



Annual Activity Report 2021

Office for Infrastructure and Logistics
Luxembourg

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THE DG IN BRIEF

The Office for Infrastructure and Logistics in Luxembourg (OIL) was established in 2003¹. Its core mission is to ensure a functional, safe and comfortable workplace for all those working for the Commission in Luxembourg and to provide good quality support and well-being services in an environmentally friendly and cost-effective way.

OIL carries out all activities associated with:

- the **housing of staff**, including the acquisition, leasing and maintenance of the EC moveable and immovable property and the organisation of removals and space management;
- **logistics and related services** such as transport services for staff and goods for internal purposes, management of mail, office supplies and conference facilities;
- the compliance with EC **health and safety requirements** and with the **Eco-Management Audit Scheme** (EMAS);
- the provision and the management of the **social infrastructure** for the staff of the European Union institutions in Luxembourg covering the restaurants and cafeterias, the interinstitutional *Foyer européen* and children's centres.

In Luxembourg, the Commission and the Publications Office currently occupy around 141 000 m² of office space above ground, in nine buildings. The premises are located in three districts: Kirchberg (T2 and Bech buildings), Gare (Fischer and Mercier/Eurooffice buildings) and Gasperich (Euroforum, Hitec, Helios (ex-Drosbach), Ariane and Laccolith buildings). The Commission in Luxembourg rents all its office buildings.

In the medium term, the construction by the Luxembourg State of the new Jean Monnet 2 building at Kirchberg will allow the Commission to gather most of the staff in a single complex. In the meantime, OIL is strongly committed to creating an attractive and modern working environment for Commission staff in Luxembourg.

OIL employs around 430 staff organised in seven units. It works in connection with the Directorate-General for Human Resources and Security (DG HR) and regularly reports to the Commissioner in charge of Budget and Administration and to its Management Committee.

OIL manages administrative expenditure under the direct management mode. The appropriations for which OIL is responsible are OIL's own appropriations, centralised appropriations and appropriations received from other Commission services².

¹ [2003/524/EC](#): Commission Decision of 6 November 2002 establishing the Office for infrastructure and logistics in Luxembourg.

² From the Publications Office (OP), the Office for Administration and Payment of Individual Entitlements (PMO), the European Personnel Selection Office (EPSO), DG Informatics (DIGIT) and DG Communication (COMM).

EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Head of Service of OIL 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.

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

OIL contributed to the seventh general objective of the von der Leyen Commission: 'A modern, high-performing and sustainable European Commission'. In line with the Commission's commitment to reducing as much as possible the environmental impact of its activities³, OIL aims at constantly improving the overall energy performance of its buildings and logistics services to reduce the Commission's CO₂ footprint.

The three main pillars of OIL's activities are: i) buildings and office space; ii) logistics-related services and iii) social infrastructure and services.

Buildings and office space

Buildings

- The time schedule of the Commission's major construction project in Luxembourg, the Jean Monnet 2 (JMO2) building, has been impacted by various factors, among which the COVID-19 outbreak. In 2021, the structure started to appear with the first floors of phase 2 now visible. Most calls for tenders were published. Several are signed and already began (sprinklers) or will soon begin (ventilation, electricity, sanitary installations and façade);
- The space planning document for a new building for the interinstitutional childcare centre in Kirchberg (CPE VI) was submitted to the Administration of Public Works (ABP, Luxembourg Government);
- A building procedure for the rental of an additional IT room in the Windhof data centre was conducted, with the signature of the lease contract amendment scheduled for early 2022;
- Negotiations are conducted with the owners of the BECH and HITEC buildings to align their lease duration with the JMO2 delivery schedule.

³ Commission Communication COM(2019) 640 of 11 December 2020 on The European Green Deal.

Office space

- OIL continued to work closely with the DGs and services based in Luxembourg with a view to making the best use of the available office space;
- Substantial refurbishment works were finished to create new collaborative spaces for DG DIGIT in the Helios building.

Logistics-related services

Health and safety

Training actions for fire wardens and for first aiders were organised in hybrid mode for the first time due to the pandemic;

Evacuation exercises were organised as planned;

Sanitary checks and follow up of audits (e.g. water quality) continued to be performed regularly.

Environment-related actions

- The energy savings in all buildings continued.
- With the registration of the Fischer building in 2021, all office buildings are EMAS-registered;
- In July 2021, OIL, in collaboration with the other European institutions located in Luxembourg, allowed its staff to benefit from a free subscription to the self-service bicycle rental system vel'OHI, provided by the City of Luxembourg;
- New sorting islands were set up in all buildings, allowing better waste sorting. The individual bins in the offices were taken away.

Good quality of logistics services

- The quality of logistics services was maintained. The logistics proximity teams continued to be very involved in COVID-19-related actions (distribution of hydroalcoholic gel, signposting in buildings etc.);
- OIL and DG SCIC reached an agreement on the management of meeting rooms in Luxembourg.

Good social infrastructures and services

Restaurant, canteen and cafeteria facilities

- With the COVID-19 crisis, sales dropped heavily;
- The activities of the canteens and cafeterias had to be adapted: minimum service was ensured through the availability of vending machines or the provision of take away or outdoor eating;
- OIL provided catering services and logistic support for the EPPO and strengthened synergies with OIB including through the common purchase of point-of-sales

terminals and a joint call for tenders for the acquisition of foodstuffs.

Childcare

Concerning childcare services, OIL:

- kept the CPE open safely, in accordance with local and Commission rules;
- presented the new education strategy and the pedagogical project in November 2021;
- organised the first wave of recruitments for contract agent educators in August 2021;
- successfully organised the enrolment campaign for the 2021/22 school year for children to attend the CPE.

Specific actions on COVID-19

- OIL maintained most of the COVID-19-related management, communication and finance initiatives implemented in 2020;
- Buildings management, maintenance and access were adapted to keep a safe working environment for staff (ventilation, physical distancing measures, purchase of protective equipment, provision of self-tests etc.);
- Specific measures were taken in relation to catering and childcare services.

B. Key Performance Indicators (KPIs)

Result indicator: JMO2 phase 1 moving operation to be completed within deadlines and budget

Explanation: Progress and achievement of the objective to move staff to JMO2 according to phase 1 schedule, without prejudice to the potential impact of COVID-19 outbreak on the delivery schedule.

Source of data: OIL

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known result (2021)
Excavation works	Concrete structure completed	Completed	Ongoing, but with delays (to be quantified) due, among others, to COVID-19.

Result indicator: Satisfaction with office general quality in Luxembourg

Explanation: Percentage of staff satisfaction in biennial staff opinion survey conducted by DG HR related to the services of OIL: (very satisfied + satisfied)

Source of data: HR Staff Opinion Survey on the services provided by the administrative offices: PMO, OIB and OIL

Baseline (2017 – latest year available)	Interim milestone (2022)	Target (2024)	Latest known result (2021)
72%	Positive trend	Continued positive trend	No survey was held in 2021

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

In line with the Commission's Internal Control Framework OIL 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.

In addition, OIL 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.

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

1. KEY RESULTS and progress towards achieving the Commission's general objectives and DG's specific objectives

Section 1 provides information on the key results and progress towards the achievement of general and specific objectives set in the OIL 2020-2024 Strategic Plan and towards the achievement of the outputs set in the OIL 2021 Management Plan (see Annex 2 for further details and follow-up indicators).

A. Appropriate and satisfactory building and office space management

Building management

▪ Progress with the construction of the Jean Monnet 2 (JM02) building

For the construction of the future Jean Monnet 2 (JM02) in the Kirchberg district, OIL closely cooperates with the Luxembourg authorities, who are the contracting authority (maître d'ouvrage) and prefinance the project. The construction of JM02 is planned in two phases:

0. Phase 1: delivery of a seven-floor building housing offices, a canteen, a conference centre, a fitness centre and other services;
1. Phase 2: delivery of a 23-floor tower with offices and a medical centre.

Building structure works are currently in progress, the construction is progressing, with the first floors of phase 2 now visible. In 2021, most calls for tenders were published. Several are signed and already began (sprinklers).

In 2021, the COVID-19 pandemic continued to impact the progress of the JM02 construction, with a slower pace of the construction works, unexpected additional costs (in particular related to health protection measures) and supply issues with shortage of construction materials towards the end of 2021 (and possibly beyond, in 2022).

In parallel, over the last 18 months, several other factors affected the planning of the project, such as difficulties with the architect group's performance of their missions of execution and of coordination. Procurement issues also impacted the planning.

Considering all these elements, the project schedule had to be updated end of December 2021, with delivery of phase 1 by 1 November 2024 and phase 2 by 1 August 2025.

The revision of the schedule has no impact on the budget for the construction of the project as approved by the Budgetary Authority in September 2018.

OIL informed the European Parliament of the revision of the planning in July 2021, when the Commission's real estate policy in Luxembourg was presented to the Committee on Budgets. OIL will send a formal information note to the Budgetary Authority on the new delivery schedule in early 2022.

- **Publications Office's move preparations**

The Publications Office (OP) is expected to start moving to a new building located next to the current one (in the main railway station area) early 2023. Indeed, in December 2021, the owner of the building formally notified the Luxembourg State (which is the other party to the lease contract with the European Commission for the new building) that the building would only be made available on 1 February 2023.

In 2021, OIL started to consult OP, DIGIT and the Security Directorate of DG HR to prepare the cabling works for IT and access control to the building. Some other preparatory work for the move was also done (inventory of stocks, decommissioning etc.).

- **Construction of a new building for the interinstitutional childcare centre (CPE VI)**

OIL is working with the Luxembourg authorities (Administration des bâtiments publics; ABP) on the construction of a new building for the interinstitutional childcare centre in Kirchberg (CPE VI). It will replace CPE I (primarily housing the garderie) and provide synergies with the study centre (CPE III).

ABP is responsible for the management of the project, including the selection of the architect. OIL provides input to the ABP on the Commission's needs and cooperates with the Administration on the development of the project.

In 2021:

- A pre-information note was submitted to the Budgetary Authority on 26 March;
- On 28 May, a letter was sent to the Minister for Mobility and Public Works with proposals on the main financial and contractual aspects of the agreement to be negotiated and concluded for the construction of the building;
- In September 2021, OIL submitted a planning document to ABP, setting out the needs for the construction of the building, in terms of floor areas and space design. ABP assessed a first estimate of the costs on this basis. Further discussions will be pursued in 2022, on possible optimisations.

- **New organisation of buildings and offices**

In line with the new HR strategy and the communication Greening the Commission, adopted on April 5, 2022⁴ the Commission will make its working environment smarter and greener. OIL is part of the central team led by DG HR to support the Commission's services to adapt.

In 2021, OIL continued to collaborate on the housing conditions manual and other relevant policy and guidance documents such as the Multi Annual Policy Framework (MAPF) 2023-2032 for building policy in Luxembourg.

⁴ C(2022) 2230 final

The experience with a pilot dynamic office area in the Helios (ex-Drosbach) building turned out to be positive and OIL is already actively reflecting this in its building management IT tool.

- **Other property projects**

Extension of lease contracts

The lease contracts of the Bech and HITEC buildings must be aligned with the new delivery schedule of JMO2 phases 1 and 2.

In 2021, negotiations took place with the owner of the Bech building aimed at an extension of the lease contract, after approval by the Budgetary Authority.

Data centre

In May 2021, the Information Technology and Cybersecurity Board approved DIGIT's data centre strategy. This strategy includes a short-to-medium term action plan, with two actions involving OIL:

1. Transferring electrical power from a room in the Windhof telecom centre to an IT room in the Windhof data centre, to upgrade the electrical power of the latter.
In 2021, an amendment to the lease contract was signed. Upgrading works are ongoing;
2. Renting and fitting out an additional 109 m² room in the Windhof data centre.
An amendment of the lease contract is to be signed in the first quarter of 2022.

Maison de l'Europe

Following the Commission's decision mid-May 2021 to move the European Commission Representation in Luxembourg to the new European Parliament KAD building in Kirchberg, the lease contract of the Maison de l'Europe was not renewed. It ended on 30 June 2021.

Office space management

- **Maintaining good relations with clients and stakeholders**

OIL continued to work closely with the DGs and services based in Luxembourg with a view to making the best use of the available office space.

A complex reorganization of wings B2 and B3 in the Helios (ex-Drosbach) building for DG BUDG and DG ECFIN to reunify staff on the same floors was completed in 2021.

In 2020, DG ENER had approached OIL to obtain office space in the context of their Business Continuity Plan. After discussions with DG HR and the European School of Administration, small-scale works were done in the Fischer building in 2021 to make some space suitable for crisis use by DG ENER.

- **Larger-scale works planned in existing buildings**

OIL completed in the first quarter substantial refurbishment works to create new collaborative spaces for DG DIGIT in the Helios (ex-Drosbach) building.

OIL had published end of 2020 a call for tenders regarding renovation works on the EUFO building roof. Over the last years, several water ingresses via the roof had been noticed. Despite some local repair works, full renovation became necessary. The contract was signed in April 2021. The works, which started in July 2021, should be completed by the fourth quarter of 2022.

Following the transfer of the activities of CHAFEA⁵ to the REA⁶, EISMEA⁷ and HaDEA⁸ agencies in Brussels, the space occupied by CHAFEA in the Helios (ex-Drosbach) building was partly reallocated to DG BUDG and DG ECFIN (see above). Works were done in September to adapt the space to the needs of the two DGs.

B. Provision of performant, secure and sustainable logistics related services

Health and safety-related activities

In 2021, OIL's occupational health and safety team (*santé et sécurité au travail* - SST) continued to ensure that the buildings occupied by the Commission comply with Luxembourg legislation and Commission regulations.

Training for fire wardens was organised with the theoretical part given in virtual format (24 sessions with 205 participants) and the practical part in face-to-face courses (24 sessions with 186 participants). Likewise, theoretical training for first aiders was developed in virtual format and four face to face courses (with 7 participants per course on average) were organised.

In 2021, fire-drills were organised as planned: twice a year in the CPEs and once a year in the administrative EC buildings.

Risk assessments were carried out for the following job profiles: dispatcher, driver, librarian and printshop worker.

The following activities were also carried out in 2021:

- Sanitary monthly checks:
 - to detect possible contamination of foodstuffs, work surfaces and air, in the kitchen areas of Commission buildings;

⁵ Consumers, Health, Agriculture and Food Executive Agency is an executive agency of the European Union

⁶ European Research Executive Agency

⁷ European Innovation Council and SMEs Executive Agency

⁸ European Health and Digital Executive Agency

- to assess the sanitary conditions of sand samples in nursery playgrounds.
- Hygiene audit: the frequency of audits (i.e., every two months) was maintained for operating canteens;
- Drinking water: the monthly frequency of water sampling was respected, except when the buildings were closed (like LACC and FOYER);
- DG HR Occupational health and safety audits:
 - water quality audit of 2019: the final version of the revised OIL.SST procedure 8 “Sanitary control of water” was validated in early February 2022; This procedure aligns OIL's practices with OIB's;
 - 2020 audit on indoor air quality (in the Commission premises in Brussels and Luxembourg): an action plan prepared to correct non-compliances and observations identified during the audit is implemented.

Specific actions on COVID-19

- In 2021, the COVID-19 pandemic continued to impact the Commission’s activities. OIL maintained most of the management, communication and finance measures implemented in 2020.
- Building management, maintenance and access were adapted to keep a safe working environment for staff (ventilation, physical distancing measures, purchase of protective equipment, provision of self-tests etc.).
- To adapt to the new “post COVID” normality (with more staff teleworking), OIL actively participates in the central team led by DG HR to support the Commission’s services to define the most appropriate working environment (more dynamic use of office spaces and places for meetings, project work and social interaction).
- The COVID-19 crisis continued to have an impact on the catering activities and those at the Foyer européen, due to the low number of clients. The main measures taken to reduce the impact of the COVID-19 crisis were: deferral of payment for 2021 salaries by up to 6 months, partial closure of canteens and the Foyer, very low use of interim staff, centralisation of meal preparation for canteens. A request for 2021 subsidies had to be submitted for both activities.
- As for the childcare service, OIL collaborated closely with the European schools in Luxembourg and with national health authorities (ad hoc Coordination unit for the educational sector) to respond effectively to the situation.

Environment-related actions

- **Implementation of the Environmental Audit Scheme (EMAS)**

All office buildings in Luxembourg are EMAS-registered, following the registration of the Fischer building in 2021.

In 2021, further measures to lower energy consumption continued to be taken (e.g. lowering the office temperature to 19°C and turning off the ventilation in unoccupied office areas). However, these were largely offset by the increased ventilation with 100% fresh air in the buildings for health reasons during the pandemic.

Most of the EMAS indicators registered at the end of 2020 (latest year available) improved, with most staff teleworking since March 2020. Notably, paper and water consumption and waste generation decreased considerably.

- **Promotion of the use of public transport and soft mobility**

Since 1 March 2020, in cooperation with PMO, OIL has managed the subsidies of the public transport season passes of Commission staff based in Luxembourg who commute from Germany, France or Belgium. So far, the number of requests has been relatively low due to the extensive telework. In 2021, OIL received requests from 69 colleagues for a sum of EUR 10 068.23.

End of 2020, an interinstitutional convention was signed with the City of Luxembourg and its Vel'OH! service provider. On this basis, OIL put in place a scheme allowing Commission staff to subscribe, free of charge, to the Vel'OH! system, which is a network of self-service bicycle stations. During the first 6 months of the campaign, 600 free subscriptions were granted.

OIL provided support to DG HR in the organisation of the new VeloWalk event (replacing VeloMai) which took place in May 2021.

OIL's mobility study was on hold due to the covid-19 crisis and should take place in 2022.

- **Reducing carbon emissions**

A major element of the Communication Greening the Commission⁹ is the substantial reduction of mission emissions. By actively improving (in cooperation with DG SCIC) videoconferencing facilities in Luxembourg (in terms of capacity, quality, and ease of use), OIL is contributing to encourage staff to reduce mission trips. See paragraph below for outputs achieved in 2021.

- **Protecting biodiversity and promoting a circular economy**

⁹ See footnote 4 above.

Concerning the protection of biodiversity, in 2021, OIL made an inventory of the green spaces of its buildings. 75% of the surface currently occupied is sealed (buildings, parkings, roads ...) while 25% can be considered nature-oriented. OIL will consider actions for improvement of biodiversity in green spaces.

OIL completed the installation of sorting stations in the corridors and social corners of all buildings in Luxembourg in 2021. Individual waste bins were removed from the offices.

OIL's catering service rolled out ECOBOX¹⁰ in all canteens. The provision of glass or reusable water bottles for meetings and all catering sites is still being analysed, as is the possibility to take away all paper cups (porcelain cups will remain).

The CPE teams continued to:

1. reduce waste and the consumption of paper and supplies;
2. reduce catering and food-related waste;
3. increase the use of renewable materials in CPE buildings; and
4. further raise the children's awareness through information and educational activities.

Other logistics services

In 2021, the logistics proximity teams remained involved in the following activities:

- collecting and distributing internal and external mail between Commission departments and between European institutions in Luxembourg;
- providing office supplies and equipment for Commission staff;
- moving boxes and belongings when staff change assignment.

OIL was in charge of the distribution of the COVID-19 self-tests made available by the Luxembourg authorities to all institutions.

A new interinstitutional call for tenders for postal delivery between the Commission and other EU institutions' buildings in Luxembourg was launched in late 2021. The new contract envisages a new ecological delivery method with optimised distribution according to road traffic and using electric cars and trucks.

Management of conference and meeting rooms

The Corporate Management Board approved DG SCIC's¹¹ new 'Strategy on meeting spaces' on 1 December 2021, including the proposal (from OIL and SCIC) on the management of meeting rooms in Luxembourg by OIL on behalf of SCIC from 2023. A Memorandum of

¹⁰ A system implemented in early 2020 to take away food and leftovers.

¹¹ Directorate-General for Interpretation.

Understanding will be signed in 2022. OIL already upgraded in 2021 the equipment of 8 meeting rooms of DG ESTAT and provided information to help DG DIGIT and DG SANTE for the upgrade of 4 meeting rooms each.

C. Provision of modern and high-quality social services and infrastructure

Catering services and *Foyer européen*

OIL manages all catering services internally. This includes canteens, cafeterias, a restaurant (currently in the Foyer européen), banqueting, meeting room refreshments and vending machines in the Commission's buildings in Luxembourg.

On average and in "normal" times, around 1 600 meals were served every day. However, with the COVID-19 crisis, sales dropped heavily.

During the first semester, cafeterias and canteens remained open for take away or outdoor eating, whereas the Foyer européen (both restaurant and meeting rooms) had been closed since end of November 2020. In June 2021, the canteens that were open and the restaurant Jean Monnet at the Foyer européen resumed their normal activity with in-situ service, subject to certain COVID-19 related restrictions.

OIL remained very vigilant regarding the hygiene checks performed by external contractors and the implementation of any recommended (preventive and corrective) actions.

Due to the low presence at the office and to the Luxembourgish national regulations, the activities of the canteens and cafeterias had to be adapted. A minimum service was ensured through the vending machines in the buildings whose canteens and cafeterias were temporarily closed (mostly at T2 and Laccolith).

The centralised catering production system implemented as of mid-2020 gave full satisfaction. Canteen meals are produced in one site (Helios (ex-Drosbach)) and dispatched to Kirchberg, Cloche d'Or and the Mercier building. In addition to the economic benefit through the improved management of stocks, orders and unsold goods, it also has environmental benefits and optimizes the management of human resources.

In 2021, OIL offered logistic support for the EPPO¹² through:

- the installation of vending machines;
- the provision of catering services for coffee breaks; and
- the provision of banqueting services for events in the fourth quarter.

Logistic support for the purchase of catering material and for the installation of a functional cafeteria at EPPO was provided from the second half of 2021, with a view to

¹² European Public Prosecutor Office.

having an OIL-managed cafeteria service (like other catering sites managed by OIL) operational in 2022.

In 2021, OIL organised a comprehensive audit of the Foyer européen whose results and recommendations will be carefully analysed and followed up as appropriate. Actions are to be implemented in 2022 and 2023.

Childcare infrastructures

OIL runs the Interinstitutional Childcare Centre (Centre polyvalent de l'enfance inter-institutionnel CPE) in Luxembourg (except for the crèches) on behalf of the institutions. The service is provided on two sites:

- Kirchberg – the CPE I and CPE III buildings (housing a garderie and a study and recreation centre, respectively); and
- Bertrange-Mamer – the CPE V building, which hosts a garderie as well as a study and recreation centre.

In 2021, OIL:

- collaborated closely with the European schools in Luxembourg and with national health authorities (ad hoc Coordination unit for the educational sector) to respond effectively to the COVID-19 situation;
- made minor adaptations in the implementing procedures, while the admission rules remained unchanged;
- collaborated with OIB to improve the governance structure;
- updated and made available the new education strategy and the pedagogical project (officially presented during the pedagogical day in November 2021);
- organised a wave of recruitments for contract agent educators in August 2021 (another one is to take place beginning of 2022). Some 20 vacant posts will be covered;
- successfully organised the enrolment campaign for the 2021/22 school year for children to attend the CPE.

A particular focal point remains the CPE budget, following the loss of income from parental contributions in 2020 and 2021 due to the pandemic situation.

As regards the development of the new management software eKidWeb, please refer to part 2.2.2. The planned roll-out of the new communication strategy is closely linked to this development.

2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

2.1. Financial management and internal control

Assurance is provided based on 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 Head of Service. The following reports have been considered:

- the reports from Authorising Officers by sub-delegation (AOSDs);
- the contribution by the Head of unit in charge of Risk Management and Internal Control, including the results of internal control monitoring at OIL level;
- the reports of the ex-post controls;
- the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (FR art.92.3);
- the observations and recommendations reported by the Internal Audit Service (IAS) and by the European Court of Auditors (ECA).

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 Head of Service of OIL.

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, and 2.1.3 Effectiveness of internal control systems, and resulting in 2.1.4 Conclusions on the assurance.

Budget implementation tasks entrusted to other services and entities

The activities concerned by co-delegation mechanisms concerned the following Commission services: DG HR, DG DIGIT, OIB and PMO¹³. Details about these co-delegations can be consulted in Annex 7 - Specific annexes related to "Financial Management".

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, OIL relies on the internal control systems of the DGs/services concerned and concludes that

¹³ Office for the Administration and Payment of Individual Entitlements.

there are no control weaknesses affecting the assurance in terms of internal control objectives.

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)¹⁴. OIL'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.

Main financial data

The Office manages exclusively administrative expenditure with a budget of EUR 101,4 million in 2021.

The financial circuit model in use at OIL is the partially decentralised model with counterweight. In this model, the financial unit oversees financial initiation and ex-ante verification tasks, while the operational units are responsible for operational initiation and verification and for the authorising role.

For catering activities in Luxembourg, managed internally by OIL, accounting is performed in accordance with the special delegation granted by the Commission's Accounting Officer.

The sources were:

- budget appropriations;
- appropriations from internally assigned revenue;
- appropriations from externally assigned revenue;
- revenue from the catering activity.

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

Overview table (amounts in million)

Risk-type / Activities	Procurement (e.g. minor or major values)	Shared mngt (MS's OPs, PAs, etc) + EAC (for NAs)	Cross-delegations to other DGs (other AOXDs)	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)
Budget appropriations (own credits and co-delegated or sub-delegated credits)	82.070.001 €				82.070.001 €	
Appropriations from internally assigned revenue	6.437.103 €				6.437.103 €	
Appropriations from externally assigned revenue	3.507.064 €				3.507.064 €	
Totals (Except catering)	92.014.168 €				92.014.168 €	90.772.563 €
Catering	996.016 €				996.016 €	1.013.642 €
Totals (coverage)	93.010.184 €				93.010.184 €	91.786.205 €
Property, Plant and equipment						183.614.674,6
Other significant disclosures						-598.171.776,9

Legend for the abbreviations: OP=Operational Programme, PA=Paying Agency, NA=National Agency, AOXDs =Authorising Officer by Cross-Delegation, EA=Executive Agency, NEI =Non-Expenditure Item(s), OBS= Off-Balance Sheet

Detailed information about OIL's financial data is available in Annex 3 - "Draft annual accounts and financial reports" and in Annex 7 - "Specific ANNEX related to "Financial Management".

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

- Cases of 'confirmation of instructions' (FR art 92.3) – no such cases for OIL;
- Cases of financing not linked to costs (FR art 125.3)- no such cases for OIL;
- Financial Framework Partnerships >4 years (FR art 130.4) – no such cases for OIL;
- Cases of flat rates >7% for indirect costs (FR art 181.6) – no such cases for OIL;
- Cases of "Derogations from the principle of non-retroactivity of grants pursuant to Art no 193 FR" (FR art 193.2) – no such cases for OIL.

OIL's management concludes that the control results, their completeness and reliability, are satisfactory, and that they provide reasonable assurance about the achievement of the relevant internal control objectives.

1. Effectiveness of controls

a) Legality and regularity of the transactions

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

Procurement-related control processes

- OIL's ex-ante controls focused on compliance with the financial contract clauses, the consistent application of procedures, the quality of data encoded in ABAC and other systems and the clarity of the supporting documentation in the financial transactions.
- OIL participates in the GAMA (*Groupe d'Analyse des Marchés Administratifs*), the interservice group on public procurement regrouping DG HR, DIGIT, IAS, OIB, OIL, PMO, EPSO and EUSA. In 2021, OIL handled 15 procurement procedures. 14 contracts were signed. 10 of the procedures were submitted to the GAMA and 4 were selected for detailed analysis. None of them received a negative opinion.
- The objective of ex-post controls 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.

Ex-post control's results are discussed with the units concerned and recommendations for correction are drawn up. Reports are issued two times a year and are addressed to the authorising officer by delegation.

The ex-post sample for procurement – administrative expenditure for 2021 was composed of 45¹⁵ payments (1,24 % of the total number of payments, including catering payments), amounting to €37.7 million (40,5%) in terms of value of payments made. No important or substantial errors have been highlighted for procurement – administrative expenditure in 2021. As a precautionary measure, however, OIL 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.

Revenue-related control processes

- Financial procedures are in place for all types of revenue. The ex-ante verifying agents continued to streamline their controls on financial transactions in 2021. They focused 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.
- OIL's ex-post methodology includes a specific sample for revenues. The ex-post sample for 2021 was composed of 37 transactions (5,6% of all revenue or recovery transactions), for a total of €5.5 million checked (40,6% in terms of value). No important or substantial errors have been highlighted by ex-post controls for revenue in 2021. The average error rate was 0%.

Benefits of controls

The procurement procedures are subject to strict regulatory requirements and the controls put in place are necessary to mitigate the risks mentioned in Annex 6.

Although the quantifiable benefits related to controls are difficult to measure, there are significant unquantifiable benefits, such as "better value for money", compliance with the Financial Regulation and other public procurement rules; deterrent and preventive effects, fraud and/or corruption risk reduction, transparency and competition, as well as system improvements and efficiency gains.

Risk at payment

OIL's portfolio consists of segments with a relatively low error rate, i.e., $\leq 0.5\%$. This is, respectively, thanks to the inherent risk profile of the transactions – products and services are paid after delivery - and to the performance of the related control systems.

Through recoveries and financial corrections, OIL has in place an effective mechanism for correcting errors. During the reporting year the executed corrective capacity amounted in total to € 5.01 million representing 5.4% of the relevant expenditure (for more details see Annex 7).

¹⁵ The sample had 46 hit-euros. Since one payment was bigger than the sampling interval, it was selected twice during the sampling. This explains the total number of 45 checked transactions.

Conclusion

Based on the information, which is complete and reliable to the best of our knowledge, the controls are effective and there are no significant weaknesses to be addressed.

OIL'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 €0.46 million, representing 0.5% of OIL'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 million.

The difference between those two amounts results in the estimated overall risk at closure of €0,46 million, representing 0.5% of OIL's total relevant expenditure for 2021

The estimated amount at risk for revenue in 2021 is 0 €.

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

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.

OIL	Relevant expenditure	Estimated risk (error rate %) <i>at payment</i>		Estimated future corrections and deductions		Estimated risk (error rate %) <i>at closure</i>	
		<i>m EUR</i>	%	<i>m EUR</i>	%	<i>m EUR</i>	%
RCS							
Procurement (non-catering)	92.0	0.5	0.5	0	0	0.5	0.5
Catering payments	1.0	0		0		0	
OIL total	93.0	0.5	0.5%	0	0%	0.5	0.5%

b) Fraud prevention, detection and correction

OIL has developed and implemented its own anti-fraud strategy since 2013, based on the methodology provided by OLAF. It was last updated in June 2020. It is reviewed every year, its implementation being monitored and reported to the management on a yearly basis. All necessary actions have been implemented.

OIL also contributed to the Commission anti-fraud strategy (CAFS) by:

- participating in the Fraud Prevention and Detection Network (FPD Net) -CAFS action plan measure n° 10; and
- providing support to the setting-up and the day-to-day functioning of the EPPO through logistics services and administrative assistance, based on a service-level agreement (SLA) - CAFS action plan measure n° 52.

There were no OLAF financial or administrative recommendations to follow up on.

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

- The six actions listed in OIL’s anti-fraud action plan were all performed as described and target values were reached both in 2020 and in 2021;
- OIL continued to participate in the implementation of the Commission’s Anti-Fraud Strategy, as a support service, mainly through its contribution to the setting-up of the European Public Prosecutor’s Office (EPPO) and by appointing an OLAF contact point in OIL;
- OIL participated in the works of the Commission’s Fraud Prevention and Detection Network (FPD Net) in plenary sessions and in the subgroups “Internal cases” and “cooperation with the EPPO”.

As a result of this assessment, no significant change of OIL’s anti-fraud strategy was needed in 2021, but only an update of certain information. A full review will be performed in 2022 to prepare OIL’s antifraud strategy 2023-2025.

Other main actions in the fraud risk management area concerned:

- The annual risk management exercise;
- Awareness-raising and communication activities;
- Cooperation with the European Public Prosecutor's Office (EPPO) – see below.

Details about fraud risk management and the latest status of outputs and indicators in this area is available in Annex 7 – Specific annexes related to "Financial Management".

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

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

Concerning the safeguarding of Commission assets, OIL carried on its activities on a regular or ad hoc basis, by performing inventory checks, as required by the Financial Regulation. A new 3-year inventory cycle started in 2021, where 28% of the theoretical inventory (furniture and equipment) has been scanned. Its progression will depend on the evolution of the COVID-19 situation and its impact on the scanning operations.

More details and figures about the safeguarding of assets can be found in Annex 7 - Specific annexes related to "Financial Management".

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.

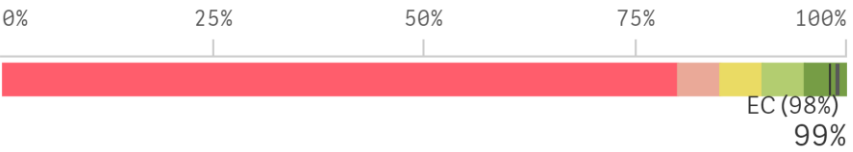
Considering the control methods and results described above, their completeness and reliability, OIL considers that they provide reasonable assurance about the achievement of the internal control objective for safeguarding of assets.

2. Efficiency of controls

The Commission introduced in 2020 the Financial Scorecard tool, with an aim to standardise the measurement of financial indicators. The two efficiency indicators below are required by the Financial Regulation (the time-to-grant indicator is not applicable for OIL):

Timely payments

The corporate indicator "Timely payments" (see also Annex 4 Financial Scorecard) reflects the payment accepted amount on time as a percentage of total payment amounts.

Timely Payments	OIL Score	EC Score
 <p data-bbox="925 421 1029 481">EC (98%) 99%</p>	99%	98%

OIL's "Timely payments" indicator for 2021 shows a score of 99%, i.e., 99% of payment accepted amounts were paid on time, which is slightly higher than the whole Commission performance.

The evolution of the "Timely payments" indicator over the last three years, available in the Annex 7 table "Time-to-pay indicators (2019 – 2021)", indicates a slight efficiency gain from 98% to 99% timely payments and proves that OIL's financial circuit is functioning effectively.

Time-to-procure

Following the introduction of the Public Procurement Management Tool (PPMT) in 2019, OIL decided to use a "time-to-procure" indicator to measure the average duration of the procurement procedures, based on data existing in PPMT. The (positive) results achieved in 2021 show an average time-to-procure of 8 months (the initial target was of 9 months).

Financial scorecard

The OIL score values were over 90% for nine indicators. Although progressing compared to 2020 (71%), the indicator "Payment Appropriations Implementation" for OIL (OIL 81%) is below the EC average (97%). Execution on payment appropriations expiring in 2021 was largely due to the fact that budgetary commitments for expenditure related to buildings in Luxembourg were kept at a conservatively high level, in anticipation of final invoicing for 2020 (energy, for example). OIL continues its effort to make precise estimates and decommit any unused budgetary appropriations.

The values for OIL and the definitions of the ten indicators available for 2021 can be consulted in Annex 4 - "Financial Scorecard".

Many of the controls put in place at OIL are labour-intensive, because of the management of multiple contracts and contractors, the high volume of low-level transactions and the necessity to ensure compliance with the financial regulation and other public procurement rules.

3. Economy of controls

OIL continued to analyse the costs and benefits of its main control processes, i.e., procurement procedures, ex-ante controls of financial transactions and ex-post controls. However, since a quantitative estimate of the volume of errors prevented or detected and corrected during the control processes is not available, 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). 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 and efficiency indicators such as the above-mentioned “time-to-pay” and “time-to-procure” indicators.

The cost estimates below are based on the overall cost of an official or contract agent, per job-type subcategory, as provided by the Commission.

Details about the estimated cost of controls, for procurement-administrative expenditure and for revenue, can be consulted in Annex 7, subpart “Economy = the estimated cost of controls – details”, which includes the table Y.

For **procurement-administrative expenditure**, an estimated 2,64 million € was invested in controlling procedures in 2021, which represents 2,81% of total procurement spending.

An estimated 0,28 million € was invested in controlling **revenues**, which represents 2,06% of the total amount of the corresponding financial transactions.

Overall, in 2021, **for financial transactions related to procurement and revenue** (including commitments, payments and recovery orders), an estimated 2,91 million € was spent to control 5466 financial transactions worth 107,26 million €.

The table below compares the cost of controls over the last three years.

Year of estimation	2019	2020	2021
Total cost of controls	2,97 mil. €	3,04 mil. €	2,91 mil. €
Number of financial transactions	6672	5650	5466
Value of controls/ value of transactions	2,38 %	1,91%	2,83%
Cost per transaction	445 €	539 €	533 €

Thus 2,83% of the total amount of financial transactions carried out during the year was dedicated to controls. The increase of the costs of control ratio compared to 2020 is mainly explained by two exceptional payments in advance for the JMO 2 building project, totalling 44,5 million €, made during the previous exercise.

The control costs per financial transaction were on average 533 €, which is almost identical as for 2020.

4. Conclusion on the cost-effectiveness of controls

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

Due to the difficulty of quantifying with precision the probability and magnitude of an adverse event in the absence of controls, there is an inherent difficulty in estimating the benefits of existing controls in an accurate way.

However, given the abovementioned quantified and non-quantified elements, the completeness and reliability of controls, OIL's management considers its controls cost-effective and efficient. Also, given the fact that: a) the types of transactions performed at OIL did not change during the reporting year; and b) no critical risks were identified during the risk assessment exercise, OIL'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.

OIL is audited by both internal and external auditors: the Commission's Internal Audit Service (IAS), the European Court of Auditors (ECA) and auditors for the financial statements of the catering activities (including self-service restaurants, cafeterias and restaurants).

There were no critical or very important issues outlined by the ECA, the IAS or OLAF in 2021 and no critical or very important issues pending from earlier years.

There were no audits carried out by the IAS at OIL in 2021. The Office has only one open recommendation, concerning an in-depth analysis of sickness absences at Office level. OIL provided IAS with further elements early 2022 aiming at closing the recommendation in the best delays (which was officially confirmed in March 2022).

At a general level, in its note “Internal Audit Service contribution to the 2021 Annual Activity Report process” addressed to OIL, the IAS concluded that “the internal control systems in place for the audited processes are effective”.

As regards cooperation with the ECA, OIL actively contributed to the ongoing performance audit on Resilience of the EU institutions (COVID-19) by providing the information requested and participated in discussions and in follow-up actions related to the 2018 special report on the Efficiency of EU spending on office accommodation. Out of the initial

nine recommendations, only one is still open. OIL is also assisting in the current related limited review.

In the frame of the Statement of Assurance 2016, the ECA invited OIL to renegotiate the rental contract of the Windhof Data Centre in Luxembourg with the owner. Early 2022, OIL informed the ECA that before opting for the extension of the lease, the Commission first needs to assess the impact of two actions undertaken in 2021 (aiming at optimising the available capacity and at renting one additional room) as well as of the finalised medium-to-long term data centre strategy of DIGIT.

In 2021, OIL conducted a comprehensive external audit of the Foyer européen. The final report including results and recommendations related to the operation mode and governance was presented and discussed during the autumn within OIL first and then by a CALux¹⁶ sub-group mandated to make proposals on the future of the CAS¹⁷. It will be further analysed and followed up as appropriate.

Conclusion

As a result of the assessment of the risks underlined in auditors' observations and of the measures taken in response, including the revised implementation deadlines, OIL's management concludes that none of the pending recommendations raises an assurance issue.

The absence of ECA remarks in the discharge procedure adds to the assurance on the state of internal control. OIL will continue its efforts to implement the action plans resulting from the audit recommendations and to take measures to mitigate the issues raised, as part of the ongoing effort of continuous improvement.

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.

OIL 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.

Sources and methodology for the assessment

The assessment of the effectiveness of the internal control systems was performed in compliance with the methodology established in the [Implementation Guide of the Internal](#)

¹⁶ Collège des Chefs d'administration à Luxembourg – Interinstitutional college of the Heads of Administration.

¹⁷ Comité des Activités Sociales (C.A.S.) – Interinstitutional committee on social activities in Luxembourg.

[Control Framework of the Commission](#) and following the general principles included in the [Communication on the Revision of the Internal Control Framework](#).

The assessment was based on three main pillars: 1) evaluation of internal control monitoring criteria (ICMC); 2) desk review of information from various sources; 3) meetings and discussions with representatives of management.

The approach also considered reports listed at the beginning of section 2.1 and the results of the corporate indicators reported in the Annex 4 to OIL's Annual Activity Report (AAR) 2021.

Internal control assessment results for 2021

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, with only minor improvements needed. Indeed a few Internal Control Monitoring Criteria did not fully meet the targets set. However, this does not reflect any major failure in OIL's internal control as they all relate to external reasons (e.g., pandemic-related factors, first year of a 3-year rolling process for the asset inventories etc.), which is well documented in full detail in OIL's ICMC monitoring table.

The exercise did not result in the identification of any further weaknesses, errors or actions that could jeopardise the overall effectiveness of OIL's internal control system. The results of the internal control assessment for 2021 were approved by OIL's management on 22 March 2022.

OIL therefore assesses that the internal control systems are effective. They notably include the ex-ante and ex-post controls and the results of IAS and ECA audits.

Risk management

OIL has put in place a risk assessment process ensuring an appropriate coverage of all its activities. The risk assessment exercise comprised: an evaluation by each unit of the 2021 risk mitigation action plan; input collected regarding new or emerging risks and a final meeting in October with OIL management where the findings were discussed and the risk register was validated.

No critical risks were identified during both risk assessment exercises. Lower-level risks related to the COVID-19 pandemics were integrated in the general risk register, as in 2020.

Two types of risks were identified:

1) Main risks: these risks if they materialize, could significantly affect the objectives of OIL. Twelve risks of this type were identified, out of which 3 were COVID-19-related.

2) Secondary risks: these risks are characterised by a less significant residual level, but they remain of interest because of their possible impact at strategic level or for OIL's reputation. Seven risks of this type were identified, out of which 2 were COVID-19-related.

An action plan to reduce the likelihood of occurrence of these risks or to mitigate their impact was adopted and is being implemented. Monitoring of the risks and implementation of the action plan will be done on an ongoing basis in 2022.

Exceptions and non-compliance events

The reporting of exceptions and non-compliance events is part of the regular reporting of the Heads of Units to the Head of Service. The evolution over the last 3 years is as follows:

Type	2019		2020		2021	
	Number	Amount (€)	Number	Amount (€)	Number	Amount (€)
Non-compliance events (NCE)	6	32 092	9	210 246	18	1 115 754
Exception <i>ex ante</i>	8	52 375	7	855 792	3	0
TOTAL	14	84 467	16	1 066 037 ¹⁸	21	1 115 754

The causes of the 18 NCEs detected in 2021 generally concerned problems of insufficient budget lines and/or problems of annuality of appropriations. In some cases, the service providers issued invoices late (one such transaction accounts for more than 50% of the total amounts recorded). In such cases, the contractors concerned were reminded of the Commission’s administrative rules and asked to send invoices faster. For others, staff were reminded to stay attentive before requesting the decommitment of the balance of a commitment.

For all cases, remedial actions are carefully considered to mitigate the occurrence of these cases.

The three exceptions duly authorised ex-ante relate to access to IT financial applications for some specific categories of staff (interim or “intra-muros”) with no financial impact.

Conclusion on the internal control system

OIL 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 as intended.

¹⁸ The total amount varies from year to year more significantly than the number of events because a small number of events involving high amounts may have an important impact on the total amount.

Minor improvements or remedial measures implemented or envisaged concern the updating of the relevant procedures and the follow-up and, where possible, the closure of outstanding audit recommendations. These measures are complemented by a regular review of exception and non-compliance cases to identify if some of them have a common root cause and find the appropriate solutions to avoid such events in the future.

Based on the result of the current assessment, as described above, we conclude that there is currently no need to apply changes to the internal control architecture and to the financial circuits, aside from the mitigating actions identified.

2.1.4. Conclusions on the assurance

The information reported in section 2.1 stems from the results of management and auditor monitoring mentioned above and 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 comprehensive coverage of the budget delegated to the Head of Service of OIL.

The management estimates that the internal control system is functioning as intended:

- Processes, systems and workflows for the whole range of activities managed by the Office are documented and are updated on a regular basis.
- The reports submitted by the Authorising Officers by sub-delegation cover both operational and financial objectives.
- OIL only 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.
- No major issues were reported in terms of the legality and regularity of the underlying transactions and sound financial management.
- OIL implemented its new anti-fraud strategy action plan as planned. There were no investigations by OLAF or IDOC.
- Assets were managed according to established rules and the 3-year rolling inventory and the results were in line with forecasts.
- The conclusions of the ex-post controls for 2021 did not bring to light any issues with significant financial impact. The overall error rate for OIL is 0,5% of the total value of expenditure. This result confirms the effectiveness of OIL's controls.
- The risk analysis carried out in the context of the Management Plan showed that risks are appropriately managed and mitigating actions are put in place if needed.

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 [and reservations]

I, the undersigned, Thomas KIRCHNER,

Acting Head of Service of the Office for Infrastructure and Logistics in Luxembourg

In my capacity as authorising officer by delegation,

Declare that the information contained in this report gives a true and fair view¹⁹.

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.

Luxembourg, 31 March 2022

(signed)

Thomas KIRCHNER

¹⁹True and fair in this context means a reliable, complete and correct view on the state of affairs in OIL.

2.2. Modern and efficient administration – other aspects

This subsection reports on key achievements in the fields of human resources, digital transformation and information management, and sound environmental management, and provides examples of initiatives to improve the economy and efficiency of financial and non-financial activities.

A complete report on outputs of the 2021 management plan and on objectives and indicators of the 2020-2024 strategic plan is available in Annex 10 “Reporting – Human resources, digital transformation and information management and sound environmental management”.

2.2.1. Human resource management

In order to ensure effective human resource (HR) management and optimise its capacity to deliver on priorities described in its strategic plan, OIL developed a local HR strategy with a medium- to long-term outlook (2020-2025). Its main aims are to:

- maintain/improve staff engagement and motivation;
- continuously adapt its staffing distribution to needs; and
- maintain technical competence.

OIL continued to motivate and provide development opportunities to its staff by:

- supporting staff to take on higher responsibilities. OIL has consistently followed a policy of motivating interested staff by giving them a lot of responsibility and supporting them accordingly. Non-management AD staff in particular are generally closely involved in the running of their unit and have significant responsibility for their (often large and diverse) sectors;
- preparing a new upgrade round together with OIB and in cooperation with DG HR;
- continuing the recruitment of educators to replace interim staff.

The COVID-19 crisis put a particular strain on OIL’s activities. Many OIL staff have to be physically present to do their work; for others the extended teleworking period was difficult to bear. OIL does the utmost to keep all staff safe and support them as well as possible. OIL’s staff engagement index increased from 61% to 69% in the latest survey.

As in 2020, the COVID-19 crisis significantly reduced the number of specific training events, but efforts were made to limit this decline as much as possible.

One of the main actions as regards human resource management for OIL is to prepare the future move into the JMO2 building and therefore reinforce the teams involved in the JMO2 project. Tasks and posts were adjusted where needed. Detailed discussions on the staffing implications of the move to JMO2 and the related returns of FTEs to the pool were continued.

OIL participated actively in the working groups on the attractiveness of the Luxembourg site.

The main activities in terms of **internal communication** in 2021 were:

- Communication campaigns supporting OIL and corporate initiatives (EMAS, M365, Flexible working, COVID-19...);
- Developing the MyOIL website, with the creation of several dedicated websites such as EMAS, anti-fraud, data protection, 'espace restauration' (catering services) and providing up-to-date and useful information, in particular on COVID-19 developments;
- Contributing with news items, videos (EPPO, DG SANTE...), photos and other communication material for corporate on-site communication activities or MyIntraComm;
- Taking part in meetings and working groups on internal communication (the Internal Communication Network, the Europa Forum etc.).

In addition, the communication team continued to cooperate closely with DG HR by contributing to corporate initiatives such as the Simpler Smarter Together campaign, the Staff Matters newsletter and portal, and the Luxweb site. OIL also made several video shootings for the high-level initiative on the attractiveness of the Luxembourg site of the European Commission.

2.2.2. Digital transformation and information management

OIL contributed to the Commission's digital transformation and information management by implementing the relevant decisions and initiatives stemming from the Commission's digital strategy and the Commission's 2020-2021 work programme on data, information and knowledge management.

The COVID-19 health crisis demonstrated the benefit of the major steps towards working in a paperless environment, which had already been implemented by OIL during the past three years.

1. As regards **digital transformation**, the main actions implemented by OIL concerned:

Facility management: ongoing developments of GEPI²⁰:

- The waste management module was completed in July 2021 and the "intervention request" module was completed in December 2021;
- Activation of both modules is however postponed (respectively to Q2-2022 and Q1-2022) due to a lack of internal resources to write support documentation and to train users.

Mobility

- Production launch in June 2021 of the LOGIPAX software (in collaboration with OIB, temporary solution pending deliveries of solutions from the "EC Transport" common project OIL/OIB) for the transport service;

²⁰ OIL's Facility management tool.

- Start of the development (in collaboration with OIB, “EC Transport” project) of the fleet management and dispatching software for the transport service. “EC Transport” is planned to be put in place during 2022 for the Dispatching and a part of the Fleet management. The complete solution is planned to be delivered by the end of 2023;

Catering: OIL and OIB started to cooperate on various issues related to catering logistics, among which:

- a common purchase of point-of-sales terminals (including the back-office management software and linkage to the catering logistics software) to improve quality, reporting and monitoring;
- the launch of a common call for tenders for acquisition of food stuff, based on a dynamic purchase system (SAD);
- the creation of a meal and catering services booking website (as the future replacement of Sysdrink/Presto solutions).

Childcare facilities (CPE): Ongoing development in cooperation with OIB of the new common tool (eKidWeb) for the CPE and for which OIL’s “must-have” functionalities are expected to go live mid-2022.

OIL’s IT team was also very involved in the support, promotion and training of Microsoft 365, starting with MS Teams, to enhance collaborative working methods between colleagues.

In the development of the above-mentioned IT solutions, the guiding principles defined in the EC data governance and data policies were followed, to ensure proper data management and data quality.

2. **Data, information and knowledge management** (DIKM) was implemented according to the 2016 Communication²¹, the Commission’s 2020-2021 work programme on data, information and knowledge management and the European Strategy for Data²², as well as the Data Strategy@EC action plan. OIL continued to participate in the relevant DIKM activities in the Commission, mainly by taking part in meetings of the Information Management Team (IMT), IMSB HR Family Coordination and Local Data Correspondents (LDC) meetings.

3. As regards **data protection**, OIL appointed its Data Protection Coordinator (DPC) on 1 March. The DPC participated in the required training on the topic and in the regular meetings of the Commission’s DPC network. He also had first bilateral exchanges with the Commission Data Protection Officer (DPO) on specific questions. Internally, the DPC established a regular communication flow with OIL’s Data Protection controllers and launched a dedicated “Data protection @OIL” site on the Office’s intranet to inform staff

²¹ [C\(2016\) 6626 final](#)

²² [C\(2020\) 66 final](#)

and raise awareness on this topic. OIL completed in due time the *2021 Review and update exercise of existing records in the DPMS²³* at the request of the DPO.

OIL also continued to encourage sharing registers of useful financial or contractual information across its finance and operational units, ensured compliance with E-Domec filing rules and made sure that information is shared with and made available to stakeholders as appropriate.

2.2.3. Sound environmental management

In addition to its contribution to actions at corporate level to improve sound environmental management at Commission sites and their implementation in Luxembourg, OIL has:

- raised staff awareness using all communication means at its disposal, such as MyOIL news, messages from management, plasma screens in common spaces and dedicated functional mailboxes (EMAS, Mobility, etc.). In 2021, a dedicated space on OIL's intranet for EMAS and environment related topics was created;
- made full use of the PPMT e-procurement suite when preparing new calls for tenders, to ensure 100% paperless planning and preparation;
- continued to include environmental clauses in all contracts above EUR 60 000 and
- replaced OIL fleet cars with better performing models (electric or hybrid). Three new plug-in hybrid cars were ordered in 2021. 55 % of the cars managed by OIL were full electric or hybrid in 2021.

²³ Data Protection Management System.

