



Annual Activity Report

2020

**Office for
Infrastructure and
Logistics in Brussels**

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THE DG IN BRIEF

The Office for Infrastructure and Logistics in Brussels (OIB) was created on 1 January 2003 by Commission Decision C(2002)4368 of 6 November 2002. The Office was initially established to coordinate and carry out the Commission's infrastructure and logistics services provided for staff in Brussels.

In terms of governance, OIB is attached to the Directorate General for Human Resources and Security (DG HR). A Management Committee oversees that its activities are properly implemented. DG HR chairs and assists the Management Committee in the implementation of its tasks. The Director of the Office as Head of Service is responsible for implementing the mission of the Office. He is instated with the power of nomination (AIPN) and exercises the function of Authorising Officer by Delegation (AOD). OIB provides services to the Commission services and other EU institutions and Executive Agencies in Brussels and Ispra.

The key stakeholders:

- The Commissioner for Budget and Administration and his Cabinet;
- The College Members;
- Central Commission Services;
- EU Institutions located in Brussels and Ispra;
- Staff of the Commission and Executive Agencies.

Administrative structure:

OIB is structured around three departments and four horizontal units:

- Real Estate: in charge of the implementation of buildings policy, building management and property projects, EMAS activities, IT systems and logistical support such as Logistic Proximity Teams (LPT) and the Space Design Team (SDT),
- Operations and Services: responsible for the provision of catering services, transport and mobility, supplies, workspace equipment and removals, physical inventory management, mail and reproduction, historical archives, as well as the for the European Inter-institutional Centre-CIE and for the catering and childcare infrastructures in Ispra,
- Childcare services: responsible for nurseries and other child-care services,
- Horizontal activities: such as human resources, communication, finances, public procurement, informatics, internal control and the internal service for Prevention and Protection at Work are directly attached to the Head of Service.

2021 Organisational changes:

- Childcare facilities (CPE): the former Head of Department retired on 1.03.2021 and was replaced by an acting Head of Department from 1.03.2021 to 15.06.2021. On 16.06.2021 a new Head of Department was appointed.
- Operations and Services (OS): the former Head of Department left the Commission on 16.06.2021 and was replaced by an acting Head of Department from 16.06.2021 to 31.01.2022.
- Real Estate (RE): the former Head of Department left the Commission on 16.06.2021 and was replaced by the Head of Service until the appointment of the new Head of Department on 1.09.2021.

Management mode:

OIB has a centralised direct management mode for its financial transactions and procurement.

EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Head of Service of OIB 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 ⁽¹⁾.

⁽¹⁾ Article 17(1) of the Treaty on European Union

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

The mission of OIB is to ensure a functional, safe and comfortable workplace for Commission staff and to provide good quality support and well-being services based on a client-oriented approach in an environmentally friendly and cost-effective way.

In 2021, OIB's actions and main outputs allowed to progress towards the specific objectives set out in its 2020-2024 strategic plan, which are:

- ✓ To manage the Commission's buildings and infrastructures efficiently and effectively in line with the highest environmental standards;
- ✓ To create the best possible working conditions for staff and to provide good social infrastructures;
- ✓ To manage activities in a results-oriented and transparent way, in line with ethical requirements.

As a support service, OIB contributes to the seventh general objective of the President von der Leyen Commission and to the specific mandate addressed to the Commissioner for budget and Administrations, Mr Johannes Hahn, which covers the Commission's work to provide:

A modern, high performing and sustainable European Commission

In this context the challenges for OIB were:

- ✓ Review of the real estate strategy and logistic approach to take into account the 'Green Deal' action and the post-COVID ways of working;
- ✓ Reevaluate the scope of some large real estate projects;
- ✓ Implement collaborative spaces and dynamic offices;
- ✓ Ensure continuity of catering services;
- ✓ Ensure the maintenance of all EC infrastructures to meet environmental objectives;
- ✓ Continue to provide adequate childcare services;
- ✓ Continue to implement the digital transformation of OIB activities.

After the end of the catering concession on 31 December 2020 and the cancellation of the call for tenders for a new catering contract, OIB prepared a new catering approach, based on internal management with the support of external contractors. A limited catering service was maintained in BERL as the two cafeterias remained open and was extended in June 2021 with the opening of the canteen. An additional four cafeterias were opened as well as a second canteen by December 2021.

OIB continued the roll-out of dynamic collaborative spaces (DCS) and successfully moved DG HR, DG DIGIT, EPSO, OIB and SCIC (4,499 staff) into this configuration during 2021.

Childcare services continued to be ensured in both the Brussels and Ispra sites despite the continued challenge of closures of sections due to COVID-19 positive cases for children and staff.

In parallel, OIB continued supporting corporate efforts on environmental actions through EMAS and contributed to communication actions towards colleagues, particularly on issues of importance to users and stakeholders, e.g.: housing, catering, mobility and greening issues.

Details of all OIB's outputs to reach it's objectives are further detailed in parts 1 and 2 as well as in the annexes of the 2020 AAR.

B. Key Performance Indicators (KPIs)

Indicator	Baseline	Target 2024	Latest known results (31/12/2021)
Energy consumption optimised	Baseline (2019): 323.45 Kwh/m ² EPB	Reduction by 10% of the energy consumption by 2025 according to the 'PLAGE' legislation.	No data available; The results are based on energy invoices for the whole year. The final invoices are being analysed and the final data should be available in April.
Occupancy rate of workstations in a dynamic office/collaborative space environment	Baseline (2020): 0%	90% ²	No results available due to pandemic
Number of staff placed in a dynamic office environment	Baseline (2020): 0	Increase	4.499 ³
Staff satisfaction rate for the provision of childcare services	Baseline: Nurseries/Kindergartens: 91% in 2019 Childminding facilities: ~90 % in 2017	Maintain a high level of satisfaction	No satisfaction survey in 2021.
The residual error rate (RER)	Amount at risk - Residual Error Rate (RER) – lower than 2%	RER lower than 2%	0.5%

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

² Indicative values might be reviewed and adjusted in the future, depending on the forthcoming Green Deal action plan.

³ These figures are solely based on the number of Commission staff members with a job in Brussels and which are entitled to a workstation based on their job title or their statutory link. The data originates from COMREF/SYSPER as encoded by DG HR and based on the address of the staff member in COMREF/SYSPER it is determined from the OIB REMIS system if the staff member is working on a collab. space floor or not.

In line with the Commission's Internal Control Framework OIB 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 as intended. Please refer to AAR section 2.1.3 for further details.

In addition, OIB 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. The Head of Service, in his capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance.

D. Provision of information to the Commissioner(s)

In the regular meetings during the year between OIB and the Commissioner Hahn 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 (4)

Specific objective 7.1: The Commission's buildings and infrastructures are managed in line with the Commission Building Policy and Needs

The COVID-19 pandemic led to a recourse to massive teleworking since March 2020 which has led to an overall reflection on future ways of working. Also, the objectives of the 'Green Deal' (carbon neutrality by 2030) gives a technical objectives for all Commission buildings in Brussels and a clear 10 year timeframe that is characteristic of real estate development projects in general.

Smarter use of each square meter

Large construction projects

Construction of the new Training and Conference centre CC2.0

OIB had launched a tender procedure in the form of a competitive dialogue, for a new training and conference centre to replace the Albert Borschette Conference Centre (CCAB) in the second semester of 2018. The procedure was concluded at the beginning of 2019.

In January 2021, after approval by the Budgetary Authority, the contract for the construction and acquisition of the new centre was signed. In parallel, OIB launched a call for tender to finance the project.

However, during the year, the entire urban planning strategy in Brussels continued to be in the spotlight, with a series of public consultations organised at different levels where OIB was represented as well. This reflection might lead to the re-design of the building, which will host, i.a., the CC2.0 project to align with the new rules for building permits in the European Quarter in particular.

Redevelopment of the PALM nursery building

In 2019, OIB obtained the building permit and successfully organised a new works tender in 2020 for redeveloping and extending the Palmerston site (PALM) into a multi-functional area and a nursery/afterschool childcare facility.

However, in the course of 2021, the OIB reassessed the need to redevelop this building. The impact of the pandemic on working arrangements as well as the childhood day care offer going beyond needs has caused a shift in demand for the location of childcare services. It became apparent that parents would prefer a location close to their home for nursery and kindergarten services whereas for afterschool childcare services, proximity to European schools would seem to be their preferred option. Therefore, a new orientation for the future of the building is still under discussion and a decision is expected to be made in 2022.

(4) An Executive Agency uses as heading: "Implementation of the Agency's Annual Work programme - Highlights of the year".

Redevelopment of the L130 site⁵

On 6 July 2021, the L130 redevelopment project based on an architectural competition was irrevocably cancelled by the Commission. The future of the L130 building and the entire site is being re-evaluated; moreover, the new set of adequate urban rules for the European Quarter are still to be elaborated by the Brussels Capital Region and will affect the final decision on the future of the site.

A new, state-of-the-art bike parking facilities were created in the site. Inaugurated in June 2021, the Maelbeek Eco-Mobility Hub is located in L130 and serve any colleagues working in the surrounding buildings. It contains a cargo bike area, 704 bike parking spots, 246 lockers, 50 service bikes (including e-bikes), 22 showers, 4 drying areas, changing rooms and several charging points. Similar hubs are likely to follow on other Commission sites as of 2022.

Building occupancy

In line with building policy presented to the College in February 2021 and as in previous years, OIB continued office space optimisation and rationalisation in 2021 by creating collaborative and flexible working environments in all new buildings as well as in all office space made available following large restructuring of DGs. OIB also continued to regroup DGs per policy cluster, such as the central services pole now situated in L107⁶.

Following the March 2018 publication of Commission real estate needs for 2020-2024, OIB concluded negotiations for the L107 building and signed the usufruct contract in June 2020 for a duration of 18 years. Fitting out works to create new dynamic collaborative spaces were completed in March 2021. DG HR, DG DIGIT, DG SCIC and EPSO⁷ progressively moved into the building during the summer of 2021. Once vacated by DG DIGIT, MO15 building⁸ was converted to dynamic collaborative spaces (DCS) for DG BUDG. The B-28 building⁹ was converted to dynamic collaborative spaces and OIB moved progressively into this building in October 2021 which enabled the vacated CSM1 building¹⁰ to be converted into a similar configuration for DG REGIO who progressively moved into this building at the end of 2021. The BRE2 building¹¹ was also fitted out in this configuration for DG ENV who moved into this building in December 2021. Overall, throughout the course of 2021 ~4,499 staff were housed in a DCS setting.

During the year, OIB analysed the potential to renegotiate a certain number of current leases, provided that the buildings concerned continue to meet the Commission's needs in terms of security and economic interest as well as environmental performance requirements:

- Negotiations for the extension of the Kortenberg building (KORT) were completed;
- Successful negotiations for the extension of L-56 building¹² were completed. The contract was extended until December 2024;

⁵ L130: Rue de la Loi 130

⁶ L107: Rue de la Loi 107

⁷ European Personnel Selection Office

⁸ Montoyer 15

⁹ Rue Belliard 28

¹⁰ Cours Saint Michel 1

¹¹ Breydel building, Av. D'Auderghem 45

¹² Rue de la Loi 56

- Negotiations for the extension of the LX40 building¹³ were completed;
- Negotiations for the extension of the COVE building¹⁴ were completed. The process of preparing documents to proceed with the transfer of leases from the Agencies to OIB is on-going;
- OIB also started to renegotiate short term lease prolongations for HOST building.

The notice of real estate prospection for the attention of the real estate market announcing the Commission needs for 2021-2025 was launched in May 2021. As a result, two suitable projects were pre-selected for negotiations. Unfortunately, both projects became permanently unavailable.

Following the unsuccessful outcome of the 2021 publication, OIB decided to apply a new approach and two new publications were prepared in December 2021, these are likely to be launched in February 2022, namely:

- Notice of real estate prospection for the attention of the real estate market - Forecasts of multi-year real estate needs in terms of offices for the years 2022 to 2026;
- Notice of real estate prospection for the attention of the real estate market - Forecasts of multi-year real estate needs in terms of logistics infrastructure for the years 2022 to 2026.

Specific Objective 7.2: Provide good quality office space to all Commission sites in Brussels.

Implementing dynamic collaborative space

Throughout the year, OIB continued to improve the quality of available office space, including by preventive maintenance in line with the dynamic collaborative space rollout whilst fully respecting occupational and safety standards. In accordance with the approach outlined above in Specific Objective 7.1, the inception of a more in-depth BEBA¹⁵ programme focused on opportunities to convert buildings, or parts of buildings, into dynamic collaborative spaces as well as create innovative development of existing premises such as the RP14¹⁶ information centre refurbishment for DG COMM.

To facilitate the gradual return to the office of colleagues, OIB also continued to reinforce and adapt the organisation of maintenance and cleaning services as an important safety measure due to the ongoing COVID-19 crisis. Such measures now include systematic cleaning of all desks at the end of the day (or in the morning) whereas meeting rooms, cafeterias, vending machines, mail rooms, lifts, staircases and other common areas and frequently touched surfaces are now cleaned twice per day.

In 2021, in view of defining the scope of future building improvements, in-depth energy audits were initiated for the DM24 and BREY buildings. Wide ranges of options to improve energy performance in these buildings were identified in the preliminary studies, the conclusions of which are to be submitted of further decision-making in early 2022. If

¹³ Luxembourg 40

¹⁴ Covent Garden building, Place Rogier 16

¹⁵ "A Good State of Buildings" policy

¹⁶ Rond-Point Robert Schuman 14

deemed necessary, similar studies could also be launched for the DM28 and BRE2 as of 2022.

The conversion of the BRE2 building in its entirety to a dynamic collaborative space started in 2021 and is expected to be finished by early 2022. In parallel, the decision was made to put the refurbishment of the J-70 on hold due to the new real estate policy, as explained above.

OIB continued to play an active role in the Association of Staff with a Disability in the European Commission (ASDEC)¹⁷. According to the latest screening results, all Commission buildings in Brussels comply with legal prescriptions regarding accessibility for persons with disabilities (e.g. installing the ramps, the signage above or next to the elevator buttons with instructions, making parking places and toilets accessible, placing evacuation plan for people with disabilities, accessible interior design such as lights that are evenly distributed and visual contrast etc). In line with the new Strategy for the Rights of Persons with Disabilities 2021-2030¹⁸, OIB also benefitted from the network of dedicated ambassadors in each building, helping to monitor and report on progress.

Specific Objective 7.3: Modern logistics domain and related services through a united logistics approach

As domain leader in logistics, OIB continued its efforts to strengthen its organisation, targeting efficiency gains and enhancing customer orientation and service, through simplification and rationalisation.

In order to improve client experience, in the first quarter of 2021 OIB developed an up-to-date services catalogue with a quality charter that lays out the provisions for proper service implementation for each service offered¹⁹. A digitised version of the catalogue was integrated in the My IT Support (MITS) web portal in November 2021.

Analysis continued, in close collaboration with DG HR and DG DIGIT to develop mobile tools. In addition, the definition of Key Performance indicators (KPI) on client satisfaction as well as domain performance in order to monitor the various aspects with the logistics domain was finalised.

In 2021, the Historical Archives Services pursued the analysis of a new corporate archives management system (AMS). The project was endorsed by the ITCB²⁰ which will enable the development phase to start in 2022. In addition, the digitisation of paper archives increased significantly and the first actions to implement the Digital Preservation Strategy were rolled out.

Due to the ongoing pandemic the development of a strategy for the digitisation of both incoming and outgoing mail as well the distribution of incoming mail via electronic means to all Commission services has been postponed. Due to the specificities of certain services

¹⁷ This group represents and defends the views of staff with a disability to the administration, and makes proposals for developments in staff policies and services.

¹⁸ COM(2021)101 of 03/03/2021 : Union of Equality: Strategy for the Rights of Persons with Disabilities 2021-2030

¹⁹ As a general matter of maintaining and improving the service quality associated with the general provision of services detailed in the service catalogue, OIB ensures proper service implementation and the maintaining of appropriate levels of quality under the "bonne execution de service" clauses in its SLAs. This entails that if a service is cited in an SLA, it has to be rendered at the same quality level as it is being rendered in the EC, unless otherwise specified.

²⁰ Information Technology and Cybersecurity Board

and lessons learnt during the pandemic it was decided to identify trends related to the various mail flows and to develop a modernisation strategy accordingly.

Specific Objective 7.4: Reduction of the Commission’s carbon and ecological footprint consistent with the objectives of the EU Green Deal, notably a climate-neutral Commission by 2030.

Make each square meter Greener

In 2021, OIB continued :

- to implement local legislation on the energy performance of buildings that originate from the provisions of the European Energy Directive (EED) - the PLAGÉ²¹ legislation.
- to follow up on the obligatory reduction of parking places in the buildings, in line with the objectives of the COBRACE²² regulation, in order to improve Brussels air quality and limit energy consumption by promoting greener modes of commuting.

The Communication on ‘Greening the Commission’ was adopted on 5 April 2022 (C(2022) 2230 final). Following the adoption of the Commission’s comprehensive action plan, OIB outlined a specific action plan for buildings and provide quantifiable impacts.

In this regard, OIB will:

- ✓ Focus the implementation of the Commission Green Deal objectives.
- ✓ Analyse the PLAGÉ legislation and define its practical implementation for the Commission in Brussels.
- ✓ Define the orientation of the Real Estate policy in order to fulfil the Commission’s environmental objectives and replace older inefficient buildings by modern environmentally friendly buildings.
- ✓ Carry out technical studies/energy audits in Commission-owned buildings to evaluate the potential of in-depth renovations/replacement of technical installations based on a cost-benefit analysis.

From 30 November 2020 to 31 March 2021, OIB launched the ‘Building Energy Saving Together’ (BEST) action. A total of 24 buildings were involved in the action where heating and ventilation were powered down. For staff housed in these building who wished to occasionally come to the office, hubs were made available, through a booking system, in designated floors and buildings. The December to March results of this action were made available in June; 5883 MWh of energy was saved and CO² emissions were reduced by 717 tons.

One of OIB’s most visible actions in this area is the ‘Zero Waste GOAL – ‘Give Objects Another Life’ initiative. OIB placed sorting stations on each floor of buildings that were being vacated. Staff’s unused office supplies as well as all sorts of other items that were no longer required were systematically collected. Then they were either sent to the local proximity team stockrooms (for office supplies that can be reused) or to Lyreco/Terracycle (for all office supplies that are obsolete or cannot be reused). Other items that could be reused are given to charitable organisations and, finally, all broken items are collected by OIB’s contractor responsible for waste collection.

²¹ Brussels local action plan for energy management (Plan Local d’Action pour la Gestion Énergétique).

²² Brussels Code on Air, Climate and Energy Efficiency (Code Bruxellois de l’air, du climat et la maîtrise de l’énergie).

In 2021, 64% of the Commission's fleet of cars were hybrid or electric compared to 33% in 2020.

Eco-environmental friendly actions were organised in presential and virtual settings with training courses and information sessions, workshops and conferences in the framework of the mobility week.

OIB was also involved in a study managed by the University of Liege looking at how to improve biodiversity in the urban environment.

Throughout the year, OIB also continued to apply its 'Reduction-Reuse-Recycle' strategy to, amongst others, upcycle old or obsolete furniture.

Specific Objective 7.5: Respect of rules of Prevention and Protection at Work applicable to the Commission sites in Brussels.

OIB puts in place preventive measures to maintain and constantly improve the safety at work in buildings managed by the Commission in Brussels. During the COVID crisis, OIB created new procedures and new training courses to allow external contractors to work, first aiders and evacuation ECI and STE to execute their function in a safer manner.

OIB established two procedures to avoid incidents and accidents, one related to the use of baggage and parcel inspection devices and another related to the use of the medical service's chest X-ray device. These procedures determine the responsibilities of each Commission service concerned and the emergency plan to implement in the event of an incident or accident.

Continuing to offer personalised (remote) advice when needed, as well as online presentations, on ergonomics to all Commission staff, OIB also supported its staff by organizing several workshops on topics related to the prevention of psychosocial risks

OIB participates in CPPT²³ and in the the Health and wellbeing steering led by DG HR. OIB coordinates and implements all corporate *Fit@work* and *Fit@home* actions related to OIB activities. OIB participates in the "Equality task force" led by SG, with its equality coordinator, to improve the integration of the Equality aspects in his activities. In 2021, OIB adopted it's first-ever equality work plan for the period 2021-2030. The actions adopted will improve OIB's services while respecting inclusion and equal treatment for all within the Commission's buildings in Brussels.

Many OIB volunteer colleagues helped the staff of the Commission's medical service in Brussels throughout the COVID-19 vaccination campaign of 2021 (nursing and administrative supports).

Specific objective 7.6: Provide good social infrastructure at Brussels and Ispra sites.

Brussels:

²³ Committee for Prevention and Protection at Work.

The catering concession contracts ended on 31.12.2020 and the call for tender to renew these cancelled was cancelled in April 2021 as the conditions of the call were no longer applicable.

Following the decision to cancel the call for tender to renew the concession catering contracts, OIB elaborated an innovative approach to offer catering services for the Commission's staff in Brussels. The novel approach is based on internal management with the support of an external contractor. This model provides control of logistics and offer (menus, dishes, origin, food balance, dietetics, limited carbon footprint via short circuits, etc...), especially on quality, as well as a higher flexibility to adapt to evolving needs (in the context of the pandemic) and test new complementary solutions.

The implementation of this model required the launch of numerous calls for tender at OIB level (multi-services contract to provide dedicated catering staff, vending machines, drinks, food, cash registers, terminal payments, ...). To create synergies, calls for tender were also launched in close collaboration with OIL (payment terminals, cash register, purchase management software (Easily)).

From June to December 2021 the following canteens and cafeterias were (re)opened:

Canteens:

- ✓ BERL: June
- ✓ L-41: December

Cafeterias et Cafeterias plus:

- ✓ L107: September
- ✓ BRE2: September
- ✓ MO15: November
- ✓ L-41: December
- ✓ BERL: Both 2 cafeterias were continued by OIB at the end of previous concession contract (January 2021)

During the period June to December 2021, 54,114 meals were served in the canteens and 83,400 visits were made to the cafeterias, which lead to a balanced financial statement for the end of the year (excluding statutory staff and real estate costs). On-site surveys and comments received in MyIntracomm show that customer satisfaction rate is high (+/-90% compared to +/-50% with the concessioners during the pre-COVID period), which demonstrates the relevance of the model.

OIB's ambition is also to progressively integrate the 'Green Deal' objectives and the 'farm to fork' principles, or equivalent, to all its catering activities. By doing so, it aims to encourage local cultivation and processing of healthy and environmentally friendly food as well as a tasty and well-balanced diet. Significant waste reduction has already been implemented (reduced offer, reduced production...).

Ispra:

The main achievement in 2021 was always ensuring business continuity. This was possible due to working arrangements put in place in order to offer hot and cold meals, to be either consumed in-situ or taken away while constantly ensuring the respect of the anti-COVID protocols defined by the JRC. Throughout the year at least one canteen was open every day

and statistics have shown that staff presence rates remained similar to the pre-pandemic period despite the food offer being more limited.

The Club House's restaurant saw its activity severely affected throughout 2021 as was already the case in 2020. As of mid-2021 access to the entire Club House infrastructure required the possession of a valid 'Green Pass' for all people over 12 years of age. Hence, the trend observed was that this facility was much less frequented than pre-pandemic; the same observation can be made for the Sport Hall infrastructure.

OIB also continued to actively participate in discussions on the future 'Mensa' project; reflections on either the renovation or construction of a new catering facility continued and the impact that a simple refurbishment would have on the catering activity of the site.

Specific objective 7.7: Provide good social childcare infrastructures at Brussels and Ispra Brussels:

In 2021, the main challenge was to manage the increased number of COVID-19 cases in both children and staff across all childcare services. The volatility of the pandemic situation and the measures taken by the Belgian authorities required agility and emergency management to ensure business continuity for all childcare services and ensure the health and safety of children, parents and childcare staff.

Close cooperation has been ensured with European Schools, external contractors and external partners (Office de la Naissance et de l'Enfance – ONE and "Kind & Gezin"). The CPE department continuously endeavoured to keep abreast of the latest national sanitary measures and ensured appropriate follow-up in its daily management.

Special attention has been given to the communication towards stakeholders, particularly staff who has showed strong resilience in face of continuous risks and stress, and parents who had to follow instructions on sanitary measures that needed to be implemented from one day to another.

Moreover, exceptionally, flexible financial measures were temporarily adopted (and remained in force until June 2021) within the Early Childhood centre rules, in order to allow parents to modify their attendance scheme without fees. As a result of the temporary withdrawals of children without having to pay fees for the period concerned, parental financial contributions decreased by 40% and will have to be compensated by institutional commitments.

The tender procedure for additional places in afterschool facilities has been successfully finalised in June 2021 and the winning applicant has started working from the beginning of the school year 2021-2022 in the Commission buildings, of Genève and Van Maerlant, offering afterschool childcare service for children of age 4-12 (Genève) and 8-12 (Van Maerlant).

OIB made progress in close cooperation with OIL on the needs analysis for the new front office application due to replace "Kiddyweb" This has been also an opportunity to identify possibilities to align and optimise the business process supported by the IT application.

CPE has initiated further actions to integrate the greening dimension in its daily management (e.g.re-use of furniture following moves, testing washable nappies, etc.) However, due to the pandemic, some actions such as the use of washable shoe protection were suspended.

Ispra:

As in Brussels, the main achievement for 2021 was to ensure business continuity at all times. All childcare services remained open, in accordance with Italian national provisions for the educational sector.

The revenue collected during 2021 proves that the sector managed to attract clients as before the pandemics. The new way of working did not have any negative impact on the number of parents interested in benefiting from this service. The afterschool structures are to a certain extent affected by the EU school decisions, to maintain the school closed upon return from holidays for example, and the transportation policy of the “Cooperativa trasporti” ensuring the commuting of kids to and from school – afterschool (bus line in quarantine, impeding kids to attend the afterschool).

A new nutritional program was entirely deployed and readjusted after several months of running, with success for all parties. As of September 2021 kids are provided with monthly menus, instead of trimestral ones and the seasonality aspect is given much more consideration.

2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

This section covers the **operating** dimension of the AAR, explaining *how* the DG delivered the achievements described in the previous section. It is divided into two subsections:

- The **first subsection** reports the control results and other relevant information that supports management's assurance on the achievement of the financial management and internal control objectives⁽²⁴⁾. It includes the information necessary to establish that the available evidence is reliable, complete and comprehensive. It reports on the performance of Internal control and management systems covering all activities, programmes and management modes relevant to OIB.
- The second subsection deals with the other aspects for a modern and efficient administration: human resources, better regulation principles, information management and external communication.

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:

- regular reporting on procurement, on budget execution, on finances, on accounting controls and on human resources;
- reports from ex-post control;
- reports from the authorising officers by sub-delegation and their follow-up;
- reports from the relevant authorising officers providing assurance in all cases of cross-sub-delegations made by OIB to other DGs/Services and sub-delegations/co-delegations to OIB by other DGs and Offices;
- reports on recorded exceptions and non-compliance events and any cases of 'confirmation of instructions' (Art 92.3 FR);
- contribution by the Head of Unit in charge of Risk Management and Internal Control (the annual risk assessment);
- follow-up of anti-fraud indicators;
- yearly review of the compliance and effectiveness of the internal control system;
- limited conclusion of the Internal Auditor on the state of control and the observations and recommendations reported by the the Internal Audit Service (IAS);
- observations and the recommendations reported by the European Court of Auditors (ECA), the Budgetary Authority, and the Internal Audit Service (IAS) as well as the reports on the follow-up of the action plans designed to address these recommendations.

⁽²⁴⁾ Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; and e) adequate management of risks relating to the legality and regularity of underlying transactions.

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 Head of Service of OIB.

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) ⁽²⁵⁾. The OIB'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.

Expenditure and revenue: The resources managed by OIB in 2021: administrative expenditures, revenues, assets, and liabilities were in total € 382.7 million.

Revenues: OIB generates **revenues** from provided services and works to EU Institutions and bodies (EEAS, EESC & CR, agencies, etc.). Recovery orders were cashed in in 2021 for € **52.14** million (for more details see annex 7).

Budget implementation tasks entrusted to other services and entities (Cross-delegated budget):

The co-delegation mechanisms concerned the following Commission services: DG COMM, DG DIGIT, DG HR, OIL and PMO (see annex 7 for details on these co-delegations). No specific issues were reported by the Authorising Officers from any of the concerned DGs/services regarding the cross-sub-delegated credits. As the budget cross-sub-delegated to other Commission Authorising Officers was managed under the same Commission rules, OIB relies on the internal control systems of the DGs/services concerned and concludes that there are no control weaknesses affecting the assurance in terms of internal control objectives.

OIB **cross-sub-delegated credits in 2021** for an amount of € 1.8 million, and ~€42.41 million credits were also sub-delegated or co-delegated to OIB by several DGs and Offices. In the context of the **charge-back procedure**, the majority of OIB recovery orders result from the Service Level Agreements (SLA) as compensation for services provided by OIB to other Commission services or other institutions. The cashed in revenue from SLAs in 2021 amounts to ~ € 46.32 million²⁶.

(²⁵) 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.

²⁶ Cashed recovery orders; see annex 7 provides further details.

The 2021 assets and liabilities were mostly related to buildings and land, either EC property, on financial lease or on bought credit (details in annex 3).

All OIB resources are subject to controls ensuring legality and regularity, cost-effectiveness and efficiency as well as the prevention of reputational risks.

Management mode: All payments are done under a **centralised direct management mode**, which has a relatively low inherent risk. The risks are effectively mitigated by means of controls. As there is only one type of expenditure in OIB - **direct procurement**²⁷, all payment transactions are subject to the same ex-ante controls. The analyses and control results reported below concern the entire budget managed by the Office in 2021 and covers all significant areas of OIB's budget (including the credits sub-delegated or co-delegated to OIB by other DGs and Offices) and are subject to controls ensuring legality and regularity, cost effectiveness and efficiency as well as the prevention of reputational risks. OIB ensures monitoring of the indicators related to the Internal Control Objectives.

No reputational event or critical risk identified by management, which could have a significant impact on the achievement of the internal control objectives and therefore on assurance, occurred.

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

- ✓ there were: **no cases of "confirmation of instructions"** in 2021 (FR art 92.3);
- ✓ there were **no cases of financing not linked to costs** (FR art 125.3) i.e. when contributions are based on the fulfilment of conditions or the achievement of results;
- ✓ **OIB did not conclude** any Financial Framework Partnerships >4 years (FR art 130.4);
- ✓ there were **no cases of flat rates >7%** for indirect costs (FR art 181.6); as decided by reasoned Commission Decisions;
- ✓ there were **no cases of "Derogations from the principle of non-retroactivity [of grants]"** (FR art 193.2).

²⁷ with the exception to some credits of the global envelope (e.g. missions).

Overview table (amounts in EUR million)

Risk-type / Activities	Grants (e.g. actual costs based, or lump sums, or entitlements)	Procurement (e.g. minor or major values)	Shared mngt (MS's OPs, PAs, etc) + EAC (for NAs)	Cross-delegations to other DGs (other AOXDs)	Contributions and/or funds to EE (EU Agency, EA, JU)	Delegation / Contribution agreements with EE (EIB, Int-Org, etc)	Other (describe any other expenditure not covered by the previous columns)	Total Expenditure	NEI, e.g. Revenues, Assets, OBS (in) tangible or financial assets & liabilities)
ABB.1 Real Estate	n/a	336.915	n/a	1.699	n/a	n/a		338.614	
ABB.2 Services	n/a	43.689	n/a	2.693	n/a	n/a		46.382	
ABB.3 Horizontal activities	n/a	2.110	n/a	77.858	n/a	n/a		79.968	
OB.3 Other Significant Disclosures (table 5bis of annex 3) ²⁸	n/a	n/a	n/a	n/a	n/a	n/a		n/a	-571.373
Totals (coverage)	n/a	382.714²⁹	n/a	82.250	n/a	n/a		464.964	Assets: 877.991 ³⁰ Liabilities: -825.171 ³¹ Off balance sheet: -571.701.238,64 ³² Revenues: 52.14
Links to AAR Annex 3	Overall total (m EUR); see Table 2 – payments made						Overall total (m EUR)	n/a	Table 4 – assets

²⁸ This amount corresponds to the multi-annual legal commitments like : lease commitments on buildings (€553.815 million), lease commitments for IT materials and other equipment (€3.96 million) and €13.6 million for other contractual obligations).

²⁹ This amount represents the total of payments on credits C1, C4, C5, E0 and C8, including credits cross-delegated from OIB to other DGs and credits co-delegated from other DGs to OIB, see table 2 in annex 3.

³⁰ Table 4 annex 3

³¹ Table 4 annex 3

³² Table 5bis annex 3, contingent liabilities and other significant disclosures

Legend for the abbreviations: OP=Operational Programme, PA=Paying Agency, NA=National Agency, AOXDs =Authorising Officer by Cross-Delegation, EA=Executive Agency, JU=Joint Undertaking, NEI =Non-Expenditure Item(s), OBS= Off-Balance Sheet, ICO = Internal Control Objective, L&R=Legality and Regularity, SFM= Sound Financial Management, AFS= Anti-Fraud Strategy measures, SAI=Safeguarding Assets and Information, TFV=True and Fair View, RER=Residual Error Rate, CEC=Cost-effectiveness of controls, Mngt =Management

1. Effectiveness of controls

In order to be considered effective, controls are expected to meet the internal control objectives⁽³³⁾ and for each of these control objectives result in benefits.

a) Legality and regularity of the transactions

OIB 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 control objective is to ensure that **OIB has reasonable assurance** that the total amount of any financial operation authorised during the reporting year found not in conformity with the applicable contractual or regulatory provisions, **remains below 2% of authorised payments**. The error rate in OIB is estimated on the basis of the results of a comprehensive ex-post control strategy.

In order to reach this conclusion, OIB reviewed the results of the key controls in place. For each item, materiality is assessed in accordance with annex 5.

Financial management and control is grouped around **three core processes**:

- (1) **Procurement**³⁴ (from the assessment of needs to the selection of the suppliers – award decision);
- (2) **Financial operations** (from establishing the financial commitment to payment, contract monitoring and recoveries); and
- (3) **Supervisory measures** (including ex-post controls and management checks).

(1) Procurement (Administrative expenditure) - preventive controls and supervisory measures:

OIB ensures the legality and regularity, the effectiveness and efficiency of procurement management (a key activity given the nature of its activities):

- **Internal, central coordination of high value procurement:** preventive controls in procurement are ensured by the central role of unit 'Budget, Finance & Public Procurement' which manages all procedures equal or above €139k (€500k for works).
- **External verification is ensured** via the GAMA³⁵ advisory group which provides its opinion on selected files as an external verification. The absence of negative opinions from GAMA reviews of procurement procedures - 12 files were selected for review

⁽³³⁾ 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.

³⁴ Split in OIB between building and non-building procurement (see annex 6).

³⁵ Groupe d'Analyse de Marchés Administratifs: advisory group which manages non-building procurement procedures equal to or above the threshold established in the Directive 2014/24/UE (in 2021, €139,000 for supplies and services). Before the award decision, any tender above the threshold may be selected and examined by GAMA.

corresponding to the value of €114.5 million, all received a positive opinion - contributes to ensure that procurement controls are effective.

- **IT applications facilitating procurement management:** PPMT³⁶, MyWorkplace³⁷, e-Submission³⁸, e-Tendering³⁹, aiming at IT rationalisation in the Commission and better efficiency of the management of calls for tenders are well mastered and systematically used.
- The OIB's '**Procurement Helpdesk**' provides legal and procedural support to operational units. It contributes to the harmonisation of call for tenders' management in the Office. The support to operational units has also been provided with some tailor made workshops on IT application used in OIB, in particular PPMT.
- **Inter-service cooperation:** The central procurement sector continued its inter-service and inter-institutional cooperation such as participation in GAMA, ILISWG, E-procurement working group managed by DG GROW and DIGIT aiming at e-Procurement harmonisation and implementation within Commission.

For building procurement, OIB follows rules set by article 266 and title XV of the Financial Regulation. In addition, OIB applies the procedures stipulated in the Communication from Vice-President Kallas to the Commission on the definition of the methodology for prospecting and negotiating for buildings⁴⁰.

Exceptions/Non-compliance events:

OIB recorded 46 exceptions and non-compliance events which were authorised by the Authorising Officer and were registered centrally in an exception and non-compliance events file. These events mostly concerned a lack of anticipation in establishing legal and budgetary commitments, and delayed or unsuccessful procurement procedures resulting in the prolongation of some existing contracts to ensure continuity of service. Appropriate corrective measures were put in place to mitigate the associated risks. These included, reinforced follow-up of contracts' consumption and planning of procurement procedures, better communication between different entities and reminders on practices or applicable procedures to the actors concerned. None of the 2021 cases was considered to have a negative impact on the assurance provided by the Office.

(2) Revenue, financial operations:

- OIB's **ex-ante controls** focus on compliance of all budget implementation transactions with the rules and procedures in place (i.e. Financial and other regulations, procedures, contractual clauses, etc.). Special attention is paid to data quality as well as to coherence and completeness of supporting documents.

³⁶ PPMT – Public Procurement Management Tool.

³⁷ MyWorkplace is an interface to e-Submission; it allows the contracting authority to access received tenders and to proceed an opening session.

³⁸ E-Submission is an online system allowing Economic Operators to securely prepare and submit tenders and Contracting Authorities to receive, to open and to download tenders.

³⁹ E-Tendering is an online system allowing by electronic means the unrestricted and full access free of charge to the procurement documents to Economic Operators.

⁴⁰ C(2008)2299 adopted on 3 June 2008.

- **The ex-post control:** ex-post control reports represent one of the supervision activities which provide the basis of the management assessment. The objective is to ensure that the estimated annual risk of errors in payments at the time of the authorisation of the transactions is less than 2% of the allocated budget. The residual risk of error is estimated using the residual error rate obtained from an examination of a representative sample of transactions less any corrections made resulting from the supervisory and control systems in place. The controls are based on a stratified sample⁴¹ of six types of transactions (payments, recovery orders, budgetary commitments and low, middle and high value procurement procedures).

Coverage of ex-post controls (in % of total amount)
2021 average: 36,8%
- Payments: 38,6%
- Recovery orders: 6%
- Budgetary commitments: 33,6%
2020 data: Average: 35%; Payments: 43%; RO: 88%; Budgetary commitments: 19%;

The ex-post sample for 2021 was composed of 80 transactions (1.15% of all expenditures credits), for a total of € 270.07 million checked (36.8% in terms of value). No important or substantial errors⁴² have been highlighted by ex-post controls for revenue in 2021. A detected error rate of 0.003% (€ 1183) of representative

transactions. As a precautionary measure, however, OIB set the average error rate at a level at 0.5%, based on historical levels of error rates for this type of expenditure at the Commission.

Other controls:

- **Recovery orders⁴³:** Financial procedures are in place for all types of revenue. The controls focused in particular on compliance with the financial clauses (contracts, SLAs and other administrative arrangements), the quality of the data encoded in ABAC and other systems and the clarity of the supporting documentation in the financial transactions. Importance is given to the issuance of recovery orders and their timely follow up.
- **Accounting controls:** OIB's accounting control programme consists of different types of controls (reconciliation, imputation control) on expenses, assets, bank guarantees, recovery orders and other miscellaneous operations. The accounting controls also provide assurance as to the accuracy of the financial transaction processing. In 2021, the quality of OIB accounts remained high and no significant error was raised by the accounting controls performed.

Strengthening of controls :

A working group with 1 staff member of each department chaired by a legal officer of the central procurement sector continued its work in order to advise all units on the impact of COVID-19 on contract management and on the requests or claims introduced by the contractors of OIB. Moreover, a pilot "All OIB" coordination task force was launched with two operational units in order to streamline and rationalise issues related to contract management and tendering.

Other actions included:

⁴¹ This sample is representative for payments and recovery orders. Results for these transactions can therefore be extrapolated to the entire population of the same type of transactions.

⁴² Serious error that should be considered by the AOD when giving its assurance in the AAR.

⁴³ The term 'recovery orders' refers to 'requests for payment' (revenue) for services rendered and not to recovery of money subsequent to the detection of an error.

- The coordination task force established in 2019 continued its works reviewing and solving financial pending issues.
- The central financial unit played an active role in both the preparation works and meetings concerning SUMMA (the Commission's next corporate finance system) and the different components of the vast e-Procurement project, insisting on the particularities of the different OIB departments and activities' contractual and financial management.

Benefits of controls:

The procurement procedures and financial operations are to a large extent a regulatory requirement and internal provisions which cannot be curtailed. Although the related "quantifiable" benefits are difficult to measure, there are important **"non-quantifiable" benefits** resulting from the controls operated during the implementation of OIB expenditure, such as the **"best value for money"**, the **compliance with** the Financial Regulation and other relevant regulatory provisions and have a strong deterrence effect, with the aim of avoiding possible litigations or reputational risk. All benefits of controls are identified in the corresponding Relevant Control System in Annex 6 for each stage.

Conclusion:

The analysis of the above mentioned control results, the assessment of the weaknesses identified and their relative impact on the legality and regularity have not unveiled any significant weakness which could have a material impact as regards the legality and regularity of the financial operations in OIB. Moreover, no relevant irregularities have been detected by ex-post controls. Consequently, **OIB Management can conclude based on the control results, their completeness and reliability, that the assurance about the control objective as regards legality and regularity has been achieved.**

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

Through recoveries and financial corrections, OIB has in place an effective mechanism for correcting errors. During the reporting year the executed corrective capacity amounted in total to €2.7 million representing 0.7% of the relevant expenditure. The benefit at ex ante level control amounts to €0.2 million, whilst recoveries and financial corrections following the results of ex post and other controls amounted to €2.5 million.

OIB'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.

The estimated overall risk at payment for 2021 expenditure amounts to €1.914 million, representing 0.5% of the OIB's total relevant expenditure for 2021. This is the AOD's best, conservative estimate 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.

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 €0.

The difference between those two amounts results in the estimated overall risk at closure of €1.914 million, representing 0.5% of the OIB's total relevant expenditure for 2021.

The estimated overall risk at closure therefore equals the estimated overall risk at payment since there is no expectation of any future financial correction.

The OIB's risk at payment, estimated future corrections and risk at closure compared to last year remain stable, at a low level (no change), and given that all the internal control measures already existing, no additional management action is needed in this respect.

For an overview at Commission level, the OIB's estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

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.

OIB	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	%
Procurement	348.995	1.745	0.5	0	0	1.745	0.5
Revenue	33.719	0.169	0.5	0	0	0.169	0.5
OIB total	382.714	1.914	0.5%	0	0 %	1.914	0.5 %

b) Fraud prevention, detection and correction

OIB has developed and implemented its own anti-fraud strategy since 2013, on the basis of the methodology provided by OLAF. It is updated once every 2-3 years. It was last updated on 14/12/2020 in view of the new Commission Anti-Fraud Strategy adopted in 2019. Its implementation is being monitored and reported to the management in the context of the annual activity report and the mid-term review. All necessary actions have been implemented.

OIB also contributed to the Commission anti-fraud strategy and OIB has no open OLAF's financial recommendations.

The results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows: (i) all anti-fraud actions are implemented; (ii) the fraud awareness in the Office was raised thanks to the organisation of an anti-fraud workshop in cooperation with OLAF with a high level of attendance among OIB's staff; (iii) OIB's OLAF correspondent attended all the meetings of the fraud prevention and detection network (FPDNet) and kept OIB's management aware of any important developments in the field; (iv) Revision of the exception and non-compliance procedure in OIB.

On the basis of the available information, OIB has reasonable assurance that the anti-fraud measures in place are effective in overall.

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

Due to the nature of its activities and the important level of fixed assets managed, **the efficient management of the inventory** (and therefore the safeguarding of these assets) **is an important control objective for the Office.**

Following the "Synergies and Efficiencies" reorganisation, the central management of the triennial inventory has already shown benefits in terms of quality of tracking, localisation of assets, and reactivation/writing-off of assets. The second year of the third-year tracking exercise (2020/2022) continued in 2021 with a tracking rate of 66% of all inventory items.

The improvement measures and controls implemented during previous years were continued in 2021, in particular by contributing to the simplification of the writing-off workflows and procedures, and carrying-out an exceptional procedure to write-off items inventoried at BU-1-5-9 before the end of the year or improved coordination between the accounting team and that of the physical inventory. OIB actively participated in the SUMMA taskforce on Inventory and Logistics Management.

OIB closely follows up (potential) contingent liabilities. The litigations register is reviewed regularly in the context of annual reporting. In 2021, two new cases were registered: (i) one in the domain of services, one bidder is contesting the cancellation of the procurement procedure (ii) other is linked to communal taxes, where the Commission is not directly involved. Five former cases are on-going, without substantial progress. OIB is monitoring the developments together with the Legal Service.

Benefits of control: Although the quantifiable benefits related to controls covering the safeguarding of assets and information as well as the reliability of reporting are difficult to measure, there are significant unquantifiable benefits, such as fraud and/or corruption risk reduction, optimal stock management and avoidance of non-necessary purchases, "better value for money", deterrent and preventive effects and compliance with the Financial Regulation and other public procurement rules.

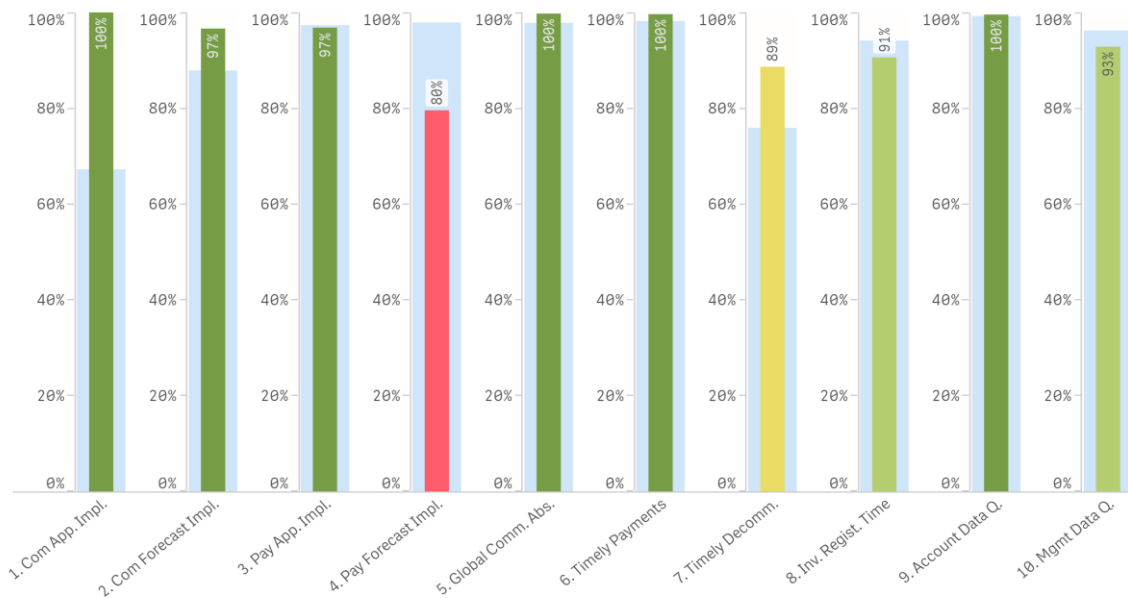
Given the strong improvements observed during recent years, the control methods and the measures in place, their completeness and reliability, OIB considers that they provide reasonable assurance about the achievement of the internal control objective for safeguarding of assets.

2. Efficiency of controls

In 2021, the Commission introduced a new financial management tool, the Financial Scorecard, with the aim to standardise the measurement of financial indicators.

Overall, the OIB score values for the majority of the ten indicators were equal to or above the EC value with the exception of the indicator Payment Appropriations (PA) Forecast Implementation which was below the EC average (80% vs 100%) and indicator 'Timely decommitments', which was reached at the level of 89% vs the EC average below 80%. The list of indicators shows the following:

OIB Indicator Scores 2021



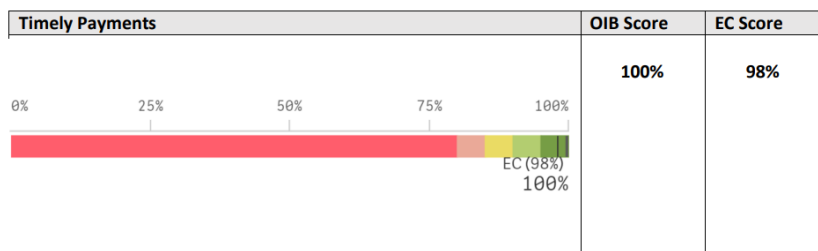
For each indicator the light blue bar denotes the EC Score.

The **‘Payments Appropriations (PA) Forecast Implementation’** indicator compares the payment implementation with payments forecasted on all relevant fund sources of the year. For non-dissociated credits as the credits of OIB are concerned, payments on commitments of the year n can be done until 31/12 of the year n+1 (in this case until 31/12/2022). Thus, OIB has authorised 23% of its commitments of the year n on C1, C4, C5 and E0 credits to be paid beyond 31/12/2021 and before 31/12/2022. These credits will be included in the 2022 forecast, which has to reach 100% before the end of the year.

Indicator **‘Timely decommitments’**: in order to avoid budgetary a posteriori, OIB only decommits outstanding RAL when new commitment on fresh credits are concluded and process both decommitment and re-commitment in the same file.

The definitions of the ten indicators can be consulted in Annex 4 “Financial Scorecard”.

Timely payments - Statistics



The main indicator to monitor the respect of OIB’s contractual obligation with regard to payments is the corporate indicator “Timely payments” which reflects

the amount of payments that were proceeded within the legal deadlines.

Despite the complications due to the COVID-19 situation and namely concerning the monitoring of the invoices’ validation flow, OIB managed yet again to keep its payments within contractual deadlines at a very high level.

Evolution over time: The average payment cycle time has been kept stable at a very low level, i.e. ~18 days in 2021, and similar to 2020/2019 (~17 days), it proves that OIB’s financial circuit is functioning effectively (with the marginal remarks to few payments).

‘Time-to-procure’ (Art 194.2 FR):

OIB uses a “time-to-procure” indicator⁴⁴ to measure the average duration of the procurement procedures, based on data existing in the Public Procurement Management Tool (PPMT).

The indicator in 2021 has significantly decreased to 115 days from 144 days in 2020; only one procedure with a contract signed in January 2021 was particularly long due to the complexity of the evaluation and the Covid-19 sanitary crisis’ conditions in 2020. Average time-to-procure calculated without this call for tenders was 100 days. It is noteworthy that to be able to compare the performance with previous years, the calculation of this indicator considers only open procedures. However, in 2021, OIB finalised several other types of procurement procedures with time-to-procure that varies from less than 7 weeks for negotiated procedures to 6 months. If the same indicator was calculated for all types of procedures, the time-to-procure would be 134 days.

Its evolution over the time (excluding building procurement): 115 days in 2021 compared to 144 days in 2020, 122 days in 2019 and 113 days in 2018.

The main initiatives taken during the year to improve controls efficiency in financial management:

- Several bilateral workshops were organised with OIB’s operational units in order to streamline their processing and preparing of financial files. Checklists were further fine-tuned in order to make them more transparent and user-friendly.
- The central Financial and Procurement Unit continued to invest hugely in the on-boarding of contractors into e-Invoicing via PEPPOL. Technical preparations and testing were set up with nearly 20 different contractors covering > 2000 invoices (35% of the yearly total).
- Furthermore, a pilot “All OIB” Coordination Task Force was launched with two operational units in order to streamline and rationalize issues related to contract management and tendering (see more in annex 8).

Based on the information above, OIB considers that efficiency indicators give a fair and true view of transactions.

3. Economy of controls

This section outlines the indicators used to monitor the efficiency of the control systems, including an overall assessment of (i) the costs and (ii) benefits of controls.

OIB has analysed the costs and benefits of the three main control processes, i.e. procurement procedures, (ex-ante) financial transactions and ex-post controls.

However, since a quantitative estimation of all errors prevented and detected is not available (cost of non-quality), it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls (see annex 3 table 8).

⁴⁴ The indicator has been defined as the time between the publication of the contract notice and signature of the award decision and providing relevant information to all parties involved.

Therefore, it is not possible to determine the cost-effectiveness of controls by comparing costs with benefits in a quantitative way; it is also necessary to consider the non-quantified benefits (such as reduced risk of fraud, deterrent of controls, prevention of conflict of interest, avoided unqualified discharge or reputational damage) and efficiency indicators (such as the above-mentioned “time-to-pay” and “time-to-inform” indicators). In consequence, the cost-benefits of controls are analysed on the basis of an estimation of the costs of control in relation to the value of the related funds managed. The cost estimates below are based on the overall cost of an official or contract agent, per subcategory (AD official or equivalent, AST official or equivalent, contract agent function groups I-III and contract agent function group IV), as estimated by the Commission.

In 2021, the highest cost was invested in controlling procurement procedures, corresponding to **3.4%** of the total contract value⁴⁵; cost of control of financial transactions represented **2,3%** of the total amount of financial transactions carried out during the year; and **0,2%** of the total value of transactions checked ex-post was dedicated to controls.

Overall, in 2021 OIB dedicated an estimated total of €15 million to control financial transactions worth €382.7 million corresponding to 3,9% of the 2021 expenditure and remains stable in comparison to the year 2020.

<i>Stage</i>	<i>2021 € million</i>	<i>2020 € million</i>	<i>Delta € million</i>
- Procurement stage	4.5	4.5	0
- Financial transactions stage	8.8	7.7	1.1
- Supervisory measures stage	0.6	0.8	0.2
- General coordination, budgeting, accounting	1.2	1.7	0.5
Overall cost	15.1	14.7	0.4
Payments made	382.7	383.1	0.4
Costs / payments made	3.9%	3.8%	0.1%

The cost of controls’ indicator remains stable since 2020, where the financial control in the area of building maintenance was tightening by the 34 logistic agents and support coordinators in comparison to the year 2019. In overall, in 2021 the structure of control in the units remain stable with some changes/reallocations between non building procurement and building procurement controls, some reallocations took place to the financial activities which increased by 20 financial agents and supervisory, budgeting and accounting teams were also facing some minor changes to their structures in comparison to the year 2020 nevertheless the overall cost remains stable and OIB considers in overall stability in its cost of controls. The section is completed with detailed figures that are reported in Table Y in Annex 7.

⁴⁵ Contract value for 2021: €131.4 million

4. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results, OIB 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.

OIB is regularly analysing its internal control processes and making the necessary adjustments to improve its efficiency. The controls in place are the best suited to fulfil the intended control objectives efficiently and at a reasonable cost.

It is difficult to perform an analysis of the relative efficiency of controls in the Office, based on relevant benchmarks with comparable methodologies within the Commission services, due to the fact that hard quantified data is limited and there are inherent differences between the estimates made in various services. However, given the above described quantified and non-quantified elements, the completeness and reliability of controls, OIB's management considers its controls cost effective and efficient.

Also, given the fact that the types of transactions performed at OIB did not change during the reporting year; and no critical risks were identified during the risk assessment exercise, including the specific COVID-19 risk assessment exercise, OIB's management estimates that the control environment and the control strategy remained stable as compared to 2020.

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.

European Court of Auditors (ECA)

As part of the examination of the selected transactions in the context of the annual discharge procedure **2020 Statement of Assurance (SoA- DAS) did not give rise to any observations**. For the **2021 Discharge procedure**, the audit is still ongoing on the selected four transactions, and the result is expected during the first semester of 2022.

IAS audits and its follow-up:

In line with limited conclusion of the state of internal control, IAS concludes that the internal control systems in place for the audited processes are effective, except for the observations giving rise to the 'very important' recommendation regarding the revision of the 'Kallas real estate procurement procedure'⁴⁶.

The drafting of the revision of the "Kallas methodology", taking into account all recommendations (i.e. analysis of needs, higher transparency in the communication to tenderers on their exclusion and the necessity to align the procedure with the FR), is being finalised. OIB, OIL, BUDG, SG, LS and DG HR have already agreed at operational level on a

⁴⁶ Procurement audit finalized at the beginning of 2017

new document, which describes the various steps to be followed regarding the acquisition/occupation of Commission's buildings. A new draft methodology mitigates the identified weaknesses. The recommendation has been marked ready for review (mid-February 2022) and in March 2022, the IAS has started the follow up review of the implementation of the recommendation.

As a result of the assessment of the risks underlined in auditors' observations together with the measures taken in response (including the fact that the recommendation is ready for review), OIB management concludes that IAS recommendation does not raise an assurance issue.

The lack of ECA significant remarks in the discharge procedure adds to the assurance on the state of internal control.

2.1.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework 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.

OIB 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.

Methodology and sources:

As required by the Internal Control Principle n°16, in 2021, OIB conducted a review of the compliance and effectiveness of its internal control system. The assessment was carried out against Internal Control Framework (ICF) through different sources:

- ✓ Evaluation of internal control monitoring criteria (ICMC);
- ✓ Desk review of information from various sources, including two online questionnaires addressed to OIB Management and to a representative sample of staff (iCAT survey);
- ✓ Meetings and exchanges of information with representatives of management and specialised functions.

The assessment also took into account:

- the 2021 status of implementation of action plans result from IAS and ECA audits;
- analysis of the exception and non-compliance reporting;
- the monitoring of the implementation of OIB's anti-fraud strategy;
- an extensive review of the 2021 Risk register.

At the same time, OIB identified the measures already taken to reduce the severity of the identified deficiencies and the impact of those measures on the overall IC system.

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

The assessment was carried out based on the revised Internal Control Framework. All five control components and 17 principles were evaluated. The results show that the five control components and the 17 principles are present and functioning well.

Furthermore the following other initiatives and measures are in place or are in the process of being implemented in order to mitigate the identified deficiencies and related risks:

- The updated Anti-fraud strategy and it's related risk assessment;
- Organized an Anti-fraud Interactive training with OLAF participation, targeting potential fraud in the procurement area;
- A pilot "All OIB" Coordination Task Force was launched with two operational units in order to streamline and rationalize issues related to contract management and tendering;
- Screening of the processes at operational level to be launched in the course of 2022.

The exercise did not result in the identification of any further weaknesses, errors or actions that could jeopardise the overall effectiveness of OIB's internal control system.

OIB 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 as intended and, thereby, the internal framework is functioning as intended.

2.1.4. Conclusions on the assurance

This section reviews 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 reported in this section stems from the results of management and auditor monitoring and a systematic analysis of the evidence available. Such an approach provides sufficient guarantees as to the completeness and reliability of the information reported and covers the entire budget delegated to the OIB Head of Service.

OIB manages direct centralised expenditure, which has a low inherent risk. For 2021, the budget implementation indicators reached the targets for commitments and for payment times; the majority of recovery orders issued in 2021 were cashed in and the quality of OIB's accounts remained at a high level; Moreover, the analysis provides that:

- Processes, systems and workflows for the whole range of activities managed by the Office are documented in systematically updated procedures. The reports submitted by the Authorising Officers by sub-delegation cover both operational and financial objectives.
- No significant issue was reported in terms of the legality and regularity of the underlying transactions and sound financial management.
- The conclusions of the ex-post controls for 2021 did not raised any issue with significant financial impact. The overall error rate for OIB is 0.5% of the total value of expenditure.
- OIB implemented its new anti-fraud strategy action plan as planned; The risk of fraud is well mitigated and anti-fraud awareness is raised widely in OIB through communication actions;
- All the identified risks are properly mitigated and managed and the risk assessment is carried out in the context of the Management Plan.

- The controls in place to ensure the safeguarding of assets did not reveal any significant issue with material impact and were assessed as effective.

Management has obtained satisfactory evidence that the internal control system is present and well functioning but some improvements are needed. Internal control principle 10 is considered effective with some adjustment for some improvements. Considering the remedial measures already implemented and those envisaged, it can be concluded that the internal control systems implemented provide reasonable assurance as to the legality and regularity of underlying transactions as well as to the achievement of the other internal control objectives (true and fair view, resources used for the intended purpose, sound financial management, non-omission of significant information, efficiency of controls, prevention and detection of fraud, and the safeguarding of assets) for both expenditure and revenue operations.

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 Head of Service, 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,

Head of Service of OIB

In my capacity as Authorising Officer by Delegation

Declare that the information contained in this report gives a true and fair view ⁽⁴⁷⁾.

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 or those of the Commission.

Brussels, date

⁽⁴⁷⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in OIB.

[e-signed]

Marc Becquet

2.2. Modern and efficient administration – other aspects

2.2.1. Human resource management

OIB continued to work towards increasing **female representation** in its middle management; 8 out of 17 filled positions were occupied by **women (47%)**. In order to prepare women for middle management functions, OIB prioritised balanced representation of women in deputy head of unit positions; 7 out of the 13 deputy head of unit positions were filled by **women (54%)**. The transformation of AST posts into AD posts was pursued to strengthen management capacity. In 2021, 2 AST posts were upgraded to AD. The execution of the **local OIB HR strategy** was reinforced and continued in 2021 based on the OIB values: *kind words, teamwork, confidence, recognition, and transparency*.

Important parts of the HR 2021 policy adapted to the Covid-19 crisis, was online and digital, internal communication with staff such as: OIB TV which promotes OIB business and achievements on OIB intracomm; The weekly ‘OIB this week’ overview sent by mail compiles OIB success stories, putting OIB colleagues and projects in the spotlight, as well as interesting links to conferences, learning and development topics and any other useful info for OIB colleagues. A toolkit to keep up team spirits amongst colleagues during extensive teleworking periods was developed early 2021. In January 2022, it was shared with the rest with the Commission via the internal webpage. The OIB recognition initiative named ‘OIB Oscars nominations’ were launched in October 2021. The winners of the 139 nominations received were announced during the online OIB Oscars award ceremony taking place early 2022.

A tailored training course was designed for OIB colleagues “*Faire face au changements*” which included 1 hour of individual coaching to support colleagues during the Covid-19 pandemic.

2.2.2. Digital transformation and information management

OIB follows the Corporate Digital Strategy principles and applies them in all new developments and main updates. In 2021 the OIB has delivered many improvements on the OIB IT landscape, accelerating the modernisation and digitization of the Office. Progress has been made on the elaboration of the four-year plan for the replacement of phasing out technology (a ColdFusion application) arriving to 92% of the project implementation; It concerns the 3 most important OIB’s IT solutions: REMIS (building management), KiddyWeb (management of childcare facilities) and Presto (catering requests).

The REMIS system had been further developed, in particular by releasing late 2022 the awaited desk reservation module (“Where2Desk”) for staff in Dynamic Collaborative Space office setting. In parallel, the study for the replacement of Presto (a ColdFusion-based application) had been carried out jointly with OIL, and its replacement is now initiated. The same had been done for another ColdFusion OIB-OIL system, MobilityNet: Dispatching and Fleet Management, where the study led to the redevelopment of a new application,

expected to go live in 2022. The re-development of KiddyWeb, common to OIL, has been continued and now encompasses also the Ispra site.

In 2021, the Historical Archives Service pursued the analysis for a new corporate archives management system (AMS). The project was endorsed by the ITCB⁴⁸ allowing for the development phase to start as of 2022. In addition, paper digitisation increased significantly during 2021 and the first actions implementing the Digital Preservation Strategy were rolled out.

OIB continues, as Business Process Owner for Inventory & Logistics Management in the e-Procurement and SUMMA programmes (the future corporate financial and accounting system), to play a key role in the design and preparation of the EC future tool for inventory and logistics management: Business requirements were finalised and feedback given on the future SAP solution.

OIB follows up on the common corporate principles and work practices for its data assets. Currently 80% of OIB's **key data assets** is aligned with corporate principles for data governance. Remaining 20% planned to be covered in 2022.

In the domain of records management, the use of the Qualified Electronic Signature by all OIB services greatly supports the full digitalisation of document management in 2021.

OIB ensures rigorous follow-up and respect of the data protections rules. In particular, the following activities were carried out to raise awareness:

- ✓ Regular progress reports were sent to the Head of Service and DPC (Data Protection Coordinator) of HR. The relevant action plan was updated and communicated to the Heads of Department.
- ✓ During the reporting year, most of the data protection records have been completed and submitted to DG HR DPC and EC DPO (Data Protection Officer) for validation. OIB organised several training and awareness raising sessions for staff and newcomers throughout the course of the year and also encouraged staff to follow training courses organised by the SG on data protection.
- ✓ OIB performed a risk assessment analysis on its contracts with regard to international data transfers. OIB fully implements that data protection action plan.

2.2.3. Sound environmental management

OIB takes full account of its environmental impact in all its actions and actively promotes measures to reduce the related day-to-day impact of its daily operations.

OIB takes full account of its environmental impact in all its actions and aims to reduce the day-to-day impact of its daily operations. Part 1 contains details of several actions demonstrating this, under different headings, illustrating that environmental issues are increasingly 'mainstreamed'.

In the context of the Green Deal and in line with the Commission's environmental management policy (EMAS), OIB continued to implement sustainable actions in its portfolio

⁴⁸ Information Technology and Cybersecurity Board

of activities, ranging from its real estate policy, to the optimal management of buildings, goods and services, as well as in the area of childcare services.

Within the Commission's real estate portfolio, actions in 2021 were geared towards reducing CO2 emissions, energy and water consumption, waste production as well as improving biodiversity.

Example(s) of initiatives to improve economy and efficiency of financial and non-financial activities:

- New IT project was initiated late 2021, called OIBM and joint with OIL in order to better manage and monitor IT expenditures. This project will cover IT budget forecasts per projects and procurement processes (hardware, software and services), expenditure follow up, IT financial data analysis thanks to some Business Intelligence features. Due to be validated by ITCB⁴⁹ in the course of 2022 and expecting to be operational stepwise in 2023.
- Creation of a dedicated, consolidated cell of around 3 staff members within IT Team, managing all IT expenditures and their lifecycle (from budget allocation to invoicing).
- The integration of the OIB service catalogue in a digital platform was finalised in November 2021. OIB has included its catalogue of services in 'My IT Support' web portal (MITS) and as of now, the requests by the users will be managed through the IT System Management Tool (SMT). The use of an existing EC tool was the option favoured by OIB, in line with the Synergies and Efficiencies objectives. Single entry point and digitalisation of service demands will allow for more efficient management of requests, thereby improving service provision. In addition, it will ensure better monitoring of performance and quality of OIB services and activities and will automatically feed into the production of Key Performance Indicators (KPIs) reporting on a time of response. Furthermore, it will facilitate the measurement of client satisfaction.

⁴⁹ Information Technology and Cybersecurity Board