

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 Commission¹, I have reported my advice and recommendations to the Director-General on the overall state of internal control in the DG.

I hereby certify that the information provided in Parts 2 and 3 of the present AAR and in its annexes 2 to 5 is, to the best of my knowledge, accurate and exhaustive.

The assurance I provide for the first 9 months of 2010 is based on the handover received from my predecessor.

[signed]
Joe MURRAN

¹ SEC(2003)59 of 21.01.2003.

ANNEX 2: Human and Financial resources

DG Justice

Code ABB Activity	ABB Activity	Human Resources by ABB activity		
		Establishment Plan posts	External Personnel	Total:
1702	Consumer policy	9	4	13
1804	Fundamental rights and citizenship	71	5	76
1806	Justice in criminal and civil matters	76	16	92
1807	Drugs prevention and information	12	3	15
1808	Policy strategy and coordination	29	6	35
	Total:	197	34	231

Justice-Home

Code ABB Activity	ABB Activity	Human Resources by ABB activity		
		Establishment Plan posts	External Personnel	Total:
1808	Policy strategy and coordination	1 ¹		1
18AWBL-01	Administrative support for Justice and Home	87	21	108
	Total:	88	21	109

Grand Total:	285	55	340
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This table contains a snapshot of all establishment plan and external personnel (including the surcharge, excluding stagiaires and intramuros providers), broken down by ABB Activity.

¹ An official in secondment, post placed in the SRD for practical reasons.

IMPLEMENTATION OF THE GLOBAL ENVELOPE

BUDGET LINES CONCERNED: XX 01 02 11 00 01 TO XX 01 02 11 00 06
(based on information received from BUDG services following 2012 budget circular)

(IN EUROS)		APPROPRIATIONS 2010 (C1)			APPROPRIATIONS carried over (C8)	
BUDGET LINES*	BUDGET LINES DESCRIPTION	AVAILABLE APPROPRIATIONS 2010	COMMITMENTS 2010	PAYMENTS 2010	AMOUNTS OF APPROPRIATIONS CARRIED OVER FROM 2009	% IMPLEMENTATION ON APPROPRIATIONS CARRIED OVER FROM 2009
XX.010211.00		2.025.573,49		2.025.573,49	1.107.671,34	
XX.010211.00.01.10	Mission expenses		1.000.000		231.147,32	67,53
XX.010211.00.01.30	Representation expenses		18.755,88		12.424,47	46,92
XX.010211.00.02.20	Meeting costs		577.872,46		362.962,46	46,91
XX.010211.00.02.40	Conference costs		112.147,05		6.190,14	30,75
XX.010211.00.03	Meetings of committees		105.300,00		122.073,10	63,35
XX.010211.00.04	Studies and consultations		0		0	
XX.010211.00.05	Development of management and information systems		211.498,00		255.671,90	100
XX.010211.00.06	Further training and management training	212.887,07	212.430,18	212.887,07	117.201,95	100
	TOTAL	2.238.460,56	2.238.003,57	2.238.460,56	2.202.918,36	76,44

*: where XX represents the policy area

Please justify major differences between final implementation (including implementation of C8 appropriations in 2010) and available appropriations.

Annex 3 Financial Reports - DG JUST - 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**

Additional comments

Annex 3 - Additional information on Financial Reports and Draft Annual Accounts

1. General remark

DG JUSTICE has been created on 1.7.2010 by a split from DG JLS into 2 new DG's. All financial transactions executed in DG JLS, on budget lines now belonging to DG JUSTICE have been included into each table of the present report.

2. Financial Reports

" Commitments (Table 1)

Overall, the implementation reached 97% for commitment appropriations, leaving some € 4 million unused.

" Payments (Table 2)

Implementation of payment appropriations reached 93%, a carry-forward of 3.1M€ has been granted.

" Breakdown of Commitments to be settled (Table 3)

The amount of open commitments slightly increased, in line with the growing activity of DG JUSTICE and a direct effect of increasing appropriations. However, 54% of commitments made in 2010 have already been followed by first payments.

" Revenue and Income (Table 7)

The breakdown shows revenue directly managed by the DG. The main sources of direct revenue are reimbursements of unduly paid amounts.

2. Draft Annual Accounts

As already mentioned, DG JUSTICE was created after the split of DG JLS into 2 DG's. For this reason no comparative figures are available for 2009.

" Methodology and accounting principles

The annual accounts of DG JUSTICE have been prepared in accordance with the general accounting principles. Estimations have been made where necessary as laid out by the Accountant of the European Commission.

It should be noted that the balance sheet and economic outturn account of Directorate General JUSTICE presented in Annex 3 to this Annual Activity Report, represent only the assets, 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 table 4 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.

" Balance Sheet (Table 4)

Non-current assets show the long-term share of pre-financings and reflect direct management programmes that are of a medium-term nature.

Current assets are related to short-term pre-financings.

Short-term receivables became negative as the write-down exceeded recoveries.

Current liabilities - Accounts payable

The main item in this balance is accrued charges estimated within the cut-off exercise.

" Economic Outturn Account (Table 5)

Operating revenues only reflect amounts received and directly managed by DG JUSTICE.

Operating expenses: An estimation of the amount of the remaining commitment budget and pre-financing paid to the beneficiary is made during the year-end cut-off exercise and recognised as an expense. As the yearly budget of DG JUSTICE continues to increase, it is expected that operating expenses would also increase.

Financial expenses are due to interest paid on late payments, financial revenue results from interest due on pre-financings.

3. Management reporting

" Payment time limits (Table 6)

Payment times in DG JUSTICE have improved compared to 2009. The average time for in-time payments has decreased to 16.5 days (23.08 days in DG JLS in 2009), the percentage of payments processed in time is 84.5%.

" Recovery context (Table 8)

This indicator shows if the establishment of a recovery orders is related to an error or irregularity. In 2010 the major part of irregularities was established within the closure process of projects.

" Ageing Balance (Table 9)

This report lists outstanding recovery orders by their year of emission. In 2010, 90% of amounts claimed have been received by DG JUSTICE.

" Negotiated Procedures (Tables 12 and 13)

Negotiated procedures are used when the price for a good or service has to be established by negotiation. This procedure should be used on an exceptional basis. No such procedures have been recorded by DG JUSTICE in 2010.

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2010 (in Mio €)				
Chapter		Commitment appropriations authorised *	Commitments made	%
		1	2	3=2/1
Title 18 : Area of freedom, security and justice				
18 01	Administrative expenditure of `Area of freedom, security and justice; policy area	3,74	3,61	96,45 %
18 04	Fundamental rights and citizenship	52,69	52,35	99,36 %
18 06	Justice in criminal and civil matters	76,30	72,66	95,23 %
18 07	Drugs prevention and information	3,08	3,08	100,00 %
18 08	Policy strategy and coordination	3,47	2,86	82,46 %
Total Title 18		139,28	134,56	96,61 %
Total DG JUST		139,28	134,56	96,61 %

* 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).

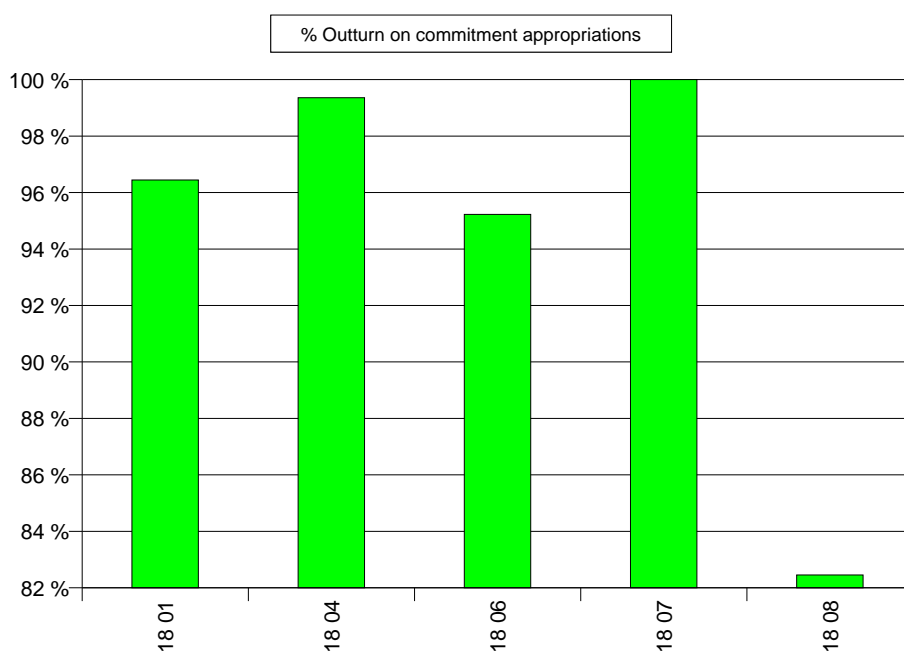


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2010 (in Mio €)				
Chapter		Payment appropriations authorised *	Payments made	%
		1	2	3=2/1
Title 18 : Area of freedom, security and justice				
18 01	Administrative expenditure of `Area of freedom, security and justice; policy area	5,66	3,52	62,21 %
18 04	Fundamental rights and citizenship	53,17	51,12	96,15 %
18 06	Justice in criminal and civil matters	57,39	54,48	94,93 %
18 07	Drugs prevention and information	2,74	2,16	78,66 %
18 08	Policy strategy and coordination	3,74	3,19	85,16 %
Total Title 18		122,71	114,47	93,29 %
Total DG JUST		122,71	114,47	93,29 %

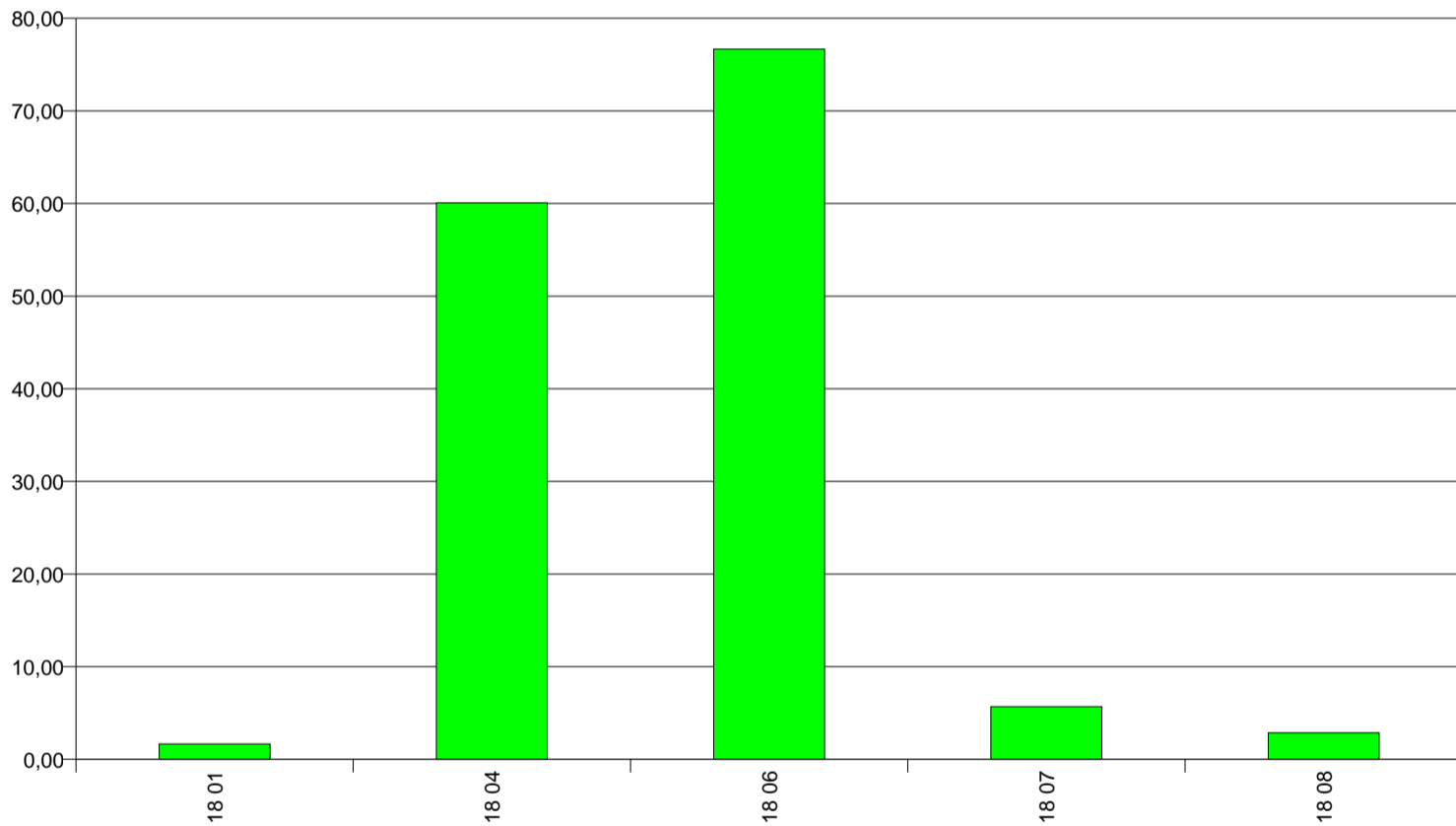
* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).



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				
Title 18 : Area of freedom, security and justice								
18 01	Administrative expenditure of `Area of freedom, security and justice¿ policy area	3,61	1,96	1,65	45,74 %	0,00	1,65	1,92
18 04	Fundamental rights and citizenship	52,35	25,09	27,26	52,07 %	32,81	60,07	62,99
18 06	Justice in criminal and civil matters	72,66	34,24	38,42	52,88 %	38,25	76,67	64,28
18 07	Drugs prevention and information	3,08	0,54	2,54	82,47 %	3,14	5,68	5,46
18 08	Policy strategy and coordination	2,86	0,55	2,31	80,71 %	0,55	2,86	3,80
Total Title 18		134,56	62,38	72,18	53,64 %	74,75	146,93	138,46
Total DG JUST		134,56	62,38	72,18	53,64 %	74,75	146,93	138,46

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



Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 4 : BALANCE SHEET JUST

BALANCE SHEET	2010	2009
A.I. NON CURRENT ASSETS	11 954 969,84	
A.I.5. LT Pre-Financing	11 954 969,84	
A.II. CURRENT ASSETS	24 892 096,90	
A.II.2. Short-term Pre-Financing	24 924 536,95	
A.II.3. Short-term Receivables	-32 440,05	
ASSETS	36 847 066,74	
P.III. CURRENT LIABILITIES	-15 108 213,26	
P.III.4. Accounts Payable	-15 108 213,26	
LIABILITIES	-15 108 213,26	
NET ASSETS (ASSETS less LIABILITIES)	21 738 853,48	
Non-allocated central (surplus)/deficit*	-86 970 840,19	
TOTAL	0,00	

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

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 5 : ECONOMIC OUTTURN ACCOUNT JUST

ECONOMIC OUTTURN ACCOUNT	2010	2009
II.1 SURPLUS/ DEF. FROM OPERATING ACTIVT	87 113 414,76	
II.1.1.1. Other operating revenue	-92 556,96	
II.1.2.1. Administrative Expenses	1 893 216,43	
II.1.2.2. Operating Expenses	85 312 755,29	
II.2. SURPLUS/DEF. NON OPERATING ACTIVIT	-142 574,57	
II.2.1. Financial revenue	-143 613,25	
II.2.2. Financial expenses	1 038,68	
ECONOMIC OUTTURN ACCOUNT	86 970 840,19	

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 JUST

Legal Times							
Maximum Payment Time (Days)	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	422	361	85,55 %	15,03	61	14,45 %	42,15
45	333	274	82,28 %	17,15	59	17,72 %	124,60
60	40	38	95,00 %	23,66	2	5,00 %	133,50
90	5	3	60,00 %	56,25	2	40,00 %	117,50

Total Number of Payments	800	676	84,50 %		124	15,50 %	
Average Payment Time	27,02			16,55			84,07

Target Times							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	106	75	70,75 %	12,08	31	29,25 %	30,17
30	690	532	77,10 %	14,50	158	22,90 %	83,59
75	4	1	25,00 %	12,00	3	75,00 %	107,33

Total Number of Payments	800	608	76,00 %		192	24,00 %	
Average Payment Time	28,87			14,20			75,34

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
7	58	143	17,88 %	800	13 596 113,41	11,75 %	115 755 799,27

Late Interest paid in 2010			
DG	GL Account	Description	Amount (Eur)
DG JUST	65010100	Interest on late payment of charges New FR	1 038,68
			1 038,68

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		
Title 5: REVENUE ACCRUING FROM THE ADMINISTRATIVE OPERATION OF THE INSTITUTION								
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	96 343,07	0,00	96 343,07	96 343,07	0,00	96 343,07	0,00
	Total Title 5	96 343,07	0,00	96 343,07	96 343,07	0,00	96 343,07	0,00
Title 6: CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH COMMUNITY/EU AGREEMENTS AND PROGRAMMES								
66	OTHER CONTRIBUTIONS AND REFUNDS	3 176 365,95	257 713,03	3 434 078,98	3 060 352,29	17 090,91	3 077 443,20	356 635,78
	Total Title 6	3 176 365,95	257 713,03	3 434 078,98	3 060 352,29	17 090,91	3 077 443,20	356 635,78
	Total DG JUST	3 272 709,02	257 713,03	3 530 422,05	3 156 695,36	17 090,91	3 173 786,27	356 635,78

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Annex 3 Financial Reports - DG JUST
Report printed on 29/03/2011

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

RECOVERY ORDERS ISSUED IN 2010 Year of Origin (commitment)	Irregularity		No error / irregularity		TOTALS	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2005	3	40 074,25			3	40 074,25
2007	2	14 403,12			2	14 403,12
2008	12	424 364,04	8	128 641,77	20	553 005,81
2009	3	342 527,40	4	2 370 953,71	7	2 713 481,11
No Link	1	35 969,05	1	90 010,00	2	125 979,05
	21	857 337,86	13	2 589 605,48	34	3 446 943,34

EXPENSES

	Nbr	Amount
INCOME LINES IN INVOICES	0	

	Error		Irregularity		No error / irregularity	
	Nbr	Non-Eligible Amount	Nbr	Non-Eligible Amount	Nbr	Non-Eligible Amount
NON ELIGIBLE AMOUNT IN COST CLAIMS	3	61 458,18	74	763 046,35	20	110 502,34

	Error		Irregularity		No error / irregularity	
	Nbr	Credit Note Amount	Nbr	Credit Note Amount	Nbr	Credit Note Amount
CREDIT NOTES	6	-192 437,81	6	-165 335,55	16	-627 621,26

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors. The provisional closure will be based on the recovery context situation at 28/02/2011.

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

Year of Origin	Number at 01/01/2010	Number at 31/12/2010	Evolution	Open Amount (Eur) at 01/01/2010	Open Amount (Eur) at 31/12/2010	Evolution
2006	1	1	0,00 %	50 662,00	50 662,00	0,00 %
2008	1	1	0,00 %	54 926,68	54 926,68	0,00 %
2009	2	2	0,00 %	135 033,44	135 033,44	0,00 %
2010	5	3	-40,00 %	156 892,90	116 013,66	-26,06 %
Totals	9	7	-22,22 %	397 515,02	356 635,78	-10,28 %

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 JUST	
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Number of RO waivers	0
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J u s t i f i c a t i o n s :

No data to be reported

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

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Total		

No data to be reported

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

Internal procedures > € 60,000	2009		2010	
Contract Class	Count	Amount (€)	Count	Amount (€)
Service	14	8 319 830,00	14	5 664 835,47
TOTAL	14	8 319 830,00	14	5 664 835,47
Procedure Type	Count	Amount (€)	Count	Amount (€)
Open Procedure (Art. 122.2 IR)	14	8 319 830,00	13	5 394 145,47
Restricted Procedure involving a call for expressions of interest (AMI) (Art. 128 IR)			1	270 690,00
TOTAL	14	8 319 830,00	14	5 664 835,47

External procedures > € 10,000	2010	
Contract Class	Count	Amount (€)
Service	1	16 237,00
TOTAL	1	16 237,00
Procedure Type	Count	Amount (€)
Service - Procedure with a single offer (Art. 241.1 IR)	1	16 237,00
TOTAL	1	16 237,00

Additional comments

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