



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR TRANSLATION

The Acting Director-General



Annual Activity Report

2010

March 2011

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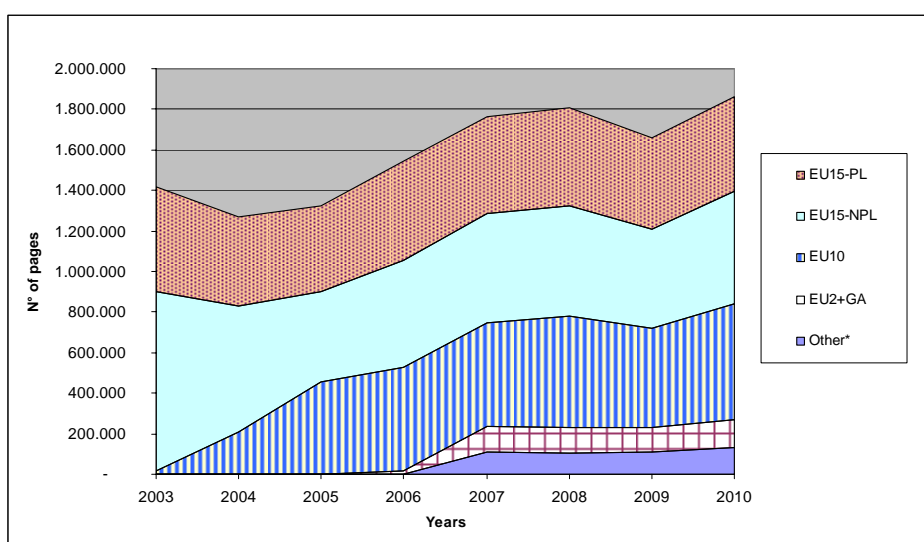
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1. PART 1. POLICY ACHIEVEMENTS

1.1. Summary

DGT's core business is to provide the Commission with multilingual translation services tailored to the customer's needs. These services include translation, web translation, editing, localisation, terminology gisting and validation, expert linguistic advice and language policy advice. In this way, DGT enables the Commission to fulfil its political and legal obligations to prepare and monitor legislation in all official languages, and to communicate with the citizens of the EU in their various languages.

Graph 1: Translation output by language group



This report aims to provide an overview of DGT's performance in 2010 measured against the objectives set out in the Management Plan, and to outline the challenges that DGT has faced during the year.

In the course of the reference period, DGT succeeded in ensuring that the available internal and external resources were used cost-efficiently. It was therefore able to respond effectively to the demand for translations coming from the Commission's services. The Translation Strategy was successfully applied, and derogations were granted whenever necessary.

Quality has continued to be a priority for DGT's work, and quality control of translations increased compared to previous years. At the same time, virtually all translations were released on time.

DGT was active in promoting multilingualism. DGT flagship projects — such as the European Master's in Translation (EMT) and the Juvenes Translatores contest (JT) — gained ground considerably, attracting significantly more interest and participation.

DGT worked more closely with national authorities, and several Language Departments set up structured networks for feedback and cooperation with national experts, based on the example of the existing networks for the Italian and Slovak languages.

In parallel, efforts were deployed to improve work on terminological and documentary databases (such as IATE and MultiDoc).

DGT chaired a 'Clear Writing' Task Force made up of representatives from the Secretariat General, the Legal Service, DG HR and DG COMM. The Task Force organised a large number of events to promote clear writing in the Commission and drew up a report containing practical recommendations for improving the quality of drafting.

At interinstitutional level, cooperation within the Interinstitutional Committee on Translation and Interpretation (ICTI) made good progress and there were a number of notable achievements, including streamlined co-financing procedures, new interinstitutional tools, the adoption of a 'reflection paper' and an action plan on human resources issues.

As for the main challenges, the issues requiring the closest attention are outlined below.

- **Impact of the Treaty (TFEU).** It is still too early to quantify the impact of the entry into force of the Treaty in terms of the potential increase in DGT's workload. DGT services continued to monitor this issue during 2010.
- **EEAS (European External Action Service).** A service level agreement was signed with the EEAS on 22 December 2010. It is based on a quota system, and also includes translations from and into non-EU languages.
- **Translation Strategy.** Prompted by the changing environment (Lisbon Treaty, EEAS) and the new Commissioner, DGT gave consideration to changing the current Translation Strategy so as to make demand management more effective and consistent.
- **Accession of Croatia and Iceland.** DGT is closely monitoring the progress of Croatia and Iceland towards accession, to ensure that translation capacity is in place in good time. DGT is ready to start recruiting Croatian language translators and assistants as soon as necessary. DGT has begun identifying the training events, documentation and other resources that will be needed, as well as documents to be translated prior to accession.
- **Translating staff.** There are still not enough translators for some languages. EPSO competitions have not completely resolved this problem: for some languages the reserve lists are too short or even non-existent. To fill the gap, DGT has successfully finalised selection procedures for temporary agents in the English, French, Irish and Latvian languages. In the meantime, EPSO competitions have been published for Danish, German, English, French and Slovenian as target languages, and reserve lists are expected by mid-2011.
- **Systran.** Following the 16 December 2010 ruling by the General Court of the European Union, DGT stopped using this software. To offset the impact of shutting

down the European Commission Machine Translation (ECMT) project, DGT has been exploring alternatives to provide a substitute service for the ex-ECMT users.

- **Field Offices** (i.e. DGT staff working in the Commission’s representations in the Member States). Staff rotation was completed for 14 Field Offices, although the staffing situation in some places warrants particular attention.

1.2. Activity ‘Translation’ (ABB 31.10)

DGT enables the Commission to meet its political and legal obligations to prepare and monitor legislation in all official languages and to communicate in the various languages of its citizens.

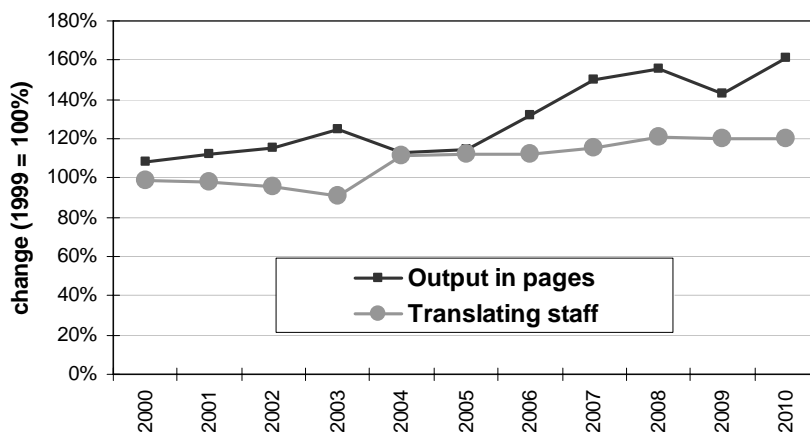
1.2.1. Objective T1 – Deliver high-quality and cost-efficient translation services

During the reference period, DGT continued to provide a high-quality service, ensuring cost efficiency by making optimum use of the available resources.

Table 1. Indicators and targets for 2010 in objective T1

Indicator	Target	2009	2010
1. Deadline compliance (<i>percentage of requests for which all language versions were delivered on time</i>)	95 %	95.0 %	95.7 %
2. Rate of internal revision	$x \geq [2009]$	67.0 %	69.1 %
3. Percentage of external translations rated good or better	$x > [2009]$	89.6 %	89.6 %
4. Number of corrigenda managed by the Corrigenda Team	$x \leq [2009]$	692	592

Production. Total translation production includes legislation, political and communication priorities and non-legislative texts. During the reference period DGT produced 1860347 pages, which is 11 % more than during the same period in 2009. This increased production (using virtually unchanged resources) means the work rate has increased and the cost per page has fallen. Some 27.8% of the work was outsourced.



Deadline compliance. Virtually all translations — 95.7% — were released on time, which exceeds the target of 95% and the corresponding figure for 2009.

Quality control. Quality control is applied to both internal and external translation. The rate of revision was higher than last year (69.1% compared to 67%). Some 80.2% of documents with a quality control requirement (QC1¹) were checked.

Outsourcing. Compared to 2009, there was an increase in the share of outsourced pages in 2010 (27.8% against 25.9% in 2009). In terms of quality, 89.6% of external translations were rated good or better. Systematic feedback, information seminars and new websites for language aids on the ‘Europa’ website are geared to maintaining or even further improving this figure. As for deadline compliance, 98.07% of outsourced documents were delivered within the agreed deadlines. A new quality assessment tool was introduced for evaluating external freelance translations.

Corrigenda. The indicator used to measure the number of corrigenda managed by the Corrigenda Team showed a significant decrease compared to 2009 (592 against 692 in 2009).

1.2.2. Objective T2 – Enhance written multilingual communication

In 2010, DGT continued its efforts to facilitate multilingual written communication and to provide a high-quality and cost-effective service to its customers.

Table 2. Indicators and targets for 2010 in objective T2

Indicator	Target	2009	2010
1. Number of pages processed for the web	x ≥ [2009]	65 962	90 040
2. Number of documents processed at Field Offices	9 000	n/a	10 528
3. Number of pages edited by the Editing service	x = [2009]	37 276	32 279
4. Launch of Clear Writing Campaign	Y	n/a	Y

Number of pages processed for the web. The target for the number of pages processed for the web was achieved. The number of pages continued to increase throughout the year, partly due to the introduction of the Poetry Rapido service for Hotline requests in March 2010.

Number of documents processed at Field Offices. The target was met in spite of the reduction in staff numbers in certain field offices (e.g. Helsinki, Prague, and Lisbon). DGT translators assigned to Field Offices localised a wide range of press releases and performed translation activities directly related to the Commission’s priorities at central and local level. Their other standard tasks included providing linguistic advice and

¹ Quality Control level 1. QC1 corresponds to a high level of quality control, to be done by someone who did not do the translation, by revision or cross-reading. It concerns documents corresponding to political priorities and/or creating new legal obligations, documents resulting from existing legal obligations and documents resulting from the Commission’s communications priorities.

drafting and editing articles, weekly news bulletins and other material produced by the Representations.

Number of pages edited by the Editing Unit. The number of pages sent for editing in 2010 was 13% lower than in 2009, in part due to a lull while the new Commission was taking over and to the continuing decline in the number of pages sent for editing in French. This was fortunate, in that it allowed some of the Unit's members to devote time to the Clear Writing Campaign without this affecting the Unit's core business, and all requests for editing were accepted and met within the deadline.

Launch of the Clear Writing Campaign. The Clear Writing Campaign was successfully launched on 15 March 2010. A 'How to write clearly' guide was distributed in all the official languages, and Clear Writing stands were set up in the main Commission buildings during Clear Writing Week. Campaign activities included the creation of a special website, two conferences, a number of lunchtime talks, the development of an online tutorial on Clear Writing, and the first Clear Writing Awards, not to mention numerous presentations to staff and management right across the Commission. In November 2010, the interservice Task Force responsible for the Campaign submitted its report and recommendations for improving the quality of drafting in the Commission.

1.2.3. *Objective T3 – Enhance multilingual documentary resources to increase the quality and efficiency of the translation process*

Table 3. Indicators and targets for 2010 in objective T3

Indicator	Target	2009	2010
1. New approach in place for improving the current acquisitions procedure	Y	ongoing	ongoing
2. New MultiDoc up and running	Y	ongoing	ongoing
3. Number of movements in the interinstitutional terminology database IATE (creations and modifications at term, language and language-independent level, as well as deletions)	n/a ²	n/a	205 923

New approach in place for improving the current acquisitions procedure. A new framework contract for the acquisition of books was finalised in June 2010. A new call for tenders for books was launched: 11 candidates submitted tenders and the evaluation procedure will be completed by 1 April 2011.

New MultiDoc³ up and running. The preparatory phase was concluded in November. A newly developed 'proof-of-concept' prototype was tested in November 2010 by the content managers of seventeen Language Departments. The final system is expected to be up and running on 1 April 2011.

² For 2010 a completely new indicator was introduced for term base-related terminology work. Consequently, no figures can be provided either for 2009 or for the target for 2010.

³ MultiDoc is the Virtual Library of the DGT. At the moment it exists only for the EU-11 languages. A new version is currently being developed.

Number of movements in the IATE interinstitutional terminology database. The number of movements grew steadily during the year. As the movement indicator was used for the first time in 2010, there is no reference value to compare it with.

1.3. Activity ‘Policy strategy and Coordination’ (ABB 31.12)

This activity drives the definition, preparation and implementation of policy in order to achieve the overall mission of the Directorate-General. It promotes strategic planning within the service, as well as regular and efficient communication with DGT’s partners and stakeholders inside and outside the institution.

1.3.1. Objective P1 – Effectively implement the Commission’s translation strategy taking due account of the priorities set by the Commission

The objective of the Translation Strategy, i.e. to reconcile supply and demand in order to be able to meet the requests from the Commission, including the use of certain flexibility measures, was successfully met. The current strategy is being revised to cope with the impact of the Lisbon Treaty on translation work. Service Level Agreements (SLAs) with most of the Commission's Directorates-General and services were concluded and implemented. In 2010, in addition to the 3 SLAs in place, eight new SLAs were signed and 14 were renewed, bringing the total to 25.

Table 4. Indicators and targets for 2010 in objective P1

Indicator	Target	2009	2010
1. Objectives of the Translation Strategy met	Y	Y	Reconcile supply and demand / achieved
2. Number of Service Level Agreements concluded and implemented with requester DGs	$x > [2009]$	23	25
3.1 Average number of pages for documents with a limit of 15 pages ⁴	$x \leq 15$	9.8	11.1
3.2 Average number of pages for documents with a limit of 3 pages (Press Releases)	$x \leq 3$	2.6	2.9
3.3 Average number of pages for documents with a limit of 10 pages ⁵	$x \leq 10$	10.1	14.7
3.4 Average number of pages for documents with a limit of 30 pages (Green papers)	$x \leq 30$	21.2	30.8

4 Explanatory memoranda, Communications, White Papers, Reports required by legal acts, financing proposals/projects, country strategy papers, Commission WPs.

5 Impact Assessment Summaries, reports not required by legal acts, answers to national parliaments’ opinions, Council’s follow-up reports.

1.3.2. *Objective P2 – Enhance interinstitutional and international cooperation in the field of translation and terminology*

DGT actively contributed to the work of the Interinstitutional Committee on Translation and Interpretation (ICTI) and participated in a broad range of international activities.

Table 5. Indicators and targets for 2010 in objective P2

Indicator	Target	2009	2010
1. Adoption of an interinstitutional Human Resources Strategy	Y	ongoing	done
2. Agreement on interinstitutional performance indicators	Y	ongoing	ongoing
3. Monitoring performance of EURAMIS and QUEST and further developments of IATE	Y	ongoing	Y
4. Number of international stakeholders with whom DGT cooperates	15	10	14
5. Agreements on terminology cooperation prepared and/or signed	Y	ongoing	Y

Adoption of an interinstitutional Human Resources Strategy. An action plan on ‘Human Resources in Language Services’ was adopted to address the challenges of (1) ensuring the availability of qualified professionals, (2) selection and recruitment and (3) continuous competence development.

Agreement on interinstitutional performance indicators. A common approach for measuring capacity, workload, production and cost components was discussed with the other institutions, in the context of *ad-hoc* working groups. On the basis of the good progress achieved in 2010, it is expected that an agreement will be reached in 2011.

Monitoring performance of EURAMIS and QUEST and further developments of IATE. DGT monitors the correct application of the interinstitutional agreements for sharing EURAMIS, QUEST and IATE. In 2010, DGT drafted an interinstitutional agreement on sharing DocFinder, and a single annual financing agreement for all four tools, replacing the separate financing agreements that were used hitherto. Within the Commission, DGT provided legal support in the discussions with DG DIGIT for the signature of a Memorandum of Understanding on the hosting of EURAMIS.

Number of international stakeholders with whom DGT cooperates. DGT has continued to expand its network of contacts internationally. This is reflected in a number of visits to and by DGT, e.g. Yuanpei Translation of China, World Bank, Unesco, Arab League and the Indian embassy.

Agreements on terminology cooperation prepared and/or signed. Cooperation on terminology has continued. For this purpose, legal support is provided in order to clarify ownership and other aspects of intellectual property rights. In the context of sharing terminology resources, an approved standard agreement in the form of an Exchange of Letters is available and will be proposed for use with Croatia.

1.3.3. *Objective P3 – Improve interaction with citizens and stakeholders to promote the role of translation in a multilingual Europe*

DGT continued to contribute to the Commission’s efforts to promote multilingualism.

Table 6. Indicators and targets for 2010 in objective P3

Indicator	Target	2009	2010
1. Launch of the 2 nd selection call for the EMT network	Y	1 st selection call completed	Y
2. Complete the 2009 Juvenes Translatores contest and launch of the 2010 edition	Y	ongoing	Y
3. Launch of new studies on translation and multilingualism	5	ongoing	5

Through its EMT network with universities in the EU, DGT helped to set minimum standards for a high-quality master’s level training for translators and to foster cooperation and exchange of best practices. DGT also continued to manage contacts with secondary schools in the EU through the Juvenes Translatores contest to promote foreign language learning in Europe, and with the translation profession.

DGT conducted three external and two internal studies⁶ on translation and multilingualism to foster evidence-based policymaking and to promote new language technologies. It took targeted action to raise awareness of the importance of language learning.

1.4. Activity ‘Administrative Support’ (ABB 31.10)

This activity covers the work of DGT’s services, namely: managing human and financial resources, providing information and communication technologies, ensuring document administration and logistics, and carrying out internal audit and internal control.

1.4.1. *Objective S – Provide the administrative support to ensure the functioning of the Directorate-General*

The situation with regard to the specific indicators is as follows:

Table 7. Indicators and targets for 2010 in objective S

Indicator	Target	2009	2010
1. Number of departments with AD posts occupied within $\pm 5\%$ of benchmarks	19	n/a	10
2. Percentage of non-permanent translators	$x < [2009]$	9.1 %	9.3 %
3. Number of training days per official	8	9.9	9.5
4. Rate of implementation of the ICT strategy (schéma directeur) in 2010	100 %	n/a	83.3 %

⁶ External studies: 1. Contribution of translation to a multilingual society in Europe, 2. Lawmaking in the EU multilingual environment, 3. Study on best multilingual business practices in the EU. Internal studies: 1. Lingua Franca, 2. Editing for efficiency.

5. Compliance with security rules and procedures	100 %	100 %	100 %
6. Degree of implementation of audit action plans within deadlines	100 %	74 %	65 %

Number of departments with AD posts occupied within $\pm 5\%$ of benchmarks and percentage of non-permanent translators. Apart from the day-to-day management of human resources, particular attention was paid to ensuring business continuity by providing the necessary staff, with a particular emphasis on the deficit languages. To meet DGT's needs for competent staff, work started on planning the resources required until the end of 2015. Temporary agents were selected for languages where no EPSO reserve lists were available, namely Irish, French, English and Latvian.

Regular allocation of posts meant that EU 10 and EU 15 language departments were able to limit the impact of turnover. Some EU 10 departments are still heavily dependent on non-permanent staff (mainly LV, LT, MT and SL). Others (PL, HU) are losing permanent officials as a result of moves to other Directorates-General. As the EPSO reserve lists are exhausted, these officials cannot be replaced in a timely manner.

Cooperation and coordination with DG HR and EPSO continued, especially for negotiations concerning competitions and DGT's contribution to selection boards and markers.

The future enlargement to include Croatia was prepared with two selections for contractual agents (translators and assistants), enabling DGT to recruit the first translators and assistants when appropriate. Furthermore, DGT started preparing the training path, documentary sources and selection of the documents to be translated before accession.

Number of training days per official. The training actions organised in 2010 followed the lines set out in the Learning and Development Framework 2010. DGT tried to shift the focus from traditional delivery methods, i.e. classroom-based courses and talks, to other types of training and more informal learning. The number of training days per official remained the same as in 2009.

Rate of implementation of the ICT strategy (Schéma Directeur) in 2010. The Information and Communication Technology strategy was implemented at a rate of 83%. The calculation is based on the number of subprojects that were completed, plus the subprojects for which work is being done but where contributions from third parties have not been delivered. The main projects were: the development of a new Machine Translation service, the development of a 'translator's desktop' and ITIC (IT infrastructure consolidation).

Compliance with security rules and procedures. Security rules and procedures were tightened up in DGT. Clear procedures and workflows were established and information and awareness raising measures were taken.

Degree of implementation of audit action plans within deadlines. A new procedure was adopted at the end of 2009 to set up constant monitoring of the implementation of internal audit recommendations at DG level. Despite this procedure, the implementation

rate decreased. Until the procedure is fully effective, the audit unit will continue with follow-up audits to ensure that management is properly and regularly informed of the status of recommendations.

1.4.2. Objective L – Ensure sound financial management as well as the legality and regularity of underlying transactions

DGT continued to plan, implement, monitor and report on spending in accordance with the principles of legality/regularity, internal rules/procedures and sound financial management.

Table 8. Indicators and targets for 2010 in objective L

	Target	2009	2010
1. Number of reservations about financial management	0	0	0
2. Number and total value of commitments and payments requiring the reporting of an exception to the rules	x < [2009]	42 €189 402	33 €348 940
3. Percentage of payments made within 30 calendar days upon receipt of invoice	100 %	95 %	98.8 %
4. Absorption of budgetary backlog (RAL)	100 %	92.5 %	91.9 %

The number of exception files decreased from 42 in 2009 to 33 in 2010. The total value of these exception files (which are due to formal, not substantial shortcomings) increased from €189 402 in 2009 to €348 940 in 2010, and this is mostly due to a single exception file which amounted to €294 505.

As far as payments are concerned, 98.8 % were processed within the contractual deadlines, as against 95 % in 2009.

DGT managed a total budget of €26.6 million. Overall execution at the end of 2010 is satisfactory, at 95.7 % of the budget, although this is down on the figure of 99.1 % as at end 2009. For most of the budget lines the execution rate is close to 100 %. However, the external translation budget and the missions budget achieved a less positive result. The external translation budget registered an underspend of around €1 million (out of the €13.85 million available in 2010). DGT will nonetheless use this budget line to pay for the Systran case, in respect of which judgment was delivered on 16 December 2010.

During 2010, DGT endeavoured to persuade DG Budget to consider the idea of a future multilingualism budget line for DGT, the purpose of which would be to grant DGT the necessary resources to plan its main policy initiatives for the medium term, without being dependent on the outcome of the annual budget procedure. Discussions on this matter will continue, in cooperation with DG EAC.

Some 92 % of the RAL 2009 carried over in 2010 has been paid, while 7 % of it has been decommitted and 1 % retained for potential liabilities still to be closed.

Under the Service Level Agreements with other DGs, DGT has managed translations on behalf of other DGs for an amount of around €1.19 million. In this context, a total of €1.14 million (relating to 2009 and 2010 operations) has been recovered from other DGs.

The risk analysis conducted at the end of 2009 confirmed the problems for the library acquisition procedure, due to the fact that Abac Assets and Abac Workflow are not integrated. Despite the requests made in 2010 by DGT, supported by DIGIT, DG Budget did not consider this matter as a priority. This issue will be monitored closely during 2011.

2. PART 2. MANAGEMENT AND INTERNAL CONTROL SYSTEMS

This section describes the management, risk and control environments in which DGT operates and the elements of the management and control systems which support the reasonable assurances expressed in the annual declaration.

2.1. Introduction to DGT

DGT's mission statement says: *'We provide the European Commission with high-quality translation and other language services. Our job is to respect the European Union's multilingual character by making sure the Commission produces clearly written documents in all the official languages, and in others as well'*.

The detailed description of how the mission statement was implemented during the year is documented in Part I — Policy Achievements.

Geographically, DG Translation is a 'transardennais' Directorate-General with staff distributed evenly between Brussels and Luxembourg. Through its Field Offices, it is also represented in the Member States.

DGT endeavours to maintain consistently high standards in each of the official languages. Besides its core translation work, DGT is active in the areas of terminology and documentation work, editing, web editing and localisation of messages. These activities support the translation process and help get the Commission's message across effectively.

DGT also has a Directorate for translation strategy, which handles demand management and internal workflow, free-lance outsourcing, multilingualism studies, evaluation and analysis, and another Directorate for resources, which deals with recruitment, management and training, ICT, finance, programming and control, physical infrastructure and logistics.

The description of DGT's main process is documented in Annex 5.

In accordance with the working arrangements with the Cabinet, regular information was passed on to the Commissioner to enable her to follow issues of critical importance relating to DGT's management and to the stages of the ABM/SPP cycle. This information was then discussed during the 'jour fixe' meetings between the Commissioner and the Director-General.

The year 2010 saw a major change in DGT's top management. The former Director-General retired in April 2010. The Resources Director took over in an 'acting' capacity, as from 1 May 2010. The College recently appointed a new Deputy Director-General with effect from 16 February 2011.

2.2. The functioning of DGT's internal control system

DGT only manages administrative expenditure, under the 'direct centralised management mode'. Despite the low risk environment, internal control principles are applied with the same approach to scrutiny, attentiveness and effectiveness as in any other DG. DGT managed expenditure amounting in 2010 to €26.6 million (including

€13.85 million for external translation), of which it was directly responsible for €19.6 million⁷.

2.2.1. Compliance with the requirements of the control standards

The Commission has set a baseline standard for its internal control performance by defining 61 baseline requirements. In order to meet the requirement for a single point of responsibility, DGT has identified business owners (i.e. individual units) for each of them. Compliance is monitored throughout the year, and the exercise is a formal part of the bi-annual reporting (i.e. twice a year). Formal and substantive compliance with the requirements at end 2010 was assessed: although some shortcomings were identified in the implementation of three Internal Control Standards (see below, point 2.2.2), the overall control environment is considered compliant.

2.2.2. Effectiveness of the implementation of the prioritised control standards

The risk-based prioritisation of internal control standards in 2010 led to the selection of the following six standards (the same as in 2009):

- ICS No 2: Ethical and Organisational Values
- ICS No 3: Staff Allocation and Mobility
- ICS No 4: Staff Evaluation and Development
- ICS No 8: Processes and Procedures
- ICS No 9: Management Supervision
- ICS No 12: Information and communication

Ethical and Organisational Values (No 2)

As DGT deals with a multiplicity of contractors, ethical behaviour — namely proper conduct, avoidance of conflicts of interest, reporting of irregularities — is essential.

Newly recruited staff are systematically made aware of all relevant provisions. Documentation is accessible through a dedicated webpage on internal control standards, which also provides links to concise and user-friendly guides.

Staff Allocation and Mobility (No 3)

DGT uses staffing benchmarks to match resources with needs. A post reallocation exercise to the units that are the most in need according to the benchmark is conducted every three months, based on all posts that become vacant.

DGT is facing recruitment difficulties because, for some language departments, reserve list are exhausted and new competitions are not being launched in the short term. To tackle this problem, for some languages selections have been made for temporary agents,

⁷ DGT's global envelope — excluding external staff — plus DGT specific budget lines.

which helps to mitigate the risk. Another matter of concern is the absence of lists of contractual agents (CAST), given that some language departments cannot receive proper compensation for long periods of leave taken by part-time officials. In any event, DGT maintains close contact with the relevant Commission services (DG HR and EPSO) to mitigate this risk.

As for internal mobility, DGT promotes mobility by secondments, initially for a period of six months. These are intended to be a learning experience for translators interested in changing career at some later stage.

Staff Evaluation and Development (No 4)

The annual appraisal and promotion exercise plays an essential role for DGT management. In 2010, DGT was among the first services to finish the staff evaluation exercise.

The Learning and Development Framework (LDF) was implemented as planned, and is the fruit of extensive consultation, including the findings of a recent survey on training issues. Information sessions were organised for training correspondents and managers on the training maps, their completion rate was monitored and their content was carefully analysed.

Processes and Procedures (No 8)

In 2010, 56948 documents were processed. This involves a great deal of supervision, documenting the essential checks performed for each translation, statistics/reporting on quality control, deadline compliance, production figures, etc.

An internal audit finalised in 2010 revealed the need for a clearer outsourcing policy and better use of internal resources. Management have taken measures to clarify outsourcing policy and to better monitor the distribution of the workload.

Management Supervision (No 9)

Monitoring tools — such as the regular follow-up of audit recommendations and the biannual reports — ensure that DGT's activities are performed properly, and that potentially critical risks are flagged up.

The potential lack of translators in some language departments is considered the most critical risk for DGT. Following an audit finalised in 2010, management decided to develop better workload monitoring tools, and to conduct a thorough analysis of the resources and their strengths and weaknesses. Harmonisation of quality control procedures is underway.

Whenever necessary and according to HR rules, temporary agents have been recruited for other languages where EPSO reserve lists were unavailable. On 13 July, EPSO published five competitions for translators, namely for DA, DE, EN, FR and SL. Reserve lists are expected by mid-2011.

External resources were reinforced. A series of thematic calls for tenders for the economic, financial and statistical fields, as well as a number of calls for expressions of interest for certain language combinations in the legal and technical fields, was

organised. This action resulted in a strong network of contractors to ensure good coverage of all EU languages and the main specific areas.

Information and communication (No 12)

DGT is one of the largest Commission DGs in terms of staff. A proper flow of internal information, in both directions, is therefore essential. DGT's Communication Strategy for 2010-2012 encompasses both internal and external communication, and some of its aspects are currently being evaluated.

Regular reporting provides management with relevant and up-to-the-minute information on the performance of the organisation:

- An automated and real-time tool monitoring translation processes (StatSuivi) is accessible to all senior and middle managers, thus facilitating the daily management of incoming documents and workload in DGT.
- Key performance indicators, based on the balanced score-card (BSC) methodology, are provided to management on a monthly basis.
- The monthly budget execution report gives a detailed situation of each budget line.
- Twice a year each director submits to the Director-General a report on the use of resources (BiAR) providing an overview of the implementation of the Annual Management Plan, budget execution, the allocation of human resources, the follow-up of audits and the state of internal control.

As for external communication, all external websites on EUROPA have been re-designed, as have the corporate pages of DGT on My Intracomm.

2.2.3. Conclusions

Compliance with the Internal Control Standards is monitored throughout the year. The same applies to potential risks, which are addressed through mitigating measures and are kept under control.

In the light of the assessment presented in the previous chapter, and given the nature of DGT's expenditure (administrative appropriations), its relatively low amount and the management method employed (centralised direct), DGT's control environment can be deemed effective.

2.3. Information to the Commissioner

The main elements of this report and declaration of assurance have been brought to the attention of Commissioner Vassiliou.

3. PART 3. BUILDING BLOCKS TOWARDS THE DECLARATION OF ASSURANCE

3.1. Building blocks towards reasonable assurance

DGT's financial operations carry limited financial risks in terms of legality/regularity and do not require *ex post* on-the-spot controls at the level of the final beneficiaries. A number of indicators have therefore been set up to monitor legality/regularity and sound financial management.

The materiality threshold has been set at 2 % of the budget managed by DGT, excluding the appropriations for external personnel: this means a threshold of €370 000 based on the budget available in 2010, €19.6 million.

Table 9. Key legality and regularity indicators

Indicator	Measurement		
	2008	2009	2010
Budget (after mid-term adjustments) execution rate	95.9%	99.1 %	95.7 %
% of payments made within the contractual period	95.4%	95.0 %	98.8 %
% of absorption of budgetary backlog (RAL)	91.6%	92.5 %	91.9 %
Average delivery timing of monthly execution report	12 days	15 days	15 days
Number of financial exceptions handled	42	42	33
Total value (€)	85 872	189 402	348 940
Audit recommendations put in place within deadlines	n/a	74 %	65 %
Audit observations that might lead to reservations	0	0	0
Cases referred to OLAF over the last 3 years	0	0	0

In 2010, a total of 33 exceptions were handled (compared to 42 in 2009). All exceptions cover formal or procedural errors, and none of them can be regarded as material.

3.1.1. Building block 1: Assessment by management

DGT management carefully considered the overall performance of the Directorate-General, controls and supervisory checks carried out during 2010, and did not identify any significant (repetitive) errors. The management is therefore of the opinion that DGT financial control systems are sufficiently robust and effective in preventing, detecting and, whenever necessary, correcting errors. However, improvements have been deemed necessary in certain areas of operations, where the effectiveness and consistency of the processes have to be increased.

3.1.2. Building block 2: Results from audits during the reporting year

DGT management thoroughly analysed the annual opinion expressed by the internal auditor. They concluded that the qualified opinion results from:

- Risks that could affect the achievement of operational objectives, although they did not materialise in 2010. The critical and very important issues identified are being tackled by management, and the action plans are making good progress.

- Risks that affect financial areas, where the total budget of the area affected is below the materiality threshold. Management is currently analysing remedial measures to address the auditor's concerns.

Management concluded that no weaknesses have been identified in the auditor's opinion that would lead to reservations in this report.

3.1.3. Building block 3: Follow-up of the previous year's reservations and action plans for audits from previous years

- Follow up of previous year's reservations: N/A
- Follow up of European Court of Auditors findings and recommendations: N/A
- Follow up of recommendations of the Internal Audit Service: DGT had five open recommendations at the beginning of 2010. All of them were implemented and closed by the end of the year.
- Follow up of recommendations of the Internal Audit Capacity: DGT management carefully analysed the very important open recommendations mentioned in the annual audit opinion of the internal auditor. They concluded that these recommendations relate to operational aspects and should not lead to reservations in this report.
- Follow up of previous Synthesis report: N/A

3.1.4. Building block 4: Assurance received from other Authorising officers in cases of crossed sub-delegation

In 2010 DGT cross-delegated €32 000 to DG COMM from its Conference budget line.

These appropriations were used, in conformity with the rules of the cross-delegation act, to finance EDL (European Days of Languages) events organized by the Representations. These activities were aimed at raising awareness of languages and language learning among broad sections of the public and at promoting translation and other language-related professions, especially among young people.

No weaknesses were reported from the organizing DG during the reference period.

Detailed reporting justifying the use of these credits was requested from DG COMM and is listed in the table below.

Table 10. Sub-delegations given to other DGs

To	Budget line	Allocated amount in 2010	Committed amount in 2010	Paid amount in 2010	Matters of material impact reported by the other service
DG COMM	31.010211.00.02.40	€32 000	€28 235	€16 761	None

Furthermore, in 2010 DGT received sub-delegations from DIGIT and DG ELARG.

Credits received from DIGIT were used, in conformity with the rules set out in the cross-delegation act, for implementing the ISA (Interoperability Solutions for European Public Administrations) 2010 work programme for the project on "Machine Translation at the European Commission".

Credits received from DG ELARG (Travel, Accommodation and Conference Facility – TAC – for the Western Balkans and Turkey under the IPA Transition and Institution Building component) were used for a conference (25 March 2011) on external translation for candidate countries and potential candidate countries.

All regular control measures were seen to have been put in place for both of the sub-delegations. No significant weaknesses were detected during the reference period.

The use of these credits is detailed in the table below.

Table 11. Sub-delegations received from other DGs

From	Budget line	Allocated amount in 2010	Committed amount in 2010	Paid amount in 2010	Matters of material impact reported by the other service
DIGIT	26.030101	€330 000	€272 407	€0	None
ELARG	22.010401	€50 000	€43 845	€0	None

3.1.5. Building block 5: Completeness and reliability of the information provided in the building blocks.

The information presented in the previous sections represents an overview of the building blocks for the declaration of assurance. This information, combined with that provided in the other chapters of this Report, is intended to provide an exhaustive and fair view of DGT's situation.

3.2. Reservations

No weaknesses have been identified in the reporting period that would lead to reservations in this Report.

4. PART 4. DECLARATION OF ASSURANCE

I, the undersigned,

Acting Director-General of the Directorate-General for Translation

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view⁸.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the internal audit capability for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Brussels,

[signed]

Rytis Martikonis

⁸ True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.

ANNEX 1: Statement of the Resources Director

I, the undersigned,

Resources Director of the Directorate-General for Translation,

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 Commission⁹, I have reported my advice and recommendations to the Director-General on the overall state of internal control in the DG.

I hereby certify that the information provided in Parts 2 and 3.1 of the present AAR and in its annexes 2 to 5 is, to the best of my knowledge, accurate and exhaustive.

Brussels,

[signed]

Piet Verleysen

⁹ SEC(2003)59 of 21.01.2003.

ANNEX 2:
HUMAN AND FINANCIAL RESOURCES BY ABB ACTIVITY

Activity (code)	Human resources			Financial Resources					
	Establishment Plan posts	External Personnel	Total	Budget Line	2010 Budget (C1)			2009 RAL (C8)	
					Allocated	Committed	Paid*	Carry over	Paid*
ABB Translation (31-AWBL-11)									
Total	2 269	119	2 388		16 829 248	15 756 364	72.3%	4 002 841	92.9%
				31.010701 – External Translations	13 850 000	12 788 909	80.1%	2 075 794	95.5%
				31.010702 – Multilingual databases	953 610	950 314	51.8%	799 717	89.5%
				31.010702 – Library	671 390	671 290	49.9%	295 070	77.7%
				31.010211.00.05 – ICT	1 346 998	1 339 795	23.3%	832 107	95.2%
				31.010211.00.01.30 – Repres. expend.	7 250	6 056	9.5%	153	58.0%
ABB Policy Strategy and Coordination (31-AWBL-12)									
Total	29	2	31		846 320	836 395	40.3%	497 688	95.6%
				31.010211.00.02.20 – External meetings	114 890	109 772	33.5%	66 808	68.0%
				31.010211.00.02.40 – Conferences	307 771	304 023	31.9%	14 314	96.8%
				31.010211.00.04 – Studies	48 660	48 660	30.0%	99 900	100%
				31.010801 – Interinstitutional coop.	375 000	373 940	50.4%	316 666	100%
ABB Administrative Support (31-AWBL-10)									
Total	140	18	158		1 931 555	1 871 008	75.3%	549 928	81.5%
				31.010211.00.01.10 – Missions	1 283 196	1 226 487	84.1%	191 626	78.7%
				31.010211.00.02.40 – Internal meetings	41 500	41 087	72.7%	173 044	69.6%
				31.010211.00.06 - Training	606 859	603 433	57.7%	185 258	95.5%
Sum	2 438	139	2577	TOTAL (exclud. External staff)	19 607 123	18 463 767	71.1%	5 050 457	91.9%

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31.010201.00 – External staff	6 989 140	6 989 140	85.6%		
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*Paid values expressed as a percentage of legally committed appropriations.

ANNEX 3: DRAFT ANNUAL ACCOUNTS AND FINANCIAL REPORTS

[Annex 3 is in pdf format]

ANNEX 4: MATERIALITY CRITERIA

During 2010 DGT managed a budget of non-differentiated appropriations of €19.6 million, whereas actual spending amounted to €18.5 million.

A weakness is considered material on the basis of either quantitative or qualitative criteria.

As far as the quantitative criteria are concerned, DGT has set its materiality level at 2% of the budget managed in 2010 – which is the standard threshold applied by Commission's services – although the level of financial spending is very low compared to the overall EU budget. This 2% threshold implies that DGT uses a materiality level of **€370 000** as a yardstick.

With respect to the qualitative criteria, DGT bases its assessment, in particular, on:

- the presence of a significant shortcoming in the control systems, and
- the possibility of a critical reputational risk for the Commission.

Although DGT has recorded a total of 33 exceptions in 2010, with a total value of €348940 none of these exceptions can be considered material, being mostly the consequence of minor formal shortcomings.

Making the reservations

On the basis of the above criteria, DGT has not identified any issues that would require a reservation in the annual declaration of the Acting Director-General for 2010.

Overall conclusion on the combined impact of the reservations on the declaration as a whole

In the absence of a formal reservation, the Acting Director-General issued an unqualified annual declaration (see Part 4 of the report).

ANNEX 5: INTERNAL CONTROL TEMPLATE (ICT) FOR BUDGET IMPLEMENTATION

ICT N°1 : External Translation

Management mode:

Direct Centralized

According to the Commission's translation strategy the Directorate-General for Translation is operating framework contracts with external translation providers to outsource non-confidential and lower priority documents. In general, these contracts have a maximum duration of four years, i.e. they are concluded for a one-year-period, which is extendable three times. In 2010, the external translation budget (budget line 31.010701) managed by DGT amounted to €13.85 million.

Key figures:

Given the persisting resource constraints and in order to ensure the high quality of its outsourced documents, in 2007 DGT changed its internal strategy for external translation, shifting from general calls for tender (for translation services) to thematic ones.

Currently, there are 1 270 framework contracts signed under 5 thematic groups.

Table 1. Number of orders and value in translation outsourcing

Theme	GEN		LEG		TECH1		TECH2		ECON	
	Value in €	Orders	Value in €	Orders	Value in €	Orders	Value in €	Orders	Value in €	Orders
EU3	3035987	2516	1368385	835	500291	308	1238738	949	199882	183
EU15	2064189	1571	225293	188	398708	276	521336	509	182160	162
EU10	2136831	2747	93345	201	341061	407	487403	962	182433	298
EU2+GA	215210	394	14957	54	34739	67	95990	212	12772	38
Total	7452217	7228	1701780	1278	1274798	1058	526376	632	577247	681

Management and control systems : stages and main actors

<p>Selection process (of beneficiaries, intermediaries, agencies, contractors etc), including preventive measures</p>	<p>For the management of its outsourcing activity DGT operates a fully automated system (TrèFLe = Traduction FreeLance) that integrates a ranking system based on the performance assessment of each service provided. This ensures that the economically most advantageous offer is selected.</p> <p>For calls for tender, and calls for expressions of interest, evaluation committees are set up to prepare the selection of the contractors. Members of evaluation committees are asked to sign a declaration that they have no potential conflict of interest. Such contracts are used for 99% of DGT's outsourcing operation. The remaining 1% consists of individual contracts (each worth €5 000 or less) awarded via negotiated procedures without publication of a contract notice. These enable DGT to meet requests for translations in unusual language combinations not covered by any valid framework contract.</p> <p>Major risks of fraud are related to the possibility of favouring certain contractors at the initial selection stage (Initiating Agent and Verifying Agent), whenever framework contracts are not used (due to lack of language combination, temporary unavailability of contractors, etc.). Risks are reduced by carrying out checks to prevent or detect the misuse of powers and segregation of duties. About 12 people in the unit in question are involved in carrying out these checks. The situation is regularly reviewed in the process of sensitive function screening.</p> <p>Before the award of a contract, tenderers must prove that they are not in one of the 'situations of exclusion' specified in the Financial Regulation (e.g. bankruptcy, failure to pay tax or social security contributions, conviction for an offence concerning their professional conduct). Before each transaction is authorised, the computerised financial system automatically alerts staff if the Commission is aware of any such impediment. Since 1 January 2009, an early warning system ensures that information on exclusions is shared with all organisations involved in managing EU funds, including the Member States.</p> <p>Physical protection of the offers submitted (locked room and segregation between original and copies) is assured.</p>
<p>Communication and information measures to improve the quality of financial management and provision of supporting data by beneficiaries, contractors and intermediaries</p>	<p>All calls for tender are published in the Official Journal and on the EUROPA website. Furthermore, specific information for contractors and internal users is available on the managing unit's website. Once the tendering procedure has been completed, tenderers are informed of the outcome. Contractors are regularly informed of their performance rating.</p>

<p>Detective and corrective controls:</p> <p>Checks and monitoring during the initial phases of the programme/contract</p> <p>Checks and monitoring during the final/ closure phases of the programme/contract</p>	<p>The financial circuits are monitored using the "four eyes" principle. All people involved in the financial circuits receive a delegation from the Authorising Officer to carry out specific tasks and their names are recorded in the computerised financial system.</p> <p>To monitor the contractors' performance, a systematic quality control is carried out on each translation service provided and the track record of each individual contractor is drawn up.</p>
<p>Preventive and corrective controls and audit:</p> <p>Desk reviews, on-the-spot audits carried out either <i>ex-ante</i> or <i>ex-post</i>.</p>	<p>Payment for services rendered as part of DGT's procurement operations is made only once the product has been delivered and accepted. (No prefinancing is granted). There is therefore no need to implement <i>ex ante</i> or <i>ex post</i> on-the-spot-checks. Outsourced translations are accepted on the basis of an individual quality assessment of each service provided.</p>
<p>Feedback which enables control activities to be optimised</p>	
<p>Verification that processes are working as designed</p>	<p>DGT's ABM/SPP cycle provides for strategic risk assessments which are structured around the objectives identified in the Management Plan. Twice a year DGT takes stock of the progress in achieving targets and corrective actions are taken, if appropriate. Every year DGT assesses the effectiveness of its internal checking arrangements and whether they comply with the Internal Control Standards.</p>
<p>Monitoring of performance of independent bodies, 3rd party auditors, externally contracted auditors</p>	<p>Not applicable.</p>
<p>High level management reporting (e.g. to the Director General and its role in monitoring problem issues)</p>	<p>Outsourcing decisions are supervised via senior management's review of the correlation between work rate and outsourcing rate. In day-to-day business, senior management grants derogations for outsourcing high-priority documents. At selected points in time and for selected processes, targeted checks are carried out by the managing unit in collaboration with the financial resources unit. They are reported to senior management and include a series of recommendations for corrective action, if any.</p> <p>On the basis of targets and objectives set out in the Management Plan, the results and progress of the management of procurements are reported twice a year. Budget execution is reported every month, on the basis of indicators. The Commissioner is regularly informed of DGT's resource management, and of the results of the audits.</p>