

ANNEX 1: Statement of the Resources Director

I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission⁷, I have reported my advice and recommendations to the Director-General/Head of Service on the overall state of internal control in the DG/service.

I hereby certify that the information provided in Part 2 and Point 3.1 of the present AAR and in its annexes 2 to 6 is, to the best of my knowledge, accurate and exhaustive.

Signed

Jean-Pierre Vandersteen

Director

⁷ SEC(2003)59 of 21.01.2003.

Annexe 2 - Human & financial resources

Human Resources

| Code ABB Activity | ABB Activity | Human Resources by ABB activity | | |
|-------------------------|---|---------------------------------|-----------------------|-------------|
| | | Establishment Plan posts | External Personnel | Total |
| 16 02 | Communication and the Media | 142 | 10 | 152 |
| 16 03 | Going Local communication | 240 | 385 | 625 |
| 16 04 | Analysis and communication tools | 77 | 9 | 86 |
| 15 06 | Fostering European Citizenship | 42 | 5 | 47 |
| 16 AWBL-01 | Administrative support for Communication Directorate- General | 92 | 13 | 105 |
| 16 ABWL-02 | Policy strategy and coordination for Communication Directorate- General | 36 | 8 | 44 |
| Total | | 629 | 430 | 1059 |

IMPLEMENTATION OF THE GLOBAL ENVELOPE

BUDGET LINES CONCERNED: 16 01 02 11 00 01 TO 16 01 02 11 00 06

| (IN EUROS) | | APPROPRIATIONS 2010 (C1) | | | APPROPRIATIONS carried over (C8) | |
|--------------------|--|-------------------------------------|---------------------|------------------|---|--|
| BUDGET LINE* | BUDGET LINE DESCRIPTION | AVAILABLE APPROPRIATIONS 2010 | COMMITMENTS 2010 | PAYMENTS 2010 | AMOUNTS OF APPROPRIATIONS CARRIED OVER FROM 2009 | % IMPLEMENTATION ON APPROPRIATIONS CARRIED OVER FROM 2009 |
| 16.010211.00 | | | | | | |
| 16.010211.00.01.10 | Mission expenses | 3.102.087 | 3.102.087 | 2.606.447 | 542.647 | 67% |
| 16.010211.00.01.30 | Representation expenses | 11.750 | 9.096 | 3.041 | 128 | 100% |
| 16.010211.00.02.20 | Meeting costs | 99.000 | 99.000 | 35.180 | 1.907 | 100% |
| 16.010211.00.02.40 | Conference costs | 20.500 | 20.500 | 15.157 | 971 | 100% |
| 16.010211.00.03 | Meetings of committees | 27.000 | 27.000 | 0 | 0 | |
| 16.010211.00.04 | Studies and consultations | 0 | 0 | 0 | 0 | |
| 16.010211.00.05 | Development of management and information systems | 350.000 | 346.964 | 107.957 | 329.142 | 92% |
| 16.010211.00.06 | Further training and management training | 458.000 | 397.492 | 188.451 | 129.323 | 96% |
| | TOTAL | 4.068.337 | 4.002.138 | 2.956.234 | 953.220 | |

ANNEX 3: Draft annual accounts and financial reports

Financial Reports - DG COMM - Financial Year 2010

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Economic Outturn Account

Table 6 : Average Payment Time Limits

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures (excluding Building Contracts)

Table 12 : Summary of Contracts (excluding Building Contracts)

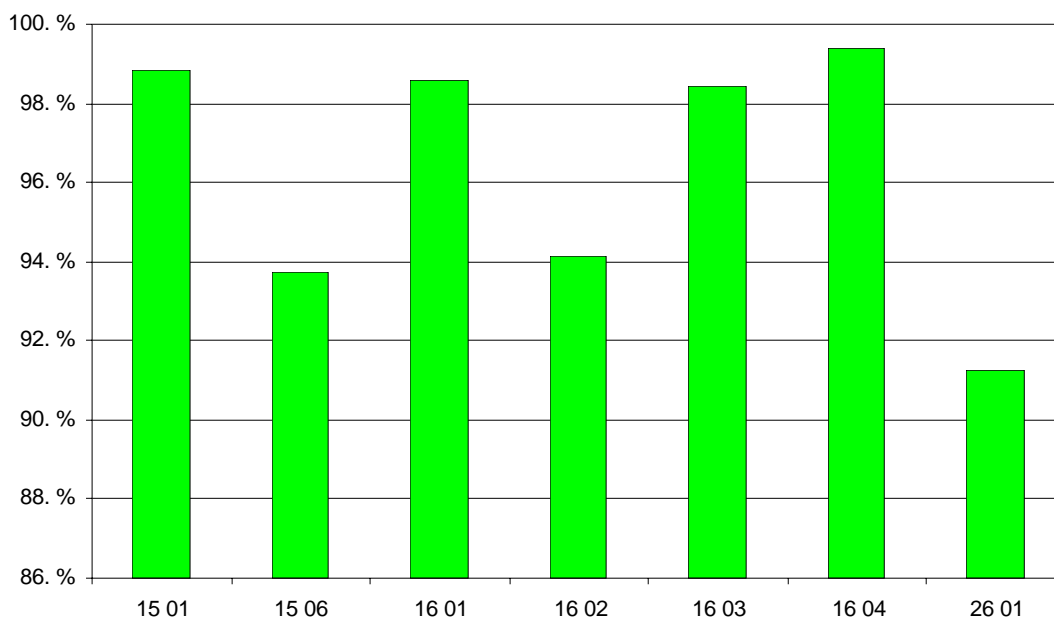
Table 13 : Building Contracts

Table 14 : Contracts declared Secret

| TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2010 (in Mio €) | | | | |
|--|---|--|------------------|---------|
| Chapter | | Commitment appropriations authorised * | Commitments made | % |
| | | 1 | 2 | 3=2/1 |
| Title 15 : Education and culture | | | | |
| 15 01 | Administrative expenditure of Education and culture policy area | 4.29 | 4.24 | 98.83 % |
| 15 06 | Fostering European Citizenship | 6.29 | 5.90 | 93.75 % |
| Total Title 15 | | 10.58 | 10.14 | 95.81 % |
| Title 16 : Communication | | | | |
| 16 01 | Administrative expenditure of Communication policy area | 42.35 | 41.76 | 98.59 % |
| 16 02 | Communication and the media | 42.85 | 40.34 | 94.15 % |
| 16 03 | Going Local communication | 35.61 | 35.06 | 98.46 % |
| 16 04 | Analysis and communication tools | 27.15 | 26.98 | 99.38 % |
| Total Title 16 | | 147.96 | 144.14 | 97.42 % |
| Title 26 : Commission's administration | | | | |
| 26 01 | Administrative expenditure of Commission's administration policy area | 0.34 | 0.31 | 91.26 % |
| Total Title 26 | | 0.34 | 0.31 | 91.26 % |
| Total DG COMM | | 158.89 | 154.59 | 97.30 % |

* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

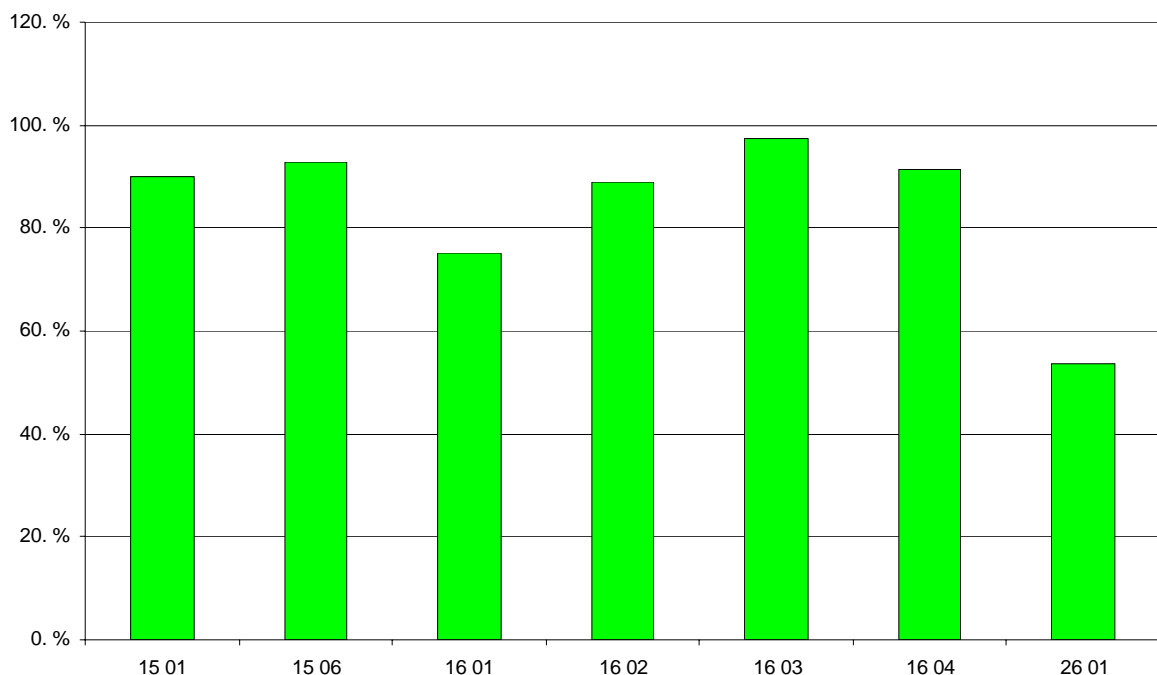
% Outturn on commitment appropriations



| TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2010 (in Mio €) | | | | |
|---|---|-------------------------------------|---------------|---------|
| Chapter | | Payment appropriations authorised * | Payments made | % |
| | | 1 | 2 | 3=2/1 |
| Title 15 : Education and culture | | | | |
| 15 01 | Administrative expenditure of Education and culture policy area | 4.56 | 4.10 | 89.94 % |
| 15 06 | Fostering European Citizenship | 5.72 | 5.31 | 92.83 % |
| Total Title 15 | | 10.28 | 9.41 | 91.55 % |
| Title 16 : Communication | | | | |
| 16 01 | Administrative expenditure of Communication policy area | 55.25 | 41.62 | 75.33 % |
| 16 02 | Communication and the media | 37.81 | 33.56 | 88.78 % |
| 16 03 | Going Local communication | 35.61 | 34.67 | 97.36 % |
| 16 04 | Analysis and communication tools | 25.31 | 23.11 | 91.29 % |
| Total Title 16 | | 153.97 | 132.96 | 86.35 % |
| Title 26 : Commission's administration | | | | |
| 26 01 | Administrative expenditure of Commission's administration policy area | 0.48 | 0.26 | 53.77 % |
| Total Title 26 | | 0.48 | 0.26 | 53.77 % |
| Total DG COMM | | 164.73 | 142.62 | 86.58 % |

* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

% Outturn on payment appropriations

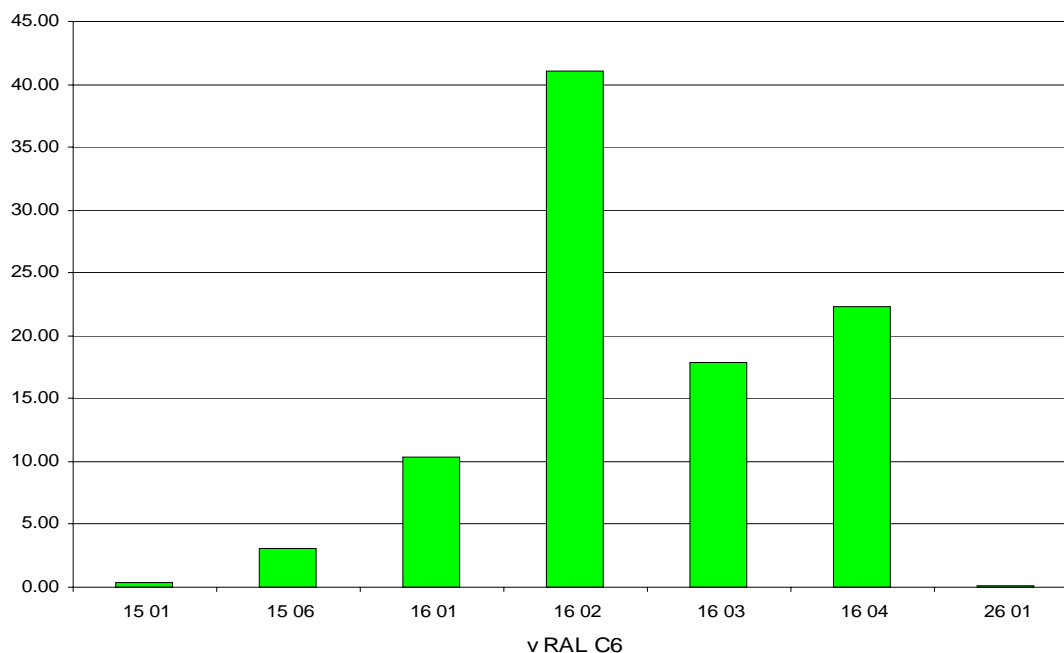


| TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2010 (in Mio €) | | | | | | | | |
|---|---|--------------------------------|---------------|----------|-----------------|---|---|---|
| Chapter | | 2010 Commitments to be settled | | | | Commitments to be settled from financial years previous to 2010 | Total of Commitments to be settled at end of financial year 2010 (incl.corrections) | Total of Commitments to be settled at end of financial year 2009 (incl.corrections) |
| | | Commitments 2010 | Payments 2010 | RAL 2010 | % to be settled | | | |
| | | 1 | 2 | 3=1-2 | 4=1-2//1 | 5 | 6=3+5 | 7 |
| Title 15 : Education and culture | | | | | | | | |
| 15 01 | Administrative expenditure of Education and culture policy area | 4.24 | 3.84 | 0.40 | 9.39 % | 0.00 | 0.40 | 0.27 |
| 15 06 | Fostering European Citizenship | 5.90 | 3.09 | 2.81 | 47.64 % | 0.28 | 3.09 | 2.59 |
| Total Title 15 | | 10.14 | 6.93 | 3.21 | 31.64 % | 0.28 | 3.49 | 2.86 |
| Title 16 : Communication | | | | | | | | |
| 16 01 | Administrative expenditure of `Communication policy area | 41.76 | 31.40 | 10.36 | 24.81 % | 0.00 | 10.36 | 12.89 |
| 16 02 | Communication and the media | 40.34 | 10.87 | 29.47 | 73.05 % | 11.64 | 41.11 | 35.07 |
| 16 03 | Going Local communication | 35.06 | 19.69 | 15.38 | 43.85 % | 2.46 | 17.84 | 20.77 |
| 16 04 | Analysis and communication tools | 26.98 | 8.54 | 18.45 | 68.36 % | 3.81 | 22.26 | 20.33 |
| Total Title 16 | | 144.14 | 70.42 | 73.63 | 51.11 % | 17.91 | 91.56 | 89.05 |
| Title 26 : Commission's administration | | | | | | | | |
| 26 01 | Administrative expenditure of Commission's administration policy area | 0.31 | 0.17 | 0.15 | 47.10 % | 0.00 | 0.15 | 0.14 |
| Total Title 26 | | 0.31 | 0.17 | 0.15 | 47.10 % | 0.00 | 0.15 | 0.14 |
| Total DG COMM | | 154.59 | 77.52 | 76.99 | 49.83 % | 18.19 | 95.20 | 92.05 |

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2010 (in Mio €)

| Chapter | | 2010 Commitments to be settled | | | | Commitments to be settled from financial years previous to 2010 | Total of Commitments to be settled at end of financial year 2010 (incl. corrections) | Total of Commitments to be settled at end of financial year 2009 (incl. corrections) |
|---|---|--------------------------------|---------------|----------|-----------------|---|--|--|
| | | Commitments 2010 | Payments 2010 | RAL 2010 | % to be settled | | | |
| | | 1 | 2 | 3=1-2 | 4=1-2/1 | 5 | 6=3+5 | 7 |
| Title 15 : Education and culture | | | | | | | | |
| 15 01 | Administrative expenditure of Education and culture policy area | 4.24 | 3.84 | 0.40 | 9.39 % | 0.00 | 0.40 | 0.27 |
| 15 06 | Fostering European Citizenship | 5.90 | 3.09 | 2.81 | 47.64 % | 0.28 | 3.09 | 2.59 |
| Total Title 15 | | 10.14 | 6.93 | 3.21 | 31.64 % | 0.28 | 3.49 | 2.86 |
| Title 16 : Communication | | | | | | | | |
| 16 01 | Administrative expenditure of Communication policy area | 41.67 | 31.33 | 10.34 | 24.81 % | 0.00 | 10.34 | 12.89 |
| 16 02 | Communication and the media | 40.34 | 10.87 | 29.47 | 73.05 % | 11.64 | 41.11 | 35.07 |
| 16 03 | Going Local communication | 35.06 | 19.69 | 15.38 | 43.85 % | 2.46 | 17.84 | 20.77 |
| 16 04 | Analysis and communication tools | 26.98 | 8.54 | 18.45 | 68.36 % | 3.81 | 22.26 | 20.33 |
| Total Title 16 | | 144.05 | 70.42 | 73.63 | 51.11 % | 17.91 | 91.54 | 89.05 |
| Title 26 : Commission's administration | | | | | | | | |
| 26 01 | Administrative expenditure of Commission's administration policy area | 0.31 | 0.17 | 0.15 | 47.10 % | 0.00 | 0.15 | 0.14 |
| Total Title 26 | | 0.31 | 0.17 | 0.15 | 47.10 % | 0.00 | 0.15 | 0.14 |
| Total DG COMM | | 154.51 | 77.52 | 76.99 | 49.83 % | 18.19 | 95.17 | 92.05 |

Breakdown of Commitments remaining to be settled (in Mio EUR)



| TABLE 4 : BALANCE SHEET COMM | | |
|---|-----------------------|-----------------------|
| BALANCE SHEET | 2010 | 2009 |
| A.I. NON CURRENT ASSETS | 14,942,150.20 | 31,574,691.84 |
| A.I.1. Intangible Assets | 730.51 | 5,877.33 |
| A.I.2. Property, plant and equipment | 14,935,911.05 | 31,523,434.44 |
| A.I.6. LT Receivables | 5,508.64 | 45,380.07 |
| A.II. CURRENT ASSETS | 13,350,855.34 | 9,940,789.80 |
| A.II.2. Short-term Pre-Financing | 3,600,516.60 | 2,643,678.16 |
| A.II.3. Short-term Receivables | 9,633,075.00 | 7,164,526.75 |
| A.II.5. Cash and Cash Equivalents | 117,263.74 | 132,584.89 |
| ASSETS | 28,293,005.54 | 41,515,481.64 |
| P.II. NON CURRENT LIABILITIES | -22,536.26 | -16,772,576.76 |
| P.II.4. Other long-term Liabilities | -22,536.26 | -16,772,576.76 |
| P.III. CURRENT LIABILITIES | -12,358,987.70 | -16,053,225.98 |
| P.III.4. Accounts Payable | -12,358,987.70 | -16,053,225.98 |
| LIABILITIES | -12,381,523.96 | -32,825,802.74 |
| | | |
| NET ASSETS (ASSETS less LIABILITIES) | 15,911,481.58 | 8,689,678.90 |
| | | |
| P.I.2. Accumulated Surplus / Deficit | 0.00 | 0.00 |
| | | |
| Non-allocated central (surplus)/deficit* | -15,911,481.58 | -8,689,678.90 |
| | | |
| TOTAL | 0.00 | 0.00 |

* This figure is a balancing amount presented here so as to reflect the fact that the accumulated result of the Commission is not attributed to each DG

| TABLE 5 : ECONOMIC OUTTURN ACCOUNT COMM | | |
|---|-----------------------|-----------------------|
| ECONOMIC OUTTURN ACCOUNT | 2010 | 2009 |
| II.1 SURPLUS/ DEF. FROM OPERATING ACTIVT | 136,882,876.36 | 132,601,706.12 |
| II.1.1. OPERATING REVENUES | -2,381,872.82 | 1,386,037.26 |
| II.1.1.1. Other operating revenue | -2,381,872.82 | 1,386,037.26 |
| II.1.2. OPERATING EXPENSES | 139,264,749.18 | 131,215,668.86 |
| II.1.2.1. Administrative Expenses | 44,726,511.33 | 34,402,374.32 |
| II.1.2.2. Operating Expenses | 94,538,237.85 | 96,813,294.54 |
| II.2. SURPLUS/DEF. NON OPERATING ACTIVIT | 2,429.64 | 2,053.06 |
| II.2. FINANCIAL OPERATIONS | 2,429.64 | 2,053.06 |
| II.2.1. Financial revenue | -5,781.97 | -888.83 |
| II.2.2. Financial expenses | 8,211.61 | 2,941.89 |
| ECONOMIC OUTTURN ACCOUNT | 136,885,306.00 | 132,603,759.18 |

TABLE 6 : PAYMENT TIME LIMITS

| Target Times | | | | | | | |
|-----------------------------------|---------------------------------|---|-------------------|-------------------------------------|-----------------------------|-------------------|-------------------------------------|
| Target Payment Time (Days) | Total Number of Payments | Nbr of Payments within Target Time | Percentage | Average Payment Times (Days) | Nbr of Late Payments | Percentage | Average Payment Times (Days) |
| 3 | 6 | | | | 6 | 100.00 % | 7.33 |
| 7 | 5 | 2 | 40.00 % | 7.00 | 3 | 60.00 % | 11.33 |
| 10 | 2 | 2 | 100.00 % | 5.00 | | | |
| 11 | 1 | | | | 1 | 100.00 % | 29.00 |
| 14 | 12 | 12 | 100.00 % | 8.67 | | | |
| 16 | 41 | 40 | 97.56 % | 8.80 | 1 | 2.44 % | 28.00 |
| 20 | 256 | 138 | 53.91 % | 13.97 | 118 | 46.09 % | 32.02 |
| 30 | 20765 | 19346 | 93.17 % | 12.47 | 1419 | 6.83 % | 46.74 |
| 45 | 2 | 2 | 100.00 % | 23.00 | | | |

| | | | | | | | |
|---------------------------------|--------------|--------------|----------------|--------------|-------------|---------------|--------------|
| Total Number of Payments | 21090 | 19542 | 92.66 % | | 1548 | 7.34 % | |
| Average Payment Time | 14.88 | | | 12.47 | | | 45.38 |

| Suspensions | | | | | | | |
|--|--|-------------------------------------|--------------------------|---------------------------------|-------------------------------------|--------------------------|--------------------------|
| Average Report Approval Suspension Days | Average Payment Suspension Days | Number of Suspended Payments | % of Total Number | Total Number of Payments | Amount of Suspended Payments | % of Total Amount | Total Paid Amount |
| 2 | 25 | 832 | 3.94 % | 21090 | 14,794,039.13 | 9.89 % | 149,518,043.13 |

| Late Interest paid in 2010 | | | |
|-----------------------------------|-------------------|---|---------------------|
| DG | GL Account | Description | Amount (Eur) |
| DG COMM | 65010000 | Interest expense on late payment of charges | 6 011.61 |
| DG COMM | 65010100 | Interest on late payment of charges New FR | 2 100.21 |
| | | | 8 111.82 |

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2010

| Chapter | Revenue and income recognized | | | Revenue and income cashed from | | | Outstanding balance | |
|---|--|---------------------|-------------------|--------------------------------|---------------------|-------------------|---------------------|-------------------|
| | Current year RO | Carried over RO | Total | Current Year RO | Carried over RO | Total | | |
| | 1 | 2 | 3=1+2 | 4 | 5 | 6=4+5 | | 7=3-6 |
| Title 5: REVENUE ACCRUING FROM THE ADMINISTRATIVE OPERATION OF THE INSTITUTION | | | | | | | | |
| 50 | PROCEEDS FROM THE SALE OF MOVABLE PROPERTY (SUPPLY OF GOODS) AND IMMOVABLE PROPERTY | 1,510,725.00 | 0.00 | 1,510,725.00 | 1,510,725.00 | 0.00 | 1,510,725.00 | 0.00 |
| 51 | PROCEEDS FROM LETTING AND HIRING | 7,679.15 | 288.18 | 7,967.33 | 7,679.15 | 288.18 | 7,967.33 | 0.00 |
| 52 | REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST | 770.47 | 0.00 | 770.47 | 770.47 | 0.00 | 770.47 | 0.00 |
| 57 | OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION | 68,341.19 | 13,592.72 | 81,933.91 | 54,215.43 | 13,592.72 | 67,808.15 | 14,125.76 |
| 58 | MISCELLANEOUS COMPENSATION | 6,529.06 | 0.00 | 6,529.06 | 6,529.06 | 0.00 | 6,529.06 | 0.00 |
| 59 | OTHER REVENUE FROM ADMINISTRATIVE OPERATIONS | 102.23 | 0.00 | 102.23 | 102.23 | 0.00 | 102.23 | 0.00 |
| | Total Title 5 | 1,594,147.10 | 13,880.90 | 1,608,028.00 | 1,580,021.34 | 13,880.90 | 1,593,902.24 | 14,125.76 |
| Title 6: CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH COMMUNITY/EU AGREEMENTS AND PROGRAMMES | | | | | | | | |
| 66 | OTHER CONTRIBUTIONS AND REFUNDS | 273,604.78 | 366,319.38 | 639,924.16 | 187,283.44 | 211,758.53 | 399,041.97 | 240,882.19 |
| | Total Title 6 | 273,604.78 | 366,319.38 | 639,924.16 | 187,283.44 | 211,758.53 | 399,041.97 | 240,882.19 |
| Title 9: MISCELLANEOUS REVENUE | | | | | | | | |
| 90 | MISCELLANEOUS REVENUE | 3,702.48 | 0.00 | 3,702.48 | 3,702.48 | 0.00 | 3,702.48 | 0.00 |
| | Total Title 9 | 3,702.48 | 0.00 | 3,702.48 | 3,702.48 | 0.00 | 3,702.48 | 0.00 |
| | Total DG COMM | 1,871,454.36 | 380,200.28 | 2,251,654.64 | 1,771,007.26 | 225,639.43 | 1,996,646.69 | 255,007.95 |

TABLE 8 : RECOVERY OF UNDUE PAYMENTS
(Number of Recovery Contexts and corresponding Transaction Amount)

| RECOVERY ORDERS ISSUED IN 2010 Year of Origin (commitment) | Error | | Irregularity | | No error / irregularity | | TOTALS | |
|---|-----------|------------------|--------------|-----------------|-------------------------|---------------------|------------|---------------------|
| | Nbr | RO Amount | Nbr | RO Amount | Nbr | RO Amount | Nbr | RO Amount |
| 2005 | | | | | 1 | 25.00 | 1 | 25.00 |
| 2006 | 2 | 48,386.98 | | | 11 | 53,994.18 | 13 | 102,381.16 |
| 2007 | | | 1 | 808.02 | 7 | 8,628.72 | 8 | 9,436.74 |
| 2008 | 1 | 1,475.04 | | | 12 | 27,942.49 | 13 | 29,417.53 |
| 2009 | 4 | 30,500.70 | 2 | 8,266.76 | 35 | 161,214.23 | 41 | 199,981.69 |
| 2010 | 2 | 975.88 | | | 25 | 31,133.86 | 27 | 32,109.74 |
| No Link | 2 | 2,674.33 | | | 11 | 1,523,402.09 | 13 | 1,526,076.42 |
| | 11 | 84,012.93 | 3 | 9,074.78 | 102 | 1,806,340.57 | 116 | 1,899,428.28 |

EXPENSES

| | Nbr | Amount |
|--------------------------|-----|--------|
| INCOME LINES IN INVOICES | 0 | |

| | Error | | Irregularity | | No error / irregularity | |
|------------------------------------|-------|---------------------|--------------|---------------------|-------------------------|---------------------|
| | Nbr | Non-Eligible Amount | Nbr | Non-Eligible Amount | Nbr | Non-Eligible Amount |
| NON ELIGIBLE AMOUNT IN COST CLAIMS | 8 | 55,029.50 | 1 | 21,128.73 | 190 | 530,528.86 |

| | Error | | Follow Up | | No error / irregularity | |
|--------------|-------|--------------------|-----------|--------------------|-------------------------|--------------------|
| | Nbr | Credit Note Amount | Nbr | Credit Note Amount | Nbr | Credit Note Amount |
| CREDIT NOTES | 91 | -408,350.54 | 1 | -50.86 | 280 | -3,608,319.83 |

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2010 FOR COMM

| Year of Origin | Number at 01/01/2010 | Number at 31/12/2010 | Evolution | Open Amount (Eur) at 01/01/2010 | Open Amount (Eur) at 31/12/2010 | Evolution |
|----------------|----------------------|----------------------|-----------|---------------------------------|---------------------------------|-----------|
| 2008 | 3 | 1 | -66.67 % | 37,640.32 | 24,302.31 | -35.44 % |
| 2009 | 23 | 3 | -86.96 % | 342,575.16 | 130,258.54 | -61.98 % |
| 2010 | | 15 | | | 124,205.76 | |
| Totals | 26 | 19 | -26.92 % | 380,215.48 | 278,766.61 | -26.68 % |

TABLE 10 : RECOVERY ORDER WAIVERS IN 2010 >= EUR 100.000

| | Waiver Central Key | Linked RO Central Key | RO Accepted Amount (Eur) | LE Account Group | Commission Decision | Comments |
|--|--------------------|-----------------------|--------------------------|------------------|---------------------|----------|
|--|--------------------|-----------------------|--------------------------|------------------|---------------------|----------|

| | |
|----------------------|--|
| Total DG COMM | |
|----------------------|--|

| | |
|-----------------------------|----------|
| Number of RO waivers | 0 |
|-----------------------------|----------|

Justifications: No data to be reported

TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG COMM - YEAR 2010

| Contracts > 60.000 | | |
|---------------------------------|----------------------|----------------------|
| Negotiated Procedure Legal base | Number of Procedures | Amount (€) |
| Art. 126 1b | 8. | 19,706,479.45 |
| Art. 126 1e | 1. | 5,416,234.00 |
| Total | 9. | 25,122,713.45 |

TABLE 12 : SUMMARY OF PROCEDURES OF DG COMM EXCLUDING BUILDING CONTRACTS

| Internal procedures > €60,000 | 2009 | | 2010 | | |
|-------------------------------|----------------|------------|-----------------------|------------|----------------------|
| | Contract Class | Count | Amount (€) | Count | Amount (€) |
| Service | | 36. | 366,366,449.80 | 36. | 85,970,485.20 |
| Supply | | 3. | 1,143,000.00 | 7. | 896,015.63 |
| Works | | 1. | 3,946,062.96 | | |
| Building | | | | 1. | 194,440.00 |
| TOTAL | | 39. | 371,455,512.76 | 44. | 87,060,940.83 |

| Procedure Type | Count | Amount (€) | Count | Amount (€) |
|--|-------|----------------|-------|---------------|
| Negotiated Procedure without publication of a contract notice Art. 126 IR | | | 9. | 25,122,713.45 |
| Open Procedure (Art. 122.2 IR) | 23. | 339,138,967.86 | 29. | 61,078,909.38 |
| Restricted Procedure(Art. 122.2 IR) | 1. | 3,946,062.96 | 3. | 359,320.00 |
| Service-International Restricted Procedure with four to eight tenderers after prior pub. (Art. 241.1&2 IR) | 1. | 70,490.00 | | |
| Service - Procedure with a single offer (Art. 241.1 IR) | 1. | 765,500.00 | | |
| Competitive Dialogue (Art. 125b IR) | | | 3. | 499,998.00 |

| | | | | |
|--|-----------|-----------------------|-----------|----------------------|
| Negotiated Procedure with at least three candidates (Art. 129.2 IR) | 2. | 26,000,000.00 | | |
| Negotiated Procedure with at least five candidates (Art. 129.1 IR) | 2. | 191,136.07 | | |
| Direct Agreement | 8. | 1,043,355.87 | | |
| Restricted Procedure without a contract notice or call for expressions of interest (Art. 129.1 ME) | 1. | 300,000.00 | | |
| TOTAL | 39 | 371,455,512.76 | 44 | 87,060,940.83 |

| External procedures > €10,000 | 2009 | |
|-------------------------------|-----------|----------------------|
| Contract Class | Count | Amount (€) |
| Service | 1 | 80,000,000.00 |
| TOTAL | 1. | 80,000,000.00 |

| Procedure Type | Count | Amount (€) |
|--------------------------------|-----------|----------------------|
| Open Procedure (Art. 122.2 IR) | 1 | 80,000,000.00 |
| TOTAL | 1. | 80,000,000.00 |

TABLE 13 : BUILDING CONTRACTS

| Total number of contracts : | | 1 | | | |
|------------------------------------|-----------------|--------------------|----------------------|------------|--|
| Total amount : | | 42,000.00 | | | |
| Legal base | Contract Number | Contractor Name | Description | Amount (€) | |
| Art. 126 1h | 0404112 | OMNIUM INVEST SIA* | RIG OFFICE RENT 2011 | 42,000.00 | |

TABLE 14 : CONTRACTS DECLARED SECRET

| | |
|------------------------------------|----------|
| Total Number of Contracts : | 0 |
| Total amount : | |

| Legal base | Contract Number | Contractor Name | Type of contract | Description | Amount (€) |
|------------|-----------------|-----------------|------------------|-------------|------------|
|------------|-----------------|-----------------|------------------|-------------|------------|

No data to be reported

ANNEX 4: Materiality criteria

1. in quantitative terms

The main criteria are based on the results of ex-ante checks performed on commitments, payments and recovery orders done in 2010. To assess the quality of the financial transactions carried out by DG COMM we must take into account the results of ex ante control covering the whole period of 2010 with regard to commitment and payment credits.

As explained in part 3.1.1, DG COMM considers that its internal control system is working effectively.

The control objective is to ensure that the residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2% of the budget managed by DG COMM in 2010:

The starting point to determine the effectiveness of the controls in place is the cumulative level of error expressed as the percentage of errors detected by ex-ante controls. However, to take into account the corrective incidence of the ex-ante controls, this error level has to be adjusted by subtracting errors detected and corrected as a result of the controls.

Taking into account the amount of payment credits executed in 2010 (€142.620.000), reservations should be made if the risk of error on legality and regularity of the underlying transactions is greater than **€2 852 400** (2% * €142.620.000). If the residual error is less than 2%, no reservation should be made.

2. In qualitative terms

In qualitative terms, when assessing the significance of any weaknesses, the following factors are taken into account:

- The nature and scope the weakness;
- The duration of the weakness;
- The existence of compensatory measures (mitigating controls which reduce the impact of the weakness),
- The existence of effective corrective actions to correct the weaknesses (action plans and financial corrections).

This is mainly linked to the exception reporting, work done by the IAC and ex post control on the spot.

ANNEX 5: Internal Control Template(s) for budget implementation (ICT)

Characteristics of DG policy environment:

DG COMM manages two types of expenses:

- Administrative expenses (including real estate expenses related to Representations) executed by using procurement procedures
- Operational expenses, executed by signing procurement contracts and grant agreements.

Key inherent risk to this environment:

The main risk is the dispersion of the AOSD function because of the financial autonomy of Representations (27). When added to the number of 14 units in the DG COMM headquarter in Brussels, the total of financial decision centres raise to 41.

Another inherent risk is linked to the very large number of types of action, contractors and beneficiaries.

Management mode:

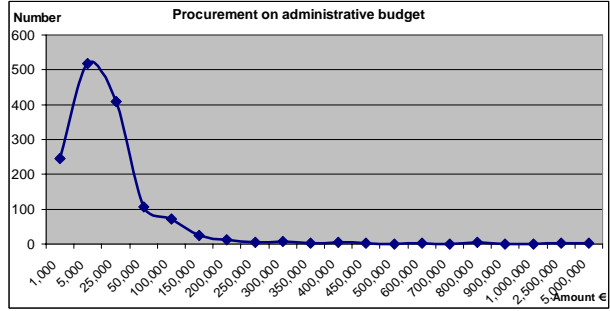
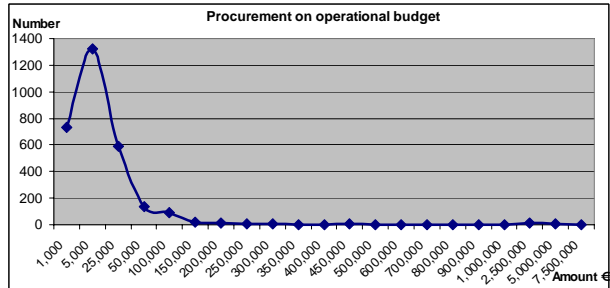
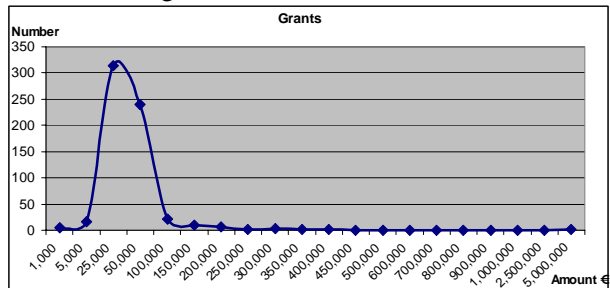
Direct centralised, with elements of indirect centralised management related to the Management Partnerships signed with several Member States since 2005.

Key figures:

In 2010, DG COMM has produced 26.274 transactions for a total value of €297.210.000 broken down in the following manner:

- 5.068 commitments for a value of €154.590.000.
- 21,090 payment order for a value of €42.620.000
- 116 recovery orders for a value of €1,899,428.

Graphs illustrating the number of transactions and the average amount



Management and control systems : stages and main actors

Selection process (of beneficiaries, intermediaries, agencies, contractors etc), including **preventive** measures

- Calls for tenders for procurement procedures include selection and exclusion criteria in line with the Financial Regulation.
- The same approach is followed as regards the calls for proposals for grants.
- The type of procurement procedure for a given call is decided on the basis of the foreseen amount of the contract, following the procurement procedures set up in the Financial Regulation.

| | |
|--|--|
| <p>Communication and information measures to improve the quality of financial management and provision of supporting data by beneficiaries, contractors and intermediaries</p> | <ul style="list-style-type: none"> - Calls for tenders include the information relevant to potential contractors. - Information requirements are also complied with in the case of calls for proposals. |
| <p>Detective and corrective controls: Checks and monitoring during the initial phases of the programme/contract Checks and monitoring during the final/ closure phases of the programme/contract</p> | <p>First level checks are carried out by the AOSD in order to verify the "certified correct" (operational sectors) and give the "passed for payment" (financial sectors). AOSD ensure the follow up and monitoring of their actions.</p> |
| <p>Preventive and corrective controls and audit: Desk reviews, on-the-spot audits carried out either <i>ex-ante</i> or <i>ex-post</i>.</p> | <p>Centralised 2nd level control implemented in DG COMM follows a strategy aiming at ensure the best possible coverage in terms of controlled value, without excluding the control of small transactions, and taking into account specific risks deriving from the profile of certain AOSD. The controls are as follows:</p> <ul style="list-style-type: none"> - <u>Ex ante control, prior to commitment, of procurement procedures above €60,000, covering 100% of this type of procedures.</u> - <u>2nd level ex ante control of transactions (commitments, payments, recovery orders), by sampling (via MUS).</u> - <u>Documentary ex post control by sampling of whole dossiers (commitments and linked payments).</u> - <u>On-the-spot ex post control of beneficiaries of grants, by sampling.</u> - <u>Assessment of the implementation of the priority ICS in DG COMM.</u> |
| <p>Feedback which enables control activities to be optimised <i>[In this section the AOD should explain the mechanisms put in place to supervise/monitor their internal control processes, including, where appropriate, performance of third parties working on their behalf].</i></p> | |
| <p>Verification that processes are working as designed</p> | <p>The results of the controls are communicated to the concerned AOSD in real time throughout the year, including recommendations for improvement. All ex post control reports, both documentary and on-the-spot, follow a contradictory procedure. Through this contradictory procedure the remarks of the AOSD and, where relevant, of the beneficiaries of grants controlled, are taken into consideration. When possible, these remarks are taken into account in the final version of the report, which is sent to the AOSD, the Director General, the Director of Resources, and the Internal Audit Capability. This continuous exchange of information ensures the follow up and guidance in the correction of identified errors.</p> |
| <p>Monitoring of performance of independent bodies, 3rd party auditors, externally contracted auditors</p> | <p>Conclusions and recommendations deriving from independent bodies such as the Court of Auditors, the IAC or the IAS are taken into account and their implementation is followed up (e.g. through the IAS AMS Issue Track database). DG COMM does not make use of external auditors.</p> |
| <p>High level management reporting (e.g. to the Director General and its role in monitoring problem issues)</p> | <p>The Director-General receives the reports mentioned above. He receives also the summary of the annual control exercise. Under the former Commissioner, regular meetings were organised with the cabinet on the subject of audit, internal control and fraud prevention.</p> |

Annex 6: Implementation via national or international public-sector implementing bodies

1. Programme concerned

Under budget line 16.0304 – Communicating Europe in Partnership, a part of the appropriations is implemented through communication operations organised in partnership with the Member States. It aims to create synergies between the means of action employed by the Member States, the European Parliament and the Commission and coordinate their information and communication activities on the European Union.

2. Annual budgetary amount entrusted to these bodies

| Country | Name of the intermediary body | Signature of the Delegation Agreement | Budget committed in 2010 (€) |
|--------------|--|---------------------------------------|------------------------------|
| Austria | Bundespressdienst des Bundeskanzleramts | July 2008 | 289.671,13 |
| Belgium | Le S.P.F. Chancellerie du Premier Ministre | March 2008 | 868.940,82 |
| Estonia | State Chancellery of the Republic of Estonia | October 2010 | 100.299,37 |
| Finland | Centre for International Mobility (CIMO) | September 2009 | 281.225,44 |
| France | Service d'information du Gouvernement | May 2008 | 381.835,03 |
| Germany | Presse- und Informationsamt der Bundesregierung | December 2005 | 873.176,11 |
| Greece | Hellenic Centre of European Studies | June 2009 | 271.151,46 |
| Hungary | National Development Agency (CFCU) | May 2007 | 379.311,94 |
| Italy | Studiare Sviluppo Srl | March 2008 | 748.275,45 |
| Latvia | State Chancellery | July 2009 | 307.134,38 |
| Lithuania | Information and Public Relations Department of Ministry of Foreign Affairs | October 2009 | 195.809,26 |
| Malta | Malta-EU Steering & Action Committee (MEUSAC) | March 2009 | 135.140,42 |
| Poland | Ministry of Foreign Affairs | February 2009 | 472.549,39 |
| Portugal | Centre d'information européen Jacques Delors | July 2008 | 527.693,21 |
| Slovakia | Ministry of Foreign Affairs | October 2010 | 0,00 |
| Slovenia | Government Communication Office (UKOM) | March 2007 | 298.800,00 |
| Spain | Ministry of Foreign Affairs – Secretariat for European Affairs | September 2009 | 319.515,83 |
| Sweden | International Programme Office for Education and Training (IPK) | April 2009 | 350.427,00 |
| Total | | | 6.800.956,24 |

3. Duration of the delegation

All the delegations are signed for four years.

4. Justification of recourse to indirect centralised management

To make synergies between the resources of the European institutions and their national interlocutors for concerted strategies designed to provide the public with consistent, appropriate information on the role of the European Union and its achievements, gaining from the experience and using the special information channels of the public authorities at national, regional or local level.

5. Justification of the selection of the bodies

The Commission Communication on Implementing the Information and Communication Strategy of the European Union, COM(2004) 196 final, foresees, among others, the possibility to propose to Member States to conclude a "Management Partnership" to be implemented via indirect central management.

Commission Decision C(2004) 4841 adopted on 14 December 2004 set a legal framework in line with the financial regulation for the Management Partnerships. Articles 3 "Criteria to fulfil for the intermediary body" and 4, paragraph 1, "appointment" are as follows:

- Article 3: *«With reference to Article 54(2) c) of the Financial Regulation and Articles 35, 38 and 39 of the implementing rules to the Financial Regulation, each Member State shall, for each Intermediary Body proposed, testify in writing to the Commission that the body:*
 - a) *is a national/regional public-sector body or private –law body with a public service mission submitted to a national/regional audit body;*
 - b) *is subject to the law of the Member State concerned;*
 - c) *satisfies the requirements of sound financial management as shown by prior analysis*
 - d) *provides adequate financial guarantees;*
 - e) *has put in place, before it begins performing its tasks, internal control systems, accounting systems and grant award procedures as well as public procurement procedures;*
 - f) *has a sound track record in managing information dissemination preferably on issues relevant to EU policies.*
- Article 4, paragraph 1: *«The Member State's authorities shall propose the Intermediary Body responsible for the information action and testify to the Commission that its choice has been made in an objective and transparent manner to match the requirements identified by the Commission»*

As a first step, the Member State and the Commission, in association with the European Parliament Information Office (EPIO) in the Member State concerned, need to jointly elaborate a Communication Plan, which focuses on operations which they wish to carry out in partnership and defines a number of specific actions to be carried, some of which may be carried out by means of a management partnership.

Subsequently, the Member State proposes an Intermediary Body, which the Commission then appoints.

The Commission (represented by DG COMM) can then sign with this Intermediary Body:

- A Delegation Agreement, for a maximum of four years, which confers the necessary execution powers for the granting of subventions and the conclusion of service contracts for each operation foreseen in the Communication Plan;

- A Fund Provision Agreement for each operation (defined as a series of related actions) upon submission of an initial report on the realisation of this action.

The Commission, in its Communication "Communicating Europe in Partnership" COM (2007)568, 03.10.2007, confirms its willingness to extend the Management Partnerships framework to other countries, in order to carry out joint communication activities.

6. Synthetic description of the implementing tasks entrusted to these bodies

General assessment

The Management Partnership is proving to be a valid and efficient communication instrument.

The MP mechanism has certainly increased both, co-operation between Commission Representations and Member States as well as EPIOs and the synergy and complementarity of actions independently carried out by these actors.

Actions in 2010 covered the Commission's as well as inter-institutional communication priorities. They mostly addressed the general public and schools/youth.

Examples of good practice

- **"Werkhallen Talks"** - a series of debates with employees at their workplace, giving them a chance to discuss their concerns about the economic crisis and Europe's response. Topics raised were mainly economic-labour-related. Among the speakers were Commission experts and MEPs. The media covered the events by print, TV and radio reports. (Germany)
- **"Europa Vor Ort"** - a series of 20 events all over Germany. The aim was to bring Europe closer to the citizens and demonstrate how EU-funded projects are enriching their daily lives. Projects in diverse fields were selected e.g. social, labour, education, environment, and research. The significance of the EU funding was made clear by visits to each selected project and by the accompanying panel discussions. Special emphasis was on multipliers e.g. teachers, journalists. (Germany)
- **"Print Supplement"** - production of 16 pages booklet as a supplement to the major TV and leisure magazines dominating the German market to give citizens a strong message on the significance of the Euro, and the advantages of a common currency and EU policies for their daily life. The text uses the "witness approach", relying on faces of average citizens witnessing about their own benefits from the Euro and Europe in general. The target group - citizens less informed on EU matters and hesitant about EU politics - is best reached through the media publications indicated. (Germany)
- **"Passenger rights campaign"** - to inform travellers and visitors of Athens International Airport of their rights as passengers. Over 17.000 leaflets were distributed to passengers and visitors of the airport and an estimated 25.000 people visited the information kiosk. A number of press releases and coverage in the local press and in electronic media supported the campaign. (Greece)
- **"Health & Safety campaign"** - to inform about health and safety issues in specific industries. Main focus was on the Auto Repair Shops, Bakeries, Wood Processing businesses, Dry Cleaning Industry. Target audience were the migrant workers. The activity was supported by a number of press releases & relevant media coverage. The campaign was launched during a special one-day working group conference held in Athens. (Greece)

- **"Eurotours 2010"** – How does Europe deal with migration? 26 young journalists, travelled to another Member State for five days to look into different aspects of migration/integration in Europe. They reported about their experience in their media (print, TV, radio) and on dedicated Facebook profile (<http://www.facebook.com/eurotours2010>) which has more than 2000 followers. (Austria)
- EU communal counsellors - **"EU Gemeinderäte"** aims at filling the communication gap between the EU and Austrians, particularly in smaller and rural communities. A tailor made information service has been set up to provide the communal representatives with factual information on hot topics in order to enable them to rebut upcoming "EU myths" already at an early stage. Brussels trips are being organised to enable the participants to familiarise themselves with the different European Institutions. The EU Communal Counsellors have the possibility to meet the Austrian Commissioner, and Austrian MEPs, visit their respective regional representative office and have more informal talks with Austrian officials working in the Commission. (Austria)
- Information and communication campaign on **EU communication priorities**: - production of spots and banners and their broadcasting on national and local media (radio and TV) and the web (spots and banners) and in national and local newspapers (banners) on topics EU in the world highlighting changes brought by the Lisbon Treaty, economic recovery, EU opportunities for young people. (Italy)
- **"Erasmus Welcome Days"** - the initiative aimed at highlighting the importance of the Erasmus experience in acquiring new learning, social and working skills and preparing young people for working life. More than 20,000 Erasmus students from all over Europe participated in the welcoming activities of 33 Italian universities. (Italy)
- **"Europe in the city"** - meetings of Italians MEPs with their electorate, mainly young people, in different electoral constituencies. Before the meeting, participants can submit questions on various EU policies which are answered and discussed during the event. 5 such meetings took place in 2010 in different Italian cities. (Italy)
- **Training** for upper secondary school civic teachers in EU knowledge who represent regions all over Sweden. The teachers also participated in a one-week-study trip to Brussels, Luxembourg and Strasbourg. The aim is to inspire and support these teachers' colleagues in teaching about Europe and increasing regional school leaders' interest in facilitating and helping their teachers in their teaching of EU knowledge. (Sweden)
- **"European Meeting Point and European Tree at the Sziget Festival"**: 2-storey tent hosting all day infotainment, cultural and music programs, EU Embassy, Reader's Corner, EU quizzes and games with a Trio Presidency focus (Spain, Belgium, and Hungary). Possibility to send messages to Europe on the European Tree leaves at the hugely popular Sziget Festival, around 100.000 visitors of mainly young people from all over Europe. (Hungary)
- **EU success stories on TV**: 30 TV clips providing an insight in practical benefits for Latvia from its EU membership. Short stories from all over Latvia showing daily life of people in local communities, businesses, educational establishments etc. (Latvia)
- Organisation and publicity of the **EU Garden Party** (Europe Day event) in Vermane`s Park in Riga. An interactive event organised in cooperation with the EU Embassies in Latvia, NGOs, EU information providers attracting over 10 000 participants, thematically dedicated to the topic of the European Year. (Latvia)
- **"Intergenerational environmental awareness camp"** More than 30 families participated in a two-day outdoor camp aimed at generating awareness on European policies on climate change and the environment. Various interactive activities were organised for parents and children

alike, which focused on the use of water, the air we breathe and the Union's Common Agricultural Policy. (Malta)

- **„European box”** - production of set of educational and information material such as puzzles, EU flags and maps produced within MP budget and complemented with EC and EP brochures and other educational material outside of the MP budget such as computer game and comics. The boxes mainly support European School Clubs. In total there is 2000 boxes produced. (Poland)
- **Video and radio clips** broadcasted on national TV and radio to increase sense of being EU citizens among middle age and elderly people. Example of TV clip: http://www.youtube.com/watch?v=fE2fJ1Oz_o4 (Lithuania)
- **In-house training for teachers** - more than 500 secondary school teachers in different fields (such as music, arts, history etc.) were trained in EU matters. A training material database was developed and is available for all teachers not only for the participants. (Finland)
- **Erasmus goes to school** project - the idea is that Erasmus students visit secondary schools and give lectures on language, culture or the subject that they study in Finland. The idea is to give "face for young Europeans" (Finland)
- **Teachers' toolkit "EU at school"** - a tailor-made comprehensive handbook for teachers of primary and secondary schools. It is the first handbook on the EU topics in Slovenian language. The handbook includes chapters of the practical aspects of living in the EU e.g. languages, citizens' rights, minorities, Slovenia in the EU. The didactical part contains references to the national curriculum, methodologies, ideas and examples of including the EU topics in the classroom. The sent to all primary and secondary schools and is also available on-line http://europa.eu/teachers-corner/12_15/index_sl.htm (Slovenia)
- **Educational activities: "CSI Europe"** - to communicate to youngsters the need to reduce our ecological footprint and to develop sustainable consumption behaviour. <http://www.consumosobinvestigacao.com/>; **"For an eco-Europe"** - multidisciplinary and multimedia tools to raise the awareness of citizens on European environment policy <http://www.biodiversidadese limites.com>; **Europe in the World** - school competition under the motto "I am Europe" <http://www.europanomundo.eu> (Portugal)
- **Pedagogical Products** - this project developed educational content and teaching products such as games, on-line sessions and fact-sheets. The topics were: Climate change, Energy Policy and Biodiversity. <http://www.europaecologica.eu/> . (Portugal)
- **Course for teachers - b-learning** - training course for teachers with classroom and online activities. The topics included Sources of Information and Knowledge about the EU; The Internal Market and Social Cohesion; Regulatory Financial Crisis and Economic Recovery. <http://www.tecminho.uminho.pt/shownews.php?id=245> (Portugal)

ANNEX 7: AAR of Executive Agency

Please see Annual Activity Report 2010 for the "Education, Audiovisual and Culture Executive Agency (EACEA)"