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Directorate-General for Informatics (DIGIT)

Annual Activity Report 2010

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Part 1. POLICY ACHIEVEMENTS

This Annual Activity Report provides an overview of the progress made during the year in achieving DIGIT's objectives that were set in the Management Plan (MP) for 2010.

1.1. General objectives

DIGIT's role may be defined through its general objective as to *enable the Commission make efficient and effective use of ICT to achieve its organisational and political objectives.*

The impact of these objectives is being measured over time through specific exercises coinciding with milestones of the e-Commission initiative. The first such exercise was performed in 2004-2005 and used as an input for the elaboration of the e-Commission 2006-2010 strategy. Similar exercises were performed in 2008 and 2010 respectively to prepare the e-Commission mid-term review and to prepare the new e-Commission 2011-2015 strategy. Should the new e-Commission 2011-2015 initiative be endorsed by the Commission, two additional surveys would then be planned for 2013 and 2015.

A significant improvement in the availability and maturity level of Commission on-line services in support of European policies has been observed year after year since 2005. This trend is illustrated by the results of the three surveys, conducted during the e-Commission 2006-2010 initiative, targeting external stakeholders. Respondents (both private individuals and organisations) consider that the e-Commission initiative does have an increasingly positive impact on efficiency, effectiveness, transparency and quality of the services of the Commission. The perception of the e-government maturity of the Commission based on the final annual progress report for 2010 is close to 3 (actually 2,95) compared with 2, which was the level in 2005. This allows to say that the objective of level 3 to be reached by 2010 has been reached despite the increasing expectations for highly performant and available eGovernment services.

Table 1. Impact indicators for general objectives

General objective		Impact indicators			
		Indicator	Target (long term)	Situation end 2009	Situation end 2010
1	Increase Transparency	Rank of "Transparency" as one of the most cited improvement priorities (e-Commission benchmark exercise)	"Transparency" should appear as a secondary improvement priority	"Transparency" no longer appears as being a top priority improvement	"Transparency" is not listed in the top three priority by private individual and appears as third improvement priority for organisations.
2	Increase Efficiency, Effectiveness and Quality of services	Contribution of on-line services to the quality of effectiveness of Commission services (e-Government maturity survey)	By 2014, 80% indicate a positive impact of on-line services to the overall quality and effectiveness of Commission services	56,3% of the respondents consider that the e-Commission had a positive impact on the Commission's effectiveness	43,3 % of the private individuals consider that the e-Commission had a positive impact on the Commission's effectiveness while 38,7 % of organization expressed this feeling
		Government maturity level (as defined in the e-Commission communication of 2005)	Level 3 by 2010 (integrated government)	The previous estimate of the e-government maturity level is close to 2.8. This will be reassessed with the next e-Commission yearly reporting exercise	Level is above 2.9

1.2. Specific objectives

The Directorate-General for Informatics has, in partnership with all relevant stakeholders, the responsibility to:

- Define the IT Strategy of the European Commission;
- Provide the Commission, and whenever appropriate other European Institutions and bodies with high quality state-of-the-art corporate IT infrastructure solutions, support services, and telecommunications facilities;
- Deliver information systems required to support the EC corporate business processes within the framework the e-Commission strategy;
- Support the cooperation between European public administrations, by facilitating their electronic cross-border and cross-sector interaction.

These responsibilities have been further translated into the four specific objectives.

1.2.1. Specific objective 1

Achieve the maximum benefit for the Commission from newly available technology by maintaining and promoting coherent corporate strategies for the development of Information Systems, for the development of IT and telecommunications infrastructure and for IT support services.

The outputs contributing to this objective that were produced in 2010 are:

(1) **Security policies:**

Partly delivered (54%): The draft policies for user access control, asset management and incident management have been developed and positive feedback has been received from all stakeholders. Development of the policy for physical security had to be delayed due to the unforeseen long absence of staff. Furthermore, DIGIT's Information Security Steering Committee decided to delay the policy on risk assessment and treatment to 2011 and to wait for the Security Directorate, which is drafting a standard on the same topic.

(2) **Log management:**

Partly delivered (90%): Central log management has been implemented. Core policies and procedures for security event review and the log data inventory are available and have been provided to the Internal Audit Service (IAS) to show that an audit recommendation has been implemented. Records of reviews have also been provided to IAS. Development continues in order to provide regular reporting and to finalise the remaining procedures.

(3) **Methodology and Enterprise architecture:**

Delivered: The PM2 project methodology has been deployed in the Directorate responsible for Information Systems and Interoperability Solutions. This was done for selected projects and on the basis of an active coaching. The results of this first phase were that encouraging that PM2 has been presented and endorsed by the Comité Technique Informatique (CTI) as the recommended project management methodology for all the ICT projects in the Commission. On this basis, deployment will be further extended to other teams in DGs.

Concerning Enterprise Architecture, a strategy and a work plan have been established and validated with DIGIT's hierarchy. Funding is being searched in order to build a Community of Practice aiming at creating a Centre of Excellence able to coordinate all Enterprise Architecture efforts in the Commission, allowing impact assessments and convergence activities.

(4) **Customer Relationship Management:**

Delivered: During 2010, the following has been achieved :

- Presentation and awareness increase of the IS hosting service cost model;

- Improved communication and information with customers (for the Information Systems hosted at the Data Centre, participation in the review of the criticality of the IT systems and a review of the inventory);
- Active participation in new technical solutions/services definition and integration (eg Adobe Life Cycle - eForms, Intelligent Data Operating Layer (IDOL) search engine and ESSI-AP eSignature platform);
- Presentation of solutions based on services provided by the Information Systems Services Provision Unit and by the Corporate Infrastructure Services Unit (continuation of 2009);
- Coordination and extension of DIGIT's horizontal services to external entities, mainly executive and regulatory agencies (continuation of 2009).

(5) IT Strategy:

Partly delivered (90%): The final report on e-Commission 2006-2010 has been finalised with the collaboration of the various action leaders. Several versions were submitted to SG and never received feedback. The documents were submitted as an input to the Task Force for the New Governance. DIGIT prepared in record time the "Convergence" paper that should be the basis for the work of the new governance structures.

Concerning the strategy for e-Commission 2011-2015, the preparation has been finalised, including a survey to Commission's external stakeholders or contacts for which a complete analysis has been done. The core text of the Communication has been done and the various documents are ready to be released early 2011.

Table 2. Result indicators for specific objective 1

Result indicators	Target (medium term)	Current situation
Percentage of services implementing the RUP@EC methodology	2010-2011: 80%	83%% (34 out of 41) in 2010
Percentage of services using the framework of the Commission Enterprise Architecture (CEAF)	2010-2011: 80% (for the first layers)	78% (32 out of 41) [services that are using at least the first layers in 2010]

1.2.2. Specific objective 2

Provide the Commission, and whenever appropriate other European Institutions and bodies, with the high quality state-of-the-art corporate IT infrastructure solutions and e-services, support services and telecommunications facilities required for their business processes.

The outputs contributing to this objective that were produced in 2010 are:

(1) *EC Voice over IP services and Unified Communications infrastructure:*

Delivered: The results of a test lab were presented to DIGIT Management in September. A pilot project involving 100 users will be carried out in the first semester of 2011.

(2) *Mobile telephony:*

Delivered: The Call for Tenders is closed. The file was approved by the GAMA advisory body in November. The new contract is expected to be signed early February 2011.

(3) *Infrastructure complying with recovery classes:*

Delivered: A dedicated infrastructure for critical and essential information systems was set up. The migration of the information systems towards this infrastructure was started in December, thereby reaching the objective of this action. The migration of information systems will be finalised in 2011.

(4) *Security Plans for Information Systems Hosting (ISH) Services:*

Partly delivered (85%): The planned gap analysis studies were initiated for 2 security policies (Privilege User Access Control and Security Monitoring) regarding 6 service elements (Oracle, Apache, Weblogic, Coldfusion, BOXI and Documentum) instead of the 5 foreseen in the MP. The study is finalised for 4 service elements, Coldfusion is 90 % ready. Documentum (not foreseen) has been added later due to political necessity and is ongoing.

Regarding the planned implementation for 3 service elements: For the two policies "Privilege User Access Control" and "Security Monitoring", work for service element Oracle is 90% complete, for service element Apache 85% and for service element Weblogic 70 %.

(5) *Business Continuity Plan (BCP) for Data Network Services:*

Delivered: The Business Impact Analysis, the Risk Analysis and the Strategy definition document have been finished as planned and were approved by the Steering Committee. The next phase started in December and will deliver the BCP plan by mid 2011. Exercises and a final test are foreseen to prove the validity of the BCP.

(6) *Data Centre facilities strategy:*

Partly delivered (50%): The strategy has been developed but was not put into the Interservice consultation process. The effort concentrated on getting the approval to use the BECH computer rooms due to the dramatic lack of space. This action was finally accomplished towards the end of 2010. DIGIT will put the strategy on the agenda of the new governance bodies.

(7) *Review of the Business Continuity Plan (BCP) for email and videoconference services:*

Partly delivered (70%): An action plan to improve the BCP for E-mail has been developed following the conclusions of an audit of Business Continuity Management (BCM) by the Internal Audit Service (IAS).

Revision of the BCP for "Videoconference services is on-going.

(8) *Business Continuity Plan (BCP) for LDAP/ECAS and RACHEL services:*

Delivered: BCP completed for the LDPA/ECAS and RACHEL services. Similar actions based on the conclusions of the BCM audit for the E-mail service were identified and will require further improvements of the BCP's.

(9) Security plan for I_Call service:

Started and postponed: The development of a security plan was postponed to 2011 because of the change in the service provider (and thus in the service provision mode) in October 2010. The contract has been changed in service mode since 1 October 2010.

(10) Security plan for the Videoconference service:

Started (20 % ready): Still waiting for the tune that is being done for E-mail. In parallel, all possible actions for replacing shared accounts by personal accounts have been done. There are still remaining shared accounts that can not be removed for technical reasons or limitations. A document stating the situation for each machine has been established and will be updated in case of changes.

(11) Security plan for E-Mail service:

Partly delivered (20%): Priority has been put on the establishment of an inventory of individual accounts used for performing privileged system service management tasks.

(12) Procurement services:

Delivered: The programme has been executed in conformity with the planning.

(13) Financial and accounting services:

Delivered: All commitments and payments which had to be processed by 31/12/2010 were processed.

(14) e-Signature:

Delivered: The ESSI platform has been completely deployed and is in use. The gradual roll-out of applications is progressing well. Several presentations have been given in 2010 to promote the ESSI platform. The implementation of pilot projects has allowed to successfully validate the platform.

(15) Next generation of e-Mail (Project REMI -Renewal of the EMail Infrastructure):

Delivered: The Project was officially launched in January 2010 with the presentation of the "Vision and Scope" to the DIGIT Management Meeting. The "Planning" Phase was completed in May 2010 when the REMI Steering Committee approved the high level architecture for the system. In June the project entered the "Developing" phase and produced a "blueprint" of the target architecture which was validated in October in a POC (Proof of Concept) in Redmond. Another important milestone was reached in December with the ordering of the hardware infrastructure (servers and storage). Expected outputs for 2010 were fully delivered.

(16) Next office automation platforms (server & desktop):

Delivered: The project was officially launched in January 2010 and presented to the IRMs in the CTI of March. Planning and development work proceeded through the first two quadrimesters in two separate "tracks" for the server platform and the desktop platform. During the summer the team published the beta releases for the server, to be used for pilot in 4 DGs, and shortly later, the first "alpha" release for the desktop, for compatibility testing. By the end of the year the project completed the pilot phase for the server platform, whereas the pilot work for the desktop is set to continue until the end of the first quarter of 2011. Expected outputs for 2010 were fully delivered.

(17) European Commission Authentication Service (ECAS):

Delivered: The ECAS service has been successfully improved, completed and extended in the course of 2010 (e.g. now available in 22 languages, an ever increasing number of external users (150.000 plus), authentication for desktops and web services, a separate test environment for developers, etc...).

Improved integration with the Corporate Portal has been studied in depth and a proof of concept implementation has been successfully delivered. The project for integration in a future production environment is now ready to be launched.

Choices for improving resiliency of the current infrastructure have been made taking into account the evolution of hardware, network and operating system infrastructure at the Data Centre and the continuous capacity monitoring of today's ECAS operational platform.

(18) Flexible Platform Services:

Delivered: The Flexible platform is operational and offers 16 services (wikis, blogs, forums, image galleries, feedback forms, maps, etc.). The platform attracts an increasing number of users: more than 30 Directorates General are using one or more tools out of the flexible platform portfolio.

(19) Replacement of "Time and Means" mode to "Service" Mode for the Information Systems Services Operations:

Delivered: The following services are in service mode: CORE, Oracle, Business Intelligence, GIS, Documentum, Business Continuity, Weblogic, Oracle Application Server, Coldfusion, Open Source and Search.

In the first half year of 2011 the Windows Hosting service and Monitoring service will be transformed in managed service mode.

(20) Network management:

Partly delivered (57 %): As planned for 2010, the orientation document and the tendering specifications are available in a prefinal state. The Technical Questionnaire and Technical Specifications document are currently being finalised with the contracts unit.

(21) Redesign of the Telecom Centre:

Started (5 % ready): This project will propose a complete renewal of the infrastructure(s) in place necessitating an intensive and time-consuming analysis to approach the refurbishment correctly.

The status of the project has not evolved since this summer due to a severe lack of resources available for projects¹. Operations as well as projects where the unit is involved have to be given priority over the complete redesign of the Telecom Centre.

(22) Replacement of "Time and Means" mode to "Service" Mode for the Infrastructure Services Operations:

Delivered: 2 services (UNIX and Backup & Storage) were put in service mode, one more as planned. Major running in problems could be solved by strong involvement of DIGIT top management and good cooperation of the main contractor. It can be expected that the further services will be introduced as planned. The action can be considered as closed and moving to continuous improvement state

(23) Carrier Network Services (CNS):

Partly delivered (85%): The CSI application was delivered in November. The call for tenders was published on 1 December. Closing day for tenders reception is end February 2011. It can be expected that the contract can be signed in April 2011.

(24) Service process coordination:

Delivered: There were the following main achievements:

ISP Service processes :

- Change Management process: start of the development of the Change request module based on SMT/ES;
- Problem and Release management processes: establishment of detailed description documents;

¹ It has been difficult to fill in vacant ICT posts, especially for administrators (AD). The last competition dated from 2004. Moreover, DIGIT could not comply with EU2/EU10 thresholds. A new AD competition was launched in March 2010 but only produced results in February 2011.

- Progress in these 3 service processes has led the Internal Audit Service to close all recommendations from the Data Centre audit except one (the recommendation regarding the Configuration Management Database should be closed in 2011).

ISP Service Catalogue :

- Migration to MyIntracomm (new presentation, improved visibility, additional information and usage monitoring through monthly statistics);
- Further extension and update of Service Elements and Services descriptions.

(25) Logistics:

Delivered: The programme has been executed in conformity with the planning. More specifically, a report has been developed and is being tested, which aims at being the tool to monitor all the on-going orders in a proactive way and with no prior manual entries from the purchasing officers.

(26) Open Source Software Strategy (OSS) Strategy:

Delivered: An internal document has been approved and circulated in DG's about results analysed and lessons learned from the OSS strategy 2007-2009.

In 2010, the revised OSS Strategy document 2011-2013 has been discussed and completed. It has been presented at the Comité Technique Informatique, to the Cabinet of the responsible Commissioner, to the Comité Informatique Interinstitutionnel and has been made public on Europa. (http://ec.europa.eu/dgs/informatics/oss_tech/index_en.htm).

(27) Corporate Portal (MyIntracomm):

Delivered: Business support, technical support and operations have been consolidated and run at production pace. Four releases of MyIntraComm were completed and deployed featuring corrective and evolutive changes. The Collaborative pillar project was completed and the service opened.

Seven DG intranets and corporate services have been migrated in 2010 (from COMM, ENTR, HR, SCIC, SG and ECHO) while migration work for 8 additional sites is in progress. A migration toolkit has been developed.

(28) IT Infrastructure Consolidation (ITIC):

Delivered: ITIC has been converted into a service offered by DIGIT.

(29) Green housekeeping:

Partly delivered (90%): The implementation of green housekeeping and the achievement of the related targets had been impacted by the unsuccessful outcome of the call for tenders for the collection and re-use of obsolete items that was led by another service. Although it was decided to relaunch the procedure, no framework contract has been in force since March 2010. In the meantime, DG DIGIT has placed two low-value orders with the former contractor so as to keep the targets unchanged and manage to achieve them.

(30) New Commission:

Delivered: Installations for the new Commissioners and respective Cabinets were done on time and accordingly to the service level requirements.

(31) *New External Service (EEAS):*

Delivered²: The actions performed during 2010 largely contributed to the successful creation of EEAS the 1st of January.

During the first weeks of 2011, the normalisation of the provisioning process for all different statutory population of EEAS took place. In 2011, DIGIT will continue providing ICT infrastructure services to the EEAS and prepare the move of the EEAS to its own building when this will become available.

(32) *IT billing and financial coordination:*

Delivered: All the actions planned in 2010 as regards IT billing and financial coordination have been completed:

- The cost model of the infrastructure services has been updated and extended to the telecommunication services so that it now covers all infrastructure services and can be used for an annual computation of the costs of these services;
- The hosting of non-administrative information systems (i.e. information systems of other European bodies and Commission's information systems funded by operational appropriations) is now systemically charged back so that the administrative appropriations no longer fund these services.

(33) *Internal control and audit coordination and support:*

Delivered: All activities were accomplished according to the planning:

Strategic planning and internal control

- Mid term review of 2010 and ex-post controls for the period 05-08;
- Management Plan 2011;
- Risk reviews;
- Estimation of costs of control.

Internal audits:

- Coordination of IAS audits: Business Continuity Management (BCM), Pay application (NAP), Overview Report on the Executive Agencies, Management of guarantees.

(34) *Budget services:*

Delivered: Budget services are on-going services and all their objectives were achieved in a timely and satisfactory manner:

- The programming of 2010 expenditure was done on time and updated twice (in July and October) and no commitment appropriations were lost;
- The draft 2012 budget was prepared and presented on time;
- Assigned revenues and co- and cross-delegated appropriations were regularly collected and made available for the funding of activities;
- Budget execution was appropriately monitored so that deviations were detected and corrective actions were taken on time.

As a result, the execution of both payment and commitment appropriations was remarkable for all budget lines as well as the payment of the "Reste à Liquidier" of the previous year.

Table 3. Result indicators for specific objective 2

² Work for the EEAS will continue in the coming months. The exact proportion of the work that remains to be done for the EEAS service cannot be determined at this stage, since it depends on the EEAS context (such as building), requirements and requests. The main objective was that the EEAS becomes autonomous in January 2011 and this has been accomplished

Result indicators	Target (medium term)	Current situation
Percentage of Commission users satisfied with DIGIT's IT services	80%	80% (2009 survey)
Satisfaction of the Information Resources Managers with DIGIT's services	3 / 4	3 / 4
Number of new DGs enrolling to IT Infrastructure Consolidation (i.e. signing an ITIC Memorandum of understanding with DIGIT) Key Performance and User Satisfaction Indicators	Everybody User satisfaction above 8,5/10 ITIC Service Balanced scorecard: Global target KPI levels achieved	11 DGs enrolled as of December 2010. User satisfaction: 8,96/10 Dashboard/Generic KPI = 110.89% achieved
Availability rate of the fixed telephone service	99,9 %	99,999% ³
Availability rate of the internal network (SNET) For the backbone For a building At floor level	99,999% 99,99% 99%	100% 97,8% 97,8%
Availability rate of the access to the internet	99,9%	99,999%
Percentage of IS hosting related incidents solved within the target resolution time: Priority 1 (within 2 hours) Priority 2 (within 4 hours) Priority 3 (within 8 hours between 8:00 and 19:00)	80% 80% 80%	100% 97% 94%
Average end-to-end IS Hosting availability, down time periods for maintenance included	97%	98,82% maintenance time included
Finance and contracts for DIGIT and the ICT community of other DG's, EU Institutions and Agencies: Percentage of negative GAMA opinions Percentage of new contracts signed on time (covering the needs of operational services) Percentage of amendments to existing contracts signed on time (covering the needs of operational services)	0% 100% 100%	0% 100% 100%

³ Average for 2010 in Brussels, Dublin, Luxemburg and Strasbourg and based on the downtime measured by the Management System and the total time it should be available

1.2.3. Specific objective 3

Deliver the information systems required to support the EC corporate business processes within the framework of the e-Commission strategy

The outputs contributing to this objective that were produced in 2010 are:

(1) *e-Procurement:*

Delivered: e-Invoicing deployment in DIGIT is progressing well. 5 suppliers are in production and 3 others in the pre-production phase. 456 electronic invoices have been received. Furthermore, the phase-in of all the ESP-DESI II suppliers started in November 2010. The e-Catalogue pilot was completed in December 2010.

(2) *e-Greffe:*

Delivered: E-Greffe continues improving the working methods and processes in the decision making domain. It continues to be further integrated into DIGIT's other systems by including functions for the creation and distribution of documents via the ARES application and by broadening its services LegisWrite for the validation and pre-finalisation of documents.

Regarding user friendliness, the search facilities have been extended ("fil rouge" and archives "BaseDuGreffe") and management of anomalies is now bilingual.

Furthermore, the Registry (Greffe) does now also have a new function to manage the paper distributions sheets that are needed for the reproduction of the documents. Moreover, there is a new welcome page for General Directors with a synthetic view of the ongoing procedures.

(3) *Ares/Hermes:*

Delivered: By the end of November, all Commission services including the Cabinets, and two executive agencies had migrated to Ares. Despite major reorganisations in DGs, DIGIT stuck to the initial migration plan and ensured that DGs migrated with their new organisation charts (e.g. Shared Resources Directorates in DG Climate/DG Environment, DG Mobility and Transport/DG Energy and DG Justice/DG Home Affairs).

Preservation and transfer to Historical Archives and Management of Historical Archives broad functional analysis is completed, implementation started.

By end 2010, 28 applications were integrated with the Hermes Repository Services.

(4) *Argus:*

Delivered: A new Release of ARGUS/NOAH has been implemented. This release contained several new features, mainly taking into account the first part of the feedback of the last Commission-wide business continuity exercise (PEST10), a data sanity check, management of tokens assigned to the critical staff, export of the tracking details of communications to spreadsheets and export of communication to staff to PDF/spreadsheet.

(5) *Customer Portal:*

Delivered: The development and the acceptance of the first release of the Customer Portal have been completed. Furthermore, the application has been deployed in production the 17 September 2010.

(6) ***eRequest:***

Delivered: The development and the acceptance of the e-Request application have been completed. Furthermore, the application has been deployed in production the 17 September 2010.

(7) ***Broaden the scope of HR systems:***

Delivered: Four projects contribute to this action. The first project represented the main challenge for 2010: to deliver Sysper2 Individual Rights, a new Rights management module for the Paymasters Office (PMO) seamlessly integrated into the corporate HR system. The back-office rights management functionality was put in production in November after extensive testing, including end-to-end tests covering the integration with the salary system. With this production release, the previous system, IRIS, was phased out. The December pay cycle, for the first time entirely based on Sysper2, was smooth, correct and on time. The front-office schooling declaration functionality was already released in September for all Commission staff. In less than one month, 15000 schooling declarations were entered in Sysper2.

For the second project, Assmal2, we delivered, as scheduled, the first core modules of the new information system to manage the Joint Sickness Insurance Scheme. The module for the management of beneficiaries and their affiliation rights has been finalised and is being tested for acceptance by PMO. Work is currently progressing on the subsequent milestones covering prior authorisations, electronic delivery of reimbursement sheets and tarification.

For DG HR, we delivered the first production release of Sermed-EHR, the new integrated Electronic Health Record management system for the medical services.

The fourth project, a new module in Sysper2 to support the recruitment process, was postponed at the request of DG HR in order to await the conclusions of an ongoing process revision. Instead we developed a module to manage the "Leave without pay process" (CCP). This module will cover the process end-to-end from electronic request by the staff member until the electronic validation of the request.

(8) ***HR policy support systems:***

Delivered: The HRReporting project has delivered the reporting environment for the 2010 screening exercise (including deliverables to support the SPP process and the drafting of the budget) and for the follow-up of absenteeism. Also the HR scorecard state of affairs has been fully automated, in particular the key indicators on management staff. The reporting environment has also been extended to include the family composition and individual rights, in line with the delivery of the corresponding new modules in Sysper2. In the domain of Appraisal and Promotion, we delivered a first report to allow DG HR to follow up the appraisal workflow until the appeal phase of the 2011 appraisal and promotion exercise.

(9) ***Provide IT support to other European institutions in the HR domain:***

Delivered: All Sysper2 core modules have been put in production in the 6 executive agencies. Regarding the Court of Auditors, the vacancy management module has been put in production during the first quarter. During the summer, the automatic link was activated between Sysper2 and NAP, the salary system. This has led to the phase out of the legacy system SYSPER for the Court of Auditors.

On 1/1/2011 the new European External Action Service went live successfully based on the Commission's corporate HR systems Sysper2, Mips and NAP. This was possible thanks to the intensive preparation in the months before involving teams in HR, PMO and DIGIT.

Table 4. Result indicators for specific objective 3

Result indicators	Target (medium term)	Current situation
Assessment attributed to ARES by the EC staff (cf. yearly survey on User Perception of IT in the Commission)	6.2	5.6/10 (survey of 2009)
Number of institutions and agencies (excluding the EC) in which Sysper has been deployed.	8	8
Assessment attributed to Sysper 2 by the EC staff (cf. yearly survey on User Perception of IT in the Commission)	7.5	7,2/10 (survey of 2009)
Assessment attributed to MIPS by the EC staff (cf. yearly survey on User Perception of IT in the Commission)	6.5	6,0 (survey of 2009)
Assessment attributed to ABAC Asset/Syslog by the EC staff (cf. yearly survey on User Perception of IT in the Commission)	6.5	6,2 (survey of 2009)
Percentage of ESP-DESI requests managed via eRequest (as compared to the ones still made via fax).	80%	0%

1.2.4. Specific objective 4

Improve efficiency and collaboration between European public administrations by facilitating electronic cross-border and cross-sectoral interaction between public administrations in support of the implementation of Community policies and activities.

The outputs contributing to this objective that were produced in 2010 are:

(1) ***e-Procurement:***

Delivered: The first version of Open e-Prior was published on OSOR end of October 2010 including a PEPPOL Access Point This version provides public contracting authorities and their suppliers across Member States with a cross-border solution to submit or exchange of service catalogues, purchase orders, invoices and credit notes over the PEPPOL network.

(2) ***Interoperability for European Public services:***

Delivered: The communication on "Towards interoperability for European public services" (COM(2010) 744 final) has been adopted by the Commission on 16 December 2010.

(3) ***eFP7:***

Delivered: The active collaboration continued with the 6 concerned "Research DGs" and the 2 related Executive Agencies. As detailed in the monthly progress reports presented during the eFP7 steering committee meetings, DIGIT delivered the various tools and services according to plan and the steering committee decided to extend further the mandate of DIGIT by adding an integrated Call/Service desk.

The most important milestone for 2010, a pilot version of the SEP-Evaluation project has been delivered as agreed before the end of the year.

(4) ***Interoperability solutions for European public administrations (ISA):***

Partly delivered (87%): Programme has been set up and governance structure is in place. Setting up of the monitoring system is ongoing.

(5) ***ISA Work Programme:***

Delivered: The work programme and associated financing decision were adopted by the Commission on 7 July 2010. All foreseen actions have started. 2011 revision of the work programme has started.

(6) ***Participation of non-EU Member States to the ISA programme:***

Delivered: A Memorandum of Understanding (MOU) with Croatia has been signed in December and is awaiting ratification by Croatian Parliament.

All work for Turkey has been done but participation is uncertain as they do not accept the financing proposal made by the Commission (same proposal as accepted by Croatia).

(7) ***Internal Market Information System (IMI):***

Delivered: In line with the agreed planning, the Registry of Registries module of IMI was released in acceptance end of December. The acceptance tests are on-going. The first feedback is very positive.

Table 5. Result indicators for specific objective 4

Result indicators	Target (medium term)	Current situation
Establishment of a common approach to interoperability at EU level	<p>Alignment of EU and national eGovernment strategies for the provision of cross-border public services (to be realised over the period 2010-2015).</p> <p>Application of the EIF by at national level by 2013 as specified in the Digital Agenda for Europe.</p>	Member States' CIO's have endorsed the main principle for the European Interoperability Strategy (EIS). The EIS and the European Interoperability Framework (EIF) were adopted by the Commission in December 2010) as part of a communication on interoperability.
Use of common frameworks at EU level	<p>Establishment of a coherent set of frameworks creating a context in which Member States and sectors can discuss cross-border and cross-sector interoperability (to be realised over the period 2010-2015).</p> <p>More specific targets will be set up in 2011 following the launch of initial actions. These targets will need to be reviewed regularly during the life-time of the ISA programme.</p>	This is one of principle objectives of the new ISA Programme, adopted by the EP and Council in 2009
Increased use of common services and generic tools for cross-border and cross-sector projects	<p>Professional delivery of a coherent services and tools portfolio, allowing for the building of interoperability infrastructures at EU level (to be realised over the period 2010-2015).</p> <p>More specific targets will be set up in 2011 following the launch of initial actions. These targets will need to be reviewed regularly during the lifetime of the ISA programme.</p>	This is one of principle objectives of the new ISA Programme, adopted by the EP and Council in 2009
Smoother implementation of EC legislation through ICT	Further the assessments of ICT implications of EC legislation already during the conception phase through the provision of support services; provision of common services and generic tools to support the implementation (see line above).	<p>This is one of principle objectives of the new ISA Programme, adopted by the EP and Council in 2009.</p> <p>A method to be used for the assessments has been developed and is being piloted end 2010/early 2011 with a view to refining the method and defining the service to be offered to Commission services.</p>

1.2.5. Conclusions

All planned actions have actually been started. Two third of them delivered all scheduled outputs and for one third, work is still progressing. The overall non-weighted average completion rate is 89%. Details by specific objective and by priority are supplied in the following tables.

Table 6. Status of planned actions by specific objective

Specific objective	Number of actions	Not yet started		Ongoing delivered / partly		Delivered	
		Number of actions	% of actions	Number of actions	% of actions	Number of actions	% of actions
1 Achieve the maximum benefit for the Commission from newly available technology by maintaining and promoting coherent corporate strategies for the development of Information Systems, for the development of IT and telecommunications infrastructure and for IT support services	5			3	60%	2	40%
2 Provide the Commission, and whenever appropriate other European Institutions and bodies, with the high quality state-of-the-art corporate IT infrastructure solutions and e-services, support services and telecommunications facilities required for their business processes	34			10	29%	24	71%
3 Deliver the information systems required to support the EC corporate business processes within the framework of the e-Commission strategy	9					9	100%
4 Improve efficiency and collaboration between European public administrations by facilitating electronic cross-border and cross-sectoral interaction between public administrations in support of the implementation of Community policies and activities	7			1	14%	6	86%
Total	55			14	25%	41	75%

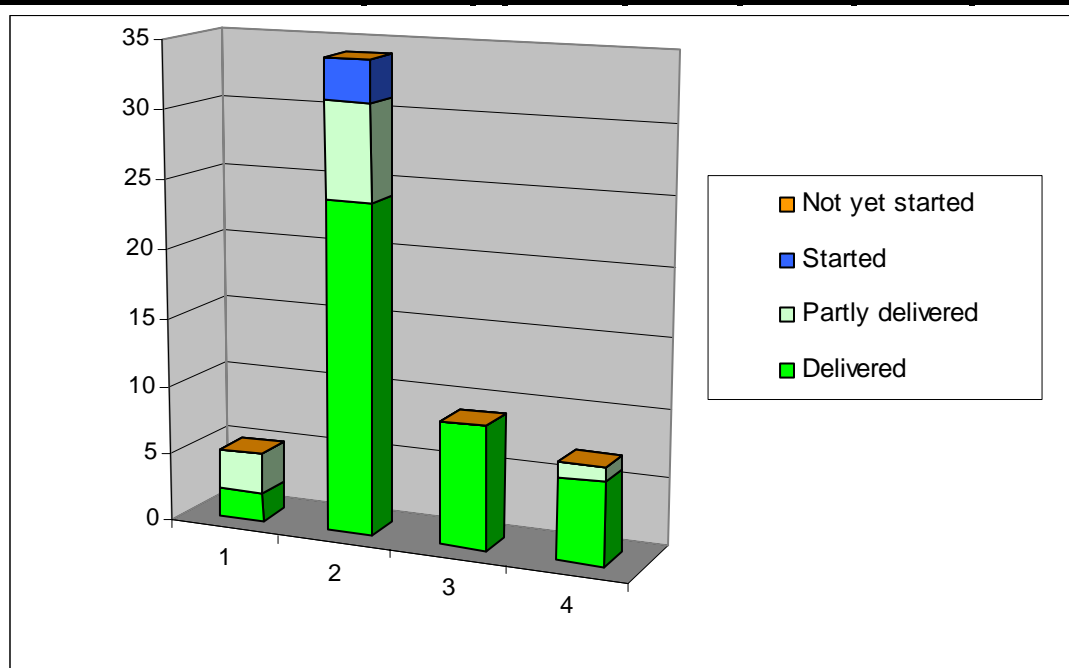


Table 7. Completion rates by DG's priority initiative

DG's priority initiative	Specific objective(s)	Non-weighted average completion rate⁴⁵
1 Security and Business Continuity for IT mission critical services	1,2	73%
2 E-Commission: Electronic signatures and e-procurement	2,3,4	100%
3 Interoperability solutions and information systems portfolio rationalisation in the Commission contributing to simplification;	1,3,4	100%
4 Evolution of the Office Automation infrastructure including mobility services and email	2	100%
5 Evolution towards a better more resilient advanced IT and Communication Infrastructure and services	1,2	85%
6 The definition of the new Commission ICT strategy 2011-2015	1,2	95%
7 Contribution to the EC Simplification initiative (Corporate Portal)	2	100%
8 IT Infrastructure Consolidation (ITIC)	2	100%
9 Evolution of the Human Resources Management systems	3	100%
10. Further ways of "greening" the Commission's ICT in line with the EMAS initiative	2	90%
11. Enhancement of interoperability for European Public services (ISA);	4	97%
12. Appropriate levels of administrative support, compliance and control while minimising overhead.	2	100%
Total		89%

⁴ Percentages relate to the work which was planned to be executed in 2010. Averages for ongoing actions have been calculated on a prorata temporis base

⁵ Actions belonging to more than one priority have been considered as if they belonged to the first priority

Part 2. MANAGEMENT AND INTERNAL CONTROL SYSTEMS

2.1. Introduction to DG DIGIT

2.1.1. Organisational structure

DIGIT was created as a Directorate-General on the 1st of May 2004 following a Commission decision of April 2004. DIGIT is a Commission service based in both Brussels and Luxembourg. DIGIT co-ordinates the development of technology and information systems for all the Commission's services. In addition, DIGIT provides ICT services for some of the agencies. In 2010, with the creation of External European Action Service (EEAS), DIGIT became the supplier of ICT services for this Agency.

The Directorate General for Informatics is composed of 4 Directorates and one Unit.

Directorate A:

Provides consulting services to promote best practice in the application of modern information and telecommunications technology, including OSS technologies.

Directorate B:

Delivers corporate information systems to support the business processes of the Commission, in partnership with the other directorates-general and services. These systems are principally, but not exclusively, in the fields of document management, financial management, planning and reporting and human resources systems.

Directorate C:

Provides the Commission, and whenever appropriate other European Institutions and bodies with the secure, reliable and high-performance information technology and telecommunication infrastructure to support the Commission's activities and to enable the implementation of the e-Commission.

Directorate R:

Provides Logistical and contractual services to ensure the efficient and cost-effective procurement and deployment of products and services. The Director is the Internal Control Coordinator.

Unit 01:

Implements the ISA programme (Interoperability Solutions for European Public Administrations), which replaced the IDABC⁶ programme in 2010.

2.1.2. Mission and vision statements

DIGIT aims to be a proactive leader in information and communication technologies, identify opportunities and offer, in partnership with stakeholders, innovative tools, solutions and e-services to enable the Commission to accomplish its goals more effectively and efficiently manage and deliver European policies for the benefit of EU public administrations, citizens and business.

The mission of the Directorate-General is to enable the Commission to make effective and efficient use of Information and Communication Technologies in order to achieve its organisational and political objectives.

With this goal in mind, the Directorate-General for Informatics, in partnership with all relevant stakeholders, has the responsibility to:

⁶ Interoperable Delivery of European eGovernment Services to public Administrations, Businesses and Citizens

- Define the IT Strategy of the European Commission;
- Provide the EC and whenever appropriate other European Institutions and bodies with high quality and advanced:
 - IT infrastructure solutions and e-services;
 - Support services;
 - Telecommunications facilities;
 - Deliver information systems required to support EC corporate business processes within the framework of the e-Commission strategy;
 - Promote and facilitate, in full collaboration with European public administrations, the deployment of pan-European eGovernment services for citizens and enterprises.

This mission is carried out in line with best practices in IT governance and in partnership with all Commission's DGs and Services.

Neither the Vision nor the Mission Statement were changed in 2010.

2.1.3. Working arrangements between the Commissioner and the Department

In 2006, the working arrangements between DIGIT and the Vice-President Siim Kallas and his Cabinet were aligned with the good practice at the Commission following an initiative of the President and the Secretariat-General. In 2010, these arrangements were renewed with Vice-President Šefčovič and his Cabinet.

2.1.4. Cross delegations

DIGIT is system supplier for the development of some of the information systems of operational DGs and is offering hosting services to them. For this purpose, cross sub-delegated budget lines are given by the concerned DGs to DIGIT and underlying SLAs are signed between DIGIT and its clients. For each cross sub-delegated budget line received, DIGIT provides quarterly and annual reporting justifying the use of credits.

DIGIT has also cross-delegated credits to other services. These are, amongst others, used to finance actions within the ISA programme and for the renting of Data Centre premises. Detailed reporting justifying the use of these credits has been obtained from the services concerned and can be found in section 3.1.4.

2.1.5. Main systemic processes for which DIGIT is responsible as a process owner

2.1.5.1. IT Governance Process

The Communication of 2004 on the improvement of information technology governance in the Commission assigned a number of duties to DIGIT as regards the development of IT strategy and IT interservice coordination in the Commission.

Since then, DIGIT put in place IT management procedures and interfaces with budget allocation processes (for administrative budgets only) allowing to offer a global vision of the information system portfolio of the Commission.

The increased use of IT allowed the Commission to become more efficient in its delivery of services and its interaction with citizens. At the same time, as pressure grows to limit public sector expenditure, the Commission needs to ensure it is getting the best from its investment in IT and, therefore, to further improve the IT Governance processes in order, mainly to include all IT investments (and not only the administrative ones).

This is why in April 2010 an Interservice Task Force was set up to study the current IT situation and to make recommendations. These were incorporated in a communication from Mr. Šefčovič: "Getting the Best from IT in the Commission".

This communication assigns the following responsibilities to DIGIT:

- The Director-General of DIGIT is a member of the ABM+IT Steering Committee. This Committee will propose the corporate IT strategy for the Commission to the College. It will oversee the streamlining and harmonisation of business processes, set targets for achieving efficiency gains; review IT security etc;
- DIGIT is also represented at senior management level in the High Level Committee on IT. This Committee will perform the work necessary to give effect to the Interservice Task Force's recommendations;
- DIGIT chairs the Information Systems Project Management Board, which will be to prepare guidelines on good IT project management; advise DGs on all new IT investments above €0.5m as well as identifying potential new corporate applications and convergence actions. This Board will signal issues requiring corporate guidance or decision to the High Level Committee on IT and for endorsement by the ABM+IT Steering Committee.

2.1.5.2. Other systemic processes

At the end of 2006, DIGIT transmitted its Business Impact Analysis and Business Continuity Plan to the Secretariat General. This document was regularly updated and identifies currently nine systemic critical functions for which DIGIT is responsible as the process owner:

- Central Help Desk (CHD) - Point of contact of DG DIGIT for the handling of ICT incidents coming from the local service desks of the DGs, dispatching and reporting incidents that are transmitted to the DIGIT support groups or to third parties;
- Corporate Information System Hosting (ISHS) - Management of critical, essential and necessary corporate and DG information systems hosted by DIGIT, as identified in the Communication to the Commission; assurance of availability and performance;
- Data Network Infrastructure (Snet) - The data network services supporting internal and external data communications, enabling the services of internet and intranet, electronic mail, video conferencing, information storage, applications and information systems;
- Systems and Infrastructure (SIS) - Management of infrastructure hardware and related software; assurance of operations of the Data Centre, Office Automation and Telecommunication;
- Telephone Information (INFOTEL) - The telephone answering services ("INFOTEL") of the European Commission in Brussels and Luxembourg;
- Telephone (FTSA/VCOL/NUPS-MCP) - Management and support of fixed and mobile telephony services in Brussels and Luxembourg;
- Corporate IT Infrastructure & E-mail (CITIS) - Electronic message handling services and the associated services; providing E-Mail, access management, virtual fax handling, anti-virus software, external access to Commission applications;
- Secure Network (sTesta) - Management of the telecommunications network for the secure information exchange between European public administrations;
- IT Infrastructure Consolidation (ITIC) - Provision of consolidated workstation management and office automation services, including service desk and backup facilities, to client DGs;

For all nine critical services identified, specific Business Continuity Plans have been established and are regularly reviewed.

2.2. The functioning of the entire internal control system

This part provides an assessment of DIGIT's entire control system via a benchmarking against the Commission's 16 internal control standards for effective management.

2.2.1. Compliance with the requirements of the control standards

The ICC function in DIGIT assessed the level of compliance with the requirements of each of the 16 Internal Control Standards. This assessment was based on a thorough examination of all controls, processes and procedures in DIGIT⁷.

DIGIT is in general compliant but that there is still room for improvement regarding the following standards:

- ICS 1 - Mission: DIGIT's mission and vision have been explained to all staff but all relevant Directorate and Unit mission statements should also be explained to staff;
- ICS 6 - Risk Management Process: Follow-up of implementation of action plans needs to be enhanced;
- ICS 7 - Operational Structure: An updated version of the written communication to the operational initiating and verifying agents on the scope of delegated powers (including both "passed for payment" and "certified correct") will be sent;
- ICS 8 – Processes and procedures: The guidelines regarding liquidated damages need to be better documented so as to ensure an even more efficient implementation of them. New instructions are being drafted;
- ICS 10 - Business Continuity: so far no major issues appeared during "business-as-usual" interruptions and DIGIT always succeeded in coping with issues, even serious. However, this has been a priority standard for the last couple of years and many actions will have to be continued due to the size, complexity and character of the tasks. Furthermore, the IAS performed an audit of Business Continuity Management and a detailed action plan is being implemented.

Regarding ICS 7 on Operational Structure (DG organisation), by the end of 2010 no jobholder had been exercising the same sensitive function of Authorising Officer by delegation (AOD) or Authorising Officer by Sub-delegation (AOSD) for more than seven years. One jobholder, the AOD had been exercising the sensitive function of AOD for more than five years. As required, the related risks were re-assessed and found to be adequately mitigated. There were therefore in 2010 no cases where mandatory mobility was required.

Also related to this same control standard, one Director who was also AOSD for commitments declared a conflict of interest regarding one of the suppliers he dealt with. These tasks were immediately taken over by one of the Heads of Units.

Finally, the bottom-up information on internal control issues received through the 4-monthly reporting from all Authorising Officers by Sub-delegation (AOSD) to the Authorising Officer by Delegation (AOD) has not revealed any other compliance problems regarding internal control environment in DIGIT.

⁷ ARES (2011) 176092

2.2.2. *Effectiveness of implementation of the prioritised control standards*

In its Management Plan for 2010, DIGIT prioritised the following standards and groups of standards:

- Business continuity (N° 10): This is an ongoing and continuous priority for a service supplier like DIGIT and it was already a priority for 2008 and 2009. Some of BCP's for the critical services were not yet been completed and others needed to be revised.
- Objectives and performance indicators (N° 5), Information and communication (N° 12) and Accounting and financial reporting (N° 13): This was also a priority for 2008 and 2009. The IT billing solution has advanced in 2009 and should be completely in place in 2010. It will require accurate, complete and timely financial information. Management scoreboards (or equivalent tools with management information necessary to oversee the activities and evolution) will therefore need to be developed. (information is outdated)
- Information and communication (N° 12): Following an IAS audit, DIGIT needs to develop and implement IT security plans. Work has started on the related multi annual actions and everything should be in place by 31/7/2012.

2.2.2.1. *ICS 10 (Business continuity)*

In 2010 significant progress was made in completing and revising the BCPs for the specific critical services. All these services have effective BCP arrangements. In all but one case (sTesta) these arrangements are fully formalised in internal BCP plans. In this outstanding case work is ongoing on completing the formal BCP. Considerable investment has also been made in a major upgrade of the BCP for SNET. Business continuity management has also been enhanced by the creation of a Business Continuity steering committee, chaired by the Director General. This is further evidence of the importance DIGIT attaches to ensuring the resilience of the critical services it provides to the Commission. .

2.2.2.2. *ICS 5 (Objectives and performance indicators), ICS 12 (Information and communication) and ICS 13 (Accounting and financial reporting)*

Scoreboards are produced on a periodic basis (either monthly or quarterly) to give an overview of the budgetary execution. Various indicators quantify the volume of the financial and budgetary activities. Although satisfactory these scoreboards could be further developed and improved to make them more useful (for instance, by also providing the information at unit level).

Reliable accounting and budgetary information is produced in the framework of Activity Based Management.

The cost model (IT billing application) has been updated and procedures are in place and have been improved to provide appropriate data for the yearly computation of the cost of ICT infrastructure services.

2.2.2.3. *ICS 12 (Information and communication)*

The development and implementation of IT security plans is the responsibility of system/service owners and DIGIT has therefore to consult them.

Due to tight resources, all priority has so far been given to the development of the security framework and to the security monitoring implementation. A formal security management lifecycle including a formal check phase has not been implemented yet.

2.2.2.4. *Self-assessment of the effectiveness of the internal control standards*

In line with the ICS 15 (Assessment of Internal Control Systems), the effectiveness of the 16 Internal Control Standards (ICS) was self-assessed using the corporate iCAT tool.

Management (i.e. the Directors, the Heads of Unit, the Deputy Heads of Unit and the Assistant to the General Director) and the "Heads of Entity" (i.e. Heads of section and Heads of sector) completed shortened questionnaires (of respectively 54 and 20 questions) and 4 persons from the Resources Directorate answered all 90 questions.

The overall results for this year are the following:

Completion rate 90%, (8 persons out of 72 have not answered the questionnaire). In two cases, due to technical problems with the application, the answers were lost.

The general, overall effectiveness of ICSs in DIGIT was assessed at 89.6%.

The results show that there would be some room for further improvement regarding the following ICS:

- ICS 10, Business Continuity, the effectiveness of this standard was assessed at 81%. This is the lowest value among all ICSs in DIGIT. Such assessment of the effectiveness of this standard may result from not full compliance with all requirements. This standard is prioritised in DIGIT 2011 MP.
- ICS 4, Staff evaluation and development, the effectiveness of this standard was assessed at 82%. This standard is also prioritised in DIGIT 2011 MP.

The results were further analysed, an action plan to increase compliance with and effectiveness of the requirements shall be set up and detailed information was presented to management and participants.⁸

2.2.3. *Conclusion*

DIGIT has put in place the measures that ensure that the internal control systems are effective. DIGIT also considers the risks and focuses the control resources on those areas where risks are the greatest, while ensuring adequate control over all activities. The remaining 'weaknesses' are minor and are not hampering the overall effectiveness. Based on all available information and the above analysis, plus the information provided in part 3 of this AAR, it can be stated that DIGIT has an effective, robust and reliable internal control system at its disposal.

2.3. Information to the Commissioner

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

⁸ Ares(2011)231169

Part 3. BUILDING BLOCKS TOWARDS THE DECLARATION OF ASSURANCE (AND POSSIBLE RESERVATIONS TO IT)

3.1. Building blocks towards reasonable assurance

Reasonable assurance is the personal judgement of the AOD, based on all information at his/her disposal. This information is structured around four pillars or "building blocks":

- (1) An assessment by management;
- (2) Results from independent audits during the reporting year;
- (3) Follow-up of action plans which address weaknesses identified by internal and external audits in previous years;
- (4) Assurance reported to the AODs for the implementation of budget lines by other AODs in the case of crossed sub-delegation.

3.1.1. Building block 1: Assessment by management

3.1.1.1. Ex-ante and ex-post controls

Ex-ante controls: All commitments with a value higher than or equal to 50.000€ in the area of centrally managed IT expenditures as well as all other commitments are subject to a dedicated ex-ante verification by a Financial Verifying Agent (FVA), who is a member of the Financial Unit in the Resources Directorate. For the other lower value commitments, this verification is performed by the Authorising Officer by sub-delegation (AOSD). For all other transactions (other commitments, payments and recovery orders), there is no dedicated FVA but the AOSD performs the verification as stated in the financial circuit model and related procedures adopted by the Authorising Officer by delegation (AOD) for DIGIT.

Ex-post controls: All Directors control samples of commitments and payments for their directorates that are authorised by the financial unit. The Director-General controls an overall sample of commitments and payments, the Resources Director controls a sample of commitments authorised by one of his Heads of Unit and the Internal Control and Coordination (ICC) group controls an overall sample of commitments, payments and recovery orders.

Benefits of controls (i.e. recoveries and financial corrections): As for the past two years, controls carried out show that there have been **no material errors as regards legality and regularity and that the cumulative level of errors in favour of the beneficiaries is zero (no overpayments)**.

3.1.1.2. Exception reporting (ICS8) and deviations from established processes and procedures (ICS9)

In 2010, 79 exceptions records were registered. This is 5% less than in 2009 and corresponds to 0,7% of the total number of financial transactions processed during the year (11.341 commitments, payments and recovery orders)

Out of these, 16 could not be avoided for reasons such as external organisations that were insisting on pre-payment for training actions, situations that were not under control of DIGIT but that were controlled by other DG's, late availability of budget due to a reserve of the European Parliament and the late voting of the 2011 budget forcing DIGIT to start with a system of provisional twelfths.

The issue in 2009 with the high number of staff leaving whilst their mission order was not yet approved (32 cases) has been brought back to normal proportions (5 cases) after a reminder of the rules to all staff.

The number of cases where contracts were signed after start of performance increased from 18 to 55. Most of these relate to the late extension of maintenance contracts and operational services have been asked for a more proactive approach in order to avoid these problems⁹.

Only 1 of the recorded exceptions caused a very marginal financial loss for the budget (690€ of cancellation costs for an expert meeting that had to be postponed because of late availability of a study. This corresponds to 0,0004% of DIGIT's overall budget for 2010.

DIGIT considers that the identified exceptions are of minor importance and they are not negatively affecting the assurance.

Regarding stand-by duty services, DIGIT is responsible for nine systemic critical functions as the process owner. In line with business continuity requirements, there is a need to run stand by duty services for these functions.

Currently there are two areas of operations for which DIGIT has such stand by duty services running:

1. Provisioning of infrastructure services (including 8 critical functions): 39 officials in 2010;
2. IT Infrastructure Consolidation (1 critical function): 10 officials as of June 2010

Regarding stand-by duties for the provisioning of infrastructure services, some formal exceptions to the established procedures will have to be made. These relate to the high number of different services that need to be supplied by relatively few and highly specialised ICT staff. Furthermore, the existing instructions have to be better aligned with applicable rules and the related vade-mecum, ex-ante and ex-post controls are being implemented.

3.1.1.3. Management of multi-annual programmes.

The previous IDABC and the new ISA programmes are exclusively implemented via public procurement (for service contracts). All contractual payments were systematically checked against contractual deliverables and cost statements included in the related progress reports.

All EU Agencies using sTESTA only for administrative purposes have established direct contracts with the sTESTA service provider and are paying the connection costs for sTESTA on their own budget. This action has been implemented on the basis of the advice received from the Legal Service and DG BUDG and was based on the interpretation of the IDABC legal basis. Measures funded by the IDABC programme must have either a direct effect on the relationship between administrations and citizens/industry or an "inter-administrative" relation. Access for accounting or internal information did not fulfil this criterion and could therefore no longer be funded by IDABC or the new ISA programme.

⁹ Note Ares(2011)263335 of 9/3/2010

3.1.1.4. Cases of control overrides

The GAMA¹⁰ advisory body is consulted with regard to procurement files on a mandatory basis and all opinions of this committee have been taken into account (no "passé outre"). Financial Regulation states that: "An authorizing officer by delegation or sub delegation who considers that a decision, which it is his responsibility to take, is irregular or contrary to the principles of sound financial management shall inform the delegating authority in writing. If the delegating authority then gives a reasoned instruction in writing to the authorizing officer by delegation or sub delegation to take the decision in question, the authorizing officer may not be held liable". No such case occurred in 2010 in DIGIT.

3.1.1.5. Paraphe procedure

All Commission's DGs and Services are asked to systematically use the 'paraphe' procedure whenever they buy IT or telecommunications goods or services.

This procedure was implemented to meet following objectives:

- Be aware of all the 'goods and services' acquired by DGs in the IT and telecommunication fields and make sure that these acquisitions are compliant with Commission rules and policy in this matter;
- Insure the coherence of IT goods and services;
- Verify the correct use of DIGIT framework contracts (purpose, etc...);
- Follow the ceiling consumption of DIGIT framework contracts;
- Register all assets in the inventory, as DIGIT is the Management Center for ICT equipment.

3872 order files were submitted in 2010. However, experience has shown that the procedure is not always used and therefore regular reminders are sent to DGs.

3.1.1.6. Legal complaints and cross-cutting issues

Table 8. Legal challenges started before 2010 and still pending (p.m.)

Body	Reference	Subject	Outcome
European Court of Justice	T-300/07	Public procurement-Challenge award decision project 'your portal 'europe	Lost in the merits but without financial impact - Appeal launched now under C-560/10. Appeal delivered in 2010, in which no damages were awarded. Written procedure ongoing.

Table 9. New legal challenges (started during 2010 and still pending)

Body	Reference	Subject	Outcome
European Court of Justice	457/10 and 474/10	Public procuremnt - ESP DESIS II	Pending
European Court of Justice	C-560/10	Public procurement-Challenge award decision project 'your portal 'europe	Appeal against judgment in T-300/07 delivered in 2010, in which no damages were awarded to ED - written procedure ongoing

¹⁰ Groupe d'Analyse des Marches pour la DG HR

All pending legal challenges are closely monitored and potential subsequent risks are deemed to be under control.

3.1.1.7. Conclusions

Building block 1 contributes positively to the declaration of assurance.

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

In 2010, the Internal Audit Capability (IAC) performed an audit of the DIGIT Training Service (DTS). The auditors gave reasonable assurance regarding the management of informatics training but recommended to introduce a more structured approach to quality assurance for IT training courses.

The IAC also performed a follow-up audit of the documentation audit of SYSPER2, ABAC Assets and ABAC Contracts. The IAC assessed that 23 accepted recommendations resulting from the original audits were totally or partially implemented and could be closed.

The IAC of DG HR believed that based on the results of their audits as described in the objectives and scope of the engagements carried out during 2010, the internal control system in place in DG DIGIT provides **reasonable assurance** regarding the achievement of the business objectives set up for the processes audited. The recommendation from the audit on Training Services that is mentioned above does not affect this opinion.

The Internal Audit Service (IAS) finalised in 2010 two audits where DIGIT was the main audittee:

- **Business Continuity Management:** The scope of the audit covered the management structures and procedures of Business Continuity in DG DIGIT (cf. BCM life-cycle at DG-level), including coordination with other DGs/Services and external service providers. The IAS considered that it would not be appropriate to provide an audit opinion at this stage because the process of implementing and adapting BCM is still evolving. Nevertheless, the action plan prepared by DIGIT was assessed by the IAS as adequately mitigating the risks.
- **Follow-up of IT governance audits from 2003 and 2005:** Three of the seven clusters of recommendations (consolidation of IT infrastructure, IT risk analysis, and Process Management) were assessed as having a critical residual risk. The remaining four (IT billing, IT security, Roles and responsibilities, and Training) were assessed as remaining very important in 2010. The IAS confirmed that in respect of one cluster, training, all recommendations are implemented. The cluster 4 on IT Security is kept open pending the completion of actions by HR/DS. The remaining clusters, with no significant progress observed in recent years, were proposed by the IAS for closure and are now being dealt with by the new IT governance bodies (see section 2.1.5.1 IT Governance Process).

Finally, the IAS issued some final reports for audits of other services and management letters such as the one on the Executive Agencies (1 VI recommendation for DIGIT), on the HR-IT Corporate Application NAP and IT security policy. These contain some recommendations and issues for consideration that are addressed to the central services including DIGIT. Adequate action plans have been developed and will be implemented but the results of these audit missions cannot be used as a source of assurance for the purpose of this AAR.

Building block 2 contributes positively to the declaration of assurance.

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

In 2010 DIGIT management successfully completed the implementation of a relatively large number of audit recommendations.

Recommendations issued by the Internal Audit Service (IAS):

- Consolidated ICT audit: all remaining recommendations were closed
- Data Center – operations and security: 9 recommendations were implemented (2 very important and 7 important).
- Corporate Data network infrastructures & services: 5 recommendations were implemented (1 very important and 4 important, one very important recommendation remains).

Recommendations issued by the Internal Audit Capability (IAC):

- Documentation audit of ABAC Contracts: 9 recommendations were implemented (6 important and 3 desirable).
- Documentation audit of ABAC Assets: 4 important recommendations were implemented.
- Audit of the inventory of the Assets managed by DG DIGIT: 1 very important recommendation was implemented.
- Audit of financial circuits in DIGIT 01 – IDABC: 2 recommendations were implemented (1 very important, 1 important)
- DIGIT Training Service: 1 important recommendation was implemented (one very important recommendation remains).

The remaining 2 very important recommendations will be implemented as soon as this will be possible.

Building block 3 contributes positively to the declaration of assurance.

3.1.4. Building block 4: Assurance reported to the AODs for the implementation of budget lines by other AODs in the case of crossed sub-delegation.

DIGIT has also cross-delegated credits to other services. These are, amongst others, used to finance actions within the IDABC/ISA programme and for the renting of Data Centre premises. Detailed reporting justifying the use of these credits has been requested from the services concerned and is listed in the table hereafter.

Table 10. Sub-delegations granted to AOD's in other DG's

From DIGIT to DG/Service	Budget line(s)	Committed amount in 2010	Paid amount in 2010	Reported matters of material impact by the other service
AGRI	26.030102	0.00 €	325.249,18 €	none
COMP	26.030101,	859.693,80 €	35.743,57 €	none
	26.030102	0,00 €	21.773,78 €	
DGT	26.030101	272.407,10 €	0,00 €	none
EAC	26.030102	0,00 €	585.674,27 €	Implementation at national level is a bit delayed.
EMPL	26.030102	749.993,88 €	0,00 €	none
ENTR	26.030101	200.00,00 €	0,00 €	none
	26.030102	0,00 €	1.105.666,74€	
ESTAT	26.030102	0,00 €	499.784,20 €	none
INFSO	26.030101	99.100,00 €	0,00 €	none
MARKT	26.030101	492.380,90 €	0,00 €	none
	26.030102	0,00 €	604.144,00 €	
OIL	XX.010301.11.03 (C8 only)	0,0 €	180.000,00 €	none

SANCO			223.311,70€	In 2007, €399.959 were committed for the implementation of a new system. The deliverables are considered as weak and not acceptable, and negotiations are ongoing with the supplier to end this contract. Only a preliminary phase has been accepted and paid (amount of €38.016). It is most probable that the rest of the amount will be de-committed.
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Building block 4 contributes positively to the declaration of assurance.

3.1.5. Completeness and reliability of the information reported in the building blocks

Taking the positive and the negative elements presented above into account, we believe that the information presented in the four previous building blocks is reasonably complete and reliable.

3.2. Reservations

The AOD will not make a reservation in this AAR.

3.3. Overall conclusions on the combined impact of the reservations on the declaration as a whole

Not applicable

Part 4. THE DECLARATION OF ASSURANCE

I, Francisco García Morán,

*Director-General
of DG DIGIT*

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view¹¹.

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 judgement 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, the observations of the Internal Audit Service 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, 31/03/2011

(signed)

¹¹ *True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.*