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OFFICE FOR INFRASTRUCTURE AND LOGISTICS IN BRUSSELS

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Table of Contents

PART 1.....	4
1. POLICY RESULTS	4
1.1 Main Policy Achievements in 2010	4
1.2 ABB.1 - Buildings and Related Activities	7
1.3 ABB.2 - Equipment & Services activities.....	11
1.4 ABB.3 – Administrative Support	18
PART 2.....	23
2 MANAGEMENT AND INTERNAL CONTROL SYSTEMS.....	23
2.1 Introduction to the Office of Infrastructure and Logistics Brussels.....	23
2.1.1 Office Characteristics and Governance Structure	23
2.1.2 OIB's Management Model, Organisational, Administrative and Accounting Structure.....	24
2.1.3 OIB's Staff Structure	25
2.1.4 OIB Budget.....	26
2.1.5 Major Events having an Impact on the Reputation	27
2.2 The Functioning of the Entire Internal Control System.....	27
2.2.1 Compliance with the Requirements of the Internal Control Standards	27
2.2.2 Effectiveness of Implementation of the Prioritised Control Standards	30
2.3 Information to the Commissioner.....	32
2.4 Conclusion.....	32
PART 3.....	34
3 BUILDING BLOCKS TOWARDS THE DECLARATION OF ASSURANCE	34
3.1 Building Blocks towards Reasonable Assurance	34
3.1.1 Building block 1: Assessment by Management of OIB	34
3.1.2 Building block 2: Results from Independent Audits during the Reporting Year	39
3.1.3 Building block 3: Follow up of Previous Years' reservation and Action Plans for Audits from Previous Years	42
3.1.4 Building block 4: Assurance Received from Other Authorising Officers in cases of Cross-Sub Delegation.....	43
3.1.5 Completeness and Reliability of the Information Reported in the Building Blocks	45

3.2	Reservations and their Impact on the Declaration	46
3.3	Overall Conclusion on the Combined Impact of the Reservations on the Declaration as a Whole.....	46
PART 4	47
4	DECLARATION OF ASSURANCE.....	47

PART 1

1. POLICY RESULTS

1.1 Main Policy Achievements in 2010

OIB's mission is to ensure a functional, safe and comfortable workplace for all those working for the Commission, and to provide good quality well-being services, based on a client-oriented approach, in an environmentally-friendly and cost-effective way.

Real Estate Management

The following projects, prioritised in line with real estate objectives defined by the Building Policy and the Management Board for the year 2010, were carried out:

- (i) The PUL (Projet Urbain Loi) project to re-design the European Quarter:
During the course of 2010 and in close cooperation with DG HR, OIB continued follow up of the PUL project. OIB prepared and supplied all relevant information, reports, briefings and analyses, to facilitate negotiations between the Commission and the Brussels Capital Region.
- (ii) Acquisition of office space to replace expiries up until 2013 (for 2008/2009: 17.800 m² and up to 2013: 70.000 m²): In 2010, OIB negotiated the Belair project (building of 74.000 m²) offered by RAC¹ as a result of the notice for prospecting buildings (API) 70.000 m² published in 2008. Negotiations progressed up to the final stage. OIB was bound by an offer made in parallel to the Belgian government which led to the acquisition of the building for the Federal Police. OIB developed an emergency action plan in order to assure the availability of foreseen space.

With regards to accommodation for the EEAS², OIB finalised negotiations for the Capital building with the proprietor.
- (iii) An additional pole ("Pôles Alternatifs") for the accommodation of the Commission's services outside the European Quarter: OIB continued negotiations with the pre-selected project in order to verify its technical and financial feasibility. A final decision may be taken by the end of the first quarter 2011.
- (iv) Work on the finalisation of the second part of the Housing Conditions Manual (describing the rules of space allocation to DG's and Services³) commenced.
- (v) An upgrade of the existing help-desk (tel. 55555) for queries relating to building/technical questions or complaints, by means of a 'one-stop' OIB Customer

¹ Rijks Administratief Centrum.

² European External Action Service.

³ On this subject an agreement was reached with DG BUDG on the method of estimation of the Commission's needs for the office space.

Centre, managing technical assistance⁴ will become operational in the first quarter 2011.

- (vi) Completion of the Cornet-Leman building on time (followed by finalisation of internal installations of furniture and equipments).
- (vii) Regarding the Wagon-Lits (WALI) nursery project, studies on redesigning the building were finalised during 2010 and the first two work contracts for demolition and asbestos removal were signed: one at the end of 2010 and the other (the contract for demolition) in January 2011. Construction work to transform the building into a nursery will commence in 2011.

Among other signed Service Level Agreements (SLAs), it is worth mentioning the signature of a SLA with EEAS² (SEAE) to provide them with related services (the text of the SLA is published on OIB-intranet). Assisting with the start up of EEAS required considerable contribution from OIB and caused additional workload. As regards to services provided to other agencies, OIB delivered technical support related to buildings as well as logistical support.

Following the Commission decision to implement EMAS (*Eco-Management and Audit Scheme*- after a successful pilot scheme since 2001 in five services) in all Commission services in Brussels and Luxembourg (C(2009)6873), OIB continued a number of environmental initiatives like the introduction/integration of green public procurement, the display of information concerning the consumption of water, gas and energy in each building, and the granting of an Energy Performance certificate of the first office building in Brussels (DM28) in December 2010. Moreover, a substantial reduction in the consumption of energy (approx. -6%) was achieved, surpassing the estimated target (-3%).

Operations and Services

Turning to the area of services, in 2010, annual client satisfaction surveys on social infrastructure services were carried out. This year, as in recent years, the level of general satisfaction with the services provided by OIB, in particular concerning the childcare facilities in Brussels, was high.

Within the domain of childcare facilities, the main focus in 2010 was on increasing capacity to meet demand and reducing the long waiting list for nursery places. Following the signing of framework contracts in 2009, a number of additional places on the local market were made available to the Commission. By the end of 2010, OIB had obtained a total of 101 places in local nurseries.

Following the finalisation of construction work, OIB opened the new Cornet-Leman childcare centre (COLE) with 252 nursery places and 98 after-school childcare places. This centre substantially increases childcare capacity from February 2011. The after-school childcare service (GPS) at COLE will open progressively. At the ISPRA site, the extension of the after-school facility was opened in time for the new school year as of September 2010.

⁴ This service covers all complaints related to quality, hygiene, security and safety at work, and other services supplied by OIB Units. There are 2 related projects: (1) implementation of recording system of each inquiry from the very beginning up to the moment of solving the problem - should be finalised by OIB Informatics team in upcoming weeks; (2) development of catalogue of services provided by OIB and its visibility for end-users (ongoing).

This eliminated the waiting list for the service and will provide additional capacity for the enrolment of more of children.

The most important achievement in the area of mobility was the launch of the contribution scheme (public transport season tickets contribution). After thorough preparation, the scheme was launched in August 2010. Close to 4400 staff have already signed up for the scheme and 1300 parking access cards have been returned to OIB. Following negotiation and the conclusion of a convention with STIB in December 2010, OIB will launch the second part of this program, 'tiers-payant' system, by which the Commission offers staff an advance payment of season tickets and subsequently deducts 50% of the value of the season-ticket from their pay. This project is also a success in terms of internal software development by OIB's informatics team, which made it possible to monitor and manage the scheme in an effective and efficient way.

In the area of the Historical Archiving, the 2010-2014 strategy conceived in 2009, was adopted and transmitted to SG in March 2010. Throughout the course of the year, the strategy has been under way, notably improving co-operation with related services (such as: "access to documents"), by exploiting the potential of digitalisation and by strengthening the relationship with the Historical Archives of the European Union in Florence.

Management of Resources

With around 1100 staff members (on 31/12/2010), the management of Human Resources plays a key role in OIB's overall management. Therefore during the course of 2010, priority was given to ensuring the completeness of job descriptions and execution of the appraisal and promotion/reclassification exercises for each group of staff (Officials and Contract Agents).

Furthermore, the selection and recruitment of contractual staff for the Cornet-Leman nursery was carried out in line with a very tight schedule, and tailor-made training courses for staff members working in childcare were carried out. In addition, various training courses were organised locally for technical staff.

A plan of action relating to Ethical issues was approved and a training programme consisting of workshops for key staff groups (team leaders; sector heads, finance, contract management, procurement staff) was set up and implementation begun.

An analysis on 'core' and 'non-core' tasks was conducted in order to launch a discussion on the best balance between permanent and contractual staff, taking into account the '*Statut*' and TEC's objectives.

With a view to ensuring the 'branding' of OIB and its activities, a short film about OIB and its activities, as well as a specific version for newcomers, were produced in association with DG COMM. A leaflet setting out the profile of OIB staff and featuring key figures has also been produced.

Continuing on the theme of communication, OIB launched and coordinated a competition for Art Students (throughout Europe) inviting them to present projects for "a common identification" of Commission buildings –the 'Fil Rouge" project⁵.

Throughout 2010, OIB advised and assisted Cabinets and DGs in the coordination of around one hundred cultural, artistic, inauguration and awareness-raising events.

In the area of internal control systems, a number of major initiatives were carried out during 2010, including an in-depth risk assessment exercise in the form of a series of workshops with OIB managers and main stakeholders. In cooperation with OIL a revision of the indicators for the Management Plan 2011 took place, as did detailed reviews of Internal Control Standards compliance and effectiveness. Moreover, an analysis of payment delays involving all Departments was conducted in view of identifying areas for improvement.

Most of OIB's operational activities are made possible via a large number of procurement procedures and the signature of numerous contracts (including inter-institutional contracts). Furthermore, manuals on financial and procurement procedures, and guidelines for potential external bidders were finalised within the course of 2010.

Additionally, a detailed budgetary programming has been put in place and financial sub-delegations have been updated.

The new OIB organisational structure put in place at the beginning of 2010 facilitated the communication between services and helped achieve objectives in operational and administrative activities.

1.2 ABB.1 - Buildings and Related Activities

The general objective in the real estate field is to meet the building needs of the Commission and related Services and staff in an efficient, effective and timely manner, whilst keeping in line with the highest environmental standards.

ABB.1 - BUILDINGS AND RELATED ACTIVITIES			
SPECIFIC OBJECTIVE : Manage the Commission's buildings and infrastructures efficiently and effectively whilst improving space planning in line with the MAPF ⁶ objectives by implementing the long-term buildings policy and the procedures for selecting new buildings and/or sites.			
SPECIFIC OBJECTIVE : Enhance OIB's service-oriented culture and client satisfaction by offering good quality office space, in respect of the Health and Safety Rules applicable to the Commission sites of Brussels.			
1. BUILDINGS			
<i>Result Indicators</i>	<i>Situation at the end of 2010</i>	<i>2010 Target</i>	<i>Comments</i>

⁵ The Fil Rouge website was launched on 8 June in 23 languages on EUROPA website. OIB received 273 intentions to participate in the competition. Various schools in the E.U. were represented: architecture, design and beaux-arts. 43 entry from 15 countries (ES, EL, IT, SK, NL, D, F, A, S, PL, FI, CZ, HU, BE, ET) of the Union were actually recorded. The results are obtained and the award ceremony will take place in March 2011.

⁶ Multi Annual Policy Framework.

Average offices m2 "hors sol"	836.128 2009: 830.331	835.088	[indicator abandoned in the MP 2011]
Average number of Commission buildings * offices * non-offices	55 10 2009: 54 offices, 10 non-offices	54 10	[indicator abandoned in the MP 2011]
Number of DGs 'audited' (allocation of space)	40 DGs and Services audited 2009: 40	50	[indicator abandoned in the MP 2011]

Main outputs delivered in 2010

1. Execution /Implementation of MAPF

- The sale of land adjacent to building VM18 was finalised - the act of transfer of long-term leasehold right (droit d'emphytéose) was signed.
- The urban project (PUL- Projet Urbain Loi): all necessary reports were provided to facilitate the respective decisions.
- The decision on whether to (i) acquire the land adjacent to L102 and to (ii) buy the buildings L-78, L-82, will be taken in the context of further development and planning of PUL project. The Belgium authority published the expropriation prices (un prix d'expropriation) for buildings: L102 and L-78. In case of building L-82, the negotiations were suspended for the time being.
- The usufruct contract for a part of the Capital building (C-25) for EPSO occupation was signed (l'acte authentique) giving the office space of 8.334 m2.
- Evaluation report on the sale of the townhouse adjacent to the COLE nursery was delivered in December 2010 to facilitate the decision on the eventual sale.
- The project on identification of the alternative areas ('new pole') outside the European Quarter: conducted negotiations to verify technical and financial feasibility of the pre-selected project.
- In the context of increasing need for office space to be satisfied by 2013, the notices for prospecting buildings (API) have been closed without any building being procured.
- The project for acquisition of land adjacent to the existing KORT building (Module 1 - Historical archives) for time being is suspended due to verification of some legal issues.

2. Studies and procedures

- The requested projects related to 'open space offices' were submitted to the working group in response to the demand.
- Alternative financial systems for real estate projects: conducted consultations with the European Investment Bank and launched the request on enlarging the financial possibilities during inter-service consultations on the revision of Financial Regulations. OIB assisted DG BUDG at the Council in justifying the given proposal.

2. FITTING OUT, MAINTENANCE AND OTHER RELATED ACTIVITIES

<i>Result Indicators</i>	<i>Situation at the end of 2010</i>	<i>2010 Target</i>	<i>Comments</i>
% of satisfaction in annual staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL: (very satisfied + satisfied) versus (dissatisfied + very dissatisfied) [the survey is addressed to all Commission staff]			
*The general quality of my office (space, light, noise, temperature etc.)	62% vs 20% (2009 survey) 57% vs 26% (2007 survey)	62% vs 20% (value 2009)	Next survey will be organised in 2011
* The cleaning of my office and the building I work in	51% vs 27% (2009 survey) 52% vs 25% (2007 survey)	55% vs 22% (target 2009)	

* Response to calls to OIB's 24-hour service desk (tel: 55555) regarding technical or maintenance problems	65% vs 6% (2009 survey) 63% vs 8% (2007 survey)	65% vs 6% (value 2009)	
Total number of buildings accessible to persons with reduced mobility upgraded to the most recent criteria ⁷	Improvements finalised in the buildings BU29, BU33, BU1, CSM1. <i>2009: works conducted in buildings: BU31, CSM2, VM18 (finalized in 2009) and started in BU29, BU33, BU1 (finalised in 2010).</i>	+ 5 new for 2010	3 new buildings are assigned to 2011 (MADO, Belliard 100, F101 are carried over to 2011)

Main outputs delivered in 2010

"Good state of buildings" – preventive maintenance, renovations & maintenance of infrastructure

- Preventive maintenance carried out in buildings: GUIM (offices & parking), MO59 & J-99 (offices), parking have been painted in J-30, BU-25 and L-86, carpet replaced in BERL (8-13 floor).
- Designed and refurbishment of self-service restaurants and cafeterias conducted in following buildings L130, DM24, J-27, J-30, J-70, SC27 and SC11.
- Installed 3 new shower blocks in the buildings: J59, BU24 and BU29.
- Creation of green areas (improvement of its quality and accessibility) in L130, Breydel and L-86 moved forward. The call for tender was finalized before the end of year and the works are forecasted for 2011.
- Finalised the upgrading of data networks in MO34 by the end of 2010 and in BREY by the end of 1st quarter 2011.

Social infrastructure

- Work at Cornet-Leman Childminding facilities (COLE) has been completed as forecasted.
- The preparation steps for works at the nursery building within Wagon-lits project (WALI) were accomplished. The works will start in 2011.

Studies and procedures

- Accomplished pre-feasibility studies on renovation/extension of PALM nursery. The sale or replacement options are under consideration.
- An analysis on the modernisation and improvement of conditions of the sport complex (CIE⁸) in Overijse was carried out to facilitate a decision on a possible renovation. In order to accommodate the Sport Centre and after school childminding facility (outdoor childcare facilities) a call for tender for renovation works will be launched in 2011.
- Accomplished studies for partial replacement of the HVAC and the central installations in CCAB. Works contract was signed in November 2010 and the works are planned in two phases during Easter and summer (July/August) 2011.

⁷ The buildings are compliant with the general criteria of the "*Reglement Regional d'urbanisme*" (means: the regulations in force at the time the building was constructed). Nevertheless – where it is technically possible – buildings are gradually adapted in line with the standards applicable to new building.

⁸ Centre Inter-Institutionnel Européen (out-door training and childminding facilities). The potential renovation aims at development of facility for sport, socio-cultural activities and nurseries and other childminding services (after-school and holiday camps), increasing its capacity and improving the accommodation conditions.

SPECIFIC OBJECTIVE : Improve exchange of best practices and cooperation with other institutions and service provision to other EU institutions and bodies on the basis of clearly defined Service Level Agreements (SLAs).

<i>Result Indicators</i>	<i>Situation at the end of 2010</i>	<i>2010 Target</i>	<i>Comments</i>
Average space (m ²) occupied by agencies and managed by OIB in reference period	10.559 2009: 9.676	5.105 (estimated)	Depends on the demand [indicator abandoned in the MP 2011]
Number of ILISWG meetings	4 2009: 3	4	[indicator abandoned in the MP 2011]

Main outputs delivered in 2010

- Signed SLAs for OIB services with the agencies, mainly: EEAS, REA, ERCEA, EACEA, JU Artemis, JU IMI, JU Clean Sky, OPOCE, SGC, ERA, EASO⁹.
- Signed the usufruct contract by EACI for the COVE building (part B).
- Technical assistance was provided under SLA's for the fit out works of EACEA, EACI, TENTEA and JU in Brussels.
- Technical assistance and consultations were provided for agencies in different countries: ACER (Ljubljana), BEREC (Riga), EASO (Valetta), EFSA (Parma), EGI (Vilnius), F4E (Barcelona), OSHA (Bilbao).
- The Belgium federal project on upgrading the Schuman railway/subway station: Amendment to Protocol between the Belgian Authorities and the Commission signed on 2/12/2009 on the temporary occupation of the underground areas next to BERL building, including completed annexes, was signed end of May 2010. The works carried out by Beliris (collaboration between the Brussels Region and the Federal Authorities) were closely coordinated aiming at reducing its impact on the Berlaymont building.
- OIB regularly took part in the inter-institutional working group (ILISWG) and ensured its secretariat. From 1/01/2010 OIB has also ensured the presidency of the working group for a 2-year period.

SPECIFIC OBJECTIVE : Meet the highest environmental standards in all its activities, through the implementation of the Environmental Management Auditing System (EMAS).

<i>Result Indicators</i>	<i>Situation at the end of 2010</i>	<i>2010 Target</i>	<i>Comments</i>
Total number of EMAS registered buildings	32 buildings in total 2009: 23 buildings in total	9 new buildings (32 in total)	
% of energy consumption reduction/ year n-1	-9.3% (30/11/2010) 2009: -3.6%	Reduce energy consumption by 3% in all buildings	Electricity + normalised gas
% of water consumption reduction / year n-1	+5% (31/08/2010) 2009: -2.88%	Reduce water consumption by 3% in all buildings	increased vs last year due to technical reasons at BREY building which was operated with open cooling tower during the summer

Main outputs delivered in 2010:

⁹ To review the abbreviations of agencies, please see EUROPA website: <http://publications.europa.eu/code/fr/fr-5000400.htm>

- Conducted energy/water savings actions and other environmental actions in 30 buildings: (e.g. reduction of active lighting bodies in car parks and on corridors, replacement of halogens for Fluor compact, reduction of operating hours of equipment, cutting off hot water in toilets, replacement of gas R22).
- Registered buildings already in the EMAS scope (23) in 2009 and registration of a further 9 buildings entering the scope. Both activities have been validated by external verifiers and environmental inspectors.

1.3 ABB.2 - Equipment & Services activities

The general objective of this domain is to ensure client-oriented logistical services and social infrastructures which correspond to staff needs whilst meeting the highest environmental standards.

SPECIFIC OBJECTIVE : Create the best possible working conditions and ensure a sound financial management of the inventory (including the correct and secure delivery of mail, the optimal use of the Commission's printing capacity and the correct delivery of office supplies and furniture) by ensuring high level quality services.

<i>Result Indicators</i>	<i>Situation at the end of 2010</i>	<i>2010 Target</i>	<i>Comments</i>
% of satisfaction in annual staff opinion survey conducted by ex-DG ADMIN related to the services of PMO, OIB and OIL: (very satisfied + satisfied) versus (dissatisfied + very dissatisfied) [the survey is addressed to all Commission staff]			
* Delivery speed of the central postal service of the Commission	70% vs 7% (2009 survey) 63% vs 10% (2007 survey)	70% vs 7% (value 2009)	Next survey will be organised in 2011
* The quality of office furniture supplies	63% vs 14% (2009 survey) 57% vs 19% (2007 survey)	63% vs 14% (value 2009)	
* Moving of furniture, boxes and belongings to a new office	66% vs 6% (2009 survey) 62% vs 9% (2007 survey)	66% vs 6% (value 2009)	
* Graphic design, copying/reproduction services, OIB's electronic newsletter called Concrete (previously asked question: - The provision of reproduction services (graphic design, concept and printing))	65% vs 3% (2009 survey) 52% vs 6% (2007 survey)	65% vs 3% (value 2009)	
* The availability of parking spaces in office buildings	56% vs 22% (2009 survey) 53% vs 23% (2007 survey)	56% vs 22% (value 2009)	
* Transport/sustainable mobility facilities (Eurobus, service cars, service bicycles, one-way public transport tickets, etc.)	46% vs 23% (2009 survey) 54% vs 15% (2007 survey)	57% vs 15% (target 2009)	
Number of calls & complaints regarding office supplies	90 2009: 94	70	The most important complaints are about delivery times of some special articles. [indicator abandoned in the MP 2011]

% of jobs delivered within deadlines (printing activity)	84% on time 89% (jobs on time + jobs with 1 day delay) 2009: 79% on time, 83% (jobs on time + jobs with 1 day delay)	90%	The acquisition of new equipment has been finalised and a new colour printer has been operational since mid-June 2010. A new framework contract to renew the finishing machines is ongoing - this will further improve quality & time delivery. [indicator abandoned in the MP 2011]
% of moves with furniture vs total removals	0.62% 2009: no data/new indicator of 2010	Max 10%	Many of the moves expected to take place in 2010 have been delayed – in particular related to the installation of the EEAS. [indicator abandoned in the MP 2011]
Alternative transport: Number of service bicycle loans Number of One Way Tickets issued	24.109 2009: 26.891 43.319 2009: 39.534	28.000 40.000	The number of bicycle loans dropped due to bad weather conditions at the beginning and at the end of 2010. [indicator abandoned in the MP 2011]
Historical Archives: Number of files more than 30 years old analysed (during period) in order to open to the public	6.719 2009: 4.880	5.000	Calculations based on the number of eligible files analysed resulting from the revision of working method. [indicator abandoned in the MP 2011]

Main outputs delivered in 2010

Logistic services:

- Set up a functional helpdesk to facilitate the coordination of tracking of data on assets in the context of inventory.
- Set up a local supervisory board for coordination of use of ABAC SAM; financial aspects has been set up; the local supervisory board for inventory matters will be installed in 2011 and the related action plan will be developed in upcoming months (1st meeting: February 2011).
- The complete tracking of furniture in all Commission's buildings (via ABAC/SAM) finalised at the end of October 2010. The reporting on analysed results will be concluded by the end of March 2011.
- Timely pre-equipped the new EPSO building (Paris module, CORT25).

Transport:

- The contribution scheme for partial reimbursement of public transport season tickets launched.
- Launched the new Mobility Plan 2010-14 via inter-service consultation finalised at the end of December 2010. The Plan shall be submitted to the College at the beginning of 2011.
- A new version of guidelines for the use of official cars finalised by the end of year. It shall be submitted for approval when the new Code of Conduct for the College is agreed.
- The pilot project for a new administration system of parking spaces was introduced in buildings L-84, L-86, J-30, J-70 and BERL optimising the availability of the space¹⁰.

Historical Archive:

- Preparation done for the application of the methods of normalised archival treatment (NAT), by defining and designing the projects and changes applicable to the entire holding¹¹.
- Completed inventory of executed transfer, launched the procedure to recuperate borrowed files which have not been restituted for a long time¹².
- Decreased volume of paper files stored and safeguarded essential information by implementing the 'sampling-method'. 1300 files have been kept and about 36 000 files have been physically destroyed.
- Preparation done for receiving the electronic files (receiving successfully the first electronic files¹³).

SPECIFIC OBJECTIVE : Promote good social infrastructures at Brussels and Ispra sites by increasing both nursery and after school childminding capacity and optimising the use and quality of welfare Services.

<i>Result Indicators</i>	<i>Situation at the end of 2010</i>	<i>2010 Target</i>	<i>Comments</i>
Restaurants, Selfs, Cafeterias facilities			
% of satisfaction in annual staff opinion survey conducted by ex-DG ADMIN related to the services of PMO, OIB and OIL: <i>(very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</i> [the survey is addressed to all Commission staff]			
* The provision of cafeterias, self-service restaurants, other restaurants - in general	48% vs 26% (2009 survey) 51% vs 26% (2007 survey)	50% vs 25% (target 2011)	Next survey will be organised in 2011
*The provision of vending machines - in general	51% vs 16% (2009 survey) 52% vs 18% (2007 survey)	53% vs 15% (target 2011)	
% of satisfaction in more detailed annual survey conducted by OIB ¹⁴ .			

¹⁰ No more reserved parking places, 'first come-first served' approach increased by 25-30% the availability of parking places which were unoccupied under the old system. The new approach meets the acceptance of the staff.

¹¹ The NAT methods essentially constitute a top-down approach of archival holdings aiming at their description on various levels without repeating elements already retained at one of the other levels.

¹² The Commission services are deemed to reconstitute the borrowed files from Historical Archives Service, within a time of less than 6 months.

¹³ Historical Archives Service, in cooperation with SG and DIGIT, laid down the technical standards for the transfers of electronic files by designed the procedures and security levels to be applied. Provided trainings for members of the outgoing cabinets and their DMOs.

satisfaction rating (<i>very satisfied</i> + <i>satisfied</i>) [the survey is addressed to the clients of individual facility]			
*Restaurants "29" & "VM2", Bxl	"29" – 93%, "VM2" – 98% (2010) "29" – 91%, "VM2" – 93% (2009)	"29" – 91% "VM2" – 93%	Internal surveys conducted by OIB has been organised for cafeterias, restaurants and banqueting services at Bxl. The Audito method is based on a face-to-face interview (approx. 900 interviews within 10 canteens). The survey was launched at the end of 2010. The 2010 target is based on the average of the 2 types of surveys conducted in 2009: the internal one (occasional) and the external one (Audito) No survey launched in 2010, The new survey took place in January 2011
* Cafeterias, Bxl	76% (2010) 69% (2009)	70 %	
* Cafeterias, Ispra	76% (2009 Ispra) 68% (2007)	Next survey 2011 (Ispra)	
* Selfs, Bxl	80% (2010 / Audito) 73% (2009)	60 %	
* Selfs, Ispra	69% (2009 Ispra) 61% (2007)	Next survey 2011 (Ispra)	
* Vending Machines, Bxl	54% (2009) 61% (2008)	65%	
Number of cash-desk tickets:			(impossible to apply the same method due to changes in informatic system)
* Restaurants:"29" & VM, Bxl	turnover of 462.800 € 2009: 483.500 €	483.500 €	Bxl.: Reduction is the consequence of temporal closedown in BERL (the fire) and several cafeterias for renovation works [indicator abandoned in the MP 2011]
* Selfs, Bxl	1.676.601 2009: 1.669.772	1.733.566	
* Selfs, Ispra	265.000 2009: 259.926	260.000	
* Cafeterias, Bxl	3.634.243 2009: 3.770.961	3.965.448	
* Cafeterias, Ispra	210.000 2009: 221.000	230.000	
Number of complaints – Restaurants, Cafeterias, Drink for meetings, Bxl	220 2009: 332	250	All complaints written by e-mail or letter sent to " <i>boîte à suggestion</i> ". In comparison with the number of tickets selfs and cafeterias, it corresponds to 0,004% of total orders. [indicator abandoned in the MP 2011]
Number of complaints – Ispra	2 written 2009: 5	0	
Child-care facilities			
% of satisfaction in annual staff opinion survey conducted by ex-DG ADMIN related to the services of PMO, OIB and OIL: (<i>very satisfied</i> + <i>satisfied</i>) versus (<i>dissatisfied</i> + <i>very dissatisfied</i>) [the survey is addressed to all Commission staff]			
* The provision of nurseries and other childminding services (after-school and outdoor childcare facilities)	32% vs 19% (2009 survey) 30% vs 14% (2007 survey)	34% vs 18% (target 2011)	Staff response reflects the lack of places in nurseries – next survey to be conducted in 2011
% of satisfaction in more detailed annual survey conducted by OIB: satisfaction rating (<i>very satisfied</i> + <i>satisfied</i>) [the survey is addressed to the clients of individual facility]			
			Launched annual satisfaction surveys at Bxl.

* GPS regular attendance, Bxl	98,7% (2010 survey) 98,5% (2008)	98,5%	Survey conducted from 15/06/2010 until 9/07/2010
* GPS occasional attendance, Bxl	98,3% (2010 survey) 98,3% (2008)	98,3%	Survey launched in September 2010
* GA, Bxl	97,2% (2010) 94,4% (2008)	94,4%	Survey launched in November 2010
* Nurseries, Bxl	98,6 (2010 survey) 98,7% (2008)	98,7%	Survey launched in May 2010
* Childcare facilities, Ispra	62% (2009) 59% (2007)	Next survey 2011	Low satisfaction rate results from shortage of available places in childcare facilities in Ispra before 2010
Number of existing places in GPS, Bxl (Garderies Post-Scolaires)	1062 2009: 899	955	The current value is equal to the max capacity, the target was established having particular regard to negotiations with the European schools last year. Bxl: there is the possibility of using a number of places at the Wilson location of the childminding facilities for a short duration (2 weeks) when the demand for enrolment exceeds the number of available places in Overijse. <u>Ispra</u> : in 2010 the capacity was increased by additional 35 places up to 80 in total
Number of existing places in GA, Bxl (Garderies Aérées)	588 2009: 470	470	
Number of existing places in GPS, Ispra	80 2009: 45	60	
Number of children on waiting lists for GPS, Bxl (Garderies Post-Scolaires)	45 2009: no children on waiting list	0	<u>Ispra</u> : the extension has eliminated the waiting list
Number of children on waiting lists for GA, Bxl (Garderies Aérées)	0 2009: no children on waiting list	0	
Number of children on waiting lists for garderie, Ispra	0 2009: 15	0	
Number of existing places in nurseries, Bxl	898 2009: 849	1076	The target was estimated based on forecasted places at local market (308 places expected versus 101 obtained as of 31 December 2010). <u>Ispra</u> : full capacity of 90 places was reached in September 2010. [indicator abandoned in the MP 2011]
Number of existing places in nurseries, Ispra	90 2009: 90	90	
Number of children on waiting lists for Brussels nurseries	899 2009: 895	700	<u>Bxl</u> : interest is growing faster than expected. Lists are regularly reviewed, communication on updated situation are sent to parents and where possible places are offered. <u>Ispra</u> : It is low priority as at least one parent is at home during the day.
Number of children on waiting lists for Ispra nursery	15 2009: 14	5	
Number of complaints – nurseries, GPS, GA, CIE, Bxl	53	50	[indicator abandoned in the MP 2011]

Number of complaints – childcare, lodgings, Ispra	2009: 52 0 2009: 1	0	
Other facilities			
Number of members for the winter tennis season (CIE), Bxl	94 (estimated) 2009: 103	140	The exact data is not yet available as the winter season will finish at the end of March. It is expected that after modernisation and renovation of the centre, interest will increase. [indicator abandoned in the MP 2011]
Number of members for the summer tennis season (CIE), Bxl	106 2009: 174	220	
Number of training participants (CIE), Bxl	3097 2009: 3.579	3.200	The number of training courses and participants depends on the number of courses organised by DG HR and other DGs at Overijse.

Main outputs delivered in 2010

Services:

- After having analysed the possibility of offering a greater choice of organic food in the Bxl canteens (tests were carried out in 2 selfs: BU-5 and BERL) client interest proved to be very low, the project was therefore withdrawn.
- Organised 9 workshops on wine tasting. No other workshops such as cooking were organised.
- Action plan resulting from satisfaction surveys 2008 was finalised: development of the playgrounds at BU, PALM, GENEVE, strengthened communications with parents, development of activities such as introduction of musical activities, etc.
- The service "sandwich minute" (freshly prepared sandwich) has been opened in BERL and MADO (Bxl).

Modernisations/re-arrangements:

- Accomplished a feasibility study on the re-arrangement of the canteen to incorporate a new method of meal-distribution ("islands" project) at Ispra site. Receiving high costs estimated for proposed design, alternative solutions were requested.
- Drafted the multi-annual renovation and investment plan resulting from the work of assigned committee which will present its proposal to the steering committee JRC/OIB in January 2011.
- Maintenance work at CIE Overijse¹⁵.

Increase in child-care capacity:

- Ispra: conversion of the ex "nido giallo" building into an extension of the after-school facilities was accomplished in August, ready for the school year starting in September 2010¹⁶.
- Bxl: 132¹⁷ private nursery places are available by the beginning of March 2011 and were offered to parents on the waiting list starting January 2011.
- Bxl: additional 12 nursery places created in Beaulieu (BU-9) following the transfer of the afterschool childcare facility to a new location (BU-1) within the building complex; these additional nursery places will be offered to parents on the waiting list starting January 2011.
- Capacity of the after school childcare facility in Beaulieu increased from 60 to 135 places following the move.

Other:

- Implemented the admission rules for nursery and garderie, with particular attention given to priority criteria for waiting lists at Ispra facilities – as from January 2010.
- Developed new IT application for on-line registration at the Ispra childcare facilities, which will be ready for production in January 2011.
- Organised tailored made training for the staff of the childcare sector at Ispra.

¹⁵ Renovated two tennis courts, the playground of the wood area has been enlarged by approx 5.400 m²; the fence has been repaired; the mini-golf was cleaned, the floors adjusted; some buildings were repainted and the dressing rooms have been renovated.

¹⁶ The opening of the facility eliminated waiting lists for the Ispra Garderie and gave bigger capacity for more children; it allowed a more age-focussed approach to activities by splitting the age groups into two.

SPECIFIC OBJECTIVE : Improve exchange of best practices and cooperation with other institutions and service provision to other EU institutions and bodies on the basis of clearly defined Service Level Agreements (SLAs).

<i>Result Indicators</i>	<i>Situation at the end of 2010</i>	<i>2010 Target</i>	<i>Comments</i>
Number of inter-institutional actions (printing projects)	4 2009: 9	7	All printing projects are in the framework of signed SLAs [indicator abandoned in the MP 2011]
Number of files transferred to AHUE ¹⁸	2109 2009: 1.814	2.000	[indicator abandoned in the MP 2011]

Main outputs delivered in 2010

- One of the two parts of Service Level Agreement with OPOCE (on the services provided by OPOCE to OIB) was signed in March 2010, the second one (on services provided by OIB to OPOCE¹⁹) was revised following remarks of the OIB Management Committee and submitted to DG HR in July 2010.
- Ongoing negotiations with the Council on providing them with printing services. The SLA is not yet signed.

SPECIFIC OBJECTIVE : Promote environmental awareness and the integration of environmental considerations in activities through the implementation of the Environmental Management Auditing System (EMAS).

<i>Result Indicators</i>	<i>Situation at the end of 2010</i>	<i>2010 Target</i>	<i>Comments</i>
Reduce the consumption of paper within printing projects	+27% 2009: reduction of 7,5%	Reduction of 2% of volume of paper consumed vs 2009	Based on the quantity of printed documents: increased internal (+ 35%) and external paper consumption (by external printers) + (18%) due to increased demand for new print-outs.
Reduce the consumption of paper (within the Commission)	Reduction of 5,3% 2009: reduction of 10%	Reduction of 2% of volume of paper consumed vs 2009	Global paper consumption depends on each DG's consumption which out of OIB's control [indicator abandoned in the MP 2011]
Number of "ECO friendly" articles in the internal catalogue for office supplies	174 2009: 157	170 references of articles	[indicator abandoned in the MP 2011]
Cumulated replacement of catering equipment containing hard CFCs within EMAS registered buildings - Gas R22 (number of units of equipment)	Not applicable 2009: 82% (41 equipments)	90% = 45 units of equipment	There is currently no framework contract for replacing refrigerators and freezers. The latest tender did not succeed in signing a new one. The new tender procedure will be re-launched. Action is carried over. [indicator abandoned in the MP 2011]

¹⁷ Out of the 308 places scheduled originally for opening in 2010, 132 have been made available in the beginning of March 2011: 48 places in Franklin, 36 places in Froissart and 48 places at Square Marie-Louise. The contractors have problems in making the remaining places available due to the following: searching for the new location, purchase of appropriate buildings, obtaining necessary permits (renovation, exploitation, environmental, fire security etc) and agreements (i.e. "Kind en Gezin").

¹⁸ The Historical Archives of the European Union in Florence.

¹⁹ This agreement is a complex one with specific objectives and working methods.

Number of drivers trained using the eco-drive module	68 2009: 60	70	[indicator abandoned in the MP 2011]
Emissions of CO ₂ by car g/km	173 2009: 185,7	205	CO ₂ emissions are linked to fuel consumption. This depends on the type of car, the way they are used (in town or on the motorway), and on travelling speed.

Main outputs delivered in 2010

- Conducted "green lessons" as part of the childcare educational programme at Ispra site.
- Participated in the initiative of ISO 14001 at Ispra site awarded to JRC and therefore being in line with the system.
- Ensured the choice of leased cars within the Commission's fleet to include a category having minimum CO₂ and NO_x emissions.

1.4 ABB.3 – Administrative Support

General objective of this ABB: to manage activities in a service and results-oriented way in a transparent, ethical and accountable manner. Four specific objectives were identified accordingly;

SPECIFIC OBJECTIVE : Maintain more pro-active management of human resources.			
<i>Result Indicators</i>	<i>Situation at the end of 2010</i>	<i>2010 Target</i>	<i>Comments</i>
% EUR12 overall target	Data on 1/11/2010 AD EUR10: 18 (100% of overall target) 2009: 14 (78% of 2004-2008 overall target) AST EUR10: 11 (50% overall target) 2009: 13 (59% of 2004-2008 overall target) AD EUR2: 2 (40% of overall target) 2009: 2 (40% of 2007-2009 target) AST EUR2: 5 (50% of overall target) 2009: 5 (50% of 2007-2009 target)	The Commission decision: AD EUR10: 18 (100% of 2004-2008 overall target) AST EUR10: 22 (100% of 2004-2008 overall target) AD EUR2: 5 (100% of 2007-2009 target) AST EUR2: 8 (100% of 2007-2009 target)	OIB considers it difficult to attain the Commission's objective for AST. The decrease in overall % for the EUR10 AST achievement is due to the fact that some officials initially recruited as AST EUR10 have been recruited as AD EUR10 and are now counted in the AD EUR10 quota.
% of the TEC annual objectives	85% (17/20) 2009: 26% (19 out of 72)	100% (20)	
Cumulated % of TEC annual objectives	98 % (233) 2009: 80% (216/269)	100% (236)	[indicator abandoned in the MP 2011]
Average vacancy rate of available posts (FO and CA)	4% 2009: 3.8%	3%	Situation mainly due to the non-availability of appropriate reserve lists for specific profiles for contract agents (technicians, educators, nursery nurses...)

Ratio of number of non-officials / Total staff	61% 2009: 58%	62% (on the basis of the initial objectives fixed in the Commission Communication on the creation of the Offices)	[indicator abandoned in the MP 2011]
% of women on total OIB staff	51% 2009: 52%	52%	
Number of training days per person per year	7,4 2009: 6	10 (the Commission target)	
% of flexitime adoption among staff	53% (authorised staff) ²⁰ 2009: 46%	47% (the Commission's average in 2008)	
Number of teleworkers	8 2009: 7	30 (the Commission's average /per DG in 2008)	As it was not realistic to obtain the target, the new target for 2011 was adjusted in MP 2011 by + 10%
Handover file in ADONIS /ARES (%)	84% 2009: 66%	100%	[indicator abandoned in the MP 2011]

Main outputs delivered in 2010

- Produced a report on the use of flexitime within OIB presented to the management.
- Produces a report on core/non-core activities.
- Finalised several internal procedures (e.g. overtime and external training procedures).
- Updated Appointing Authority Delegations (AIPN) rules within OIB.
- Launched an exercise on the quality of job descriptions (completeness).
- Updated OIB Strategic Training Framework (STF) and ensured its implementation.
- Produced a scorecard on OIB HR ("photo of OIB HR").

SPECIFIC OBJECTIVE : Strengthen internal control systems, consolidate budgetary planning and execution and reinforce procurement management, on the basis of sound financial principles, legality and regularity.

<i>Result Indicators</i>	<i>Situation at the end of 2010</i>	<i>2010 Target</i>	<i>Comments</i>
Financial management:			
% Commitments/Budget (C1)	100% 2009: 99%	100%	
% Payments/Commitments (C1)	86% 2009: 85%	90%	Target not reached due to important delays mainly in the first semester resulting from the implementation of SAM
% de credits C8 B2010 not spent/total crédits C1 + C4 + C5 (committed in 2009)	0,75% 2009: 1,63%	0%	Due to very operational nature of OIB activities, some credits engaged by the end of the year are lost because works couldn't have been finished in n+1.
% of overdue payments	30% 2009: 30%	25%	Target wasn't reached partially due to the difficulties in running of ABAC SAM. Nevertheless the average payment in 2010 is 37 days compared to 41 days in 2009 ²¹ .

²⁰ 29% of all staff.

²¹ As of end February 2011, the average payment time decreased to 34 days.

% of overdue recovery orders	0,7% 2009: 1,2%	3%	
Document management:			
% of ARES documents filed	98,7% 2009: 85%	100%	
Procurement management:			
Number of procedures > € 60.000 handled (inter-institutional procedures included) ... of which inter-institutional	104 procedures ²² out of which 25 inter-institutional 2009: 124 procedures out of which 23 inter-institutional	80 10	Within the number are: procedures for which the contracts were signed at the end of 2009, but still treated in 2010, procedures for which the contract was signed during 2010, procedures which were initiated but not yet finalised, procedures which were unsuccessful or cancelled (around 25).
% of valid bids/total received bids (offers)	86% 2009: no data / new indicator	75%	
Number of contracts signed (> € 60.000, including inter-institutional) Excluding inter-institutional	35 contracts out of which 15 inter-institutional 2009: 38 contracts out of which 16 inter-institutional	50 8	2 contracts signed in January 2011 and further 14 will be signed during Feb-April 2011.
Number of complaints received from unsuccessful economic providers each year	0 2009: 0 cases	0	
Number of cases received by the Ombudsman per year relating to the procurement procedures	0 2009: 0 cases	0	
Number of proceedings initiated by contractors or economic providers against the Commission before the Court per year	0 2009: 0 cases	0	
Indicators for the legality and regularity of underlying transactions			
Ex-Post Control: % coverage of the scheduled annual Ex-Post Control Program	85% 2009: 100%	100%	85% is % of transactions to be finalised by the end of February 2011 versus the total number of transactions to be controlled as foreseen in the programme. The shortage in personnel in ex-post control team delayed the work.
% of accepted ex-post control recommendations implemented on time by units concerned	51% (recommendations on 2009 transactions) 2009: not available	100%	
AOSD Reports: % of Authorising Officer by Sub-Delegation reports / number AOSD x 2 six-monthly reports	100% 1 st semester 94% 2 nd semester 2009: 85%	100%	72 new issues were raised in the course of 2010 and 96 were implemented. Timely implementation was not systematic due to workload of the units concerned.
For issues under the control of OIB, the % of corrective measures implemented on time by units concerned (as of 31/12/2010)	71% 2009: 83%	100%	

²² The difference of 20 procedures between 2009 and 2010 is due to an important backlog handled in 2009.

Audit recommendations: % of accepted audit recommendations implemented / total accepted audit recommendations implemented	74% 2009: 94%	100%	Several audit reports were delivered in last quarter of 2010 or before the end 2010 limiting the possibility of its implementation by the end of the year. Actions are carried over.
GAMA opinion: Regular consultation - obtaining the opinion of "the Group d'Analyse des Marches pour la ex-DG ADMIN (GAMA)" for all non-building procedures above the thresholds for procurement (€125.000 or €4.845.000)			
Number of negative opinions from GAMA	0 2009: 1	0	
Internal Control Standards (effectiveness / efficiency): Variation efficiency assessment 2010 vs 2009			
Number of ICS to improve (priorities) according to AMP	2 2009: 4	2	
Main outputs delivered in 2010			
<p>Budgetary and Financial management</p> <ul style="list-style-type: none"> Established new financial sub-delegations within OIB. Adopted a detailed budgetary programming by activity/service. Conducted a detailed analysis on payment delays. <p>Procurement management</p> <ul style="list-style-type: none"> Contracts signed for € 235 M (34 contracts, including 5 M for other institutions) (e.g.: 'entreprise generale', 'cleaning', furniture and 'bureau d'études'). Organised procurement training to OIB staff involved in procurement (planned for Jan-March 2011). <p>Strategic Planning and Programming / Internal Control coordination and risk management</p> <ul style="list-style-type: none"> Organised the risk assessment workshop for the management aiming at the revision of all existing and potential risks. Completed revision of indicators and harmonisation with OIL. <p>Management of Information and Communication Technology (ICT)</p> <ul style="list-style-type: none"> The "front-office" part of application 'Mobility.Net' was ready at the end of July 2010, the "back-office" part was ready for production in October 2010. IT systems put into production e.g. Presto (to facilitate catering orders at Bxl and Ispra), some modules of a Pace/Gis (for buildings), new module of MarCo (to facilitate call for tenders). Recording system of the assistance provided by the OIB 'help-desk' (tel. 55555) to be in place in 1st quarter of 2011. <p>Document Management</p> <ul style="list-style-type: none"> Adopted 2010 action plan for e-Domec/ARES in OIB. 			

SPECIFIC OBJECTIVE : Promote environmental awareness and the integration of environmental considerations in activities through the implementation of the Environmental Management Auditing System (EMAS).			
<i>Result Indicators</i>	<i>Situation at the end of 2010</i>	<i>2010 Target</i>	<i>Comments</i>
% of finalised EMAS actions vs EMAS rolling action plan	90% 2009: 86%	85%	
% of signed contracts ≥ €60.000 including environmental criteria / Number of signed contracts where environmental criteria could be used	63% (12 / 19) 2009: 68%	70%	The amount / value of signed contracts (12) represents 96 % of total value of related contracts.
Main outputs delivered in 2010			

- Actively participated and supported the communication campaigns organised by DG HR.
- Organised the annual seminars for OIB staff to inform and raise awareness about EMAS.
- 16 environmental communications were published: in Concrete (7), in CenD (9), Posters (4), and 5 messages to 'All' and Intracomm.

SPECIFIC OBJECTIVE : Improve OIB's communication policy focusing on the promotion of OIB's identity and visibility and on clear and timely information.

<i>Result Indicators</i>	<i>Situation at the end of 2010</i>	<i>2010 Target</i>	<i>Comments</i>
Number newsletter issues "Concrete"	9 2009: 8	9	
Number of articles in "Commission en Direct"	16 2009: 17	27	[indicator abandoned in the MP 2011]

Main outputs delivered in 2010

- Launched the satisfaction survey on evaluation of the OIB's communication channels, the report on outcomes will be delivered first quarter of 2011.
- Some operational profiles of OIB's '*metiers*' published on OIB-Net.
- Launched of a new OIB Website on EUROPA.
- Migration of OIB 'persadmin' pages (services) into *MyIntracomm*.
- Publication on OIB-Net of the key figures on core OIB operational activities (2011).
- Produced 2 films on OIB activities (including one for newcomers).
- Organised different events in Commission buildings.

PART 2

2 MANAGEMENT AND INTERNAL CONTROL SYSTEMS

2.1 Introduction to the Office of Infrastructure and Logistics Brussels

The Office's general objectives are:

- ▶ to meet the building needs of the Commission and related Services and staff in an efficient, effective and timely manner, in line with the highest environmental standards,
- ▶ to ensure client-oriented logistical services and social infrastructures corresponding to staff needs and meeting the highest environmental standards, and
- ▶ to manage activities in a service and results-oriented way in a transparent, ethical and accountable manner. OIB's main operational activities are the acquisition and management of premises and a wide range of services and logistical activities.

OIB managed different budget lines for a total of around € 414 Mio in 2010, covering two main areas of budgetary expenditure: expenditure on work, services and supplies contracts and expenditure on buildings. Details are provided in the Internal Control Templates (see also OIB 2010 commitments further in Part 2 and annex 5).

2.1.1 *Office Characteristics and Governance Structure*

The Office for Infrastructure and Logistics in Brussels was created by the Commission Decision of 6 November 2002 (C(2002)4368). The main responsibilities of the Office are related to the housing of staff, the management of social welfare infrastructures, and the logistics of the Commission in Brussels and the management of social welfare activities on the ISPRA site. OIB is also responsible for the implementation of Health and Safety Rules within the Commission's buildings.

The Commission Decision on Office has three main objectives:

- a more efficient and economic use of resources while improving the visibility of the services provided
- refocus effective operational responsibilities
- keep pace with the needs and demands of users..

The Office is attached to the Directorate General for Human Resources and Security (DG HR). OIB's tasks are carried out under the supervision of a Management Board which is mainly responsible for establishing the policy guidelines. The Board is also consulted on the main strategic planning and reporting activities (i.e. Management Plan, Annual Activity Report and Multi-Annual Framework Programme (MAPF) for building policy) and on

Service Level Agreements (SLA) to be concluded with other services or agencies. In 2010, the Management Board met twice.

OIB's Director is a Delegated Authorising Officer appointed by the Commission.

2.1.2 OIB's Management Model, Organisational, Administrative and Accounting Structure

Taking into account OIB's mission within such a specific environment, and considering the operational nature of its activities and their importance in the organisation of the Commission's work and provision of high quality services, as well as the specificities of its staff composition together with the growing demand and complexity of services offered, the reinforcement of the management structure was necessary.

A new organisational chart thus came into force on 1 January 2010. The number of OIB Departments increased from two to four, with some activities being regrouped between units in order to improve coherence and efficiency. In the course of 2010, newly created middle management posts were filled. The last nomination took place on 1st November.

The implementation of the new structure was therefore a challenge for all Departments, some having to manage duties during almost all of 2010 with acting Heads of Unit.

OIB's financial model is fully centralised for payments and recovery orders and partially decentralised for commitments for activities in Brussels. However, a fully decentralised circuit applies for activities located in Ispra.

The Internal Audit Capability as well as the evaluation functions are ensured by DG HR.

OIB signed various Service Level Agreements (SLAs) with Agencies and other institutions to provide accommodation, logistic services and technical/legal assistance. In 2010, in addition to prolonged SLAs; 16 new SLAs were signed while 12 others are waiting the agreement of the Management Board.

One particular SLA, signed with the newly created European External Action Service (EEAS), will have an impact on the Office's operations in the course of 2011 since this year will be an intensive transition period.

In order to improve SLAs management, a dedicated cell has been set up within OIB, and close cooperation with DG HR and the other Offices has been established. All those actions were undertaken in aim of improvement of the financial management, harmonisation and homogeneity of SLAs.

OIB manages certain credits which are sub-delegated to it on a permanent or temporary basis (for details and purposes see point 3.1.4.).

2.1.3 OIB's Staff Structure

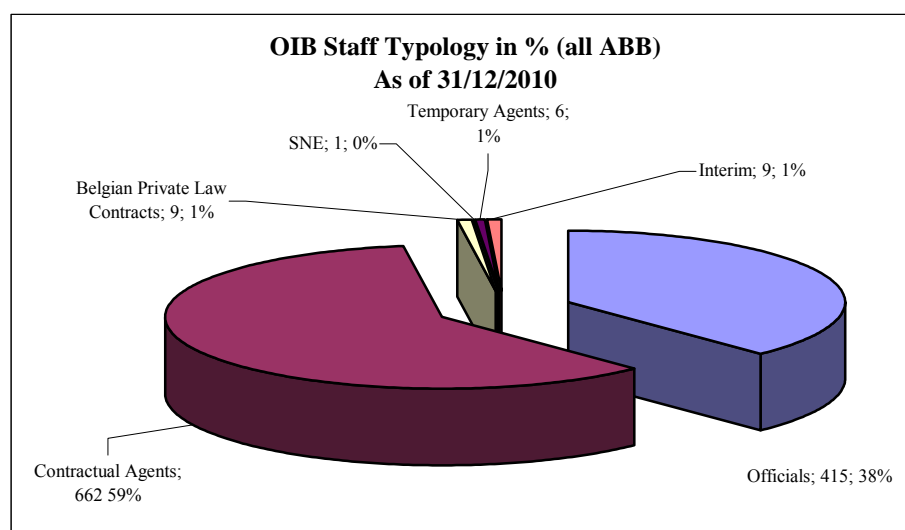
OIB counts a staff of around 1.100 staff, including 59% contractual agents. This particularity is mainly explained by the very specific and sometimes technical nature of the duties carried out by the Office's staff.

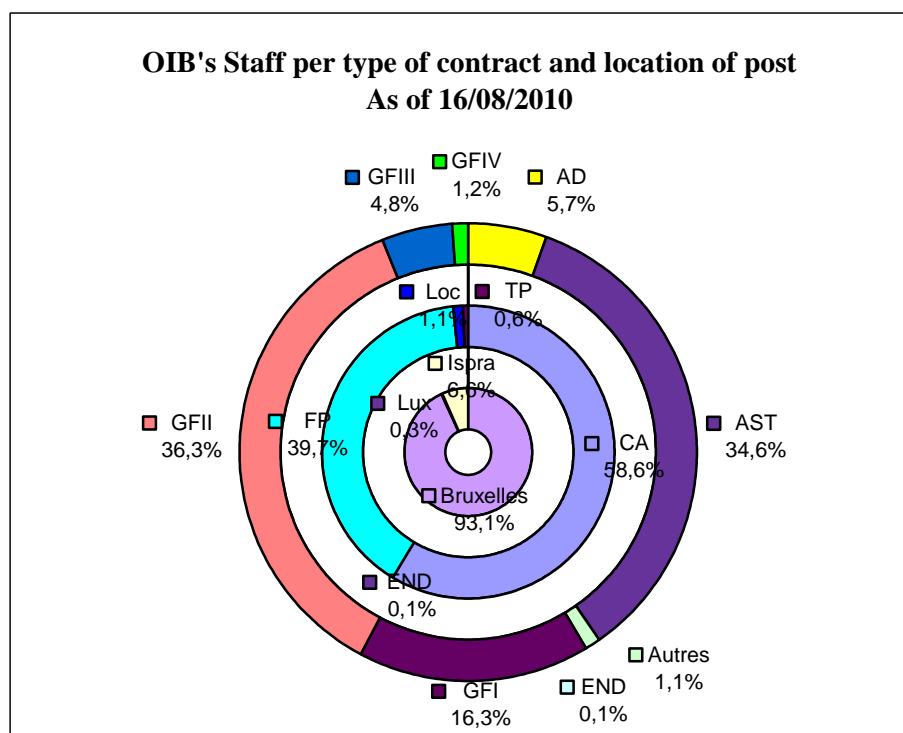
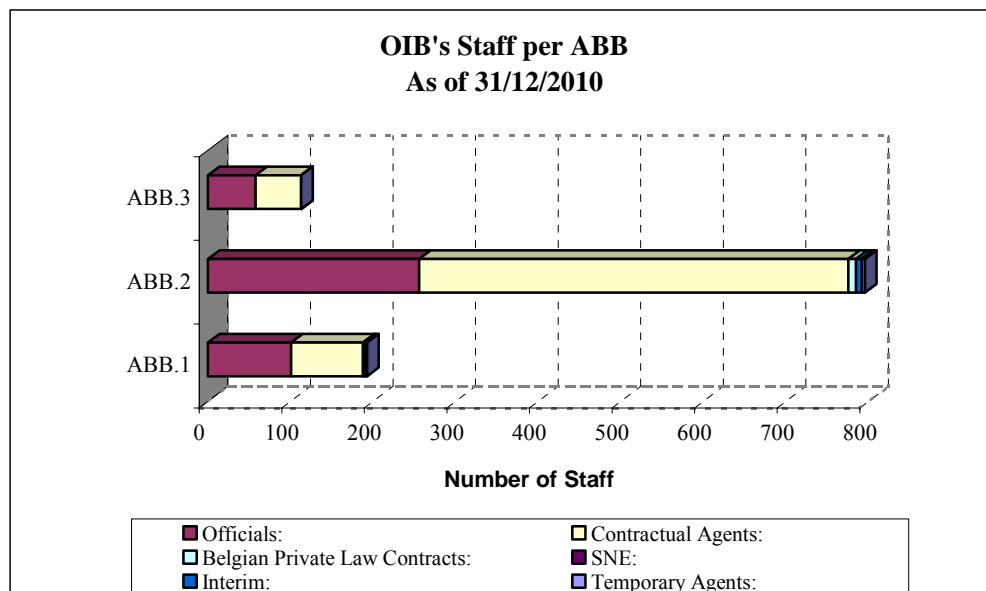
A recent analysis carried out by OIB shows that 60% of the total workforce exercise their duties in one of the following 7 "metiers":

Childcare staff (nurseries) – Budget, finance and contract – Drivers – "Educateurs" (in the after school childcare facilities) – Administrative Support – Cook – Logistic Support.

Following recent middle management appointments in 2010, the percentage of women occupying middle management roles has risen to 30%. Indeed, looking back over the last years, the number of women in middle management roles has fluctuated from 1 in 2009 to 4 (including Heads of Units and Head of Department) in 2010, already reaching the targets fixed by the Communication to the Commission on the strategy on equal opportunities for women and men within the European Commission (2010-2014) for senior and middle management posts.

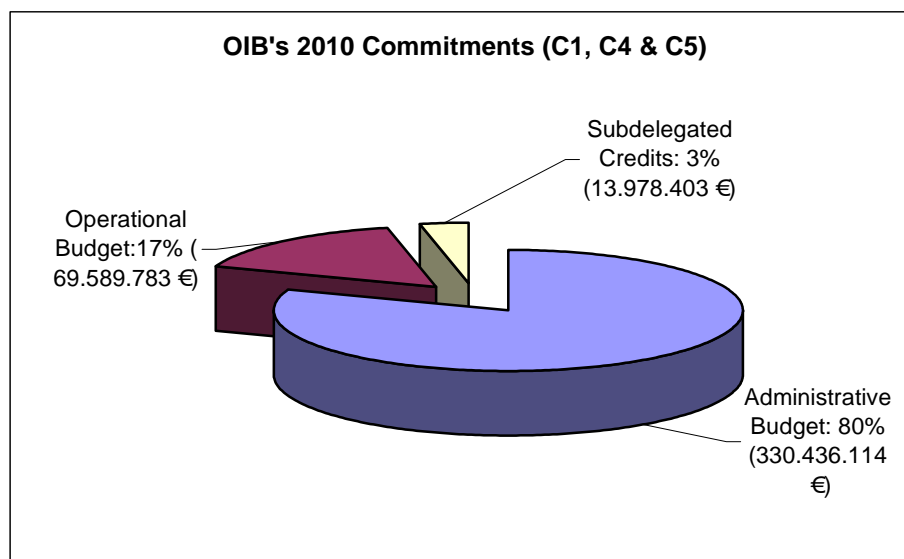
The structure of OIB staff is as follows:





2.1.4 OIB Budget

The structure of OIB's budget in 2010 was the following:



NB: the "administrative" budget is the budget assigned for the running of OIB operational activities (mainly ABB 1 and ABB 2); the "operational" budget is the budget assigned for the functioning of the Office (i.e. staff; mainly ABB 3).

No major change in the budget structure is to be noted compared to 2009, except an increase of the total commitments of 1,7%.

For more details, see Annex 2.

2.1.5 Major Events having an Impact on the Reputation

Even though 2010 was a challenging year for OIB, with the achievement of major projects in all its areas of responsibility and the reorganisation of its management structure, there are no events to report which may have had a negative impact on the reputation of the Office.

2.2 The Functioning of the Entire Internal Control System

The internal control system established in OIB is monitored and reviewed by the Internal Control Coordinator (Resources Head of Department) with the help of the planning and internal control coordination sector. Their role is to monitor compliance with the Internal Control Standards, conduct risk assessments, review the implementation of audit recommendations of the Internal Audit Service (IAS) and the IAC, and make any relevant recommendations to management, as well as conducting effectiveness reviews of selected control standards.

2.2.1 Compliance with the Requirements of the Internal Control Standards

The exercise to screen the compliance of the Office with the baseline requirements of the Internal Control Standards was conducted between September and December 2010. It was based on a desk review and meetings with the units and sectors

responsible for ensuring compliance with the baseline requirements of the standards. The planning and internal control coordination sector coordinated this self-assessment exercise.

Whenever a gap in compliance was identified, relevant staff were informed and requested to take action to correct the situation. On the basis of evidence collected, OIB's compliance rate was self-assessed at 95%.

Only partial compliance was achieved with 3 out of 60 baseline requirements.

The table below gives an overview of the internal control standards where the Office's self-assessment suggested full compliance with the standards:

ICS 1. Mission

The Office's mission statement is clearly defined in the management plan and all units have developed clear mission statements which are available on the intranet.

ICS 2. Ethical and Organisational Values

Management and staff are aware of ethics rules and these are clearly communicated.

ICS 3. Staff Allocation and Mobility

The allocation of staff is based on the Office's priorities.

ICS 4. Staff evaluation and development

Staff performance is evaluated against objectives and adequate measures are taken to develop staff skills.

ICS 5. Objectives and Performance Indicators

The Office's objectives are clearly defined in the management plan. Key performance indicators are established to help management evaluate and report on progress made in relation to their objectives.

ICS 6. Risk Management Process

A risk management process in line with applicable guidelines is integrated into the Annual Management Plan.

ICS 7. Operational structure

The operational structure supports effective decision-making. Risks associated with the sensitive functions are managed.

ICS 8. Processes and Procedures

The Office's processes and procedures are adequately documented and compliant with applicable provisions. They include arrangements to ensure segregation of duties.

ICS 9. Management Supervision

Management supervision is performed through regular reporting and ad hoc reports and meetings.

ICS. 11. Document Management

Appropriate processes and procedures are in place to ensure document management is secure, efficient and complies with applicable legislation.

ICS 13. Accounting and Financial Reporting

Procedures and controls are in place to ensure that accounting data and related information used for preparing the Office's annual accounts and financial reports are accurate, complete and timely.

ICS 14. Evaluation of Activities

Evaluations of legislation and other activities are performed to assess the results of these activities and the need for further initiatives.

ICS 15. Assessment of Internal Control Systems

Management assesses the effectiveness of the Office's key internal control systems at least once a year.

ICS 16. Internal Audit Capability

The Office has an Internal Audit Capability (IAC) which is ensured by the DG HR.

The following actions have been taken in view of reinforcing compliance with Internal Control Standards. This is not an exhaustive list but rather represents a few examples that are worth noting:

- Update of mission statements of Departments and Units following the reorganisation of the Office on 01.01.2010.
- Compulsory, tailor-made training on ethics and integrity has been given to Management of all levels. The planning of courses for other staff categories has been set up for early 2011.
- The indicators for the Management Plan 2011 have been reviewed and harmonised, where possible, with OIL on our own initiative.
- An in-depth risk management exercise was conducted in view of optimally reflecting the risks faced by the Office in its new structure.
- A series of procedures has been updated and redrafted and made available on the Intranet, i.e. the manual of financial procedures and the manual of public procurement, as well as a series of missing operational procedures and CAF procedures;
- An effectiveness review of the prioritised standards for 2010 was conducted (see below).

There were 3 out of the 60 baseline requirements, where OIB assessed itself as being only partially compliant with the control standards. They were the following:

- ICS 10 – Business Continuity: “Procedures are established for exercising, updating and validating the BCP. Reviews are at least annual, through the existing risk management process”. OIB needs to maintain and make available the list of critical functions and critical staff on the Office's Intranet (ongoing).
- ICS 10 – Business Continuity: “Electronic and hardcopy versions of the BCP are stored in secure and easily accessible locations, which are known to relevant staff.” Hardcopy versions of BCP still need to be stored in secure locations, known to relevant staff.
- ICS 12 – Information and Communication: “The IT systems support adequate data management, including database administration and data quality assurance. Data management systems and related procedures comply with relevant Information Systems Policy, compulsory security measures and rules on protection of personal data. The development of a security action plan (including data management and checking on different applications) in order to follow the recommendations brought forward by Directorate for Security (DG HR) has started in 2010 and should be finished shortly.

In addition, the following has to be noted in respect of the Internal Control Standard 7 – Operational Structure: Derogations granted to allow staff to remain in sensitive functions beyond five years are recorded if any and in such cases, the risk assessment, linked to it is reported in AAR in compliance with the instructions provided by central services.

Seven (7) post became subject to mandatory staff mobility due to their sensitivity in the course of 2010; from this: 5 cases became redundant following the mutation of the staff or withdrawal of the sensible function, in 1 case the demand for derogation was issued and 1 case is ongoing (the withdrawal of sensitive function).

2.2.2 *Effectiveness of Implementation of the Prioritised Control Standards*

Management decided that the following 2 standards were the most relevant to the Office in 2010 and their implementation should therefore be reviewed in detail in order to assess how effectively they were working inside OIB:

- **Management Supervision (ICS 9)** – Management considered that the supervisory functions required certain strengthening, namely in the domain of financial management.
- **Process and Procedures (ICS 8)** – Management considered that there were still some pending procedures which required revision/update to be conducted during 2010.

DG BUDG provided services with a set of non-mandatory guidelines for conducting the reviews. These comprise a series of questions relating to the baseline requirements of each standard. This non-mandatory guidance has been drawn on in preparing the review for OIB. Within the Office, input has been gathered from 2 principal sources:

- A desk review of each of the above-mentioned standards, utilizing the results from the Internal Control Standards screening.
- Input has been sought from managers of the key resources units responsible for maintaining compliance with the relevant standards.

In respect of ICS 9 – Management Supervision, the following conclusions were reached:

- ✓ No major failures or fraud in the system have been detected as a result of both ex-ante and ex-post reviews.
- ✓ Systematic ex-ante control via a centralised financial circuit for payments and tender procedures above 60.000€. Internal training programs are available for staff on relevant matters.
- ✓ Regular reports are made to management on budgetary and administrative issues.
- ✓ The Office has not received any complaints with regard to its tender procedures.
- ✓ Audit recommendations, regardless of source, have action plans drawn up and are fulfilled within the agreed deadlines where possible. There have been no

critical recommendations issued by any of the audit bodies in the course of 2010. Implementation of action plans is monitored by the Internal Control Coordinator with the help of the internal control coordination sector and reports as appropriate to Management.

- ✓ No criticisms from the Court of Auditors have been noted by the Office in the course of 2010.

It can therefore be concluded, that in the course of 2010, an improvement was made in the domain of financial management. The implementation of the new organisational chart reinforced the vertical management and supervision. A Head of Unit responsible for Finance and Public Procurement was appointed at the end of the year. An analysis on the delayed payment in OIB was carried out and the subsequent workshops conducted with each Head of Department and respective Heads of Units with participation of representatives of Financial Units, was the starting point for further improvement in this area. A detailed financial programming is on-going and the SAM tool (Supply and Assets Management) should provide a better basis for the follow up of financial management and reporting in 2011.

It is however important to underline the improvement achieved in reducing the payment delays in 2010. The average payment time for the whole year 2010 is of 37 days (with an average of 30% of payments made outside delays) compared to 41 days in 2009 (with an average of 30% of payments made outside delays). The analysis and the subsequent measures taken within OIB allowed reducing the average of payments made outside delays down to 18% in November 2010 and 15% in December 2010. As of end February 2011, the average payment time decreased further down to 34 days with an average of payments made outside delays of 24% (first quarter of the year always present less good figures than the rest of the year). Further analysis is ongoing to target even better the measures still to be taken.

However, despite all the proactive measures described above, OIB management considers that ICS 9 should still be prioritised in 2011 and can still make further improvements, mainly taking into account the following:

- ✓ OIB still lose C8 credits;
- ✓ Payment delays are still higher than the Commission average.
- ✓ As the number of SLAs signed with agencies/institutions is on the increase, a more rigorous monitoring of incomes generated from this source becomes necessary.
- ✓ OIB now uses a budget programming tool but the budget needs regular update in order to be used in the most effective way.
- ✓ A new IT tool compliant with the adopted methodology for ex-post control has been developed and now needs to be tested. Lessons will be learned from the past in this specific area in order to reach the best coverage possible and a more dynamic approach by issuing quarterly ex-post control reports instead of a yearly report, allowing for quicker implementation of recommendations.

This justifies a rigorous follow-up on financial management being pursued and that ICS 9 remains prioritised for the Internal Control Effectiveness review 2011.

In respect of ICS 8 – Processes and Procedures, the main conclusions were the following:

- ✓ An update of the inventory of procedures was carried out during the course of 2010.
- ✓ The documentation of most of the operational and financial processes and procedures have been reviewed, updated and made available on OIB-Net in the course of 2010, including the manual of financial procedures and the manual of public procurement at OIB.

OIB therefore considers this standard as effectively implemented.

Moreover, it should be mentioned that in OIB's 2011 Management Plan it has been decided to prioritise also **ICS 10 – Business Continuity** for the Internal Control Effectiveness review 2011. OIB's business continuity is crucial for the Commission's services. Even though appropriate measures are established to ensure continuity of service in crisis situations, possible disruption of OIB's activities or possible difficulties in responding to any unexpected event may seriously disturb operations of many other services of the Commission. For this reason, it is of paramount importance to ensure that OIB BCP documentation is reviewed and updated constantly and that staff concerned is regularly informed.

2.3 Information to the Commissioner

The arrangements between the Vice-President Maroš Šefčovič and the Office conform to the 'baseline requirements'²³ of Internal Control Standard 9 (Management Supervision) regarding notification of the Vice-President on a bi-annual basis on matters pertaining to control issues.

Meetings with the Vice-President's Cabinet and the President of the Management Board took place regularly regarding strategic and operational issues.

The main elements of this Annual Activity Report and assurance declaration have been brought to the attention of the Commissioner Maroš Šefčovič during the meeting on 18 March 2011.

2.4 Conclusion

The Office aims to incorporate the requirements of all Internal Control Standards into every day management processes in order to ensure a professional working environment and high quality of services provided. Even though only 2 key Internal Control Standards have been

²³ The baseline requirements of Internal Control Standards set the minimum requirements to demonstrate compliance with the standards. There are 60 baseline requirements covering the 16 Internal Control Standards.

reviewed in detail to assess their effectiveness, a number of critical elements demonstrate the effectiveness of the internal control system in its entirety:

- As regards financial management, no material loss or errors, or breaches of legality and regularity requirements have been detected by the Court of Auditors, the IAS, the IAC.
- An in-depth risk management exercise was undertaken as part of the management plan exercise, so that risks can be identified and mitigated as far as possible.
- The documentation of procedures has been reviewed and updated and made available to staff via the Intranet.
- No critical control failures have been noted in 2010 either through the effectiveness reviews or through the audit work carried out by IAS, IAC and ECA. Where audits highlight areas for improvement, action plans are systematically developed and implementation is followed by the planning and internal control coordination sector and monitored by management.

This report therefore concludes that the measures and procedures in place provide a basis for concluding that the overall internal control system in the Office is effective.

PART 3

3 BUILDING BLOCKS TOWARDS THE DECLARATION OF ASSURANCE

3.1 Building Blocks towards Reasonable Assurance

The reasonable assurance provided by the Authorising Officer by Delegation, the Director of the Office, (in Part 4 of the present report) is based on the information at his disposal: analysis of the fulfilment of Internal Control Standards requirements, (described in detail in part 2) and overview of the key controls in place, namely:

- Ex-post controls carried out by the ex-post control team following an annual work programme approved by the Director of the Office;
- The reports issued by Authorising Officers by Sub-Delegation provided to the Director twice a year, and the follow-up of issues mentioned therein by the ex-post control team;
- The opinions given by the 'Groupe d'Analyse des Marchés pour la DG HR' (GAMA) on the non building procurement procedures above €125.000, and opinion of the Real Estate Committee about procedures concerning new usufruct / acquisition / rental of buildings.
- The continuation of the reporting practice in respect of horizontal and operational issues.
- The keeping of an exceptions register, and bi-annual reporting to the Director of the Office on this matter.
- Risk management procedures.
- Follow-up of audit recommendations issued by auditing bodies during the reporting year and in previous years.
- Assurance received from other Authorising Officers in case of cross sub-delegation.

The information in respect of these key controls is structured around the following four (4) building blocks presented in this section; further explanation is provided in the Internal Control Template in Annex 5.

3.1.1 Building block 1: Assessment by Management of OIB

OIB financial circuits comply with the 'four eyes principle' as all transactions are initiated by an operational initiating agent, then verified by an operational verifying agent, before being initiated by a financial initiating agent and verified by a financial verifying agent.

With regards to payments and recovery orders, the financial verifying agent is also the Authorising Officer by Sub-Delegation.

Ex post controls

The ex-post control team is directly attached to the Director of the Office, which guarantees its independence from the operations they have to control. The ex-post control performs a review of a series of transactions on the basis of an annual work programme approved by the Director at the beginning of the year.

Regarding 2010, the ex-post control team planned to review a total of 330 transactions: 150 payments, 100 recovery orders, 55 low value procurement procedures, 20 budgetary commitments and 5 high value procurement procedures.

Due to unexpected absences for long periods, the team full work capacity has been reduced by 1/3, a total of 279 transactions will be controlled by the end of February instead of the 330 planned. However, those 279 transactions (128 payments, 111 recovery orders, 9 low value market procedures and 31 budgetary commitments) controlled cover all OIB's operational activities / budgetary "code nature" and did not reveal any critical issues such as double payment of a single transaction or legality or regularity issues. Ex post control team did not carry out high value procedures controls, however the work of the ex post control team was on this field complemented by European Court of Auditors and by the preventive controls "à priori" done by GAMA (see below and in the part 3.1.2.)

To replace the interim methodology still used in 2010, OIB has developed software, in co-operation with the ex-post team, which will allow sampling payment transactions on the basis of risks, in compliance with the methodology adopted by the Authorising Delegated Officer. Numbers of points of control in the ex-post checklists have remained, nevertheless a standardisation on the working methods, compliance rates etc. should be done by the ex post control team in cooperation with OIL.

Title	Indicator	Last Value (as of 31/12/2010)	Target 2010
Ex-post controls	% coverage of the scheduled annual Ex-Post Control Programme	85% ²⁴	100%
	% of accepted ex-post control recommendations implemented on time by units concerned	51% ²⁵	100%

²⁴ Values 2009: 100%

²⁵ Values 2009: Unavailable

Following these controls, the ex-post control team noted a considerable improvement in the documentation of transactions; however ex post control team suggests that the original documentation related to a contract should be harmonized at OIB level, preferably in electronic format. The documentation issues remain an area for which the ex-post control team will continue to be vigilant due to its importance. OIB will continue to balance the need to have the most extensive documentation in the files, allowing for controls and authorisation, respect of the Financial Regulation and simplification in view of shortening payment delays.

Ex post control has noted that a good step forward has been achieved in the identification of all the financial actors with the establishment of a comprehensive list of them informing about their role and responsibility.

Another area that ex post team will continue to monitor in the future is the certified correct (CAF). The CAF procedures are available on OIB's intranet but some ways of doing the controls on the spot are too sophisticated and should be simplified. The ex post control team considers to implement this simplification of the CAF procedures in close co-operation with the Operational Units and in assistance of the Authorising Officers by Subdelegation in payment.

Regarding budgetary commitments, this is a control point that is followed strictly by the ex-post control team, and more particularly the associated documentation to justify the commitment compared to the programming. It is important to note that the new SAM application will facilitate the control through simplification of the verification process, eliminating the former use of excel tables.

In respect of the recovery orders, their monitoring is facilitated by the set up of the central cell responsible for the Service Level Agreements (which represent the majority of OIB's income).

Authorising Officers by Sub-delegation reporting

44 Authorising Officers by Sub-delegation have been appointed within OIB's staff, 10 of them being AOSDs for payments only, following the Office Financial Circuits in place.

AOSDs are required to provide 2 reports per year, end June and end December.

For the first half of 2010, all AOSDs provided their report to the Authorising Officer. As of end 2009, 105 issues were opened following the AOSDs' reports and 75 of those have been closed during the first half of 2010, whereas 22 new points were raised.

Title	Indicator	Last Value (as of 31/12/2010)	Target 2010	Comments
AOSD Reports	% of Authorising Officer by Sub-Delegation reports / number AOSD x 2 six-monthly reports	91% ²⁶	100%	
	For issues under the control of OIB, the % of corrective measures implemented on time by units concerned	71% ²⁷	100%	

Some of the issues mentioned by AOS in their 2010 reports are:

- litigation cases i.e.: communal taxes on building, claim to pay regional taxes on one of the Commission's building,
- use of the software SAM in OIB,
- some cases of the recovery orders

Mitigating measures are gradually put in place to answer the issues mentioned by the AOS in their reports. Those matters do not impact the reasonable assurance.

Preventive controls

Preventive controls are in place within OIB and form a part of the Office's financial circuits.

Regarding non-building procurement procedures, all procedures above the threshold fixed for 2010 (€ 125.000) are sent to GAMA for a possible review. Out of the 31 files sent in the course of 2010, 9 were selected for review. None of those files received a negative opinion from GAMA, who gave neither positive nor negative opinions regards any of the files.

In respect of building procurement procedures and in accordance with the Memorandum from Vice-President Kallas to the Commission on the definition of the methodology to be followed by the services of the Commission for prospecting and negotiating for buildings (C(2008)2299 adopted June, 3 2008), OIB consults the Real Estate Committee at each foreseen step for any building procurement projects.

²⁶ Values 2009: 85% ,

²⁷ Values 2009: 83%

Such consultation at each step of the procedure ensures that procedures have been correctly followed and that the project is fully compliant with principles of transparency and value for money.

Reporting

Reporting provides useful and necessary information to management and helps them take appropriate decisions and eventually corrective measures where necessary.

Regular reporting is provided to Management in respect of the following horizontal and operational areas:

- human resources (reports on i.e. vacant posts, sensitive functions, TEC objectives, job descriptions and staff annual objectives, training needs and participation in training courses, ...);
- finances (reports on i.e. evolution of payments delays, interest paid on delayed payments, litigations, ...);
- budget execution (reports on i.e. legal and budgetary commitments, assigned revenue, use of credits, outstanding recovery orders, forecast of revenue versus recovery orders, ...);
- procurement (reports on i.e. sensitive markets reporting, status of planned and not yet launched procedures, ...);
- document management (reports on i.e. state of implementation of 2010 Document Management Action Plan, monthly report on the number of documents not filed in ARES, ...),

Ad-hoc reporting is also provided as the need arises (i.e. on the use of flexitime, on the absences – ongoing).

High-level exception reporting

In Compliance with Internal Control Standard 8 (Processes and Procedures), the Office continued to submit exceptions for approval of the Authorising Officer by Delegation, and register them in the register of exceptions throughout 2010. Their follow-up was ensured by appropriate bi-annual reporting to the Authorising Officer.

Similarly to 2009, the most important exceptions registered during the year were related to:

- The late establishment of budgetary and legal commitments (legal and budgetary *a posteriori*)

The payments in the building area linked to the reimbursement and/or regularisation of property/communal taxes, indexation, legal assistance and

insurance accounted for almost half of the total *a posteriori* (45%), and thus constituted the most significant amount within the category.

- Procurement process.

The urgent need to launch a low value procedure (often justified by Art.126 of FR) or to increase the threshold of contracts initially approved are the exceptions found in this category.

While facing delays in launching a new tender procedure for the cleaning contract, the signature of amendments for purchasing orders/specific contracts turned out to be the most significant exception in the procurement area.

The best practice of regular reporting to management on the exceptions registered and provision of corrective measures by each unit whenever an exception is presented to the Authorising Officer, was pursued in 2010.

Risk management

In October 2010, an in-depth risk assessment exercise was carried out with all OIB Management and main internal stakeholders over a series of different workshop sessions. Following this in-depth risk assessment, OIB's risk register was updated and action plans were established.

Internal Control Coordinator contribution

The Internal Control Coordinator, who is the Resources Head of Department, as for the majority of the Commission's services, fulfils mainly coordination and facilitation functions with the help of a small dedicated team.

It includes tasks such as the coordination of risk assessment exercises, review and reporting on implementation of internal control, reporting on critical risks and prioritised Internal Control Standards, overview and monitoring of action plans, evaluation of the Internal Control system, advice on the organisation's internal control structure and risk management strategy.

The ICC also organised and participated in the bilateral meetings that took place with each Department in view of the preparation of the Annual Activity Report 2010, with the assistance of the IAC.

These tasks contribute to the statement of the Head of Resources Department attached in Annex 1 to the present report.

3.1.2 Building block 2: Results from Independent Audits during the Reporting Year

IAC audit reports concluded in 2010

In respect of the audits carried out by the Internal Audit Capability in the course of 2010, all recommendations issued (of which none were critical) were accepted by management and action plans were set up to remedy weaknesses identified during the audit processes.

The IAC finalised two audits in the course of 2010:

- ✓ **An audit on the management of service vehicles**

The final report was submitted to the Director of the Office on 08.02.2010 and mainly highlighted the need to review the legal basis and documentation of internal control procedures in this domain. A set of procedures allowing more efficient monitoring and reporting on fuel consumption, excessive mileage and vehicle attribution were developed during the course of 2010. A new regulatory framework will follow in the first quarter of 2011.

- ✓ **An audit of the management of the income process for childcare activities in OIB**

The final report was submitted to the Director of the Office on 11.01.2011. The auditors considered that the process currently in place provides a reasonable assurance regarding the management of the income process for the childcare activities. Two weaknesses were identified regarding the regulatory framework and the monitoring of the financial circuit (presenting risk of errors in the areas of parents' contribution and salary retention), they will be addressed according to the submitted action plan.

Additionally, in 2010, IAC carried out and closed 2 follow-up audits namely:

- ✓ **A follow-up audit on the management of nurseries and childminding facilities,**

- ✓ **A follow-up audit on verification of the compliance of the tendering procedures.**

IAS audit reports concluded in 2010

In respect of the audits carried out by the Internal Audit Service in the course of 2010, all recommendations issued (of which none were critical) were accepted by management, and action plans were set up to remedy weaknesses identified during the audit processes.

The IAS finalised one audit and one follow-up audit in the course of 2010:

- ✓ **An Audit on Ispra/OS.3 activities.**

The final report was submitted to the Director of the Office on 16.07.2010 and included a total of 7 recommendations, 3 of which were “very important”.

The main weaknesses pointed out were linked to financial management, procurement and ex-post control. Further to the IAS recommendation, the imprest account ceiling was already reduced and ABAC was implemented for the management of catering expenses. The implementation of the outstanding recommendations (food procurement and ex post controls) is ongoing and in accordance with the action plan submitted.

✓ **A follow-up audit on targeted Internal Control Standards**

Based on a desk review, the IAS, closed this audit on 21.12.2010 (the implementation of one recommendation will be examined in the context of the follow-up of the OIB procurement audit scheduled for 2011).

IAC opinion

IAC considers that based on the results of audits described in the objectives and scope of the engagements carried out by the IAC of DG HR during 2010, the internal control system in place in the OIB provides reasonable assurance regarding the achievement of the business objectives set up for the processes audited, except for the following:

- ✓ The regulatory bases for OIB operations should be kept updated, as identified with the IAC audits on the management of leased vehicles and on the income process for the childcare facilities,
- ✓ The control documentation and methodology (i.e. for the management of the leased cars and in the financial circuits for parents' contributions, as well as identified by the IAS in its audit on the activities of OIB.OS.3 for ex post controls) should be further developed and formalised.

In addition to the opinion given above, and taking into account the coverage of the activities in the Office, the IAC declared not being aware of anything which might lead to a potential reservation in the AAR.

Following the recommendations issued by IAC in its reports from audits OIB has undertaken several actions and mitigating measures which are described in details above in this point of the document.

European Court of Auditors (ECA) findings

In 2010 ECA has carried out only DAS 2010 exercise that started in the second half of 2010. ECA has chosen 8 high value contracts signed during the year, four contracts based on negotiated procedures, three contracts based on restricted procedures and one contract based on an open procedure. ECA has also verified one transaction

(payment) made by OIB. Mid March 2011, the Court provided Vice-President Šefčovič the DAS 2010 preliminary findings.

The previous years' observation concerning payment delays was mentioned (see point 2.2.2. above). The payment transaction selected for review as well as three out of the eight procurement procedures selected did not raise any observation from the Court.

Concerning the five remaining procurement procedures, OIB provided comments on the observations received and is of the opinion that none of these observations is of a critical nature and therefore has no impact on the reasonable assurance and/or the reputation of the Office.

3.1.3 *Building block 3: Follow up of Previous Years' reservation and Action Plans for Audits from Previous Years*

Follow up of previous years' reservations

No reservation was made by OIB after 2005.

ECA recommendations and findings

In its Annual Report 2009, the European Court of Auditors (ECA) did not signal any "red light" to OIB nor make any observations concerning the Office. In the 2009 DAS exercise the ECA issued some preliminary findings concerning the finding from DAS 2008 regarding the follow-up of late payments.

Follow-up of any weaknesses reported by the IAC, IAS and in the previous Synthesis report

At the end of the reporting year 2010, 74% of all accepted recommendations managed by OIB were closed (compared to 93 % reported in 2009)²⁸. A detailed table of the present situation of new audits conducted in 2010, audits for which follow-up were carried out by IAC/IAS, and audits where the recommendations were closed by OIB in 2010, can be found in the table in Annex 5.

²⁸ Several audits bearing an average high number of closed recommendations were closed in 2009 (what had contributed to the high indicator in 2009) thus they were not included for the 2010 calculation. New audits added to the table in 2010 were on average less numerous in recommendations and additionally some of them were concluded in the second part of 2010 consequently the implementation of most recommendations resulting from these audits will follow only in the subsequent year(s).

With the exception of four recommendations (one recommendation from IAC audit on CAF and three recommendations from IAS audit on Inventory) all recommendations open at the beginning of 2010 (resulting from previous audit reports), have now been closed.

Regarding the Audit on CAF procedures, a control methodology, sampling and reporting for the cleaning contract were reinforced. The methodology for the microbiologic controls was also documented and *Chefs d'immeubles* were provided with the appropriate guidance and training on the control of the cleaning contract. In the context of a new maintenance contract, the analysis of further integration of IT applications to allow more coherent overview and monitoring of the maintenance activity will be carried out.

The main weakness of the inventory audit has been addressed via the revision of the legal basis of the inventory management. In the context of OIB's coordinating role of the Commission's inventory management, the recruitment of a new staff member ensured the segregation of duties between central and local inventory managers. The training of Identified Items Managers (GBIs) was reinforced. The ABAC SAM module on inventory and full tracking should bring further improvements to asset management.

Indeed, OIB has done a full tracking of the physical inventory following the implementation of the new software ABAC SAM. This exercise, involving all the Commission's buildings and the contractor's warehouse in Brussels, was completed in September 2010. It has to be noted that the original data loaded in the new software was the subject of several migrations from different systems in the past and many anomalies in addresses were found, a considerable number of items had their bar codes detached or unreadable, some items could not be tracked yet because they were not accessible to the tracking team and thus required a targeted verification. In addition, the implementation of the release 5 of ABAC SAM conducted to bugs in the system which were corrected only in the first half of March 2011, making it impossible to finalise the analysis on time. The final report is expected end May 2011.

3.1.4 Building block 4: Assurance Received from Other Authorising Officers in cases of Cross-Sub Delegation

Some credits were sub delegated on a permanent basis according to the Internal Rules in place:

PMO	Mainly building, logistics and supplies expenditures as calculated in 2003 and indexed each year for the Office	Amount: € 3.699.000 on B2010- 26.012100.010300-C1-PMO/OIB budget line. Execution : Commitment: € 3.699.000 Payment : € 2.804.145
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EPSO	Mainly building, logistics and supplies expenditures as calculated in 2003 and indexed each year for the Office	Amount: € 2.954.000 on B2010-26-.012000.010300-C1-EPSO/OIB budget line. Execution : Commitment: € 2.954.000 Payment: € 2.310.392
OLAF	Mainly building, logistics and supplies expenditures as calculated in 2003 and indexed each year for the Office	Amount: € 1.273.900 on B2010- 24.010600.010300-C1-OLAF/OIB budget line. Execution : Commitment: € 1.273.900 Payment: € 669.035,27
JRC	Beginning of 1 st March 2009, the social activities of the ISPRA site are transferred to OIB. As OIB has no research funds at its disposal, JRC has to sub delegate some of its funds to OIB.	Amount: € 126.200 on B2010- 10.010503-C1-JRC/OIB budget line. Execution : Commitment: € 126.200 Payment: € 103.135 Amount: € 2.251.398,83 on B2010- 10.010503-C4-JRC/OIB budget line. Execution ²⁹ : Commitment: € 175.963 Payment: € 76.981 Amount: € 1.291.967 on B2010- 10.010503-C5-JRC/OIB budget line. Execution : Commitment: € 1.291.967 Payment: € 1.175.823

Other credits were sub delegated temporarily to OIB by:

RTD	Renting building (Covent Garden) up to 2013 - Detailed conditions were governed through a Service Level Agreement (SLA).	Amount: € 4.299.449 on B2010-08.010503.05-C1-RTD/OIB budget line. Execution : Commitment: € 4.299.449 Payment: € 4.060.172
Secretariat General	Development of an IT application for Historical Archives ('Archis')	Amount: € 86.000 on B2010-25.010211.00.05-C1-SG/OIB budget line. Execution : Commitment: € 85.509 Payment: € 41.812
HR	An amount of 100.000 € coming from the ex "économat" fund is designed for actions in favour of disabled children in nurseries and GPS managed by the Commission in Brussels.	Amount: € 72.414 on B2010-26.015004-C4-HR/OIB budget line. Execution : Commitment: € 72.414 Payment: € 18.650

²⁹ The amount committed is the budgetary programming for OIB.OS.3 in 2010, the rest of the amount will be reported to C5 credits in 2011.

Some credits were sub delegated by OIB to:

DIGIT	IT support, software and telecommunications	Amount: € 2.954.744 on B2010-26.012201.010300-C1-IB/DIGIT budget line Execution : Commitment: € 2.954.744 Payment: € 2.343.179
PMO	Salaries of statutory staff, national experts and costs for missions	Amount: € 51.516.985 on B2010-26.012201.%-C1-OIB/PMO budget line Execution : Commitment: € 51.515.670 Payment: € 50.487.830 Amount: € 4.208.878 on B2010-26.012201.%-C5-OIB/PMO budget line Execution : Commitment: € 4.208.878 Payment: € 4.208.878
HR	Security and Health & Safety External Staff Social Welfare Infrastructure	Amount: € 1.033.000 on B2010-26.012201.010300-C1-OIB/HR budget line. Execution : Commitment: € 1.033.000 Payment: € 1.033.000 Amount: € 270.428 on B2109-26.012201.010201-C1-OIB/HR budget line. Execution : Commitment: € 270.428 Payment: € 166.480 Amount: € 15.000 on B2010-26.015004-C5-OIB/HR Execution : Commitment: € 15.000 Payment: € 12.309

No specific issues were reported by Authorising Officers from any of the DGs/Services concerned regarding the assurance of the legality and regularity of underlying transactions resulting from subdelegated credit.

3.1.5 Completeness and Reliability of the Information Reported in the Building Blocks

The Appropriate Internal Control System implemented in OIB, contributes to the correct identification of a large variety of problems that OIB has to deal with during its everyday business. The action plans resulting from audit recommendations and diverse policy implementations, are in place. Mitigating measures are developed in order to reply to potential weaknesses and may be implemented whenever needed.

Ex-post controls did not reveal any critical issues which would have a financial impact or result in legal or regulation issues.

AOSD reports, which are issued on a regular basis, provide information on any problematic issues that may arise and allow the implementation of corrective measures foreseen in the action plan.

The detailed exception register allows the tracing of major weaknesses within OIB's business in order to facilitate any necessary corrective action being taken.

A Risk Assessment exercise was undertaken in 2010. Its results founded the basis of the new definition of critical risks in OIB and the determining of mitigating measures.

The effectiveness of the internal control system was also assessed through independent audits and an exercise of the internal control standards compliance was taken during the year, refreshing the approach to internal control matters.

On the basis of the elements and facts given above, and taking into account the good performance of the financial system and the positive report on the quality of the accounting data, it is justifiable to have a reasonable assurance of the legality and regularity of the underlying transactions.

3.2 Reservations and their Impact on the Declaration

OIB has carefully reviewed its operational performance over the course of 2010, and considered whether a reservation should be attached to the declaration of assurance as a result of any weaknesses identified in its control systems and procedures. The guidelines provided by central services for determining whether any weaknesses identified by the Office should be considered “material”, were taken as the basis for this consideration.

Given the completeness and reliability of the information reported above, and the failure to uncover any significant or material errors that put at risk either the Office’s reputation or its ability to account for the correct use of financial resources at its disposal, no reservation is made to the statement of assurance.

3.3 Overall Conclusion on the Combined Impact of the Reservations on the Declaration as a Whole

None.

PART 4

4 DECLARATION OF ASSURANCE

I, the undersigned,

Head of Service of OIB

In my capacity as authorizing officer by delegation

Declare that the information contained in this report gives a true and fair view³⁰.

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

This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the self-assessment, ex post controls, the work of the internal audit capability, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors 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, March 31, 2011

[Signed]

³⁰ *True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.*