



EUROPEAN COMMISSION
DIRECTORATE GENERAL FOR INTERPRETATION

Director General

DG Interpretation

Annual Activity Report 2010

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PART 1. POLICY ACHIEVEMENTS

1. EXECUTIVE SUMMARY

DG Interpretation (SCIC) provides interpretation into and from the 23 official languages¹ of the EU on a daily basis and, as required, into and out of as many as 30 other languages (Russian, Arabic, Chinese, Japanese, etc.). SCIC provides per day some 700-800 interpreters for 50-60 meetings, of which on average ten are outside Brussels – in Europe or beyond.

The interpretation provided goes well beyond the Commission, satisfying also the needs of the Council and its Presidencies, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, as well as a number of European Offices and Agencies in the Member States.

As far as interpretation is concerned, SCIC delivered 219.229 i-slots in 2010. This results from a slowdown in demand of 6% compared to 2009². It is a consequence to some extent of the volcanic eruption in Iceland, as most meetings were cancelled during that period. Because of this fall in demand, SCIC did not meet the objective of increasing the percentage of staff interpreter time spent in interpreting, which, instead, went down to 57%.³

For the second successive year, satisfaction of demand reached 94% for our fee-paying customers. For the Commission, the figures for the number of meeting requests refused at *arbitrage* (matching of interpreter and meeting room resources to requests) confirm the worrying increase already recorded in the second half of 2009. The peak occurred in October (233 meetings refused) but this trend was apparent also at other times during the year (March 160, June 144, December 100).

As in 2009, time devoted by interpreters to training, and in particular thematic training, went up, this increase being facilitated by arrangements to reduce the impact of such activities on interpreters' availability for meetings. The rise in thematic training reflects one of the action points which emerged from the interpreter satisfaction survey.

In addition to the core business of providing high quality interpreting and conference organisation services, SCIC pursued throughout 2010 its awareness-raising campaign focused on the key challenge of preparing a next generation of interpreters. The most pressing need is for English interpreters but similar campaigns for French and German were also launched. Furthermore, SCIC continued to improve and refine its upstream support to student interpreters, universities and newly qualified interpreters. The emerging international cooperation described elsewhere should be seen as a further consequence of the shortage of new interpreters, since this is a worldwide phenomenon.

On the communication infrastructure front, SCIC has continued to maintain and operate the multilingual internet portal which allows citizens throughout the Union to see and listen to current and past events broadcast via web streaming. SCIC has also upgraded

¹ With the exception of Irish, where interpretation is provided only from Irish, not into it.

² Interpretation decreased in 2010 for a second consecutive year, after a first drop of 4% in 2009.

³ Compared to 59% in 2009.

the Breydel auditorium to accommodate web streaming, chat and video conferencing with interpretation and completed the renovation of the audio-visual equipment in the Jean Monnet building in Luxemburg. Also the system for offering Commission DGs an 'all-inclusive' conference organisation package, in operation since 2009, has now reached cruising speed.

As for the 2010 budget outturn, while expenditure on ACI ("freelance interpreter") recruitment fell by 9% in comparison to 2009, expenditure on permanent staff increased by approximately 5.5%, due to the recruitments which took place in 2009 and in part in 2010. The combined effect of the decrease in demand and the slight increase in interpretation expenditure resulted in a real cost of 443€ per "i-slot"⁴, which was 9€ higher than the 434€ charged to SCIC clients. In the longer term, however, the measures already being taken should ensure that the charging system reaches its break-even point in the coming years.

The speed of the invoicing procedure which had significantly improved in the course of 2009, remained satisfactory, with almost all meetings held at the end of 2010 being invoiced to all clients in January 2011.

SCIC's 2010 basic appropriations last year amounted to some 32,5M€ and, as a result of its services provided to paying clients, SCIC cashed 77,3 M€⁵ during the year. Most of the income was generated by the Council, which accounts for 52% of the volume of services provided. The Commission, the European Economic and Social Committee and the Committee of Regions account for 37%, 6% and 2% respectively.

⁴ The 'Interpretation time slot' or simply 'i-slot' is the unique accounting unit for interpretation services. An 'i-slot' roughly represents a half-day of interpretation. The 'i-slot' also covers the time needed to travel to or from the venue of a mission during which the interpreter is not available for assignment elsewhere.

⁵ This amount results from the compensation paid by the Council and other clients for the delivered interpretation. These compensations result in assigned revenue for DG SCIC. The interpretation costs for Commission meetings organised in Brussels, Luxembourg and in third countries are covered by basic appropriations. The interpretation activities described in this report concern only meetings requested by Brussels-based Commission services and all of SCIC's external clients. However, budgetary execution figures cover the full range of activities and therefore also include the expenditure for the services provided by the European Parliament in Luxembourg and the local recruited freelance interpreters in third countries.

2. ACHIEVEMENTS BY ABB ACTIVITY

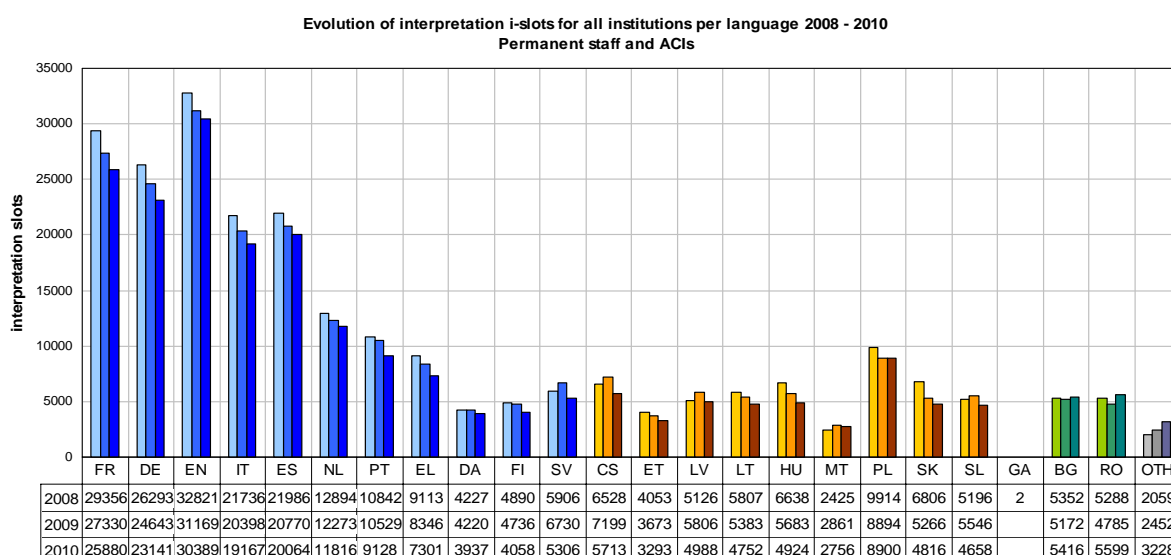
2.1. Interpretation and linked activities

The primary mission of the Directorate General for Interpretation is to provide quality interpretation for meetings in the Commission as well as the Council, the Economic and Social Committee, the Committee of Regions and several other Community bodies. As a service DG, SCIC's output is therefore very much determined by the level of activity of the aforementioned institutions and their requests for interpretation.

In 2010 activity in the Commission itself was relatively stable (-1%). Instead, a slowdown in demand was recorded from our principal client, the Council of Ministers (-9%), as well as from the Committee of the Regions (-5%) and the European Economic and Social Committee (-10%). This was reflected in our total interpretation output⁶, which declined by 6% in 2010 compared to 2009.

This trend was already observed in 2009, after the exceptionally high levels of activity recorded in the Council in 2008. It should be noted also that the figures for 2010 were affected to some extent by the volcanic eruption in Iceland. As flights across much of Europe were severely disrupted, most of the meetings were cancelled for that period (mid April) resulting in a one-off drop in activity.

As can be seen from the graph below, the situation for individual languages varies both in terms of absolute output and also trends over recent years. The general pattern is of a steady decline from 2008 to 2010. Two languages linked to Presidencies (Czech and Swedish) show a pattern of rise then fall following the Presidency period. A similar pattern is shown by three other languages (Latvian, Maltese and Slovene) where the cause is linked to the limited availability of interpreters. The two languages of the most recent enlargement (Bulgarian and Romanian) were the only ones to show real growth in 2010, reflecting the greater availability of qualified interpreters 3 years after enlargement.



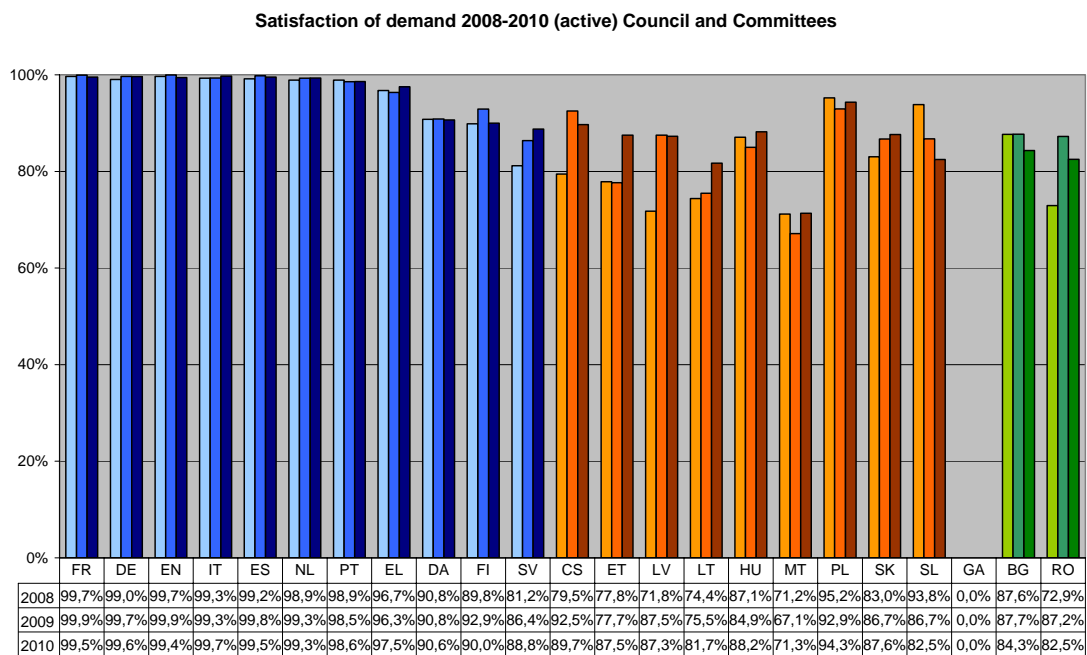
⁶ Measured in interpretation i-slots

2008	Total	245.254
2009	Total	233.862
2010	Total	219.229

NB: These figures may be subject to minor adjustment following certification of invoices.

▪ **Satisfaction of demand**

The lower absolute level of demand in 2010 made it possible to meet or exceed SCIC's AMP objective of better satisfying demand for interpretation services ($\geq 90\%$ of external clients' demand), the aggregate figure for active interpretation being 94 %. There is still room for improvement however for most of the recent enlargement languages; this will be addressed during 2011 by ongoing training and recruitment efforts for new interpreters as well as efforts to increase the numbers of Brussels-based ACIs. (See table below).



▪ **Availability of Staff for Interpretation Assignments**

The slowdown in demand, coupled with a significant increase in total staff numbers over previous years, also made it impossible to meet SCIC's AMP objective of increasing the percentage of staff interpreters' total working time spent on interpretation activities. However the staff increases should be seen as part of the longer term objectives of building up the "enlargement" units and replacing the ageing staff of the major units. The increase in staff numbers was offset by the decrease in the number of ACI contract days offered and tight control of the average cost of ACI recruitment. It should be noted that the one-off event of the ash cloud and subsequent cancellation of meetings also had its impact on this indicator.

The cost-effectiveness of the selection procedures was further scrutinised with a view to reducing the human resources involved in the accreditation tests for ACIs. The 2010 test calendar once again managed to reconcile the interests of all stakeholders in the Institutions, including their programming departments. A further very promising measure - using non-interpreters as speakers in accreditation tests – was implemented on several occasions although it has not yet been possible to broaden this approach.

Senior management in the three Institutions had asked the inter-institutional working group on tests to investigate the feasibility of a complete re-organisation of the test calendar in the future and the matter was discussed at several meetings in the course of 2010. A pilot project is planned for May 2011. Following an evaluation of both this exercise and of the re-vamped EPSO competitions the scope and practicalities of a reorganisation of accreditation tests will be further discussed.

▪ ***Satisfaction of Commission Meeting Organisers***

In addition to providing interpretation services to external clients, SCIC supplies a fuller range of services to meeting organisers within the Commission (interpretation, conference rooms, technical facilities, support functions). According to our regular monitoring, organiser satisfaction remained above the AMP target of > 90 %. It has to be noted that the structural shortage of suitable meeting rooms continues to be the principle cause of dissatisfaction for Commission meeting organisers. The prospect of a remedy for this situation was set back by the Commission decision to freeze plans for a new conference centre in Brussels. This will remain therefore a substantial challenge.

Work is however well advanced on improving the on-line booking tool used by Commission services to reserve rooms and interpretation via SCIC. A simplified version of the new tool was used successfully by the Spanish and Belgian Presidencies as well as by the European Agencies which request SCIC services. A more complete version is being tested with the European External Action Service with a view to making it accessible to all Commission services during the course of 2011.

▪ ***Quality of interpretation***

Consolidating the overall quality of interpretation was again at the heart of SCIC's mission. To this end, SCIC continued to collect and respond to customer feedback on the quality of interpretation. A second "customer satisfaction survey", carried out in spring 2010, resulted in an overall satisfaction rate of 85.8, compared to 83.7 in 2007. Significant progress was recorded in particular in respect of the quality of interpretation provided for the most recently added languages and in the field of terminology.

In 2010 SCIC consolidated its quality control procedures by reinforcing the continuous professional assessment of individual interpreters. The complete monitoring and quality-related procedures for ACIs have been notified to the EDPS and work was concluded on updating the on-line ACI quality reporting system. The revised application was launched at the beginning of 2011.

▪ ***Enhanced training and support for the multilingualism policy***

As in previous years, SCIC also maintained a proactive and comprehensive training policy geared to enhancing the language skills and professional competence of its staff interpreters. The training support involves a wide array of actions: language courses, scholarships for interpreters extending their language combination, study leave and refresher courses, as well as the organisation of thematic conferences on subjects of particular relevance to meetings. All in all, in 2010 there were 8742 training days for interpreters (10.157,5 days for SCIC staff overall), which represents an average of 15.2 training days per interpreter. (13.2 days for SCIC staff overall) - i.e. largely above the Commission target of 7.5 days (excluding on the job training).

The combined results of this training effort meant that in 2010, 54 staff interpreters added a further working language (including retours) with help from SCIC.

As a consequence of the Convention concluded with AIIC, 16 ACIs who had been granted support for a language study period abroad in 2009 added a new language in 2010. A similar operation in 2010, this time involving 20 ACIs, will bear fruit in 2011.

Since the quality of interpretation also depends on good cooperation with meeting organisers and participants, SCIC has intensified its advisory role on best practice in multilingual communication and has delivered numerous "Clear Speaking" training sessions, even up to senior management level, in various DGs and within the framework of the EAS Erasmus Programme for national officials. In the same way, it has also actively prepared the successive Presidencies in the Council of Ministers.

A special effort was made in 2010 to develop and rationalise the terminology resources made available to interpreters, taking into account the language and thematic priorities highlighted by recent customer surveys. Many glossaries, including 98 in non EU-languages, were created or enriched with new entries.

2.1.1. Key challenges in 2010 AMP: Interpretation

Although SCIC has long pursued a proactive policy for succession planning, this issue has steadily risen up the agenda and was again a top priority in 2010.

The overview of staff and ACI demographics was updated and, together with language coverage projections, was factored into the annual Training Plan priorities. Both elements are necessary since retiring interpreters usually work from 4 or more languages whereas new recruits have fewer languages and within a much more limited range.

Succession planning is thus not only a question of interpreter numbers but also of language coverage and diversity, especially critical factors in an organisation with a language regime of unequalled complexity.

A number of new initiatives have been launched (see below) and others are in the pipeline. One such example is SPIRIT, an integrated database (scheduled for launch in 2011) which will allow more accurate monitoring and fine-tuning of our actions all along the chain linking university training support to selection procedures and recruitment.

Three major programmes designed to sustain the service's succession policy effort were developed in 2009 and trialled in 2010:

- two sessions of the **Professional Integration Programme** aimed at helping young graduate interpreters pass the interinstitutional accreditation test were organized in March and September 2010 and produced 11 new accredited interpreters for 10 different language units;
- the **Key Trainers programme** which offers university interpreting course trainers, who are also accredited ACIs, regular long-term contracts with SCIC, thereby reinforcing the good cooperation between the academic and professional spheres. The programme this year included 30 participants from 22 universities;
- the **Newcomers Recruitment Facility** which was set up to provide a stable working environment for young ACIs during their first year in the profession and to help them acquire the necessary confidence and experience. This was offered to 39 young interpreters from 13 language units during the year.

After evaluation at the end of 2010, these programmes were made permanent.

Other areas where improvements are crucial to facilitating the access of young interpreters to the profession, such as **competitions and accreditation tests** were also addressed. Following the introduction of a new model for EPSO competitions, SCIC actively participated in adapting it to the needs of the interpretation services. The first 5

interpreter competitions (EN, NL, BG, RO, SL) based on this new model were published in 2010. With regard to ACI accreditation tests, work preceded on the restructuring of tests, in particular with a view to rendering them more efficient so that more candidates can be tested using fewer resources.

In the five booths (EN, FR, DE, IT, NL) with the biggest numbers of natural departures over the next five years, 54 new interpreters were recruited or accredited as ACIs; thus SCIC exceeded its multi-annual target of 50.

– ***Support to interpreter training in universities***

One of SCIC's aims in 2010 was to further strengthen its interpreting resources for the EU12 languages and candidate countries by means of continued support for University level interpreter training in the EU. With a view to future enlargements, SCIC-supported post-graduate training courses in Croatia, the FYRoM, and Turkey are producing a steady stream of skilled interpreter graduates. In 2011, an interpreter training course will be set up in Reykjavik, Iceland. SCIC has also had contacts with senior officials from Montenegro and other Western Balkans countries and strives to enhance regional cooperation in the field of conference interpreter training.

For the 2010 calendar year 594 days of teaching assistance were given to 57 universities. SCIC organised 4 'Training for Trainers' seminars for teachers from new Member States and for trainers from candidate country universities. For the 2010-2011 academic year, the EP and SCIC together awarded 13 grants (of which 8, with a total value of €329.500, were given by SCIC) to universities which organise conference interpreter training.

In 2010, SCIC awarded bursaries to 150 postgraduate students in interpreting for a total of € 333.500 and organised a top-up training session for selected candidates with Russian mother tongue. Also, 27 study visits for students were organised. During these visits the 706 participants, spread over 61 groups, were informed about the profession and career opportunities for interpreters in the EU Institutions.

Further progress was made with the implementation and expansion of the Speech Repository, the distance learning tool developed by SCIC. The objective for 2010, to increase the number of speeches in the database by another 500 clips covering as many official languages as possible, has been achieved. More than 100 universities now have access to this tool and it has some 4000 users. Also candidates invited to ACI accreditation tests can access it before they come for the test. Arrangements have been made with EPSO to grant access to candidates for interpreter competitions from 2011 onwards. SCIC actively promoted the use of new technologies in training and, together with other institutions, participated in the "virtual classes" multipoint and bilateral distance teaching projects. A growing number of universities – also from outside the EU– is making use of this facility.

– ***Accreditation of new ACI interpreters***

During 2010 the inter-institutional Selection Office managed 50 tests, compared with 45 in 2009. 12 of these were organised by the European Parliament's DG INTE. Following the screening of some 1.399 candidate files (1.466 in 2009), 497 candidates were invited to take part in tests (526 in 2009), 402 candidates were tested (compared to 405 last year) and 111 candidates finally passed (114 in 2009). The success rate of 28% is the same as in 2009. During the course of 2010 the Selection Office also organised 136 SCIC language adding tests (114 in 2009) with a success rate of 49%.

Inter-institutional tests in 2010						
	Number of tests	Files screened	Candidates selected	Candidates tested	Number of test days	Successful candidates
Totals	50	1.399	497	402	105	111

2.2. Logistical assistance for Commission events

SCIC is responsible for the management and functioning of the conference equipment of the Commission's 41 meeting rooms, spread over four buildings. This means keeping them up to date and extending the facilities to permit the use of new multilingual services combining communication and interpretation (new technologies). This area of activity also includes the management of the technical equipment during meetings and providing general support to meeting participants.

SCIC has also developed specific communication technologies to promote multilingual communication and bring the EU Institutions closer to citizens, business and national administrations. The Multilingual Platform, as it is known, makes it possible to give virtually all interested stakeholders access not only to general information on policy but also conferences, debates and events held by the European Commission.

Although the technical solutions exist to deal with a range of situations, and in particular those involving discussions over distance with interpretation, the Commission is still lagging behind with the investments for their daily use. However, an important technological step was taken in 2010 with the testing and validating of a scenario to permit videoconferences with interpretation in multipoint mode between three sites. DG SANCO has expressed an interest in installing this videoconference facility for interactive meetings between Brussels and Grange, and consequently SCIC is assisting DG SANCO in developing the project with a view to implementing it in the very near future.

A further important development was the completion in October of a study by the Fraunhofer Institute aimed at providing an objective method for evaluating the minimum quality of digital video and audio sources required for simultaneous interpretation at a distance. The results of the study should also pave the way for an application to update ISO standard 2603 (relating to simultaneous interpretation) or create a new one.

2.2.1. Key challenges of the AMP 2010: logistical assistance

After having completely renewed the technical conference equipment of the CCAB building in Brussels, DG SCIC was asked to do the same for the six meeting rooms of the Jean Monnet building in Luxembourg. DG SCIC took over on behalf of OIL all aspects of this renovation, i.e. the development of the technical concept, the specifications and award of the call for tender, the on-site monitoring of progress and the handover. The total cost of the renovation work was approximately 1.8 mio. €. All of the technical facilities are operational and the formal handover of the building took place before the end of 2010.

Furthermore, towards the end of the year SCIC also had to equip three meeting rooms as test rooms for the interpreters' competitions, including recording facilities for the related intermediate tests. This work had to be done at short notice, given the timing of the competitions and the fact that EPSO contractor who was to have supplied the recording

equipment was unable to provide a system offering the requisite quality. The already insufficient number of existing meeting rooms in Commission premises and the sine die freeze of the conference centre project did not allow to find a alternative structural solution to this request in a reasonable time span.

The upgrade of the Breydel auditorium was completed in May 2010 and has hosted a number of events of the kind for which it was refurbished, such as Commissioner Vassiliou's interactive multilingual session with the public. The technique used was a combination of web streaming, internet chat and video conferencing with interpretation. This room can also be used to host virtual classes for interpreter training.

Since managing of complex conference infrastructures and providing the necessary technical services calls for well-trained technical staff, SCIC continued its training effort throughout the year with a view to ensuring that 90% of the staff involved in technical and audio services was properly trained to handle the new and renewed installations. This target could not be totally achieved, due to important changes in staffing in 2010.

The unavailability rate for meeting rooms managed by DG SCIC was 2.56% in 2010. The DG was unable to meet its target of a maximum of 2% due to structural renovation work carried out by OIB on the conference buildings. If rooms had been closed only for maintenance work on the conference installations, the rate would have been below 2%.

On the administrative side, with a view to improving the accounting of the assets, the financial management of Directorate D's technical activities started to progressively migrate from ABAC Assets to ABAC in the course of 2011.

2.3. Conference Organisation and consultancy

One of DG SCIC's tasks is to organise events in Brussels and elsewhere for all Commission Directorates General. The services offered by SCIC, using either its own resources or via outsourcing to contractors, include the planning of the event, the identification of a suitable venue, drawing up provisional budgets, the creation of databases for the registration of conference participants and the production of their badges, selecting, contracting and managing suppliers for the production of print work or promotional material, catering, conference assistants, travel and accommodation of participants and IT and AV equipment rental. Furthermore, SCIC is able to offer, inter alia, interactive communication tools and web streaming of meetings taking place in certain Commission meeting rooms.

By taking care of the planning and implementation phases and the smooth and secure running of the event itself, DG SCIC's conference organisers allow the client to concentrate on the content and objectives of the meetings.

At the end of 2010, close to 50% of the DGs regularly requesting assistance for conference organisation had signed a Service Level Agreement, allowing the transfer of their conference funds to SCIC. This means that SCIC is able to take over, on a co-delegated basis, the signing of legal commitments and the payment of all ensuing invoices.

2.3.1. Key challenges of the AMP 2010: Conference organisation

In 2010, SCIC continued to provide conference organising support to the various Commission services and, on request, took over the financial management of outsourced contracts. SCIC organised some 37 conferences in 2010, involving over 10.000

participants and with an overall budget of approximately 7 million €, out of which 5.7 million € were directly managed by SCIC.

With regard to results indicators, SCIC set up a new system to evaluate its activity and the quality of the conference services provided. The result of this web-based survey (covering conferences in 2009 and 2010) will be available by the end of March 2011 and will therefore be reported on in next year's Annual Activity Report.

While most of these conferences were hosted in Brussels and, in numerous instances, included the participation of Commissioners and President Barroso, SCIC was also involved in the design, setting-up and running of events in Spain, Brazil, India and Romania.

2.4. Horizontal activities

2.4.1. Inter-institutional cooperation

Given the specific mission of SCIC to provide quality interpretation services for other European Institutions and agencies, policy co-ordination with the different stakeholders plays a fundamental role in almost every interpretation-related activity. This is why SCIC allocated the responsibility of this policy co-ordination to a newly created unit directly attached to the Director-general.

One of the key areas of SCIC's work over recent years has been co-operation with the interpretation services of the European Parliament and the European Court of Justice. Inter-institutional cooperation has not been limited to ACI testing and management or cooperation with universities; the institutions have also operated a structured exchange of volunteer staff interpreters, aimed at giving participants an opportunity to get to know the functioning and work of the other institutions.

The programming services of the three institutions also have regular meetings in order to discuss problems and ways of solving them. The number of ad hoc exchanges of interpreters between services in order to solve specific problems has also become routine. There is generally also a common presence of the three institutions at international language fairs and conferences.

The following areas should be singled out as good examples of inter-institutional co-operation concerning ACIs:

- Ongoing work to update and, where possible, streamline procedures concerning accreditation of interpreters with non-EU languages, especially Russian, Chinese and the Balkan languages and establishing a complete set of rules for the adding of languages, taking into account all possible scenarios (EU, candidates, UN, and the rest of the world). It should be noted that while adding of language tests are not inter-institutional, the results are mutually recognised and it is therefore important that all institutions adopt the same approach;
- Continuing efforts to simplify and harmonise implementation rules following the revision in 2008 of the Convention on working conditions and the pecuniary regime for conference interpreting agents. To this end a series of meetings at different levels took place in 2010, setting the scene for a consolidation of the texts in 2011;
- The SPIRIT project, designed to integrate several sources of data concerning pedagogical assistance, grants, bursaries, accreditation tests and ACI candidates, is

nearing its operational stage. The application will serve not only as a single entry point for student interpreters applying for a bursary and candidates wishing to take part in inter-institutional tests but will also allow for an in-depth analysis of the effectiveness of the financial support given by the Institutions to universities and ACI candidates;

- Following the entry into force of a decision by the Heads of Administration, SCIC began to pay a "*financial contribution towards travel and subsistence expenses for persons invited to the oral tests (...)*", after an inter-institutional agreement was reached on the practical arrangements for reimbursement. In 2010 the scheme became fully operational and is being integrated into the SPIRIT application;
- An open call for tender was launched in September 2010 to select a default pension fund for ACIs who do not designate their own pension provider. SCIC is managing the file and the other Institutions have provided support by taking part both in the meetings of the Steering Committee and the specific meetings required by the rules concerning public tenders. The project is running to schedule and will be finalised in the course of 2011.

2.4.2. *International cooperation*

SCIC is a key player and facilitator in the field of cooperation between international organisations' language and conference services. Discussions mainly take place in the IAMLADP and HINTS⁷ forums, which debate typical profession-related issues such as the next generation of interpreters, the organisation of tests and competitions and high quality training of conference interpreters as well as other subjects of general interest to the interpreting services of international organisations.

SCIC continued to work closely with the UN, IAMLADP members and the EMCI consortium to encourage the creation of a sustainable training capacity in North America and Africa. In North America, SCIC is cooperating with the US State Department's work on setting up a Conference Interpreter Training course at the University of Maryland. As for Africa, SCIC contributed to the initial stages of the "African Project", designed to train interpreters and translators on the African Continent. The pilot universities taking part in the Project are the University of Nairobi, Maputo Pedagogical University and soon also Legon University in Accra (Ghana).

SCIC continued to work closely with the UN, other IAMLADP members and the EMCI consortium to encourage the creation of a sustainable training capacity in North America and Africa. In North America, SCIC is giving its support to, and cooperating with, the State Department's work on setting up a Conference Interpreter Training course at the University of Maryland. As for Africa, SCIC contributed to the initial stages of the "African Project", designed to train interpreters and translators on the African Continent. The first universities taking part in the Project are, in addition to Nairobi, Maputo

⁷ IAMLADP: International Annual Meeting on Language Arrangements, Documentation and Publications, a forum and network of managers of international organizations employing conference and language services providers – mainly translators and interpreters. Its membership includes the United Nations, other organizations of the UN system and inter-governmental and supra-national organizations.

HINTS: a worldwide network of Heads of INTERpreting Services. Members advise and help each other concerning urgent questions and keep in touch electronically. They also meet twice a year on an informal basis to discuss interpreting-related issues and examine cooperation possibilities in this field.

Pedagogical University and Legon University in Accra (Ghana). Contacts were established in 2010 and further activities will be developed in 2011.

Under the European Union-China Interpreter Training Programme (EUCITP) funded by DG AIDCO, SCIC trained 20 Chinese interpreters. In the framework of the co-operation programme with Macao a new protocol with the authorities has been concluded and a third group of Macanese trainees was trained in 2010; another group is expected in the autumn of 2011.

In the context of the Commission's multilingualism policy, SCIC has offered its expertise to examine ways of improving EU-wide training in the field of community interpreting. SCIC is represented in the Special Interest Group on Training of Interpreters and Translators ('SIGTIPS'), set up under the auspices of the European Language Council, which will present its report to the Commissioner in May 2011.

2.4.3. Internal Communication

With regard to internal communication, several developments of note have taken place. One of the key IC instruments is SCICnet, SCIC's intranet, which plays a crucial role not only as a source of information and forum for debate for a large, geographically dispersed and itinerant population - the interpreters - but also as a platform for a number of applications which are indispensable for their work. The Jalios software on which SCICnet is based was upgraded to the latest version and went on line in September after rigorous testing. The teething troubles have now been eradicated and the system is stable. Work has begun on exploiting some of the new features offered by the upgraded software, such as a better blog function, image display etc. Also of note is the transfer of SCIC's "corporate pages" to My IntraComm, the Commission's new intranet, making SCIC only the second DG to make the transition. These two projects absorbed significant web team resources and consequently, the development of an improved SCICnet did not progress as quickly as hoped. Nevertheless, much of the exploratory work has been done.

In the meantime, a series of significant improvements has been made to SCICnet, including a partial redesign of the home page, development of new sites for certain units or the upgrading of existing sites. Moreover, pending the introduction of genuinely new functionalities, the SCICnews team has sought to keep up interest in SCICnet by maintaining a regular flow of items in a variety of styles and covering a broad range of topics. In particular, greater use has been made of short video interviews and videos of presentations. More emphasis has been placed on encouraging debate, either in response to news items or in specific forums. These efforts have proved quite successful. In the administrative staff survey held in the second half of 2010, 36% of respondents thought internal communication had improved over the previous year. 76% felt that they could find on SCICNet the information they needed for their work.

In parallel, following extensive consultations and research, a draft internal communication strategy and accompanying action plan was delivered at the beginning of December. This will be revised in the light of reactions and, following a further round of debate in management circles, should be finalised ready for implementation in the first half of the year.

2.4.4. External communication

In order to improve the number and quality of applicants to postgraduate interpreter training courses, SCIC launched a comprehensive strategic communication plan in 2009.

It includes targeted actions such as SCIC's presence in career days, job fairs and employer presentations and actions to promote the profession across diverse media in the relevant Member States and worldwide.

In this respect, SCIC published a special edition on the interpreting profession for a magazine issued for German teachers in secondary schools in France, as a part of a set of wider actions in that country and in the UK involving also social media and government relations. Applications to post-graduate interpreting courses in France and the UK were stable or increased by up to 160%. Awareness-raising videos were launched on YouTube for potential Swedish, Spanish and Italian interpreters and a special exhibition on the theme "Do you speak European", including two videos, was produced for the European Union pavilion at Shanghai Expo 2010.

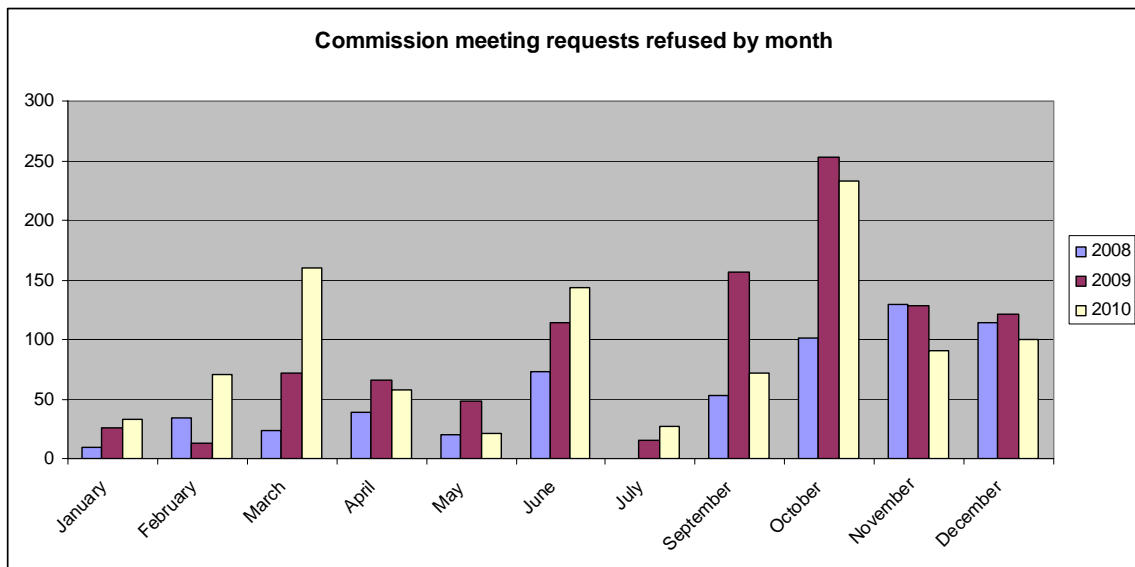
PART 2. MANAGEMENT AND INTERNAL CONTROL SYSTEMS

1. INTRODUCTION TO DG INTERPRETATION

SCIC supplies interpretation not only for the Commission but also for several institutions, as well as a number of European offices and agencies in the Member States. Interpretation is supplied to these institutions and bodies according to the terms of “Service Level Agreements” (SLAs). SCIC receives a financial compensation for the provision of these services, part of which is repaid to the central Commission budget to cover a proportion of staff and infrastructure costs paid centrally, the rest being used mainly to finance the recruitment of freelance interpreters to meet the needs of the Commission and the other institutions.

Different users have widely different needs and thus SCIC has to arbitrate the allocation of its main resources (conference rooms and interpreters) in a structured way. As a policy, SCIC never commits to supply more interpretation than it is sure to be able to serve. To this end, it uses a mixture of staff and ACI interpreters. The latter are recruited on individual daily contracts on a needs basis.

For meetings requested by the Commission, SCIC manages 41 meeting rooms, among which 27 are conference rooms with interpretation facilities and allocates them on the basis of a weekly arbitrage process aiming at maximising satisfaction of demand whilst respecting DGs' own priorities for meeting requests. The limitation of meeting rooms in Commission premises constitutes an important bottle neck that prevents SCIC for satisfying Commission's needs for interpretation and meeting rooms, both in terms of quantity and size of audience. In 2010, SCIC refused 1.010 meeting requests (1013 in 2009). Tuesdays, Wednesdays and Thursdays are the days on which we observe most peaks in demand – and in refusal.



SCIC also provides technical audio-visual support and conference organising capacities to Commission departments. These in-house services include daily maintenance and, whenever necessary, upgrading of meeting room audio-visual equipment. SCIC also organises a limited number of politically significant conferences or exhibitions. SCIC's conference organisation also proposes to DGs an all-in package for event management, including not only logistical arrangements but also their financial related aspects, via a budgetary co-delegation mechanism.

To guarantee the delivery of high quality interpretation and to address the challenge of the ageing of the interpreting population, SCIC also developed a comprehensive strategy going from targeted communication to encourage young people to take up conference interpreter training to tailor-made pedagogical and financial support to higher-education institutes.

SCIC's administrative structure features a Directorate housing the interpreters (A), one for resources and administration (B), another for the provision of interpretation (C) and the last for the organisation of conferences (D). At 31 December 2010, the head count includes some 815 staff, including 574 interpreters. Other administrative external personnel (contract agents and interim staff) amount to 63. Within SCIC the Operational Directors are empowered as Authorising Officers by Sub-Delegation for commitments for their respective areas of responsibility. In line with the Commission's internal control standards, Director's empowerment include the responsibility for putting in place adequate management and control procedures. The Resource Director also received a sub-delegation for all recovery orders.

With the exception of ACI-related operations, all SCIC payments are centrally managed by unit B2 responsible for Strategic Planning, Budget and Financial Management. As far as payments of ACIs are concerned, their process is handled by unit B4 known as the Inter Institutional Payment Office. Up to mid 2010, the financial circuit for the management of co-delegated budget lines for the organisation of conferences (the "all inclusive package") was fully decentralised. For operational reasons decision was taken to integrate the financial cell in charge of these operations to unit B2 as well (see also part 3, building block 2 of the assurance).

In 2010, interpretation is billed 434 € for a half-day of an interpreter. This means that a full day meeting requiring a reduced 5 language regime cost 8.680 € (2 interpreters per booth x 5 languages x 2 half-days), while a Council of Ministers meeting with a full language regime cost 57.288 € (3 interpreters per booth for 22 languages).

This interpretation cost of 434 € reflects not only the expenditure for staff interpreters but also the expenditure for external personnel (typically freelance interpreters) as well as overhead resulting from management costs, programming and payment office teams, interpreter's training and informatics expenditure.

As far as other operational expenditure is concerned, SCIC reduced its overall expenditure from 72,7 millions € in 2009 to 64,9 millions € in 2010. Although some net savings were made on the global envelope, notably through a cutback in interpreting missions, the main reductions came from lower spending on ACIs, which constitutes SCIC's main item of expenditure.

Key figures on volume of services and revenue	2009	2010	Evolution (%)
Total number of i-slots (with interpretation, travel and cancellations)	297.693	288.321	-3%
Total number of i-slots corresponding to net cancellations	47.719	54.132	12%
Total number of i-slots invoiced to SCIC clients ⁸	190.619	180.049	-6%
Relative weight of services provided to Council (%)	54,2	51,6	-5%
Relative weight of services provided to CDR and EESC (%)	8,0	8,0	0
Relative weight of services provided to Commission ⁹ (%)	35,9	37,6	5%
Revenue for the year (M €)	81,2	78,1	-4%
Cashed during the year (M €)	82,2	77,3	-6%

⁸ This figure includes the interpretation supplied to the Council, CoR, EESC, agencies and bodies as well as some of the meetings requested by DG RTD and INFSO.

⁹ "Services supplied to the Commission" also includes the participation of interpreters in competitions, ACI accreditation tests and pedagogical assistance.

Key figures on interpreters' and ACI activities	2009	2010	Evolution (%)
% of interpreters' time spend on interpreting	59.0	57.0	-4%
ACIs' expenditure (M €)	53.2	48.2	-10%
Expenditure for interpretation (M €)	128.9	127,8	-1%
Satisfying demand for active languages (%)	93.5	94	1%

The operational environment in which SCIC operated in 2010 was not modified compared to 2009. It is characterised by the following:

- Conference interpretation is recognised as a key element of the EU's and the Commission's multilingualism policy;
- In 2010, interpretation activity further decreased compared to 2008 and 2009, in particular in the Council, probably partly due to the implementation of the Lisbon Treaty, as well as the ash cloud caused by the Iceland volcano;
- Medium and long term variations in the demand from SCIC's clients remain difficult to forecast with accuracy due to the increasing number of meeting cancellations and the changes in language regimes required by delegates;
- At the end of 2010 SCIC had met all the recruitment targets set for EUR12 languages.

Concerning the inherent characteristics of SCIC's financial management, the following aspects deserve to be highlighted:

- 74% of SCIC's total expenditure is accounted for by the recruitment of non-permanent interpreters (ACIs). Although it brings about a large number of payments every year, risk of misuse or fraud is minimal: a large part of the ACIs are based in Brussels and they benefit from a flat-rate pay system (without travel and overnight reimbursement) which prevents errors from being made¹⁰;
- SCIC charges the services provided to external clients through recovery orders and this revenue is added to the basic appropriations fixed in the budget; calculation of the amounts due is made via a devoted application, which improves transparency and reliability;
- Thanks to the compensations paid by clients, DG SCIC was able to repay to PMO 60% of the salaries and running costs of staff assigned to interpretation activities for 2010, as it did for 2009.

2. THE FUNCTIONING OF THE INTERNAL CONTROL SYSTEM

The four most critical aspects of the entire internal control system are the procedures in place for the recruitment of ACIs(i), for the allocation of interpretation resources(ii), those for ACI payments(iii) and those for the collection of income(iv). They are presented in detail in annex 5 to this report.

(i) ACI recruitment

ACIs are recruited in the light of language needs for meetings. This exercise is conducted in 3 distinct phases:

¹⁰ Also refer to point 2i and to annex 5 for a more detailed description.

- Long term recruitment is an annual exercise where we attempt to cover 50% of forecast needs. This long term recruitment is carefully modulated by day and period to cover our needs for peak periods without being over-exposed to a downturn in demand;
- Medium term recruitment, which starts when the detailed meeting commitments are made after the arbitrage process 6 weeks before the date of meetings. This process covers the subsequent 40-45% of expected needs in a targeted way;
- Short term recruitment, which covers the remaining needs based on a day to day fine-tuning. This 3-phase approach is designed to guarantee that sufficient resources are available whilst minimising the risk of over-recruitment.

ACI recruitment decisions are also guided by an objective ranking of 3 criteria: professional domicile (linked to cost), language combination and professional competency (linked to quality) as defined by the heads of the interpretation units. This ranking system was adapted in early 2010 in order to provide a more nuanced scale for the quality component as well as to reinforce SCIC's policy of giving preference to local ACIs.

Recruitment procedures for ACI are duly documented and relevant criteria published on SCIC intranet. Daily monitoring and monthly reporting systems are in place to monitor expenditure and to ensure that overall spending and the daily cost of interpretation remain under control.

A system for recording accurately all of the interpreters' activities and workload and how its interpretation resources are allocated is in place, which enables SCIC to assess better the overall output of the service.

(ii) Allocation of resources

Concerning the allocation of resources, some 63% of SCIC's interpretation output is supplied to external clients. These institutions and bodies manage their own conference room facilities and merely submit to SCIC requests for conference interpretation. Confirmation of these requests happens in parallel with arbitrage and 'rattrapage' decisions for Commission meeting requests in order to ensure that resources in general are allocated as effectively as possible.

6 weeks in advance of the date of meetings, SCIC conducts the arbitrage process where it examines all requests for meeting rooms and interpretation submitted by Commission DGs, cutting low priority meetings and respecting the high priorities. After the arbitrage there is a weekly 'rattrapage' which is a second chance for DGs to submit meeting requests, should cancellations by others mean that resources have become available.

For Commission meetings, SCIC works through a network of WebDOR correspondents in each DG who are responsible for coordinating and informing meeting organisers within their service, while for the paying customers all requests are centralised through a dedicated secretariat in the respective institutions.

As concerns Commission services, active awareness raising is under way in order to reduce the impact of cancellations on the allocation of rooms and interpretation. After each meeting with interpretation, a report is filed by the Head of interpretation team which is processed by the Rapport de séance team who allocate all reports to the appropriate service for action or follow-up.

(iii) ACI payments

The adopted payment circuit involves 'ex-ante' verification complemented by 'ex-post' controls performed on a sampling basis. About 52% of the transactions correspond to local contracts and are fully automated. The others are widely standardised, semi-automatic and prepared with a consistent standard quality. Taking into account the homogeneity and the large number of these transactions as well as cost effectiveness, the financial circuits adopted are characterised by a relatively low level of segregation of duties. The initiation and verification functions are rarely split into an operational and a financial sub-function.

The settlement of inter-institutional ACI payments in 2010 involved slightly higher number of transactions (178.671) compared to year 2009 (174.241), amounting to around 80,9 M€. 2009 was an election year for the European Parliament. For 2010, the EP recovered its usual level of activity, compensating for the contraction of the demand for interpretation in DG SCIC.

A key element for the control environment is the absolute separation of the payment process from the recruitment which is done by a different unit for SCIC contracts and by the recruitment offices at the Parliament and at the Court of Justice.

Payment procedures are well documented and kept up-to-date. All derogations are duly justified and recorded. Regular ex-post controls are performed by the central financial unit and report a stable error rate, far below materiality threshold. Results of ex-post controls are nonetheless used as a source to further refine the internal control system.

(iv) Collection of income

In 2010, half of SCIC's expenditure was financed by revenue resulting from the interpretation provided to other institutions and community bodies.

Billing rules are set out in "service level agreements" signed with paying clients. From a practical point of view, the implementation of the billing process is organised through a web-based application into which the data on the requested and provided interpretation are injected and converted into i-slots. After review of the figures by the Finance and Budget unit, they are made available to the client for approval on a forth knightly (Council) or monthly basis (other clients).

The client then confirms the i-slots to be invoiced via the billing application, and ultimately SCIC issues a payment advice note and a debit note.

The corresponding invoicing and collection is monitored on a monthly basis and Unit B2 consults weekly DG Budget's tables on the status of the incoming cash flow. When the amounts are collected, reuse appropriations are put at SCIC's disposal, allowing it to acquire new resources to further deliver its services. As part of SCIC's Accounting Action Plan, a series of specific ex-post controls on recovery orders are also performed.

To be noted that as a result of the massive last minute cancellations of meetings due to the Iceland volcano, SCIC has introduced a new clause of "force majeure" in the SLAs. Under such exceptional circumstances, the cost of last minute cancellations will be shared between SCIC and the client and not borne solely by the client.

2.1. Compliance with the requirements of the control standards

DG SCIC's assessment of internal control standards compliance is based upon a range of tools and methods:

- the collection of relevant data and information by the ICC;
- a compliance review carried out by management on regular basis;

- a wide use of surveys targeting DG's stakeholders with a " 360° approach".

These different assessment tools confirmed the compliance with the baseline requirements of internal control standards. However, they helped the DG identify areas where the effectiveness of ICS implementation could be further enhanced. In particular, a survey among all of the DG's administrative staff highlighted possible improvements regarding mission statements, organisation and structure, promotion, career and training, ethics, management supervision and internal communication.

Following up the priority given by the 2010 Management Plan to the standard on ethics a survey contributed to assess the awareness level of permanent and non-permanent staff.

- *Mission statements (ICS 1)* are kept up-to-date on the intranet and their accessibility via the unit web pages and the intranet central repository is ensured. According to a staff survey carried out in 2010, knowledge of unit mission and objectives among the staff is significant (8.2 out of 10). Staff reportedly has a good level of information regarding the DG *organisation and structure* (8.3 out of 10). Improvements remain to be done on information regarding allocation of roles and responsibilities across the DG (only 5.9 out of 10).
- Actions are needed to improve the satisfaction level of administrative staff with the information on *promotion* procedure provided by DG (5.2 out of 10) and with the information provided by line managers on *career and training opportunities* (6.3 out of 10).
- The annual *risk management exercise (ICS 6)* highlighted a new critical risk linked to the DG's ability to satisfy the request for videoconferences and video links with interpretation. This risk needs to be considered both in the context of the Commission's normal operating mode (reduced travel cost and time, reduced carbon emissions, etc) and in case of major disruption of normal travelling conditions (eg. Iceland volcano). Therefore the use of new technologies in interpretation was included in the management plan for 2011 as one of the key challenges facing the DG and the EU institutions at large in the years to come.
- The publication on intranet of DG's *key procedures (ICS 8)* was reviewed and a new procedure has been adopted. Therefore, the number of published procedures has increased while their accessibility has been improved with a "double entry system" (via unit web pages and via thematic pages).
- Quarterly reports on financial and operation issues were regularly presented to management and the list of key *management indicators (ICS 5)* now includes all DG's activities, including streaming services.
- In line with *ICS 7*, SCIC has re-examined the various operation functions implying financial and contractual responsibilities, and ensured rotation of staff in sensitive posts or take appropriate measures of desensitizing posts. Where compulsory mobility after 5 years could not be achieved, appropriate derogations were requested and approved. To be noted that for Head of Interpretation Units, DG HR approved a permanent derogation to compulsory mobility. This derogation is based on the very specific characteristics of their duties.
- The "Ash cloud crisis" shown the DG capacity to respond quickly and effectively using the *Business continuity* plan and the IT tools (*ICS 10*). Moreover the DG

participation to the corporate exercise (PEST 2010) received a positive evaluation by the external observer. Actions aiming to involve and train new staff to act as "business continuity managers" will continue in 2011 and the BCP will be reviewed an update along the guidelines issued by SG.

- Regarding *document management* in Ares (*ICS 11*), progress has been made with the simplification of filing plans at unit level and the drawing up of a retention list. Training and awareness-raising actions, the latter particularly among interpreters, have been taking place throughout the year. Nevertheless weaknesses are still apparent concerning the filing and archiving of documents. These have been brought to the attention of the units concerned. Actions foreseen in 2011 to improve the document management in Ares include a series of awareness-raising campaigns targeting management and staff, streamlining of the DG filing plan and completion of the retention list. A specific indicator is introduced in the AMP 2011 to monitor progress.
- Surveys were organised according to the DG *evaluation* plan (*ICS 14*). Two of them allowed SCIC management to assess the evolution of clients' satisfaction (2nd customer satisfaction survey, 2nd IT help-desk survey). A new survey on administrative staff was initiated and allows management to adopt actions to improve the working environment and follow up the staff satisfaction on a regular basis. All surveys enjoyed a significant response rate and a wide dissemination of results.

Standards 2, 9 and 12 are presented under point 2.2.

Beyond these significant progresses, we believe that DG SCIC has achieved an overall compliance with the requirements set out by the internal control standards which are applied across the board without major deficiency.

No critical or systemic failure of the internal control system was detected; neither in audits carried out in 2010, nor in assessments carried out by internal control coordinator or AOSDs.

2.2. Effectiveness of implementation of the prioritised control standards

SCIC prioritised in 2010 the following standards:

- Ethical and organisational values (standard 2)
- Management supervision (standard 9)
- Information and communication (standard 12)

Building on awareness raising actions carried out in 2009, in 2010 it was necessary to assess the level of understanding of *ethics* principles in SCIC and to identify any remaining knowledge gaps. One of the main activities on ethics in 2010 has been the launch of the Ethics module in Sysper2 with a view to facilitate the submission, approval and monitoring or request authorization for external activity followed by an information action of the staff. Also, a survey was organized aiming to assess the level of awareness of ethics and staff conduct rules for management, administrative staff, permanent and non-permanent interpreters. This survey results show a varying degree of ethics awareness: 73% of management, 46% of administrative staff, 33% of permanent interpreters and 25% of non-permanent interpreters' respondents indicated that they have

a "fairly good" and "excellent" knowledge on ethics. The average correct response rate to the survey case scenarios was between 35 – 57% for the 4 targeted groups.

On the other hand, another survey organised among administrative staff shows that 10% of respondents consider that "the awareness of ethics has improved" while 50% considered "the situation is unchanged".

Therefore the improvement of effectiveness in implementation of ethics standard was obtained whereas further actions have to be performed especially regarding training and information.

The management supervision was prioritised in order to increase management awareness on supervision, review the weaknesses in the management of exceptions and address them.

A specific reporting procedure was adopted regarding the interpreters directorate. The survey among administrative staff shows a high level of satisfaction on "management support" (level 7.8 out of 10) and "feedback on staff activity" (level 7.4 out of 10). However, future actions should be done in order to reduce the gap between directorates. Moreover, staff appreciates the importance of unit meetings for its work but would need more feedback on decision taken on management level (4.4 out of 10).

On the other hand, a revised procedure for recording exception was published and the number of recorded exceptions decreased with 30%. The analysis of the exceptions recorded did not show any systemic failure of any of the internal control systems.

The continuing prioritisation of *standard 12* is warranted by the specific role of internal communication in a DG such as SCIC with a large itinerant population. Following the mid-year upgrade of the SCICnet (intranet) software, efforts have focused not only on improving the consistency and ease of use of various unit websites and, to some extent, the home page, but also examining and testing the new tools which have now become available. In addition SCIC's "corporate pages" were successfully migrated to My IntraComm. In parallel, an internal communication strategy paper and action plan were drawn up based on comparative studies, surveys and interviews aimed at identifying users' needs. The documents were put up for discussion at the beginning of December. The intention is to complete discussion of the strategy and have it validated during first half of 2011, with the implementation following thereafter. It should be noted that according to the results of the administrative staff survey user satisfaction with the intranet and internal communications generally was good: 68% of respondents "find always or most of the time the information needed for their work" in the intranet and 28% of respondents consider that internal communication overall has improved. A special survey devoted exclusively to internal communication is planned for the second half of 2011, once the effects of new strategy can be assessed.

2.3. Information to the Commissioner

Working arrangements with the Commissioner have been implemented through meetings between the Commissioner and the Director General, between the Head of Cabinet and the Director General and meetings and regular contacts between Members of the Cabinet and the assistant.

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

2.4. Conclusion

SCIC internal control system has proved to be effective in the course of 2010:

- SCIC has delivered quality services to its various stakeholders, as highlighted i.e. in the comprehensive surveys that have been carried out, achieving its mission and meeting its main objectives;
- Staff allocation has been improved with a decrease in the number of vacancies, the achievement of recruitment targets for EU 12 and the planning of competitions to meet the challenge of ageing;
- Performed checks and controls neither detected serious weaknesses in the controls systems nor systemic errors in the processing of payments or recovery orders;
- The continuity and resilience of the DG's activities have been further improved, in particular in the areas of crisis preparedness and response, as shown with management of the travelling difficulties caused by the Iceland volcano.

No deficiency in the implementation of the internal control standards is jeopardising the DG's main activities.

The management risk assessment carried out at the end of 2010 confirmed the need to further address the two previously identified critical risks, namely the lack of adequate conference facilities for the Commission and the retirement of a large number of experienced interpreters in the years to come. A third critical risk has been however identified, which is related the need to develop videoconference services both for normal operating circumstances and as a means to reinforce the Commission's business continuity plan.

Actions are being taken, both at Commission and DG's level, to reduce or mitigate these risks. As a conclusion, SCIC internal control system provides for reasonable assurance that key SCIC objectives are met, main risks are mitigated and that activities are carried out as intended.

PART 3. BUILDING BLOCKS TOWARDS THE DECLARATION OF ASSURANCE

3. BUILDING BLOCKS TOWARDS REASONABLE ASSURANCE

3.1. Building block 1: Assessment by management

The AOD has the reasonable assurance that SCIC operations are supported by a sound financial management and that they are not undermined by systemic weaknesses in the internal control systems.

This reasonable assurance was built up by:

- The identification of the *critical risks by an internal risk assessment exercise* carried out in view of the MP for 2011. Two risks are maintained from previous year - one related to the lack of adequate conference facilities, the other related to the ageing of the DG's "human capital" – and the action plan was revamped. A new critical risk was highlighted linked to the DG's ability to satisfy the request for videoconferences and video links with interpretation. Therefore the use of new technologies in interpretation was include in the management plan for 2011 as one of the key challenges facing the DG and the EU institutions at large in the years to come.
- *Systematic ex ante visa for commitments* given by the budget and financial management unit which did not detect systemic or repetitive errors or misapplication of the articles of the Financial Regulation and its Implementing Rules.
- *Results of the periodic financial reports and evolution of quarterly key management indicators.*
- Successfully assessing SCIC's main transactions through *regular ex-ante checks and ex-post controls* (including financial and accounting related issues). Performed checks and controls neither detected serious weaknesses in the controls systems nor systemic errors in the processing of numerous and repetitive payments (see also the table of key indicators on legality and regularity of underlying transactions presented below). In fact, 43 M€ were selected for control out of an overall amount of 80.9 M€ corresponding to all inter-institutional payments processed by SCIC. Controls have detected a very minor number of errors amounting to 0.2%, well below the 2% threshold for the materiality level.
- The *positive opinion of the Internal Control Co-ordinator* on the effectiveness of key controls in place, the respect of the ICS baseline requirements and a series of measures to be taken in 2011 meant to ensure an even more effective implementation of the standards (also see annex 1).
- The decreasing number of the *reported exceptions* and their different nature (training, regularisation of payment to ACIs, legal commitment, missions). There

is no particular category impacted by exceptions which might indicate a systemic weakness. Moreover, the reporting and registration was improved.

- The *Internal audit's opinion* and the fact that the internal audit findings never highlighted nor detected critical issues.
- The received assurance from the OIL for the use of the crossed sub-delegation that SCIC gave for the renewal of some conference equipment.

The table below summarises the key indicators on legality and regularity of SCIC's main underlying transactions.

<p>Input</p> <p>Resources devoted to ex-ante and ex-post controls</p>	<p>4 FTE out of 10 FTE members of the Budget and Financial Management unit; 1 FTE in unit B4.</p>
<p>Output</p> <p>Level and nature of the controls carried out</p>	<ul style="list-style-type: none"> ▪ Ex-ante verification of all commitment files which include an ex-ante visa in ABAC. ▪ Ex-ante verification of all payments not related to the organisation of conferences for other DGs or to the payment of ACIs. ▪ Ex-post verification on a sampling basis of the payments made to ACIs. ▪ Periodic accounting controls ▪ Regular monitoring of expenditure, income collection, pre-financing, assets and guarantees through accounting controls as defined in the adopted Accounting Action Plan of the DG. ▪ Results of the assessment made in the context of the preparation of the AMP 2009 as far as critical risks and mitigating measures are concerned. ▪ Level of completion of closure audits and reviews. ▪ Results of the analysis of the quarterly key management indicators

<p>Result</p> <p>What the controls allowed to discover/remedy</p>	<ul style="list-style-type: none"> ▪ The ex-ante verification of commitments and payments allowed for correction of eventual mistakes before the transactions received a visa from the AOSD. ▪ Controls were focused on SCIC's largest expenditure, which are the payments made to the ACIs, and the income collection. <p>The population from which samples are selected contain all final settlements made to non-local freelances only. Final settlements to non-local freelances are very complex and therefore represent a higher probability for errors. Final settlements to local freelances are not subject to ex post controls since they are fully automated in an ad hoc application.</p> <p>43 M€ were selected for ex post controls out of the overall amount of ~80,9 M€ corresponding to all inter-institutional payments processed by the unit in charge of external staff (B4). 329 single transactions were subject to detail controls and amounted~0.35 M€ which represents 0,8% of the expenditure.</p> <p>Controls show that the rate of errors is now well below the 2% threshold materiality level. This is mainly due to the fact that following the recommendations of last year as well as the implementation of the revised Convention, a majority of non-local ACI chose to buy their tickets at the travel agency of the Commission and to a certain degree at the travel agency of the EP. As the tickets are pre-paid the payment office deals directly with the travel agency. The size of the control sample provides for more than 95% certainty.</p> <ul style="list-style-type: none"> ▪ The accounting controls helped identify potential erroneous use of General Ledger accounts, long outstanding uncleared accounting entries, eventual unintended duplicates of transactions and incorrect data entry. The controls served their purpose by ensuring to keep SCIC's accounts at a high level.
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3.2. Building block 2: Results from audits during the reporting year

In 2010, most of the auditing time was devoted to the *audit of the conference management function* and to *the audit of the ACIs accreditation tests and the management of the common list of free-lance interpreters*.

For the *audit of the conference management function* the IAC concluded that the internal control system set up provided reasonable assurance that the objectives will be achieved, except for the newly established financial management system, properly designed but affected by difficulties in its practical implementation. This weakness was identified during the first semester of 2010. It has been properly addressed with the transfer of Directorate D's financial cell to Directorate B's financial unit from the 1st of July onwards. Furthermore, the financial unit together with the conference unit are working together to improve the financial circuits' implementation and to optimise their working arrangements. The audit sector is closely monitoring the situation and although further

progress needs to be made, the situation has improved since the audit has been performed.

The audit of the accreditation tests and the management of the common list of free-lance Interpreters has not been finalised yet but is well advanced in its fieldwork stage. Our initial observations did not reveal any issue that might have an impact on the achievement of the audited process objectives. This audit will be finalised beginning of 2011.

Besides, follow-up has allowed the IAC to close more than half of the ourstanding open recommendations.

Additional year-end tests on 2010 financial transactions did not unveil any systemic error or error of such an importance that could motivate an adverse opinion on the state of internal control related to the management of financial operations. The IAC is of the view that the financial management system is continuously improving with the now regular monthly accounting controls, the further development of the procedures and the introduction of updated and optimised checklists.

As a result, the internal auditor is of the view that the internal control system in place provides a reasonable assurance regarding the achievement of the DG Interpretation's business objectives.

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

All recommendations issued by audits or controls performed in previous years (Court of Auditors, IAS, DG BUDG) were closed in 2008.

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

DG SCIC granted one sub-delegation to the OIL for the renovation of the conference rooms located in the BECH and EUROFORUM buildings. OIL reported that the purchase procedures applied ran smoothly and in total conformity with the financial regulation and implementing rules.

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

The AOD considers that the information provided under the previous building blocks and covering SCIC's entire budget is reliable and complete.

4. RESERVATIONS

SCIC has no reservations to the Annual Declaration.

5. OVERALL CONCLUSIONS ON THE COMBINED IMPACT OF THE RESERVATIONS ON THE DECLARATION AS A WHOLE

Not applicable.

PART 4. DECLARATION OF ASSURANCE

I, the undersigned, Marco Benedetti

Director-General of DG Interpretation

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view ¹¹.

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, for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Brussels, 31 March 2011

Signed

Marco Benedetti

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