreement, particularly with regards to the regulations and standards that must be adhered to. A process is in place to manage business requirements between ELA and EMPL, but there is no overview of a detailed and exhaustive analysis of the business requirements, including functional, non-functional and security requirements. As a result, ELA does not have sufficient visibility or information for the prioritisation and change management processes. Furthermore, ELA does not have sufficient oversight over the technical controls provided by DG EMPL. Finally, ELA Cybersecurity Officer lacks direct access to crucial information and there is no formal agreement in place that outlines how information about the EURES portal will be shared by DG EMPL with the Cybersecurity Officer. There is no formal description of the management of the EURES budget and the related roles and responsibilities of ELA and DG EMPL. Furthermore, ELA lacks sufficient visibility on the budget spent in development and maintenance by DG EMPL as there is a lack of detailed information to analyse and optimise the IT Budget and related costs, and report to ELA management.

### Audit conclusion

The IAS concluded that DG EMPL (together with ELA) has designed and effectively implemented adequate governance arrangements for the management of EURES and the EURES portal except for two very important issues concerning governance arrangements and IT project management.



### Audit recommendations

Recommendation No 1, on **governance arrangements**, **DG EMPL** should:

- strengthen governance arrangements.

Recommendation No 2, on **IT project management**, **DG EMPL** should:

- strengthen IT project management.

#### **Additional information provided by DG EMPL on the implemented measures**

DG EMPL established an action plan to address all audit findings, which was considered satisfactory by the IAS. The implementation of the recommendations has started and is on track to meet the deadlines set out in the action plan (deadlines are in 2026 and in 2027).

## **1.26. Management of in-kind contributions under Horizon Europe (DG RTD)**

The objective of the audit was to assess whether the governance, risk management and controls for the process of managing in-kind contributions under Horizon Europe in DG RTD are adequately designed, are effectively and efficiently implemented and ensure compliance with the regulatory framework.

### Audit results

#### *Is the control environment for the process of management of in-kind contributions adequately designed*

DG RTD has defined clearly the roles and responsibilities in relation to the support provided to the joint undertakings, in line with the Commission Decision on the coordinated implementation of Horizon Europe.

DG RTD has provided methodological support to the joint undertakings for the management of the in-kind contribution process. It has organised regularly technical meetings with all joint undertakings (represented at the level of Heads of Finance and Administration), during which the in-kind contributions were recurrent topics. Moreover, DG RTD provided support to the joint undertakings when they developed their in-kind contributions to the additional activities guidance to staff and the members and provided templates to the joint undertakings for reporting on the in-kind contributions in their Annual Work Programmes and Consolidated Annual Activity Reports.

DG RTD developed the in-kind contributions to the additional activities IT tool to allow joint undertakings and partners to plan and report in-kind contributions to the additional activities inside the eGrants environment. However, a number of relevant functionalities in the corporate IT tool are still not in place and under analysis by the Common Implementation Centre. In addition, DG RTD did not develop centralised guidance documents to address the joint undertakings' needs, leading to different practices at joint undertakings' level in both the monitoring and the reporting on in-kind contributions.

### Audit conclusion

The IAS concluded that overall, DG RTD has provided adequate support to the joint undertakings for their management of the in-kind contributions-related processes, except for one very important issue concerning the IT support and the functionalities available in the IT tool.

## **Audit recommendations**

Recommendation No 2, on the **IT support to the joint undertakings**, **DG RTD** should:

- finalise the development of the IT tools and improve the quality of the reports.

### **Additional information provided by DG RTD on the implemented measures**

DG RTD and the IAS agreed on an action plan. As regards in-kind contributions to the additional activities (IKAA), the IT tool will include the automatic extraction of data. For in-kind contributions to operational projects (IKOP), DG RTD has concluded the design discussions with all the Joint Undertakings (JUs) and has planned the remaining IT improvements to simplify reporting phases by the end of the 2026.

# Support Processes

## 1.27. Information technology (IT) governance and IT security management (DG DEFIS)

---

The objective of the audit was to assess the adequacy of the design, and the efficiency and effectiveness of the implementation of the governance, risk management and control systems put in place by DG DEFIS for IT governance and IT security arrangements.

### Audit results

*Are DG DEFIS IT governance structures, principles, processes and practices adequately designed and implemented?*

DG DEFIS has made evident progress in formalising its strategic alignment by drafting and having the DG approval of a first version of the IT and digital governance document in August 2025. This document outlines the IT strategy and roles and responsibilities, demonstrating adherence to the Commission's digital strategy and cybersecurity strategy. However, the implementation was not yet fully completed at the end of the fieldwork. An IT and Digital Management Board had been designed but still needed formal launch and approval of the governance document at its first meeting (expected in December 2025). Furthermore, there was no implementation plan to translate the Commission's digital strategy into concrete, measurable objectives specific to DG DEFIS.

*Are IT (including security) risks defined, identified, communicated and managed appropriately to mitigate their effects on the DG DEFIS strategic objectives?*

DG DEFIS has performed regular risk assessments according to EC policies (IT Security Risk Management Methodology - ITSRM2), registered risks in the governance risk control tool. System owners are actively involved in defining security plans, and residual risks are assessed and mitigated in line with defined risk level objectives. Despite these managed processes, a few issues exist, notably regarding the reporting on security measures (e.g., delayed mandatory penetration testing for DEFEND-S) which is not formally reported to the local information security officer or management, insufficient assurance on security measures applied by third parties or follow-up on exceptions.

*Are there well-designed, effective and efficient processes in place to optimise the value contribution of IT processes, services and systems?*

The overall effectiveness and efficiency of IT processes are considered satisfactory, as the audit found no significant issues in IT governance and security management. DG DEFIS actively pursues the reuse of solutions in its digital investments. However, an area for improvement identified is the ability to monitor IT services effectively to measure the return on investment. In particular, the absence of specific performance metrics hinders the ability to assess the value derived from IT expenditure.

*Is there an effective and efficient process in place for the IT portfolio management, to properly evaluate and prioritise IT projects, systems and services?*

DG DEFIS utilises the required centralised tool, Governance Information System (GovIS2), for IT portfolio management of both projects and operational systems. The information is kept accurate and complete. The use of the Commission's project management methodology (PM<sup>2</sup>) for all IT projects, with the required deliverables, is a key strength. DG DEFIS also benefits from having an IT portfolio manager function to ensure good coordination and communication between the business and IT functions. However, issues have been identified

in the practical implementation of performance monitoring including a lack of defined metrics for operational performance of IT systems, such as answer times, availability, or the time taken to implement change requests.

*Are the available resources assessed and optimised?*

The IT competencies and qualifications are appropriate and maintained. DG DEFIS has limited IT staff resources but provides staff backup. The concentration of responsibilities and tasks among the same people in key governance roles poses a risk and requires the reconsideration of role assignments. Having only two members dedicated to the Information Resource Management presents a challenge to optimise resource management and ensure operational continuity, particularly when key personnel are unavailable.

*Has DG DEFIS designed and implemented a comprehensive IT security management framework?*

DG DEFIS shows significant maturity in its security posture, achieving a 'low risk, high maturity' label in the cybersecurity maturity yearly assessment done by DG DIGIT in both 2023 and 2024. The inventory and ownership of IT assets are satisfactorily managed using GovIS2, and eight out of ten IT systems have up-to-date security plans. Roles, responsibilities and processes are effectively implemented to control and monitor the implementation and operation of information security within the DG. Despite these strengths, the governance framework remains incomplete. There is a lack of a formal procedure for handling security incidents specifically at the DG DEFIS level. At the time of the audit, there was no process in place for performing a business impact assessment to determine system security classification, which is essential for defining security needs. The audit found that IT security plans were not always updated upon major changes, that the maximum tolerable period of disruption was misaligned with the availability levels of systems in the sample and mitigating measures may not be implemented or may be delayed without residual risk being reported to management.

**Audit conclusion**

The IAS concluded that, overall, the governance, risk management and control system put in place by DG DEFIS with regard to IT governance and IT security arrangements is adequately designed and efficiently and effectively implemented except for one very important issue related to aligning business needs and recovery expectations, maintaining IT security plans and formalising processes about incident and user access management.

**Audit recommendations**

Recommendation No 4, on the **IT security management framework, DG DEFIS** should:

- strengthen IT security management framework.

**Additional information provided by DG DEFIS on the implemented measures**

DG DEFIS and the IAS agreed on an action plan in January 2026. The implementation is ongoing with tentative completion by September 2026. It entails: a) performing business impact assessments to define business criticality and recovery objectives; b) a review of system availability classification, and an update of the IT security plans to ensure alignment with business requirements; c) establishing a process to review the security plans annually, and for ad-hoc updates following major system changes; d) defining a DG system-specific incident management and escalation procedure; e) the implementation of a systematic process for the regular review and revocation of user access rights for all DG DEFIS-owned systems, with particular focus on critical systems.

## 1.28. Arachne+ project (DG BUDG, DG EMPL/DG REGIO, DG DIGIT)

---

The objective of the audit was to assess whether DG BUDG, DG EMPL/DG REGIO (Joint Audit Directorate DAC) and DG DIGIT had put in place appropriate governance, risk management and control processes to:

- deliver the Arachne+ project - phase 2 effectively,
- achieve the strategic objectives and business expectations within the allocated time and resources, and
- be in compliance with the Commission's security and personal data protection framework.

### Audit results

*Were adequate governance and risk management processes and structures in place for the management of the Arachne + project, phase 2, including planning, managing resources, risks and changes, monitoring and reporting of project performance?*

Governance roles, responsibilities, key processes and high-level objectives had been established for Arachne+ through a project charter and other supporting documents. However, even though the Steering Committee had regular meetings, the Supervisory Board had never met. The staffing of the project team was not aligned with the project plan and no dedicated cross-cutting group to validate business requirements and to support the project owner had been established.

Though project scope, objectives and success criteria were defined at a high level, and more detailed business requirements had been defined for phase 2, these were not specific enough. This was primarily due to the absence of an established baseline for phase 2, clear requirements, acceptance criteria and criteria for the IT system 'go-live'. Additionally, the ongoing process for collecting needs lacked appropriate prioritisation of the work remaining to be performed, taking into account the impact on the business. There was also a lack of appropriate involvement and approval of all relevant internal and external stakeholders. Although several registers (requirements traceability documents) had been created to support the definition and monitoring of the requirements for implementation, it was not possible for the auditors to trace and link all the requirements through these registers.

Besides, whilst the risks were being regularly discussed in the Steering Committee meetings, a complete and up-to-date log of risks, changes, issues and decisions had not been established. As a result, there was no formal and documented discussion and decision for certain changes.

Finally, although the project progress (in terms of achievements and ongoing activities) was reported in every governance or operational meeting, this reporting did not allow to assess the progress made compared to the established baseline (planned vs remaining), which is necessary to be able to identify potential risks of delay.

*Were adequate controls in place to support the effective IT project management and software development for Arachne + phase 2?*

In general, IT project management and software development practices had been established. However, many artefacts were either insufficiently documented or not created at all, and some defined processes were only partially implemented or not implemented at all (e.g. the user acceptance testing process lacked test cases, and quality management practices were not implemented as defined).

Regarding IT security, the Arachne+ team had performed the business impact assessment and the risk assessment in line with the established Commission framework. However, the business impact assessment results were not adequately supported by sufficient information to provide for a more fact-based assessment.

### Audit conclusion

The IAS concluded that the governance, risk management and control processes put in place by DG BUDG, as system owner, with the support of DG EMPL/DG REGIO (DAC) and DG DIGIT, were not appropriate to deliver the Arachne+ project phase 2 effectively and to achieve the strategic objectives and business expectations for the overall project within the allocated time and resources. IT security and personal data protection control processes were compliant with the Commission's process steps, though significant improvements are necessary as regards the quality of IT security artefacts.

### Audit recommendations

Recommendation No 1, 2 and 3, on **project governance, monitoring and reporting**:

- **DG BUDG** should strengthen project governance, monitoring and reporting.
- **DG EMPL/DG REGIO** should continue support to project owner to strengthen project governance, monitoring and reporting throughout phase 2.
- **DG DIGIT** should support project owner from the solution provider's perspective.

Recommendation No 4 and 5, on **management of the project scope, requirements, acceptance and success criteria**, **DG BUDG** should:

- review of project scope, requirements, and go-live criteria;
- improve/advance the management of requirements, acceptance and success criteria.

Recommendation No 6 and 7, on **IT security management**,

- **DG BUDG** should improve the IT security risk management study.
- **DG DIGIT** should implement the defined IT security measures and ensure risk acceptance criteria have been satisfied.

#### **Additional information provided by DG BUDG, DG EMPL/DG REGIO and DIGIT on the implemented measures**

**DG BUDG** considers it has strengthened governance, a formal escalation procedure has been developed, and human resources have been reviewed and reinforced.

DG BUDG considers it has prioritised work based on business impact, ensured continuous stakeholder involvement, and defined and met clear Service Activation criteria, covering IT security, onboarding, data protection and testing validation. It also considers to have updated the requirement traceability matrix and strengthened data protection compliance.

DG BUDG has reported as fully implemented the update of business impact assessment, the IT security risk assessment and the IT Security Plan.

**DG EMPL/DG REGIO** have been actively and continuously supporting DG BUDG throughout Phase 2 in strengthening project governance, execution and follow up of User Accepting Testing, monitoring and reporting.

**DG DIGIT** has been supporting DG BUDG from the solution provider's perspective and, together with DG BUDG, is implementing enhanced reporting on the progress of the project towards its delivery.

DG DIGIT with the support of DG BUDG, has reported that it has implemented and tested all defined IT security measures before Arachne+ Service Activation.

The IAS has not yet confirmed the adequate implementation of the recommendations.

## 1.29. Human Resources Transformation programme (DG HR)

The objective of the audit was to assess whether DG HR has put in place appropriate governance, risk management and control processes to execute the Human Resources Transformation programme effectively so as to achieve the strategic objectives and business expectations within the allocated time and resources, and in compliance with the Commission's internal security standards.

### Audit results

*Are adequate governance and risk management processes and structures in place for the management of the programme, including planning, managing resources, risks and changes, monitoring and reporting of project performance?*

While the Human Resources Transformation programme governance structure and processes are overall well set up, certain elements need further definition or are missing. The programme management team and the project management Board did not yet have a consolidated update about the progress of the projects and working groups at programme level. The programme level relies on project team meetings, project steering committee meetings and programme coordination meetings, to identify issues and take remedial actions but, quality checks in key areas were not performed.

Additionally, risk management activities are performed both at project and programme level, but the auditors noted weaknesses in the formal mechanism and process.

*Are adequate controls in place to support the effective achievement of the main business and security objectives of the Human Resources Transformation programme?*

The Human Resources Transformation programme Charter identified expected outcomes and benefits, along with metrics to help identify if the benefits are achieved. However, for a number of those 'identified benefits' the auditors observed that they are not specific and measurable, certain metrics are not directly related to the benefits and no baseline values were set.

No service level agreement had been established between DG DIGIT and the HR family defining the services provided through the IT platform, including the functionalities, performance, maintenance and operational arrangements, and security controls. The existing service level agreement between DG HR and other European Institutions, bodies and agencies about the HR services has been extended with the new Human Resources Transformation services but, the supplier-customer relationship is not adequately reflected in the agreement – especially relating to the detailed definition of services and the provision of assurance on IT security.

*Are adequate controls in place to support the effective execution of the selected projects and the security of the respective systems (pre-selection, onboarding)?*

Projects are established, their business requirement definitions are managed well, and the projects efficiently apply the 'minimum viable product' approach. However, in the domain of IT security, the Human Resources Transformation programme did not have sufficient expertise and resources both at programme and project levels.

Moreover, the necessary security measures were not timely and fully implemented.

### Audit conclusion

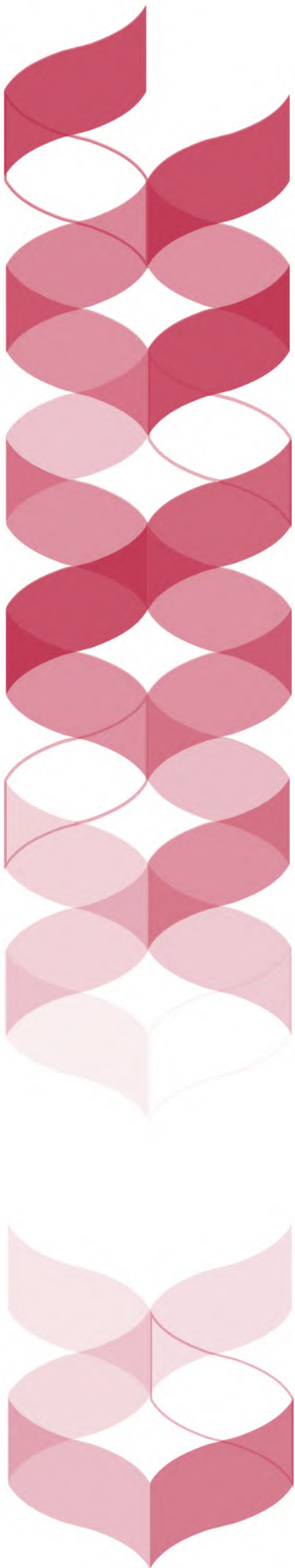
The IAS concluded that although Human Resources Transformation programme governance structure and processes are overall well set up, a very important issue related to IT security management processes remains which may affect the achievement of the Programme’s strategic objectives and compliance with the Commission’s internal security standards.

#### **Audit recommendations**

Recommendation No 3, on the **management of IT security**, DG HR should improve the IT security management processes.

#### **Additional information provided by DG HR on the implemented measures**

DG HR submitted an action plan, assessed as satisfactory by the IAS in June 2025. All planned measures are expected to be fully completed within the agreed timeframe (September 2026), ensuring a robust, systematic, and well-governed approach to IT security across the Human Resources Transformation Programme. Significant progress has already been achieved, with key actions either completed or in their final stages. Notably, the implementation of IT Security Plans is periodically monitored and formally approved by the Steering Committee.



## Part 2

### Follow-up

### engagements

# Audits for which some recommendations remain open after IAS follow-up in 2025 <sup>(5)</sup>

## 2.1. Audit on the preparedness of DG AGRI in designing the assurance building model under the new Common Agricultural Policy Strategic Plans

---

### Follow-up performed in DG AGRI

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): design of the assurance framework under the New Delivery Model.
- Recommendation No 4 (very important): decision on how to report on assurance for expenditure under the Common Agricultural Policy Strategic Plan in the Annual Activity Report not yet in place.

## 2.2. Audit on CASE@EC project in DG COMP

---

### Follow-up performed 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 2 (very important): IT security arrangements.

## 2.3. Audit on IT security management in DG EAC

---

### Follow-up performed in 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 (very important): data classification.

---

<sup>(5)</sup> This section only lists audit engagements where a follow-up was performed on critical and/or very important recommendations.

## **2.4. Audit on the New nuclear decommissioning and waste management programme (NDWMP) in JRC**

---

### **Follow-up performed in JRC**

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

- Recommendation No 2 (downgraded from very important to important): JRC internal organisation of NDWMP responsibilities.

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

- Recommendation No 5 (very important): NDWMP budget flexibility needs.

## **2.5. Audit on the protection of personal data in the Office for Administration and Payment of Individual Entitlements in PMO**

---

### **Follow-up performed in PMO**

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): accountability, roles and responsibilities.

## **2.6. Audit on measuring and reporting on the performance of technical support projects in DG REFORM**

---

### **Follow-up performed in DG REFORM**

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

- Recommendation No 1 (very important): performance measurement methodology.

## **2.7. Audit on protection of personal data under the responsibility of CINEA, EACEA, EISMEA, ERCEA, REA and the CIC**

---

### **Follow-up performed in DG RTD (CIC)**

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

- Recommendation No 3 (downgraded from very important to important): controllership of the Funding and Tenders Portal.

## **2.8. Audit on the preparedness for closing the 2014-2020 programming period of the European Structural and Investment Funds by DG EMPL and DG MARE and DG REGIO**

---

### **Follow-up performed in DG EMPL**

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): planning of the closure exercise.

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

- Recommendation No 6 (downgraded from very important to important): financial settlement at closure of programmes.

### **Follow-up performed in DG MARE**

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

- Recommendation No 3 (very important): planning of the closure exercise.
- Recommendation No 7 (very important): financial settlement at closure of programmes.

### **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 1 (very important): planning of the closure exercise.

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

- Recommendation No 5 (downgraded from very important to important): financial settlement at closure of programmes.

## **2.9. Audit on the Joint Audit Directorate for Cohesion (DAC) in DG EMPL and DG REGIO**

---

### **Follow-up performed in DG EMPL**

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

- Recommendation No 5 (very important): IT project management for the Management of (all) Audit Processes, Activities and Resources system (MAPAR) and the Management of (all) Audit Processes, Activities and Resources Compass Corporate system (MAPAR CC).

## **2.10. Audit on Physical security of persons and assets in the Commission, HR / DIGIT / COMM / OIB / 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 4 (important): risk management framework for physical security at the Commission.

## **2.11. Audit on the assessment of HR needs in the Commission at corporate level in DG BUDG, DG HR and SG**

---

### **Follow-up performed in DG HR**

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): support from the corporate services for the assessment of HR needs at local level.

### **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 2 (very important): support from the corporate services for the assessment of HR needs at local level.

### **Follow-up performed in the SG**

- Recommendation No 3 (very important): support from the corporate services for the assessment of HR needs at local level.

## **2.12. Audit on protection of confidentiality of information at corporate level in DG HR, DG DIGIT and SG**

---

### **Follow-up performed in DG HR**

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

- Recommendation No 7 (very important): IT controls to ensure protection of sensitive non classified information.
- Recommendation No 9 (very important): process for managing information security incidents.

#### **Follow-up performed in DG DIGIT**

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

- Recommendation No 6 (downgraded from very important to important): IT controls to ensure protection of sensitive non-classified information.

#### **Follow-up performed in the SG**

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

- Recommendation No 8 (very important): IT controls to ensure protection of sensitive non-classified information.

### **2.13. Audit on the management of large-scale building projects involving works in OIB and OIL**

---

#### **Follow-up performed in OIB**

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

- Recommendation No 8 (very important): management of large - scale projects – approach and procurement activities.

#### **Follow-up performed in OIL**

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

- Recommendation No 9 (very important): management of large - scale projects – approach and procurement activities.

### **2.14. Review of the Commission's risk at payment in DG BUDG, DG EMPL, DG INTPA, DG NEAR, DG REGIO, DG RTD, EISMEA, ERCEA and REA**

---

#### **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 9 (very important): analysis and (internal) reporting of the root causes of errors in relation to the European Court of Auditors' findings.

### **Follow-up performed in DG EMPL**

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

- Recommendation No 7 (very important): analysis and (internal) reporting of the root causes of errors in relation to European Court of Auditors' findings.

### **Follow-up performed in DG ENEST**

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): analysis and (internal) reporting of the root causes of errors in relation with the European Court of Auditor's findings.

### **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 1 (very important): analysis and (internal) reporting of the root causes of errors in relation with the European Court of Auditor's findings.

### **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 8 (very important): analysis and (internal) reporting of the root causes of errors in relation with the European Court of Auditor's findings.

## **2.15. Audit on the External Investment Plan – European Fund for Sustainable Development (EFSD) Guarantee in 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 2 (very important): assurance building.

Based on the results of the follow-up audit, the IAS concluded that the following recommendations was not adequately and effectively implemented and reopened:

- Recommendation No 4 (important): guarantee agreement clauses.

## 2.16. Audit on Intervention-level evaluations in FPI, former DG NEAR and DG INTPA

---

### Follow-up performed in ENEST

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

- Recommendation No 11 (very important): implementation of the evaluation process.

### Follow-up performed in FPI

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

- Recommendation No 12 (very important): implementation of the evaluation process.

### 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 13 (very important): periodic review of the evaluation process.

## List of audits for which all recommendations were closed in 2025

Based on the results of the follow-up engagements performed in 2025, the IAS concluded that the audits listed below could be closed as all the recommendations were assessed as implemented.

### AUDITS IN DGs

**2.1.** Audit in DG BUDG - Limited review of SUMMA in preparation for 'going live'

**2.2.** Audit in DG CLIMA – Limited review of the security plan and associated security measures of the EU emissions trading system information system managed by DG CLIMA

**2.3.** Audit in DG COMP – Human resources management

**2.4.** Audit in DG DEFIS - Preparedness for the management and control systems for the 2021-2027 Space programme implementation

**2.5.** Audit in DG DIGIT - Public procurement

**2.6.** Audit in EACEA - Performance of the management of experts for proposal evaluation

**2.7.** Audit in DG ECFIN - Human resources management

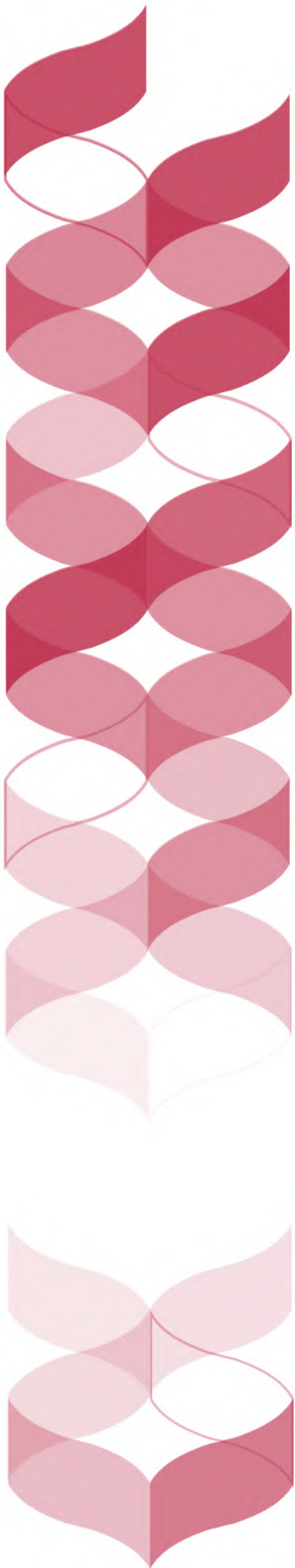
**2.8** Audit in DG ECFIN - Limited review of the Recovery and Resilience Facility control and audit strategies

---

- 2.9.** Audit in DG ECFIN - *Ex ante* controls of the Recovery and Resilience Facility payment requests
- 2.10.** Audit in DG ESTAT - Effectiveness and efficiency of Eurostat's performance management system
- 2.11.** Audit in DG GROW - Performance of the treatment of stakeholders' complaints concerning the internal market
- 2.12.** Audit in DG HOME - Preparedness for closing actions and programmes funded under the Internal Security Fund (ISF) and the Asylum, Migration and Integration Fund (AMIF) through direct and shared management
- 2.13.** Audit in DG SANTE - TRAdE Control and Expert System (TRACES)
- 2.14.** Audit in DG SANTE - Information technology (IT) security– findings on the medical device regulation's European database on medical devices (MDR EUDAMED) IT system
- 2.15.** Audit in SCIC - Procurement
- 2.16.** Audit in the SG - Information technology governance and project management, including software development

#### **MULTI – DGs AUDITS**

- 2.17.** Audit in DGs CLIMA and CINEA - Implementation of the Innovation Fund
- 2.18.** Audit in DGs DIGIT, DG HR and the SG - Management of public cloud services
- 2.19.** Audit in DG HOME - Coordination between DG HOME and the EU decentralised agencies
- 2.20.** Audit in DGs JUST and EACEA - Preparedness of the management and control systems regarding the implementation of Citizens, Equality, Rights and Values (CERV) and Justice programmes
- 2.21.** Audit in DGs REGIO, DG EMPL and DG MARE - Interruptions, suspensions and financial corrections for European Structural and Investment Funds 2014-2020
- 2.22.** Audit in DGs SANTE, HERA and HaDEA - Early implementation of grants in the EU4Health Programme
-



Part 3  
Summary of  
long overdue  
recommendations

At the end of the reporting period, 31 December 2025, there were five 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.

| No. | Entity | Audit title                                                               | Recommendation title                                                                 | Final report date | Original agreed completion date | Revised expected completion date | Expected delay             |
|-----|--------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------|---------------------------------|----------------------------------|----------------------------|
| I   | FPI    | IAS.C4-2022-Y ENT-001:<br>Allocation of human resources in EU Delegations | <b>Design and implementation of the workload assessment in EU Delegations (WLAD)</b> | 4.11.2024         | 30.4.2025                       | 30.6.2026                        | <b>1 year and 2 months</b> |

The issues identified in the design and implementation of the workload assessment in EU Delegations (WLAD) has a partial impact on their effectiveness. The IAS recommended the agreement on a methodology that allows for comparisons of EU Delegations at global level, and to select the subset of key indicators that will contribute to the workload assessment, to improve the efficiency of the data collection process. FPI accepted the recommendation but highlighted that they would retain the sub-set of indicators from the audited WLAD exercise – staff/contract/million managed – for future exercises. Any change would not adequately reflect the FPI operating model that is not based on a 'country' model but on a regional network of staff deployed in five Regional Teams worldwide.

FPI further postponed the target date from 31 December 2025 to 30 June 2026. DG INTPA is in the lead for the implementation of this action for the whole external action family. DG INTPA has already taken steps to define the methodology and indicators, including workload, reflecting the specificities of international cooperation sections in delegations (including cooperation & finance, contracts & audit), allowing for a more detailed analysis of differences in EU Delegations workloads. However, the methodology must also take into account the roll-out of the modernisation of the EU Delegations' network to be implemented in 2026.

| No. | Entity | Audit title | Recommendation title | Final report date | Original agreed completion date | Revised expected completion date | Expected delay |
|-----|--------|-------------|----------------------|-------------------|---------------------------------|----------------------------------|----------------|
|-----|--------|-------------|----------------------|-------------------|---------------------------------|----------------------------------|----------------|

|    |     |                                                                                                       |                                                                                       |           |            |           |                           |
|----|-----|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------|------------|-----------|---------------------------|
| II | OIB | IAS.B4-2022-Y COMM-005:<br>Management of large-scale building projects involving works in OIB and OIL | <b>Management of large-scale projects - approach and procurement activities - OIB</b> | 1.12.2023 | 31.12.2024 | 31.1.2026 | <b>1 year and 1 month</b> |
|----|-----|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------|------------|-----------|---------------------------|

According to OIB, significant progress has been made on the implementation of these three remaining points since the IAS first follow-up in August 2025. On 28 January 2026, OIB marked the three outstanding points as 'ready for review': (1) define the concept of 'structural renovation' to ensure a consistent implementation between projects and compliance with the Financial Regulation; (2) establish a proportionate mechanism which identifies and takes into consideration all clients' specific needs, as soon as possible in the early stages of the project and at key moments during implementation; (3) define in its internal procedures which works have to be managed as a stand-alone project in compliance with the adopted Project Management Methodology (PM<sup>2</sup>) and in which situations a simplified methodology can be applied by exception.

| No. | Entity | Audit title                                                                                                                                                                              | Recommendation title                                | Final report date | Original agreed completion date | Revised expected completion date | Expected delay              |
|-----|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------|---------------------------------|----------------------------------|-----------------------------|
| III | DG EAC | IAS.C2-2019-EAC-001:<br>Effectiveness of the protection of personal data of beneficiaries of and participants in the Erasmus+ and European Solidarity Corps programmes managed by DG EAC | <b>Transfer of personal data to third countries</b> | 28.1.2021         | 15.12.2021                      | 31.3.2026                        | <b>4 years and 3 months</b> |

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 <sup>(6)</sup> 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. Agreement with the EDPS has been reached at working level but pending the appointment of the new EDPS, the formal agreement is still outstanding.

| No. | Entity | Audit title                                                    | Recommendation title                                                     | Final report date | Original agreed completion date | Revised expected completion date | Expected delay              |
|-----|--------|----------------------------------------------------------------|--------------------------------------------------------------------------|-------------------|---------------------------------|----------------------------------|-----------------------------|
| IV  | DG HR  | IAS. Physical security of persons and assets in the Commission | <b>Risk management framework for physical security at the Commission</b> | 4.10.2022         | 31.12.2023                      | 31.3.2026                        | <b>2 years and 3 months</b> |

While the IAS acknowledged that significant progress has been made in the implementation of the action plan, the recommendation has not been fully implemented as one point related to the implementation of a new IT platform for risk management remains outstanding. The delay was mainly due to data protection issues linked to the platform initially chosen by the Secretariat-General.

<sup>(6)</sup> 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.

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

The formalisation and validation of a comprehensive security strategy was delayed, pending a decision at political level (beyond DG HR's control) on the organisation of internal/ corporate security and on the scope of the internal security strategy, but it is now well on track for adoption in the first semester 2026. In addition, the agreement clarifying the security governance and competences with regard to the JRC sites was delayed by the ongoing revision of JRC security governance, but it is near finalisation.