



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
INFORMATICS  
Director General

# **Directorate-General for Informatics (DIGIT)**

## **Annual Activity Report 2010**

### **Annex 1 and 2**

Date: 31/03/2011

Version: Final

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## **ANNEX 1 - STATEMENT OF THE RESOURCES DIRECTOR**

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

*I hereby certify that the information provided in 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, 31/03/2011*

*Arturo Caballero Bassedas*

*(signed)*

## ANNEX 2 - HUMAN AND FINANCIAL RESOURCES

### HUMAN RESOURCES<sup>1</sup>

Code ABB Activity	ABB Activity	Operating	Global envelope	Total
26 AWBL-30	Activity 1 - Policy strategy and coordination for DG DIGIT	7	0	7
26 AWBL-33	Activity 2 - Administrative support for DG DIGIT	125	12	137
26 AWBL-34	Activity 3 - ICT infrastructure services provisions	115	3	118
26 AWBL-31	Activity 4 - Corporate ICT infrastructure solutions	86	2	88
26 AWBL-32	Activity 5 - Information system governance - ICT consulting, information systems development and support	117	5	122
26 03	Activity 6 - Interoperable Delivery of pan-European eGovernment services to public administrations, businesses and citizens	14	3	17
<b>Total</b>		<b>464</b>	<b>25</b>	<b>489</b>

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<sup>1</sup> The data rely on the snapshot of Commission personnel actually employed in DIGIT as of 31/12/2010. These data do not constitute full-time-equivalent units throughout the year.

## IMPLEMENTATION OF THE GLOBAL ENVELOPE

(IN EUROS)

BUDGET LINE <sup>2</sup>	BUDGET LINE DESCRIPTION	APPROPRIATIONS 2010 (C1)			APPROPRIATIONS carried over (C8)	
		AVAILABLE APPROPRIATIONS 2010	COMMITMENTS 2010	PAYMENTS 2010	AMOUNTS OF APPROPRIATIONS CARRIED OVER FROM 2009 <sup>3</sup>	% IMPLEMENTATION ON APPROPRIATIONS CARRIED OVER FROM 2009
XX.010211.00						
XX.010211.00.01.10	Mission expenses	480.500	480.500	411.112	73.024	100%
XX.010211.00.01.30	Representation expenses	0	0	0	0	
XX.010211.00.02.20	Meeting costs	0	0	0	0	
XX.010211.00.02.40	Conference costs	17.000	17.000	14.132	2.099	100%
XX.010211.00.03	Meetings of committees	20.000	20.000	8.028	7.455	100%
XX.010211.00.04	Studies and consultations	287.600	287.600	155.172	135.583	100%
XX.010211.00.05	Development of management and information systems	1.724.900	1.724.027	986.657	915.593	100%
XX.010211.00.06	Further training and management training	219.822	219.822	107.332	18.689	100%
	<b>Total</b>	<b>2.749.822</b>	<b>2.749.822</b>	<b>1.682.433</b>	<b>1.152.443</b>	<b>100%</b>

<sup>2</sup> Where XX represents the policy area

<sup>3</sup> Includes 129.740€ that was decommitted



EUROPEAN COMMISSION  
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# **Directorate-General for Informatics (DIGIT)**

## **Annual Activity Report 2010**

### **Annex 3**

Date: 31/03/2011

Version: Final

**Annex 3 Financial Reports - DG DIGIT - Financial Year 2010****Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Economic Outturn Account****Table 6 : Average Payment Time Limits****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders****Table 11 : Negotiated Procedures (excluding Building Contracts)****Table 12 : Summary of Contracts (excluding Building Contracts)****Table 13 : Building Contracts****Table 14 : Contracts declared Secret****Report on the negotiated procedures during 2010**

## Additional comments

- ➔ *Tables 1, 2 and 3: some appropriations – 0,42 M€ (06 02 Inland, air and maritime transport) and 1,14 M€ (19 01 Administrative expenditure of "External relations policy area") – were co-delegated to DG DIGIT and funded some ICT services delivered by DG DIGIT based on instructions received from the Directorates-General responsible for the policy area (DG MOVE and DG RELEX).*
- ➔ *Tables 2 and 3: due to late availability of these co-delegated appropriations, no payments were processed in 2010.*
- ➔ *Tables 7 and 8: the total of all income in 2010 including the internal recovery orders cashed from other Commission's services is shown in table 7. Table 8 summarised the recovery orders cashed from other counterparts: it almost exclusively refers to assigned revenues related to services provided to other European institutions or bodies. The title of the table "Recovery of Undue Payments" isn't appropriate for this type of recovery.*
- ➔ *Table 11: The extract from the data warehouse did not reflect the correct amounts. Therefore manual modifications have been made.*

<b>TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2010 (in Mio €)</b>				
Chapter		Commitment appropriations	Commitments made	%
		1	2	3=2/1
<b>Title 06 : Energy and transport</b>				
06 02	Inland, air and maritime transport	0,42	0,42	100,00 %
<b>Total Title 06</b>		0,42	0,42	100,00 %
<b>Title 19 : External relations</b>				
19 01	Administrative expenditure of 'External relations' policy area	1,14	1,13	99,31 %
<b>Total Title 19</b>		1,14	1,13	99,31 %
<b>Title 26 : Commission's administration</b>				
26 01	Administrative expenditure of 'Commission's administration' policy area	5,69	4,55	79,90 %
26 03	Services to public administrations, businesses and citizens	26,38	25,37	96,18 %
<b>Total Title 26</b>		32,07	29,92	93,29 %
<b>Title XX : Administrative expenditure allocated to policy areas</b>				
XX 01	Administrative expenditure allocated to policy areas	139,70	134,26	96,11 %
<b>Total Title XX</b>		139,70	134,26	96,11 %
<b>Total DG DIGIT</b>		173,33	165,74	95,62 %

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

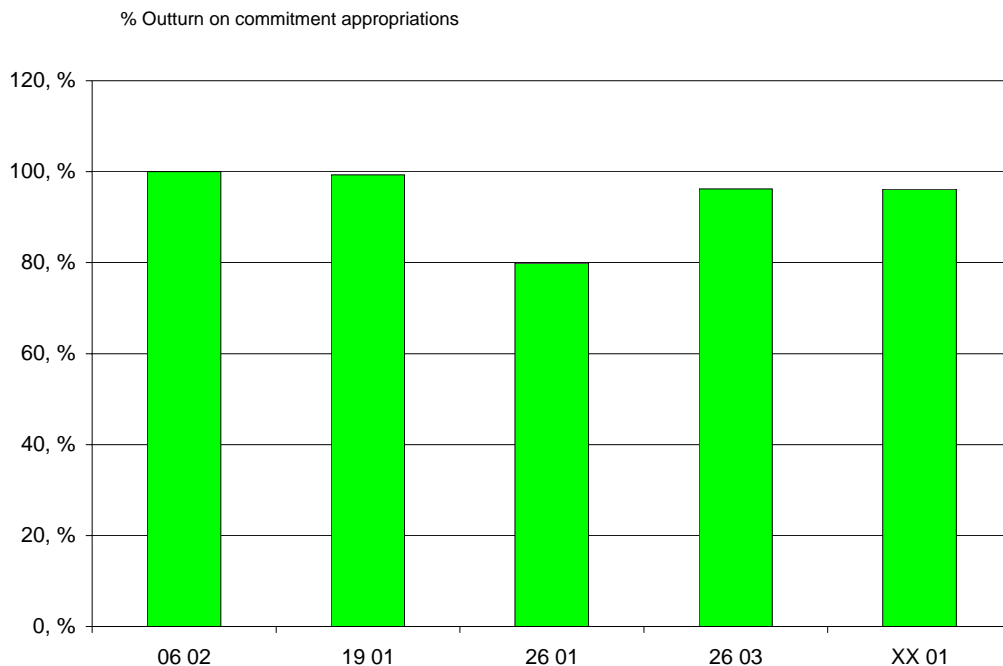
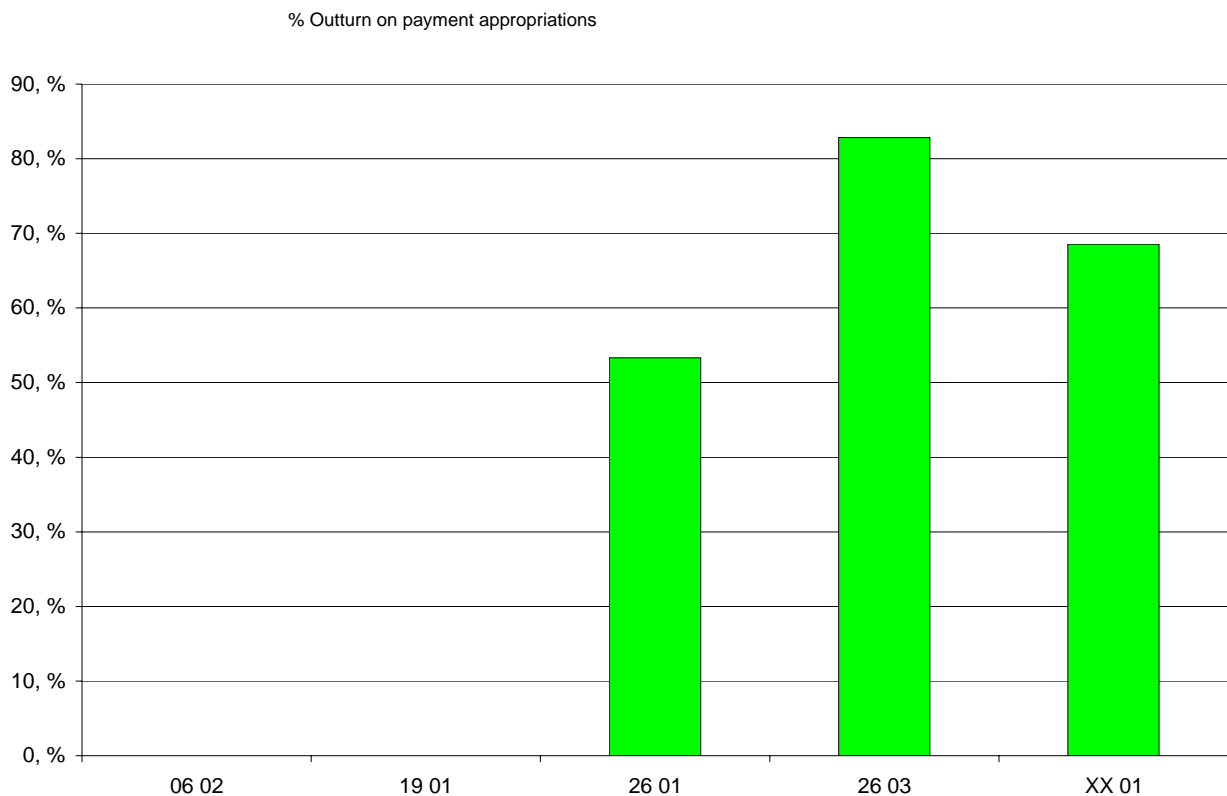


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2010 (in Mio €)				
Chapter		Payment appropriations	Payments made	%
		1	2	3=2/1
<b>Title 06 : Energy and transport</b>				
06 02	Inland, air and maritime transport	0,42	0,00	0,00 %
<b>Total Title 06</b>		0,42	0,00	0,00 %
<b>Title 19 : External relations</b>				
19 01	Administrative expenditure of 'External relations' policy area	1,14	0,00	0,00 %
<b>Total Title 19</b>		1,14	0,00	0,00 %
<b>Title 26 : Commission's administration</b>				
26 01	Administrative expenditure of 'Commission's administration' policy area	7,35	3,92	53,34 %
26 03	Services to public administrations, businesses and citizens	30,07	24,91	82,83 %
<b>Total Title 26</b>		37,43	28,83	77,03 %
<b>Title XX : Administrative expenditure allocated to policy areas</b>				
XX 01	Administrative expenditure allocated to policy areas	197,16	135,14	68,54 %
<b>Total Title XX</b>		197,16	135,14	68,54 %
<b>Total DG DIGIT</b>		236,15	163,97	69,44 %

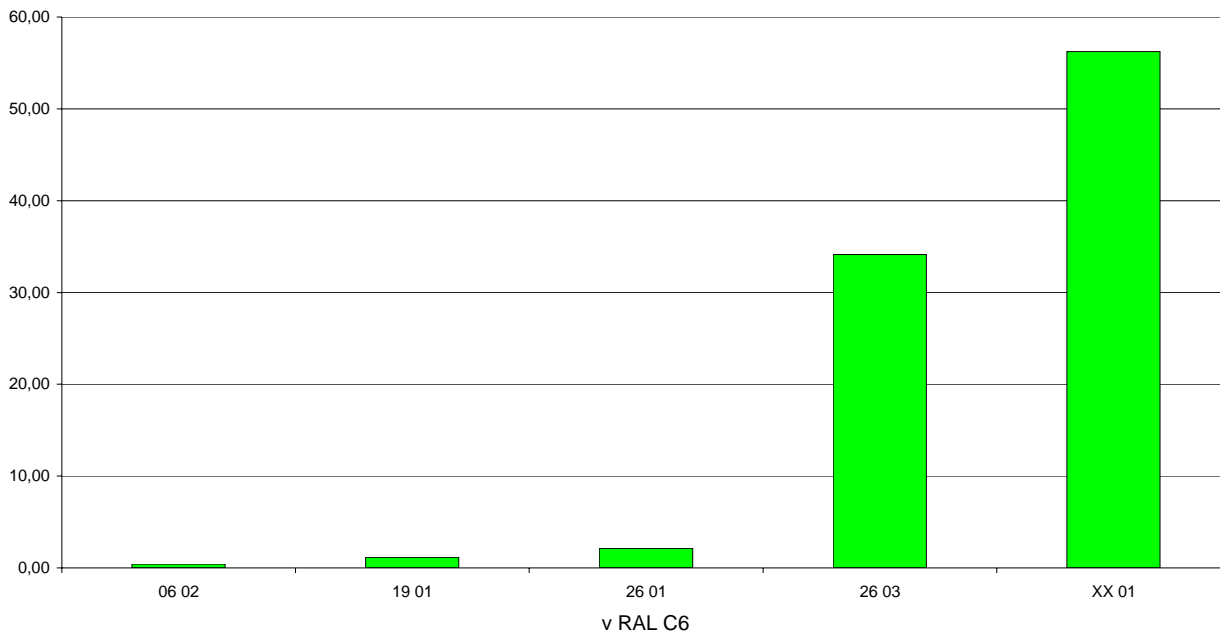
\* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).



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

Chapter	2010 Commitments to be settled				Commitments to be settled from financial years previous to 2010	Total of Commitments to be settled at end of financial year 2010 (incl. corrections)	Total of Commitments to be settled at end of financial year 2009 (incl. corrections)	
	Commitments 2010	Payments 2010	RAL 2010	% to be settled				
	1	2	3=1-2	4=1-2/1	5	6=3+5	7	
<b>Title 06 : Energy and transport</b>								
06 02	Inland, air and maritime transport	0,42	0,00	0,42	100,00 %	0,00	0,42	0,00
<b>Total Title 06</b>		0,42	0,00	0,42	100,00 %	0,00	0,42	0,00
<b>Title 19 : External relations</b>								
19 01	Administrative expenditure of 'External relations' policy area	1,13	0,00	1,13	100,00 %	0,00	1,13	0,00
<b>Total Title 19</b>		1,13	0,00	1,13	100,00 %	0,00	1,13	0,00
<b>Title 26 : Commission's administration</b>								
26 01	Administrative expenditure of 'Commission's administration' policy area	4,55	2,43	2,11	46,50 %	0,01	2,13	1,66
26 03	Services to public administrations, businesses and citizens	25,37	0,40	24,98	98,43 %	9,15	34,12	34,82
<b>Total Title 26</b>		29,92	2,83	27,09	90,54 %	9,16	36,25	36,49
<b>Title XX : Administrative expenditure allocated to policy areas</b>								
XX 01	Administrative expenditure allocated to policy areas	134,26	78,02	56,25	41,89 %	0,00	56,25	57,46
<b>Total Title XX</b>		134,26	78,02	56,25	41,89 %	0,00	56,25	57,46
<b>Total DG DIGIT</b>		165,74	80,85	84,89	51,22 %	9,16	94,05	93,95

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



**TABLE 4 : BALANCE SHEET DIGIT**

<b>BALANCE SHEET</b>	<b>2010</b>	<b>2009</b>
<b>A.I. NON CURRENT ASSETS</b>	<b>60.227.628,83</b>	<b>75.916.392,88</b>
A.I.1. Intangible Assets	7.278.082,18	8.390.707,65
A.I.2. Property, plant and equipment	52.949.546,65	67.525.685,23
<b>A.II. CURRENT ASSETS</b>	<b>847.408,41</b>	<b>1.129.438,84</b>
A.II.2. Short-term Pre-Financing	0,00	0,00
A.II.3. Short-term Receivables	837.778,80	1.122.420,87
A.II.5. Cash and Cash Equivalents	9.629,61	7.017,97
<b>ASSETS</b>	<b>61.075.037,24</b>	<b>77.045.831,72</b>
<b>P.I. NET ASSETS/LIABILITIES</b>	<b>0,00</b>	<b>0,00</b>
P.I.2. Accumulated Surplus / Deficit	0,00	0,00
<b>P.II. NON CURRENT LIABILITIES</b>	<b>-10.458.042,05</b>	<b>-12.269.129,41</b>
P.II.4. Other long-term Liabilities	-10.458.042,05	-12.269.129,41
<b>P.III. CURRENT LIABILITIES</b>	<b>-39.309.651,62</b>	<b>-45.793.874,86</b>
P.III.4. Accounts Payable	-39.309.651,62	-45.793.874,86
<b>LIABILITIES</b>	<b>-49.767.693,67</b>	<b>-58.063.004,27</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>11.307.343,57</b>	<b>18.982.827,45</b>
P.I.2. Accumulated Surplus / Deficit	0,00	0,00
Non-allocated central (surplus)/deficit*	-21.765.385,62	-31.251.956,86
<b>TOTAL</b>	<b>0,00</b>	<b>0,00</b>

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

**TABLE 5 : ECONOMIC OUTTURN ACCOUNT DIGIT**

<b>ECONOMIC OUTTURN ACCOUNT</b>	<b>2010</b>	<b>2009</b>
II.1 SURPLUS/ DEF. FROM OPERATING ACTIVT	181.488.415,73	186.598.727,63
II.1.1. OPERATING REVENUES	-18.769.625,91	-14.748.131,26
II.1.1.1. Other operating revenue	-18.769.625,91	-14.748.131,26
II.1.2. OPERATING EXPENSES	200.258.041,64	201.346.858,89
II.1.2.1. Administrative Expenses	181.468.603,98	183.412.758,51
II.1.2.2. Operating Expenses	18.789.437,66	17.934.100,38
II.2. SURPLUS/DEF. NON OPERATING ACTIVIT	1.192.258,92	1.271.581,48
II.2. FINANCIAL OPERATIONS	1.192.258,92	1.271.581,48
II.2.2. Financial expenses	1.192.258,92	1.271.581,48
<b>ECONOMIC OUTTURN ACCOUNT</b>	<b>182.680.674,65</b>	<b>187.870.309,11</b>

It should be noted that the balance sheet and economic outturn account presented in Annex 3 to this Annual Activity Report, represent only the (contingent) assets, (contingent) liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and economic outturn account they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

**TABLE 6: AVERAGE PAYMENT TIME LIMITS FOR 2010 - DG DIGIT**

<b>Legal Times</b>							
Maximum Payment Time	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	7441	7102	95,44 %	25,29	339	4,56 %	38,81
60	158	157	99,37 %	27,08	1	0,63 %	66,00
<b>Total Number of Payments</b>	<b>7599</b>	<b>7259</b>	<b>95,53 %</b>		<b>340</b>	<b>4,47 %</b>	
<b>Average Payment Time</b>	<b>25,93</b>			<b>25,33</b>			<b>38,89</b>

<b>Target Times</b>							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	7599	7236	95,22 %	25,28	363	4,78 %	38,87
<b>Total Number of Payments</b>	<b>7599</b>	<b>7236</b>	<b>95,22 %</b>		<b>363</b>	<b>4,78 %</b>	
<b>Average Payment Time</b>	<b>25,93</b>			<b>25,28</b>			<b>38,87</b>

<b>Suspensions</b>							
Average Report Approval	Average Payment	Number of Suspended	% of Total Number	Total Number of Payments	Amount of Suspended	% of Total Amount	Total Paid Amount
0	59	340	4,47 %	7599	6.594.113,42	3,52 %	187.459.743,58

<b>Late Interest paid in 2010</b>			
DG	GL Account	Description	Amount (Eur)

**TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2010**

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
<b>Title 5: REVENUE ACCRUING FROM THE ADMINISTRATIVE OPERATION OF THE INSTITUTION</b>								
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	12.522.708,66	87.865,40	12.610.574,06	12.489.374,66	87.865,40	12.577.240,06	33.334,00
	<b>Total Title 5</b>	<b>12.522.708,66</b>	<b>87.865,40</b>	<b>12.610.574,06</b>	<b>12.489.374,66</b>	<b>87.865,40</b>	<b>12.577.240,06</b>	<b>33.334,00</b>
<b>Title 6: CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH COMMUNITY/EU AGREEMENTS AND PROGRAMMES</b>								
66	OTHER CONTRIBUTIONS AND REFUNDS	171.438,00	0,00	171.438,00	171.438,00	0,00	171.438,00	0,00
	<b>Total Title 6</b>	<b>171.438,00</b>	<b>0,00</b>	<b>171.438,00</b>	<b>171.438,00</b>	<b>0,00</b>	<b>171.438,00</b>	<b>0,00</b>
<b>Title 9: MISCELLANEOUS REVENUE</b>								
90	MISCELLANEOUS REVENUE	10.011,56	0,00	10.011,56	10.011,56	0,00	10.011,56	0,00
	<b>Total Title 9</b>	<b>10.011,56</b>	<b>0,00</b>	<b>10.011,56</b>	<b>10.011,56</b>	<b>0,00</b>	<b>10.011,56</b>	<b>0,00</b>
<b>Total DG DIGIT</b>		<b>12.704.158,22</b>	<b>87.865,40</b>	<b>12.792.023,62</b>	<b>12.670.824,22</b>	<b>87.865,40</b>	<b>12.758.689,62</b>	<b>33.334,00</b>

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

RECOVERY ORDERS ISSUED IN 2010 Year of Origin (commitment)	No error / irregularity		TOTALS	
	Nbr	RO Amount	Nbr	RO Amount
No Link	149	6.320.349,18	149	6.320.349,18
	149	6.320.349,18	149	6.320.349,18

EXPENSES	No error / irregularity	
	Nbr	Amount
INCOME LINES IN INVOICES	7	-46.899,86

	No error / irregularity	
	Nbr	Non-Eligible Amount
NON ELIGIBLE AMOUNT IN COST CLAIMS	0	

	Error		No error / irregularity	
	Nbr	Credit Note Amount	Nbr	Credit Note Amount
CREDIT NOTES	2	-343,98	82	-424.669,26

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

<b>Year of Origin</b>	<b>Number at 01/01/2010</b>	<b>Number at 31/12/2010</b>	<b>Evolution</b>	<b>Open Amount (Eur) at 01/01/2010</b>	<b>Open Amount (Eur) at 31/12/2010</b>	<b>Evolution</b>
2009	6		-100,00 %	87.865,40		-100,00 %
2010		4			33.334,00	
Totals	6	4	-33,33 %	87.865,40	33.334,00	-62,06 %

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

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG DIGIT	
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Number of RO waivers	0
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*Justifications:*

No data to be reported

No data to be reported

**TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG DIGIT - YEAR 2010**

**Contracts > 60.000**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 126 (1) (b)	4	1.710.156,00
Art. 126 (1) (c)	1	105.600,00
Art. 126 (1) (e)	1	1.920.000,00
Art. 126 (1) (f)	1	269.500,00
<b>Total</b>	<b>7</b>	<b>4.005.256,00</b>

Lot Number	Procedure Name	Contractor	Address	Lot Award Date	AOP Long Desc	CNT Selection Type Desc	Amount €
12574	DIGIT/R2/PN/2010/021	Pricewaterhouse Coopers Enterprise Advisory	Woluwegarden Woludal 18 B-1932 Sint- Stevens- Woluwe	14/04/2010	Cost model for IT hosting services	Negotiated Procedure without publication of a contract notice Art. 126 IR	185.156,00
18404	DIGIT/R2/PN/2010/081	INIT	Köpenicker Strasse 9 D-10997 Berlin	13/09/2010	Semantic interoperability services (SEMIC) Management of collaborative platform SEMIC.eu	Negotiated Procedure without publication of a contract notice Art. 126 IR	750.000,00
18407	DIGIT/R2/PN/2010/086	UNISYS Belgium	avenue du Bourget 20 B-1130 Brussels	13/09/2010	Management of collaborative tool OSOR.eu	Negotiated Procedure without publication of a contract notice Art. 126 IR	700.000,00
19105	DIGIT/R2/PN/2010/101	MICROSOFT Services	The Corporate Village DaVinci Laan 3 B-1935 Zaventem	20/10/2010	Ceiling increase high level consultancy services	Negotiated Procedure without publication of a contract notice Art. 126 IR	1.920.000,00
23383	DIGIT/R2/NP/2010/29879	AVANOC-IT & Management Consulting	Schottenring 16 by Regus AU-1010 Wien	21/12/2010	Purchase of public key certificates	Negotiated Procedure without publication of a contract notice Art. 126 IR	105.600,00
33004	DIGIT/R2/NP/2011/826	BELGACOM	Boulevard du Roi Albert II 27 B-1030 Brussels	17/12/2010	Redevances lignes analogiques	Negotiated Procedure without publication of a contract notice Art. 126 IR	75.000,00
17371	DIGIT/R2/PN/2010/065 VOICE	ARKADIN Benelux	Avenue Emile Mommaerts 18B B-1831 Diegem	19/07/2010	Provision of voice communication services	Negotiated Procedure without publication of a contract notice Art. 126 IR	269.500,00
<b>7</b>						<b>Sum:</b>	<b>4.005.256,00</b>

**TABLE 12 : SUMMARY OF PROCEDURES OF DG DIGIT EXCLUDING BUILDING CONTRACTS**

<b>Internal procedures &gt; €60,000</b>	<b>2009</b>		<b>2010</b>	
<b>Contract Class</b>	<b>Count</b>	<b>Amount (€)</b>	<b>Count</b>	<b>Amount (€)</b>
Service	11	289.948.151,12	12	682.027.363,48
Supply	5	55.981.322,85	3	315.783.021,12
<b>TOTAL</b>	<b>16</b>	<b>345.929.473,97</b>	<b>15</b>	<b>997.810.384,60</b>

<b>Procedure Type</b>	<b>Count</b>	<b>Amount (€)</b>	<b>Count</b>	<b>Amount (€)</b>
Negotiated Procedure with at least one candidate (Art 129.3 IR)				
Negotiated Procedure without publication of a contract notice Art. 126 IR	12,	222.259.032,10	7	4.005.256,00
Open Procedure (Art. 122.2 IR)	4,	123.670.441,87	8	993.805.128,60
Service - Negotiated Procedure with a single offer (Art. 242 IR)				
<b>TOTAL</b>	<b>16</b>	<b>345.929.473,97</b>	<b>15</b>	<b>997.810.384,60</b>

<b>External procedures &gt; €10,000</b>	<b>2009</b>		<b>2010</b>	
<b>Contract Class</b>	<b>Count</b>	<b>Amount (€)</b>	<b>Count</b>	<b>Amount (€)</b>
Service				
<b>TOTAL</b>				

<b>Procedure Type</b>	<b>Count</b>	<b>Amount (€)</b>	<b>Count</b>	<b>Amount (€)</b>
Negotiated Procedure with at least one candidate (Art 129.3 IR)				
Negotiated Procedure without publication of a contract notice Art. 126 IR				
Open Procedure (Art. 122.2 IR)				
<b>TOTAL</b>				

**Additional comments**

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**DETAILS OF TABLE 12**

Year	AOP ID	Procedure Name	CNT Class Description	CNT Selection Type Desc	Lot Award Date	Lot Number	Amount €
<b>2010</b>							
	19787	DIGIT/R2/PN/2010/021	Service	Negotiated Procedure without publication of a contract notice Art. 126 IR	14/04/2010	12574	185.156,00
	21690	DIGIT/R2/PO/2009/023 VIDEOCONF	Service	Open Procedure (Art. 122.2 IR)	24/06/2010	14160	1.826.676,40
	21692	DIGIT/R2/PO/2010/007 DESKTOP	Supply	Open Procedure (Art. 122.2 IR)	19/07/2010	14163	31.441.946,18
	21693	DIGIT/R2/PO/2009/025 NESTOR	Supply	Open Procedure (Art. 122.2 IR)	24/06/2010	14162	216.887.943,43
	24865	DIGIT/R2/PO/2009/035 PKI	Service	Open Procedure (Art. 122.2 IR)	27/07/2010	16621	91.886,00
	25446	DIGIT/R2/PO/2009/045 - ESP DESIS II	Service	Open Procedure (Art. 122.2 IR)	16/07/2010	17282	224.384.212,00
17286						79.147.589,00	
17297						51.875.601,00	
17307						47.529.511,00	
17317						85.671.789,00	
	17318	48.008.912,00					
	25606	DIGIT/R2/PO/2010/065 VOICE	Service	Negotiated Procedure without publication of a contract notice Art. 126 IR	19/07/2010	17371	269.500,00
	26901	DIGIT/R2/PN/2010/081 SEMIC	Service	Negotiated Procedure without publication of a contract notice Art. 126 IR	13/09/2010	18404	750.000,00
	26905	DIGIT/R2/PN/2010/086 OSOR	Service	Negotiated Procedure without publication of a contract notice Art. 126 IR	13/09/2010	18407	700.000,00
	26971	DIGIT/R2/PO/2009/029 SACHA II	Supply	Open Procedure (Art. 122.2 IR)	8/09/2010	18478	67.453.131,51
	32217	DIGIT/NP/LOW_VALUE/2010/29879	Services	Negotiated Procedure without publication of a contract notice Art. 126 IR	22/12/2010	23383	105.600,00
	33004	DIGIT/NP/LOW_VALUE/2011/826	Service	Negotiated Procedure without publication of a contract notice Art. 126 IR	17/12/2010	23764	75.000,00
	33049	DIGIT/R2/PO/2010/043 ITSS T&M2	Service	Open Procedure (Art. 122.2 IR)	19/11/2010	23808	92.398.395,00
					19/11/2010	23811	31.040.576,00
	27565	DIGIT/R2/PN/2010/101MS	Service	Negotiated Procedure without publication of a contract notice Art. 126 IR	20/10/2010	19105	1.920.000,00
	35272	DIGIT/R2/PO/2010/032 MTS II	Service	Open Procedure (Art. 122.2 IR)	3/12/2010	25528	16.046.960,08
<b>Count:</b>	<b>15</b>						<b>997.810.384,60</b>

**TABLE 13 : BUILDING CONTRACTS**

Total number of contracts :	0
Total amount :	

Legal base	Contract Number	Contractor Name	Description	Amount (€)
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**No data to be reported**

**TABLE 14 : CONTRACTS DECLARED SECRET**

Total Number of Contracts :	0
Total amount :	

Legal base	Contract Number	Contractor Name	Type of contract	Description	Amount (€)
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**No data to be reported**



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
INFORMATICS  
Director General

# **Directorate-General for Informatics (DIGIT)**

## **Annual Activity Report 2010**

### **Annex 4 and 5**

Date: 31/03/2011

Version: Final

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## **ANNEX 4 – MATERIALITY CRITERIA**

DIGIT has assessed that it would be adequate to apply the standard quantitative materiality threshold of 2% proposed by SG and BUDG, i.e. when the value of the transactions affected by the deficiency represents more than 2% (“at risk”/“exposure”) of the budget of the ABB activity for the DG/ service concerned.

## ANNEX 5 – INTERNAL CONTROL TEMPLATES FOR BUDGET IMPLEMENTATION

### ADMINISTRATIVE CREDITS

1. Inherent nature and characteristics of the DGs policy environment and stakeholders																																		
<p><b>Summary:</b></p> <p>The Directorate General supplies Information System hosting, development and procurement services to other DGs, Institutions and Agencies and buys services and supplies in the area of Information and Communication Technology. Contractors are mainly large companies or consortia of large companies. There were 15 procurement procedures with a total awarded value of 997.747.484,60 EUR in 2010.</p> <p><b>Key inherent risks insofar they impact on reasonable assurance (including limit and extent of its responsibilities and those of other stakeholders):</b></p> <p>Procurement is highly regulated. Detailed rules exist with even more in depth guidance based on experience and the jurisprudence of court judgements. In-depth knowledge is therefore necessary to manage procurement effectively. Such knowledge is provided via the use of standardised procedures and a wide range of up-to-date templates. Moreover, the whole procurement cycle relies on an Orientation Document, in which an analysis of the risks is performed. In particular, this analysis aims at taking into account all aspects of the market situation in order to prepare a call for tenders that will lead to a competitive and plural offer. Transparency of the procedures is achieved by adequate information (see below), allowing any economic operator to be informed correctly.</p>																																		
<p><b>Management mode/s:</b></p> <p>Direct management                      centralised</p>	<p><b>Key figures:</b></p> <p><b>Procurement:</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Awarded market value</th> <th>Number of procedures</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>996.221.398<sup>1</sup></td> <td>12</td> </tr> <tr> <td>2009</td> <td>345.796.873</td> <td>15</td> </tr> <tr> <td>2008</td> <td>287.330.193</td> <td>24</td> </tr> <tr> <td>2007</td> <td>304.497.237</td> <td>27</td> </tr> <tr> <td>2006</td> <td>897.351.478</td> <td>19</td> </tr> <tr> <td>2005</td> <td>172.305.458</td> <td>22</td> </tr> </tbody> </table> <p>Contracts have in general 1 contractor except in the case of "cascades"            Average median /value/ range of contracts: 29.300.000 EUR (ranging from 58.600 EUR to 224.384.212 EUR)            The average duration of the contracts is 2 years            Split between services and supplies: service (680.438.377 EUR) and supply ( 315.783.021 EUR)</p> <p><b>Budget planning and execution:</b></p> <p>Financial execution indicators</p> <table border="1"> <tbody> <tr> <td>Orders processed</td> <td>3.872</td> </tr> <tr> <td>Commitments made</td> <td>3.006</td> </tr> <tr> <td>Payments made</td> <td>7.242</td> </tr> <tr> <td>Recovery orders made</td> <td>224</td> </tr> <tr> <td>Order files submitted by the DG's for DIGIT visa ("paraphe")</td> <td>3.175</td> </tr> <tr> <td>Number of subdelegations received:</td> <td>54 budget lines from 23 DG's</td> </tr> </tbody> </table> <p>Appropriations:            Refer to annex 3, tables 1 and 2, for the outturn on commitment and payment appropriations (fresh credits and assigned revenue).</p>	Year	Awarded market value	Number of procedures	2010	996.221.398 <sup>1</sup>	12	2009	345.796.873	15	2008	287.330.193	24	2007	304.497.237	27	2006	897.351.478	19	2005	172.305.458	22	Orders processed	3.872	Commitments made	3.006	Payments made	7.242	Recovery orders made	224	Order files submitted by the DG's for DIGIT visa ("paraphe")	3.175	Number of subdelegations received:	54 budget lines from 23 DG's
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2. Management and control systems – the basis of the declaration of assurance																																		
<p><b>Planning and selection process of contractors, including preventive</b></p>	<p>In DIGIT, there is a streamlined project cycle approach for the organisation of the public procurement, independent of the type of procedure. In the last quarter of every year, a planning exercise is carried out in order to assess the needs for the next two years in terms of contracts and to translate them into public procurement procedures. At any time during the year, new needs may be included in the planning.</p>																																	

<sup>1</sup> Please note that these figures only include the awarded amounts under administrative budgetary lines whereas the figures provided in Annex 3 refer to procurement procedures above 60K regardless whether they refer to administrative or operational budgetary lines

<p><b>controls</b></p>	<p>The needs for supplies derive from the Product Management procedure in which the other DGs participates. This procedure provides the needs of DGs and DIGIT and the decisions result from a formal agreement with DGs.</p> <p>The planning exercise is prepared with the full involvement of all Operational Units and coordinated by the Contract and Finance Unit. The management at all levels is involved in its preparation and consolidation.</p> <p>Any procedure, whether an open call for tenders or a negotiated procedure based on any legal basis, has a strict project management approach. The main steps related to the decision making process are the following:</p> <ol style="list-style-type: none"> <li>(1) Preparation of an Orientation Document for the file;</li> <li>(2) Presentation of the Orientation Document to the Management Meeting of DG-DIGIT and approval by the Director General;</li> <li>(3) Preparation of the tendering specifications or, in justified cases, start of the negotiated procedures;</li> <li>(4) Evaluation of the offers according to the applicable rules;</li> <li>(5) Briefing of the Management Meeting of DG DIGIT and approval of the Director General for the follow up of the procedure;</li> <li>(6) Submission of the Evaluation Report to the GAMA;</li> <li>(7) Based on the recommendations of the GAMA and the Evaluation Report, the Authorizing Officer awards the market;</li> <li>(8) In the case of a negotiated procedure without prior publication, a publication in the Official Journal is foreseen as well as a stand still period before signature of the resulting contract – or the resulting amendment to an existing contract;</li> <li>(9) Signature of the contact.</li> </ol> <p>During the whole process of a procurement file, the Operational Units work in close cooperation with a contract manager of the Finance and Contract Unit that ensures the compliance of the file during its life cycle starting from the Orientation Document. This ensures the operational and compliance (with the NFR) requirements are systematically met.</p> <p>The importance of the Orientation Document should be stressed here. For any procurement procedure, all relevant elements of the file are presented in that document. In particular in case of a negotiated procedure, the legal basis for the procedure has to be detailed and justified. DG DIGIT management is informed about the circumstances that lead to a negotiated procedure.</p> <p>From an operational point of view, the following issues are covered:</p> <ul style="list-style-type: none"> <li>• The procedures defined in the VadeMeCum of DG BUDG are strictly followed, in particular concerning the constitution of the evaluation committee. At least one member of the evaluation committee belongs to another DG. The same is applied for the opening board. In addition to this, the technical evaluation and the financial evaluation are separated, either because the sub groups for these tasks are different or by only starting the financial evaluation once the technical evaluation is completed;</li> <li>• In case of Inter institutional procedures, DIGIT invites representatives of the Institutions to participate to the evaluation committee.</li> <li>• A declaration of absence of conflicts of interests is signed by all members of the evaluation committee and of the opening board.</li> <li>• Before the contract is signed, the tenderers are asked to provide information demonstrating they are not in a situation of exclusion.</li> <li>• In addition to this the consultation of the early warning system is done at the time of the evaluation of the exclusion criteria.</li> <li>• An advisory board called the GAMA (Groupe d'Analyse des Marchés), consisting of representative of the DGs or Offices of the Admin family is systematically consulted for the procurement procedures, according to certain rules. For any market above the directive threshold for supplies and Annex II-A services or any negotiated procedure aiming at a change of the duration of a contract, not foreseen in the initial contract, or a modification of the scope of a contract, whatever the value implied by these 2 modifications has to be submitted to the GAMA.</li> <li>• Measures are taken for the protection of the offers: they are stored in two locked room (1 room for the original, and 1 room for the copies).</li> </ul>
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	DIGIT includes systematically in its market procedures a general benchmarking clause allowing the analysis of the price, or the quality of the services by a third independent party. In addition to this, in some contracts – such as hardware supply – the contractor has to organise a periodic benchmarking of its prices and demonstrate that the proposed prices follow the market trend.
<b>Communication and information</b>	<p>DIGIT published the open call for tenders on its website, allowing any interested party to access it. Of course any economic operator requesting the specifications receives them within the applicable delay. Questions of general interest are replied to all registered economic operators and posted on the website with the tendering specifications. Links to the official journal are also posted on the website. (prior information notice, contract notice and contract award notice).</p> <p>All unsuccessful tenderers may request explanation according to the regulation and they have also the possibility to ask for a debriefing.</p> <p>Contracts are registered directly on ABAC-Contracts.</p> <p>Staff members attend training on procurement, financial regulation, or internal control when appropriate, i.e. for new staff members or in case of change in the regulation.</p>
<b>Detective and corrective controls:</b> Performance monitoring, and verification of payments and key milestones	<p>Every financial transaction requires at least two people to be involved (the "four eyes" principle). One person must initiate the transaction and a second person must verify it. Each person involved in the transaction has been nominated by the Authorising Officer to carry out the task and their names are recorded in the computerised financial system.</p> <p>Arrangements for monitoring the contractor's performance include systematic use of progress reports and formal acceptance of contractual deliverables.</p>
<b>Preventive and corrective controls and audit:</b> Desk reviews, on-the-spot audits carried out either ex ante or ex post.	Ex post and supervisory controls are in place.
<b>3. Feedback which enables control activities to be optimised</b>	
<b>Verification</b> that processes are working as designed	<ul style="list-style-type: none"> <li>• Risk assessment process serves to highlight key issues to ensure that mitigating action is taken</li> <li>• Self-assessment of the effectiveness of the internal control arrangements is performed on an annual basis</li> <li>• Self-assessment of the compliance with internal control standards is performed on an annual basis</li> <li>• Post mortem analysis</li> </ul>
<b>Monitoring of performance</b> of independent bodies, 3 <sup>rd</sup> party auditors, externally contracted auditors	Not applicable
<b>IAC, IAS, ECA recommendations</b> on the functioning of the system and their <b>follow up</b>	Feedback is provided by the internal auditors (IAC, IAS) and from the European Court of Auditors and by the European Parliament in the context of the discharge procedure. Recommendations made by these bodies are followed up systematically.

<b>High level management reporting</b> and its role in identifying problem issues	A periodic reporting is done to the management via the reporting tool DIAM, for market procedure there is a systematic follow up of the implementation of the annual plan and for budgetary execution there is a monthly reporting addressed to Management (tableau de bord).
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## OPERATIONAL CREDITS

### 1. Inherent nature and characteristics of the DGs policy environment and stakeholders

#### Summary:

The Directorate General buys services first and foremost in the area of information and communication technology. The contractors are companies located within the European Union. Procurement is done mainly via existing framework contracts established by DIGIT or other DG's. (in general for a duration of 2 years extensible to 4 maximum).

#### Key inherent risks insofar they impact on reasonable assurance (including limit and extent of its responsibilities and those of other stakeholders):

Procurement is highly regulated. Detailed rules exist with even more in depth guidance based on experience and the jurisprudence of court judgements. In-depth knowledge is therefore necessary to manage procurement effectively. Such knowledge is provided by the financial and contracts unit and the relevant services in DG BUDG.

The risk for over-dependency on contractors is high due to the limited market offer for ICT consultancy services in Brussels.

Lately bidder are more ready to contest in front of CFI results of tendering procedures, so the follow up of those procedure has become heavier, using resources normally dedicated to operational tasks

#### Management mode/s:

Direct management                      centralised

#### Key figures:

Contracted amounts/ contractors:

Split between services and supply: Service: 1.601.086 €, Supply: 0 €

Volume of contracts by type of procedure per year: Open: 91.886 €

Restricted: 0 € Negotiated: 1.509.200 €

Number of contractors: 4

Average median /value/ range of contracts: 400.272 €

Average/median contract period: 18 months

Budget planning and execution:

Appropriations:

Refer to annex 3, tables 1 and 2, for the outturn on commitment and payment appropriations (fresh credits and assigned revenue).

### 2. Management and control systems – the basis of the declaration of assurance

#### Planning and selection process of contractors, including preventive controls

- Procurement needs are clearly defined and justified from an economic or operational point of view and approved by the AOD.
- For each contract an evaluation committee is set up to prepare the selection of the contractors. Members of evaluation committees are asked to sign a document reminding them of their obligation to declare any potential conflict of interest.
- Declaration of lack of conflict of interest (member of committee).
- Before a contract is signed, contractors must show that they are not in one of the situations of exclusion specified in the Financial Regulation (eg bankruptcy, failure to pay tax or social security contributions, convicted of an offence concerning their professional conduct). Before each transaction is authorised, staff are automatically alerted by the computerised financial system if the Commission is aware of this or any similar problem.
- An advisory body (GAMA) is consulted with regard to procurement files on a mandatory basis.
- Physical protection of the offers submitted (locked cupboards)

#### Communication and information

- Transparency measures: calls for tender are published in the Official Journal and the EUROPA website. Updated information and FAQ are posted regularly on the website.
- Adequate communication to unsuccessful tenderers.
- Computerised accounting system is used to record the contracts and the transactions related to the contracts in ABAC.
- Technical training in procurement are given to all staff involved in the procurement process.
- All staff involved in financial management have the responsibility to alert their

	Director-General, the Secretary-General or OLAF if they suspect any irregular, illegal or criminal activity.
<b>Detective and corrective controls:</b> Performance monitoring, and verification of payments and key milestones	<ul style="list-style-type: none"> <li>Financial circuits: Every financial transaction requires at least two people to be involved (the "four eyes" principle). One person must initiate the transaction and a second person must verify it. Each person involved in the transaction has been nominated by the Authorising Officer to carry out the task and their names are recorded in the computerised financial system.</li> <li>Arrangements for monitoring the contractor's performance include systematic use of progress reports and formal acceptance of contractual deliverables.</li> </ul>
<b>Preventive and corrective controls and audit:</b> Desk reviews, on-the-spot audits carried out either ex ante or ex post.	Ex post and supervisory controls are in place
<b>3. Feedback which enables control activities to be optimised</b>	
<b>Verification</b> that processes are working as designed	Risk assessment process serves to highlight key issues to ensure that mitigating action is taken
<b>Monitoring of performance</b> of independent bodies, 3 <sup>rd</sup> party auditors, externally contracted auditors	<ul style="list-style-type: none"> <li>As foreseen in Article 13 of the ISA Decision the implementation of the ISA programme will be subject to an interim evaluation and a final evaluation, the results of which will be communicated to the European Parliament and the Council by 31 December 2012 and 31 December 2015 respectively. These evaluations ought to be performed by external independent experts.</li> <li>Every two years individual solutions ought to be reviewed by external experts.</li> </ul>
<b>IAC, IAS, ECA recommendations</b> on the functioning of the system and their <b>follow up</b>	Feedback is provided by the internal auditors (IAC, IAS) and from the European Court of Auditors and by the European Parliament in the context of the discharge procedure. Recommendations made by these bodies are followed up systematically.
<b>High level management reporting</b> and its role in identifying problem issues	<ul style="list-style-type: none"> <li><i>A management scoreboard is reviewed by management on a periodic (quarterly) basis (DIAM).</i></li> <li><i>The results and progress as regards the management of procurement made during the year is reported in the Annual Activity Reports.</i></li> <li><i>The Commission regularly monitors the implementation of the programme and annually reports on the implementation to the ISA comitology committee, as required by Article 13 of the ISA Decision,</i></li> <li><i>Funds for actions are released for defined phases based on the achievement of specific milestones, first and foremost the project charter and execution report. These milestones are mostly presented to and discussed with the representatives of the Member States.</i></li> </ul>