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European
Commission

2019

Annual Activity Report

Office for Infrastructure and Logistics in Luxembourg

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THE DG IN BRIEF

Mission statement

The Office for Infrastructure and Logistics in Luxembourg (hereafter OIL) was established in 2003[1] to better coordinate and carry out the Commission's logistical tasks and manage the Commission's social infrastructure provided for staff. OIL's 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. Furthermore, OIL provides a variety of services to other Institutions in Luxembourg and seeks to extend, whenever possible, its inter-institutional activities in accordance with its mandate.

As a horizontal support service within the Commission, OIL manages:

- the **purchase, rental and maintenance of the moveable and immovable property of the Commission**, as well as inventories and VAT questions related to it.

- in close cooperation with DG HR, the drafting and the implementation of policies related to **real estate management, mobility, and social infrastructure**.

- the adoption of the necessary measures to ensure compliance with **health and safety requirements** within the Commission's buildings.

- **transport services for staff and goods for internal purposes, incoming and outgoing mail, office supplies** and **conference facilities**.

- the **restaurants and cafeterias, the inter-institutional children's centres** (in Kirchberg and Bertrange/Mamer), as well as the inter-institutional venue ***Foyer européen***.

Operating context

OIL has around 430 staff members. It is structured around seven units[2], which all contribute to fulfil the above-mentioned range of actions. OIL's Head of Service receives from the Commission the powers of Authorising Officer by Delegation. The Office works together with unit HR.D2 (responsible for coordinating the Offices) and regularly reports on its activities to the Commissioner and to its Management Committee, chaired by DG HR's Director-General.

Ad-hoc steering committees are in place to manage large and important projects[3]. Given the Commission-wide and inter-institutional reach of OIL's services, the decision-making process for a number of activities is accompanied by the opinions issued by a number of

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

[2] Since 16 June 2019, OIL's unit managing the activities of the inter-institutional children's centres has been split into two separate units (see part 1.3.)

[3] E.g., Steering Committee oversees progress on the main long-term construction project of OIL – Jean Monnet 2.

joint committees where the interests of all stakeholders are represented.[4]

OIL manages exclusively administrative expenditure in the direct management mode. The appropriations for which OIL is responsible are OIL's own appropriations, centralised appropriations and appropriations received from OP, PMO, EPSO, DIGIT and COMM. These appropriations are implemented under full responsibility or sub- and co-delegated. The recipients are suppliers of goods and services, which are provided to the Commission based on contracts (lease contracts, building-maintenance contracts, security contracts, direct and framework contracts for services, furniture or office supplies), or order forms for specific goods and low-value items.

Real estate portfolio and specific local background

OIL currently manages 16 buildings in Luxembourg, of which:

- Nine office buildings with around 4,700 staff (around 139,000 m^2 gross area), located in three districts of the city: in Kirchberg (T2 and Bech); in Gasperich (Euroforum, Hitec, Drosbach, Ariane and Laccolith) and near the Central railway station (Mercier and Fischer);
- Two Commission's data centres (Betzdorf and Windhof);
- Three childcare facilities buildings: two in Kirchberg (CPE I/II and CPE III) and one in Bertrange/Mamer (CPE V);
- The inter-institutional professional and cultural centre *Foyer européen* and the EC representation building (*Maison de l'Europe*).

All buildings are rented or leased except the Foyer européen, which is owned by all European Institutions and managed by the Commission. The leases for the Euroforum building and the CPE V include a purchasing option.

By 2023-2024, the future Jean Monnet 2 building in Kirchberg will allow the Commission to gather in a single building the majority of its services and staff now based in six different buildings (Bech, T2, Ariane, Laccolith, Hitec and Drosbach).

OIL's various activities are essential to the good functioning of EC services in Luxembourg but also those of other EU institutions (through inter-institutional activities such as the CPE and *Foyer européen*). OIL aims for a continued high level of satisfaction in all its areas of activity, although budget and staff reductions may affect the level of service provided. External factors, such as actions of Luxembourgish state and regulatory authorities as well as approvals of the Budgetary Authority, the specificities of the local real-estate market, the structure of the economy and the characteristics of the business environment specific to Luxembourg may impact the main deliverables and overall progress of the main real estate projects.

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[4] Joint Committees:

- *CALUX : Collège des Chefs d'Administration Luxembourg (two to three meetings per year)*
- *CAS : Comité des Activités Sociales (six meetings per year)*
- *CCPE : Comité du CPE (five meetings per year)*
- *CSHT : Committee for Health and Safety at Work, Commission + Publications Office (monthly meetings)*
- *CPGRC : Comité paritaire de gestion des restaurants et cafétérias (2 meetings per year)*

EXECUTIVE SUMMARY

The 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[5].

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

OIL's work falls within the horizontal general objective (see table below) of the Commission for the period 2016-2020, given that the majority of the Office's activities relate to the management and safeguarding of tangible assets (buildings, material and equipment, furniture, office supplies and other stocks etc.) and resources.

General objective 11: To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.		
37. Impact indicator: Staff engagement index in the Commission **Source of the data**: European Commission, Staff Opinion Survey		
Baseline (2014)	**Target** (2020)	**Latest known value** (2019)
65.3%	Increase	69%

In its strategic plan, OIL's operational specific objectives were formulated to match closely the core activities of the office, enumerated in Article 3 of the OIL creation decision (2003/524/EC). Most important progress in 2019 can be summarized, for each of them as follows:

1. **The Commission's buildings and infrastructures in Luxembourg are managed in line with the MAPF[6] objectives**:

- The time schedule of the Commission's major construction project in Luxembourg, the Jean Monnet 2 (JMO2) building (3 700 persons in total) is maintained with delivery of phase 1 scheduled for early 2023 and phase 2 for early 2024. In 2019, excavation works were achieved and structural works for phase 1started in October;
- Meanwhile, OIL made substantial progress in order to align the end date of the current lease contracts with the delivery of JMO2;

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

6 Multi-annual Programing Framework for Real Estate

- OIL and the Luxembourg State signed a new rental contract for a new building to be occupied by the Publications Office from end of 2022;
- OIL actively participated in the preparation for adequate provisional housing for the newly created European Public Prosecutor's Office.

Client satisfaction is enhanced by **offering good quality office space** to all Commission sites in Luxembourg and enhancing OIL's service-oriented culture:

- OIL is constantly seeking to optimise the use of available space in existing buildings, as the undergoing transformation of the Fischer building into the future inter-institutional training service to open in April 2020 or the pilot flex-desk zone implemented for DIGIT in November 2019.

3. Client satisfaction is enhanced by offering office space in **respect of the Health and Safety Rules** applicable to the Commission sites in Luxembourg and enhancing OIL's service-oriented culture:

- Efficient health and safety measures in all Commission buildings continue to be in place, actively monitored and adequately adapted as necessary.

4. The **environmental standards are met** through the implementation of the Environmental Management Audit Scheme (EMAS):

- Most of office buildings are EMAS-registered, except Drosbach, wing E-2 (to be registered in 2020), Fischer (to be registered in 2021) and Mercier to be abandoned.
- OIL is still very much involved in reducing the Commission carbon footprint, as shown by concrete measures to reduce energy consumptions or the purchase of new hybrid and electric cars.

5. The best possible working conditions are created through the **good quality of logistics services** while ensuring their sound financial management:

- OIL has completed early 2019 the implementation of the "Synergies and Efficiencies in Logistics" project, and now centralises all Commission's logistics functions in Luxembourg.

6. Good social infrastructures (**restaurant, self and cafeteria facilities**) continue to be provided at all Luxembourg sites.

- The in-house-managed catering service maintained operational measures, aiming to ensure its continued financial viability, while taking great attention to quality and diversity of its offer in order to meet its clients' needs.

7. Good social infrastructures (**childcare services**) are provided at Luxembourg sites.

- Capacity remains a challenge: in a context of a growing number of enrolled children over recent years (reaching today more than 1900), and despite several innovative pragmatic solutions to make suitable alternative temporary arrangements for housing children, OIL had to put in place a short waiting list (of 11 children) for the school year 2019/2020, however slightly shorter than last year.
- The organizational challenges were nevertheless successfully met and the CPE[7] quality of service was maintained, as demonstrated by the overall 82% satisfaction rate drawn from the latest parents' survey.

[7] Centre Polyvalent de l'Enfance interinstitutionnel

8. Good social infrastructures (**social facilities**) are provided at Luxembourg sites.

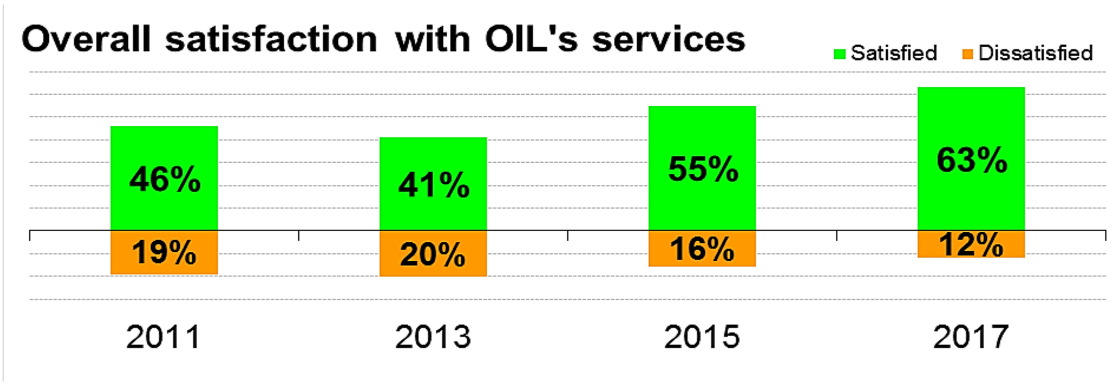
- OIL continued to widely promote the use and the organisation of professional, social and cultural events in the inter-institutional *Foyer européen* building;
- While no dedicated sports centre is run by OIL following the move out of JMO, OIL contributes to DG HR's Fit@Work strategy by providing facilities and logistics services needed according to possibilities**.**

b) Key Performance Indicators (KPIs)

In light of the main strategic prerogatives outlined in its Strategic Plan 2016 – 2020[8], OIL's key performance indicators for the period 2016-2020 are as follows:

Result indicator	Target 2020	Latest known result (2019)
Projects delivered within deadline and budget Data source: OIL - **JMO moving operation to be completed** within deadlines and budget - **Progress on the planning and construction phase of JMO 2** building and related actions	100% completed Start of construction	100% (completed in June 2017) Excavation works achieved and building structure works started in October
Overall staff satisfaction with core-services provided by OIL Data source: Percentage of staff satisfaction in 2017 staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL: *(very satisfied + satisfied) vs. (dissatisfied + very dissatisfied)*	Positive trend	63% (2017) (no survey in 2019)

8 OIL Strategic Plan 2016 – 2020 (17/03/2016)

<table>
<tr><th>Result indicator</th><th>Target 2020</th><th>Latest known result (2019)</th></tr>
<tr><td colspan="3">
</td></tr>
<tr><td>Payments handled within the contractual deadline (number)</td><td>98%</td><td>97%</td></tr>
</table>

The overall 2019 percentage of payments handled within contractual delays (97%) has sensibly increased compared to 2017 (93%) and is very close to the target established for 2020 (98%).

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

In accordance with the governance arrangements of the European Commission, OIL 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.

To ensure the achievement of policy and management objectives, the Commission has adopted a set of internal control principles, based on international good practice. The financial regulation requires that the organisational structure and the internal control systems used to implement the budget be set up in accordance with these principles. 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 well overall, but some improvements are needed as minor deficiencies were identified related mainly to the updating of working arrangements with Commissioner Hahn; human resources; exceptions and non-compliance reporting and follow-up of audit recommendations. Please refer to Section 2.1.3 for further details.

In addition, OIL has systematically examined the available control results and indicators, including those for supervising entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements were assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2.1 for further details.

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

d) Provision of information to the Commissioner(s)

In the context of the regular meetings on management matters during the year between OIL and the Commissioner responsible for Budget and Human Resources, the main elements of this report and assurance declaration were brought to the attention of the Commissioner.

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

Section 1 provides information on the key results and progress towards the achievements of general and specific objectives set in the OIL 2016-2020 Strategic Plan and towards the achievements of the outputs set in the OIL 2019 Management Plan (see Annex 12 for further details and follow-up indicators).

The services delivered by OIL aimed to contribute to the satisfaction of the staff working for the Commission in terms of working conditions, while at the same time meeting the existing financial and regulatory constraints. The OIL activities listed in this report highlight the Office's contribution to the working environment of Commission staff i.e. building and office environment, health and safety rules, logistic services, environmental impact, social facilities and services such as catering canteens, cafeterias, childcare services, other logistic services.

1.1 Real Estate and office space-related projects

In its strategic plan 2016-2020, OIL identified the following main specific objectives in the area of real estate and office space management:

SPECIFIC OBJECTIVE 1: The Commission's buildings and infrastructures are managed in line with the Multi-annual Programming Framework for Real Estate (MAPF) objectives.

SPECIFIC OBJECTIVE 2: Client satisfaction is enhanced by offering good quality office space to all Commission sites in Luxembourg and enhancing OIL's service-oriented culture.

I. Specific Objective 1: Consistent and pertinent real-estate management

In December 2019, the OIL Steering Committee adopted the Multi-Annual Policy Framework (MAPF 2021-2030).

The situation regarding the main real estate projects described in the OIL's 2019 Management Plan is presented below.

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Construction of the Jean Monnet 2 (JMO2) building

OIL remains in close contact with the Luxembourgish Administration of Public Buildings (ABP), the project owner of what is currently the major construction project for the

EC in Luxembourg.

The construction works (structure) are still progressing on schedule, which foresees the following two phases:

- Phase 1: delivery of a seven-floor building housing offices, a canteen, a conference centre, a fitness centre and other services (February 2023);
- Phase 2: delivery of a 23-floor tower with offices and a medical centre (February 2024).

In 2019, several related call for tenders were published and/or attributed:

Lots	**Status (31/12/2019)**
Logistics and building site installation, excavation works, both phase 1 and phase 2 structural works	Awarded
Sprinkler system, lifts and elevators, working platforms for cleaning	Published
32 different lots	To be published in 2020/2021

Construction works have progressed as follows:

- Excavation works were achieved end of September (except the workplace access);
- Phase 1 structural works started in October 2019;
- In parallel, the final demolition phase of JMO1 is to be completed during the first quarter of 2020 by its owner, the Fonds Kirchberg.

In addition to that, the goal for the JMO2 building is to receive the “Excellent” rating from BREEAM (Building Research Establishment Environmental Assessment Method). At this stage of the project, the score obtained is well over the 70% minimum required to reach the targeted objective.

Centre Polyvalent de l’Enfance interinstitutionnel (CPE)

In the context of steady high demand for enrolments in the CPE, OIL is also cooperating with the ABP, together with the *Fonds Kirchberg*[9] and the European School in Kirchberg in order to provide both short-term and long-term solutions.

The CPE I/II buildings in Kirchberg will be replaced with a new building (future CPE VI).

[9]Previously FUAK, Fonds d'Urbanisation et d'Aménagement du Plateau de Kirchberg

In spring 2019, the ABP identified the construction ground located close to the CPE III.

OIL started consultations with the CALux Committee (*Collège des Chefs d'Administration Luxembourg*) and with DG BUDG, with the view to address the financing and cost aspects with the ABP and the Budgetary Authority in 2020.

Please refer to Part 1.6, for all other CPE activities.

Alignment of lease contracts with the schedule of the move to the JMO2 building

After the approval of the Budgetary Authority, Helios (ex-Drosbach) and Laccolith buildings lease contracts were extended in February 2019. The new arrangements also provide for aligning the end date of the lease contract to the delivery of JMO2 phase 1 and 2.

With the same purpose, OIL started discussions end of 2019 with the owners of the Bech building (current deadline being April 2023) and of the Ariane building (currently with a lease contract with tacit annual renewal after end 2021).

Data centre space

The initial intention was to align the end date of the Windhof Data Centre lease contract with the one for the Betzdorf Data Centre, which runs until June 2031. This however still has to be confirmed, as DIGIT needs to clarify its long-term views concerning a possible extension.

Other real-estate projects undertaken by OIL in 2019 concerned:

New storage space in Drosbach

A new storage space in the Drosbach building was inaugurated on 6 February 2019, hosting around 20 persons from OIL ('moving and inventory' team), the Publications Office (part of the print shop) and DIGIT (proximity team).

Publications Office future building

On 25 June 2019, OIL and the Luxembourg State signed a new rental contract for a new building located in the main railway station area, to be occupied by the Publications Office from the end of 2022.

Maison de l'Europe

The current lease contract for the *Maison de l'Europe* expires mid-2020. OIL confirmed with the owner that the building occupation can be extended under the existing rent contract at least until 30 June 2021.

On 28 March 2019, the European Parliament informed the Commission that, despite previous commitment, it will not lead a real estate market prospection for the replacement of the current building, as their intention is to set up a new 'Parlamentarium' in Luxembourg in their own KAD building. OIL, in cooperation with DG COMM, is therefore assessing the possibility for a new extension of the *Maison de l'Europe* lease contract beyond 2021.

Premises for the European Public Prosecutor's Office (EPPO)

OIL has actively been involved in the preparation for adequate provisional housing for some 30 staff from EPPO starting from November 2019. This concerned for instance the supervision of fitting-out and cabling works, office furniture provision and other related logistic services.

The Luxembourg authorities will make available EPPO's definitive premises - in tower B of "*Portes de l'Europe*" in Kirchberg towards the end of 2020.

IT tool support and synergies with OIB

With a view to steadily increasing the effectiveness of OIL's facility management, the IT tool GEPI[10] continues to play a significant role.

Further to its implementation in 2014 focusing on space management and health-and-safety-at-work, several modules (e.g. cleaning, energy etc.) were progressively added. Since early 2019, GEPI also integrates the management of fire permits and work authorisations.

OIL continues to cooperate closely with OIB:

- On the daily exchange of information and knowledge (e.g.: recent transfer of OIL's experience with several health-and-safety-at-work modules or on the reporting possibilities for OIB REMIS project);
- On the preparation of a common call for tenders on the maintenance and new developments of the application from the year 2021.

II. Specific Objective 2: Provision of adequate office space

Among OIL's key tasks is the provision of high quality maintenance and facility management (either directly or via owners) to ensure a suitable and satisfactory office space environment to all staff. This notably implies:

Maintaining good relations with clients and stakeholders

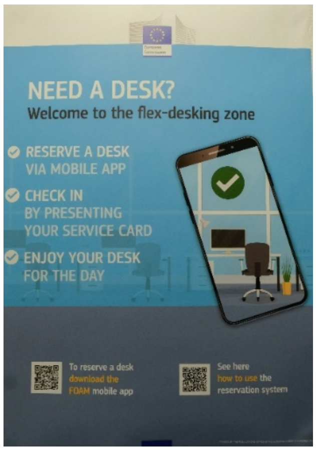
In its constant effort to rationalise and to optimise the use of office space, OIL continues to maintain close and fruitful collaborations with the DGs and Commission services housed in Luxembourg.

Optimising available space

In 2019, OIL coordinated a number of large-scale works in existing buildings in order to optimise the use of available space:

[10] GEstion du Patrimoine Immobilier

- **Preparatory works to host the future Inter-institutional training service in Fischer**:
  Following the feasibility study for works and the signature of an amendment to the lease contract, transformation works started in October 2019. As the required works turned out to be more complex than initially foreseen, in particular related to heating and ventilation given the expected strongly increased occupation rate, the objective is to open the new site in April 2020.



- **First (pilot) flex-desk zone in Luxembourg for DIGIT**:
  While DIGIT created an integrated solution consisting of small devices attached to flex-desking workstations and an online reservation system, OIL took care of the interior design and equipment of the selected zone, which was inaugurated in November 2019.
  This pilot project aims at exploring modern working methods and new ways of making better use of available office space resources.

- **Repair project of the EUFO building roof**:

A call for tender for the full renovation of the roof is under preparation. However, due to a major critical leakage from the roof into the offices, parts of the full renovation were anticipated and waterproofing works were successfully completed in July 2019.

In addition to that, OIL began concrete work together with DG HR and OIB, in order to implement the recommendations from the Court of Auditors special report on the "Efficiency of EU spending on office accommodation" published end of 2018.

For example, this covered:

- The adoption of a common inter-institutional methodology for the calculation and presentation of surface area, in November 2019;
- The implementation of the pilot flex-desk zone for DIGIT services as described above (in the context of further exploring new ways of working);
- Contributions to the Commission's communication on "Workplace of the Future."

1.2 Respect of the Health and Safety Rules

OIL's "Health and safety at work" team (*Santé et Sécurité au Travail, SST*) ensures that the buildings occupied by the European Commission comply with all requirements of the Luxembourg legislations and EC's regulations in this domain.

SPECIFIC OBJECTIVE 3: Client satisfaction is enhanced by offering office space in respect of the Health and Safety Rules applicable to the Commission sites in Luxembourg and enhancing OIL's service-oriented culture.

Concerning OIL's specific objective 3, the main progress made toward OIL's 2019 objectives in this field consists in the following actions:

- Fire drills were carried out on schedule both in EC buildings and in CPEs;
- The annual workplace risk analysis covered the following posts: local “Proxy” team officer, conference technician, educator (on-going), and librarian;
- Training on first aid and on fire-safety raising-awareness were organised as planned.

The OIL’s SST team has continued to lead regular internal communication campaigns, including the creation and upload to MyIntraComm of a video to promote the SST team's main activities.

OIL also made available on MyIntraComm a series of frequently asked questions informing on the water quality in the Commission buildings in Luxembourg. Related to the same topic, DG HR published in November its final audit report on water quality with only a few minor recommendations to be considered for OIL.

Finally, the operational central dispatching back-up premises were inaugurated in the Euroforum building on 8 October 2019.

1.3 EMAS and mobility

In relation to its specific objective 4, OIL strives to reduce its environmental impact and adheres to the **Environmental Management Audit Scheme's (EMAS)** high standards.

SPECIFIC OBJECTIVE 4: The environmental standards are met through the implementation of the Environmental Management Audit Scheme (EMAS).

Some of the main achievements and results of Luxembourg in 2019 are:

- Windhof Telecom Centre, Betzdorf Data Centre and *Foyer européen* have been verified and will soon be EMAS registered. The wing E-2 of the Drosbach building has undergone an internal audit to be incorporated into the EMAS scope as well in 2020*;*
- To reduce the Commission carbon footprint, more ambitious objectives for the period 2014-2020 have been set up for office paper consumption, waste sorting and service cars CO_2 emissions;
- Concrete measures to reduce energy consumption were taken: installation of cold corridors in data centre rooms, lower temperatures in unoccupied buildings, purchase of electric and hybrid service cars replacing thermic engine cars.

Active communication activities continued to be carried out in relation to EC’s global environmental policy, featuring specific results for Luxembourg, practical advice for staff and reports on corporate or inter-institutional related events. As part of these activities,

OIL, in cooperation with the Publications Office, organised in November the first Zero-Waste Day info-fair for which an EC communication award was obtained for the 2019 “Most impactful waste reduction event”.

In the field of waste management, different measures have been prepared and will be introduced in 2020, such as the Ecobox in the canteens (see part 1.5), first centralised recycling stations and new bins for office furniture.

OIL is also actively involved in the **promotion of the use of public transport and soft mobility**. For example, in 2019, OIL has:

- Extended the subsidy of M-Pass and Jobkaart transport cards for EC staff (in the context of public transport becoming free in Luxembourg from 01/03/2020);
- Promoted the *Copilote* car sharing application initiated by the Luxembourgish authorities;
- Provided regular information on public transport (on intranets and by mail);
- Signed an agreement with the European Parliament for the use of their shuttle service between Luxembourg and Brussels (growing demand for missions);
- Organised, in cooperation with DG HR, the “*Vélomai*” campaign in Luxembourg with the aim of promoting the use of cycling;
- Processed regular maintenance of service bikes available for staff.

1.4 Synergies and efficiencies in logistics

SPECIFIC OBJECTIVE 5: The best possible working conditions are created through the good quality of logistics services while ensuring their sound financial management.

In line with specific objective 5, OIL proceeded with full roll-out of the “Synergies and Efficiencies in Logistics” project, further to the Corporate Management Board’s green light given on 27 November 2018.

Since the first quarter of 2019:

- OIL manages logistic proximity teams in each office building. Their main tasks are to:
  - ensure that the building and its equipment are maintained and in good working condition;
  - provide logistical services such as removals and furniture needs.

- In parallel, OIL has implemented a new and simplified mail delivery mode:
  - OIL’s Central Mail (in the Mercier building) sorts the incoming mail by unit and distributes it twice a day in the trays made available in dedicated mailrooms set up in all buildings;
  - Each service (DG, Unit, etc.) is responsible for organising its delivery to its staff;
  - A dedicated practical guide was made available to Commission staff.

Further to specific meetings organised to get clients' feedbacks on their experience, OIL has fine-tuned the new organisation systems for the benefit and satisfaction of all stakeholders.

OIL updated and completed the inventory of conference and meeting rooms in Luxembourg (including photos of each conference/meeting room), which are now available in the related SCIC database.

1.5 Catering-related services and infrastructures

SPECIFIC OBJECTIVE 6: Good social infrastructures (restaurant, self and cafeteria facilities) are provided at all Luxembourg sites.

In relation to its specific objective 6, OIL keeps up its efforts to provide good quality of food in canteens and cafeterias, while maintaining stable financial standing of in-house-run catering.

Concerning some of the main specific objectives defined for the 2019 exercise:

- The daily average of meals sold in the seven canteens in Luxembourg was over the initial target set;
- OIL's catering team contributed to several communication events, either to promote its offer (e.g. "*Chef d'un jour*") or to better identify clients' needs (e.g. "Culinary journey").

OIL continues to pay particular attention to:

- The provision of a large variety of vegetarian, fresh, organic, local and fair trade food products;
- The extension of food choices: a vegan menu was tested during the last months of 2019 and will be rolled out in 2020;
- The limitation and prevention of food waste and of the use of disposable materials For instance, a new return-and-refill – Ecobox - system to take away food and leftovers was implemented early 2020;
- The promotion of the 'banqueting' activity.

The 2019 financial result of catering remained viable, thanks to continuing efforts to contain costs and ongoing monitoring.

Further to the partial replacement in 2018 of its IT software Oscar, used for the management of purchases/stocks/invoicing in catering, OIL is currently finalising the tender specifications for a new interfaced cash management software. The new application is to be introduced by the end of 2020. Delays were mainly due to new priority granted to the introduction of a card payment system.

In close collaboration with OIL's financial unit, the catering team elaborated the technical specifications for the introduction of a payment system using bankcards (call for tenders to be published in March 2020). Once implemented this system is expected to simplify the cash management, to boost sales and to reduce cash handling risks.

1.6 Childcare-related services and infrastructures

- ***SPECIFIC OBJECTIVE 7: Good social infrastructures (childcare services) are provided at Luxembourg sites.***

OIL runs the Interinstitutional Children's Centre (*Centre Polyvalent de l'Enfance interinstitutionnel-CPE*) on behalf of the European Commission. The CPE includes a day nursery (*garderie*) and a study/recreation centre[11].

The facilities are located on two different sites:

- Kirchberg: CPE I/II and III buildings;
- Mamer: CPE V building.

In the context of a still high demand for children to be enrolled in both CPE sites, OIL constantly needs to find pragmatic solutions to meet the above-mentioned objective.

Finding solutions for the capacity issue

Given the capacity issues, OIL's CPE team focused its efforts on the identification of solutions for the lack of space. For the 2018/2019 school year, a waiting list had to be set up, for about 30 children not yet attending school, eligible for full-time childcare at the Garderie, There were only 11 children on a similar list last September, for the 2019/2020 school year.

Until the delivery of the future CPE VI to replace CPE I/II buildings in Kirchberg (see part 1.A), temporary solutions and operational adjustments were put in place to optimise space in the existing CPE buildings, for example, by reassigning or repurposing existing space.

The CPE team also explored various options for additional spaces with all stakeholders concerned, not only within OIL but also with external partners (Luxembourgish authorities, European schools and other European institutions). Whilst no other premises were available or suitable to the CPE needs, existing arrangements have been secured with both European schools (in Kirchberg and in Mamer) to use the schools' refectories on both sites.

Financial situation stable

The stability of the financial situation of the CPE remains a key issue. OIL constantly looks at specific actions to contain expenses and costs, thus ensuring a balanced budget. The latest financial figures presented in September 2019 for the year 2018 show improving results, although caution is still advised. Indeed slight changes in the volume of parental contributions may have significant impact on accounts.

New organisation and other CPE related issues

[11] See also : Interinstutional Children's Centre CPE- Activity report for the school year 2018/2019

With a view of improving local management, the existing CPE managing service, the unit OIL.05 was split into two units: OIL.05 CPE Kirchberg and OIL.07 CPE Bertrange/Mamer in June 2019. The implementation of the new organisation was done smoothly.

An update of the Rules on admission to and operation of the CPE establishments entered into force in April 2019. The changes harmonise and reinforce the rules relating to the calculation of the parental contributions, and modernise the medical provisions in view of the growing number of children with specific needs (allergies, etc.). Further initiatives to modernise the current Rules on admission might be explored in the short and medium term.

A parental satisfaction survey of the CPE took place mid-June 2019. Results indicate an increasing overall satisfaction rate (82%) compared to the 2016 survey (78%).

Another important decision taken in 2019 was the externalisation of the catering services in Kirchberg (implemented early 2020) with a view of harmonising the functioning between the two CPE sites.

Planned development of a new common OIL/OIB IT tool

In 2018, it was decided to develop a common OIL/OIB tool over the next years in order to:

- assist day-to-day operations from OIL's and OIB's dedicated units (Backend interface);
- provide the parents/clients of all Institutions in Luxembourg and Brussels with a user-friendly and performing interface (Frontend).

The first step is to integrate OIL's Loustic application into the new back-office application developed by OIB. The second step is to integrate OIL's e-KidReg application into the new front-office application developed by OIB.

Concrete actions have been put in place to start the work:

- weekly conference call coordination meetings between the OIL/OIB respective teams, completed by coordination meetings on site twice a month;
- development by OIB of all OIL must-have[12] functionalities of the e-KidReg application (during 2020).
- delivery of a test/training environment of 'KiddyWeb Back and Front office' to OIL in order to perform testing.

1.7 Social-related services and infrastructures

SPECIFIC OBJECTIVE 8: Good social infrastructures (social and sport facilities) are provided at Luxembourg sites.

In relation to OIL's specific objective 8 on social-related services and infrastructures, OIL continues to provide the necessary logistical support for the various initiatives organised by DG HR in Luxembourg under the Fit@work umbrella. In particular, OIL performed

[12] According to the MoSCoW prioritization method (must, should, could and would have).

works aiming at improving the airflow in the fitness room located in the Drosbach building.

OIL also continues to promote event hosting and catering in the *Foyer européen*, with the refurbishment of the ground floor (bar/restaurant) last year. The catering will evolve with the future introduction of an offer *brasserie* early 2020, to attract a diversified clientele.

The communication dimension of the Foyer was strengthened, in close collaboration with DG HR, by using appropriate channels (e.g. wide dissemination of informative emails and leaflets, publication of photos and videos on intranets etc.).

Many meetings, trainings and conferences are organised in the Foyer, for the European Investment Bank, various Commission services and the other European Institutions in Luxembourg. The actual number of meetings that took place in 2019 exceeded the annual target set.

OIL monitors closely the operational and financial impact of activities held in the *Foyer européen* and tries to reach an operational breakeven point, taking into account the contribution of the CAS.

2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

This section explains *how* OIL delivered the achievements described in the previous section. It is divided into two subsections.

- The first subsection reports the control results and all other relevant information that support management's assurance on the achievement of the financial management and internal control objectives[13]. It includes any additional information necessary to establish that the available evidence is reliable, complete and comprehensive. It covers all activities and management modes relevant to OIL.

- The second subsection deals with the other components of organisational management: human resources, information management and communication.

2.1 Financial 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. The results are explicitly documented and reported to the Head of Service. These are:

- the reports by authorising officers by sub-delegation (AOSDs);
- the contribution by the Head of unit in charge of Risk Management and Internal Control Coordinator, including the results of internal control monitoring at the OIL level;
- the reports of the ex post controls;
- the limited conclusions of the Internal Audit Service (IAS);
- the IAS audit observations and recommendations;
- the observations and recommendations reported by the European Court of Auditors (ECA);
- the reports on recorded exceptions, non-compliance events and any cases of confirmation of instructions (FR art.92.3);
- the reports from Authorising Officers in other DGs managing budget appropriations in cross-delegation (not applicable to OIL in 2019).

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.

This section is for reporting the control results and other relevant elements that support management's assurance. It is structured into (a) Control results, (b) Audit observations and recommendations, (c) Effectiveness of internal control systems, and resulting in (d) Conclusions on the assurance.

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

Budget implementation tasks entrusted to other services and entities

This section reports and assesses the elements that support the assurance on the achievement of the internal control objectives as regards the results of OIL's supervisory controls on the budget implementation tasks carried out by other Commission services.

The activities concerned by a co-delegation mechanism were recurrent tasks delegated to PMO for the payment of salaries. In addition, OIL co-delegated to DG HR the budget for the interim staff and training, to DIGIT the budget for the IT infrastructure and ICT support, and to the Publications Office (OP) the budget for the management of reproduction facilities.

Other co-delegation mechanisms are in place with DG COMM, OP, PMO and EPSO for the management of the buildings and maintenance.

OIL gave a cross sub-delegation to OIB in the context of the synergies and efficiencies projects OIL-OIB, in particular for the development of the KiddyWeb application.

A cross sub-delegation was received from DG Just for the preparatory steps in order to ensure a timely operational functioning of the EPPO in its provisional premises in Luxembourg.

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

2.1.1 Control results

This section is for reporting and assessing the elements identified by management that support the assurance on the achievement of the internal control objectives[14]. OIL's assurance building and materiality criteria are outlined in AAR Annex 4. Annex 5 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.

There were:

- no cases of 'confirmation of instructions' (FR art 92.3);
- no cases of financing not linked to costs (FR art 125.3) – not applicable to OIL
- no Financial Framework Partnerships >4 years (FR art 130.4) – not applicable to OIL

[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.

- no cases of flat rates >7% for indirect costs (FR art 181.6) – not applicable to OIL
- no cases of "Derogations from the principle of non-retroactivity of grants pursuant to Art no 193 FR" (FR art 193.2) – not applicable to OIL

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

Main financial data

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

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

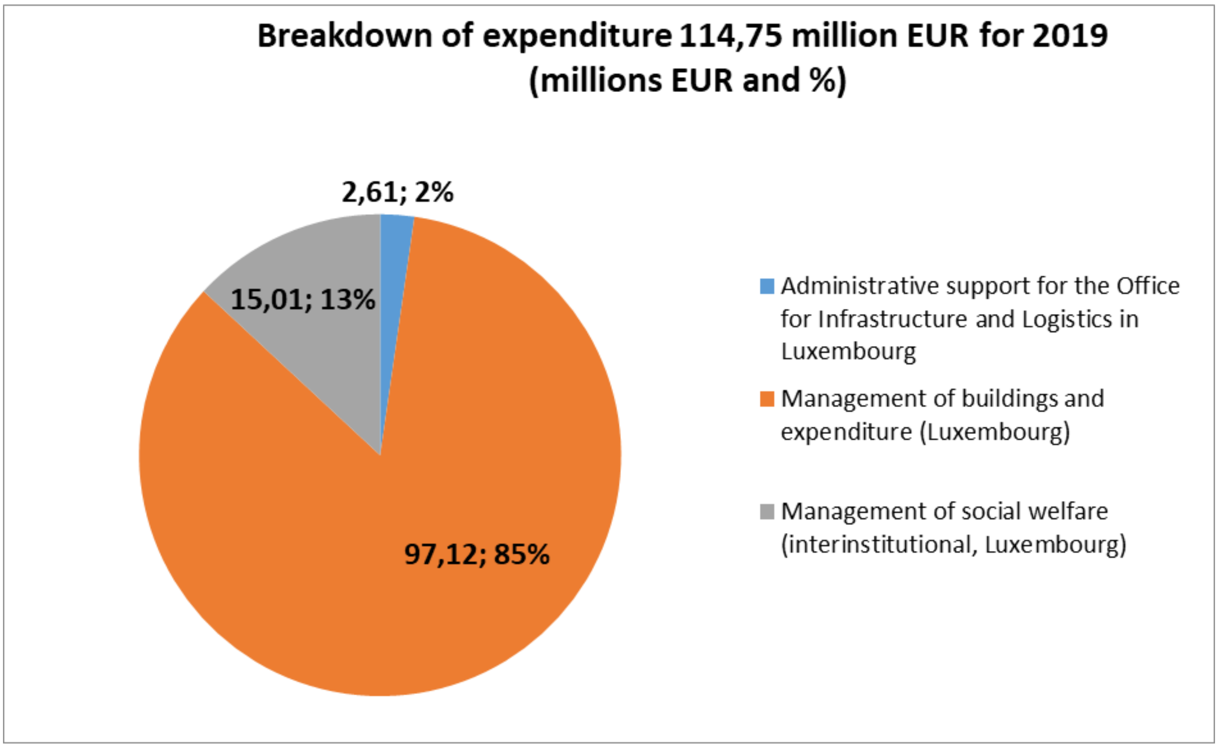
Procurement – administrative expenditure

During the year, OIL managed a budget of 121,4 million €. The budget implementation for new credits (C1 credits) amounted to 100% for commitments and 91% for payments. Combined with the other types of appropriations, including sub-delegated ones, results for all types of credits in 2019 are as follows:

Breakdown by fund source	Final Budget (EUR)	Execution Commitments (EUR)	Ratio Com / Final Budget	Execution Payments (EUR)	Ratio Pmt / Com
C1- appropriations for the year (2017)	96 188 229 €	96 154 147 €	100%	87 219 104 €	91%
C4 – internal assigned revenues of the year	6 757 302 €	2 182 790 €	32%	1 473 629 €	68%
C5 - internal assigned revenues carried over	4 807 861 €	4 807 766 €	100%	4 638 270 €	96%
R0 – from externally assigned revenue	8 877 781 €	6 856 095 €	77%	4 936 643 €	72%
E0 – EFTA credits	118 754 €	118 754 €	100%	85 657 €	72%
Catering and Foyer Européen	4 715 154 €	4 629 785 €	98%	4 629 785 €	100%
Sub-total:	121 465 081 €	114 749 337 €	94%	102 983 087 €	90%

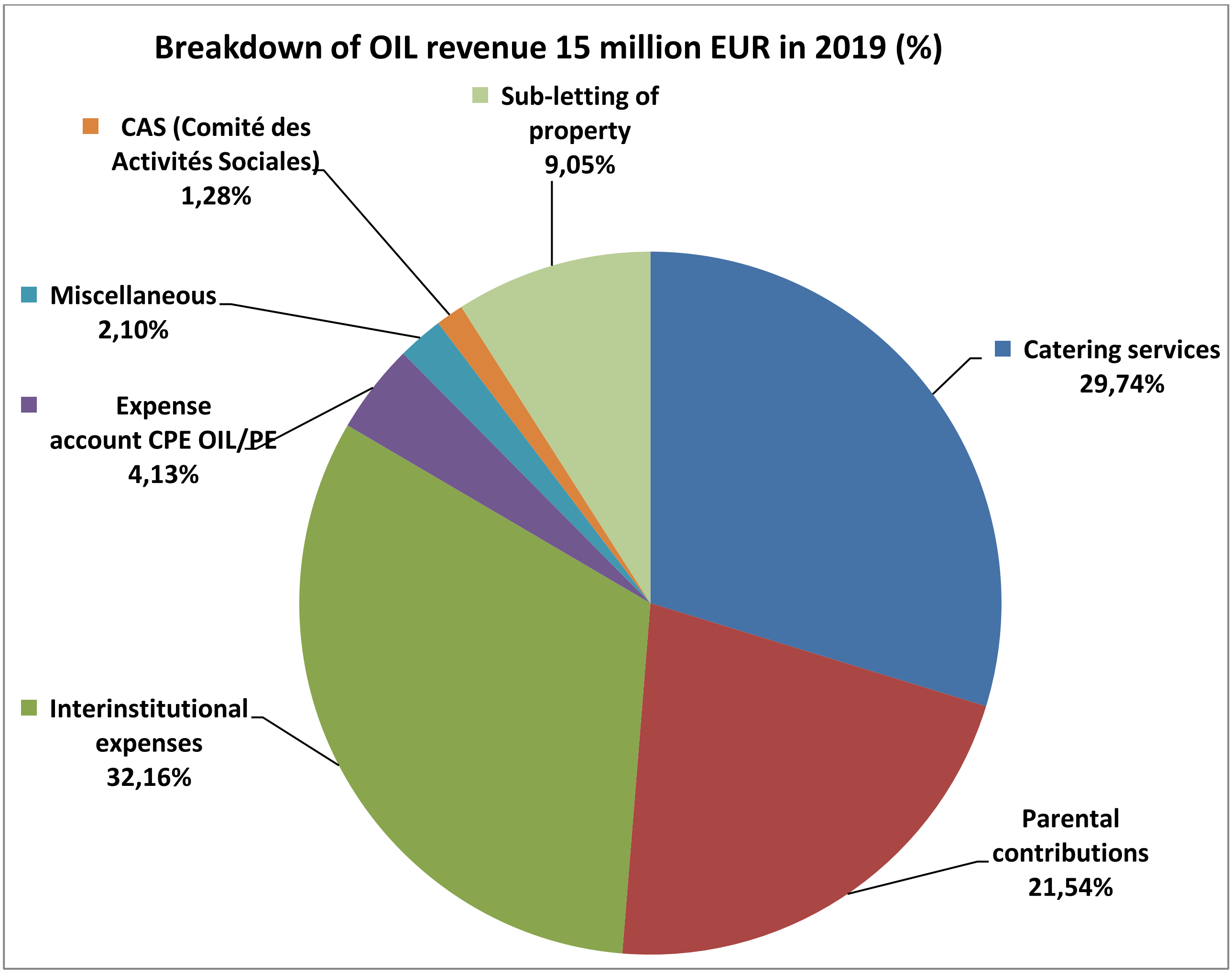
C8 – appropriations carried forward	7 705 925 €	7 705 925 €	100%	7 583 814 €	98%
Total:	129 171 006 €	122 455 262 €	95%	110 566 901 €	90%

The implementation of commitment appropriations (C1, C4 and C5) and external assigned revenues, including sub-delegated appropriations and appropriations for catering activities, was as follows in 2019:



Revenue

Due to the nature of its activities and its interinstitutional role, the Office recovers revenue either from other institutions and equivalent bodies or from the users of various services provided by OIL. Revenue is generated through the sub-letting of properties, the provision of office supplies and furniture, catering services, the Foyer européen, the Interinstitutional Children's Centre (CPE), etc. The revenues presented below are used to finance the aforementioned expenditure, and are thus reflected in the total expenditure for the Office and represent 13% of the total expenditure (commitments).



The completeness of coverage per relevant control system is illustrated in the overall conclusions table below:

Risk-type / Activities	Procurement (e.g. <u>minor</u> or major <u>values</u>) € million	*NEI, e.g. Revenues, Assets, OBS [(in)tangible or financial assets & liabilities]* € million	*Independent info from auditors (IAS, ECA) on assurance or on new/overdue critical recommendations available?*	*Any reservation?*
Administrative Expenditure	105,94 M €	Assets: 158,67 M€ Liabilities: 105,96 M€	Y	NO

		Off balance sheet: - 666,63 M€ Revenue: 15 M€[15]		
Internal Control Objectives[16] - related indicators available at this level	**L&R** : **RER** est.=0,5% **3Es:** Conclusion on the Cost-effectiveness of controls : = Positive **AFS:** Number of OLAF investigations= 0. **AFS:** Number of IDOC investigations= 0	**SAI**: OK. Physical vs theoretical inventory: 62,9% of items found[17] **TFV** = yes AFS: OK	**SFM:** No critical issue detected. **AFS:** OLAF **Overdue audit** recommendations: 1.[18]	NO
Links to AAR Annex 3	Overall total = 105,94 M €; see Table 2 – payments made	See Table 4 – assets	n/a	
Legend for the abbreviations: NEI = non-expenditure item(s), OBS= off-balance sheet, ICO = internal control objective, L&R = legality and regularity, SFM = sound financial				

[15] This amount comprises revenue and income cashed in 2019, as well as revenue from catering operations.

[16] Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; and e) adequate management of 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.

[17] The latest cycle of the 3-year rolling inventory started on 1/05/2017 because of the abandonment of the JMO building. It should be noted that the number of assets has increased in 2019 because of a transfer of assets from the Publications Office to OIL. Without that transfer, at constant figures compared to end 2018, the percentage of items found would have been 82,5% for the first 32 months of the present 3-year rolling inventory. The final figures for the 3-year rolling inventory will be available after 30 April 30, the date on which the present annual report will be closed.

[18] See Section « 2.1.2 Audit observations and recommendations » of the present report.

management, AFS = anti-fraud strategy measures, SAI = safeguarding assets and information, TFV = true and fair view, RER = residual error rate, CEC = cost-effectiveness of controls.

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

1. *Effectiveness = the control results and benefits*

In order to be considered effective, controls are expected to meet the internal control objectives detailed hereafter and for each of those control objectives result in benefits.

- ***Legality and regularity of the transactions***

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

Procurement – administrative expenditure

Internal coordination and ex ante controls

The consistent application of financial procedures was ensured in close cooperation with the financial actors involved. The ex-ante controls focused in particular 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.

GAMA activities

OIL participates in the GAMA (*Groupe d'Analyse des Marchés Administratifs*), the inter-service group on public procurement regrouping DG HR, DIGIT, IAS, OIB, OIL, PMO, EPSO and EUSA. Feedback received from the GAMA contributed to the ongoing improvement of procurement processes.

Ex post controls

The objective is to ensure that the estimated annual risk of errors in payments at the time of the authorisation of the transactions is less than 2% of the allocated budget. The residual risk of error is estimated using the residual error rate obtained from an examination of a representative sample of transactions less any corrections made resulting from the supervisory and control systems in place.

The results of the ex post control are discussed with the units concerned and the 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 2019 is composed of 0,71% of the number of payments, amounting to 38,3 million € (34,9% in terms of value). No important or substantial errors have been highlighted for procurement – administrative expenditure in 2019. As a precautionary measure, however, we have set the average error rate at a level of 0,5%, as in 2018, based on historical levels of error rates for this type of expenditure at the Commission.

The result with the estimated overall amount at risk is summarised in the following table:

OIL	Payments made (2019; €)	Average Error Rate (weighted AER; %)	Estimated overall amount at risk at payment (FY; €)	Average Recoveries and Corrections (*adjusted* ARC; %)	Estimated future corrections (2019; €)	Estimated overall amount at risk *at closure* (€)
Procurement	105 937 116	0,5	529 686	0	0	529 686

Revenue

Internal procedures and coordination

Financial procedures are in place and are updated for all types of revenue. The ex-ante verifying agents continued to streamline their controls on financial transactions in 2019. They focused in particular on compliance with the financial clauses (contracts, SLAs and other administrative arrangements), the quality of the data encoded in ABAC and other systems and the clarity of the supporting documentation in the financial transactions.

Ex post controls

OIL's ex post methodology includes a specific sample for revenues. The ex-post sample for 2019 is composed of 0,9% of all revenue or recovery transactions, for a total of 9,86 million € (47% in terms of value). No important or substantial errors have been highlighted by ex-post controls for revenue in 2019.

The result with the estimated overall amount at risk is summarised in the following table:

OIL	Revenue made (2019; €)	Average Error Rate (weighted AER; %)	Estimated overall amount at risk at payment (FY; €)	Average Recoveries and Corrections (*adjusted* **ARC**; %)	Estimated future corrections (2019; €)	**Estimated overall amount at risk *at closure* (€)**
Revenue	15 810 946[19]	0	0	0	0	0

[19] This amount is comprised of: 11 095 792,83 € “Revenue and income cashed from, Total” (Annex 3, table 7) and 4 715 153,58 € revenue from the catering activity managed by OIL.

Benefits of controls

OIL is in a particular position, due to the nature of the mandate of the Office and the diversity of its activities. The procurement procedures are subject to strict regulatory requirements and the controls put in place are necessary in order to mitigate the risks mentioned in Annex 5.

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, reducing fraud and/or corruption risk, transparency and fostering competition, as well as system improvements and efficiency gains.

Conclusion

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

In the context of the protection of the EU budget, OIL's estimated overall risk at payment, estimated future corrections and risk at closure are consolidated at Commission level. OIL's data is shown in Table [X] and its accompanying notes below.

The estimated overall risk at payment for 2019 expenditure is 0,53 M€. This is the AOD's best, conservative estimation of the amount of relevant expenditure during the year (105,94 M€ plus 4,63 M€ revenues catering) not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

OIL's data is shown in Table [X] and its accompanying notes below.

This expenditure will subsequently be subject to ex-post controls and a proportion of the underlying errors will be detected and corrected in successive years. The conservatively estimated future corrections for 2019 expenditure is 0 M€. This is the amount of errors that OIL conservatively estimates will be identified and corrected by controls planned to be carried out in succeeding years. The difference between those two amounts leads to the estimated overall risk at closure for the 2019 expenditure of 0,53 M€. The estimated amount at risk for revenue in 2019 is 0 €.

In conclusion, compared to previous years, OIL's estimated error rate remained stable at 0,5% of the relevant expenditure. This percentage is based on historical levels of error rates for this type of expenditure at Commission level and is used a precautionary figure by OIL, as the error rate detected by the ex post controls is significantly lower. These results allow us to conclude that the overall risk at closure is stable, at a low level, and that, given all the internal control measures already existing, no additional management action is needed in this respect.

Table X - Estimated overall risk at closure

DG OIL	"payments made" (FY; m€)	*minus* new prefinancing [*plus* retentions made*] (in FY; m€)	*plus* cleared prefinancing [*minus* retentions released* and deductions of expenditure made by MS] (in FY; m€)	= "relevant expenditure" (for the FY; m€)	Average Error Rate (*weighted* AER; %)	estimated overall risk *at payment* (FY; m€)	Average Recoveries and Corrections (*adjusted* ARC; %)	estimated future corrections [and deductions] (for FY; m€)	estimated overall risk *at closure* (m€)
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10)*
Procurement (non-catering)	105,94	n/a	n/a	105,94	0,5	0,53	*0*	0	0,53
Overall, total	105,94	n/a	n/a	105,94	0,5	0,53	*0*	0	0,53
Catering	4,63	n/a	n/a	4,63	0	0	*0*	0	0
Overall, total, including catering activity	110,57	n/a	n/a	110,57	0,5	0,53	*0*	0	0,53

Notes to the table

(1) [*if possible*] differentiated for the relevant portfolio segments at a level which is lower than the DG total.

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.
In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are covered by the Delegated DGs. For Cross-SubDelegations (Internal Rules Article 12), they remain with the Delegating DGs.

(3) New pre-financing actually paid by out the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department). “Pre-financing” is covered as in the context of note 2.5.1 to the Commission annual accounts (i.e. excluding "Other advances to Member States" (note 2.5.2) which is covered on a purely payment-made basis).
"Pre-financing paid/cleared" are always covered by the Delegated DGs, even for Cross-SubDelegations.
* In Cohesion, the (10%) retention made.

(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').
* In Cohesion, the retention which is now released by the Commission.

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (*see the ECA's Annual Report methodological Annex 1.1*), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out *[& adds the retentions made*], and adds the previous pre-financing actually cleared *[& subtracts the retentions released; and any deductions of expenditure made by MS*] during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In order to calculate the weighted Average Error Rate (AER) for the total relevant expenditure in the reporting year, the detected error rates have been used – or an equivalent.
[*Equivalents might be e.g. the "adjusted error rates" [AGRI] or the “residual total error rates” [REGIO, EMPL, MARE]. In other cases [e.g. DEVCO and NEAR], they are derived by a backwards calculation based on results from advanced residual error studies; i.e. by adding the estimated future corrections (if not assumed to be zero) to the risk at closure*.]
For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (*e.g. administrative expenditure, operating subsidies to agencies*), it is nevertheless recommended that 0.5% be used as a conservative estimate.

(8) Even though to some extent based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective capacity of the ex-post control systems implemented by the DG over the past years, the AOD [*has adjusted or replaced*] this historic average [*from … to …*].
Any ex-ante elements, one-off events, (partially) cancelled or waived Recovery Orders, and other factors from the past years that would no longer be relevant for current programmes (e.g. higher ex-post corrections of previously higher errors in earlier generations of grant programmes, current programmes with entirely ex-ante control systems) [*have been adjusted*] in order to come to the best and most conservative estimate of the ex-post future corrections to be applied to the reporting year's relevant expenditure for the current programmes.
[*+ summarize here the approach taken by the DG*]. [*This may include considering less and more recent years than the full 7-years-period [e.g. AGRI, MARE, DEVCO, NEAR], using an alternative estimation basis [e.g. AGRI, REGIO, EMPL, Research family], or even assuming that the ex-post future corrections would be 0.0% [e.g. DGs with entirely ex-ante control systems].*]

(10) For some programmes with no set *closure* point (e.g. EAGF) and for some multiannual programmes for which corrections are still possible afterwards (e.g. EAFRD and ESIF), all corrections that remain possible are considered for this estimate.

- ***Fraud prevention, detection and correction***

OIL has developed and implemented its own anti-fraud strategy since 2014, on the basis of the methodology provided by OLAF. It was updated and rewritten in 2019 with the consultation of all units and is in the final stages of adoption at management level, after taking into account OLAF's opinion. After its adoption, the document will be updated as needed, but at least every three years. It will be reviewed each year in order to assess progress made towards the objectives.

No preliminary inquiry was conducted by OLAF in 2019 regarding OIL and there were no inquiries or fraud cases pending. In addition, there were no new or pending financial recommendations issued by OLAF as regards OIL.

OIL has implemented its anti-fraud strategy action plan by ensuring that fraud risks are identified or updated during the annual risk management exercise, that fraud risk is duly documented and taken into account in all relevant internal procedures, and by enhancing the management of procurement procedures.

OIL has organised one workshop on OIL-specific themes, conducted by a staff member of OLAF and two internal awareness-raising sessions "Ethics in practice at OIL", attended by new colleagues.

Although the "quantifiable" benefits related to controls covering fraud prevention, detection and correction are difficult to measure, there are significant unquantifiable benefits, such as reducing fraud and/or corruption risk, deterrent and preventive effects, awareness raising among the main actors in the procurement chain and compliance with the Financial Regulation and other public procurement rules. That way, OIL also contributes to minimising any reputational risks for the Commission and to strengthening the public's trust in the EU institutions.

Based on the information, which is complete and reliable to our knowledge, we consider that the anti-fraud controls are effective, and there are no significant weaknesses to be addressed.

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

OIL continued its 3-year rolling inventory control of items 2017 – 2019, based on the new inventory methodology introduced in 2017, which consists in doing the inventory by building.

More details and figures about the safeguarding of assets can be found in Annex 10, objective 4 "Safeguarding of assets; prevention or timely detection of unauthorized acquisition, use or disposition of Commission assets in Luxembourg".

Although the "quantifiable" benefits related to controls covering safeguarding of assets and information, reliability of reporting are difficult to measure, there are significant unquantifiable benefits, such as reducing fraud and/or corruption risk, 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.

Taking into account 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 = the Time-to-… indicators and other efficiency indicators*

OIL Payment Time Statistics

OIL uses the Time-to-pay indicator (Art 116.1 FR), in order to monitor the respect of its contractual obligation with regard to payments. As OIL does not provide grants, we do not use Time-to-inform and Time-to-grant (Art 194.2) indicators.

More than 97% of the payments made in 2019 were handled within contractual delays, a figure that is close to the target established for 2020 (98%). This figure proves that OIL's financial circuit is functioning effectively.

Table: Time-to-pay figures, 2017-2019.

Year	Total number of payments	Average net payment time (days)	Average net on time payments (% of all payments)	Average net late payments (% of all payments)
2017	5813	20	93%[20]	7%
2018	4908	19	97%	3%
2019	4445	20	97%	3%

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 strict compliance with the Financial regulation and other public procurement rules.

OIL continued to work on improving the efficiency of its financial circuits in 2019. New Business Objects (BO) reports were designed and implemented to facilitate reporting by authorising officers by sub-delegation (AOSDs), providing useful information to the members of OIL's internal financial correspondent network.

The procedure regarding the reports of the AOSDs was updated and substantially simplified, in order to provide to the AOD the clearest and most up-to-date information while concentrating the reporting obligations of the AOSD on the essential facts.

The ARES e-signatories for financial transactions have been generalised to all financial transactions, which allowed OIL, inter alia, to reduce the processing time of files and the amount of paper circulation.

[20] The 2017 percentage of late payments is higher compared to other years because of a technical glitch in the systems early on in the year. One batch of multiple invoices for interim agent services, authorised with a single visa, was affected.

The review of the Office's financial circuits from a risk-management perspective was completed in 2019 and a report was submitted to the Head of Service. The report concluded that the drawbacks of changing the financial circuit "invoices and payments" would not be offset by the estimated efficiency gains, in particular because of the diversity of OIL's activities, the difficulties of a possible fusion of financial verifying agent (FVA) and authorising officer by sub-delegation (AOS) roles and the efficiency gains already achieved through other actions.

Specific year-end monitoring of financial transactions was enhanced based on the experience gained in the past years. Furthermore, OIL continued to work closely with DG BUDG for the improvement of financial information systems and data quality.

3. *Economy = the cost of controls*

Procurement – administrative expenditure

OIL continued to analyse the costs and benefits of its main control processes, i.e. procurement procedures, ex-ante 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 only; it is thus also necessary to consider the non-quantified benefits and efficiency indicators such as the above-mentioned “time-to-pay” indicators.

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

OIL's public procurement controls are implemented to ensure that tendering and awarding procedures and subsequent payment transactions fully comply with applicable rules and provide reasonable assurance to the competent Authorising Officers. Moreover, OIL participates in the inter-service group on public procurement (GAMA). In 2019, the four OIL files submitted to GAMA received a positive opinion.

For procurement, an estimated 2,6 million € was invested in controlling procedures, which represents 2,36% of total procurement spending

Revenue

The use of specialised software enables the efficient management of revenues from catering activities: CIEL for accounting and OSCAR for cash and inventory management.

The electronic sending of debit notes to parents of children at the CPE and to other EU institutions continued in 2019.

No case of forced recovery was registered in 2019. The forced recovery case registered in OIL in 2016 (failure of a contractor to carry out the works entrusted through a contract) is followed up closely in cooperation with the Legal Service.

The ageing balance of recovery orders (ROs) indicates a significant increase of major overdue items pending at year-end (see Annex 3, Table 9). The main difference comes from the fact that OIL issued an important number of recovery orders for large amounts at the end of December 2019, in an effort to collect as quickly as possible contributions to the CPE and *the Foyer européen* activities from the other EU institutions. As a result, the amount open at the end of the year is much larger than in 2019, but as it is payable in early 2020, it does not point to a deficiency.

An estimated 0,4 million € was invested in controlling revenue procedures, which represents 2,5% of the total amount of the corresponding financial transactions. The relatively higher cost-ratio for revenue is due to the specificities of some revenue generating activities, such as the catering activity with its cash payments and dedicated accounting software (CIEL), cash management and control procedures, and a high volume of small transactions to be processed, all of which are important cost-drivers for revenue.

Overall, in 2019, for financial transactions related to procurement and revenue (including commitments, payments and recovery orders), an estimated 2,9 million € was spent to control 6672 financial transactions worth 135,7 million €. Thus 2,38% of the total amount of financial transactions carried out during the year was dedicated to controls. Each financial transaction control costs on average 445 €.

The table below compares 2019 and 2018 figures for the cost of controls.

Year of estimation	2018	2019
Total cost of controls	3,36 mil. €	2,97 mil. €
Number of financial transactions	7 834	6672
Value of controls/ value of transactions	2,09%	2,38 %
Cost per transaction	427 €	445 €

The relative increase in the cost per transactions is explained by the decrease of the total number of transactions checked which has outbalanced the decrease of total cost of controls.

For more details related to the estimated cost of controls, please consult Annex 10, table Y.

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.

For the revenues generated by OIL's activities, the costs of control are relatively high, because of the specificities of some of those activities, as explained in section 2.1.1.3 "Economy = the cost of controls" above. 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 to be as cost effective and efficient as reasonably possible. Also, given the fact that: a) the types of transactions performed at OIL did not change during the reporting year; b) the split of the former CPE unit in 2 new distinct units had no impact on cost of controls, as the control tasks are shared between the two units and c) no new 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 2018.

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 issues outlined by the European Court of Auditors, the Internal Audit Service or OLAF in 2019 and no critical issues pending from earlier years.

Internal Audit Service and DG BUDG audits

At a general level, in its note "Internal Audit Service contribution to the 2019 Annual Activity Report process"[21], the IAS concluded that "the internal control systems in place for the audited processes are effective".

In 2019, the IAS carried out a limited review on the effective implementation of the Internal Control Framework in OIL. Following this audit, two recommendations were issued, both qualified as important. An action plan was agreed with the IAS. The implementation dates are end of June 2020 (first recommendation), respectively end of January 2021 (second recommendation).

As regards the three open IAS recommendations from past years, two (related to procurement procedures) were closed in 2019. A follow up audit (which would principally involve DG HR) is to be undertaken in 2020 concerning the pending very important IAS recommendation, concerning an in-depth analysis of sickness absences at Office level. OIL has sent its own analysis to the IAS mid-2018.

The IAS confirmed the status of the implementation of the above-mentioned recommendations in its note "2019 final overview report: final implementation

[21] Ares(2020)931734

tracking report – OIL"[22]

Moreover, DG BUDG closed in 2019 a relatively long-standing recommendation, on OIL's registration of invoices process, concluding that significant progress had been made.

European Court of Auditors (ECA) audits

Further to the ECA Special Report N° 34/2018 on building management, the related recommendations affecting OIL were introduced early 2019 in the dedicated IT management system and are regularly monitored in close cooperation with DG HR and OIB.

Related to the Statement of Assurance 2016, the ECA identified a transaction, which did not comply with the principle of sound financial management (SPF n°8309 of 14 March 2017). The ECA therefore invited OIL to renegotiate the rental contract of one the Data Centre in Luxembourg with the owner. During 2019, OIL informed the ECA about the status of the discussions, which also largely involves DIGIT. A meeting with the owner was foreseen early 2020.

Conclusion

As a result of the assessment of the risks underlined in auditors' observations together with the measures taken in response, including the revised implementation deadlines, OIL's management concludes that none of IAS or DG BUDG 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 on-going 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 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 from December 2019 to February 2020, in compliance with methodology established in the "*Implementation Guide of the Internal Control*

[22] Ares(2020)704157

Framework of the Commission". 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 and specialised functions.

The approach also took into account:

- the results of audits and follow-up engagements performed by IAS and ECA in 2019 or in previous years and the status of implementation of action plans results from previous IAS/ECA audit work,

- the analysis of the register of exceptions and non-compliance events;

- the monitoring of the implementation of OIL's anti-fraud strategy;

- the Accounting Officer's reports on the validation of local financial management systems.

Internal control assessment results for 2019

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.

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 2019 were discussed and approved at OIL's management meeting of 11 February 2020.

OIL therefore assesses that the internal control systems are effective. They notably include the ex-ante and ex-post controls, the analysis of the registry of exceptions, 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 took place from June to September 2019, comprising: an evaluation by each unit in OIL of the 2018 risk mitigation action plan; input collected regarding new or emerging risks and a final workshop with the OIL management where the findings were discussed and the risk register was validated. Two types of risks have been identified:

1) Main risks: these risks if they materialize, could significantly affect the objectives of the OIL. Six of this type have been identified.

2) Secondary risks: these risks are characterised by a less important overall residual level, but they remain of interest because of their possible impact at strategic level or for OIL's reputation. Nine risks of this type have been identified.

An action plan to reduce the likelihood of occurrence of these risks or to mitigate their impact has been adopted and is implemented. Monitoring of the risks and implementation of the action plan will be done on an ongoing basis in 2020.

No critical risks were identified for OIL in 2019.

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	2017		2018		2019	
	Number	Amount (€)	Number	Amount (€)	Number	Amount (€)
Non-compliance events (NCE)	8	459 422	13	235 482	6	32 092
Exception *ex ante*	3	694 360	3	19 818	8	52 375
TOTAL	11	1 153 782	16	255 299	14	84 467

The main causes of the six non-compliance events (NCE) detected in 2019 were the lack of budgetary or contractual coverage for the subsequent transactions and non-compliance with principle of annuality of appropriations. The necessary remedial actions were put in place to avoid recurrence of these issues.

Regarding the exceptions duly authorised ex ante, eight cases were recorded. Four cases were related to access to IT financial applications with no financial impact, three were related to lack of contractual coverage and one where the annuality of credits could not be respected.

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 well overall, but some improvements are needed as minor deficiencies were identified related mainly to the updating of working arrangements with Commissioner Hahn; human resources; exceptions and non-compliance reporting and follow-up of audit recommendations.

The improvements or remedial measures implemented or envisaged are the signature of new working arrangements with Commissioner Hahn in 2020; follow-up actions to the Staff survey 2018; an analysis of exception and non-compliance cases in order to identify if some of them have a common root cause and find the appropriate solutions in order to avoid such events in the future.

The observed situation does not however have any impact on the assurance by the Authorising Officer.

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

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

OIL only manages direct centralised expenditure, which has a low inherent risk. For 2019, the budget implementation indicators reached the targets for commitments and were close to target (97% vs. 98%) for payment times.

Processes, systems and workflows for the whole range of activities managed by the Office are documented in procedures, which are updated on a regular basis. The reports submitted by the Authorising Officers by sub-delegation cover both operational and financial objectives.

No major issues were reported in terms of the legality and regularity of the underlying transactions and sound financial management.

OIL has implemented its anti-fraud strategy action plan, has identified or updated the fraud risks during its annual risk assessment exercise and has insured that procedures are updated with anti-fraud provisions where applicable. There were no pending investigations opened by OLAF or IDOC from previous years and no potential fraud related case was reported to or by OLAF or IDOC in 2019.

Assets were managed according to established rules and the 3-year rolling inventory of assets has continued as foreseen, the results being in line with forecasts.

The conclusions of the ex post controls for 2019 did not bring to light any issues with significant financial impact. The overall error rate for the transactions controlled is 0,5% of the value of expenditure and 0% for revenues. This positive result confirms the effectiveness of OIL's controls.

The management estimates that internal control system is functioning as intended. In particular, 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 its “IAS contribution to the 2019 Annual Activity Report process” issued on 13/02/2020, the Internal Audit Service concluded: “the internal control systems in place for the audited processes are effective”. The European Court of Auditors recommendations are taken into account as mentioned in Section 2.1.2 “Audit observations and recommendations”.

Overall Conclusion

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

2.1.5 Declaration of Assurance

I, the undersigned, Marc Becquet,

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 view[23].

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 OIL or those of the Commission.

Luxembourg, 27 April 2020,

Signed
Marc Becquet

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

2.2 Other organisational management dimensions

The present subsection reports on OIL's key achievements in the fields of human resources, information management aspects, and internal communication activities. It does not cover the Better regulation principles, as OIL does not propose legislation. For an extensive reporting on the above-mentioned relevant components, please refer to Annexes 2 and 12.

2.2.1 Human resource management

In 2019, OIL continued to ensure a high level of service provision of its core activities, as underlined in part 1. The staffing and functioning of the teams concerned remained a major priority during the year.

OIL continued to foster motivation and career development opportunities for its mixed staff population (27% officials, 56% contract agents mostly with indefinite duration contracts and 17% local-law employees, end 2019). However, limited mobility and career prospects for many of OIL's staff remained an important human resources challenge.

The first half of 2019 was marked by a reorganisation of OIL, which was implemented on 16 June. The most important change was the split of the Interinstitutional Childcare Centre unit OIL.05, into two new units, OIL.05 (CPE Kirchberg) and OIL.07 (CPE Mamer). These two units share common administrative tasks, such as finance, human resources management, procedures, communication, and their secretariat.

As regards the Staff Survey 2018, its results were communicated to OIL staff, discussed by management and presented at OIL's general assembly in June 2019.

As part of the action plan for follow-up, the topic of training was discussed with staff over the fall and the outcomes were fed back to OIL's management. Other topics are to follow in 2020.

Furthermore, OIL has drafted a formal HR strategy document for 2020 - 2025. The document describes the main challenges linked to human resource management at OIL, as well as the main responses to them in terms of staffing, mobility, motivation, etc. The text was adopted by OIL management in March 2020.

As regards recruitment, two out of OIL's seven head of unit positions were filled in 2019. Out of the seven middle managers at OIL, three (43%) are women, which is in line with the target set for 2020 (40%) in the Strategic Plan 2016-2020. Over 20 new educators were recruited as contract agents resulting in a lower use of interim staff for the CPE. Recruitment on AST-SC posts proved to be difficult; 4 out of 4 recruitments on AST-SC posts were temporary agents. Recruitment from specialised lists for the building domain is considered a priority for resource allocation.

In relation to the roll out of the synergies in logistics project, OIL set up new logistics proximity teams (redeployment of 25 persons in total located in seven buildings). Also, OIL participated in the pilot DG HR project for the upgrade of contract agents permanently performing tasks corresponding to a higher function group than their own. Following selection interviews, a reserve list was established and recruitments (upgrades) implemented.

2.2.2 Better regulation (only for DGs managing regulatory acquis)

As the OIL does not manage regulatory acquis, this section is not applicable.

2.2.3 Information management aspects

In the general context of data and information management and in particular of the Commission strategy for data, knowledge and information management adopted in October 2016[24] and the Commission's Data Protection Action Plan (C(2018)7432), OIL has continued its work in three main domains.

1) Achievement of the objectives set by the action plan on data protection. In this perspective, OIL has reviewed all existing data protection operations, while drawing up records, with a view to ensuring compliance with general principles laid out under Art.4 Reg. 2018/1725. In addition, OIL is reviewing all information provided in this respect to data subjects, in line with general principles, especially as regards transparency, in close cooperation with Data Protection Coordinator (DG HR). The implementation of the action plan is still ongoing and will be completed in close cooperation with the Secretariat General and DG HR (DPC). In this respect, OIL has also ensured that sufficient staff resources are allocated to the implementation of the tasks at stake.

2) Ensure compliance with and implementation of the Data Strategy@EC[25] and the corresponding Action plan[26]. A Local Data Correspondent (LDC) was appointed as the single point of contact for data management in OIL. The first action completed was OIL's contribution to the inventory of Commission Key Data Assets. OIL has also contributed to the document "Data governance and data policies at the European Commission" by providing input during LDC Net meetings.

3) OIL has continued to ensure compliance with E-Domec filing rules and has ensured that information is shared with and available to stakeholders as appropriate. By virtue of its activity, OIL has no fixed long-term target for sharing files with other Commission services.

Furthermore, the DMO team trained relevant OIL staff on the new security markings so that these markings are correctly applied in Ares, according to the Security Notices C(2019)1903 final and C(2019)1904 final.

Registers of useful financial and/or contractual information are shared across the Office's finance and operational units to facilitate autonomous access to up-to-date information.

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[24] C(2016) 6626 final.

[25] Ares(2018) 2075673.

[26] Ares(2018) 5804416

2.2.4 External communication activities

Not applicable for OIL.

2.2.5 Internal communication activities

Communication with staff remained a priority for OIL in 2019.

OIL continued the close cooperation between OIL's communication team and DG HR as domain leader for corporate internal communication, in order to ensure that staff timely receives and properly understand corporate messages.

Furthermore, OIL contributed to the implementation of corporate initiatives such as DG HR's Fit@Work strategy, Staff Matters Newsletter and Staff Matters Portal, Luxweb site and to the provision of OIL services to our customers.

In parallel, the OIL COMMUNICATION team took part in the modernisation and the professionalization campaigns organised by DG HR, by participating in various meetings and working groups.

The action plan in response to the 2018 Staff Survey was one of the main communication activities. More details about OIL's actions in this respect can be found in section 2.2.1. Human resource management.

OIL has also organised two general assemblies of staff on 16 January 2019 and 27 June 2019. OIL's main achievements and future challenges for the service were presented on these occasions.

The communication sector in OIL has produced and published several communication campaigns concerning, such as:

- the JMO2 and POST-Mercier projects (see 1.1);
- the new Local Proximity Teams (see 1.4);
- the roll-up of the new mail distribution system (see 1.4);
- social events organised in the Foyer européen;
- EMAS activities (e.g. EMAS week, Green Day, Green Public Procurement Helpdesk etc., see 1.3).

To conclude, OIL focused in 2019 on the communication of its actions, thus contributing to the implementation of the corporate policies of the Commission.

2.2.6 Examples of economy and efficiency

OIL continued to roll out the "Synergies and Efficiencies in Logistics" (SEL) project in 2019. The main actions in this respect are described in section 1.4 "Synergies and Efficiencies in Logistics" of the present report.