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Audit preview

Information on an upcoming audit



THE EUROPEAN PERSONNEL SELECTION OFFICE

November 2019

The European Personnel Selection Office (EPSO) has been in charge of organising the selection process to provide EU institutions with new staff since 2003.

We are conducting an audit to establish whether EPSO meets the EU institutions' recruitment needs in a cost-effective manner. In particular, we are examining whether the selection process organised by EPSO yields sufficient successful candidates ("laureates") to meet the institutions' needs and whether the costs of EPSO's selection process are proportionate to these needs.

This follows on from a previous ECA special report in 2009, in which we criticised, in particular, the length of time taken by competitions and their failure to provide enough successful candidates.

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Introduction – the European Personnel Selection Office

What is the European Personnel Selection Office?

The European Communities Personnel Selection Office, later the European Personnel Selection Office (EPSO), was set up in 2002¹ and became operational as of 1 January 2003. It is an interinstitutional body whose main purpose is to centralise the institutions' staff selection process in order to achieve economies of scale.

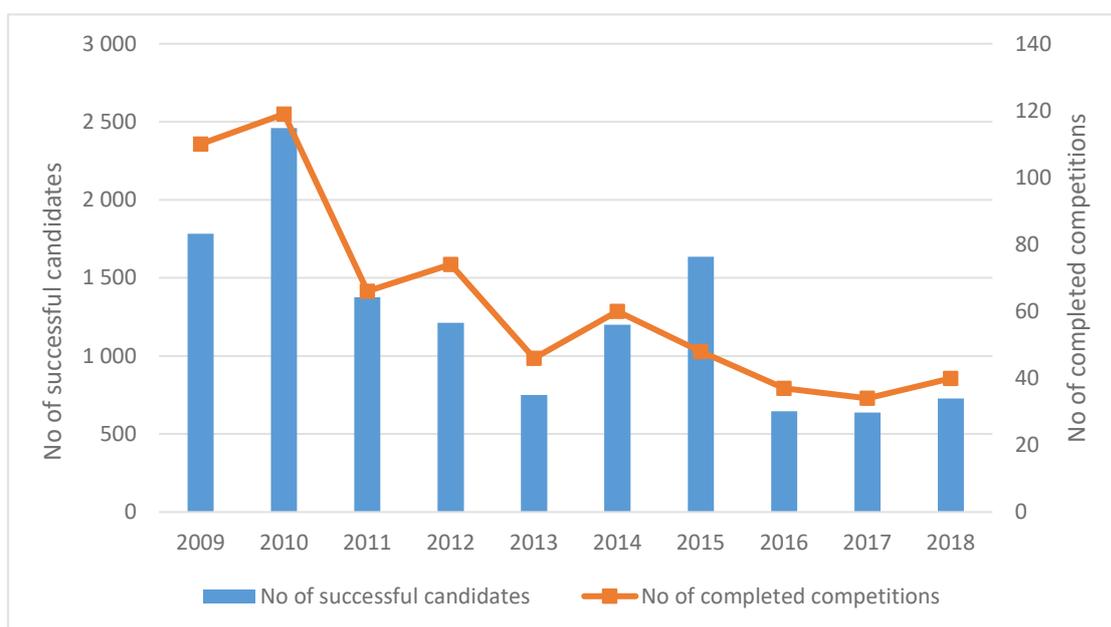
In this document, we use “selection process” to refer to all stages of both open competitions and selection procedures. Open competitions are used to select permanent staff (“permanent officials”), while selection procedures only concern contract staff.

A large part of EPSO's activities consists of organising competitions to come up with lists of successful candidates (“laureates”) from which EU institutions can recruit new permanent officials in line with their needs. Previously, EU institutions and bodies organised their own competitions, either jointly or separately. In most cases, the Commission was responsible for organising such competitions.

Each competition organised by EPSO is published in a notice of competition in the Official Journal, which gives full details of the candidate profile, the eligibility criteria and the selection process. The notice is the binding framework for the competition.

Different EU institutions have different recruitment needs and hence different expectations from EPSO. The European Commission and the Parliament recruit mainly from “generalist” competitions (i.e. competitions for candidates without any particular specialisation), although some Directorates-General of the Commission, such as the Joint Research Centre or the Directorate-General for Taxation and Customs Union, sometimes recruit from specialist competitions. The Court of Justice mainly recruits from specialist competitions (for lawyer-linguists). *Figure 1* below shows EPSO's selection activity since 2009.

Figure 1 – Number of competitions and successful candidates since 2009



Source: ECA, based on EPSO's annual activity reports.

The number of competitions fell after 2010 when the Commission (from 2012) and the other institutions (from 2013 onwards) embarked on a programme to reduce the number of positions available for officials².

EPSO can also, at the institutions' request, run selection procedures for contract staff. There have been an increasing number of requests for such procedures in recent years, and contract staff now make up between 20 % and 25 % of all EU staff.

Selection of temporary staff is generally organised by the institutions and agencies themselves³, although EPSO can offer some support.

The EPSO Development Programme

Our 2009 special report on EPSO

We last audited EPSO a decade ago, publishing a special report in 2009⁴. We criticised, among other things, the excessive length of the selection process (up to 18 months) and the fact that competitions did not always yield enough successful candidates, partly because candidates were dropping out due to the length of competitions.

Changes introduced by the EPSO Development Programme

EPSO responded to this criticism by embarking on a programme of reform and changes known as the EPSO Development Programme. The EPSO Development Programme was structured into three main topics:

- planning and needs;
- testing and professionalism; and
- diversity and attractiveness.

Table 1 below summarises the actions under each topic⁵.

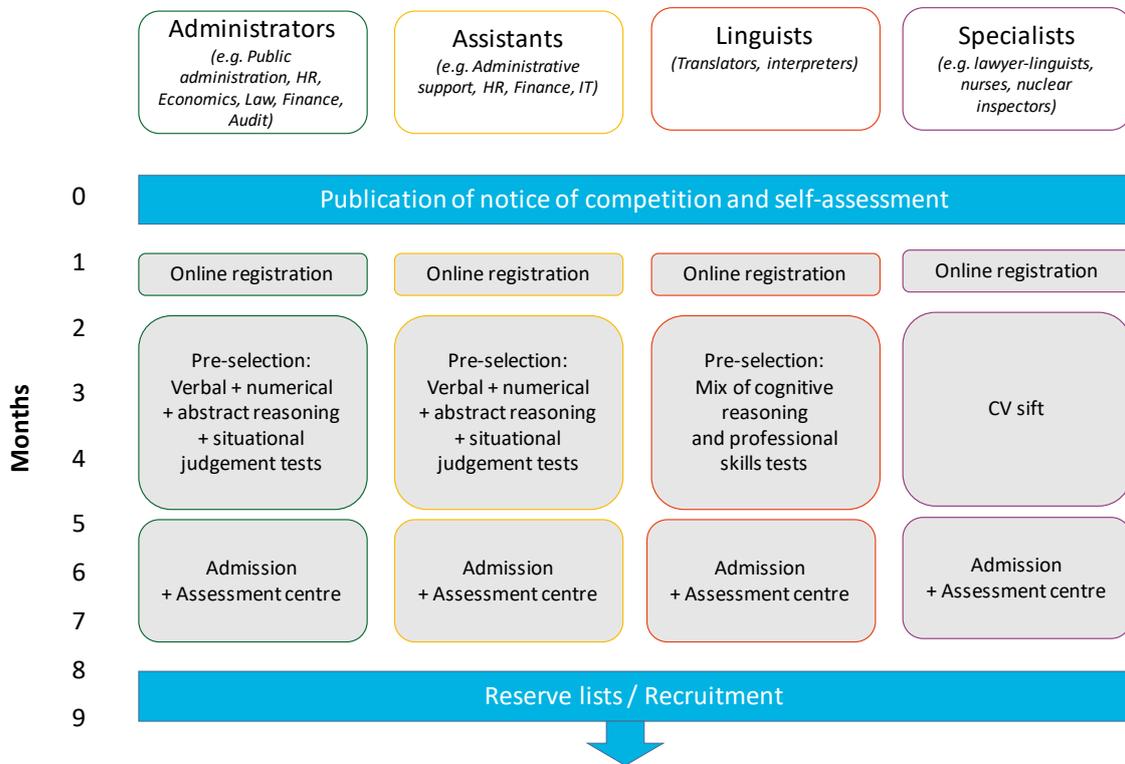
Table 1 – The EPSO Development Programme

Planning and needs	Testing and professionalism	Diversity and attractiveness
Annual competition cycle	Shift from knowledge to competency-based testing	Systematic item-analysis and test development
Reducing the time taken to run competitions	Modernised application process	Appealing to a wider pool of potential candidates:
A three-year rolling plan and strategic annual planning exercise	More rounded, job specific pre-selection tests	Building a positive employer image
	Assessment centre	
	Professionalisation of the selection procedure	

Source: EPSO.

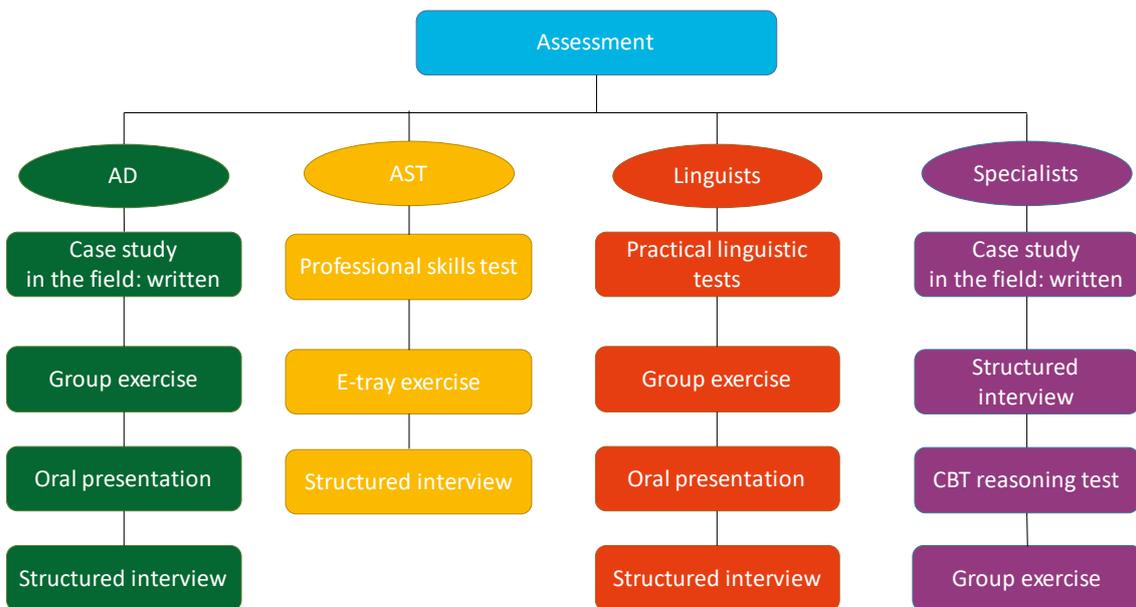
The most far-reaching changes were those under “testing and professionalism”. Competitions had previously focused on testing candidates’ knowledge, including their knowledge of the EU. The EPSO Development Programme marked a shift in the focus of testing – from knowledge to skills. Competitions now assess the skills of candidates in real-life professional situations (through situational judgement tests and the use of assessment centres) and involve the following stages (see *Figures 2* and *3*):

Figure 2 – EPSO competitions for officials



Source: EPSO.

Figure 3 – The assessment stage in competition for officials



Source: EPSO.

EPSO also defined a “competency framework” against which candidates are tested during the selection process. This framework consists of eight competencies, as shown in [Table 2](#).

Table 2 – EPSO’s competency framework

Competency	Definition
Analysis and problem solving	Identify the critical facts in complex issues and develop creative and practical solutions
Communicating	Communicate clearly and precisely both orally and in writing
Delivering quality and results	Take personal responsibility and initiative for delivering work to a high standard of quality within set procedures
Prioritising and organising	Prioritise the most important tasks, work flexibly and organise own workload efficiently
Resilience	Remain effective under a heavy workload, handle organisational frustrations positively and adapt to a changing work environment
Working with others	Work cooperatively with others in teams and across organisational boundaries and respect differences between people
Leadership	Manage, develop and motivate people to achieve results
Learning and development	Develop and improve personal skills and knowledge of the organisation and its environment

State of play – implementation of the EPSO Development Programme

The final implementation report of the EPSO Development Programme, published in 2012⁶, listed the following achievements:

- **planning and needs:** three-year rolling planning cycles with the institutions successfully implemented and annual competition cycles run as planned;
- **testing and professionalism:** all planned measures implemented or initiated, with assessment centres running for Administrator staff;
- **diversity and attractiveness:** all planned measures implemented.

The report also stated that although EPSO had succeeded in making competitions shorter by 2012, it had not met its target of completing competitions in 5-9 months, with Assistant competitions taking on average 9.5 months and Administrator competitions 10 months.

Recruitment challenges: languages, geographical balance, attractiveness and diversity

Legal challenges to the linguistic regime

In 2007, EPSO introduced a policy under which competition notices were published in English, French and German only. It also stipulated that candidates could choose from only these three languages as their second language for the tests and for communication from EPSO.

This was challenged by Italy, triggering a series of legal challenges against EPSO's language policy, which culminated in 2015 and 2016. EPSO lost all of these court cases⁷ and, as a result, had to cancel the relevant competition notices⁸. This led to the suspension of all selection activity for seven months in 2016, and many competitions planned for 2016 were postponed to 2017⁹. These rulings proved costly for EPSO, both financially and in terms of delayed competitions, which in turn also affected EPSO's reputation.

Geographical balance

The Commission has highlighted significant imbalances in staff nationalities¹⁰. Ten nationalities (all countries that joined the EU before 2004) are significantly underrepresented in the lower Administrator pay grades (AD5-AD8): Denmark, Germany, Ireland, France, Luxembourg, the Netherlands, Austria, Portugal, Finland and Sweden. The Commission attributes these imbalances to lower-than-expected participation by candidates from underrepresented countries in lower grade competitions. EPSO has already identified affected Member States and conducted communication activities to increase participation. However, participation by French, Dutch and German nationals (three of the main underrepresented nationalities) remains less than half the average rate for EU-28¹¹.

In the higher grades (AD9-AD12), countries that joined in or after 2004 are underrepresented¹². This is partly because, after 2004, some competitions were reserved for new Member States in the lower grades, but not in the higher grades (except for managerial positions). All this will lead to future geographical imbalances in grades AD9-AD12, and consequently at management level.

The EU institutions' attractiveness as an employer

The Commission is reflecting on the role EPSO can play to increase attractiveness of EU careers. Possible actions include:

- proposing a wider range of grades in EPSO competitions;
- making the selection process quicker and more efficient;
- developing a new tool to assess candidates' motivation for EU careers;
- organising training and information sessions to boost recruitment from underrepresented Member States.

Diversity

Diversity (in terms of gender, background or disability) is another challenge. EPSO took a number of actions in this area in 2017-2018, including guaranteeing reasonable accommodations for candidates with disabilities; undertaking systematic equality, diversity and accessibility screening; and using a monitoring tool to collect statistics on diversity, identify gaps and monitor progress. Testing methods are monitored to ensure they do not result in any bias against candidates (in particular regarding age, gender or nationality)¹³.

Legal framework

EPSO was established by Decision No 2002/620/EC of the European Parliament, the Council, the European Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions and the European Ombudsman of 25 July 2002 establishing the European Communities Personal Selection Office. Its general legal framework is provided by this founding regulation and by the EU Staff Regulations¹⁴, which set out the main rules for the organisation of competitions.

Roles and responsibilities

The EPSO Management Board

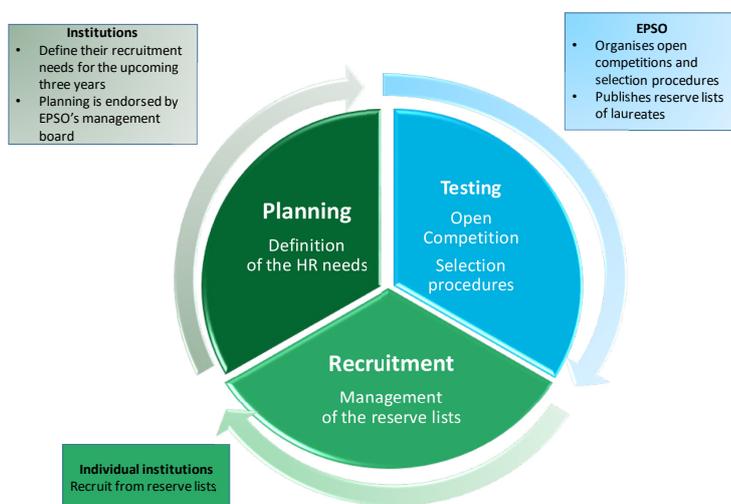
The EPSO Management Board is the organisation's highest decision-making body. Its members are the Director of EPSO and a representative of each institution – usually the HR Director-General or Director. The Management Board agrees on the selection policy and the management of reserve lists, and approves the work programme, including the scheduling of and timetable for competitions. The Director of EPSO is responsible for the office's overall internal control system.

The EU institutions

The EU institutions are involved at all stages of the selection process. They nominate selection board members for each competition. Each selection board consists of permanent members (appointed usually for 2- 4 years to ensure consistency across selection procedures) and non-permanent members (appointed for a particular selection process to impart technical expertise). The selection board is responsible for setting the difficulty level of the tests and for assessing candidates' performance in the competency tests.

Figure 4 shows how the decisions of the institutions – both on the management board and independently – influence the way EPSO works.

Figure 4 – The selection and recruitment cycle



Source: ECA, based on EPSO data.

How much does EPSO cost?

EPSO's overall budget amounted to around €26.5 million in 2019. The overall budget has remained stable over the years, even though the number of competitions organised has varied significantly from year to year. [Table 3](#) provides a breakdown for each year since 2012.

Table 3 – EPSO's budget (x €1 000, current prices for each year)

		2012	2013	2014	2015	2016	2017	2018	2019
Administrative and management expenditure	Staff	11 372	11 164	11 405	11 642	11 312	11 735	12 303	12 783
	Buildings	5 297	6 080	5 648	6 811	6 805	7 201	5 260	5 322
	Library	21	4	6	5	1	3	3	3
Inter-institutional cooperation for competitions	Competitions	8 597	8 213	5 936	5 833	4 611	4 905	5 700	5 460
	Others	14	44	14	12	6	14	10	10
Inter-institutional cooperation for training	EUSA (European School of Administration)	3 638	3 250	3 301	3 376	3 543	3 454	2 900	2 900
Total		28 939	28 755	26 310	27 678	26 279	27 312	26 176	26 478

Source: ECA, based on EU budget; 2012-2017 budget implementation, 2018-2019 budget appropriations.

EPSO publishes little information on the cost of the selection process. EPSO's selection procedures account for only a very small proportion of total EU expenditure on Administration. However, the medium and long-term financial implications of their outcome are far greater, given that officials often spend their whole careers in the EU institutions.

Focus of the audit

The European Court of Auditors is conducting an audit on whether EPSO's competitions and selection procedures are a cost-effective way to meet the institutions' recruitment needs. In particular, we will examine whether:

- successful candidates in EPSO's open competitions and selection procedures meet the EU institutions' recruitment needs;
- the cost of EPSO competitions and selection procedures is commensurate with these needs.

Our audit will cover the overall selection process, from the planning of needs (done in cooperation between EPSO and the institutions), to the running of competitions and selection procedures (all phases of tests) and the management of reserve lists. We will examine the selection process both generally (for all competitions and selection procedures since 2012, the year in which implementation of the EPSO Development Programme was completed) and for individual competitions in more detail through a sample of procedures, representative of EPSO's activities, covering all types of procedures.

In the course of our audit, we will analyse some of the key issues identified during the preparatory phase and summarised in this preview. Since these issues are identified before the audit work commences, they should not be regarded as audit observations, conclusions or recommendations.

ABOUT ECA SPECIAL REPORTS AND AUDIT PREVIEWS

The ECA's special reports set out the results of its audits of EU policies and programmes or management topics related to specific budgetary areas.

Audit previews provide information in relation to an ongoing audit task. They are based on preparatory work undertaken before the start of the audit and are intended as a source of information for those interested in the policy and/or programme being audited.

If you wish to contact the team in charge of this audit, please do so through the following e-mail address: ECA-EPPO-audit@eca.europa.eu.

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- ¹ Decision of the Secretaries-General of the European Parliament, the Council and the Commission, the Registrar of the Court of Justice, the Secretaries-General of the Court of Auditors, the Economic and Social Committee and the Committee of the Regions, and the Representative of the European Ombudsman of 25 July 2002 on the organisation and operation of the European Communities Personnel Selection Office, 2002/621/EC of 25 July 2002, OJ L 197, 26.7.2002.
- ² European Court of Auditors, Rapid Case Review on the implementation of the 5 % reduction of staff posts published on 21.12.2017.
- ³ Based on the description of selection procedures annexed to public tenders EPSO.01/PR/2017/004 and EPSO/PR/2016/049.
- ⁴ European Court of Auditors, Special Report No 9/2009 “The efficiency and effectiveness of the personnel selection activities carried out by the European Personnel Selection Office”.
- ⁵ EPSO Development Programme, Roadmap for implementation, November 2010 (europa.eu/epso/doc/edp_11_2010.pdf) and EPSO Development Programme, final report, published in 2012 (europa.eu/epso/doc/edp_2012_final_version.pdf).
- ⁶ Idem.
- ⁷ Court cases: C-566/10, T-124/13, T-275/13 and T-353/14.
- ⁸ Even though the competition notices were annulled, the successful candidates were not affected.
- ⁹ See the following statements issued by EPSO regarding the language regime (<http://blogs.ec.europa.eu/eu-careers.info/2016/02/25/update-concerning-language-regime-for-open-competitions/>) and after the judgment in case T-353/14 (<http://europa.eu/epso/doc/ruling-15-09-2016/llt-ruling-en.pdf>).
- ¹⁰ Report from the Commission to the European Parliament and the Council pursuant to Article 27 of the Staff Regulations of Officials and to Article 12 of the Conditions of Employment of Other Servants of the European Union (Geographical balance), COM(2018) 377 of 15.06.2018.
- ¹¹ Average participation rate is 590 candidates per million inhabitants. For Germany, it is 217, for the Netherlands 268, and for France 289.
- ¹² European Court of Auditors, Special report No 15/2019: “Implementation of the 2014 staff reform package at the Commission – Big savings but not without consequences for staff”.
- ¹³ EPSO Development Programme, final report, 2012, p. 8.

¹⁴ Regulation No 31 (EEC), 11 (EAEC), laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community the European Atomic Energy Community (OJ 45, 14.6.1962, p. 1385), as last amended by Commission Delegated Regulation (EU) 2016/1611 of 7 July 2016.

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