



# Annual Activity Report 2021

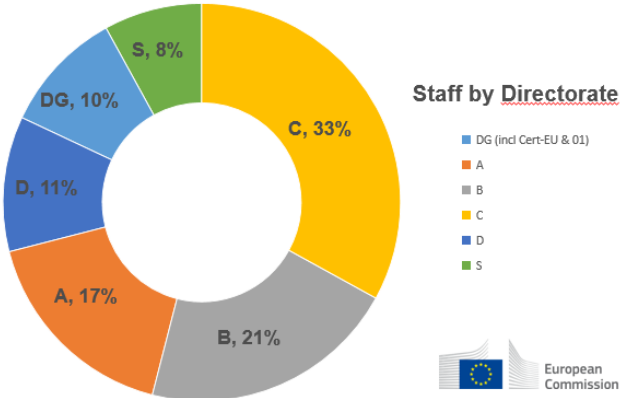
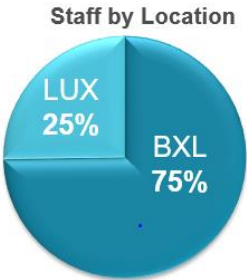
DIRECTORATE GENERAL FOR INFORMATICS

## Table of Contents

THE DG IN BRIEF.....	3
EXECUTIVE SUMMARY .....	5
A. Key results and progress towards achieving the Commission’s general objectives and DG’s specific objectives (executive summary of section 1).....	6
B. Key Performance Indicators (KPIs).....	8
C. Key conclusions on Financial management and Internal control (executive summary of section 2.1).....	9
D. Provision of information to the Commissioner(s).....	10
1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION’S GENERAL OBJECTIVES AND DG’S SPECIFIC OBJECTIVES .....	11
2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL.....	18
2.1. Financial management and internal control.....	18
2.1.1. Control results.....	19
2.1.2. Audit observations and recommendations.....	36
2.1.3. Assessment of the effectiveness of internal control systems.....	38
2.1.4. Conclusions on the assurance.....	40
2.1.5. Declaration of Assurance .....	42
2.2. Modern and efficient administration – other aspects .....	43
2.2.1. Human resource management.....	43
2.2.2. Digital transformation and information management .....	46
2.2.3. Sound environmental management .....	47

# THE DG IN BRIEF

Based in Brussels and Luxembourg, the Directorate General for Informatics (hereafter DIGIT) is the central service of the European Commission responsible for the **provision of high quality digital services** to other Commission departments and EU institutions. DIGIT relies on the support of 580 full time statutory staff, managing a budget (in 2021) of 287.4 million EUR that finances the provision of corporate IT, telecommunication equipment and solutions, information systems and infrastructure services. In 2021, 17% of DIGIT staff was employed in the field of Administration and Finance (Directorate A), 21% of the workforce was dedicated to the development of new digital solutions (Directorate B), 33% of staff was working on digital workplace and infrastructure (Directorate C), another 11% focused on digital services (Directorate D), 8% was dedicated to IT Security, and the remaining 10% was part of the Directorate General



department, which includes CERT-EU (the permanent Computer Emergency Response Team for the EU Institutions, agencies and bodies, which plays a fundamental role in responding to information security incidents and cyber threats) and the Digital Transformation unit (which coordinates and supports the digital transformation of the Commission, and plays an horizontal role within DIGIT).

Since the adoption of President von der Leyen’s Political Priorities in 2019, DIGIT acquired an increasingly important role in **driving the digital transformation of the European Commission**. The full digitalisation of the institution stands as one of the key political ambitions of the current College, and DIGIT has been in the front seat of the digitalisation process that is set to turn the institution into a modern, high-performing and more efficient public administration. The **Mission Letter** of Commissioner Hahn (responsible for the digital portfolio) gives DIGIT the political endorsement to take the lead on the corporate digital transformation, in close synergy with other relevant central services. While DIGIT remains the main driver and facilitator of the digitalisation process, other Commission departments now share responsibility to implement the new corporate digital landscape. This is also known as **‘co-creation principle’**, stemming from the Commission’s Digital Strategy (ECDS) that provides a set of guidelines and principles to enhance an agile, future-proof and data centric Commission.

In 2021, Mr Mario Campolargo completed his last year as Director General in DIGIT. Following his retirement on 28<sup>th</sup> February 2022, Ms Veronica Gaffey will take up her duties as new Director General in DIGIT as of 1<sup>st</sup> March 2022.

## **EXECUTIVE SUMMARY**

**This Annual Activity Report is a management report of the Director-General of DG DIGIT to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties <sup>(1)</sup>**

---

<sup>(1)</sup> Article 17(1) of the Treaty on European Union

## A. Key results and progress towards achieving the Commission's general objectives and DG's specific objectives (executive summary of section 1)



In its Management Plan 2021, DIGIT identified a set of priorities that would be crucial to keep progressing on the digital transformation of the Commission, based on strategic objectives defined in the DG's Strategic Plan<sup>2</sup> and in line with the current political agenda. DIGIT's most concrete contribution is dedicated to the achievement of a **modern, sustainable, high performing public Administration (Headline Ambition #7)** and to build a **Europe fit for digital age (Headline Ambition #2)**. To bring forward the modernisation and digital transformation process of the Commission, DIGIT also refers to the principles and guidance defined in the **European Commission Digital Strategy (ECDS)**, adopted at corporate level in 2018. In 2021, the ECDS went through a **review process** (which included early feedbacks from an ongoing IAS audit on the ECDS implementation) that took stock of past achievements and points for improvement, in view of **adopting a new digital strategy** in 2022.

The outbreak of the Covid-19 pandemic demanded a period of adaptation to new working solutions and patterns for the Commission. This meant an abrupt switch to remote working, which DIGIT was able to implement as of March 2020, when extensive lockdown measures were imposed all over Europe, and over 35.000 EC staff members switched to teleworking. In 2021, with waves of Covid-19 outbreaks still occurring in the EU, DIGIT focused on the consolidation of what was known as the **'new normal'** work pattern. Continued large scale remote working demanded increased efforts in making the Commission's IT infrastructure more efficient and resilient, especially given that cyber-threats spiked since the beginning of the lockdown, and EC Staff demanded IT solutions and services adapted to the new working landscape. In reply to that, DIGIT ensured that challenges; the Commission's **digital workplace** was enriched with new features, as



the integrated suite of apps provided by **M365** introduced new solutions (in full compliance with existing data protection rules) to communicate better, collaborate more effectively, and perform daily tasks in a more efficient way. Moreover, the **rollout of the Welcome domain** as of October 2021 aims at revamping the corporate digital environment, in view of optimising remote and hybrid work, and strengthening the overall resilience towards cyberattacks. Overall **staff satisfaction** with regards to the provision of digital workplace solutions and IT Helpdesk service remained very high, 89% and 93% respectively, despite difficulties linked to the pandemic. The procurement of **IT logistics** (namely the provision of corporate IT devices) **was particularly challenging** during 2021, due to a global supply chain issue



<sup>2</sup> DIGIT Strategic Plan 2020-2024

for electronics equipment. The corporate IT infrastructure was also heavily concerned by an increasing number of cyber-attacks. In this context, DIGIT's network engineers played a fundamental role to enable infrastructure innovation while keeping it safe from cyberattacks.

The security posture of the Commission's operating landscape does not rely exclusively on the resilience of the corporate infrastructure. **Cybersecurity** is now perceived and treated as an **individual responsibility of each**



**staff member**. For this reason, in 2021 DIGIT continued to enhance staff awareness and preparedness on potential cyber threats through **targeted phishing campaigns and trainings** which are part of the broader **Security Education Programme (SEP)**.



To better prepare EU Institutions, bodies and agencies (EUIBAs) to face ever-evolving cybersecurity challenges, DIGIT led inter-institutional preparatory work on laying down measures to achieve a high **common level of cybersecurity at the EUIBAs**, within a proposal of a regulation. The package of rules aims to mitigate IT

criticalities and strengthen the corporate cyber-hygiene, and should align with the level of ambition defined in the new Directive on the security of network and information systems (NIS 2 Directive<sup>3</sup>). 2021 provided the momentum to build on the digital transition accelerated by Covid-19. DIGIT capitalised on the lessons learned and dedicated a stronger focus to the **use of data** as key enabler of a Commission that is closer to EU citizens and is able to respond in a faster and more efficient way to upcoming challenges. The **launch of the Conference on Future of Europe online platform** (in partnership with JRC), represented also another step towards the increased presence and virtual response capacity of the institution. When looking at new solutions and trends to make the Commission more agile, DIGIT elaborated an alternative to the software development methodology in place. The **Dual Pillar Approach (DPA)** leverages on the Reusable Solutions Platform already in place and strengthens the re-use of existing digital solutions, which should always be considered first before introducing new ones. This mindset switch was also made possible by a real sharing culture within the Commission, that DIGIT already promoted by introducing the foundations for an **open source culture**. In 2021, DIGIT continued its commitment in implementing the **Open Source Strategy Action Plan**, achieving solid results for a corporate working culture based on open source principles.

The above-mentioned accomplishments are the results of DIGIT's efforts in promoting the digitalisation process of the Commission as a leading public administration. However, DIGIT is also strongly engaged in supporting the digitalisation and **interoperability of EU public sector, at Member States level**.

---

<sup>3</sup> The NIS 2 Directive presented in 2020 provides updated legal measures to increase cybersecurity posture across the EU.

Under the umbrella of the Digital Europe Programme (DEP), in 2021 DIGIT proposed an **EU governments interoperability strategy** which was included in the 2022 Commission Work Programme. The initiative will evaluate the current **European Interoperability Framework** (EIF), assess its actual support in implementing interoperable digital public services, and will seek to reinforce innovation and cooperation among European administrations, fully in line with the ambition of building a **Europe fit for digital age**.



**B. Key Performance Indicators (KPIs)**

<p><b>KPI -1</b> Overall satisfaction level of the end users with the digital workplace solutions provided by DIGIT<sup>4</sup></p>	<p><b>2021 result: 89%</b> (-4% decrease compared to 2020, but still within the range of Satisfaction level above 80%)</p> <p>Evolution of satisfaction for DWP elements</p> <table border="1"> <caption>Evolution of satisfaction for DWP elements</caption> <thead> <tr> <th>Year</th> <th>Satisfaction Level</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>79%</td> </tr> <tr> <td>2017</td> <td>78%</td> </tr> <tr> <td>2018</td> <td>88%</td> </tr> <tr> <td>2019</td> <td>90%</td> </tr> <tr> <td>2020</td> <td>93%</td> </tr> <tr> <td>2021</td> <td>89%</td> </tr> </tbody> </table>				Year	Satisfaction Level	2016	79%	2017	78%	2018	88%	2019	90%	2020	93%	2021	89%
Year	Satisfaction Level																	
2016	79%																	
2017	78%																	
2018	88%																	
2019	90%																	
2020	93%																	
2021	89%																	
<p><b>KPI – 2: Progress in the capacity of Cyber Awareness programme to reach out to staff<sup>5</sup></b></p>	<p><b>Baseline (2019)</b></p>	<p><b>Interim Milestone (2022)</b></p>	<p><b>Target (2024)</b></p>	<p><b>Latest known result (2021)</b></p>														
	<p>15 %</p>	<p>25%</p>	<p>35%</p>	<p>24.23%</p>														
<p><b>KPI – 3: Data, information and knowledge maturity progression</b></p>	<p><b>DIGIT’s Progression Maturity level<sup>6</sup> by end of 2021: 32%</b> - Level 2 – Reactive – The maturity level increased compared to 2020 baseline (24%).</p>																	
<p><b>KPI 4 Residual Error Rate (compulsory corporate indicator)</b></p>	<p><b>Amount at risk - Residual Error Rate (RER)</b></p> <p><b>Target:</b> Residual Error Rate should be lower than 2%</p> <p><b>Result:</b> RER below 2% (0.5% estimated for 2021)</p> <p><b>Source:</b> European Commission, DG DIGIT</p>																	

<sup>4</sup> Source: European Commission - DIGIT IT Satisfaction Survey 2021  
<sup>5</sup> This value is assessed by DIGIT based on the results of the Cyberawareness campaigns launched in 2021.  
<sup>6</sup> further details on this value are available in Annex 2 of this AAR



## **C. Key conclusions on Financial management and Internal control (executive summary of section 2.1)**

In line with the Commission's Internal Control Framework DG DIGIT has assessed its internal control systems during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified related to Internal control principles 4, 11, 12 and 13 in particular. Please refer to AAR section 2.1.3 for further details.

In addition, DG DIGIT has systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2.1 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director-General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.



## **D. Provision of information to the Commissioner(s)**

**In the context of the regular meetings during the year between the DG and the Commissioner on management matters, the main elements of this report and assurance declaration, have been brought to the attention of Commissioner HAHN, responsible for Budget and Administration.**

# 1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION'S GENERAL OBJECTIVES AND DG'S SPECIFIC OBJECTIVES

## A Digital Commission withstanding global pandemic

'Digital' is what kept the Commission **fully operative and able to face the challenges of a global pandemic**. In the aftermath of the first lockdown that put millions of people under confinement, the Commission could rely on the solid foundations set up by the Digital Workplace programme, enabling 35.000 staff members to switch to remote working in a short amount of time. Thanks to the investments done, the **Commission increased its agility and was able to introduce innovative operating models**. This proved crucial for the deployment of the **EFGS (European Federated Gateway System)**, a backend system enabling cross-border COVID contact and exposure tracing, interconnecting local systems in member states. Thanks to the **efforts of Commission staff**, the entire institution's infrastructure was adapted to the new working needs, and constant updates and modifications were introduced in 2021. While Covid-19 put significant restraints to our economic, political and social life, it **triggered at unprecedented speed the digital transformation of our institution**. This resulted in **a Commission even more responsive and prepared for emerging challenges, more accessible and transparent** in the way it operates and makes decisions and more inclusive towards the EU citizens. **This is a Commission fully involved in the Digital Decade**.

During the past year, DIGIT supported the institution as the pandemic crisis still challenged our working conditions. In particular, DIGIT has provided the Cabinet of Commissioner Hahn with **weekly reports** showing data on the status of the corporate IT infrastructure, including figures related to the use of the most important collaborative and communicative tools (e.g. Skype for Business, Teams and Signal), state of progress for the rollout of certain applications (e.g. WELCOME), and number of Commission Staff working remotely.

In the context of the '**flexible working paradigm**', DIGIT has gradually moved from its previous Brussels headquarters in Montoyer 15 to a new building in Loi 107, where the office space has been organised to enable a more dynamic, collaborative and agile work. Since March 2021, in line with governmental Covid-19 regulations on office presence, DIGIT staff has resumed office work in a new environment that introduces the concept of flexible desks and provides dedicated project areas which should foster cooperation and co-creation.

Beside a residual focus on pandemic-related issues still dominating DIGIT's actions during 2021, the delivery followed the planned priorities and initiatives defined in the Strategic Plan 2020-2024. Two corporate objectives that DIGIT pursues under the current strategic planning are: to **transform the Commission into a modern, sustainable and high performing European Public Administration** (General Objective 7), and to build a **Europe fit for the digital age** (General Objective 2). To contribute to the achievement of these goals, DIGIT identified **seven specific objectives**: the first set (five objectives in total) aims to modernise the Commission by digitally transforming it to its core, while two remaining objectives have an external impact, as they would support public administrations'

pioneering role in driving a digital transformation, also inspired by democratic and ethical principles.

### **Specific Objective 7.1 – A portfolio of secure, state-of-the-art corporate digital solutions developed in partnership supports the Commission’s political priorities**

The outputs stemming from this specific objective contribute to the **transformation of internal core processes of the Commission**. This transformation prevents the replication of existing processes and aims to improve the overall modernisation of Commission’s services by applying stronger business rationalisation and more simplification. The core processes concerned belong to the **HR, document management, decision making, procurement, and grants domains**, and DIGIT worked in close cooperation with a number of DGs in a ‘co-delivery’ approach that ensures the right level of business focus and offers a tailored service to business partners. Out of nine outputs framed under this objective for 2021, delivery can be considered as fully achieved for all of them, with only minor delays concerning the execution of some components (e.g. the integration of the electronic signature for the authentication and adoption of legal texts in the Decide platform was not achieved due to a postponement of the official adoption of the electronic signature).



The work on the **Reusable Solutions Platform (RSP)** – one of the key features of a modern and digital Commission, which enriches both the corporate business architecture with a portfolio of reusable digital enablers) has also been fully achieved, delivering new corporate solutions such as

MyWorkplace and EU Access. This output goes hand in hand with the principle of fostering reuse across the institution, and ultimately allows the Commission to benefit from **corporate cost avoidance** (namely, budget that each DG would save by simply reusing a corporate solution that provides a certain capability, which the DG should have otherwise bought). **The savings deriving from the implementation of RSP solutions at the end of 2021 exceeded the expectations set and equal approximately EUR 20.75 Million** (corresponding to the budget normally allocated to 173.2 Full Time Equivalents). In 2021, DIGIT also explored an alternative concept that will be embedded in the existing RSP system, proposing a new strategic technology framework for the development of the Commission’s next generation of digital solutions: the **Dual Pillar Approach (DPA)**. The DPA will support digital transformation by **shifting from adapting/building software to fit with existing business practices, to aligning corporate practices with proven market solutions**. Concretely, the DPA will provide a faster response to upcoming business needs by exploiting off-the-shelf solutions, ensuring efficiency gains, reducing the number of technologies to manage, and improving the corporate Cyber Security by reducing the attack surface thanks to a lower number of technologies and platforms.

**Specific objective 7.2 - The Commission exploits the potential of data, information, knowledge and content management for policy shaping, communication, citizens and staff engagement**

**Data** is pivotal to deliver **transparent, citizen-focused policies**, and to **bring EU Institutions closer to EU citizens**. The Covid-19 pandemic triggered an even stronger need for the Commission to properly communicate with citizens and stakeholders, and to engage with its staff in a coordinated and timely manner. The Commission’s visibility, virtual presence and virtual response capacity largely depend on its **data ecosystem**.



Conference on the Future of Europe

If digitalisation was crucial to facilitate virtual collaboration during the pandemic, it is now evident that it stands as a simple and effective way to bring the institution closer to its ultimate stakeholders, namely citizens and businesses. For this reason, in 2021 DIGIT focused on the **implementation of new platforms** supporting this ecosystem. The launch of the **Conference on Future of Europe (CoFE) online platform** represents one of the key milestones on this front. The CoFE platform gives all EU citizens a unique opportunity to discuss Europe’s challenges and priorities. CoFe also translates as one of the most tangible



Commission commitments to **engage EU citizens on policies and initiatives that matter to them.**



Collaborative solution	Users	Docs/Pages
MyIntraComm Collab	68 900	740 K
CIRCABC	271 000	4 900 K
Wikis	811 400	200 K
Connected	34 500	360 K

DIGIT also ensured that **MyIntraComm<sup>7</sup> services for newly created Agencies** were successfully implemented in due time, while in terms of **web-presence**, a standard way for moving to Drupal was established. In the meantime, the implementation of the collaborative solutions strategy continued with the technical integration of the **Single Integrated Framework for Collaboration (SIFC)**. The SIFC is part of a broader collaboration solution strategy and the ITCB mandated DIGIT to coordinate the preparatory

actions to implement the integration or phase-out of existing corporate collaborative solutions<sup>8</sup>.

**The official launch of M365** (following the initial pilot phase in 2020) adds another layer to the Commission’s efficiency. The new IT tool provides a new set of **corporate integrated collaborative solutions** incorporating/replacing existing ones, which will enhance the end-users’ choices in terms of internal cooperation, individual productivity,

<sup>7</sup> MyIntraComm is the intranet platform used by Commission Staff as main corporate collaborative tool

<sup>8</sup> The above picture shows facts and figures of the SIFC solutions currently in use (the data therewith reported is from Q2 2021)

broader communication and engagement opportunities with corporate and external stakeholders. DIGIT also repositioned the focus on Data and AI by providing consultancy and managing expectations and ensuring cooperation with other DGs, which remains crucial for the successful achievement of this specific objective. The ten outputs falling under this specific objective for 2021 are considered as fully achieved.

**Specific Objective 7.3 – A digital delivery model supports the Commission as a world-class agile and collaborative ‘open administration’**

To improve the agility and user-centricity of the Commission’s digital delivery model, DIGIT has focused on four key areas: **implementation of DevSecOps services, open source, mobile applications** and **user experience**. There has been considerable progress on the **open source strategy**, which proceeds in line with the Open Source Strategy Action Plan, and is on track to achieve solid foundations for a corporate working culture based on open source principles. The key outputs under this strand have progressed as expected, and targets were fully achieved by year end.

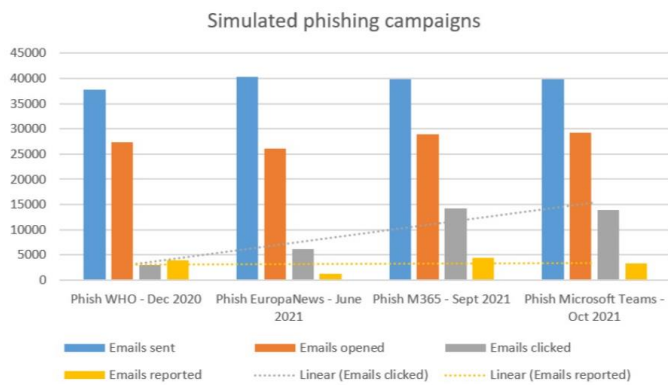
**Specific Objective 7.4 - A Commission resilient to ever evolving digital security threats**



To protect the Commission’s infrastructure and assets remains one of DIGIT’s core businesses. The Commission went through considerable changes following the outbreak of the pandemic, and the introduction of new working paradigms brought new benefits, but also new challenges.

There has been a concerning **increase of security incidents** since the beginning of 2021, and **attackers seem to have shifted their attention towards new targets**, with an evolution of the threat landscape in terms of higher intensity and sophistication. Teleworking revealed new vulnerabilities, and the increased use of the cloud poses new security challenges, which are also generally linked to size, heterogeneity and complexity of the corporate IT environment.

The expansion and evolution of corporate business solutions inevitably leads to a growing attack surface, making the Commission’s working landscape more vulnerable. DIGIT responds to such threats by enforcing preparedness and response actions. In the first place, preparedness goes hand in hand with staff awareness. It is now widely recognised that Commission’s staff represents the first line of defence against cyber-attacks. For this reason, DIGIT has invested efforts and resources in **increasing the Commission’s cyber-hygiene** by regularly raising awareness among staff via **phishing campaigns** and user-tailored trainings. In 2021, the target of reaching at least 20% of staff participation in the **Cyber Awareness Programme** was exceeded, reaching a 40% participation rate for the ‘working from home’ training (that illustrated how to safely work remotely), and 30% of staff attending at least one live online cyber aware session or activity.



In total, DIGIT organised three phishing campaigns in 2021, plus a series of targeted trainings that were tailored to specific seasonal circumstances (e.g. to enhance awareness and self-protection during holiday times, using not only corporate tools but also private devices while enjoying time off).

The **Cyber Security Portal** offers all Commission staff valuable information, trainings and recommendations to be regularly up to date with upcoming cyber treats. The **creation of the cyber-hub in L-107 (DIGIT’s new headquarter in Brussels)** also represented an important step to strengthen our response capacity. DIGIT is now in a more prominent role also outside the Commission: in June, the DG organised a workshop that brought together several MEPs, EUIBAs and representatives of the Member States, focusing on the **future regulations on cybersecurity and information security for EUIBAs**. The cyber-workshop, which gained positive feedback from Member States and other participants, was a first step for the promotion of the forthcoming **cybersecurity regulation** package, which sees the Commission playing a leading role in defining **high cyber standards among EU Institutions**.

### Specific Objective 7.5 – The Commission is a resilient public administration with a performing digital infrastructure and a fit-for-purpose Digital Workplace

While in 2020 DIGIT focused on **keeping the Commission operational and productive** with 35000 staff members going into full teleworking mode in a few days, 2021 was more about **embedding structural changes in the corporate IT environment**, to support what is commonly referred to as the **“New Normal” work pattern**.

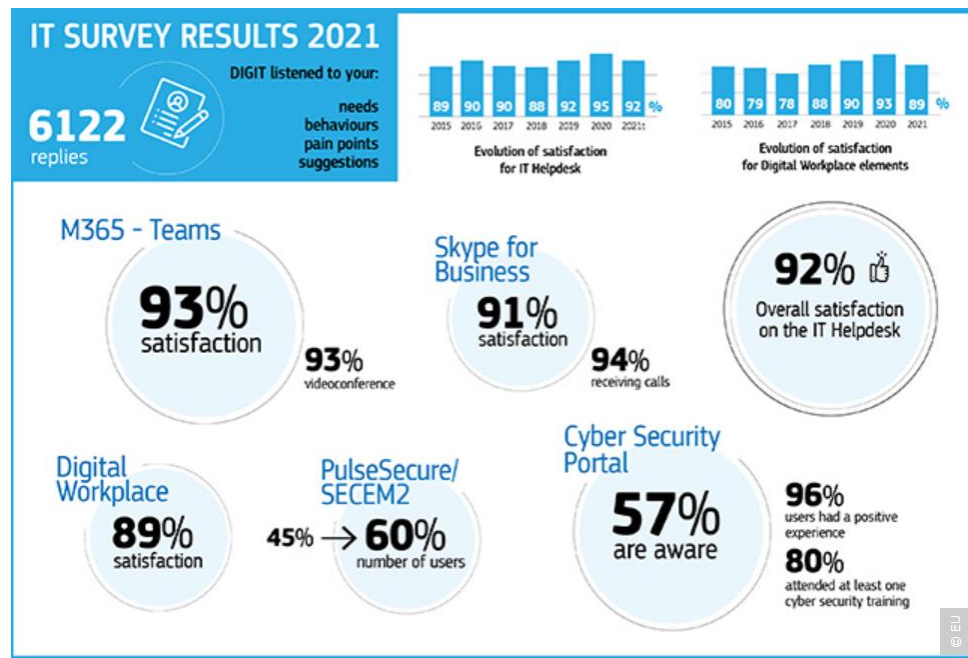


The Commission’s way of working already evolved significantly over the last few years, but the pandemic accelerated this trend beyond any initial projection and DIGIT played a crucial role in the (r)evolution towards the flagship concept of **flexible working** as key enabler of the Commission’s modernisation. 2021 marked the start of the rollout to all users of a **new Windows environment**, named **WELCOME**. This initiative will make the corporate hybrid work faster and more collaborative, secure, and mobile. It also brings an additional layer of security to the overall digital environment, that will replace the current one.

M365 went officially in production, with full data protection compliance, including additional encryption features that DIGIT implemented on the corporate infrastructure. This enables users to **create, edit and share sensitive non-classified (SNC) files securely** in Office apps like Word, Excel, PowerPoint as well as on M365 Teams.



DIGIT values the opinions of its end-users (all Commission staff) on the quality of the services it provides, particularly with regard to the Digital Workplace deliverables. This is why the **Staff satisfaction level of DWP-related features**



► The main results of the 2021 IT survey in one glance

measured on a yearly basis through the IT Staff Survey – is one of DIGIT’s key performance indicators. In 2021, staff satisfaction on DWP elements delivered during the year remained well above the official threshold of 80%, reaching an 89% score. Staff satisfaction with the IT helpdesk remained at a record high, despite the permanence of some technical difficulties related to the pandemic.

IT logistics was particularly challenging this year, especially due to issues on global supply chain for electronics equipment. Nevertheless, DIGIT successfully established a **“home office equipment” programme**, handling more than 7500 requests in 2021. Significant progress was also achieved in implementing the **corporate cloud strategy**. In contrast to the first few years, where DIGIT had to put a lot of effort into “demystifying” the move to the cloud, in 2021 DIGIT was able to roll out enabling services for seamless, secure integration between cloud- based and on-premise services, and transform the corporate own data centre services into an on-premise or “private cloud”. These enabling services underpin the “DevSecOps” lifecycle and are grouped under the “Cloud Deployment Model” brand, which entails software building in the cloud, and deploying and running it anywhere. The “Cloud Deployment Model” also plays a key role in enabling the reduction of legacy in the corporate data centres. This shows that three key DIGIT files, “Cloud”, “Legacy reduction” and “DevSecOps”, are strongly interrelated and all support the DG’s own transformation but also the transformation of the Commission’s IT landscape as a whole. **Cloud governance** also progressed very well during 2021: the ITCB, the Commission’s IT governance body, asked DIGIT to establish a **“Cloud Council”** to oversee the cloud users’ community and investigate specific cloud requirements or issues at a technical level. The Cloud Council was established in 2021 and is now working at cruising speed.

All targets under digital infrastructure and digital workplace strands were fully achieved in 2021.



### **Specific objective 2.1 - The Commission implements its EU-wide policies through high-quality, trusted, borderless digital public services that facilitate free flow of data and boost the digital single market**

The Digital Europe Programme (DEP) has moved forward, although at a slower pace than initially expected, mainly due to changes with the introduction of a new framework contract and new providers. One of the most positive outcomes of this programme has been the **high participation rate at Chief Information Officers (CIO) expert group meetings**, which took place regularly in the past months. DIGIT has also engaged in **bilateral meetings with almost all Member States' CIO offices**, and this led to the finalisation of the recommendations on future policy as proposed by the interoperability expert group. The discussions held so far have been encouraging, as they build solid grounds for a CIO cooperation structure that will have the mandate to look after the EU Interoperability vision (EIF, standards, monitoring) and practice (digital checks, building blocks, Govtech). The timeline for the next steps has been fixed, and the delivery of a policy proposal is expected around March/April 2022. Interoperability was also proposed as a **new legislative item for adoption in the Commission Work Programme for 2022**.

### **Specific objective 2.2 - Trans-European systems deliver user-centric and reusable digital solutions, supporting EU-wide public services.**

The **award of the TESTA contract**, following the closure of the procurement procedure, represented the first milestone for the implementation of the future Pan-European Secure Network, which will **improve the delivery of digital services for European Public Administrations and EUIBAs**. Besides facilitating and fostering inter-institutional communication, TESTA activity range includes also critical EU policies (e.g. customs, police cooperation, border control, etc.). The award of the contract is therefore another step towards the provision of borderless, digital public services, which becomes now more concrete as the actual implementation phase can begin. To be noted that the tenders evaluation process was particularly lengthy and complex due to the inherent complexity of the tender itself, and to the remarkable volume of the tenders. The **take-up of EU Sign** proceeded smoothly, and special attention was dedicated to the communication and change management for the users of EU Sign and Q-Sign.

## **2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL**

### **2.1. Financial management and internal control**

Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes.

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Director-General. The following reports have been considered:

- the reports by the Authorising Officers by Sub-Delegation (AOSDs);
- the reports from Authorising Officers in other DGs managing budget appropriations in cross-delegation;
- the contribution by the Head of Unit in charge of Risk Management and Internal Control, including the results of internal control monitoring at DG level;
- the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Art 92.3 FR);
- the reports on ex-post supervision and/or audit results;
- the limited conclusion of the Internal Auditor on the state of internal control, and the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA).

These reports result from a systematic analysis of the available evidence. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director-General of DG DIGIT.

This section covers the control results and other relevant elements that support management's assurance. It is structured into 2.1.1 Control results, 2.1.2 Audit observations and recommendations, 2.1.3 Effectiveness of internal control systems, and resulting in 2.1.4 Conclusions on the assurance.

### 2.1.1. Control results

This section reports and assesses the elements identified by management which support the assurance on the achievement of the internal control objectives (ICO<sup>9</sup>). The DG's assurance building and materiality criteria are outlined in AAR Annex 5. The AAR Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

---

<sup>9</sup> 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.

**Overview table (amounts in million EUR)**

<b>Risk-type / Activities</b>	<b>Procurement (e.g. minor or major values)</b>	<b>Commitments made</b>	<b>Total Expenditure</b>	<b>NEI, Revenues, Assets</b>
<b>Activity 1 - Procurement</b>	1 893.49			
<b>Activity 2 – Commitments made</b>		439.41		
<b>Activity 3 – Payments made</b>			380.26	
<b>Activity 4 – Revenue (Chargeback)</b>				190.21
<b>Activity 5 - Assets</b>				39
<b>Totals (coverage)</b>			<b>380.26</b>	
<b>Links to AAR Annex 3</b>	<b>Table 12 – Summary of procedures</b>	<b>Table 1 - Commitments</b>	<b>Table 2 – Payments Overall total (m EUR)</b>	

In line with the 2018 Financial Regulation, DG DIGIT's assessment for the new reporting requirement is as follows:

- No cases of "confirmation of instructions" (new FR art 92.3);
- No cases of financing not linked to costs (new FR art 125.3);
- No cases of financial Framework Partnerships >4 years (new FR art 130.4);
- No cases of flat-rates >7% for indirect costs (new FR art 181.6);
- No cases of "Derogations from the principle of non-retroactivity [of grants] pursuant to Article 193 FR" (new Financial Regulation Article 193.2).

## 1. Effectiveness of controls

### a) Legality and regularity of the transactions

DG DIGIT uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned.

The objective is to ensure that the DG has reasonable assurance that the total amount of any financial operation authorised during the reporting year which would not be in conformity with the applicable contractual or regulatory provisions does not exceed 2 % of the total expenditure (see Annex 5 - Materiality criteria).

Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems. It refers to the resources managed by DIGIT: **Procurement** and **Revenues** (charge back services) in 2021.

#### A. Procurement

During 2021, nine procurement procedures were executed for a total value of EUR 1 893 487 780.66.

Procedure Legal base	Number of Procedures	Amount (€)	Representing% of total value
Negotiated procedure without prior publication (Annex 1 - 11.1)	3	667 790 242.26	35.3%
Open procedure (FR 164 (1)(a))	4	1 181 627 538.4	62.4%
Restricted procedure with Dynamic purchasing system (FR 164 (1)(b))	2	44 070 000	2.3%
<b>TOTAL</b>	<b>9</b>	<b>1 893 487 780.66</b>	<b>100%</b>

The procurement needs were thoroughly defined and planned (operationally and economically). DIGIT Procurement Board chaired by the Director General (appointed to be Director-General on 9 March 2021, previously Acting DG from 16 March 2020) discussed and approved the related procurement procedures (EUR 139 000 or above). Additionally, AO(S)Ds validated all planned procurement procedures before launching the process. During the year, no planned procurement procedure was cancelled after its launch.

During the procurement process, the exclusion criteria are applied and well documented; Early Detection and Exclusion System (EDES) is checked. Furthermore, once at award phase, most procurement procedures are communicated to the GAMA (Groupe d'Analyse des Marchés) which after a risk-based assessment selects some procurement procedures for examination. This risk assessment relies on a combination of three criteria: type of

procedure, number of offers received and financial volume of the awarded market.

The benefits of the controls in place at planning and validation phase, though not quantifiable, are numerous and effective: better value for money, deterrent effect, efficiency gains, system improvements, compliance with regulatory provisions. They also limit litigation risks and risks of cancellation of a tender, as shown by the zero valid complaints and litigation cases received.

DIGIT controls financial transactions as a whole from committing to paying the amount. The total amount of 2021 commitment appropriations represents EUR 467 133 331, the execution rate of these appropriations for 2021 is 94.06 %, which represents EUR 439 407 185, and the remaining appropriations will be executed in 2022. The authorised payment appropriations, including the amounts carried over from 2020, represent EUR 583 397 032. Payments made during the financial year amounted to EUR 380 264 546 which represents an execution rate of 65.18%.

During 2021, 98.97 % of DIGIT payments were made on time, with an average payment time of 15.9 days. 305 payments were suspended for an average suspension period of 23 days.

	<b>Amount</b>	<b>Number</b>
Commitments made	EUR 439 407 185	4255
Payments made	EUR 380 264 546	9636
<b>Total</b>	<b>EUR 819 671 731</b>	<b>13891</b>

Ex ante controls have been performed on 100% of payments, in order to detect and correct any procedural errors with or without financial impact. This has allowed payments to be free of financial material error. The majority of errors detected (ex ante) was of a procedural nature and corrected before payment. This confirms the strong deterrent effect that ex ante controls have on financial transactions.

DIGIT’s ex post control methodology offers the possibility to perform specific ex-post control exercises based on the issues detected by the ex ante control and/or during the IAS/ECA audits. It can also take into account the risk of fraud and other risk factors. As during the year no specific risk-factors were identified, for the 2021 ex-post control exercise it was decided to carry out the control of a randomly selected sample of 30 payments made during 2021, and the commitments linked to them. The sample was selected using the assumptions of MUS standard. The total amount controlled was EUR 27 135 501.85 representing 7.07% of the total amount paid. The results of these controls provided assurance on the legality and regularity of the payments.

The financial management process provides for a decentralization of the function of AOSD for commitments in DIGIT. In 2021, 100% of the 4255 commitments were submitted to ex ante controls in order to detect and correct any procedural errors with or without financial impact. The operational units are responsible for the operational initiation and verification of commitments. The finance unit performs the financial initiation and verification, it



ensures the creation of the budgetary commitment and the signature process for specific contracts. 100% of commitments and contracts undergo ex ante controls before the signature. The finance unit also ensures that the contract execution is "certified correct" which is provided by the operational units; 100% of payments undergo ex ante control.

During the reporting year, 78 non-compliance events were recorded, without an impact on the legality and regularity of the underlying transactions. Apart from technical or procedural errors, these events mostly concerned 'saisine a posteriori'. Most of them consisted of 2021 budgeted expenditures corrected during the same financial year; this is a formal compliance issue that does not have a negative impact on the budget. Furthermore, all non-compliance events concerned expenditures that were foreseen, budgeted and covered work duly performed, therefore due.

Also, 99 exception events were recorded. The majority of these events concerned specific contracts signed on 2021 budget, but for work to be carried out in 2022, mainly because the anticipated budget was not available, while the services had deadlines early in 2022 and needed to be upheld for business continuity reasons.

It must be said that the number of non-compliance events decreased since last year even though the number of reported exceptions increased. A first analysis of the typology of 2021 non-compliance and exception events seems to indicate that late renewals of software licences contracts has become a lesser issue. This shows that the awareness raising measures implemented during 2019 and 2020 seem to be taking effect. A high number of events still pertain to the category of Specific Contracts, their late renewal, or overlap. Further awareness raising activities will aim to tackle these issues.

The breakdown of all non-compliance and exception events recorded in 2021, per type is presented below:

- 15.25% of events relate to the late renewal of software licenses or maintenance of those licenses,
- 74.01% of events relate to the Specific Contracts for External Service Providers (mainly questions of late renewal, overlap, etc.),
- 2.26% of events relate to the late renewal of hardware maintenance contracts,
- The remaining 8.47% of events concerned a variety of other issues. Mainly other types of contracts, or software purchases, than the ones falling under abovementioned categories.

## **B. Revenues (Chargeback)**

The revenues of DIGIT concern services provided internally to other Commission departments and services, and those provided externally to other institutions, agencies and bodies. This process consists essentially of a series of sub-processes such as delivery of services, cost calculation and charge back.

To steer and control the process, a common framework has been set up, inspired by the following principles, stemming from the Guidance<sup>10</sup>:

- The obligation to provide the services equally to all clients in terms of quality, timing and deliverables,
- ‘No-Profit’: the provision of services should not result in a surplus,
- Administrative cost-efficiency: the administrative costs resulting from the management of the process should be kept to the minimum.

The modalities of the provision of services offered in the catalogue are agreed by the parties in a Service Level Agreement (SLA) or Memorandum of Understanding (MoU).

For services provided by DIGIT to other Commission departments and services (Internal), the preferred financial mechanism is to make the appropriations available through the horizontal co-delegation type II. It allows for simple and timely access to the resources and ensures a clear and direct accountability line for the management of the expenditure. The co-delegation mechanism requires a prior written agreement between the two services. Responsibility for the use of budget appropriations remains with the AOD of the client. The co-delegation must be foreseen in Annex I to the Internal Rules.

For services provided by DIGIT to other EU institutions, agencies and bodies (External), the arrangements agreed aim to ensure transparency and predictability in the use of resources, namely by making budget forecasts available on time and avoiding sudden and substantive price revisions. The authorising officers of all EU institutions, agencies and bodies involved remain accountable for the implementation of the actions and appropriations for which they are responsible under the cost recovery process in accordance with existing rules. As a rule, the funds recovered will be earmarked as assigned revenue on the budget lines of the Commission initially supporting the costs.

In 2021, DG DIGIT collected a total amount of EUR 190 214 587.75 of charge back of services.

	<b>Amount<sup>11</sup></b>
Charge back of services (Internal - collected through co-delegations)	EUR 142 813 751.75
Charge back of services (External - collected through Recovery Orders)	EUR 41 365 995
Charge back of services (Internal - collected through Recovery Orders)	EUR 6 034 841
<b>Total</b>	<b>EUR 190 214 587.75</b>

<sup>10</sup> [chargeback\\_internal\\_en.pdf \(europa.eu\)](#)

<sup>11</sup> These amounts represent the chargeback generated in 2021. Nevertheless part of this can be linked to 2020 activities (late cashing) or 2022 activities (advance payment).

Overall, DG DIGIT's portfolio consists of segments with a relatively low error rate, i.e. 0.5% for administrative expenditure<sup>12</sup>. This is, respectively, thanks to the inherent risk profile of the expenditure managed by DIGIT, which is centralised and with a direct mode of budget implementation, and the performance of the related control system (see Annex 6).

In conclusion, the analysis of the available control results, the assessment of the weaknesses identified and their relative impact on legality and regularity has revealed no significant weakness that could have a material impact as regards the legality and regularity of the financial operations. Consequently, the control objective as regards legality and regularity has been achieved.

DG DIGIT's relevant expenditure, its estimated overall risk at payment, estimated future corrections and risk at closure are set out in Table X: Estimated risk at payment and at closure.

In order to avoid any potential underestimation, DG DIGIT calculates, in accordance to central services guidance on the content of the AAR, the Most Likely Error (MLE) for the Commission's administrative expenditure (0.5%) as a conservative estimate in order to allow the consolidation of data when determining the amount at risk at payment at Commission level.

The estimated overall risk at payment for 2021 expenditure amounts to EUR 1 901 322.73, representing 0.5 % of the DG's total relevant expenditure for 2021. This is the AOD's best, conservative estimation of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made. For DIGIT, the estimated overall amount at risk at closure equals the estimated overall amount at risk at payment since there is no expectation of any future financial correction.

This expenditure will subsequently be subject to ex post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. The conservatively estimated future corrections for 2021 expenditure amount to EUR 0<sup>13</sup>. This is the amount of errors that the DG conservatively estimates will be identified and corrected by controls planned to be carried out in subsequent years.

The difference between those two amounts results in the estimated overall risk at closure of EUR 1 901 322.73, representing 0.5% of the DG's total relevant expenditure for 2021.

For an overview at Commission level, the DGs' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR. For DG DIGIT all of these three elements have been stable, compared to last year.

---

<sup>12</sup> DIGIT takes, in accordance to central services guidance on the content of the AAR, the Most Likely Error (MLE) for the Commission's administrative expenditure (0.5%) as a conservative estimate in order to allow the consolidation of data when determining the amount at risk at payment at Commission level.

<sup>13</sup> Over the past years, the implementation of ex ante and ex post controls has not resulted in any major financial correction/recovery order after payment. This is due to the fact that no financial error has been detected and administrative errors were corrected before payments were made. These results are expected to continue, having as a result an estimated future financial corrections (0%).

**Table X: Estimated risk at payment and at closure (amounts in EUR million)**

The full detailed version of the table is provided in Annex 9.

DG DIGIT	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
		(1)	(2)	(3)	(4)	(5)	(6)
	m EUR	m EUR	%	m EUR	%	m EUR	%
Total payments made	380.26	1.9	0.5%	0	0%	1.9	0.5%
<b>DG total</b>	<b>m EUR</b>	<b>m EUR</b>	<b>%</b>	<b>m EUR</b>	<b>%</b>	<b>m EUR</b>	<b>%</b>

#### b) Fraud prevention, detection and correction

DG DIGIT has developed and implemented its own anti-fraud strategy since 2013, on the basis of the methodology provided by OLAF. It is updated every two years. It was last updated in September 2020. Its implementation is being monitored and reported to the management yearly. All foreseen actions have been implemented except one information session (out of two) and an anti-fraud survey. One anti-fraud awareness training took place in October 2021, and another one is planned during 2022. The anti-fraud survey will be launched in 2022 and it will feed into the process of reviewing the anti-fraud strategy.

DG DIGIT also contributed to the Commission anti-fraud strategy (CAFS). DG DIGIT does not have any open OLAF's financial recommendations.

In the context of the CAFS Action Plan, DG DIGIT is the lead service to implement Action 30 'Regularly revise and update the IT security strategy and monitor its implementation. Optimise the systems of the Commission and executive agencies for secure operation of e-procurement, e-grants and other channels of e-governance'.

DG DIGIT is also supporting the lead/coordination DGs in the context of the CAFS Action Plan regarding the four following objectives:

- Exploring possibilities to strengthen IT-based fraud prevention and detection (as regards risk scoring and controls for double-funding, (self-) plagiarism, etc.
- Review and improve the ARACHNE risk scoring tool.
- Continue to promote its use among Member State authorities, supported by an external legal opinion as necessary.
- Explore possibilities for an extended use of ARACHNE and other risk scoring tools in all management modes.

The results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows:

- Fraud risks covering key financial and non-financial management areas were assessed and the risk register updated accordingly;

- The following preventive actions in the procurement area have been implemented during 2021 :
  - Offers with electronic data support were kept in safe rooms;
  - The procurement unit should be secured in a locked area of the new building (L107), but at this stage no paper documents are kept in the office;
  - The evaluation stage content was stored on an encrypted drive (S);
  - Sensitive functions were assessed.
- A number of transactions were controlled ex-post, no fraud was identified (see page 22 for more information).

DG DIGIT's overall exposure to fraud is low and mitigating measures are in place to mitigate the existing risks. Therefore, the residual risks for all types of fraud remains very low. DG DIGIT can therefore conclude that its fraud prevention and detection strategy is working well, and there is reasonable assurance that the anti-fraud measures in place are effective overall.

c) Other control objectives: safeguarding of assets and information, reliability of reporting

***Safeguarding of assets***

Regarding the safeguarding of assets, DG DIGIT is the Commission's 'management centre' (centre de gestion) for all IT equipment installed in the premises of the Commission in Brussels, Luxembourg, Strasbourg and Dublin (Grange). The general policy is that all PCs, laptops, screens, printers, photocopy machines, scanners, servers, network devices, smartphones and tablets have to be mentioned in the inventory. All steps from ordering to decommissioning of a good are recorded and managed through ABAC Assets modules. ABAC Assets is linked with SAP for accounting purposes (valuation and depreciation). The risks linked to procurement procedures and financial circuits are covered within the previous sections. The operational risks are limited as many inventory actions are automatized.

During its life cycle at the Commission, equipment sometimes needs to be moved. The operation follows the official move procedure under the overall coordination by OIB and OIL - or is launched by a duly justified request from the IRM concerned. Once the move is completed, the related requests are 'closed' in ABAC Assets, which automatically updates the inventory. The number and consequently the costs of IT moves are currently being decreased through two initiatives:

- First, the 'Fixed IT' policy which aims at not moving an item with its user when it is not absolutely necessary. Today this policy is applied to all PC displays and docking stations. Since the models are standard, an end user can now occupy any workplace and make use of the PC displays and docking stations that are installed there. For the 'Fixed IT' policy to be effective, all workplaces shall be 'pre-equipped' with the standard set of office equipment, i.e. a docking stations and one or two PC displays.

- Then, the ‘digital workplace strategy’ which aims at equipping all IT end users with ‘docked laptops’. This strategy is now fully implemented. It has been the key success factor of the use of massive and continuous telework by Commission staff as a response to the health crisis since March 2020.

The assets managed by DG DIGIT amount to EUR 38 938 407.46.

As mentioned in the Relevant control system (see annex 6), controls aim at safeguarding the assets DG DIGIT purchases and manages on behalf of all the DGs and services of the Commission, such as:

- Physical check of all assets and non-assets;
- Itemised checks when writing off obsolete, lost or damaged goods, as well as on-going registration in ABAC Assets of all logistical movements (deliveries, moves, swaps, withdrawals, etc.);
- (In)angible assets and inventories follow formal procedures for disposal of assets.

DG DIGIT has made an estimation of the costs of these controls. In 2021 the total cost of controls amounted to EUR 700.245 which represents 1.80% of the assets controlled.

### ***IT Security and reliability of reporting***

Furthermore and as mentioned in the Relevant control system (see Annex 6), a number of controls are in place to ensure the safeguarding of information and IT Security and in order to avoid sensitive information being “lost” (abused, made public) or its integrity breached (data altered).

Cybersecurity is now recognised as shared responsibility and goes hand in hand with a stronger involvement of Commission’s staff. In this context several activities and initiatives were launched to raise the staff’s cyber awareness. This was particularly necessary in light of the deep changes affecting the new work patterns of the Institution. The switch to remote working throughout the Covid-19 pandemic, triggered a rise in cyber threats and cybersecurity incidents. As a response, in 2021 DG DIGIT continued to enhance staff awareness and preparedness on potential cyber threats through targeted phishing campaigns and trainings which are part of the broader Cyber Aware - Security Education Programme (CA-SEP). Average participation rate in all 4 CA - SEP 2021 trainings exceeded 24% of staff - with the highest rate in ‘working from home’ training - 40%. With this high rate of staff engagement and involvement in cyber awareness raising activities, 2021 was a game changing year for Cyber Aware. Regular communication and guidance was provided to staff to raise attention on potential threats or risky behaviours and to train and advice on cybersecure habits and online behaviour. This was further enhanced by the revision of the IT security strategy, the completion of IT security standards suite, the launch of the compliance management service and tool. The Computer Security Incident Response Capability (CSIRC) Team was able to manage an increased number of incidents thanks to considerable development efforts in the virtualisation of the forensic environment.

In addition to actions described above, further actions are being implemented and reviewed by the College in the context of the progress achieved in the Commission Digital Strategy, of which Chapter 4.3 is dedicated to Cybersecurity. The outcome is ‘Security mechanism in place to safeguard the Commission’s IT infrastructure and IT services and to protect and preserve its infrastructure assets’.

**Budget implementation tasks entrusted to other DGs and entities**

This section reports and assesses the elements that support the assurance on the achievement of the internal control objectives as regards the results of the DG’s supervisory controls on the budget implementation tasks carried out by other Commission DGs and entrusted entities distinct from the Commission.

DG DIGIT co-delegates its budget for actions managed by other Commission services in the framework of the Interoperability Solutions for public administrations, businesses and citizens programme (ISA<sup>2</sup>) and Digital Europe Programme (DEP). With the new MFF, the ISA<sup>2</sup> programme entered in completion mode. This means no new commitments were created, while the payments relate to remaining obligations on existing commitments. In 2021, DG DIGIT granted 14 co-delegations on which EUR 4.38 € million were committed and EUR 11.20 € million of payments were made, to other services in this framework. In Commission services, the AOD is required to implement the appropriations subject to the same rules, responsibilities and accountability arrangements. The co-delegation agreements require the AOD of the relevant DGs and Services to report on the use of these appropriations. In their report, the AODs did not communicate any events, control results or issues which could have a material impact on the assurance.

**2. Efficiency of controls**

**A. Procurement**

The principle of efficiency concerns the best relationship between resources employed and results achieved. The principle of economy requires that the resources used by the institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

During 2021, a total of 9479 payments were made, amounting to EUR 380 698 876.84. 98.97% of these payments were made on time, with an average payment delay of 15.9 days. While the average payment delay has slightly increased in 2021, the timeliness remains at an excellent level of 98.97%.

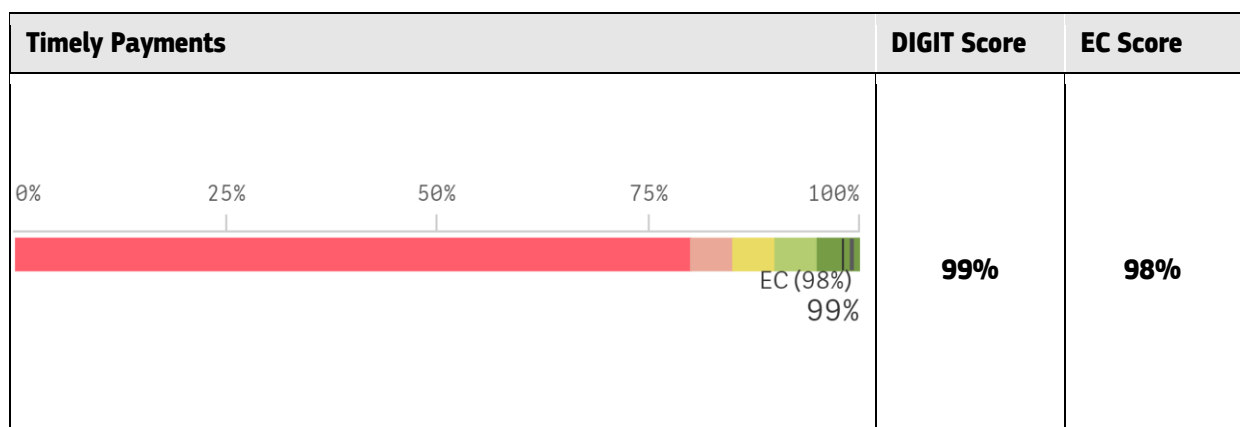
	2018	2019	2020	2021
<b>% Payments made on time<sup>14</sup></b>	98.5%	97.4%	98.3%	99%

<sup>14</sup> See Annex 3



<b>Average payment deadlines</b>	12.9	13.7	13.7	15.9
----------------------------------	------	------	------	------

Since 2020, the former indicator 'payments-on-time (%)' changed from the number of payments on time (in percentage) to the amount paid on time (in percentage). This perspective is reflected in the corporate standard "timely payments (%)" indicator, as reported in the Financial Scorecard (Annex 4), see below.



DG DIGIT reached the target of 99% of timely payments. It should be noted that this new indicator shows consistency with the indicator used in previous years, illustrating a positive and stable situation in DIGIT (98.97%) of payments made on time (see table above). Time-to-inform and time-to-grant indicators are not applicable to DG DIGIT, as no grants were awarded in 2021.

### **B. Revenues (Chargeback)**

For the chargeback, besides the quantifiable benefits, more importantly in the current context of limited administrative appropriations, it is the non-quantifiable (n.q) benefits of the controls that are of particular importance:

- The pooling of resources in order to achieve better services at a lesser cost.
- Efficiency as know-how, capacities and resources developed can be made available for a fraction of what it would cost developing them internally or procuring them in the open market.
- Benefits from economies of scale.
- The goods and services may not be available off-the-shelf.

Based on an assessment of the most relevant key indicators above and control results, it is considered that an efficient control system has been put in place.

### **3. Economy of controls**

The criteria for the calculation and the indicators used to assess the efficiency of controls are shown in the Relevant Control Systems in Annex 6. Benefits of those controls have also

been identified. When possible they have been quantified. In some other cases, benefits have been expressed through the corresponding relevant non-quantifiable indicators.

## A. Procurement

DG DIGIT has made an estimation of the costs of the three main control phases for Procurement: procurement, financial transactions<sup>15</sup> and ex-post supervisory measures.

The total value of the **procurement** for 2021 is EUR 1 893 487 780.66, which represents an increased value of 66.5% as compared to last year.

	2018	2019	2020	2021
<b>Value procurement</b>	EUR 3 012 876 790	EUR 814 750 398	EUR 1 137 538 581	EUR 1 893 487 780.66
<b>Increase / decrease of value in% related to previous year</b>		-73%	+39.6%	+66.5%
<b>Cost of control (ex ante)</b>	EUR 1 400 260 (0.046% on total value)	EUR 1 427 730 (0.18% on total value)	EUR 1 383 680 (0.12% on total value)	EUR 1 463 680 (0.08% on total value)
<b>Cost per procurement procedure</b>	EUR 155 584	EUR 237 955	EUR 125 789	EUR 162 631

The procurement procedures are to a large extent a regulatory requirement which cannot be curtailed, difficulties linked to the type and complexities of each contract have to be taken into account. DG DIGIT's procurements serve the entire Commission as well as other EU institutions and Bodies (regulatory agencies, joint undertakings). Considering the complexity of the procurement activities and the wide range of participants, the controls implemented are necessary and cannot be reduced as a significant proportion of the appropriations would be at risk if they would not be in place (as outlined in Annex 6).

For procurements, an estimated EUR 1 463 680 was invested in controlling (ex ante) nine procurement procedures for a total value of EUR 1 893 487 780.66 in 2021. Thus 0.08 % of the total contract value was dedicated to ex ante controls and each procurement procedure had an estimated cost of EUR 162 631. Compared to last year, this represents an increase in terms of cost per procedure, but a decrease of the proportion of the total contract value dedicated to control (0.12 % in 2020), as the total value of procurement in 2020 was lower.

DG DIGIT considers that the need of these controls is undeniable, as the totality of the procurements granted and appropriations would be at risk in case they would not be in place.

Furthermore, the following good practices in relation to high value procurement procedures were identified by the IAS during its Audit on Procurement:

- Preparation of appropriate strategy papers before the procedure is launched. These take into account the lessons learned from previous contract(s) and the analysis of the different procurement options that exist on the market for acquiring the goods/service needed;

<sup>15</sup> This includes committing and paying of appropriations

- Debriefing meetings with unsuccessful tenderers, aimed at obtaining feedback in order to consider any suggestions for improvement for future procurement procedures. In addition, DIGIT sends letters to potential contractors, inquiring as to why they did not participate;
- DIGIT's Procurement Board ensures that the procurement strategy is followed. The Board also monitors the implementation of the high value procurement procedures at different key stages (Orientation Document and Evaluation report).

DG DIGIT controls financial transactions as a whole from committing to paying the amount. Therefore, both commitments and payments made are calculated in the cost of control. EUR 216.66 is the cost of control per transaction, EUR 3 009 600 is the total cost of ex ante controls, which represents 0.37% of the value of transactions made (compared to 0.41% last year). This trend can be explained by the fact that the cost of control per transaction has decreased marginally, by 0.94 %, in comparison to last year (EUR 218.70 in 2020), while the amount of financial transactions has increased by 9.3%.

2021	Amount	Number	Cost of control	In % of total value	Cost per transaction
<b>Commitments made</b>	EUR 439 407 185	4255	EUR 1 641 300	0.37%	EUR 385.73
<b>Payments made</b>	EUR 380 264 546	9636	EUR 1 368 300	0.36%	EUR 142
<b>Total</b>	<b>EUR 819 671 731</b>	<b>13891</b>	<b>EUR 3 009 600</b>	<b>0.37%</b>	<b>EUR 216.66</b>

When it comes to ex post controls, a random sample of 30 payments (and linked commitments), was selected using the assumptions of MUS standard from all payments executed in 2021, and verified. The total amount controlled was EUR 27 135 502 representing 7.07% of the total amount paid. An estimated EUR 17 730 were invested in controlling 30 payments, the cost per control is EUR 591 which is an increase of 59% compared to the cost of last year's EUR 371.

## B. Chargeback

With respect to chargeback, DG DIGIT has made an estimation of the costs of the two main control phases: ex ante and supervisory measures.

	Amount	Cost of Control	In % of value
Charge back of services (Internal - collected through co-delegations)	EUR 142 813 751.75		
Charge back of services (External - collected through Recovery Orders)	EUR 41 365 995		
Charge back of services (Internal - collected through Recovery Orders)	EUR 6 034 841		
<b>Total</b>	<b>EUR 190 214 587.75</b>	<b>EUR 252 120</b>	<b>0.13%</b>

An estimated EUR 222 990 were invested in ex ante controls related to the charge back of services to other EU institutions, agencies and bodies and the control related to the charge back of services to the other DGs. Thus, 0.12 % of the total charge back value was dedicated to ex ante controls. Regarding supervisory measures such as the regular follow-up of the Master Table, the reconciliation of the ROs with the Master Table and the reconciliations of the co-delegated budget lines with the Master Table an estimated EUR 29 130 were invested in controls ex post related to charge back of services, thus 0.02 % of the total charge back value.

In 2021 the total for cost of controls amounted to EUR 252 120 which represents of 0.13% of the amount charged back, which constitutes a decrease to both the cost of of controls and its % of total chargeback value reported in 2020, which were respectively EUR 568 300, and 0.30 %.

	2018	2019	2020	2021
<b>Cost of control</b>	EUR 549 800	EUR 559 600	EUR 568 300	EUR 252 120
<b>In proportion to amount charged back</b>	0.39%	0.36%	0.30%	0.13%

#### **4. Conclusion on the cost-effectiveness of controls**

Based on the most relevant key indicators and control results, DG DIGIT has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

DG DIGIT operates in the management mode, which is considered low risk. DG DIGIT analysed its effectiveness and efficiency indicators over time and concluded that its control strategy is adequately adjusted to the risks, guaranteeing an adequate balance between low error rates, fast payments and low costs of controls.

DG DIGIT has made an estimation of the costs of the three main control processes on Procurement and administrative expenditure: Procurement, financial transactions and ex post supervisory measures. Benefits of those controls have also been identified. When possible they have been quantified. In some other cases, benefits have been expressed through the corresponding relevant non-quantifiable indicator.

The costs of ex ante controls performed by the DG on the procurement represent 0.08% of the total value of procurement made in 2021. The costs of ex ante controls performed by the DG on the verification of financial transactions represent 0.36% of payments made in 2021, and 0.37% on all financial transactions made, given that DG DIGIT controls commitments and payments. The costs of ex ante controls calculated in 2021 are comparable to ones of 2020, which were 0.36% and 0.41% respectively.

The cost of controls of ex post verifications represent 0.005% of payments made in 2021 and 0.07% of the amount checked ex post. All controls performed are considered reasonable and have allowed to comply with the legality and regularity control objective as

detailed in the previous sections, i.e. 98.97 % of payments made on time, time to pay far below the maximum allowed of 30 days (15.9 days for 2021) and no relevant deficiencies/irregularities detected by ex post controls.

In addition, it should be highlighted that there are a number of non-quantifiable benefits resulting from the controls operated during the implementation of DG DIGIT's expenditure. These benefits are mainly to ensure compliance with relevant regulatory provisions and internal rules, to have a strong deterrent effect, to improve existing procedures and to avoid possible litigation and reputational risks. DG DIGIT considers that the need of these controls is undeniable, as the totality of the procurements granted and appropriations management would be at risk were they not in place.

	<b>Amount</b>	<b>Cost of control</b>	<b>In % of related value</b>
<b>EX ANTE 1 (Procurement)</b>	EUR 1 893 487 780.66	EUR 1 463 680	0.08%
<b>EX ANTE 2 (Financial transactions)</b>	EUR 819 671 731	EUR 3 009 600	0.37%
<b>EX POST (Financial transactions)</b>	EUR 27 135 502	EUR 17 730	0.07%
<b><u>TOTALS<sup>16</sup></u></b>		<b><u>EUR 4 491 010</u></b>	<b><u>0.17%</u></b>

The conclusion of the evaluation of costs and benefits of controls performed for the management of procurement and of the indicators used to measure their efficiency is that controls performed in DG DIGIT during 2021 have been cost-effective as the estimated benefits well exceeded the estimated costs, which are considered reasonable compared to the funds managed. Also the results of controls show the efficiency of those since they served to comply with the deadlines and mitigate the risks that they address. Thus the conclusion is that the applied control strategy is the best suited to fulfil the intended control objectives efficiently and at a reasonable cost and that it should remain unchanged.

Furthermore, DG DIGIT made an estimation of the costs of the three main control processes on Revenues (Chargeback): the establishment of the Commission's rights, the recording, follow-up and accounting of the Commission's rights and the supervisory measures. Benefits of those controls have also been identified. When possible they have been quantified. In some other cases, benefits have been expressed through the corresponding relevant non-quantifiable indicator.

In 2021 the total cost of controls related to chargeback amounted to EUR 252 120 which represents of 0.13% of the amount charged back. The conclusion of the evaluation of costs and benefits of controls performed for the management of the chargeback and of the indicators used to measure their efficiency, is that controls performed in DG DIGIT during 2021 have been cost-effective as the estimated benefits exceeded the estimated costs and

<sup>16</sup> See also Table Y in Annex 7.

the cost of controls compared to the funds managed are considered reasonable.

In addition the non-quantifiable (n.q) benefits of the controls are of particular importance:

- The pooling of resources in order to achieve better services at a lesser cost.
- Efficiency as know-how, capacities and resources developed can be made available for a fraction of what it would cost developing them internally or procuring them in the open market.
- Benefits from economies of scale.
- The goods and services may not be available off-the-shelf.

The results of these controls show their efficiency since they served to comply with the deadlines and mitigate the risks that they addressed. Thus the conclusion is that the applied control strategy is the best suited to fulfil the intended control objectives efficiently and at a reasonable cost. It should remain unchanged.

### 2.1.2. Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

#### ***The Internal Audit Service (IAS)***

In 2021, the IAS finalised two audits in DIGIT:

- Audit on IT security management in the HR family (DIGIT, HR, PMO, EPSO);
- Audit on the management and monitoring of compliance with the Commission's IT security framework.

The final reports for the above audits were issued in late 2021. The action plans to address the recommendations issued to DG DIGIT were prepared and accepted by IAS in late 2021, and they are being implemented according to the agreed target dates.

The details of IAS audits finalised during 2019-2021 in DIGIT are provided in Annex 7.

#### ***Limited Conclusion on the state of Internal control by IAS at DIGIT***

The conclusion of the Internal Audit Service on the state of control of DIGIT took into account that:

- Management has accepted all the recommendations issued in 2019-2021 (list of audits concerned in Annex 7);

- Management has adopted action plans to implement all the accepted recommendations. The IAS considers that these action plans are adequate to address the residual risks identified by the auditors;
- The implementation of these action plans is monitored through reports by management and follow-up audits by the IAS;
- Management has assessed a number of action plans as implemented which have not yet been followed up by the IAS.

The Internal Audit Service concluded that the internal control systems in place for the audited processes are effective, except for the observations giving rise to the “very important” recommendations on the following audits:

- Audit on the management of public cloud services (DIGIT, HR, SG) (2020)
- Audit on data protection (SG, DIGIT, LS, HR, JRC) (2020)
- Audit on the management and monitoring of compliance with the Commission’s IT security framework (2021)
- Audit on IT security management in the HR family (DIGIT, HR, PMO, EPSO) (2021)

The details on the implementation of actions related to these “very important” recommendations are provided in Annex 7.

The IAS issued one “very important” recommendation jointly to SG (DPO) and to DIGIT in the 2020 audit on data protection, which was due end 2021, however the target date has been revised to end Q2 2022 (see Annex 7).

### ***European Court of Auditors (ECA) and other supervisory bodies***

There are no open recommendations from the ECA or other supervisory bodies.

### ***Statement of assurance***

The ECA has performed its yearly statement of assurance (DAS) exercise related to the reliability of the accounts and the legality and regularity of the underlying transactions. Within the DAS 2021 exercise, a sample of specific transactions is being examined. For the moment, no specific issues have been communicated to DIGIT.

As a result of the overall assessment of audit observations, recommendations and underlying risks, and taking into account DG DIGIT’s measures to address them, the management of DG DIGIT believes that the recommendations issued do not raise any assurance implications and are being implemented as part of the ongoing continuous efforts in terms of further improvements. DG DIGIT does not consider that the “very important” recommendations issued by IAS represent a major deficiency of its overall internal control framework (see section 2.1.3).



### 2.1.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework (ICF) based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

DG DIGIT uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

Based on the Internal Control Framework adopted by the Commission, DG DIGIT conducted an overall specific assessment, which provided a global overview of the state of play of the internal control. Following the methodology, DG DIGIT defined the achievement of targets of its Internal Control Monitoring Criteria (ICMC) selected for 2021 as the basis for the assessment of Internal Control principles, and of the effectiveness of the internal control system, on the whole. To identify internal control strengths and weaknesses, DG DIGIT used all information sources currently available:

**self-assessment, register of exceptions and non-compliance events recorded during the year, risk assessment, financial indicators, DIGIT IT satisfaction survey, implementation of anti-fraud strategy, incl. sensitive functions analysis, and results of the corporate indicators reported in the AAR Annex 4.**

Following the assessment, Internal Control (IC) principles 4, 11, 12, and 13, were put in category 2, for reasons explained below. This, in turn, had an impact on the assessment of IC components 'Control Activities' and 'Information and Communication' in cat. 2 as well.

When it comes to principle 4, the ICMC which were not fully completed are the following: lack of a structural approach to coaching of appointed managers, and the percentage of women in middle management (32%) below the expected target (45%). Remedial activities include more systematic approach to coaching. Also, HR BC maintains its efforts related to succession planning and targeted talent development, as well as promoting the appointment of women to roles of Team Leader, Head of Sector or Deputy Head of Unit in preparation for middle management positions.

When it comes to principle 11, while the relevant ICMC were fulfilled, the assessment was impacted by four 'very important' IAS recommendations that were issued near the end of 2021, with relation to management and monitoring of compliance with the Commission's IT security framework, and IT security management in HR family. For all the recommendations relevant action plans were prepared by DG DIGIT and accepted by IAS, and have target dates end 2022, and Q3 2023, respectively.

The assessment of principle 12 is based on the fact that the number of non-compliance and exception events reported in 2021 still remains relatively high. Remedial actions taken include the intensified information and communication activities and materials disseminated via internal newsletter.

With respect to principle 13, the ICMC which were not fully achieved are related to the number of ARES documents not filed properly in HAN exceeding the target of 1% (7,8%). Communication and awareness raising on this specific issue will be implemented. Also, the foreseen Information Sessions on Data Protection did not take place during 2021, however, in 2022, it is planned to hold one session per month, with the intention to start in March 2022, with a total amount of 10 sessions during the year.

Following the overall assessment performed, the following can be concluded:

INTERNAL CONTROL COMPONENT	CONCLUSION
CONTROL ENVIRONMENT	Category 1. The component is present and functioning well, only minor improvements needed
RISK ASSESSMENT	Category 1. The component is present and functioning well, only minor improvements needed
CONTROL ACTIVITIES	Category 2. The component is present and functioning but some improvements are needed
INFORMATION AND COMMUNICATION	Category 2. The component is present and functioning but some improvements are needed
MONITORING ACTIVITIES	Category 1. The component is present and functioning well, only minor improvements needed

Linked to Internal control principle 10, the yearly assessment of sensitive functions in DIGIT was duly completed for 2021 (Ares(2022)1099924). The exercise noted that Philippe Van Damme (Director DIGIT.C – Digital Workplace & Infrastructure) has been holding a sensitive function for over 5 years (since 16/03/2016) and should therefore be considered for mandatory mobility according to the Guidance on Managing Sensitive Functions (Ares(2020)4194484). Due to the seniority of the jobholder and critical role fulfilled within the DG, DIGIT considers a derogation to the 5+ year rule as strictly necessary and fully justified in light of minimal residual risk of abuse after mitigating measures already in place.

Taking into account the conclusions of the review of the supporting elements, it is possible to conclude that the internal controls system implemented by DG DIGIT provides sufficient assurance to properly manage the risks relating to the legality and regularity of the activities. Furthermore, it is also possible to conclude that the internal control system provides sufficient assurance with regards to the achievement of the other internal control objectives. DG DIGIT has assessed its internal control system during the reporting year and has concluded that: it is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified related to Internal control principles 4, 11, 12 and 13 in particular, which will be remedied as mentioned above. Final result displays that there are no major deficiencies detected, however, there is room for improvement within the above mentioned principles.

#### 2.1.4. Conclusions on the assurance

This section reviews in a comprehensive manner the assessment of the elements already reported above (in Sections 2.1.1, 2.1.2 and 2.1.3), and the sub-conclusions already reached. It draws an overall conclusion to support the declaration of assurance and whether it should be qualified with reservations.

The information provided in the various preceding sections covers all budget delegated to the AOD of DG DIGIT as well as the assigned revenue (Chargeback of services) and the assets. The information reported is complete and reliable, as confirmed by the statement of the HoU in charge of Risk management and Internal Control in Annex 1.

The intrinsic risk for administrative expenditure managed by DG DIGIT, including procurement, is relatively low because of the centralised and direct mode of budget implementation. The risks are effectively mitigated by means of controls put in place (see section 2.1.1). Furthermore the following elements support the current assessment:

- Assurance received from DG DIGIT'S cross-delegated Authorising Officers and Assurance received for the credits cross-delegated to other DGs,
- Positive assurance on administrative expenditure given by the Court of Auditors for several years, and again in the annual report 2020 issued in 2021,
- Positive feedback received from inter-DG group of procurement experts (GAMA) concerning the procurement procedures scrutinised,
- Monitoring, registration and analysis of exception reports and non-compliance events indicate no material issues.

Further assurance is obtained by the DG's annual risk assessment which is integrated in the annual planning exercise. Critical risks are identified and they are the subject of management attention; mitigating actions are systematically defined and being implemented.

Results from audits concluded during the reporting year did not include any critical findings. The residual risks from audit recommendations remaining open from previous years are not considered to have a bearing on the declaration of assurance. Furthermore the Limited conclusion issued by the IAS indicated that the internal control systems in place for the audited processes were effective except for the 'very important' recommendations explicitly mentioned in their report (see section 2.1.2.).

Management has obtained satisfactory evidence that the internal control system is present and functioning but some improvements are needed. Internal control principles 4, 11, 12 and 13 are considered partially effective and need some improvements. Considering the remedial measures already implemented and those envisaged, it can be concluded that no reservation should be issued in the AAR.

Reasonable assurance is the personal judgment of the AOD, based on all information at his/her disposal. This information is structured around different pillars, composed of (1) the DG's assessment of its own activities for the management of its resources; (2) the assessment of the activities carried out by other entities to which the DG has entrusted

budget implementation tasks; and (3) the assessment of the results of internal and external audits, including the implementation of audit recommendations.

For the AOD's best estimation of the risks relating to the legality and regularity for the expenditure authorised during the reporting period, DG DIGIT uses, in accordance with central services guidance on the content of the AAR, the Most Likely Error (MLE) for the Commission's administrative expenditure of 0.50%. It is considered to be a conservative estimate in order to determine the consolidated amount at risk at payment at Commission level. This percentage also corresponds to an estimated overall amount at risk at closure of EUR 1 901 323.

No reservation is made by the AOD in this AAR.

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

2.1.5. Declaration of Assurance

**Declaration of Assurance**

*I, the undersigned,*

*Director-General of DG Informatics*

*In my capacity as authorising officer by delegation*

*Declare that the information contained in this report gives a true and fair view<sup>17</sup>.*

*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 Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.*

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

*Brussels 31 March 2022*

.....

*Veronica GAFFEY*

---

<sup>17</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG

## **2.2. Modern and efficient administration – other aspects**

### **2.2.1. Human resource management**

In 2021, Human Resource Management continued to be dominated by the COVID-19 pandemic and its ensuing paradigm shift. While disruptive in many areas, this has also opened many opportunities in new ways of working & time management and the DIGIT HR BC has been fully committed to support the DG's staff and management in this transition. Apart from strategic advice to the DG and ensuring a smooth implementation of HR operations, highly significant areas of activity also include:

#### **Staff Engagement & Wellbeing**

The Staff Survey 2021 has shown a stark increase in DIGIT's Staff Engagement Index to 76% (+8% increase from Staff Survey 2018), which is among the highest across the EC. These very positive figures can - in part - be linked to the constant efforts of the DIGIT HR BC and of DIGIT managers throughout the COVID-crisis in staff engagement, crisis management, and communication.

In 2021 the DIGIT HR BC has also worked towards facilitating the transition of its staff and management towards Flexible Working (e.g. The ONE) by implementing corporate policy transparently and ensuring sound communication in tandem with the DIGIT COMMS Team. Similarly, the COVID-19 guidelines continued to be enforced vigilantly, granting flexibility to staff where possible and necessary (e.g. teleworking from abroad).

#### **Learning & Development**

Learning and Development activities were among the fields that continued to be more strongly impacted by the pandemic, leading to a below average execution of the DIGIT L&D budget of 72% in 2021. This was a natural consequence of the general uncertainty in planning due to the fluctuating confinement measures across Europe, as well as the overall increased workload of DIGIT staff resulting in a lack of time to commit to L&D activities. To mitigate, the DIGIT HR BC promoted online learning where possible and was closely involved on further developing the Digital Fluency strand of the ECDS with HR B3 to expand the internal learning offer on Digital Skills. Furthermore, DIGIT invested in targeted development of high potential staff and managers (with special focus on female talents) by offering targeted trainings and coaching.

#### **Diversity**

In 2021, the DIGIT HR BC has spared no effort to work towards the Commission target of 50% female managers at all levels by 2024. Main elements to reach this target are succession planning and targeted talent development - as well as promoting the

appointment of women to roles of Team Leader, Head of Sector or Deputy Head of Unit in preparation for middle management positions. In parallel, high potential female colleagues were given training & coaching support to strengthen the internal talent pool of candidates. Concretely, in 2021 DIGIT appointed one female first time Director (DIGIT D) and one female first appointment to MM (DIGIT.A).

## **TA Selection**

In 2021, the reserve lists for the long anticipated Temporary Agent Selection for IT Profiles were published. The reserve list aimed to bridge the gap between available and required IT profiles and to alleviate recruitment issues faced in recent years (especially in Luxembourg). Besides a very intensive involvement in the conception phase (DIGIT was the promoter of the initiative for the whole Commission and drafted the 11 different profiles), the members of the HRBC also took a prominent role in the activities of the selection boards, thereby ensuring an adequate outcome of this administrative very heavy procedure. In the second half of 2021, a good number of new recruitments have taken place, especially for positions that had remained vacant for a long time due to the lack of suitable candidates. The overall vacancy rate for Luxembourg could therefore be brought to more acceptable levels. Moreover, DIGIT recently agreed with DG HR to open the recruitments to Brussels and to allow other DGs to use some of the reserved quotas.

## **Strategic Communication - Digital Next DIGIT Communication Strategy (September 2021):**

In 2021 DIGIT put forward Communication Strategy, DIGITAL NEXT, [Communication-Strategy-2021-2022.pdf \(europa.eu\)](#). Within the context of DIGIT's growing importance in supporting remote, resilient and secure operations of the Commission but also DIGITs growing visibility outside the Commission in the context the COVID crisis-response, the strategy identified key messages about DIGIT's contribution to the Europe fit for the digital age priority. The Strategy leveraged on and further enhanced the image of DIGIT as transforming the Commission into a modern, agile digital organisation leading by example in the Digital Decade. As such DIGIT's communications has been aligned with DG COMM's strategy 2020 - 2024 highlighting the Commission's digital priorities.

## **Internal Communication:**

As part of its COVID-crisis -response, DIGIT has paced and deliberately varied granularity of communications support over the last two years to address organizational sustainability, performance, motivation together with well -being support. The Director General has launched a weekly live address to staff which has become a regular and sustained internal communication channel with 68 addresses to date and weekly regular audience of approx. 250 staff. To support staff in the shift to new ways of working, bi-weekly meetings on "DIGIT On the Move"- "Coffee with Mario" were opened to staff to address in participative way common challenges in managing hybrid teams in hybrid set-ups. Over the last year DIGIT organized eight thematic townhalls: regularly since May 2020 with all staff on Return to the Office; at the start of 2021 to accompany staff on the move to Dynamic Collaborative Spaces (L107) and in the second part of 2021 on New Ways of Working. All townhalls were organised on M365 and piloted this collaborative environment. In November

we tested M365Live events for M365 Roll-Out Webinar with audience of approx. 600-700 people. To increase staff digital literacy, but also discuss equality&inclusion during pandemic, DIGIT organised three Digital Sounding Boards over 2020-2021. These workshops, webinars and events serve as examples on how to engage large staff audiences online, improve digital literacy, manage hybrid set-ups with the same or increased efficiency. Webinars on M365 Live events serve as an example of going a step forward in terms of large participating audiences (700-900 participants), user experience and further roll-out of collaborative tools across Commission staff. This strengthened, regular, very close communication and engagement with staff at all levels during crisis underpinned stability, integrity and continuity of decision-making and operations. It upheld staff motivation, performance, purpose in shifting circumstances all the same improving digital literacy.

### **Equality, Diversity and Inclusion Streamlining - Driving Digital Transformation in an Inclusive Way**

The Equality Network in DIGIT (a working group across DIGIT different units set up in mid-2020 and chaired by the Equality Coordinator) identified areas of work in which DIGIT would engage as regards streamlining equality, such as: ECDS modernisation plans, support to Women in Cyber & Women in Digital, internal communication, staff engagement and awareness building, a.o. The joint effort of the Equality Network led to the drafting of:

- DIGIT Equality Charter (live-signed on 30 September 2021 by Senior Managers);
- DIGIT Equality Action Plan – rolling plan revised twice a year in the SMM
- Equality Ambassadors at DIGIT visual communication campaign (Teams virtual background )
- Equality@DIGIT home page on MyIC landing page
- Equality@DIGIT M365 collaborative space for all DIGIT staff for knowledge sharing
- And a regular (monthly) staff engagement and awareness raising session Equality Café at DIGIT (article).

During the European Commission Annual Equality Event on 7 December 2021, DIGIT message: How to drive Digital Transformation in an inclusive way was among the five featured videos. It focused on:

- DIGIT drives the digital transformation of the Commission in an inclusive way by working on three dimensions: adoption of a “by design” approach, building culture - diversity attracts diversity, asking for constant feedback
- DIGIT sees the Equality as a digital journey, among the main initiatives to date: Equality Charter, Equality Café
- DIGIT focuses on User Experience as a way to transform the Digital Equality Journey in practice.



## 2.2.2. Digital transformation and information management

**Digital Transformation** - DIGIT is at the forefront of the digital transformation of the European Commission. Its entire core business is focused on the delivery of agile and secure IT services that will support the Commission in becoming a modern, trustworthy public administration, an ambition fully aligned with the goals defined in the digital strategy. Besides the multiple actions, activities and projects accurately highlighted in the first part of this Annual Activity Report and its Annexes, in 2021 DIGIT focused on the preparation of the new Digital Strategy, that would supersede the existing ECDS adopted in 2018 and reaching its conclusion in 2022. To elaborate a new corporate digital strategy that would keep driving the Commission towards its digitalisation and modernisation process, DIGIT took into account the results stemming from the ECDS mid-term report (highlighting implementation of the Digital Strategy until 2020), and discussed the lessons learned at the ITCB. This was followed by a 'reflection day' on the emerging 'digital needs' of the Commission, and a consultation with the corporate IT and Business community (which led to the creation of a core IRM group that brought together SG, TAXUD, FISMA, CNECT, ENER and MOVE representatives). Such extensive consultation and reflection processes were pivotal to picture the strategic objectives of the new digital strategy. Cabinet Hahn was actively involved during the whole preparation phase, and provided significant input to the design of the new digital strategy. The process leading to the adoption of the new strategy will continue during 2022.

**Information Management** - DIGIT plays a key role in the Commission's data governance, particularly as regards the implementation of the Communication on Data, Information and Knowledge management. In 2021, DIGIT coordinated specific actions of the 2021-2022 Information Management Steering Board work programme. These activities represent part of DIGIT core business, and as such they have been adequately explained in the Part 1 of this Annual Activity Report. In addition to this, DIGIT has also maintained its inventory of key data assets, which covered 31 assets in 2021.

**Data Protection** - In 2021, the planned actions in terms of data protection had to be adjusted due to the fact that the EDPS opened three investigations on contracts managed by DIGIT (Commission's use of cloud-based services). The necessary efforts to co-ordinate and prepare the replies to the investigations bound significant resources over a period of several months, which in turn required to re-prioritise the measures foreseen to enhance the level of data protection compliance in the DG. Additionally, there is a continuously high demand from other DGs, Institutions, Agencies etc. to exchange experience and knowledge with DIGIT specifically on the use of cloud-based services. DIGIT has reviewed its service agreements with other EU Institutions, and prepared additional data protection clauses to obtain full compliance with the current Data Protection Regulation. As forecasted, this exercise will require more time to be completed. Commission-internal service structures involving DG will need further review to take account of potential data protection issues. Given the extent of DIGIT's services and its wide client base, this is a significant undertaking. Nevertheless, DIGIT has been able to contribute to Commission-wide working groups on the creation of templates and standard procedures, for instance on the efficient handling of data subjects access requests. The data protection awareness sessions have not been resumed in 2021 due to the reasons stated above. However, the existing training material has been updated to be ready for use in 2022.

### 2.2.3. Sound environmental management

DIGIT is actively involved in the promotion of EMAS corporate campaigns at local level and regularly identifies local environmental actions and corporate initiatives in order to support the Commission's commitment to reduce its own carbon footprint. Most importantly, in 2021 DIGIT has been one of the co-editors of the **Communication on Greening of the Commission**, which will be adopted in 2022 with the purpose of strengthening the Commission's own commitment to become a climate neutral administration by 2030, as envisaged by the new Green Deal. DIGIT's participation to this initiative is linked to the ever growing impact of digitalisation of our working and living habits. The increasing use of digital tools has undoubtful benefits for our society, but comes with a toll to our environment. For this reason, DIGIT has been playing an important role in identifying concrete, feasible measures to reduce the environmental footprint of digitalisation. Key DIGIT-led initiatives for 2021 were namely:

- Fostering the uptake of **paperless solutions** across the Commission through the Paperless Cluster, which aims at reducing the use of paper-based business processes within the Commission. A first step for last year was the creation of a **common knowledge base repository** collecting existing or potential enablers, best practices and success stories linked to paper-reduction actions in the Commission. Secondly, DIGIT colleagues leading the Paperless Cluster have set up regular meetings with relevant members of other DGs to promote communication and exchange of experiences. Details and results of this initiatives are accurately reported in the Annex 10.
- Launching a '**digital mindfulness campaign**' to raise awareness among Commission staff on the impact of 'digital waste'. The communication campaign consisted in the publication of a brochure containing 'tips and tricks' that help staff being 'digitally mindful', encouraging people to adopt simple but more sustainable habits when using IT tools and solutions at work.
- Contributing to circular economy by **recycling obsolete and decommissioned corporate IT equipment** through existing framework contracts.
- Continuing the **consolidation of local data centres** (which is leading to a considerable improvement of energy efficiency, and reduction of energy consumption).
- participation in the BEST (Building Energy Saving Together) action launched by OIB: in 2021, this was applied to DIGIT's premises in rue de Génève (G-1, Brussels). The energy saving programme took place during summer time, when building occupancy was reduced due to holiday period, and consisted in the powering down of heating, ventilation and air-conditioning from 19/07 until 22/08.

Other relevant initiatives are reported in the Annex 10.