

EN

2023

**Activity Report  
of the Authorising Officer by Delegation**  
(pursuant to Article 74(9) of the Financial Regulation)



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# 2023

## Activity Report of the Authorising Officer by Delegation (pursuant to Article 74(9) of the Financial Regulation)

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# Introduction

**01** The financial rules applicable to the general budget of the Union (the Financial Regulation) require the Secretary-General of the European Court of Auditors (ECA), as the institution's authorising officer by delegation, to submit an annual activity report to the ECA and the budgetary authority on the performance of his duties.

**02** This report contains financial and management information, an analysis of the efficiency and effectiveness of internal control systems, and the Secretary-General's annual declaration of assurance regarding the legality and regularity and sound financial management of the financial transactions under his responsibility. It complements the "ECA – Our activities in 2023" report, which gives an account of the institution's core activities and main achievements, and its use of resources during the year.

## The Secretariat-General

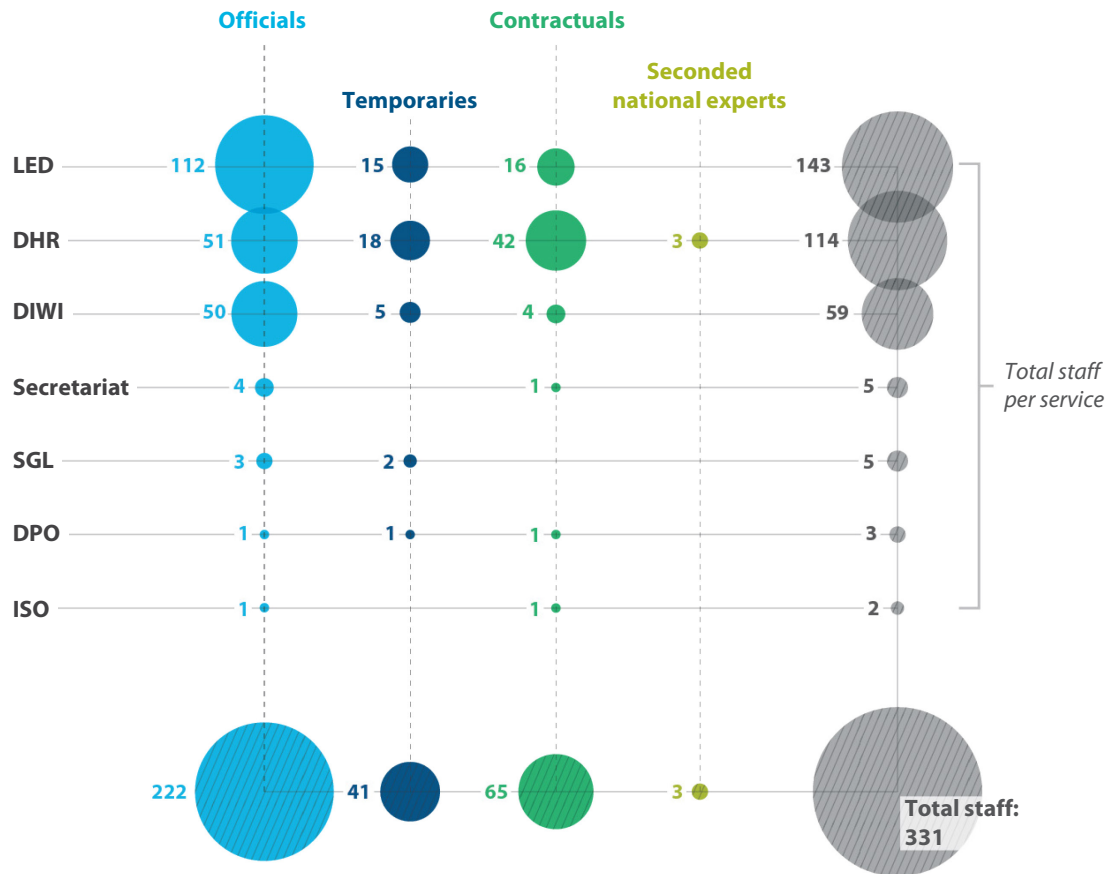
**03** The mission of the Secretariat-General is to provide appropriate resources, services, and facilities to enable the ECA to accomplish its mission and strategic objectives. The Secretary-General is responsible for the ECA's administration and staff management, as well as for its budget, language assistance and publication services, training, digital workplace, security and safety, and business continuity (facilities, the Medical Service, etc.).

**04** The Secretariat-General comprises the following directorates and other departments:

- the Directorate of Human Resources, Finance and General Services (SG1-DHR), which supports the ECA in seven main areas: (1) human resources management, ethics, and diversity and inclusion; (2) medical and social assistance; (3) learning and development; (4) business travel (missions) and transportation; (5) catering, protocol and events; (6) physical safety and security; and (7) budget management and accounting;
- the Directorate of Information, Workplace and Innovation (SG2-DIWI), which is responsible for the physical workplace (buildings, technical facilities, offices and logistics), the digital workplace (IT equipment, services and devices) and the ECA Library;
- the Language and Editorial Directorate (SG3-LED), which provides translation, language assistance and publication services for the institution;
- the team of the Data Protection Officer (DPO), which monitors compliance with EU data protection rules and promotes a culture of personal data protection;
- the team of the Information Security Officer (ISO), which is responsible for security governance and security planning, developing and implementing information security policy, mitigating information risks, and carrying out information security audits;
- the Secretariat of the Court, whose main duties are to ensure that Court meetings are correctly prepared and followed up;
- the *cabinet* of the Secretary-General (SGL).

**05** At the end of December 2023, the Secretariat-General had 331 staff, who were assigned to the various directorates and departments as shown in *Figure 1* below.

**Figure 1 – Distribution of staff in the Secretariat-General**



Source: Directorate of Human Resources, Finance and General Services.



**06** In 2023, the Secretariat-General managed 174 584 922 EUR, or **99.73 % of the total ECA budget of 175 059 922 EUR**. The budget execution rate was high: 98.08 % of final appropriations committed, and payments amounted to 161 764 435 EUR (94.37 % of commitments) – see [Table 1](#).

**Table 1 – Budget managed by the Secretariat-General (EUR)**

Directorate	Initial budget	Appropriations	Commitments	% use (Commitments/ Appropriations)	Payments
Human Resources, Finance and General Services	159 091 922	155 076 922	152 197 263	98.14	151 234 049
Information, Workplace and Innovation	14 156 000	18 566 000	18 529 346	99.80	9 948 341
Language and Editorial	1 337 000	1 142 000	697 510	61.08	582 045
<b>Total</b>	<b>174 584 922</b>	<b>174 784 922</b>	<b>171 424 119</b>	<b>98.08</b>	<b>161 764 435</b>

Source: Directorate of Human Resources, Finance and General Services.

**07** The remaining ECA budget lines (concerned with communication, legal costs and the costs of missions outside the Secretariat-General’s direct remit) are managed by the Directorate of the Presidency and the Legal Service, with a total initial budget of 475 000 EUR (**0.27 % of the total ECA budget of 175 059 922 EUR**) and final appropriations of 275 000 EUR in 2023. For details, see the [“Other directorates/departments”](#) chapter of this report.

# The Secretariat-General's main activities and results

**08** The Secretariat-General contributes to the ECA's strategy for 2021-2025 by means of strategy development plans and priorities in its various areas of competence: IT, human resources, learning and development, language and editorial services, data protection, information security, and facilities management. These plans take account of the need for policies, working and workplace arrangements, and services to adapt to the reality of hybrid work. The main priorities are to:

- (1) recruit, develop and retain highly qualified, knowledgeable and skilled employees, and keep them engaged and motivated throughout their career;
- (2) foster employee wellbeing by creating a safe and attractive working environment, providing support for staff, ensuring flexible work arrangements, and facilitating the transition from a physical to a virtual workplace;
- (3) promote the digital transformation, by adapting to the new hybrid reality and using new technologies to modernise both audit and non-audit parts of the organisation, simplify procedures, and increase productivity;
- (4) ensure that budgetary resources are managed in accordance with the principles of economy, efficiency and effectiveness;
- (5) provide prompt and high-quality language and publication services;
- (6) foster interinstitutional cooperation based on the identification of synergies, contributing to and benefiting from a common interinstitutional approach (horizontal priority).

**09** The status of the achievement of these priorities, as reflected in the corresponding **Business Performance Indicators**, is presented below (see [Table 2](#)).

**Table 2 – Status of the Secretariat-General’s Business Performance Indicators**

Priority	Indicator	Threshold	2023
<b>Human Resources, Finances and General Services</b>			
(1)	Staff Engagement Index	Green: > 3.5 Yellow: > 3, ≤ 3.5 Red: ≤ 3	3.63
(1)	Level of vacant posts	Green: ≤ 3 % Yellow: > 3 %, ≤ 5 % Red: > 5 %	2.27 %
(2)	Average rate of response by HR Services Centre	Green: ≥ 90 % Yellow: ≥ 75 %, < 90 % Red: < 75 %	100 %
(2)	Average training days per auditor	Green: ≥ 5 days Yellow: ≥ 4 days, < 5 days Red: < 4 days	6.66 days
(2)	Average training days per non-auditor	Green: ≥ 2 days Yellow: ≥ 1 day, < 2 days Red: < 1 day	2.99 days
(4)	Obtain discharge for the management of the ECA budget and an unmodified audit opinion on the ECA’s financial statements	Green: discharge and unmodified audit opinion Red: no discharge and / or a modified audit opinion	Green
<b>Information, Workplace and Innovation</b>			
(3)	System availability for critical systems	Green: ≥ 99.5 % Yellow: ≥ 99 %, < 99.5 % Red: < 99 %	99.92 %
(3)	Percentage of incidents resolved in the first 24 hours	Green: ≥ 95 % Red: < 95 %	96.32 %
<b>Language and Editorial</b>			
(5)	Percentage of translation services performed on time	Green: ≥ 95 % Yellow: ≥ 90 %, < 95 % Red: < 90 %	98.90 %

Source: Directorates of the Secretariat-General.

## Directorate of Human Resources, Finance and General Services

**10** SG1-DHR is responsible for human resources, finance, professional training, the Medical Service, security and safety, events and protocol, and other general ECA services (e.g. transportation, post, and printing). It managed **90.88 % of the ECA's 2023 budget**, mainly in the form of Member and staff salaries (see [Table 3](#)).

**Table 3 – SG1-DHR: 2023 budget (EUR)**

Budget line	Initial budget	Appropriations	Commitments	% use (Commitments/ Appropriations)	Payments
Salaries and allowances	143 303 422	139 808 422	138 659 011	99.18	138 528 339
Other staff and external services	9 062 000	8 932 000	8 181 571	91.60	8 156 547
Missions	2 722 500	2 602 500	2 260 263	86.85	2 000 263
Other staff costs	1 437 000	1 437 000	1 321 504	91.96	1 177 024
Professional training	830 000	800 000	704 842	88.11	518 705
Vehicles/transport	460 000	401 000	281 824	70.28	274 744
Meetings, events and conferences	222 000	318 000	258 445	81.27	204 049
Representation costs	183 000	126 000	39 146	31.07	35 773
Medical and Social Service	274 000	274 000	202 479	73.90	176 730
Other administrative expenditure	598 000	378 000	288 178	76.24	161 875
<b>TOTAL</b>	<b>159 091 922</b>	<b>155 076 922</b>	<b>152 197 263</b>	<b>98.14</b>	<b>151 234 049</b>

Source: Directorate of Human Resources, Finance and General Services.

**11** During 2023, we finalised **selection procedures** for several different profiles. Chief among these were the EPSO competition for auditors (chaired by SG1-DHR), an internal competition for assistants, a call for expression of interest for national experts to work as auditors, an internal call for expressions of interest by ECA seconded national experts (SNE) to become temporary staff, and selection procedures for senior administrators and senior assistants. In addition, we started preparatory work for an internal competition for auditors, which will be launched during the first half of 2024, as well as one for translators.

**12** To address the Secretariat-General's first priority, we **successfully recruited new staff** from the established reserve lists: 27 officials, 47 temporary staff, 17 contract staff and 4 seconded national experts. 51 of the new recruits were auditors, which led to **audit posts being fully occupied in December 2023**. [Table 4](#) summarises the ECA's recruitment during the past 5 years. These recruitments resulted in a significant decrease in the vacancy rate in 2023 (2.27 %) compared to 2022 (4.24 %), and further recruitments are already scheduled for 2024.

**Table 4 – New ECA Members and staff (2019-2023 period)**

	2019	2020	2021	2022	2023	TOTAL
Members	2	3	1	5	3	14
Officials	17	18	16	33	27	111
Temporary staff	33	21	21	47	47	169
Contract staff	21	20	30	16	17	104
National experts	6	3	13	11	4	37
Trainees	55	44	56	60	64	279
<b>TOTAL</b>	<b>134</b>	<b>109</b>	<b>137</b>	<b>172</b>	<b>162</b>	<b>714</b>

Source: Directorate of Human Resources, Finance and General Services.

**13** In February 2023, we launched a project to define a **new competency framework for our auditors**. This framework will outline the competencies of the ECA’s financial, compliance and performance auditors, which are fundamental for staff to complete their tasks successfully. It builds upon the INTOSAI guidance and the input we received from consulting 15 supreme audit institutions. The project is now in its final stage, and is expected to be completed in early 2024. It will provide a basis for assessing learning and development needs, and help us to structure the ECA’s core-business training based on key competencies.

**14** In June 2023, we finished assessing the implementation of our **Hybrid Working rules**, taking stock of our experience one year into the implementation of this important policy. This comprehensive analysis served as a basis for the discussions that took place later during the year with institutional stakeholders (e.g. senior managers and staff representatives), the process of updating the rules, with a view to adjusting the Hybrid Working decision to meet the needs of the service, while providing staff with a safe and attractive working environment.

**15** In 2023, we were highly active in promoting **diversity and inclusion**. Together with the ECA Equality Ambassador, we organised awareness-raising events around International Women’s Day and the International Day for the Elimination of Violence against Women. In addition, together with the ECA Disabilities Ambassador, we organised for the third consecutive time a week dedicated to people with disabilities, which included several presentations and events, with a view to raising awareness of the subject. We also became members of the International Dual Career Network, a support network for spouses and partners who have recently relocated to Luxembourg. Lastly, we are very pleased that the ECA achieved a significant milestone in 2023, when women accounted for 50 % of our principal managers in audit.

**16** Following the adoption of the new policy for ensuring a **respectful and harassment-free workplace** in December 2022, we organised presentations for all staff, and created a new webpage dedicated to this subject and to anti-harassment on the HR intranet site. In addition, the presentations by our confidential counsellors were included in the compulsory diversity and inclusion training for managers in 2023.

**17** 2023 was also a year rich in **wellbeing-related activities**. We organised a Wellbeing Week, as well as a series of physical and social activities to celebrate European Mobility Week and the European Week of Sport.

**18** The Directorate dedicated a considerable amount of time and energy to **representing the ECA in internal and inter-institutional committees and working groups**. This group of nearly 50 committees constitutes an essential platform where high-level decisions that directly impact our lives and the lives of our families are made, as a broad range of subjects are discussed.

**19** In the area of **finance and general services**, the focus was on the quality and speed of payments and on increasing the share of electronic invoices. Execution of the 2023 budget focused strongly on monitoring the evolution of the budgetary situation throughout the year, particularly given the uncertainty surrounding the level of salary increases and energy prices. The external auditors provided a clean opinion of the ECA's 2022 financial statements.

## **Directorate of Information, Workplace and Innovation**

**20** SG2-DIWI is responsible for establishing and maintaining the ECA's digital (IT equipment, services, and devices) and physical workplace (buildings, technical facilities, offices, and logistics), as well as stimulating innovation and managing the ECA Library. It manages **8.09 % of the ECA budget**, and directly addresses the Secretariat-General's priorities. [Table 5](#) gives details of 2023 budget appropriations and payments.

**Table 5 – SG2-DIWI: 2023 budget (EUR)**

Budget line	Initial budget	Appropriations	Commitments	% use (Commitments/ Appropriations)	Payments
Information technology	8 452 325	10 782 325	10 782 077	99.99	5 561 862
Building and facilities	4 274 000	5 859 000	5 858 435	99.99	3 520 821
Library and archives	647 000	672 000	672 000	100.00	431 235
Other	782 675	1 252 675	1 216 834	97.14	434 423
<b>TOTAL</b>	<b>14 156 000</b>	<b>18 566 000</b>	<b>18 529 346</b>	<b>99.80</b>	<b>9 948 341</b>

*Note:* As projects are often multiannual, many payments are made the following year.

*Source:* Directorate of Human Resources, Finance and General Services.

**21** Some external factors influenced the context in which SG2-DIWI had to deliver in 2023:

- cybersecurity risks remained high, and we needed the support of CERT-EU to deal with cybersecurity attacks;
- there was a significant increase in energy prices. In particular, the electricity prices charged under the interinstitutional contract more than tripled;
- because of high inflation rates and the indexation clauses in our contracts, we faced higher costs for some services. Similarly, contract renewals were awarded with higher prices;
- as regards IT, the Cloud/data protection dilemma has still not been solved. Moreover, a disruptive technology, Artificial Intelligence, emerged on the frontline of IT innovation.

**22** In 2023, SG2-DIWI continued to mitigate these factors while striving to achieve the Secretariat-General’s priorities for 2021-2025.

**23** A new **data governance framework** was put in place by clarifying roles and responsibilities for data management, creating a network of data stewards as the operational governance layer, and confirming the use of the existing IT governance bodies as the strategic governance layer.

**24** The **integration of audit information systems** continued with the objective of improving interoperability between the existing systems and offering a smoother user experience. The ECA Library has also acquired and provided access to the Orbis database for audit chambers. Extensive support has been provided for setting up knowledge nodes across audit chambers.

**25** The **new ECA website** was launched in April 2023, providing better ergonomics, accessibility and navigation, as well as enhanced mobile access and searching. The ECA studio is now fully operational, delivering press briefings as its main product, promotional videos on ECA products by the Court's Members, and internal ECA awareness-raising and informational audio-visual material.

**26** A new approach to **innovation** was launched by introducing SIPs (Short Innovation Projects). The first SIPs included the use of drones for audit and tests of commercial audit-management tools that could replace Assyst (our custom-made audit management tool). In parallel, work on setting up an artificial intelligence competence centre has started.

**27** **Modernisation of the way we work** continued in different areas. Several new apps were developed in the ECA Data Warehouse at the request of and in close cooperation with users. We improved the way we connect our staff and stakeholders with the ECA's premises. Nearly all ECA meeting rooms have been equipped with hybrid meeting capabilities.

**28** Our backbone **IT infrastructure** was maintained and upgraded. We completed the migration of emails to Microsoft's Office 365 "Software as a Service" solution. Also, in the area of cybersecurity and information protection, the deployment of the new Zero Trust solution for remote access was completed, replacing and enhancing the previous VPN solution. We conducted one interinstitutional and two internal simulated phishing exercises to raise users' awareness of cyber-threats.

**29** The works in the K2 building to upgrade technical installations and optimise the use of common spaces were completed. Moreover, a technical study for improvements in the K2 roof (insulation, a gondola for façade maintenance, and solar panels) was undertaken, and the budget for the works was committed. A study was completed to assess the accessibility of **ECA buildings** for people with disabilities and propose corrective measures.

**30** All **facilities contracts** expiring in 2023 were renewed. To improve the governance of facilities, a new system was set up to automate the management of Service Level Agreements.



**31** In the area of **sustainability**, the new EMAS action plan for 2023-2025 was approved and began to be implemented. The EMAS 2023 audit was carried out successfully. In addition, energy consumption on ECA premises was reduced in 2023 following the implementation of energy-saving measures during the summer break.

**32** All these activities took place in addition to the regular maintenance of current building infrastructure, the provision of IT support, and the handling of IT system releases, which provided **critical systems availability** of 99.9 % and guaranteed the 100 % stability of hybrid working technology (both for teleworking and for on-site work).

## Language and Editorial Directorate

**33** SG3-LED is responsible for translating and publishing all ECA products in the EU's 24 official languages. The Directorate is committed to diversifying its activities to respond to other ECA departments' needs (e.g. audit and communication). It manages **0.76 % of the ECA budget**. *Table 6* gives details of 2023 budget appropriations and payments.

**Table 6 – SG3-LED: 2023 budget (EUR)**

Budget line	Initial budget	Appropriations	Commitments	% use (Commitments/ Appropriations)	Payments
Outsourcing and interinstitutional cooperation	717 000	847 000	576 492	68.06	498 926
Interpretation	270 000	200 000	70 000	35.00	40 723
Publication	350 000	95 000	51 018	53.70	42 396
<b>TOTAL</b>	<b>1 337 000</b>	<b>1 142 000</b>	<b>697 510</b>	<b>61.08</b>	<b>582 045</b>

Source: Directorate of Human Resources, Finance and General Services.

**34** In 2023, the Directorate continued to respond to the Secretariat-General's priorities by continuing to diversify its activities outside the field of translation/revision, with new developments in language assistance for auditors, video subtitling, and communication collaboration. This year, the volume of SG3-LED's **authoring, translation and publication** output increased when compared to 2022. A total of 208 100 pages (from 2 619 translation requests) were translated and revised, 2.1 % more than in 2022 (203 709 pages). The FastTrad service, which provides a 24-hour turnaround for translation and editing of short texts in English and French, accounted for a further 846 pages. 98.9 % of translations were completed on time, well above the performance indicator of 95 %.

**35** **Language assistance**, one of the areas of SG3-LED diversification, continued to grow and most language assistance is now provided by SG3-LED staff after upscaling their skills. Translators delivered 48 language-assistance assignments in 2023, totalling 251 days of work inclusive of preparation, mission days, and subsequent follow-up, mostly in member-states. The translators providing language assistance came from 15 language teams – a significant increase (+50 %) on 2022 (10 teams). The School of Language Assistance organised regular practical training on interpreting techniques. In parallel, a working group helped to coordinate activities in this area, explored new tools, and streamlined practices to offer a better service. Among other diversification activities in 2023, close collaboration continued with the ECA press office on drafting and editing press releases in such a way as to take account of specific cultural and national characteristics.

**36** The **English Language Services** team provided in-depth editing and drafting assistance for the vast majority of ECA products during 2023. The team is a partner at all stages of the reporting process, from helping with task plans to reviewing press releases announcing the publication of final products. This year, English-language specialists increased their involvement in pre-adversarial and adversarial meetings, at which they provide real-time advice on suggested changes in special reports and annual reports.

**37** In 2023, progress was made towards implementing the **new translation management system (TraMS)**, although several new challenges emerged. Key milestones included addressing bug fixes, prioritising enhancement requests, and launching additional projects so as better to cover business needs. At the same time, meticulous testing under operational conditions resulted in the identification of major technical problems before the go-live, prompting immediate intervention from the software supplier.

## **Data Protection Officer (DPO)**

**38** The DPO reports directly to the Secretary-General, and manages no expenditure. In 2023, the DPO continued to provide expertise on data protection law and practices, and to monitor application of the EU data protection regulation ([EUDPR](#)). The team also advised staff by notifying the DPO of processing activities, drafting privacy statements, handling cases of personal data breaches, and dealing with other personal data protection matters. It also developed a number of training courses, and issued guidelines and notes on data protection matters.

**39** The DPO also actively participated in amending the ECA’s Decision on the DPO implementing rules at the Court, and drafting the Guide on data-protection roles and responsibilities.

### Information Security Officer (ISO)

**40** The ISO, with a view to preserving its independence and unbiased opinions, reports directly to the Secretary-General. He does not manage any expenditure. The team works in close cooperation with IT security officers, the Registry Control Officer, the DPO, the archivist, and the Safety and Security Service. The team also regularly welcomed and trained information-security trainees.

**41** In 2023, the ISO continued to organise awareness-raising activities on information security, namely phishing campaigns, training sessions, monthly newsletters, and videos. The team also continued to deliver training for newcomers (trainees, officials, and new Members), and proactively started briefing auditors in the event of missions to dangerous countries. As every year, the ISO team organised specific activities to mark European Cybersecurity Month and Safer Internet Day.

**42** Other noteworthy activities in 2023 included selecting and inviting external companies to present their products to relevant internal stakeholders, acting as back-up to the new Registry Control Officer, and regularly offering support to auditors in managing sensitive or ‘EU classified’ information.

### Procurement in the Secretariat-General

**43** In 2023, the ECA used one negotiated procedure under paragraph 11.1(b) of Annex I to the Financial Regulation to conclude a contract with a value over 60 000 EUR. The purpose of the contract was to renew the ECA’s *Financial Times* corporate subscription. The value of the contract for the 2023 subscription was 79 086 EUR. The FT is the most reputable English-language business newspaper, and provides comprehensive information about EU policies; it has no reasonable equivalent or substitute. The current licence allows all staff to access the FT’s digital content both inside and outside the institution.

**44** The annual list of contracts, including those worth between 15 000 EUR and 60 000 EUR that were concluded in 2023 following a negotiated procedure, will be available on the [ECA website](#) by 30 June 2024.

**45** All negotiated procedures valued at more than 15 000 EUR were subject to the ECA's rigorous internal procedures covering legality, regularity, and sound financial management.

**46** Also during 2023, we launched a call for tenders and finalised the public procurement procedure for a new framework contract for catering services (which came into force in January 2024).

# Results of the Secretariat-General's internal control systems

## Internal control framework

**47** The ECA's internal control framework supplements the legal framework with a view to aligning it with the integrated internal control system established by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO framework). It is designed to provide reasonable assurance regarding the legality, regularity, and sound financial management of all financial transactions, and facilitates the achievement of each directorate's operational objectives.

**48** The overall components of the internal control systems designed and implemented by the Secretariat-General are summarised in [Table 7](#).

**Table 7 – The 5 components of the Secretariat-General’s internal control systems**

Components	Description
<b>I. Control environment</b>	<p><u>Legal Basis and procedures</u>: all the legislation, ECA decisions, internal rules and procedures that frame the activity of the Secretariat-General.</p> <p><u>Information Systems</u>: all the IT systems supporting the activity of the Secretariat-General.</p> <p><u>Operational checks of expenses</u>: <i>ex ante checks</i> performed by the Initiating, Verifying and Authorising Officers of the different budget lines, to prevent potential errors.</p> <p><u>Systems</u>: procedures and structures designed to enable the proper functioning of the Secretariat-General’s activities.</p>
<b>II. Risk assessment</b>	<ul style="list-style-type: none"> <li>• The budget lines are analysed from the <i>risk</i> perspective, and the level of risk (low, medium, high) is determined;</li> <li>• Control activities focus on the medium and high risk class.</li> </ul>
<b>III. Control activities</b>	<ul style="list-style-type: none"> <li>• <i>Checks are also performed ex post</i>, following payments or events, to detect and correct potential errors that might not have been detected by ex ante checks, and potential weaknesses in the design of operational checks.</li> <li>• Checks are defined every year in the <i>Annual Control Programme</i>, designed to check the medium and high risks detected.</li> </ul>
<b>IV. Information and communication</b>	<ul style="list-style-type: none"> <li>• The results of each check are summarised in control reports and consolidated in the report accompanying each directorate’s Declaration of Assurance.</li> <li>• The errors identified are highlighted to management, and the action plans/<i>systems improvement recommendations</i> are communicated to staff.</li> </ul>
<b>V. Monitoring activities</b>	Monitoring activities are performed to <i>follow up on the results</i> of ex ante and ex post checks.

## I. Control environment

**49** The Secretariat-General operates within a legal framework that includes:

- the Financial Regulation;
- the Staff Regulations;
- the ECA’s internal control framework;
- the ECA’s rules of procedure;
- the internal rules for implementing the budget;
- the charter of tasks and responsibilities of authorising officers by sub-delegation;

- o all decisions regarding the use of the ECA's human, material and financial resources.

**50** The establishment and management of financial rights and salaries of Members and staff, together with the liquidation of mission expenses, have been externalised to the Paymaster's Office of the Commission (PMO) since January 2022. The PMO also assumes the role of authorising officer by delegation for the payroll, the management of retirement and survivors' pensions, and invalidity allowances. SG1-DHR supervises and checks the implementation of the Service Level Agreement (SLA) with the PMO, with all these activities representing roughly 85 % of ECA's budget.

**51** The internal control procedures did not change significantly in 2023, and the organisation of administrative procedures was also unchanged. For SG2-DIWI, these are based on the principles of COBIT 5<sup>1</sup>. They consist of management supervision, preventive and detection checks, and automated checks embedded in information systems covering all the Secretariat-General's main business processes.

**52** Financial business processes are managed using the SAP software, which allows for a proper separation between initiation, verification, and validation by the authorising officer. The system covers budgetary management, fund reservations, commitments, purchase orders, and contract and invoice control, all in accordance with the Financial Regulation and the ECA's internal rules and procedures. It also provides automated checks to prevent errors in the processing of financial data. In addition, staff who initiate processes and carry out checks follow checklists to assess compliance with the Financial Regulation's provisions on budgetary commitments and payment orders.

## II. Risk assessment

**53** Since 2016, and the adoption of the ECA's risk management framework, all audit chambers and directorates have been required to perform a risk analysis of their activities. The analysis must include a description of the potential impact if a risk materialises, the corresponding internal checks, and the action taken to reduce the likelihood of occurrence and the potential impact. Risk management action plans are taken into account in the design and implementation of ex ante and ex post checks.

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<sup>1</sup> COBIT 5 is an international IT governance framework, and structures IT tasks into generic processes and control objectives. COBIT provides a framework (an umbrella) for IT governance across the entire organisation.

The results of these checks then feed into the annual declaration which each authorising officer by delegation makes in their annual activity report, and into the following year's risk assessments. The design of internal control systems also takes due account of the cost-effectiveness of checks.

**54** The main risks identified by the risk assessment cycle for 2023 concern:

- the impact of the external economic and political situation (e.g. disruption of supply chains, inflation, and war) on the ECA's resources and work patterns, including adaptation to hybrid work and the safety and health of staff;
- non-compliance with the Financial Regulation's provisions on the legality and regularity of payments, and the economy, efficiency and effectiveness of activities;
- dependence on outsourcing and the quality of outsourced services (including those of the Commission);
- data breaches or non-compliance with data protection rules, including incidents caused by cyber-attacks. This risk also relates to the danger that opportunities cannot be seized owing to the administrative burden of setting up a complex legal and reporting framework in response to security and data-protection constraints;
- inadequate resource levels owing to restrictions on budget increases and difficulties in meeting recruitment needs while ensuring a satisfactory work/life balance for staff.

### III. Control activities

**55** The dedicated mix of control activities was developed and updated each year, based on the evaluation of each process's complexity and maturity level, the perceived inherent and control risk assessed for the activities, the automated checks implemented to mitigate risks, and the experience/lessons learnt from previous control results.



## SG1-DHR

**56** SG1-DHR's annual control programme was developed in the light of the overall objectives of the ECA's internal control framework, the specific risk assessment procedure for 2023, the results of checks performed in previous years, exchanges with the PMO, and recommendations by the internal and external auditors, as well as other information from events that took place in 2022.

**57** *Table 8* summarises the 2023 control programme containing the **ex post checks** and some particularities of the **main ex ante checks**. It focuses primarily on financial aspects, but also on non-financial risks with a potential financial impact on the different budget lines for which SG1-DHR is responsible.

**Table 8 – SG1-DHR Control programme for 2023**

Part	Control	Type
A	<b>Financial rights and salaries</b> of ECA staff and Members (managed by PMO)	Ex ante/Ex post by PMO Ex post*
B	<b>Mission costs</b> (reimbursement of expenses externalised to PMO)	Ex ante by PMO Ex ante**/Ex post***
C	<b>Representation costs</b> and <b>Internal events</b> of ECA staff and Members	Ex ante/Ex post
D	<b>Fuel and mileage costs</b> of official vehicles	Ex ante/Ex post
E	<b>Checks on inventories</b>	Ex post
F	Legality and regularity of <b>payments</b> on the remaining budget lines	Ex post
G	<b>Absences and Time management</b> (including teleworking)	Ex post
H	Completeness of <b>personal files</b> of ECA staff and Members	Ex post

*Notes:*

\* SG1-DHR performed dedicated ex post checks in 2023 on parts of the budget lines whose payment authorisation is performed by the ECA (the budget lines with the highest appropriation amounts were included within the scope).

\*\* SG1-DHR only carries out ex ante checks on the missions it validates; other missions are checked ex ante by the responsible controlling directorates/services of the Court.

\*\*\* SG1-DHR checks the ex post verifications and coordinates the implementation of the methodology developed to check mission costs so as to ensure consistency in the control approach across the Court's various directorates/departments.

## SG2-DIWI

**58** SG2-DIWI based its checks on the results of the 2023 risk register review, the process maturity assessment, and the follow-up of internal audit recommendations.

**59** SG2-DIWI carries out budget implementation activities in compliance with the applicable legal framework, mainly with the Financial Regulation, the internal rules for implementing the budget, and the charter of tasks and responsibilities of the authorising officer by sub-delegation. **Ex ante checks** are carried out to identify non-compliance with the Financial Regulation, as well as administrative errors and mistakes (e.g. incorrect references, wrong dates in text fields, and missing non-critical attachments).

**60** Topics for **ex post checks** are identified throughout the year, during the risk register review procedure or following a risk incident. SG2-DIWI management discusses the ex post checks to be carried out, and the SG2-DIWI Director makes the final decision.

**61** In 2023, SG2-DIWI performed six ex post checks. These covered:

- special access rights;
- IT asset management;
- procurement rules for very low-value contracts in the Library;
- invoice payments rules for IT services;
- the effectiveness of measures to reduce energy consumption;
- the back-up policy for IT operations.

### SG3-LED

**62** The SG3-LED control programme was based on the risk analysis for 2023 and the results of checks for 2022. It focused on financial aspects, the quality of language services, and the Directorate's IT and organisational arrangements. **Ex post checks** covered:

- o the legality and regularity of payments from the budget lines managed by the Directorate;
- o the quality of translations provided, complemented by an analysis of the comments made through a user feedback system.

## IV. Information and communication

**63** All three SG directorates established a programme of checks for evaluating compliance with the Financial Regulation and Court decisions, and the directors sent declarations of assurance to the Secretary-General in their capacity as authorising officers by sub-delegation. Additional declarations of assurance were given by other ECA directorates, departments and Members' offices which authorised expenditure in 2023.

**64** The overall results of the Secretariat-General's 2023 internal checks (both ex ante and ex post) show that the Financial Regulation, the Court's decisions, and internal procedures and policies are generally observed. We communicate continuously with staff about the rules for missions, time management, and declaring changes in their personal situation with a view to updating personal files. We also communicate regularly with relevant external parties about internal control matters.

## V. Monitoring activities

**65** All directorates examined the results of the ex ante and ex post checks they performed in 2023. The checks did not reveal any major weaknesses in the internal control systems. The directors also reviewed the status of all pending internal audit recommendations to ensure they would be implemented by the stipulated deadline.

**66** Before signing his declaration of assurance in accordance with Article 74(9) of the Financial Regulation, the Secretary-General examined the information in the three internal control reports sent by Secretariat-General directors.

**67** The identified exception and non-compliance events are not material, and do not indicate any internal control weaknesses. Action plans for corrective measures/further improvements have been issued (outlining the cases already solved during the checks, the respective deadlines, and the staff assigned to subsequent implementation and follow-up). The Court's senior managers were also notified of the risks detected.

## Results of checks

### Directorate of Human Resources, Finance and General Services

#### Checks concerning remuneration of ECA staff and Members

**68** The **remuneration of ECA staff and Members (part A in Table 8)** is included in the ex ante and ex post checks carried out at PMO level. According to the control strategy, which requires 100 % ex ante checks for all entitlements, the checks are carried out at the time of entitlement (e.g. entry into service and retirement) and in the event of modifications with a financial impact during an official's career.

**69** Following its internal reorganisation, the PMO reviewed its overall control strategy in January 2022: the ex post checks are defined following a risk analysis, and are based on a random sample selected from all payments managed by the PMO, including salaries and allowances, retirement pensions, survivor/orphan pensions, severance grants, transfers of pension rights, and unemployment allowances. A single sample is drawn up for all entities with which the PMO has signed a service level agreement, and for which, in each year, the PMO issues a consolidated control report on the results of the checks carried out for the paid transactions.

**70** In addition to the PMO's checks of the salaries and financial rights of staff and Members, Directorate SG1 carried out dedicated ex post checks in 2023 on those parts of the budget lines whose payment is authorised by the ECA (the budget lines with the highest appropriation amounts were included within the scope):

- remuneration paid to seconded national experts and trainees (including civil servants from candidate countries' supreme audit institutions on traineeships at the ECA);
- allowances for stand-by duty at home;
- allowances for special working conditions.

**71** The results show that, in general, these types of remuneration paid by the ECA were accurate and supported by appropriate documentation. Only minor financial errors were identified.

#### Checks concerning mission expenditure

**72** Dedicated **checks of missions (part B in Table 8)** were based on the ECA's "Methodology for the control of mission costs" developed for mission costs paid during 2023, so as to ensure a consistent approach across the ECA's various directorates and departments. The ex ante and ex post verifications were therefore based on common checklists developed for the ECA.

**73** SG1-DHR checked the sampled payments for which it was responsible, and coordinated the implementation of methodology, also consolidating the overall results and calculating the residual error rate for the period being checked. The checks covered a **representative (main) sample of 80 missions** divided into three strata (*Members, Non-private arrangements, and Private arrangements*), which were selected on the basis on MUS (Monetary Unit Sampling) applied for each stratum according to the risk assessment performed for 2023. This sample was selected from a population of 1 872 missions with payments made during 2023 totalling approximately 1.8 million EUR, excluding missions with costs lower than 100 EUR which do not fall within the scope of ex post checks<sup>2</sup> (low-cost missions representing 39 % in number and 2 % in value of the total missions paid in 2023).

**74** In addition, the missions checks included the following horizontal ex post verifications of additional assurance for mission costs in 2023:

- confirmation that mission orders and cost declarations were authorised by the nominated authorising officers by sub-delegation – **verification of the total portfolio of 3 082 mission orders and 3 344 cost declarations;**
- verification that missions were authorised before the start of the mission – **verification of the total portfolio of 3 082 mission orders;**
- follow-up of the refunds of the plane tickets purchased by the Travel Agency but not used by the person going on mission – **verification of the total portfolio of 72 unused plane tickets;**

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<sup>2</sup> Overall, 1 193 missions with costs below 100 EUR were paid in 2023, with a total value of 44 065 EUR.

- o accounting reconciliation between the costs settled in MIPS (the missions application) and the recording of mission costs in SAP – **general review**;
- o verification that the declaration of leave days, mission days and teleworking in MIPS and Sysper (the time recording application) are consistent – **verification of the main sample of 80 missions**.

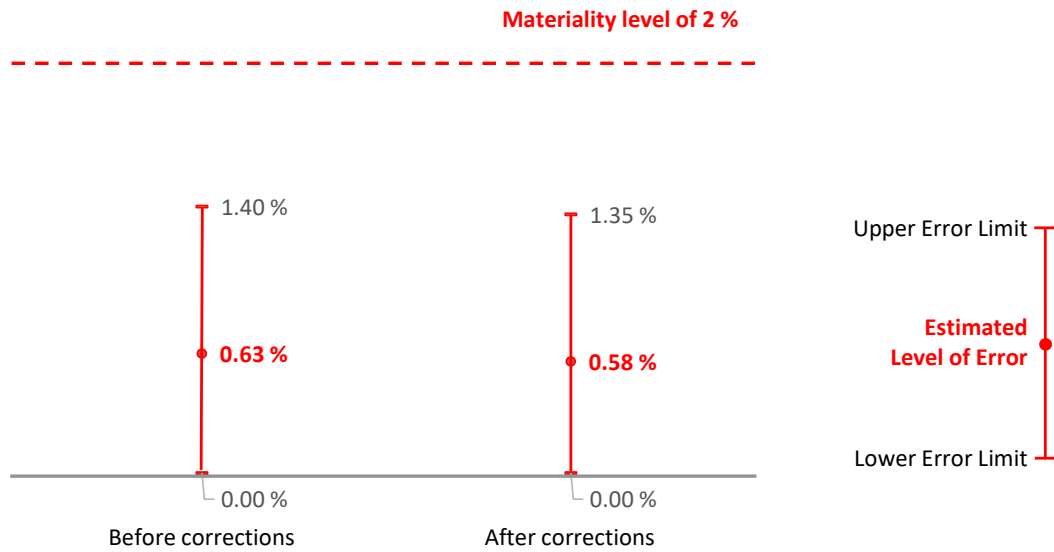
**75** Members' missions were also subject to an additional cross-check between representation costs and meals declared while on mission, so as to prevent meals being reimbursed twice.

**76** All the quantifiable errors found were consolidated in order to calculate the estimated level of error in mission costs before and after corrections. In addition to the main sample of 80 missions, the error rate calculation included the errors found in an **extended sample** in order to verify consistency with the cost declarations by other participants in the main missions sample (**31 additional mission orders**) and **missions to Brussels departing from places other than Luxembourg (21 extra missions)**.

**77** The estimated level of error for the 2023 mission costs is well below the materiality threshold of 2 % before and after correction, and the mission costs that were checked did not reveal any significant weakness. Quantifiable errors were found in 15 missions from the main control sample, one mission from the extended sample (tested for consistency), and in four other missions (to Brussels).

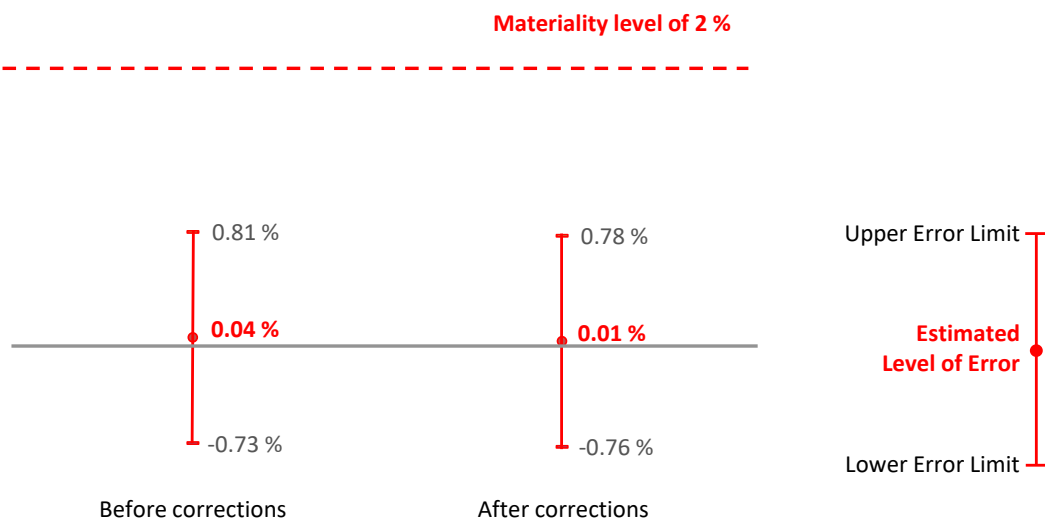
**78** The estimated level of error for mission costs is 0.63 % before corrections and 0.58 % after corrections. There is 80 % confidence that the level of error is below 1.35 % after corrections (see [Figure 2](#)).

Figure 2 – Estimated Level of Error for mission costs



**79** It should be highlighted that the estimated level of error does not represent the impact of errors on the ECA budget. Out of 20 errors, 17 were **overpayments** and three were **underpayments**. **The estimated level of error for the Court’s missions budget is 0.04 % before corrections and 0.01 % after corrections.** There is 80 % confidence that the level of error is below 0.78 % after corrections (see [Figure 3](#)).

Figure 3 – Estimated Level of Error for the Court’s budget for missions



**80** As expected, all the **financial errors** exceeding the threshold of 50 EUR (five cases) were generated by missions combined with private arrangements, as the PMO automatically reimbursed all expenses on the basis of the actual journey (rather than those for the notional journey): four cases concerned the calculation of travel costs, and one case concerned the number of daily allowances.

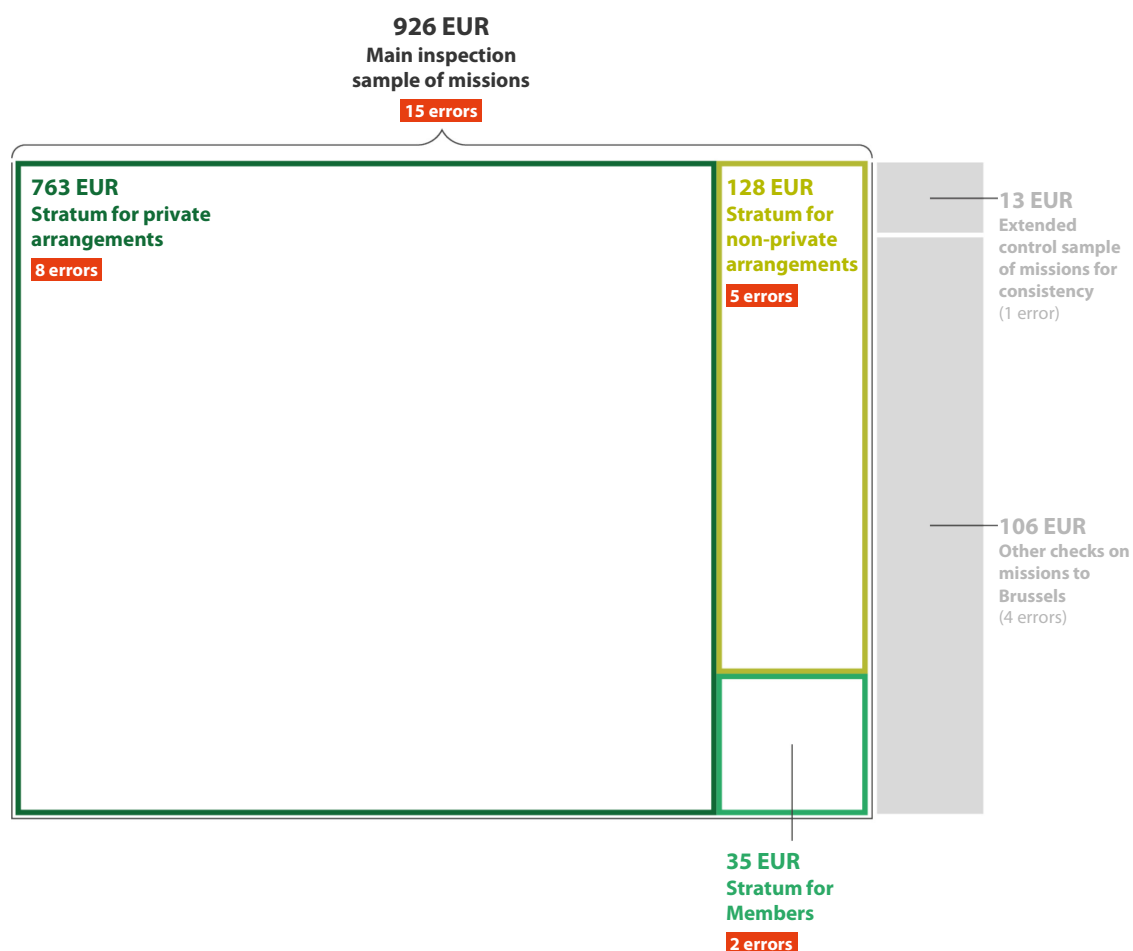
**81** *Figure 4* below shows the nature of the 15 errors with a **financial impact** identified in the main control sample, for each stratum (mainly overpayments). The most frequent cases concerned:

- travel costs (failure to observe hotel ceilings or to apply the rules for notional journeys/private arrangements);
- daily allowances; and
- reimbursement of taxi fares.

**82** The checks of the extended sample identified one error concerning the calculation of the number of daily allowances (underpayment), and the verification of missions to Brussels from places other than Luxembourg highlighted four cases of incorrect reimbursement concerning travel costs (mainly underpayments).



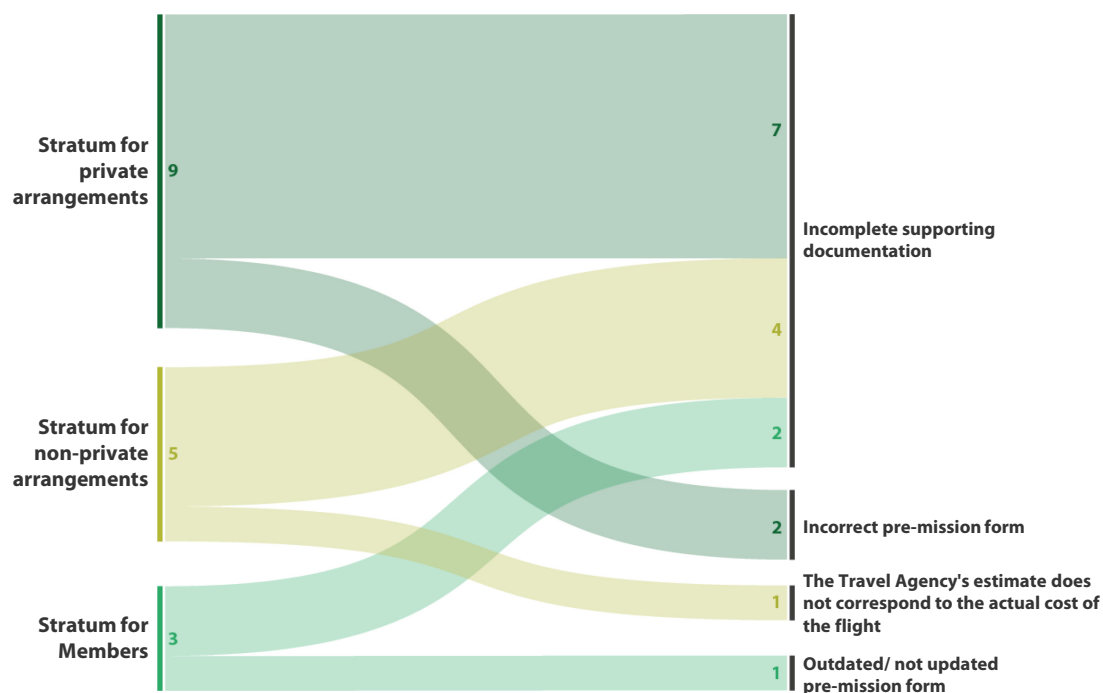
Figure 4 – Distribution of quantifiable errors in the missions that were checked (per type of control sample and stratum)



**83** For the main sample, the checks also highlighted weaknesses in the approval of 17 cases of mission costs that cannot be quantified: the most frequent cases of non-financial errors (13) concern **incomplete supporting documentation** (e.g. mission agendas, accommodation, pre-mission forms, and the use of train/business-class flights/private cars/rental cars).

**84** Figure 5 shows the nature of the **non-quantifiable errors** identified in the main control sample, for each stratum.

**Figure 5 – Distribution of the number of non-quantifiable errors identified in the main control sample (per stratum)**



**85** As an overall conclusion, although the errors identified in the reimbursement of mission expenses are not material, there are aspects of mission management that will be clarified in the currently ongoing revision of the mission rules. The clarifications mainly concern private arrangements and the cost-effectiveness required for missions. The ECA's Missions Guide will be updated to take account of the following:

- migration of the IT application from MIPS to MIPS+;
- changes that the Commission's new missions guide (due to be adopted in 2024) will entail for missions by ECA staff, and
- internal feedback collected during recent workshops organised by SG1-DHR with all the parties concerned.

### Checks concerning representation expenditure and the cost of internal events

**86** The purpose of **checking representation costs** reimbursed to ECA Members/staff and **Internal events expenditure (part C in Table 8)** was to:

- (i) verify the soundness of the representation costs and their compliance with the relevant Court decisions;
- (ii) cross-check the Members' meal declarations during missions (budget line 1040) with the meals reimbursed under representation costs (budget line 2520) so as to avoid double reimbursement (the daily allowance on mission and reimbursement by payment request);
- (iii) verify the soundness of costs linked to internal events and the compliance of these costs with the relevant Court decisions.

**87** In general, all costs were supported by underlying documentation, and complied with the rules in the relevant decisions. Further improvements will be considered in order to clarify the issue of sub-delegation in the decisions on representation costs and internal events, and to simplify the reconciliation of the number of participants in the events with the meals that were invoiced.

### Checks concerning fuel costs and the mileage of official vehicles

**88** The **checks of fuel costs and the mileage of official cars (part D in Table 8)** did not reveal instances of non-compliance with the relevant rules. The only issues identified in the control sample concerned the correctness of the car logbook and the distance travelled.

### Checks concerning inventories

**89** The inventory procedure (**part E in Table 8**) revealed a minor difference (-0.3 % before correction) between the actual stock value observed (following the physical inventory) and the stock value according to the accounting system (the FOBU application).

### Checks concerning payments from other budget lines

**90** Ex post checks were also made in respect of the legality and regularity of **payments** on the remaining budget lines (**part F in Table 8**) to verify the accuracy and documentation of payment transactions in SAP for a sample of 120 payments (10 cases per month).

**91** The overall result of the control shows that the payments are accurate and legal. The accounting department provides a clear and easy-to-understand guidance document, with examples, on implementing the Financial Regulation and internal rules.

#### **Checks concerning absences and time management**

**92** During 2023, staff became familiar with the IT system used to manage leave, absences and working time, and with the guides and rules on the working schedules and hybrid working arrangements adopted in the previous year. As a result, non-compliance cases displayed a decreasing trend, as evidenced by the ex post **checks of absences and time management (part G in Table 8)**. However, staff are sent regular reminders to re-emphasise the importance of complying with the rules.

**93** The verifications of absences and leave yielded the following results:

- long-term sick leave: the suspension of one shift-work allowance and one special working-conditions allowance;
- sick leave without a medical certificate: no errors were detected;
- unjustified absences: a total of 19.5 days were recovered (17.5 with annual leave and 2 with compensatory time off /‘recuperation’);
- compensatory time off: a total of 8 days of compensatory time off were replaced with annual leave;
- special leave: no exceptions to the rules were detected.

**94** The time-management checks yielded the following results:

- Friday afternoons: a total of 6.5 days were recovered (1 day with annual leave and 5.5 days with compensatory time off). The timesheet balances were updated accordingly;
- debit balance of working time: a total of 9 h 54 min were recovered from the leave rights of two staff members, and their flexitime balances were updated accordingly to reflect the permitted deficit level (not exceeding 16 hours);
- carry-over for part-time workers: for staff whose timesheets contained anomalies (where the carry-over value was reduced by the system in proportion to the work

pattern, rather than at the rate of 40 hours), the missing hours were added manually to their balances;

- teleworking limits when recording time:
  - from a total of 95 staff who exceeded the monthly teleworking limit (10 days), 74 cases were sampled for e-mail notifications, which were copied to their managers. We did not detect a trend of repetition or concentration in a specific audit chamber/department for the existing ECA staff who did not comply with or respond to e-mails;
  - all 23 staff who exceeded the monthly limit of 5 days for teleworking from abroad received notifications by e-mail. In most cases, the explanation given was a calculation error or misunderstanding of the existing rules;
- availability during core hours: The 15 high-risk cases of non-compliance that were identified will be reported to the principal managers and directors of the staff concerned for analysis and follow-up, based on the data included in the full 12-month period overview;
- in-depth checks of time recording: Cases of non-compliance are addressed on a case-by-case basis, and resulted in one case of disciplinary proceedings.

### Checks concerning personal files

**95** The objective of the **checks concerning personal files (part H in Table 8)** was to verify the existence of essential documents in the personal files of a sample of 10 staff members and of all ECA Members whose mandate started during the control period, and to corroborate that all documentation in the two corresponding IT systems (NDP and Sysper) concerns the person selected. In addition, and to complement the follow-up of the previous year's control, it was verified whether the documentation that staff had uploaded in Sysper was also available in NDP (for a sample of at least two documents per type of declaration submitted by staff).

**96** Most of the documents sought by the checks did exist. Nevertheless, the checks revealed that some documents were not available (either in NDP, or in Sysper), or were only available in Sysper and not stored in NDP (e.g. driving licences, proofs of residence/marital status, and family allowances received from other bodies). A new procedure for managing the documents provided by newcomers was established and agreed jointly by the PMO and the ECA's HR team in 2023. Furthermore, staff were reminded to declare any changes in their personal or administrative situations.

## Exception and non-compliance register

**97** The ECA's exception and non-compliance register included one **exception** concerning **representation costs** (the balance between internal and external guests was not ensured, as the number of internal guests exceeded the number of external guests in three cases), and the following 10 **non-compliance events**:

- (1) **incorrect remuneration payments to staff** – four cases were identified. The overall residual (net) impact of the total errors on the ECA remuneration budget (allowance for seconded national experts, travel expenses, and stand-by duty allowances) was 960.30 EUR (mainly underpayments);
- (2) **missions: incorrect cost reimbursements** – quantifiable errors (20 cases) were found in 15 missions paid. The overall residual (net) impact of the total errors on the ECA missions budget was 731.10 EUR (mainly overpayments);
- (3) **missions: incorrect AOSD authorisation** – eight mission orders and four cost declarations were validated by staff who did not have a valid delegation decision. This corresponds to 11 different missions (10 126.79 EUR paid) and totals approximately 0.5 % of the mission costs validated in cost declarations in 2023;
- (4) **missions: late approvals** – 43 mission orders were signed after the mission had started (1.4 % of mission orders) totalling 5 369.41 EUR of paid expenditure (0.3 % of the total paid amount);
- (5) **missions: inconsistencies between the mission costs paid in MIPS and expenses in SAP**: the checks revealed a minus amount in MIPS compared to the SAP, equivalent to 26 851.99 EUR (1.3 % of the SAP amount);
- (6) the **inventory checks** revealed a minor **difference** of -156.19 EUR (-0.3 % before correction) between the actual stock value observed in the physical inventory and the stock value recorded in the accounting system;
- (7) **payments: four legal commitments made before** budgetary commitments (7 482.97 EUR in total);
- (8) **payments: one payment made in 2023 concerned expenses incurred in 2022** (175 EUR);
- (9) **payments: one incorrect payment** where interim services for 168 hours were invoiced instead of the correct amount of 152 hours, as two holiday days were incorrectly taken into account (351.36 EUR);

(10) exceeding the time limits for teleworking:

- 95 cases of non-compliance (11 % of the average number of ECA staff recording **teleworking** time) – 0.92 % non-compliance rate;
- 23 cases of non-compliance (9 % of the average number of ECA staff recording teleworking from abroad) – 0.76 % non-compliance rate.

### Directorate of Information, Workplace and Innovation

**98** Overall, the SG2-DIWI ex ante checks on **financial transactions** in SAP that were carried out in 2023 did not reveal any significant errors. Out of 2 053 SAP transactions, including purchase orders, payment requests and invoices, only 71 were returned for correction by the member of staff concerned. The vast majority of purchase orders and invoices were rejected because documentation was not attached in SAP, and due to other administrative errors.

**99** Also, the Directorate's **ex post checks** carried out in 2023 proved the robustness of SG2-DIWI's internal control systems. None of the checks revealed any significant problem. Detailed results are provided in [Table 9](#).

Table 9 – Results of SG2-DIWI ex post checks

Control	Result
<b>Special access rights</b>	There is a robust and mature process for managing special access rights at the ECA, particularly for granting and renewing such rights. For the revocation or audit/control rights, some differences were found.
<b>IT assets management</b>	The IT assets management process is well defined and implemented: IT assets are properly registered from delivery to the ECA and throughout their lifecycle, based on ECA inventory labels. Two minor problems were identified: a discrepancy between a delivery note and the corresponding inventory label, and the long period that the assets may remain in storage after being disposed of.
<b>Procurement rules for very low-value contracts in the Library</b>	The checks did not reveal any significant failures in the area of very low-value contracts in the Library. Most such contracts came under the “Negotiated procedure” described in the Financial Regulation (point 11.1 (b)), because the services can only be provided by a single economic operator and exclusive rights, including intellectual property rights, need to be protected.
<b>Invoice payment rules for IT services</b>	Late payments of invoices for IT services have been kept at an acceptable level (less than 5 % of invoices were paid after the regulatory deadline), and this had a negligible financial impact (only one invoice exceeded the threshold of 200 EUR requiring payment of late interest).
<b>Effectiveness of the measures to reduce energy consumption</b>	The overall energy consumption figures show a clear decreasing trend that should reflect the effectiveness of the measures proposed to reduce energy consumption both for electricity and heating.
<b>Back-up policy for IT operations</b>	The back-up policy is in place and working as expected. The checks did not find instances of non-compliance regarding the main actions that end-users can perform to restore files and data from Outlook or network drives.

Source: Report on the results of the internal control systems of SG2-DIWI.

## Language and Editorial Directorate

**100** Overall, ex post checks of the legality and regularity of **payments** made from the budget lines for which the Directorate is responsible concluded that payments were legal and regular, and the required documentation was available. One case of **non-compliance** was detected where the budget commitment had been created after the legal commitment. This case was included in the Court’s Exception and Non-Compliance Register.

**101** Ex post checks of **translations and user feedback** are the two components of the Directorate’s quality control and assurance system. They provide a comprehensive external assessment both by professional assessors working in the European institutions and by those who actually use the translation service.



**102** In 2023, the Committee of the Regions' Translation Directorate assessed the quality of translations. The ex post check covered the translations of all language teams except the English team, which only translates to a limited extent. Ten documents were selected from each of the 23 teams, with the aim of covering the main types of ECA products, and two pages from each document were then checked (a total of  $2 \times 10 \times 23 = 460$  pages). The evaluations were generally very good. 42 translations received the maximum mark (100 %), and 16 out of 23 teams obtained an average quality mark of over 90 %. Of the 230 translations reviewed, four scored lower than 70 %. In each of these cases, the evaluators' remarks were analysed, and the necessary improvements were made. Translation quality was also checked on the basis of comments sent by the Directorate's internal and external clients. In 2023, more than 88 comments were received, mainly from ECA staff.

**103** Given the largely positive results, the principal managers of all language teams concluded that their translations were of acceptable quality, and sent declarations of assurance to the Director.

**104** Like last year, an **additional quality control** was carried out to check the visuals of seven reports that were ready for publication, focusing on the clarity of the text and graphics, compliance with conventions for the cover page, and more detailed analysis of the text (e.g. compliance with the rules on footnotes, hyperlinks, and visual elements). No major issues were detected.

### Other directorates/departments

**105** The **Directorate of the Presidency (DOP)** is responsible for the ECA budget line covering communication and interinstitutional relations, with an initial budget of 275 000 EUR (**0.16 % of the ECA budget**) and final appropriations of 225 000 EUR in 2023. The **Legal Service** manages the budget line for legal costs and damages, which amounted to 200 000 EUR in the initial budget (**0.11 % of the ECA budget**) and 50 000 EUR in the final appropriations for 2023. The internal control systems did not detect any significant errors in these budget lines.

**106** The remaining ECA directorates/departments do not manage any other expenditure, and are mainly responsible for the authorisation by sub-delegation of mission costs, for which the corresponding directors and heads of *cabinet* provide declarations of assurance to the Secretary-General.

## Conclusion regarding the efficiency and effectiveness of internal control systems

**107** The programme of ex ante and ex post checks for 2023 showed that the **Secretariat-General's internal control systems were effective and functioned efficiently**, and that its directorates were able to manage financial and non-financial risks. Only non-material errors were identified, as was the need to revise some procedures.

**108** The allocated resources were targeted to ensure that the main Internal Control System objectives (i.e. effectiveness, efficiency and economy of operations, reliability of reporting, prevention, detection, correction and follow-up of fraud and irregularities) were achieved, and ultimately to help to fulfil all Business Performance Indicators (presented in [Table 2](#)).

**109** The total **estimated cost of checks** in terms of the quantity of allocated resources amounted to **22.1** full-time equivalents (FTEs) in the case of the three Secretariat-General directorates and **2.8** FTEs in the case of other ECA directorates and departments<sup>3</sup>. The corresponding financial expenditure (based on the weighted average annual basic salary of the staff carrying out the checks) totalled approximately **1.58 million** EUR in the case of the three SG directorates and **0.18 million** EUR in the case of other ECA directorates/departments<sup>4</sup>. This is reasonable, considering the overall mix of control activities mentioned in this report.

**110** This conclusion also demonstrates the robustness of the management system, which is based on integrated software and includes a significant number of automatic checks, combined with the experience of the staff implementing and checking the ECA budget.

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<sup>3</sup> The estimated total number of allocated FTEs resulted from combining around 20.8 FTEs for ex ante checks and 1.3 FTEs for ex post checks in the case of the three SG directorates, and 2.7 FTEs for ex ante checks and 0.1 FTEs for ex post checks in the case of other ECA directorates/departments.

<sup>4</sup> The estimated total EUR equivalent amount resulted from combining around 1.48 million EUR for ex ante checks and 0.10 million EUR for ex post checks in the case of the three SG directorates, and 0.17 million EUR for ex ante checks and 0.01 million EUR for ex post checks in the case of other ECA directorates/departments.

# Our accountability

## Financial information overview of the ECA budget

**111** Our institution is financed by the EU budget under the **administrative expenditure** heading. The ECA budget represents around **1.5 % of the EU's total administrative spending** (less than 0.1 % of total EU spending).

**112** The 2023 budget totalled approximately **175.1 million EUR** (an **increase of 7.97 %** on the 2022 figure). An overview of the implementation of the 2023 budget is presented in [Table 10](#) below, and the 2023 vs. 2022 comparative budget figures are presented in [Table 11](#) below.

**113** The 2023 utilisation rate of appropriations under **Title 1** was 98.20 % (in 2022, the rate was 98.66 %). Although the beginning of the year was characterised by a lower-than-planned number of missions, the utilisation rate of appropriations for staff missions reached 90.62 % of final appropriations. The ECA takes every possible measure to ensure that mission appropriations are used in strict compliance with the principles of economy, efficiency, and effectiveness.

**114** The 2023 utilisation rate for Title 2 appropriations reached 96.84 % in 2023 (compared to 97.12 % in 2022), including appropriations carried over by decision. While most Chapters show a relatively high rate of execution, the lower implementation rate for Chapter 25 (Meetings and conferences) is explained by fewer interpretation requests for audit work and other activities recorded in 2023 and, at the same time, less use of representation expenses.

Table 10 – Implementation of the 2023 budget

FINANCIAL YEAR 2023	Initial Budget	Appropriations	Commitments	% use (Commitments/ Appropriations)	Payments
<b>Title 1: People working with the institution</b>	<i>(EUR)</i>				
10 – Members of the institution	11 777 000	11 132 000	10 761 798	96.67	10 597 938
12 – Officials and temporary staff	131 876 422	129 026 422	128 084 501	99.27	128 084 502
14 – Other staff and external services	9 779 000	9 779 000	8 758 062	89.56	8 655 473
162 – Missions	2 452 500	2 332 500	2 113 803	90.62	1 872 803
161 + 163 + 165 – Other expenditure relating to persons working for the institution	2 601 000	2 571 000	2 327 985	90.55	1 932 945
<b>Subtotal Title 1</b>	<b>158 485 922</b>	<b>154 840 922</b>	<b>152 046 149</b>	<b>98.20</b>	<b>151 143 661</b>
<b>Title 2: Buildings, movable property, equipment, and miscellaneous operating expenditure</b>					
20 – Immovable property	4 274 000	5 859 000	5 858 436	99.99	3 520 821
210 – IT&T	8 452 325	10 782 325	10 782 077	100.00	5 561 862
212 + 214 + 216 – Movable property and associated costs	893 675	1 234 675	1 114 197	90.24	436 006
23 – Current administrative expenditure	588 000	604 000	491 546	81.38	365 041
25 – Meetings, conferences	580 000	453 000	206 769	45.64	161 669
27 – Information and publishing	1 786 000	1 286 000	1 128 016	87.72	721 187
<b>Subtotal Title 2</b>	<b>16 574 000</b>	<b>20 219 000</b>	<b>19 581 041</b>	<b>96.84</b>	<b>10 766 586</b>
<b>Total ECA</b>	<b>175 059 922</b>	<b>175 059 922</b>	<b>171 627 190</b>	<b>98.04</b>	<b>161 910 247</b>

Table 11 – 2023 vs. 2022 comparative budget figures

FINANCIAL YEAR 2023	2023	2022
<b>Title 1: People working with the institution</b>		(EUR)
10 – Members of the institution	11 777 000	11 715 000
12 – Officials and temporary staff	131 876 422	120 837 775
14 – Other staff and external services	9 779 000	8 444 000
162 – Missions	2 452 500	2 452 500
161 + 163 + 165 – Other expenditure relating to persons working for the institution	2 601 000	2 732 000
<b>Subtotal Title 1</b>	<b>158 485 922</b>	<b>146 181 275</b>
<b>Title 2: Buildings, movable property, equipment, and miscellaneous operating expenditure</b>		
20 – Immovable property	4 274 000	3 778 000
210 – IT&T	8 452 325	8 228 225
212 + 214 + 216 – Movable property and associated costs	893 675	943 675
23 – Current administrative expenditure	588 000	574 000
25 – Meetings, conferences	580 000	675 000
27 – Information and publishing	1 786 000	1 761 000
<b>Subtotal Title 2</b>	<b>16 574 000</b>	<b>15 959 900</b>
<b>Total ECA</b>	<b>175 059 922</b>	<b>162 141 175</b>

Note: The reported figures relate to the initial budget.

## External audit

**115** The ECA’s annual accounts are audited by an independent external auditor. This is important, as it shows we apply the same principles of transparency and accountability to ourselves as we do to our auditees.

**116** Our external auditor – ACG Auditing & Consulting Group S.r.l. – published its report on our accounts for the financial year 2023 on 26 April 2024, issuing a clean opinion.

### Our external auditor’s opinions – financial year 2023

#### Regarding our financial statements:

*“In our opinion, **the financial statements give a true and fair view of the financial position of the Court as at December 31, 2023, and of the results of its operations, its cash flows and the changes in net assets for the year then ended**, in accordance with Regulations (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulations (EU, Euratom) No 966/2012, (OJ L 193, 30.07.2018, p. 1).”*

#### Regarding our use of resources and control procedures:

*“Based on the work described in this report, in our opinion, **the Court has complied, in all material respects, with the criteria** described above:*

- The resources assigned to the Court have been used for their intended purposes;*
- The control procedures in place provide the necessary guarantees to ensure the compliance of financial operations with the applicable rules and regulations.”*

## Declaration by the authorising officer by delegation

**117** I, the undersigned, Secretary-General of the European Court of Auditors, in my capacity as authorising officer by delegation, hereby:

- declare that the information contained in this report is true and accurate; and
- state that I have reasonable assurance that:
  - the resources assigned to the activities described in this report were used for their intended purpose and in accordance with the principles of sound financial management;
  - the control procedures in place provide the necessary guarantees concerning the legality and regularity of the transactions underlying the accounts and ensure that allegations of fraud, or suspected fraud, are handled appropriately; and
  - the costs and benefits of controls are proportionate.

**118** This assurance is based on my judgment and on the information at my disposal, such as the reports and declarations of the authorising officers by sub-delegation, the reports of the internal auditor and the reports of the external auditor for previous financial years.

**119** I confirm that I am not aware of anything not reported here which could be detrimental to the interests of the institution.

Luxembourg, April 2024.



Zacharias Kolas  
Secretary-General

# Annexes

## **Annex I – Report on budgetary and financial management for 2023**

Please click [here](#) to access the document.



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