



European
Commission

2015 ANNUAL ACTIVITY REPORT

OF THE SECRETARIAT- GENERAL

FOREWORD



2015 was a year of change and delivery for the Secretariat-General.

As the Commission continued to adapt to the new structure and working methods of the Juncker Commission, the Secretariat-General played a vital role in implementing the new methods and ensuring that these methods delivered the desired results in terms of timely, high-quality policy outputs prepared in a collegial manner.

The year was dominated by the response to the refugee crisis and to continuing efforts to strengthen Europe's economic recovery, in particular by boosting investment. The Secretariat-General steered and coordinated work on all the political priorities to ensure that the major initiatives in the Commission Work Programme were delivered. Many of these initiatives mapped out ambitious strategies for the years to come: the challenge now is to maintain the momentum and to translate the strategies into concrete results.

Managing, developing and streamlining the Commission's decision-making machinery is a high priority for the Secretariat-General, which in 2015 saw the launch of the new corporate Decide system. Major advances were also made in the area of Better Regulation and the new Interinstitutional Agreement on Better Law-Making agreed during the year will help to embed these principles in the interinstitutional context.

The Secretariat-General continued to oversee the Commission's corporate policies in 2015, for instance by leading on President Juncker's drive for greater transparency in contacts with stakeholders. We also launched a major reform and simplification of performance management in the Commission, the effects of which will be seen in this year's Strategic and Management Plans.

Thanks to the efforts of the Secretariat-General's talented and dedicated staff and close cooperation with all Commission departments, real progress was made on all these fronts in 2015. With the new structures and methods now firmly bedded-in and the arrival of three new Deputy Secretaries-General late in 2015, we are well placed to tackle the challenges that lie ahead in 2016.

Alexander Italianer
Secretary-General

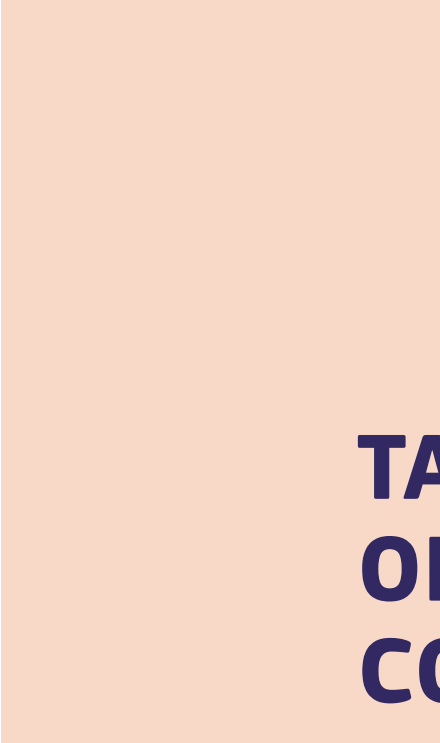


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INTRODUCTION

The Secretariat-General in brief

The Secretariat-General is one of the central services of the European Commission, facilitating its smooth and effective functioning and providing strategic direction.

It is the President's department, at the service of the President, the College and the other Commission departments. It manages the collegial decision-making process and ensures the alignment of EU policies with the political priorities of the Commission. In agreement with the President, the Secretariat-General provides support to the Vice-Presidents in the performance of their role.

In particular, the Secretariat-General:

- Supports the President in defining the Commission's strategic objectives and priorities and shaping cross-cutting policies;
- Coordinates, facilitates, advises and arbitrates - so as to ensure the coherence, quality and delivery of policy, legislation and operations across policy areas and Commission departments;
- Facilitates the smooth running of the Commission through planning, programming and operation of an efficient/modern registry;
- Acts as the Commission's interface and manages relations with the other European institutions, national Parliaments and non-governmental organisations and entities;
- Fosters the Commission's institutional strengths and the development of a service-oriented, transparent and responsible European administration which works to the highest standards of ethics and integrity.

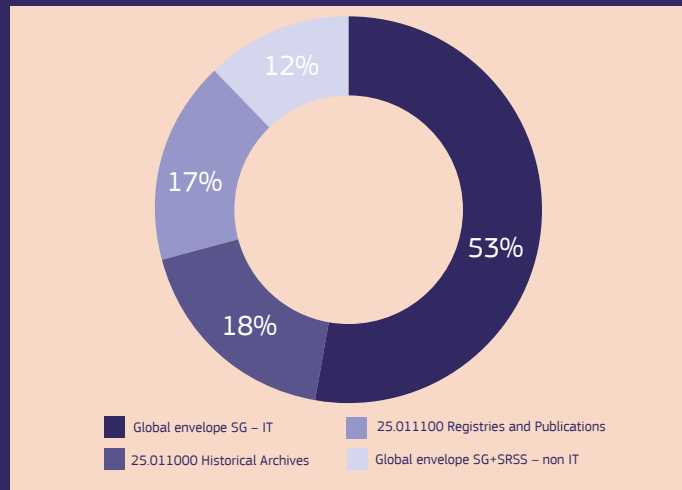
The Secretariat-General is structured around 7 directorates and a certain number of

other services [including the Structural Reform Support Service (SRSS) and the Task Force for Strategic Issues related to the UK Referendum (UKTF)]. It is based in Brussels and it comprises around 700 staff members, including colleagues temporarily assigned to the SRSS and the UKTF.

Most of the activities for which the Secretariat-General has a leading role have a high political profile, although without a direct financial risk. The ultimate outcomes of many of these activities depend on the actions of other institutions and Member States.

The Secretariat-General has responsibility for a number of corporate processes, including decision-making, document management, business continuity arrangements, and strategic planning and programming. Robust procedures and IT applications, such as the Decide system or GoPro, have been developed by the Secretariat-General with a view to providing the best possible service to the Commission and to the other Directorates-General. All new applications rely on resilient systems built according to the accepted standards in the field.

The breakdown of the 2015 total committed budget of 11,626,271 EUR (see Annex 3, Table 1) by type of activity is shown in the following graph (direct management):



The development and maintenance costs of IT systems represent 70% of the Secretariat-General budget. This is funded by appropriations available in the “global envelope – IT” and in the “registries & publications” budget line. About 72% of this budget is co-delegated to DG DIGIT and thus not managed directly by the Secretariat-General. The other expenses of the global envelope (missions, meetings, conferences, training, but not external staff) account for 12% of the Secretariat-General budget. The contribution to the Historical Archives of the European Union under a partnership framework agreement with the European University Institute in Florence represents 18% of the Secretariat-General budget.

The year in brief

2015 saw several important changes within the Secretariat-General.

- The new Secretary-General, Alexander Italianer, arrived in September and three new Deputy Secretaries-General (Paraskevi Michou, Jean-Éric Paquet and Ilze Juhansone) were appointed shortly thereafter.
- A number of new bodies were created and attached to the Secretariat-General in the course of 2015, including the new Structural Reform Support Service, the Regulatory Scrutiny Board (replacing the former Impact Assessment Board), the Task Force for Strategic Issues relating to the UK referendum, and the European Fiscal Board.
- The Secretariat-General was reinforced with 80 new posts¹ (70 AD & 10 AST).

This allowed the Secretariat-General to perform its enhanced role in support of the President and Vice-Presidents, for example by coordinating the work of the project teams, chairing interservice groups and managing the GRI process.

In addition to the planned activities for 2015, the work of the Secretariat-General in 2015 was heavily influenced by external factors and in particular the ongoing refugee crisis. The Secretariat-General was centrally involved in coordinating the response to the crisis at service level, in terms of the development of the policy response, the practical preparation of a series of political-level meetings, and in managing the Commission's crisis management system, ARGUS.

¹Later on, the Secretariat-General returned 6 posts (1 AD & 5 AST/SC) on 1.6.2015 (1% redeployment tax) and another 5 posts (4 AD & 1 AST/SC) on 1.7.2015 (1% staff cut).

EXECUTIVE SUMMARY

The Annual Activity Report is a management report of the Secretary-General to the College of Commissioners. It is the main instrument of management accountability within the Commission and constitutes the basis on which the Commission takes its responsibility for the management of resources by reference to the objectives set in the management plan and the efficiency and effectiveness of internal control systems, including an overall assessment of the costs and benefits of controls.

a) Policy highlights of the year (executive summary of section 1)

Within an organisation as diverse as the European Commission, the Secretariat-General has a special role, safeguarding the overall coherence of the Commission's work – both in shaping new policies, and in steering them through the other EU institutions. The role of the Secretariat-General has been enhanced to support the project-based working methods of the Commission and to coordinate the work of the Commission services on behalf of the President and Vice-Presidents, for instance by chairing inter-service groups and organising project team meetings.

The Secretariat-General continued to play a strong coordinating role in 2015 in relation to the delivery of the Commission's political priorities. In the **Commission Work Programme for 2015**, the Commission announced 23 new priority initiatives. The Secretariat-General was involved in the coordination of all of these initiatives and in several cases played a leading role in their delivery.

An important example in this regard was the coordination of the response to the **refugee crisis**, where the Secretariat-General worked under the direction of the President and First Vice-President to design the policy response and to take it forward within the Commission, in the European Parliament and Council and through implementation on the ground.

Another example was the **Energy Union** package and its follow-up, where the Secretariat-General coordinated the work

with Member States on their individual "Energy Union readiness".

Implementing the Europe 2020 strategy for growth and jobs and overseeing work on the **European Semester** were another priority for the Secretariat-General in 2015. The Secretariat-General steered a process involving a large number of Directorates-General. Cross-departmental country teams chaired by the Secretariat-General worked on the assessment of the economic and social policies of the Member States as well as their progress towards the implementation of the country-specific recommendations. New country-specific recommendations were presented in May, with the number of recommendations issued lower than in 2014, reflecting a conscious effort to focus on key areas for reform. The Secretariat-General also contributed to a package of measures to revamp and streamline the European Semester, to be implemented in future years.

The **Better Regulation package** presented in May, coordinated by the Secretariat-General, introduced a number of new initiatives to reinforce and reinvigorate the Commission's existing commitment to the highest standards of regulatory practice. In this context, the new **interinstitutional agreement on better law-making**, which was negotiated and agreed by the European Parliament, Council and Commission, will improve the application of better regulation tools throughout the policy and decision-making cycle from programming to ex-post evaluation.

The Secretariat-General has also been working continuously in order to deliver on the existing **Regulatory Fitness and Performance Programme** (REFIT) initiatives and 40 new REFIT initiatives were announced in the 2016 Commission Work Programme. During the year the **REFIT Platform**, a grouping of Member State and stakeholder representatives, was established and started work on the early priorities for follow-up. Through the online tool “Lighten the Load - Have your say”, stakeholders can provide suggestions for simplifying legislation and feed the work of the Platform. The Better Regulation culture is increasingly well-established in the Commission and was given a further boost in 2015 through the creation of the independent **Regulatory Scrutiny Board** which will examine both impact assessments and evaluations.

A new version of the **Transparency Register** was launched in January 2015 providing significant improvements in terms of overall structure and user-friendliness as well as strengthened reporting requirements. Work on this register was led on the Commission side by the Secretariat-General. The tool is also complemented by a set of comprehensive guidelines for registrants. The substantial increase in registrations noted in 2015 brings the total number of organisations currently on the Register to over 9,000, demonstrating that signing up is becoming a practical necessity for interactions with key decision-makers.

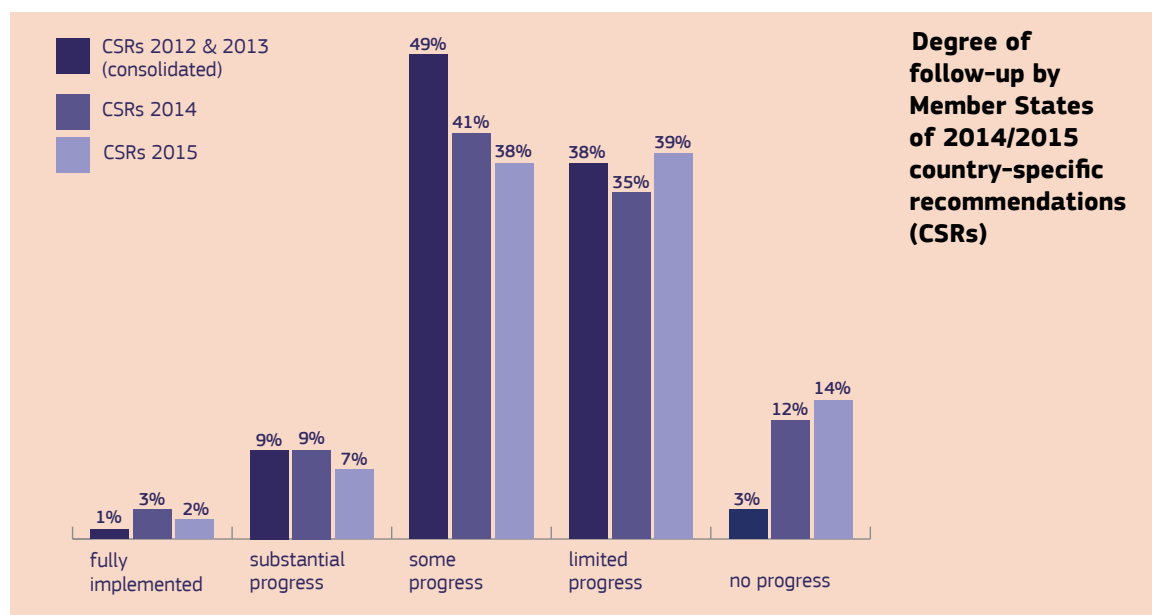
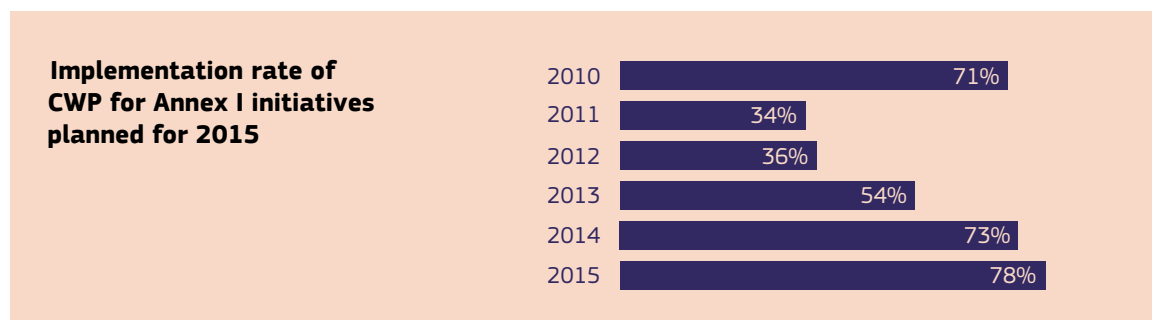
In 2015, the Secretariat-General led a major corporate rationalisation project, the Commission’s flagship project in IT legislative lifecycle domain, called **Decide**.

It aims at rationalising procedures for all types of Commission decisions and integrating all steps of the decision-making process into a single modern and user-friendly IT system. Launched in February 2015, *Decide* offers a single entry point and a comprehensive overview of the Commission’s decision-making process, making it easier for users to follow the progress of files, manage tasks and meet deadlines. During its first year, *Decide* integrated several information systems supporting the main steps of the decision-making process (namely, Agenda Planning, CIS-Net and *e-Greffe/Vista*) to enable a streamlined flow of files and information from planning, through consultation to decision. In December 2015, a new corporate search tool was integrated in *Decide*, thereby allowing users to get faster and more relevant search results.

Finally, the Secretariat-General led a major reform of the Commission’s **performance management framework** in 2015, including a new, more streamlined approach to the Commission’s Management Plans. After intensive consultation at all levels, the previous Annual Management Plans were split into two documents; the Strategic Plan covers a five-year period (2016-2020) and is organised around the political priorities and long-term objectives of the Commission; the Management Plan is annual and will cover only the major outputs for the respective year. This division aims for a lighter process, a significant simplification of the performance framework for the future, and an even sharper focus on the contribution of each Directorate-General to the Commission’s political priorities.

b) Key Performance Indicators

A full discussion of the Key Performance Indicators presented below is contained in Section 1 of this Report.



Level of integration of workflows and systems linked to the decision-making process in Decide

The target for this indicator is that by the end of 2018, the following priority workflows and systems must be integrated in Decide: Agenda Planning; CIS-Net; e-Greffe; corporate search; implementing and delegated acts; infringements; the interinstitutional part and other types of documents (i.e. Parliamentary questions, Ombudsman's inquiries, national Parliaments' opinions, petitions).

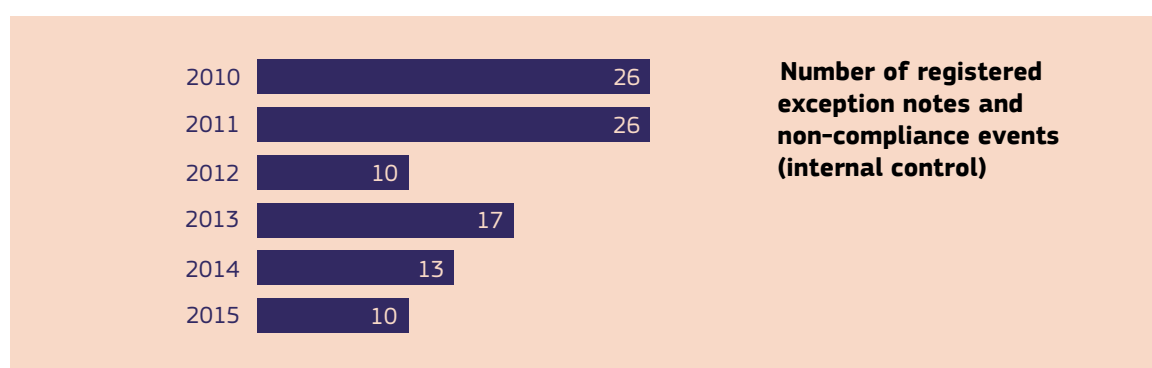
At the end of 2015, the situation was the following.

The first delivery of Decide was achieved on 1 February 2015. It included a homepage providing a single entry point to the system, the integration of the 3 main steps of the process (namely, planning, ISC, decision) allowing to show the timeline of files and a new consultation module replacing CIS-Net.

In December 2015, the new corporate search developed by DIGIT was integrated into Decide, and allowed for faster and more relevant results. During the year, several releases of Decide led to improvements of the tool. Work also continued on the integration of the new planning module (foreseen to be delivered in summer 2016), the first phase of the rewriting of e-Greffe (planned for autumn 2016), and the improvement of the transparency of delegated and implementing acts (end 2015).

Rate of impact assessments that receive negative opinions issued by the Impact Assessment Board

The rate of impact assessments receiving negative opinions by the Commission's independent scrutiny body (the Regulatory Scrutiny Board, formerly the Impact Assessment Board) reflects the quality of the impact assessment work and the draft reports. The quality of impact assessments is primarily dependent on the efforts of the lead DG and of the other services with which they cooperate. The SG works to support the DGs in this process, for example through training and the updated impact assessment guidelines. The rate of impact assessments that have received negative opinions increased from 40% in 2014 to 47% in 2015.



c) Key conclusions on Management and Internal control (executive summary of section 2)

The Secretariat-General conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

The Commission has adopted a set of internal control principles, based on international good practice, aimed at ensuring the successful achievement of policy and operational objectives. The Financial Regulation requires that the organisational structure and the internal control systems used for the implementation of the budget are set up in accordance with these standards. The Secretariat-General has assessed the internal control systems during the reporting year and has concluded that the internal control principles are implemented and function as intended. Please refer to AAR Section 2.3 for further details.

In addition, the Secretariat-General has systematically examined the available control results and indicators, including those aimed at the supervision of entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives. Please refer to Section 2 for further details.

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

d) Information to the President

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

1. KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC OBJECTIVES OF THE DG

The Secretariat-General's work in 2015 spanned the full range of the Commission's activities, covering both the delivery of priority policies and initiatives and the updating and strengthening of corporate policies in support of those priorities.

This section highlights the key achievements of the year for the Secretariat-General, which were delivered in close cooperation with the relevant Directorates-General and Services of the Commission. The detailed performance tables are presented in Annex 12.

1.1.

Delivering on the Commission's priorities

Policy coordination

The role of the Secretariat-General in policy coordination has been enhanced with the new structure and working methods of the Juncker Commission. The Secretariat-General plays a very active role in shaping and coordinating the work of the Commission services on all the priority initiatives. It does this inter alia by chairing interservice groups and organising project team meetings.



“ This Commission was elected on the basis of a clear political mandate: the ten priorities set out in our Political Guidelines. This first Work Programme is the translation of those ten priorities into concrete first deliverables. [...] We are committed to driving change and to leading an EU that is bigger and more ambitious on big things, and smaller and more modest on small things.”

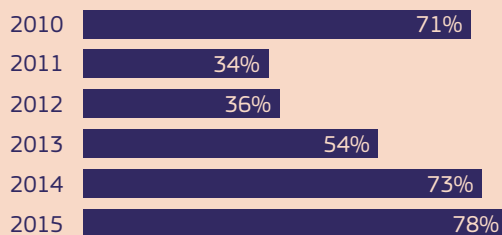
President Jean-Claude Juncker

Specific objective 1

The annual Commission Work Programme is aligned with the President's political priorities and the interinstitutional framework for programming is developed.

The Commission Work Programme for 2015 was the first work programme of the new Commission. It was adopted on 16 December 2014, six weeks after the new Commission took up its mandate on 1 November 2014. The work programme was an agenda for change, aimed at making a real difference for jobs, growth and investment and bringing concrete benefits for citizens.

The implementation of the 2015 Work Programme, which contained 23 new initiatives that the Commission committed to deliver, was therefore one of the key priorities for the Secretariat-General in 2015. The Secretariat-General conducted extensive policy-shaping and coordination work in order to help the Commission deliver timely and high-quality outputs in all the areas identified. 18 of the 23 initiatives were delivered during the year and preparations for the others are well advanced.



Implementation rate of CWP Annex I initiatives (i.e. new initiatives for 2015)

The coordinating role of the Secretariat-General extended to all the major deliverables of the year. By way of illustration, the Secretariat-General played a particularly active role as regards the implementation of the following two key initiatives.

Coordinating the response to the refugee crisis



A new policy on migration was identified by President Juncker as one of the ten priorities for the current Commission. Events in 2015 fully justified this decision. The unprecedented flow of refugees and migrants to the Union – first in Central Europe, then in the Eastern Mediterranean – required an urgent and comprehensive response from the Union.

Many different policy areas had to be harnessed to maximise the effectiveness of the Commission's response. Short-term needs included bringing support to the Union's borders, developing new solidarity tools, and bringing humanitarian aid to refugees. Longer-term needs included addressing the root causes of migration, working with partners worldwide to support better migration management, and looking towards a new European Border and Coast Guard. The Secretariat-General had a pivotal role in bringing these strands together.

The European Agenda on Migration provided the overarching philosophy for a new approach. Coordinated by the Secretariat-General, this Agenda was presented in May and its themes of solidarity and responsibility provided the foundation stone for a series of initiatives to address the changing situation, both in terms of new legislative initiatives and pioneering steps such as the Western Balkans Leaders' Meeting called by President Juncker in October.

The Secretariat-General worked under the direction of the President and First Vice-President Timmermans to design, articulate and take forward these initiatives within the Commission, in the European Parliament and Council, and by implementation on the ground, where the Structural Reform Support Service, together with other Commission services, played an innovative role in supporting the practical application of the policies on the ground.

Energy Union package and follow-up

Less than four months after it entered into office, the Juncker Commission adopted “A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy”, setting out the strategic vision to deliver on one of the President’s ten priorities. The Framework Strategy sets out fifteen action points which are broken down into more detailed deliverables in the annexed roadmap.

The Framework Strategy was developed by a Project Team, steered by Vice-President Šefčovič, working closely with Commissioner Arias Cañete and several other Commissioners. The Secretariat-General had a coordinating role working together with about half of the Directorates-General. This working method will be applied to all deliverables of the Energy Union.

In July, the Commission adopted a first package of Energy Union proposals, covering the reform of the EU Emissions Trading System, energy labelling and first ideas for an electricity market reform. 2015 was also

marked by the successful outcome of the Paris climate negotiations (COP21), for which the position was adopted also in February 2015. The role of the Secretariat-General was to ensure effective policy coordination, to resolve a number of legal and policy issues and to provide briefings for the President’s participation in the conference.

In order to promote the Energy Union in the Member States, Vice-President Šefčovič set out on an Energy Union tour visiting almost all Member States. In parallel, the Secretariat-General coordinated the work with Member States on their individual “Energy Union readiness” through a process of individual country fact sheets. This work culminated in the adoption of the first “State of the Energy Union” report, accompanied by guidance on national energy and climate plans, indicators and a series of Energy Union deliverables and reports. The State of the Energy Union also provided a steer for the work expected in 2016, which will be the Commission’s year of delivery in the context of the Energy Union.



(From left to right) European Commissioner for Energy Union, Maroš Šefčovič, and EU Commissioner for Climate Action and Energy, Miguel Arias Cañete, unveil the “Energy Union” package during a joint press conference.

1.2.

Economic governance: implementing and revamping the European Semester

In 2015, the European Semester underwent major changes with a view to further improving its efficiency, accelerating delivery and strengthening ownership. The Secretariat-General was at the heart of this work. The European Semester was streamlined to simplify and clarify the Commission's output, enhance the multilateral nature of the process, to increase engagement with other actors, and to reinforce its social dimension.

For this purpose, the Commission published a single analytical document for each Member State – the country report. The report assessed the Member State's economic and social policies, progress towards the country-specific recommendations and the Europe 2020 strategy and, for the Member States concerned, examined the existence and nature of macroeconomic imbalances.

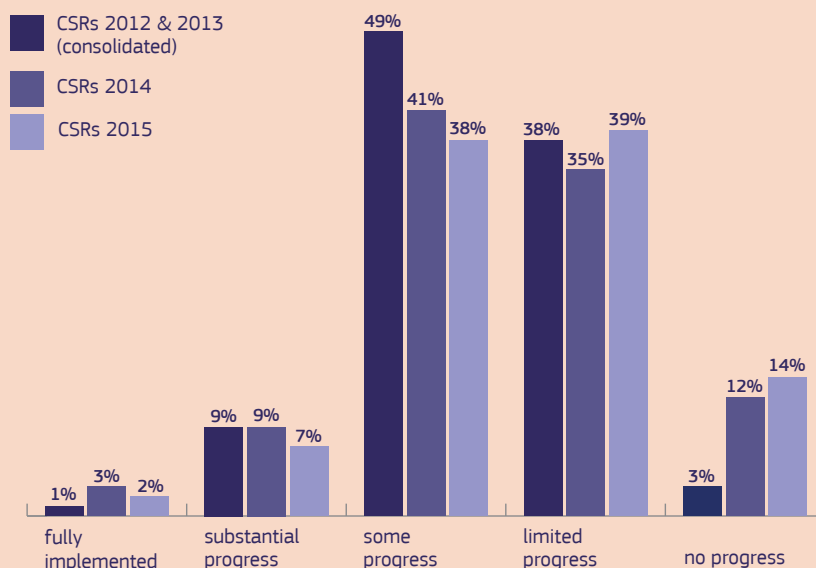
Based on this comprehensive assessment, the country-specific recommendations released in May were focused on a selected number of key challenges to be addressed by the Member States in the coming 12 to 18 months. The period between the publication of the country reports and the proposal for the country-specific recommendations was used to engage in extensive discussions with Member States, parliaments and key stakeholders.

Visits of members of the Commission under the leadership of Vice-President Dombrovskis to Member States to discuss the European Semester with national actors also made a major contribution to strengthening this dialogue.

The country reports issued in 2015 and the accompanying summary Communication showed the following progress in addressing the key issues identified in the 2014-2015 country-specific recommendations: 3% were implemented fully; there was substantial progress in the implementation of 9%; there was some progress in the implementation of 41%; there was limited progress in the implementation of 35%; and there was no progress in the implementation of 12%.

In June 2015, the Five Presidents' report on Completing Europe's Economic and Monetary Union outlined ways to reinforce economic governance, including through improvements in the European Semester. In October 2015, the Commission presented a series of initiatives implementing the Five Presidents' Report, notably to revamp the European Semester. A number of them were immediately applied to the 2016 European Semester that started in November 2015 with the publication of the Annual Growth Survey.

For the first time, recommendations for the euro area accompanied the Annual Growth Survey, with a view to improve the integration of the euro area and national dimensions. Changes to the European Semester will continue to be implemented throughout the 2016 cycle.



Specific objective 3

Pursue growth enhancing reforms at both EU and national level by monitoring the implementation of the Europe 2020 strategy and providing guidance and support to Member States in their reform efforts.

1.3.

Renewed commitment to Better Regulation

Better Regulation package

The Secretariat-General is responsible for steering and developing the Commission's Better Regulation policy under the political leadership of First Vice-President Timmermans.

The Better Regulation package of May 2015 introduced a number of new initiatives to strengthen the Commission's existing better regulation policy. The package aimed to increase openness and transparency in the EU decision-making process, improve the quality of new laws through impact assessments of draft legislation and amendments, and promote the systematic review of existing EU laws, so that EU policies achieve their objectives in the most effective and efficient way.

Specific objective 8

Regulatory policy and related tools are fully developed. Commission services apply Better Regulation instruments throughout the legislative cycle in order to improve the effectiveness and efficiency of EU regulation. The *acquis* is "fit for purpose" delivering its benefits by least cost.



“*The decisions taken by EU Institutions interest us all, so we are putting forward measures which will open up the EU's decision-making process, allowing for more transparency and scrutiny, and providing more opportunities for people to give their views.*”

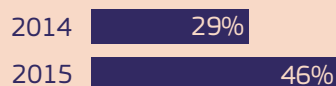
First Vice-President Frans Timmermans

Substantial progress has been made in implementing the various elements of the new package:

- Scrutiny of impact assessments is being strengthened through a newly created Regulatory Scrutiny Board which replaced the previous Impact Assessment Board.
- In the Commission Work Programme for 2016 the Commission planned some 40 new Regulatory Fitness and Performance (REFIT) initiatives while continuously working in order to deliver the existing REFIT initiatives. Progress is tracked through the REFIT Scoreboard.
- The REFIT Platform, a grouping of Member State and stakeholder representatives, has been established and its work has started on early priorities for follow-up. Through the online tool "Lighten the Load - Have your say", stakeholders can provide suggestions for simplifying legislation and feed the work of the Platform.
- The feedback mechanisms for roadmaps, inception impact assessments and legislative proposals (and impact assessments) are in operation and are being used by stakeholders as evidenced by the recent proposal on firearms which attracted over 23,000 responses.
- The new explanatory memorandum to accompany Commission legislative initiatives is operational.
- The new single integrated guidelines on better regulation with their tool box are being used by the services.

Better Regulation is a shared responsibility. The success of the agenda depends critically on the active participation of the other institutions. A major achievement of the year was the negotiation of an agreement on a new interinstitutional agreement on better law-making between the European Parliament, Council and Commission, where the Commission positions were prepared at service level by the Secretariat-General. This will improve the application of better regulation tools throughout the policy and decision-making cycle from programming to ex-post evaluation.

Percentage of REFIT actions (withdrawals, repeals, new and amending initiatives, fitness checks, evaluations) out of the total number of initiatives in the Commission Work Programme each year²



² 2014: 21 in Annex III + 9 REFIT withdrawals (mentioned in our REFIT Scoreboard) in Annex IV, totalling 30 out of 103 which means 29%. 2015: 79 REFIT actions in Annex III + 6 REFIT withdrawals in Annex II, totalling 85 out of 182 which means 46%. It is difficult to compare 2014 and 2015, as the new Commission brought in a new method for the 2015 CWP.

1.4.

Reforming the Commission's decision-making process

Delivery of Decide

The Secretariat-General has a particular responsibility for the smooth and efficient functioning of the Commission's decision-making procedures and machinery. The Commission's flagship project in the IT legislative lifecycle domain is Decide. This project aims at rationalising the procedures for all types of decisions and at integrating the steps of the decision-making process into a single modern and user-friendly IT system. The final objective is to have a single integrated system covering the workflow from the preparatory phases to the interinstitutional activities, together with the follow-up of EU law and the dissemination of information about decision-making.

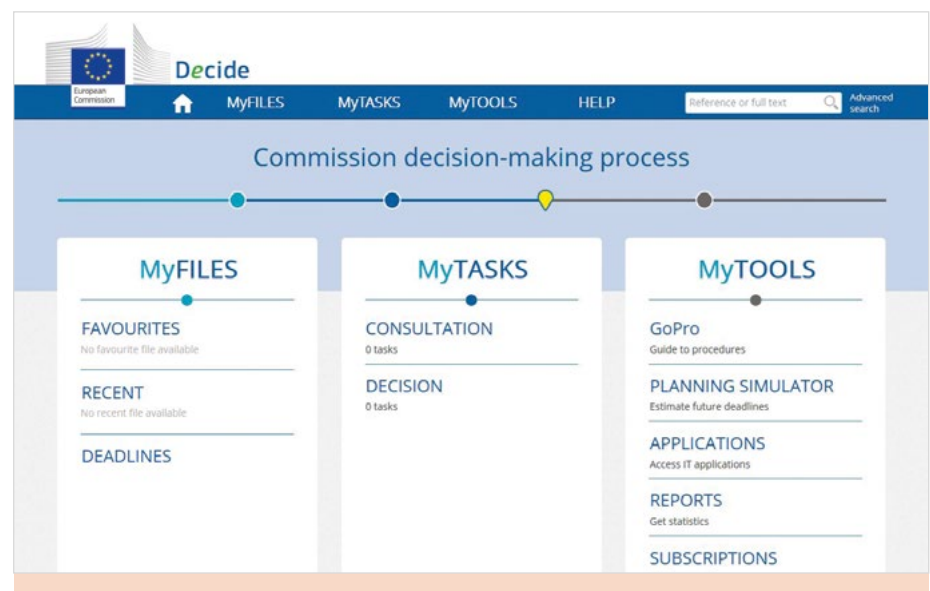
Launched in February 2015, following extensive user consultation, Decide offers a single entry point and a comprehensive overview of the Commission's decision-making processes, making it easier for users to follow the progress of files, manage tasks and meet deadlines.

This first version of Decide integrated several information systems supporting the main steps of the decision-making process from planning to decision (namely, Agenda Planning, CIS-Net and e-Grefte/Vista). During the year, several releases brought further improvements to the system, regarding for example interservice consultation, planning and rewriting of the decision step. Furthermore, in December 2015 a new corporate search tool was integrated into Decide, allowing users to get faster and more relevant results.

The integration of other workflows and systems in Decide will continue in the coming years, and will significantly contribute to reforming the Commission's decision-making process and making it more effective and efficient.

Specific objective 10

The Commission's decision-making is standardised, streamlined and modernised.



Strengthening the focus on performance

Reforms to the performance management framework

In the course of 2015 the Secretariat-General worked closely with all DGs and services to develop a new approach to the strategic planning process and to work towards a stronger performance culture. It was agreed to revamp the annual management plans to simplify the process, to reduce the number and improve the quality of objectives and indicators, and establish meaningful objectives at levels corresponding to the DGs' level of accountability. The resulting new approach will allow for the planning documents to become more streamlined and centred on the political priorities of the Commission and the competencies of the DGs, helping to tell a coherent performance story.

Towards the end of 2015, the DGs were requested to prepare two planning documents to replace the previous annual Management Plans:

- a Strategic Plan covering the years 2016-2020, organised around the priorities and long-term objectives defined at Commission level (general objectives) and DG level (specific objectives) and
- a Management Plan for 2016 listing the main outputs for the year to come.

The new Strategic Plans will also include a streamlined section on organisational management. This will include a series of mandatory objectives and indicators on human resources management, financial management, the application of better regulation principles, information management and external communication. This will help to improve the comparability of performance on these activities across the Commission and to identify where improvements are needed.

Specific objective 2

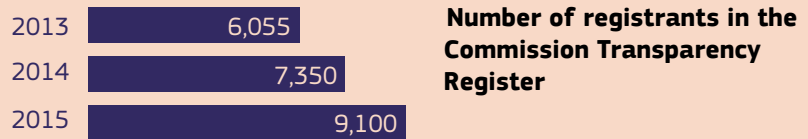
Pursue the implementation of a performance management framework and allocation of adequate resources in all Commission services in order to deliver efficiently on the political priorities of the Commission.

1.6.

Enhanced transparency

New meeting disclosure regime

The Secretariat-General is responsible for designing and implementing the Commission's corporate transparency policy. 2015 saw major changes to the Commission's approach to transparency, reflecting President Juncker's commitment to transparency and determination that the Commission should lead by example in this area.



Specific objective 9

Foster transparency by effective implementation of rules on openness and access to documents throughout the Commission.



“ We could do the best possible work but it will be worth nothing if we do not earn the support and trust of the citizens we are working for. So let us be more transparent, because in fact we have nothing to hide. Let us show that this time it really is different and that together we are able to really change and renew Europe.”

President Juncker

The Secretariat-General prepared and launched the new approach to the transparency of contacts between the Commission's top political leaders and officials and interest representatives. As of 1 December 2014, Commissioners, their staff and heads of departments publish on Europa information on meetings held with “lobbyists”.

The Commission has vigorously pursued its new policy on meetings: information on more than 9,000 such bilateral encounters has been published. Registration is a pre-condition for meeting Commissioners and senior officials, with the result that signing is a practical necessity for interactions with the EU institutions.

A new version of the Transparency Register was launched in January 2015 providing significant improvements in terms of overall structure and user-friendliness as well as strengthened reporting requirements. The new system brings about a series of changes and improvements related to the registration process, disclosure of relevant activities, complaint handling and incentives for joining. Since 1 December 2014, unprecedented numbers have registered (over 3,700) including several major banks and companies (Goldman Sachs, HSBC, Royal Bank of Scotland, Coca Cola, Ryanair, Heineken, etc.). There were around 1,740 new additions in the course of 2015, bringing the total number of organisations in the Register to 9,100 at the end of 2015.

The Secretariat-General also launched preparatory work in 2015 for another of the Commission's priorities for this mandate, namely a proposal for an Interinstitutional Agreement creating a mandatory Transparency Register covering also the European Parliament and the Council. This proposal is expected in 2016.

Efforts to improve economy and efficiency of financial and non-financial activities

The Resources Directorate of the Secretariat-General seeks to improve effectiveness and efficiency of financial and non-financial activities. As far as financial activities are concerned, the current financial indicators did not indicate a need for any particular improvements in 2015. However, the unavailability of payment appropriations on one specific budget line (with unpaid invoices as a consequence) will increase the average delay for a small fraction of payments. However, this unavailability is an external factor, out of the Secretariat-General's control.

For non-financial activities, two main areas were identified for improving efficiency:

1) Mail management

The mission of the existing President's mail correspondents' network in DGs and services has been extended to cover also the Vice-Presidents' mail. Network meetings together with general and ad hoc training sessions (FR and EN) have been organised to ensure that all actors are well informed of the corporate rules applying in this context. These procedures have complemented the information available on My IntraComm.

The guidelines for follow-up of the Secretary-General's mail have also been streamlined in order to align them as much as possible with those in place for the management of the President and Vice-Presidents' mail.

2) New ways of working

Delivery of registered mail has been enhanced by the installation of a new system of follow-up via a functional mailbox.

As a result of the integration of various new services in the Secretariat-General (SRSS, RSB, UKTF, EFB) the reorganisation of offices in the Berlaymont, and the consequent increase in workload (number of meetings, floors to service, etc.), the huissiers have rationalised their way of working and increased their efficiency. A pragmatic approach has been followed to establish useful cooperation with HR's huissiers on some floors for mail delivery.

2. MANAGEMENT AND INTERNAL CONTROL

Assurance is an objective examination of evidence for the purpose of providing an assessment 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. Its results are explicitly documented and reported to the Secretary-General. The reports produced are:

- the reports by the Authorising Officers by Subdelegation (AOSDs);
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at the DG level;
- the observations and the recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA).

This section reports the control results and other relevant elements that support management's assurance. It is structured into (1) Control results, (2) Audit observations and recommendations, (3) Assessment of the effectiveness of the internal control systems, and results in (4) Conclusions as regards assurance.

2.1.

Control results

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives. The Secretariat-General's assurance building and materiality criteria are outlined in Annex 4. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the control systems.

Please see section "Introduction – The Secretariat-General in brief" for a brief overview of the types of expenditure.

In conclusion, the Secretariat-General has a low-risk profile in financial management for the following reasons:

- the managed 2015 budget of 6,262,028 EUR in authorised payments (AOD = SG) is to be considered low;
- almost all IT expenses are paid based on DG DIGIT framework contracts (tender procedures not managed by the Secretariat-General, see annex 5).

The Secretariat-General introduced in October 2013 one common ABAC workflow for all transactions and budget lines, including the use of standardised checklists. The financial circuits used in the Secretariat-General in 2015 are based on a fully centralised or a partially decentralised model with a key role of the central financial unit of the Secretariat-General.

No (reputational) event or unmitigated risk has been identified by management which could have a significant impact on assurance on the achievement of the internal control objectives.

The management has supported the assurance on the achievement of each of the relevant internal control objectives and there are no reservations to be listed in section 2.4.

Coverage of the internal control objectives and their related main indicators

Control effectiveness as regards legality and regularity

The Secretariat-General has set up internal control processes aimed to ensure the 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 concerned.

The control objective is to ensure that the residual error rate does not exceed 2% annually.

The Secretariat-General's control strategy for public procurement procedures is based on intensive ex ante controls, which give a key role to the financial unit. Due to the nature of the activity which is mainly based on procurement, there is relatively limited scope for additional supervisory ex post controls. However, the Internal Control Coordinator (ICC) has verified that the recorded control overrides, exceptions and/or non-compliance events do not indicate any systemic control weaknesses. Furthermore, the absence of procurement procedures abandoned, the low number of subsequent amendments to contracts "needed" and the absence of litigation related to procurement decisions provided an indication for assessing the "quality" of the Secretariat-General's procurement procedures - which is a second-best alternative to having an estimation of an "error rate". Finally, as moreover the European Court of Auditors (ECA) has found no serious procedural procurement issue - which it would quantify as a 100% error - the Secretariat-General concludes that there are no indications that Secretariat-General's procurement procedures and payment transactions were not legal and regular.

Concerning financial transactions, the payment delay is followed up on a weekly basis. The late payments (0.26%) are linked to the

ISA (Interoperability Solutions for European Public Administrations) budget line. The non-respect of the payment deadline was caused by the unavailability of payment appropriations on this budget line in early January 2015.

Although the Secretariat-General's corrective capacity has been calculated at 0.2% by DG BUDG, the correct figure is in fact 0% since ex ante controls have led to average corrections of 0.2% over the past 7 years. These corrections were made before payment by means of received credit notes and thus are not to be considered as corrective capacity. In reality SG's corrective capacity is 0%.

Based on the information above, the Secretariat-General concludes that it reaches full assurance on the internal control objective for effectiveness as regards legality and regularity.

In the context of the protection of the EU budget at the corporate level, the DGs' estimated overall amounts at risk and their estimated future corrections are consolidated. For the Secretariat-General, the estimated **overall amount at risk** for the 2015 payments made is 0 M€. This is the AOD's best, conservative estimation of the amount of expenditure authorised during the year (6.26 M€) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made.

This expenditure will not be subsequently subject to ex-post controls. The conservatively **estimated future corrections** for those 2015 payments made are 0 M€. This is the amount of errors that the Secretariat-General conservatively estimates to identify and correct from controls that it will implement in successive years.

	Scope: payments made (2015; M€)	Error rate (%)	Amount at risk (2015; M€)	Estimated future corrections (2015; €)
ABB or other activity level	As per AAR, annex 3, table 2 minus given co-delegations type 2 + received co-delegations type 2	Estimated error rate	= (2) x (3)	Average % since 2009 (e.g. 2%), applied to FY payments made
Management of administrative credits (mainly global envelope)	6.26 M€	0%	0 M€	0 M€
Overall	6.26 M€	0%	0 M€	0 M€

Efficiency and cost-effectiveness

Concerning financial transactions, the payment delay is followed up on a weekly basis. The average 2015 payment delay is 9 days which is far below the target of 20 days for procurement.

As a non-spending DG and in line with sections 3.2.5 and 4.6 of the note Ares(2014)3702334 on the minimum set of common control efficiency indicators, below are the details of the overall cost of control indicator.

2015 costs of control (EUR)							
	FTA Officials		FTA CA		Expenditure		Total
	n	€	n	€	n	€	
1. Procurement procedures	0.20	26,800	0	0	0	0	26,800
A - Planning	0.05	6,700	0	0	0	0	6,700
B - Needs assessment & definition of needs	0.05	6,700	0	0	0	0	6,700
C - Selection of the offer & evaluation	0.10	13,400	0	0	0	0	13,400
2. Financial operations (ex ante)	0.70	93,800	0	0	0	0	93,800
3. Supervisory checks (ex post, non-financial)	0.10	13,400	0	0	0	0	13,400
Overall cost of control	1.00	134,000	0	0	0	0	134,000

2015 payments (EUR)	
Total payments authorised by SG	6,262,028
Staff cost (per year) - 2.14% of total payments	
Officials	134,000
Temporary staff	134,000
SNEs	78,000
Contract agents	78,000

The Secretariat-General quantifies above the costs of the resources and inputs required for carrying out the controls described in Annex 5 and the payments authorised by the Secretariat-General.

The 2015 overall cost of control indicator, being the total cost of control divided by the payments authorised in 2015, is 2.14%. This compares to 1.86% in 2014 and 1.59% in 2015. The increase is due to the trend of decreasing authorised payments (transfer of appropriations to DG DIGIT under the co-delegation type 2). In 2016 the authorised payments will increase again because of additional services (SRSS, EFB, RSB and UKTF) in the Secretariat-General, the overall cost of control will thus decrease consequently.

Based on an assessment of the most relevant key indicators and control results, the Secretariat-General has assessed the cost-effectiveness and the efficiency of the control system. The Secretariat-General is less efficient this year, because of the smaller number of payments processed, compared to previous years, but it will become more efficient in 2016 thanks to the increase in payments linked to the additional services (SRSS, EFB, RSB and UKTF), which will be managed by the Secretariat-General.

Fraud prevention and detection

The Secretariat-General has developed its anti-fraud strategy as foreseen in the Commission's overall anti-fraud strategy. All the resulting measures have been identified. All actions have been implemented. The 2014 anti-fraud strategy will be reviewed every 4 years or upon a material event. There is no review scheduled in 2016.

The controls aimed at preventing and detecting fraud are not essential unlike those intended to ensure the legality and regularity of the transactions. No cases were transmitted to OLAF/IDOC for investigation in 2015. In addition, during the same period, OLAF initiated no cases which concern the activities of the Secretariat-General, based on other sources of information.

Based on the above elements the Secretary-General came to a positive conclusion on the effectiveness of its anti-fraud strategy.

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

The Secretariat-General plays a key role in managing information in all its forms, from digital data to oral exchanges. Information should be accurate and reliable and at the same time accessible and secure. The core principles are confidentiality on a "need to know basis", integrity and availability.

The Secretariat-General is not in charge of corporate procedures/systems for sensitive or classified information. This is done by the Security Directorate in DG HR.

With regard to the safeguarding of information, the *e-Domec* rules are regularly updated by the Secretariat-General. The *Hermes* IT system is the backbone of the information safeguarding policy. The use of *Hermes* across DGs is increasing considerably and will be the main official electronic archive in future.

As regards information on Member States and Thematic Priorities, the Secretariat-General manages the access rights to the *Poline* database in a strict way. In 2015 no incidents have been reported. In 2016, the Secretariat-General will explore further means of measuring efficiency and effectiveness in this field.

Audit observations and recommendations

This section reports and assesses the observations, opinions and conclusions reported by auditors in their reports as well as the opinion of the Internal Auditor on the state of control, which could have a material impact on the achievement of the internal control objectives, and therefore on assurance, together with any management measures taken in response to the audit recommendations.

2.2.1. Audits in 2015

In 2015 the Secretariat-General received reports for the following audits:

IAS audit on Management Plans and objective setting (SG, BUDG, EASME, HOME, ECHO, CNECT, MARE, DGT, CLIMA, JUST)

The final report of the IAS audit on objective setting process (in the context of preparation of the Management Plans) was sent to the Secretariat-General on 18 December 2015. The report contained one very important and two important recommendations addressed to the Secretariat-General. The recommendations related to areas where the objective setting process could be improved in order to make the performance management framework more effective. The Secretariat-General prepared a detailed action plan in response to this audit, which the IAS confirmed on 8 February 2016 as “satisfactory to mitigate the risks identified”.

The implementation of the actions is ongoing. In particular, the instructions to services have been fully revised for the 2016 planning cycle and the corresponding guidance has been updated. Significant changes were introduced to the performance framework since the audit. As part of that reform, a Strategic Plan covering a five-year period (2016–2020) and a lighter, annual Management Plan containing only the major outputs for the respective year have replaced the former annual Management Plans. The Strategic Plan is organised around the political priorities of the Commission which appear as “general objectives” in the plans, and around “specific objectives” set at the level of the DG according to its role and responsibilities in contributing to the attainment of the general objectives.

IAS audit on Information Security Governance in the Commission (HR, DIGIT and SG)

The final report of the IAS audit on Information Security Governance in the Commission was sent to the Secretariat-General, DIGIT and HR on 12 October 2015. The report contained four very important recommendations which relate to the need for stronger IT security governance at corporate level in the Commission. The recommendations were fully accepted with the exception of Recommendation 1 on the “Information Security Governance Structure” which the IAS considers to have been partially accepted. A revised action plan was sent to the IAS on 18 February 2016 and was accepted.

An Information Security Steering Board has been created to perform the function of Chief Information Security Officer (CISO) in the Commission. The Board is chaired by a Deputy Secretary-General and brings together DIGIT, HR and the other services most directly concerned. In addition, through the implementation of the action plan, the Commission will treat the management of IT security-related risks, develop a reference framework for IT security and elaborate a Commission rolling IT Security Strategy, including awareness-raising actions.

2.2.2. IAS conclusion on the state of internal control

The IAS concludes that the internal control systems audited are overall working satisfactorily although a number of very important findings remain to be addressed in line with the agreed action plans.

Particular attention should be given to the outstanding actions to be taken to improve IT and information security.

2.2.3. Management conclusion

Taking into account the positive conclusion of the IAS on the state of internal control and the existing relevant action plans for outstanding recommendations, the management comes to a positive conclusion without weaknesses which may have a significant impact on the assurance.

2.3.

Assessment of the effectiveness of the internal control systems

The Commission has adopted a set of internal control standards (ICS), based on international good practice, aimed at ensuring the achievement of policy and operational objectives. In addition, concerning financial management, compliance with these standards is a compulsory requirement.

The Secretariat-General has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

In order to evaluate the effectiveness of the Secretariat-General's system of controls in its entirety, the model explained in the guidelines on assessing the effectiveness of the Internal Control System has been applied. The evidence required to support the assessment has been gathered from management knowledge gained from daily operations, management reviews conducted, audit reports and results of key controls. The functioning of the internal control systems was also closely monitored throughout the year by the systematic registration of exceptions (under ICS 8) and internal control weaknesses (ICS 15). The underlying causes behind these exceptions and weaknesses were analysed and corrective and alternative mitigating controls were implemented when necessary.

ICS 7 Operational Structure and ICS 8 Processes and Procedures were prioritised in 2015. Although prioritised also in 2014 and having attained considerable progress during that year, ICS 7 and ICS 8 were prioritised again in 2015 in order to keep up efforts to achieve further results in the Decide and GoPro projects. In addition, the integration of 80 new colleagues in order to enable the Secretariat-General to perform its new role for the Vice-Presidents was set as a priority under ICS 7.

Regarding the integration of the new colleagues, it is confirmed that by the end of 2015 all posts have been filled. With adequate

training, the newcomers have been integrated rapidly. This part can be considered as fully implemented.

Regarding IT under ICS 7 the IT systems of the Secretariat-General need to use all possible synergies to the maximum extent possible. The Decide project started in July 2013, IT development took place in 2014 and 2015 and it went live in February 2015.

During the past year several releases brought further improvements to the system like the implementation of the need-to-know principle for the management of sensitive files in the consultation step.

Progress has also been made on the development of the new planning module in replacement of the current Agenda Planning tool (delivery foreseen for summer 2016), and the rewriting of the decision step currently supported by *e-Greffe* (phased delivery planned between autumn 2016 and end 2017). The publication of draft delegated and implementing acts will be enabled on the Better Regulation Portal in June 2016.

Although substantial progress has been made and the measures taken are considered effective, ICS 7 Operational Structure is prioritised again in 2016 in order to further streamline IT systems relating to the decision-making process.

Concerning ICS 8, a completely revamped guide to procedures was launched in February 2013. As the work continued in 2015 and only a very small number of chapters need to be done beginning of 2016, the 2015 measures can be considered as fully implemented.

In conclusion, the internal control standards are effectively implemented. The need for further improvements in ICS 7 has no impact on the assurance.

Conclusions as regards assurance

This section reviews the assessment of the elements reported above (in sections 2.1, 2.2 and 2.3) and draws conclusions supporting the declaration of assurance and whether it should be qualified with reservations.

The information reported in sections 2.1, 2.2 and 2.3 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. 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 Secretary-General.

The information provided in this report is complete and reliable.

The intrinsic risk for administrative expenditure managed by the Secretariat-General including procurement is relatively low because of the limited budget as well as the centralised and direct mode of budget implementation. The risks are effectively mitigated by means of controls put in place.

Results from audits during the reporting year give an overall positive feedback and did not include any critical findings. The residual risk from audit recommendations remaining open is not considered to have a bearing on the declaration of assurance.

Further assurance is obtained by the risk management process put in place, and the very limited number and significance of exceptions and internal control weaknesses reported in 2015. Management has obtained satisfactory evidence that the internal control system in its entirety is implemented effectively in the Secretariat-General.

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 Secretary-General, in his capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance.

3. DECLARATION OF ASSURANCE

I, the undersigned,

Secretary-General

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view³.

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, the opinion of the Internal Auditor on the state of control, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

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

Brussels, 21 April 2016

[Signed]

Alexander Italianer
Secretary-General

³ True and fair in this context means a reliable, complete and correct view on the state of affairs in the SG.

