

March 2011



EUROPEAN COMMISSION

Annual **Activity** Report **2010**

Publications Office

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Part 1. Policy achievements

1.1. Main achievements

Transformation programme

This ambitious programme will set up the technical conditions so that information will be available in any format and can be re-used and/or enriched by end-users according to their needs. The main principle of the programme is that the content will become independent from its presentation, so as to achieve the dissociation of the content from its container. During the year, the principal actions which are necessary to reach the objectives have been launched and by year-end significant progress could be observed on key horizontal tasks, including definition and storage of metadata, electronic archiving of all production, search engines and web portal.

In this context work has started on a common repository comprising both content and metadata, the CELLAR (Common Content Repository and Common Metadata Repository). It will contain all information related to the EU publications.

The new EUR-Lex

The transformation of EUR-Lex into a unique juridical portal is ongoing. It will contain all steps of the legislative procedure and the jurisprudence and will also provide access to national legislation. Its new lay-out was presented and approved by the Management Committee and the interinstitutional group LEX (GIL). The new EUR-Lex will go live in 2012.

EU Bookshop and dissemination policy

The dissemination policy aims to facilitate the free-of-charge online access and downloading of all EU publications. Its main tool is EU Bookshop, the digital library. The latter underwent a major modification and now offers the possibility to purchase a priced monograph with online payment by credit card.

Legal value of the electronic edition of the Official Journal

As requested by the Management Committee, the Publications Office implemented the technological platform to certify the electronic edition of the Official Journal so as to allow the institutions to decide on its legal value. All 2010 issues of the electronic edition of the Official Journal were authenticated by electronic signature.

The Member States were consulted in October in the frame of the e-Justice/e-Law working group and they were favourable to conferring legal value to the electronic edition of the Official Journal.

1.2. Achievements by activity¹

1.2.1. Access to law

1.2.1.1 Official Journal

Production of the Official Journal saw a decrease in the volume of approximately 14% for the OJ L series and an increase of just over 13% for the OJ C series.

The CD-ROM edition of the OJ L&C series, which was produced throughout 2009 in 22 languages, was replaced by a DVD-ROM edition. The Annual Report of the Court of Auditors was published as a thematic CD-ROM.

Budgetary documents for the 2011 budget (new budget procedure under the Lisbon Treaty) were produced via the new application CIBA (Common Integrated Budget Application).

In the framework of the Commission initiative “Better Regulation”, the technical tools to support the new project “Early Reading” have been developed and put in place at the Publications Office, while awaiting production to be organised with the relevant institutions.

As requested by the Management Committee, the Publications Office implemented the technological platform to certify the electronic edition of the Official Journal so as to allow the institutions to decide on its legal value.

The Member States were consulted in October in the frame of the e-Justice/e-Law working group and they were favourable to conferring legal value to the electronic edition of the Official Journal.

All 2010 issues of the electronic edition of the Official Journal were authenticated by electronic signature.

Official Journal: number of pages per series during the period 2001 to 2010 (all linguistic versions)

Series	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
OJ L	226 339	262 582	253 100	388 286	409 827	574 016	471 769	654 009	530 561	456 929
OJ C	313 406	331 336	303 964	371 204	325 610 ⁽¹⁾	377 207	484 313 ⁽²⁾	526 399	435 259	492 686
<i>of which OJ C E</i>	94 941	166 947	135 245	196 127	93 755	132 331	184 684	202 300	123 225	165 594
Other budgetary documents	41 261	41 800 ⁽³⁾	50 996	49 566	90 127	93 512	83 986	86 014	87 978	102 521
Total	669 970	705 262	682 889	812 922	828 595	1 044 735	1 040 068	1 266 422	1 053 798	1 052 135

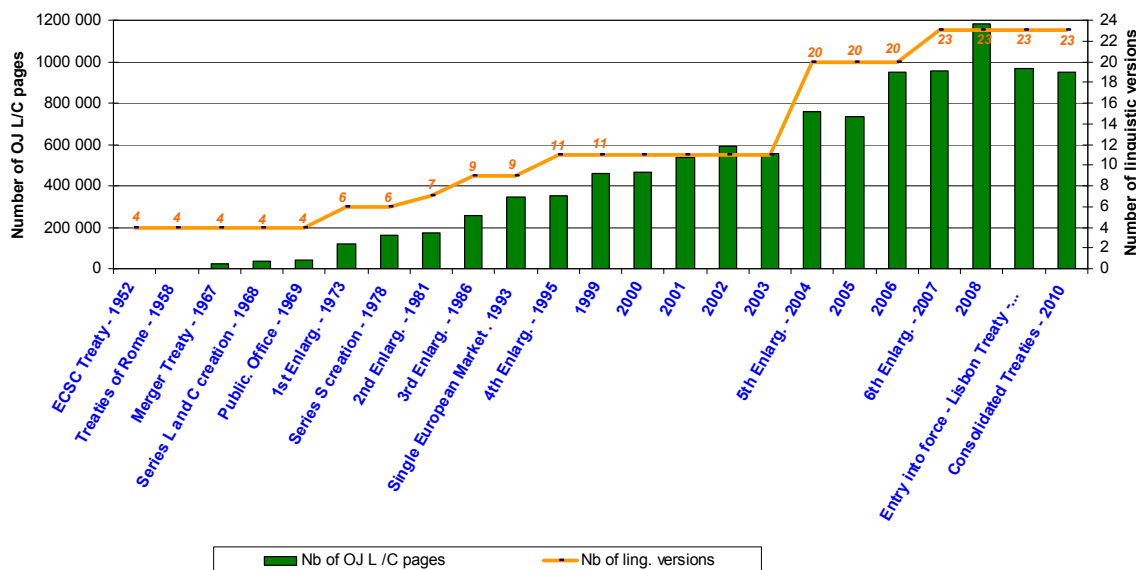
⁽¹⁾ Including four issues of 2004 actually published in 2005 for the European Parliament.

⁽²⁾ Including issues of OJ C and OJ CE committed in 2006 and published in 2007 for a total of 161 421 pages.

⁽³⁾ Plus publication in ABB format in German, English and French (1 324 pages per language).

¹ 2010 Activities as per the 2010 Management Plan. See also Annex 7.

OJ L and C PRODUCTION
Evolution of the number of pages (all linguistic versions)



1.2.1.2 Unique juridical portal

The EUR-Lex online service remains highly appreciated by professionals, public authorities as well as by NGOs all over the Union and beyond. With an average of 7 million visits per month, it provides user-friendly access to over 3 million texts of European law in all languages.

The Publications Office took over the PreLex dissemination site which will in due time be integrated into the new EUR-Lex, the single juridical portal. As to the latter, the contract for its renewal was signed in July 2010.

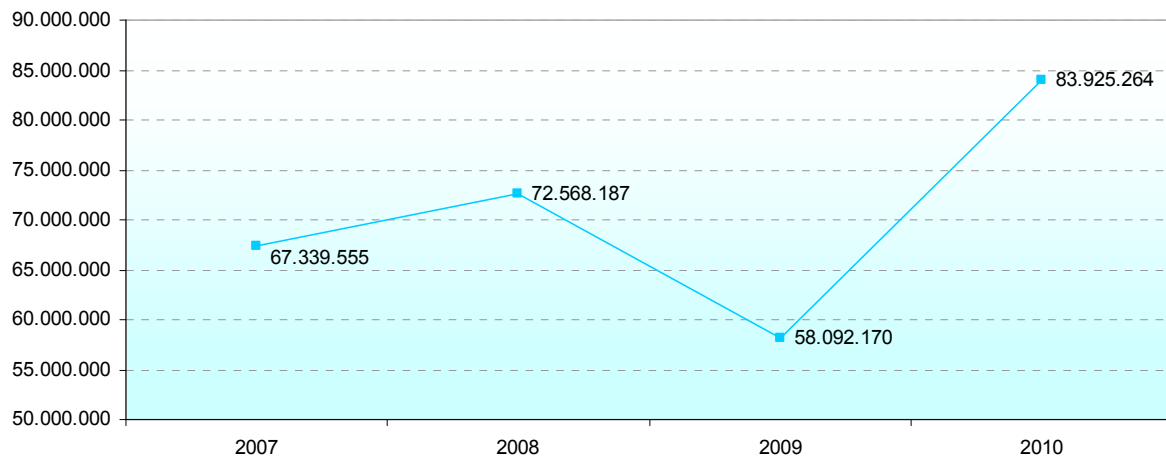
From 1 July the Publications Office is in charge of the Trans-JAI system, a database allowing access to documents of the institutions' registers in the field of freedom, security and justice.

Apart from the *Directory of European Union legislation in force*, published monthly in an online version, the Publications Office also publishes the *Directory of European Union legislation in preparation*, including links to the legislative proposals, to the subsequent acts produced in the context of the legislative procedure and to the relevant legislative acts in force. The new *Directory of consolidated texts* is expected to be online in early 2011.

The transformation of EUR-Lex into a unique juridical portal is ongoing. It will contain all steps of the legislative procedure and the jurisprudence and will provide access to national legislation. Its new lay-out was presented and approved by the Management Committee and the interinstitutional group LEX (GIL). The new EUR-Lex will go live next year.

Documentary units loaded into EUR-Lex by sector

Sector	2005	2006	2007	2008	2009	2010	Cumulative at 31 December 2010
1 Treaties	819	41	505	743	2	854	8 084
2 External relations	426	373	299	361	230	256	8 044
3 Secondary legislation	3 509	3 540	3 630	3 327	3 302	6 582	120 828
4 Complementary law	27	36	45	39	17	74	1 204
5 Preparatory acts	3 190	2 992	3 445	3 229	3 781	3 717	65 192
6 Case-law	747	859	1 280	2 854	2 932	3 217	27 282
7 National implementing measures	73	97	84	136	164	396	3 605
9 Parliamentary questions	2 816	1	573	0	0	26 225	137 210
C Official Journal Series C	3 805	3 235	3 721	1 771	1 808	1 338	30 554
E European Free Trade Association	68	96	74	82	77	91	971
0 Consolidated acts	388	330	573	416	427	654	5 882
Total	15 868	11 600	14 229	12 958	12 740	43 404	408 856

EUR-Lex - Number of visits**1.2.1.3 Consolidation**

Consolidation of EU legislation is a permanent task; it contributes to the implementation of the Commission initiative “Smart Regulation”. Consolidation is pursued in all official languages. At year-end, the number of consolidated versions of legislative acts in force stood at 55 874.

1.2.1.4 European Forum of Official Gazettes

The European Forum of Official Gazettes — an informal association of organisations responsible for publishing the national legal gazettes — held its annual meeting in Rome in September. During this meeting two working groups, “Access to official gazettes and legislation – Financing models” and “Consolidation”, presented their final reports. The working group “Indexing and Search” presented its progress report. The revamped website of the Forum, with a new look and a more user-friendly structure, was opened to the public in March.

Please also refer to Annex 7, 2.2.

1.2.2. Public procurement portal

In March 2010 the new TED website was launched offering improved functionalities and more intuitive search facilities. The changeover to the new website was carried out with no disruption to the service.

The Office completed the development and testing of the eTendering platform as defined by an inter-DG working group and validated by a steering committee involving the Commission's Secretariat-General, as well as Commission DGs Internal Market, Budget and Informatics. Entry into production is foreseen for the second quarter of 2011.

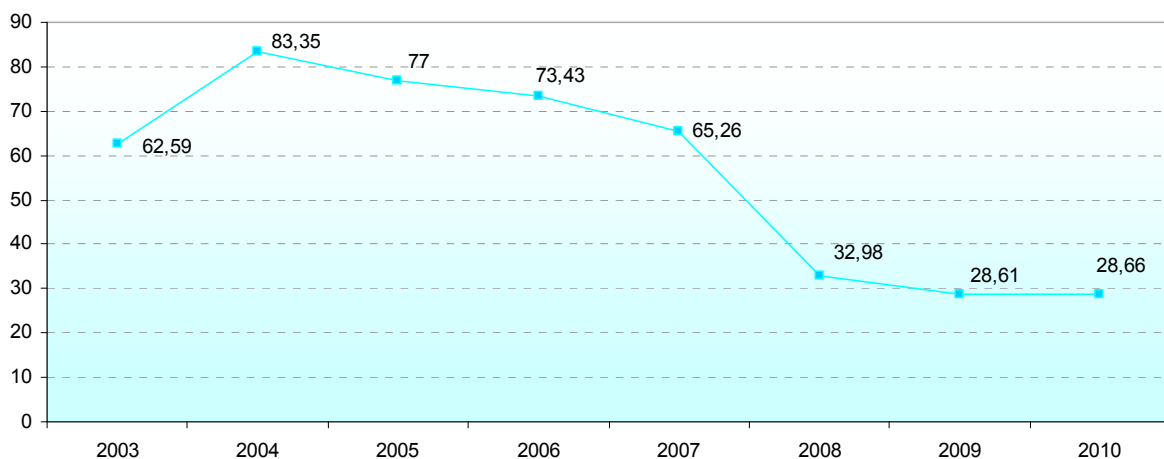
The number of published procurement notices increased by 7.8% reaching 391 395 notices. The volume of notices received in structured electronic format increased to 93% of the total (90% in 2009).

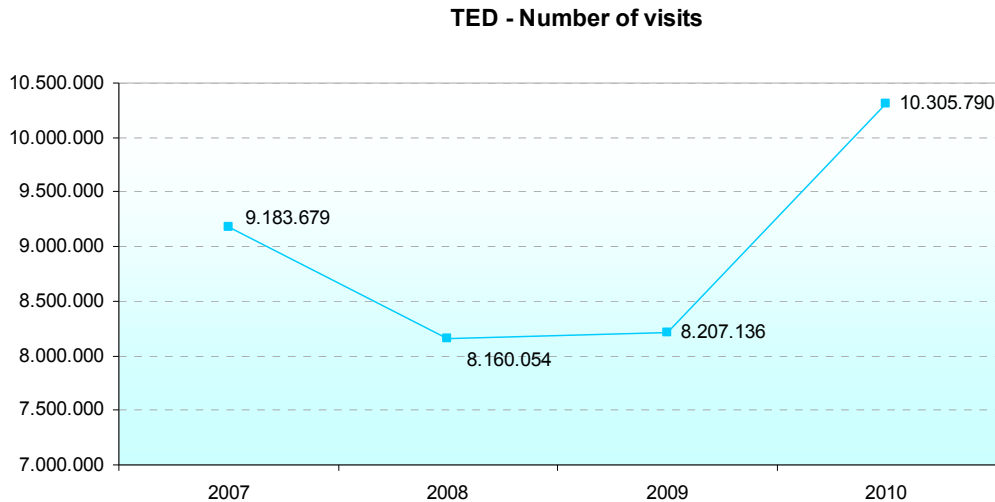
In cooperation with the Commission's DG Internal Market proposals were prepared and presented to the Advisory Committee for Public Contracts (ACPC) on the publication provisions required by the directive on procurement in the fields of defence and security. New forms will be created and introduced by August 2011.

Public procurement notices published in 2010

	Works	Supplies	Services	Utilities	Total (*)
<i>EU institutions and other bodies/International organisations</i>	565	1 415	3 964		5 953
<i>Member States</i>	64 566	121 873	156 604	32 391	375 736
<i>Others</i>	2 033	2 819	4 123	679	9 706
<i>Total</i>	67 164	126 107	164 691	33 070	391 395

TED - Average cost per notice





Please also refer to Annex 7, 2.3.

1.2.3. Service provider

1.2.3.1 Publications

Relations with author services were further strengthened. The PubliCare website is now the general channel of communication with the author services, whose specific requirements were catered for by a series of seminars and thematic training sessions.

The PlanPubli workflow management system underwent a series of improvements and is progressively being converted into a completely redesigned production management system in view of setting up an XML-based production chain enabling to derive different types of publication formats.

During the year 9 680 bibliographical notices were processed. As official agent for the attribution of Digital Object Identifiers (DOI), the Office attributed 211 681 DOI both for general publications and the Official Journal.

As had been the case the previous year, there was a slight decrease in the number of publications published (6 671 compared to 6 783 in 2009). This reduction is due to the ongoing tendency on the part of author services to limit the number of linguistic versions produced. It should be noted, however, that the number of pages published in 2010 increased by 91%.

Publications: principal production indicators

	2009	2010	Change 2010/2009 (%)
Publications	6 783	6 671	-1.65
Published pages	410 646	784 512	+91.04

Bibliographical and legal data records produced by type of publication

	2004	2005	2006	2007	2008	2009	2010
Official Journal notices	6 502	14 886	8 335	8 631	8 411	8 396	9 060
COM notices	764	746	818	852	1 081	1 068	830
EUR-Lex notices	10 287	18 981	12 193	14 666	13 265	12 869	43 404
Publications notices	4 385	3 289	5 778	10 559	10 174	11 488	9 680
Total	21 938	37 822	78 499	44 070	32 931	33 821	62 974

1.2.3.2 Re-use of Commission information

Throughout 2010, the Publications Office continued working on implementing the Commission Decision of 7 April 2006 on the re-use of Commission information (2006/291/EC, Euratom). The Publications Office pursued its actions aiming to improve the author services' knowledge and respect of copyright matters, especially regarding third-party copyright material or awareness of the re-use policy. Training or presentation sessions on copyright are regularly held and can be organised on demand.

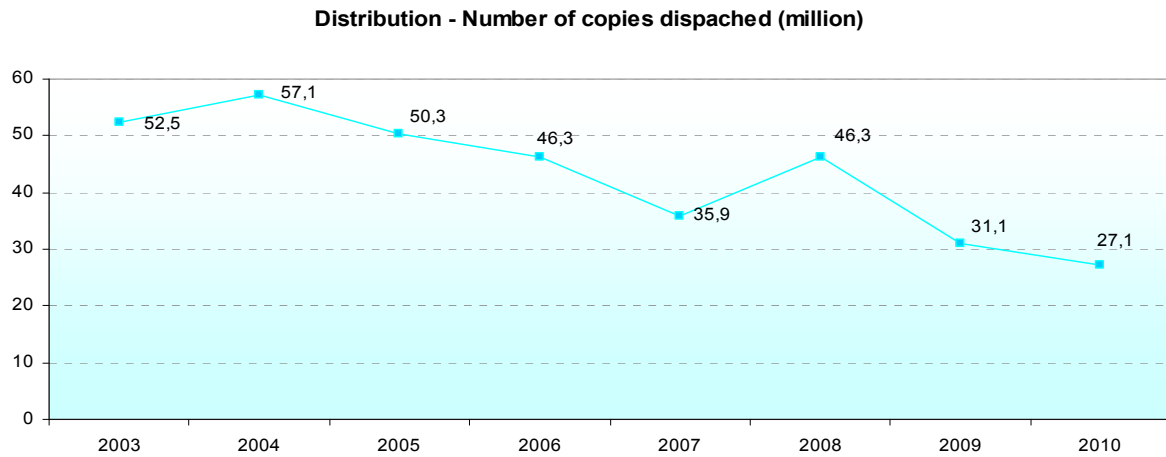
1.2.3.3 *Interinstitutional Style Guide*

Part I of the *Interinstitutional Style Guide* (Official Journal) was completely redrafted in English and French. It is expected that the other linguistic versions will be completed during 2011. The redrafted Part II (General publications) as well as the necessary updates following the entry into force of the Lisbon Treaty were put online in all languages. The files for a new paper edition to be published in early 2011 (in English and French) were completed.

1.2.3.4 Distribution

In volume, the number of copies of publications distributed as a result of individual orders remained stable compared with 2009 but continues to grow as a percentage of total shipments because of an 18% decline in bulk orders. This decline is due to the continuing trend by author services away from the traditional 'push' approach to physical distribution. With the 'pull' distribution possibilities offered by tools such as EU Bookshop and the Office's online forms, author services can distribute more effectively, while still reducing print runs and exposure to slow moving stocks with the help of the Office's print run surveys.

Overall stock decreased to 35.7 million copies (-3.4% compared with 2009). This is partly a direct consequence of the reduction in the number of publications produced; in addition, the Office practice of aiming for an initial distribution of 80% of the print run and encouraging authors to use print-on-demand services contributes to this slight decrease. This facility is currently offered on a limited basis for out-of-stock publications and as an option for author services with a view to reducing large initial print runs.



Please also refer to Annex 7, 2.4.

1.2.4. Information for all

1.2.4.1 Dissemination policy

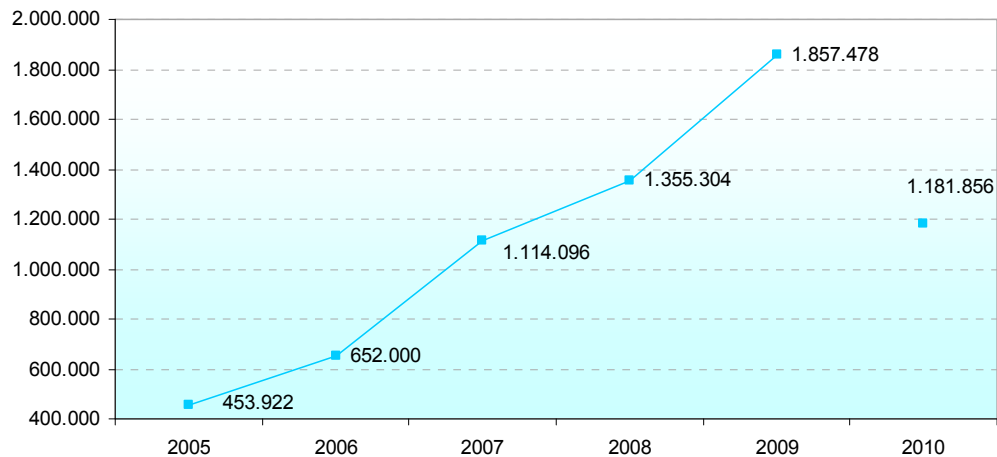
The new dissemination policy adopted in 2009 was fully implemented in 2010. It aims to facilitate free-of-charge online access to the EU publications for all citizens. The tool for achieving this goal is EU Bookshop.

The latter underwent a major modification and now offers the possibility to purchase a priced monograph with online payment by credit card.

The facility for privileged partners (Europe Direct Information Centres, European Documentation Centres and the Depository Libraries) ensures free-of-charge distribution for EU publications. Furthermore, the enhanced EU Bookshop website offers, from early 2010, a direct sales facility for the paper edition of priced publications, their share of the total production being roughly 5%. The electronic file of these publications can be downloaded free-of-charge.

A new software supporting the EU Bookshop website increased the reliability and usability of the site (-41% of the number of questions addressed to the helpdesk). It introduced as well a new way of calculating the site's performance, including visits and pages consulted. As far as the number of downloaded PDFs is concerned, it increased slightly with 3 054 490 downloads compared to 2 990 921 in 2009. An impressive number of new titles, 25 104, were added in 2010, consisting both of new publications and of older titles originating from the archive digitisation project. The total number of publications available online reached 162 000 by year-end.

EU Bookshop - Number of visits



Note: the decrease in the number of visits recorded is mainly due to a change in the counting methodology.

1.2.4.2 Sales and promotion activities

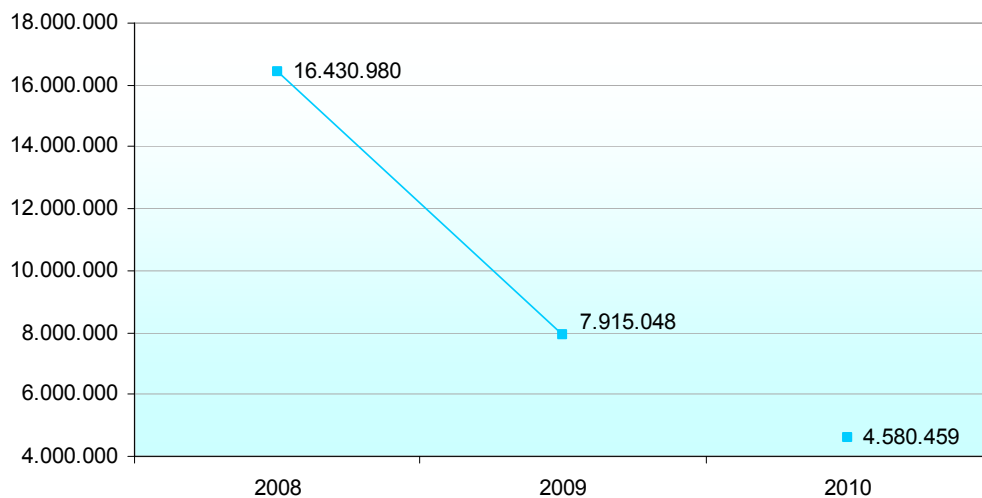
The network of sales agents comprises 32 commercial distributors and concentrates on sales of subscriptions (OJ and other periodicals).

As in previous years, sales of subscriptions were managed by the network of sales agents and represented 95% of all publication sales.

In terms of promotional activities, the key product was the Office's publication "The ABC of European Union Law". The Publications Office participated in 20 outreach events, promoting both publications and online services, fewer than in 2009, a trend that is likely to continue as new and more cost-effective promotional tools evolve.

1.2.4.3 CORDIS

On CORDIS, the Community Research and Development Information Service, all FP7 calls for proposals were published on time. The new search service was completed and launched to the public in beta version. Development of the new CORDIS Partners Service progressed well, with a first testing day for users and National Contact Points held in July. The 2010 user satisfaction survey showed a high level of satisfaction, in particular with usability and navigation improvements.

CORDIS - Number of visits

Note: the steep fall in the number of visits recorded is mainly due to a change in the counting methodology and the detection and elimination of robots (see also Annex 7 for further explanations).

Please also refer to Annex 7, 2.5.

1.2.5. Innovate to better inform

1.2.5.1 Transformation programme

This ambitious programme will set up the technical conditions so that information will be available in any format and can be reused and/or enriched by end-users according to their needs. The main principle of the programme is that the content will become independent from its presentation, so as to achieve the dissociation of the content from its container. During the year, the principal actions which are necessary to reach the objectives have been launched and by year-end significant progress could be observed on key horizontal tasks, including definition and storage of metadata, electronic archiving of all production, search engines and web portal.

In this context work has started on a common repository comprising both content and metadata, the CELLAR (Common Content Repository and Common Metadata Repository). It will contain all information related to the EU publications.

1.2.5.2 Pilot e-book

The Office is further spearheading the adoption of digital-age tools. Based upon an e-book study completed in 2009, pilot e-book versions of the publication “The ABC of European Union Law” have been produced in three languages and optimised for display on tablet computers and smart phones. General usability tests were conducted to define layout and functionality conventions, such as indexing, as well as quality requirements with a view to developing general editorial guidelines for e-book production.

The standardisation of metadata and the development of the common repository for content and metadata, the “CELLAR”, are ongoing. Concrete results have been achieved in 2010: start of the CELLAR development, definition of the metadata structure and implementation of a business process modelling approach to support the further alignment of business IT.

1.2.5.3 Multilingual EuroVoc thesaurus

The multilingual EuroVoc thesaurus is used for the indexation of the Official Journal documents in different formats as well as of all documents published by the Publications Office via the EU Bookshop service. On 21 July 2010, the new EuroVoc website went into production, offering new features such as a simple and advanced search. The Office started a Thesaurus Alignment Project (TAE) to establish cross-linking between EuroVoc, a generic thesaurus, and a number of specialised controlled vocabularies. On 18 and 19 November, the EuroVoc conference, entitled “Mind the lexical gap - EuroVoc, building block of the semantic web” took place in Luxembourg. The preparation of the new version (EuroVoc 4.4) is ongoing in 2010 with the revision of the concepts according to the changes introduced by the Lisbon Treaty. 65 licence agreements were concluded in 2010 (64 in 2009).

Please also refer to Annex 7, 2.6.

Part 2. Management and internal control systems

2.1. Introduction to the Publications Office

2.1.1 The Publications Office in 2010

Mission statement: Access to law and to publications

The Publications Office of the European Union is the publishing house of the institutions, agencies and other bodies of the European Union. It provides direct and free-of-charge access to European law and all publications of the European Union. As a publisher, the Office has the duty to offer the highest quality service to its customers —the originating departments of the institutions and other bodies of the European Union— and to its public, the citizens of EU and people throughout the world interested in European affairs.

The Office's major objectives are to become a centre of legal and general European information, to promote its role of editorial coordinator, to promote multilingualism and to be at the forefront of the new technologies in the field of publishing and communication.

Working arrangements with the Commissioner

Since 2004 the channels of communication between the Office and the relevant Commissioner (covering points such as requests and replies, including contact points, deadlines, inter-service consultations, correspondence, briefing files and speeches and calls on the Commissioner) have been clarified and codified. In 2010, the Office followed these working arrangements with Vice-President Reding, the Commissioner responsible for relations with the Office.

Activities and organisation

The Office's activities comprise the production and physical and web dissemination of the Official Journal, *Reports of Cases before the Court of Justice* and other publications, and also the publishing of public procurement tenders, the official directory of the EU and scientific information. The Office's five main websites are EUR-LEX, TED, CORDIS, EU Bookshop and EU Whoiswho.

To do so, the Office uses infrastructure (mainly IT), outsourcing and human resources. Therefore the main risks and risk-management activities (including internal control) of the Office are concentrated on these areas.

All budget items delegated by the Commission to the Director of the Office concern administrative expenditure and/or contract management and are in direct centralized management, which means that, compared with shared or decentralised budget management for instance, the inherent risk is low.

The financial resources managed by the Office fall into three types:

- Administrative expenditure (salaries, rent, etc.) managed through the Office's administrative budget, which is annexed to that of the Commission;
- Operational expenditure: work contracted out. This includes financing from within the Office's administrative budget and other budget lines delegated to the Director of the Office;
- Other financial responsibilities, which fall into three categories. Under the supervision of its Management Committee, the Office is responsible for:
 - orders and payments related to the Official Journal L&C on behalf of all institutions. Payments are regularised between the Commission and the other institutions using the official liaison accounts;
 - validating as 'certified correct' invoices for publications financed by other institutions, agencies or Commission services and managed by the Office;
 - sales of publications, from issuing invoices to transferring the payments received to the institutions and services concerned.

Structured regular meetings ensure an appropriate information flow between those responsible for financial management, heads of unit, directors and the Director-General. The AOS reporting every semester contains the financial data and the main points concerning controls and risks (including follow-up of weaknesses and audit recommendations), and formally documents any significant problems.

Within the Office, a partly decentralized financial circuit is applied. A budget cell is attached to each of the four directorates. A simplified workflow is used for some low-risk items.

A unit reporting to the Director-General is responsible for evaluation and financial control. The internal control coordinator is responsible for co-ordinating internal control activities, managing the unit performing financial control and evaluation, assessing ICS implementation, follow-up of audit recommendations, risk management and data protection coordination.

Based on the risks, second level ex ante verification is performed in some areas. Ex post controls cover financial transactions of the Office not subject to second level ex ante controls. An independent Internal Audit Capability performs internal audits according to a three-year strategic plan (2010-2012) based on its risk assessment. Implementation of audit recommendations is followed up.

The Office reports quarterly to its interinstitutional Management Committee on the main indicators.

Cross-delegations are given to PMO for the payment of salaries and related expenditure, to OIL for the personnel policy expenditure, and to DG DIGIT for the hosting of EUR-Lex and other IT services.

CORDIS under FP7 is financed on cross-delegations received from 4 Research DGs. Under FP6 CORDIS uses directly delegated payment credits.

From 2010, the ex SCADPlus and Trans-JAI activities were financed on cross-delegations from DG COMM and DGs Justice/Home Affairs.

The official transfer of the ex SCADPlus activities will take place on 1 January 2012. For the transitory period of 2010 and 2011, a task force involving DG COMM and the Office was set up to organise the transfer of the activities.

As far as Trans-JAI is concerned, a hand-over report was made available.

Specific management, risk and control environment (including organisational, administrative and accountability structures)

A top-level risk identification meeting was held in 2009. During discussions with the directors and heads of units and taking into account the AOS reports the existing risk register of the Office was reviewed and updated in 2010.

There are no residual risks with both high impact and likelihood.

The actions decided during the review of the risks of the most important procedures were followed up with the process owners.

2.1.2. Major events of the reporting year

None.

2.2. The functioning of the entire internal control system

2.2.1 Reporting on compliance with the requirements of the control standards

Reporting in this section is primarily exception-based, giving details of the main changes in compliance and the areas where further improvement is necessary.

Overall assessment

The Office complies with the requirements of the Internal Control Standards.

Compliance with internal control baseline requirements was assessed based on information available from audit reports, results of financial controls and the interviews and a desk review conducted by the internal control coordinator.

Requirements on which conclusive results were achieved in 2010

ICS 7, Operational structure

The Office introduced the new system of sensitive functions which is simpler without compromising adequate management of risks associated with these functions.

ICS 11, Document management

The data protection notification for the data of candidates for proofreading tests has been completed and accepted by the EDPS in a prior checking procedure.

Derogations to the mandatory staff mobility in relation to sensitive functions

None.

2.2.2 Effectiveness of the implementation of the prioritised control standards

Results of the action taken on the priority standards identified in the 2010 Management Plan

Three standards were selected as priority standards:

ICS 5, Objectives and performance indicators

The Office considers the review of the definition and the production of key performance indicators an important improvement to its operations. The definitions take into account the priorities and activities of the Office and they should be derived from the primary systems of the Office through data warehouses.

ICS 7, Operational structure

The Office chose this ICS as it is working to implement the approach to sensitive posts decided by the Commission (SEC(2008)77).

ICS 8, Processes and procedures

The Transformation programme requires a review of the procedures of the Office to prepare for future technological changes.

The following actions ascertained the efficient working of these standards in 2010:

Standard	Brief description of the action taken
ICS 5 Objectives and performance indicators	The planning for the prototype of a unified data warehouse (which will serve as a basis for performance reporting) containing production and dissemination timeline data was finalised.
ICS 7 Operational structure	Risk analysis and management of sensitive functions is operating in line with the new Commission policy.
ICS 8 Processes and procedures	In the framework of the Transformation programme, review of existing processes was started and the high-level target procedures defined.

2.2.3 Conclusion

On the basis of the information available (see also Annex 5), the procedures and controls in place are assessed as adequate to manage the key risks. These procedures and controls work in a satisfactory and effective manner.

The procedures are satisfactorily applied and monitoring of the main aspects and internal controls are in place, both in the form of reports and of regular meetings. The controls, reviews and monitoring have identified areas which could be further improved, and for these action plans have been set up and will be followed up.

The organisation and procedures for adequate internal controls are in place and awareness of managers is continuously improving. Staff management, objective setting and evaluation all work acceptably. Information and communication is provided.

Internal audit is investigating the most risky areas. Financial control provides sufficient coverage to identify potential problems.

2.3. Information to the Commissioner

The main elements of this report and of the declaration of assurance have been brought to the attention of Vice-President Reding during a meeting dedicated to these matters on 17 March 2011.

Part 3. Building blocks towards the declaration of assurance

3.1. Building blocks towards reasonable assurance

3.1.1. Building block 1: Assessment by management

Management assessment

The assessment is based on:

- Key indicators on legality and regularity and sound financial management, especially in the areas of financial control, evaluation and procurement;
- Supervision activities including financial control reports, evaluations, internal control self-assessment, risk analysis and AOS reporting.

Introduction to materiality

The criteria set out in Annex 4 cover not only the quantitative aspects of financial losses but also qualitative issues that could involve a reputational risk for the Institutions.

3.1.1.1. Key indicators

Input Resources devoted to ex ante and ex post controls

Staff: 5 AST in Financial Control, 1 AD and 2 AST in Evaluation

Output Level and nature of controls carried out

The Financial Control section of the Evaluation, Control and Future Developments Unit provides assurance to the Director-General and AOS by carrying out two types of control of specific financial transactions: controls that are made before signature of the transaction (ex ante) and controls on completed transactions (ex post). Both verifications are organised on a sample basis. The sampling used is a mixture of random, monetary unit and risk-based.

Ex ante verification is checking the legality and regularity of the transaction. Within the financial circuit of the Office, while the first level ex ante is carried out by the (operational and financial) verifying agents for every transaction, additional second level ex ante control on commitments, recovery orders and de-recognition of assets is performed by the Financial Control section.

Sampling rate for the units included into the scope of continuous second level ex ante control during 2010 was 50.3%. The rate of the one-off ex ante control exercise of commitments for all units between November 2009 and March 2010 was 34.8%. Both rates are higher than last year (26.4%).

Ex post financial control (i.e. checks on completed transactions) ascertains that operations financed by the budget are correctly implemented and in particular that:

- (a) the legality and regularity of the transaction is respected (in the light of budget line comments, the Financial Regulation, Office procedures and, where appropriate, the terms of contracts);
- (b) the principle of sound financial management referred to in Chapter 7 of Title II of the Financial Regulation is applied.

Sampling rate in ex post controls of payments: 16.8% by number of transactions, 19.7% by amount. The target is 15%.

The sampling used is a mixture of random, monetary unit and risk-based: transactions which give rise to a note in the register of exceptions are examined ex officio; higher risk areas are selected (ex ante controls are stopped for units depending on results over a 6-month period); and higher value transactions are selected.

Where, for a given transaction or series of transactions, Financial Control's opinion differs from that of the AOS (a potential budgetary impact higher than 2% of the total amount of the commitment and above 200 euro), Financial Control reports this directly to the Director-General, the Director and AOS concerned.

Quarterly reports on ex post control of payments and individual reports of other ex post control exercises contain all observations and recommendations.

Result

Potential financial impact of errors detected: 1.18%.

Analysis of the exception register (see Internal control template, Annex 5) showed that the volume of exceptions is not significant and there is no area with a specific risk.

Impact

Semi-annually financial control recommendations are summarised and implementation of the outstanding recommendations investigated.

2010: 9 recommendations issued from ex post report 2009-out of the 9 recommendations still open, 5 were implemented in 2010.

Legality and regularity indicators relating to public procurement

Application of contractual penalties:

penalties were applied by the operational services in 25 cases, concerning 14 contracts.

Number of complaints received from unsuccessful economic operators in 2010: 2.

Number of cases received by the Ombudsman in 2010 relating to procurement procedures or to contract implementation:

2 new cases in 2010, 2 cases dating back to 2008.

Number of proceedings concerning the Office initiated by contractors or economic operators before the General Court, the Court of Justice and the Luxembourg "Tribunal d'arrondissement" in 2010:

4 new proceedings in 2010, 4 proceedings dating back to 2009. 2 proceedings dating back to 2008 were rejected by the court.

No application of Article 66(2) of the Financial Regulation (instructions confirmed in writing by the delegating authority) was made.

3.1.1.2. Supervision activities

Financial Control did not identify risks of a severity to negatively influence the assurance of the Authorising Officer.

Internal control self-assessment showed that there are no significant weaknesses in the operation of the control systems.

Risk analysis established that there are no residual risks with both high impact and likelihood. Most of the risks in the risk register from previous years are now managed satisfactorily; the residual risks remaining are of small or medium likelihood and impact. Only one risk identified in the procedures is remaining but this is to be accepted and has limited impact.

Reports of Authorising Officers by Subdelegation provide adequate information on the operation of the individual areas and did not indicate risks or problems which would endanger the declaration of assurance.

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

IAC opinion and reports

IAC recommendations issued & accepted in 2010: 0 critical, 11 important, 3 "souhaitable".

Considering the processes assessed and audit work reported in 2010, the IAC is of the opinion that:

- regarding Assets management and Commercial accounting, the internal control system in place provides reasonable assurance regarding the achievement of the business objectives set up and the reliability of the accounts;
- regarding Procurement procedures, the Office has overall decided on adequate measures to improve the control of the operational and financial management processes.

In addition to the opinions given above, and taking into account their coverage of the activities / processes in the Publications Office, the auditor declares that he is not aware of anything not reported here which may constitute a major weakness in the internal control system.

Relevant IAS audit reports and reviews

Between June and November 2010, the IAS carried out an audit on the Official Journal production process. 4 "very important" recommendations were raised. An action plan was drafted and the recommendations will be implemented in 2011.

Relevant findings of the ECA

None.

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

Previous AAR reservations: none

ECA findings and recommendations: none

Responding to the ECA's annual report: not applicable

Follow-up of other identified system weaknesses: none identified. Audit recommendations are followed up by the internal control coordinator. The IAC executes ad-hoc checks and an annual review.

3.1.4. Building block 4: Assurance received from other Authorising Officers in the case of crossed sub-delegation

The Office has issued cross-subdelegations to three services:

- PMO for the payment of staff salaries and related expenditure, mission expenses and allowances for experts visiting the Office. Monthly checks are made on the payments, and any discrepancies are identified and regularised promptly. The delegation to PMO to pay salaries, visitors expenses etc. reduces the risk of the Office incorrectly applying the rules, where all Commission services should have a common approach. The beneficiaries have not reported any anomalies. In addition, Office staff check the salary payments in detail every month, and any errors are promptly corrected (e.g. staff leaving the Office on the 1st of the month, while salaries are technically paid on the 16th).
- DIGIT for all aspects of financial management (budget and legal commitments as well as payments) related to the hosting of EUR-Lex and other IT services. The services used and the budget provided by the Office are covered by Service Level Agreements (*protocoles d'accord*).
- OIL for all aspects of financial management (budget and legal commitments as well as payments) related to the personnel policy expenditures ("crèches").

Management of these subdelegations has been satisfactory in 2010. No management or control problems were reported that could affect the declaration of assurance.

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

The information reported in the building blocks 1 to 4 is prepared by a unit reporting to the Director-General (see 2.1.1)

The head of this unit is the Internal Control Coordinator. The unit receives and analyses all relevant information regarding risks. It also carries out appropriate work to assess the adequacy and efficiency of the internal control system, through the financial control and the evaluation functions.

3.1.6. Conclusion

The main factors leading to the declaration of assurance at section 4 are therefore:

The Office works in a **low-risk environment**, compared to many Commission services. The majority of its budget is in Heading 5, Administrative Expenditure, for which the ECA has given a positive DAS in recent years.

The Office outsources much work. The in-house *Comité des Achats et des Marchés* did not issue any negative opinions in 2010. **No systemic weakness in the Office's procurement procedures** is apparent on the basis of complaints made to the Ombudsman or the Court.

The **indicators on legality and regularity** show that the Office's financial management continues to improve. Where an error with potential budget impact is identified, the financial risk is almost always very low. In exceptional cases of under- or over-payment, for example, ongoing contractual relations make it straightforward to refund or reclaim amounts due. Less than 1% of payments were made late in 2010, thanks in part to an effective in-house alert system.

There were **no critical audit recommendations** made in 2010. The audits carried out in 2010, and the IAC opinion, did not identify any serious deficiencies. Audit recommendations are implemented properly.

There are **no previous reservations, ECA findings, or other identified system weaknesses to follow up** at present. Open audit recommendations are monitored regularly against the defined action plans.

The three **cross-subdelegations** (see also above, section 3.1.4) given by the Office are under Heading 5 and no management problem has been reported with any of them.

These positive elements, complemented by the **ICS assessment**, the twice-yearly **AOS reporting**, reporting to the Office's interinstitutional **Management Committee** and the **Commissioner**, and **exception reporting**, allow the conclusion that the management and control systems currently in place work effectively.

3.2. Reservations

No reservations are considered.

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

No reservations are made.

Part 4. Declaration of assurance

I, the undersigned,

Director-General of the Publications Office

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view².

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

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex post controls, the work of the internal audit capability, the observations of the Internal Audit Service 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.

Luxembourg, 31 March 2011

(signed)

Martine REICHERTS

² True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.