

2015

Annual Activity Report

**Directorate-General
for
Translation**

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INTRODUCTION

The DG in brief

DGT's overarching goal is to provide the European Commission with **high-quality translation and other language services**. Besides 'standard' translation work, by far the biggest part of its core business, DGT is also active in the areas of editing, web editing, web translation, localisation, machine translation and terminology. These activities are supported by demand management, outsourcing and administrative support functions.

DGT's job is to respect the European Union's multilingual character by making sure the Commission produces clearly written documents in all the official languages and in others besides. By making information available to people in a language they understand, DGT enables the Commission to communicate better with EU citizens and make the EU more **open, accountable and democratic**. Its efforts underpin the EU's **legitimacy** and help ensure that its citizens can enjoy their rights to the full.

By implementing its mission, DGT aims to be a full partner in the legislative and communication processes, the hub for all translation-related activities in the Commission and a reference in the world of translation, while also contributing to the development of each official language and the translation profession at large.

DGT is a 'trans-Ardenne' Directorate-General, with staff distributed evenly between Brussels and Luxembourg. It has also field officers in all the Member States except Belgium and Luxembourg.

Part I (Policy achievements) sets out in detail how DGT carried out its mission in 2015.

1.1 Executive summary

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

a) Policy highlights of the year

In 2015 DGT translated almost **2 million pages**, which is an average level of demand over recent years although the number of requests slightly increased compared with 2014. Workload in the first half of the year was lower but demand increased sharply in the second half. Seven customer DGs accounted for a third of DGT's total production. The first semester workload allowed language departments to address the backlog of value-added work supporting translation proper, such as terminology (the results of which are shared publicly),

and some subject-specific training and knowledge sharing.

The long-term **trend of demand** combined with a decrease in resources led DGT to reflect about how to continue providing high-quality services. As a result, and in line with the Commission's drive for better regulation and increased efficiency, DGT finalised a **new Communication on translation** aiming at:

- updating the strategy outlined in the 2006 Communication to incorporate lessons learned and handle the continuing rise in demand in a context of limited resources
- proposing measures to use translation resources more efficiently by integrating translation in the Commission's decision-making process, and through greater corporate discipline.

DGT also started framing an **outsourcing strategy** for a more systematic and pro-active use of its qualified contractors, including reflections on working methods and the resulting training needs that this will entail.

DGT finalised its **Translation Quality guidelines** as one of the crucial elements of its Quality Management Framework. The guidelines aim to clarify the purpose, risks and specific quality requirements of the various texts we translate, providing specific guidance for translators and revisers/reviewers to achieve this fitness-for-purpose. The guidelines are also useful for managers conducting risk assessments, assigning tasks and gauging the need for quality control.

At the same time, DGT continued its efforts to improve the quality of originals. In 2015, the proportion of pages edited increased to around 33%. The number of clear writing courses provided that aim at raising the overall standard of drafting in the Commission more than doubled: 26 compared to 10 in 2014.

Following a request from the **Irish** government and political negotiations, Council adopted the Regulation on extending the derogation on the use of the Irish language for EU law, with the aim of having a full Irish language regime as of 1 January 2022. This was a matter of exclusive Council competence, but the Commission was asked to assess the costs and issues involved. In addition, DGT started preparatory work to implement the decision taken in December. As chair of the ECT, it updated its counterparts on developments, discussed how to take forward preparations regarding recruitment and language resources in particular, and was given a mandate to lead the monitoring group in cooperation with the Irish authorities.

In 2015, work continued on DGT's future **computer-assisted translation (CAT) tools**. Based on a report from a reflection group, DGT decided to continue using the current CAT tool, at least until 2018/2019, to have more flexibility when preparing for the next solution and to maximise the return on past investment. With the aim of finding an interinstitutional solution, DGT's proposals on the way forward were supported by its partner institutions, which endorsed the proposal for finding a collaborative, server-based architecture for the next CAT environment.

In 2015, DGT took over the **presidency of the Interinstitutional Committee for Translation**

and Interpretation (ICTI), the Executive Committee for Translation (ECT) and the Coordination Committee for Translation (CCT). The main achievements are the report on key interinstitutional activity and performance indicators (KIAPI) showing for all participating institutions fully comparable figures and a pilot project on the translation of a file in the ordinary legislative procedure (OLP). Teams of translators from the Commission, the European Parliament and the Council worked together on the same file, from the proposal to the legal act adopted by Parliament and Council. The purpose is to identify stages in the working procedures of the three institutions where **better cooperation could lead to more efficiency**, and to increase awareness of each other's working methods and challenges.

In times of shrinking resources, efficient human resources management becomes more and more important. Against this background, DGT developed its annual succession plan into a Strategic HR plan incorporating talent management of middle managers and the learning and development framework for all staff. In addition to the usual recruitment and post allocation activities DGT organised a temporary agent selection for Irish translators that yielded 13 successful candidates to be recruited according to the needs. In order to cover knowledge gaps in 17 EU languages, a temporary agent selection of English translators was carried out. DGT's training activities focused on standard and specific language courses, thematic training for translators attracting also colleagues from other institutions and IT training mainly on DGT-specific tools.

As regards tools, DGT further improved the integration of its computer-assisted translation (CAT) tool and enhanced the development of its workflow tool ManDesk. As to machine translation, the MT@EC user interface was changed and is now also suitable for mobile devices. Two new language pairs English/Norwegian and English/Icelandic have been added.

Following a Commission decision of 18 February 2015 on the rehousing of all staff accommodated in the **JMO 1 building in Luxembourg**, DGT prepared and implemented the moves of its staff to the new premises. This involved logistics planning and communication to explain to staff the background and the steps to be taken. DGT was part of the high-level JMO Steering Committee chaired by the Director-General for Human Resources and Security, set up to coordinate and direct work in all areas covering the move out of JMO 1. DGT created a working group bringing together representatives of staff and management, to analyse the intermediary measures needed.

Following the transfer of IAC activities to IAS, DGT's financial unit R.2 has become the contact point with IAS and OLAF. Out of the four actions identified in the anti-fraud strategy two actions were implemented. They concern the handling of classified documents in DGT and awareness raising in requester DGs of the importance of a fit-for-purpose classification. On the third, DGT is closely cooperating with DIGIT to develop secure network drives for sensitive documents. The last action includes training sessions for DGT staff as part of a comprehensive risk management exercise.

In promoting the role of languages and translation and enhancing professional cooperation in the EU, DGT organised in 2015 a very successful edition of the **Translating Europe** Forum, focusing on young linguists. Around 500 participants met to discuss market developments, training, mentoring, and career coaching. Over the year, 37 Translating Europe workshops were held in the Member States to engage with stakeholders and share expertise. The

workshops focused on a range of specific translation-related subjects, such as the use of tools or revision practices.



b) Key Performance Indicators (5 KPIs)

Ultimate impact ➤ to provide the European Commission with high-quality translation and other language services			
Result indicators	Trend	Target	Latest known results as per Annual Activity Reports
<p>1. Customer satisfaction rate (DGT's overall quality of service as perceived by requesting DGs)</p> <p><i>The Customer Satisfaction Survey is carried out every year enabling DGT to measure whether the quality of its service meets its clients' expectations and to detect areas needing improvement.</i></p>	😊	2015: x ≥ 83%	2014: 83.0% 2015: 80.2%
<p>2. Deadline compliance rate (Proportion of pages produced (all versions) within the deadline as % of the total number of pages produced (all versions))</p> <p><i>As timely delivery of translations is key to the smooth decision-taking process and to meeting the Commission's communication obligations, this indicator is a measure of how well we perform with regard to the quality of the service we provide over and above the linguistic quality of the product. The indicators related to deadline compliance and quality control are closely linked as they measure two key aspects of the efficiency of our core process.</i></p>	😊	2011: 95.0% 2012: 95.0% 2013: ≥ 96.0% 2014: ≥ 95.0% 2015: ≥ 95.0%	2011: 97.9% 2012: 98.0% 2013: 97.3% 2014: 98.1% 2015: 98.5%
<p>3. QC level 1¹ rate (Overall quality control rate for QC level 1 documents)</p> <p><i>DGT strives to ensure that all translations delivered are fit for their specific purpose. For documents classified as important, on the basis of the Commission's Translation Strategy SEC(2006)1489, and requiring level 1 quality control, our current quality assurance system requires that at least 70% of these translations are fully revised by someone who did not do the original translation – i.e. that there is line-by-line comparison of the source and target language texts - by a second translator with considerable expertise and experience in the field concerned. Quality Control level 1 concerns documents corresponding to political priorities and/or creating new legal obligations, documents arising from existing legal obligations and documents arising from the Commission's communication priorities. Lighter forms of quality control may be applied to other documents under Quality Control level 2. The QC indicator has been adopted to ensure that the objective of providing high level quality translation is met by all Language Departments in DGT.</i></p>	😊	2011: ≥ 70.0% 2012: - ² 2013: - ³ 2014: ≥ 70.0% 2015: ≥ 70.0%	2011: 86.7% 2012: 88.1% 2013: 84.7% 2014: 83.6% 2015: 83.3%

¹ Quality Control level 1 corresponds to quality control (revision or review) by someone who did not do the translation, and concerns documents corresponding to political priorities and/or creating new legal obligations, documents arising from existing legal obligations and documents arising from the Commission's communication priorities.

² Indicator not included in DGT's Management Plan for 2012, so no target was set for that year.

³ Indicator not included in DGT's Management Plan for 2013, so no target was set for that year.

<p>4. Freelance quality (Proportion of freelance translations marked as 'good' or 'very good' as % of all freelance translations)</p> <p><i>As in-house capacity is insufficient to deal with all translation requests received, DGT has to use external resources to cover temporary or permanent capacity gaps to ensure the smooth operation of the decision-taking procedures and to meet the Commission's communication obligations. Before external contractors can be paid for their services, we have to evaluate the quality of the translations provided; this indicator measures the extent to which FL translations fulfil the fit-for-purpose criterion. It is based on an evaluation of the text.</i></p>		<p>2011: ≥ 89.7%</p> <p>2012: > 90.0%</p> <p>2013: -³</p> <p>2014: ≥ 93.0%</p> <p>2015: ≥ 93.0%</p>	<p>2011:91.0%</p> <p>2012: 92.0%</p> <p>2013: 92.6%</p> <p>2014: 93.4%</p> <p>2015: 93.7%</p>
<p>5. Number of reservations about financial management</p>		<p>2011: 0</p> <p>2012: 0</p> <p>2013:0</p> <p>2014: 0</p> <p>2015: 0</p>	<p>2011: 0</p> <p>2012: 0</p> <p>2013: 0</p> <p>2014: 0</p> <p>2015: 0</p>

c) Key conclusions on management and internal control (executive summary of section 2)

In accordance with the governance statement of the European Commission, DGT conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

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

In addition, DGT has systematically examined the available control results and indicators, as well as the observations and recommendations issued by internal auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives. Please refer to Section 2 for further details.

DGT has not entrusted budget implementation tasks to other entities.

The IAS concluded that the internal control systems audited are working satisfactorily⁴.

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

d) Information to the Commissioner(s)

The main elements of this report and assurance declaration, have been brought to the attention of Vice-President Georgieva, responsible for Budget and Human Resources.

⁴ ARES(2016)737974

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

2.1 Achievement of specific objectives

2.1.1 ABB Activity 'Translation'

DGT enables the Commission to fulfil its political and legal obligation to prepare and monitor legislation in all official languages of the EU, and to communicate in those languages.

2.1.1.1 Objective T1 — Deliver high-quality translation services

In 2015, DGT's production reached almost 2 million pages, which is similar to DGT's production in 2013, another busy year, but represents a decrease of 13.5% compared to production in 2014, which was exceptional. The relatively low workload in the first half of the year was clearly counterbalanced during the second half, with November registering the second highest monthly production ever in DGT's records. DGT responded swiftly to the Commission's needs to translate priority packages, such as the Energy Union, the Capital Markets Union, the Digital Single Market, the Union Customs Code and the Migration Package. A special translation task force was created to translate urgent and politically sensitive documents for the President of the Commission into English, German and French.

Deadline compliance was 98.5%, which is the highest value ever measured, and well above the target value (95%). Overall customer satisfaction indicator reached 80.2%, which appears to be a very slight decrease from the past (83% in 2013) but may be considered stable due to methodological changes.

In 2015, 26.7% of total production was outsourced. Compared to 2014, the quality of freelance translations remained stable, with 93.7% of all freelance translations marked as good or very good. The overall quality control for QC 1 level documents rate was 83.3%, slightly lower than in 2014 and above the value of 70% which is considered a strict minimum for the text types concerned.

The workload level at the beginning of the reference period allowed language departments to engage more in value-added work to support translation, such as terminology work, ex-post quality evaluation and cleaning of translation memories. This important work had slowed down in 2014 due to the exceptionally high workload.

In 2015, a new set of Translation Quality Guidelines were drafted, in line with DGT's Quality Management Framework, to provide guidance on translation, quality control and risk assessment.

In 2015, central and departmental terminologists continued to provide terminological support to translators, and to feed IATE (Inter-Active Terminology for Europe), the inter-institutional terminology database, in cooperation with terminologists of other EU institutions. Cooperation between individual translation departments and national experts

and linguists through language and terminology networks continued. National experts were invited for training activities.

In the first quarter of 2015, 2 070 000 pages were submitted to its machine translation system MT@EC by other Commission DGs (60%), other institutions (25%) and Member States (15%). Over 3 million pages were translated for the Open Data Portal. The biggest users in the Commission are DG REGIO, AGRI, EMPL and SANCO and the highest number of users from Member States come from Germany, Spain and Cyprus.

Objective T1 — Deliver high-quality translation services		<input checked="" type="checkbox"/> Non-spending	
Result indicators	Baseline	Target	Current situation
1. Customer satisfaction rate (Qualitative indicator about DGT's overall quality of service as perceived by requesting DGs) <i>Source: Customer satisfaction survey</i>	2013: 83.0%	x ≥ 83.0%	2015: 80.2% ⁵
2. Deadline compliance rate (Proportion of pages produced (all versions) within the deadline as % of the total number of pages produced (all versions)) <i>Source: DGT Management Information Scoreboard</i>	2009: 95.0%	2011: 95.0% 2012: 95.0% 2013: ≥ 96.0% 2014: ≥ 95.0% 2015: ≥ 95.0%	2011: 97.9% 2012: 98.0% 2013: 97.3% 2014: 98.1% 2015: 98.5%
3. QC level 1⁶ rate (Overall quality control rate for QC level 1 documents) <i>Source: DGT Management Information Scoreboard</i>	2010: ≥ 70.0%	2011: ≥ 70.0% 2012: - ⁷ 2013: - ⁸ 2014: ≥ 70.0% 2015: ≥ 70.0%	2011: 86.7% 2012: 88.1% 2013: 84.7% 2014: 83.6% 2015: 83.3%

⁵ This is the result of the Customer Satisfaction Survey 2015.

⁶ Quality Control level 1 corresponds to quality control (revision or review) by someone who did not do the translation, and concerns documents corresponding to political priorities and/or creating new legal obligations, documents arising from existing legal obligations and documents arising from the Commission's communication priorities.

⁷ Indicator not included in DGT's Management Plan for 2012, so no target was set for that year.

⁸ Indicator not included in DGT's Management Plan for 2013, so no target was set for that year.

4. Freelance quality (Proportion of freelance translations marked as 'good' or 'very good' as % of all freelance translations) <i>Source: DGT- Management Information Scoreboard</i>	2007: 93.0%	2011: ≥ 89.7% 2012: 90.0% 2013: - ⁹ 2014: ≥ 93.0% 2015: ≥ 93.0%	2011: 91.0% 2012: 92.4% 2013: 92.6% 2014: 93.4% 2015: 93.7%
5. IATE entries having definition, context and/or notes (Percentage of IATE entries (all languages) having definition, context and/or notes) <i>Source: DGT internal statistics</i>	2013: 23.4%	2015: 25.5%	25.0%

Main outputs in 2015

Description	Indicator	Target 2015	Current situation
Total number of pages processed internally and outsourced to produce the final product	Total production (official EU languages) <i>Source: DGT – Management Information Scoreboard</i>	These outputs measure the products and services DGT delivers to its users and stakeholders. Since DGT's outputs are demand-driven, no targets can be set	2011: 2 108 364 2012: 1 758 153 ⁹ 2013: 2 020 484 2014: 2 298 974 2015: 1.988.846
Total number of pages processed internally and outsourced to produce the final product	Total production (non-EU languages) <i>Source: DGT – Management Information Scoreboard</i>		2011: 3 570 2012: 2 462 ¹⁰ 2013: 3 997 2014: 3 393 2015: 2.786
Number of pages submitted to the MT@EC service	Use of machine translation by customers <i>Source: MT@EC state-of-play</i>		2015: 2 070 000
Terminology indicator expressed as the number of	Number of movements (created, modified and	IATE is an interinstitutional tool. DGT's number of movements is a	345 920

⁹ The figures for 2011 and 2012 include Croatian, as a pre-accession EU language.

¹⁰ The figures for 2011 and 2012 do not include Croatian.

movements in EU's multilingual terminology database (Final output)	deleted terms) in the EU's multilingual terminology database (IATE) <i>Source: DGT-management information scoreboard</i>	quantity indicator for which no forecasts can be made, therefore no targets can be set.	
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Conclusion

As evidenced above, the part "Deliver high-quality translation services" of this activity managed by the DGT has achieved its annual performance indicators and outputs in the reporting year.

2.1.1.2 Objective T2 — Integrate editing and clear writing into the Commission's document workflow

Satisfaction with editing services remains high and in line with overall satisfaction with DGT services. The latest customer satisfaction survey indicates a drop in awareness of editing services but action has already been taken to contact services responsible for producing major Commission initiatives to make them aware of editing services.

The proportion of pages edited before or after inter-service consultation (when it is deemed to be most effective) increased to 33.2%, compared to 28% in 2014.

To help raise the overall standard of drafting in the Commission as part of the Clear Writing Campaign, the editing unit continued to offer linguistic advice, online resources and a range of training and awareness sessions. In 2015, 26 clear writing courses were delivered compared with 10 in 2014.

In November, the 6th Clear Writing Awards ceremony was organised. Over 80 entries from 24 services were submitted for a clear writing award, with 8 winners chosen from DGs JUST (2), CLIMA, TAXUD, BUDG, ECHO, HR and ECFIN.

Objective T2 — Integrate editing and clear writing into the Commission's document workflow		☑ Non-spending	
Result indicators	Baseline	Target 2015	Current situation
1. Satisfaction rate with the editing service <i>Source: Customer Satisfaction Survey</i>	Customer Satisfaction Survey 2013 – 80%	$x \geq 80\%$	79.0% ¹¹
2. Awareness of editing services <i>Source: Customer Satisfaction Survey</i>	Customer satisfaction survey 2013 – 83%	$x \geq 83.0\%$	70.0% ¹²
Main outputs in 2015			
Description	Indicator	Target 2015	Current situation
Number of requests for editing	Requests for editing <i>Source: DGT- Management Information Scoreboard</i>	$x \geq 1\ 883$	2013: 1 655 ¹³ 2014: 1 883 2015: 1588
Number of clear writing courses delivered	Clear writing courses <i>Source: DGT internal statistics</i>	$x \geq 10$	2013: 15 2014: 10 2015: 26

Conclusion

As evidenced above, the part "Integrate editing and clear writing into the Commission's document workflow" of this activity managed by the DGT has partially achieved its annual performance indicators and outputs in the reporting year.

¹¹ Customer Satisfaction Survey 2015.

¹² Customer Satisfaction Survey 2015.

¹³ This figure does not include web editing.

2.1.2 ABB activity 'Policy strategy and coordination'

2.1.2.1 Objective P1 – Meet customers' needs while increasing the efficiency of translation demand management

DGT's Customer Relations Directorate was reorganised at the beginning of 2015, aimed at streamlining demand management, creating a single entry point for customers and increasing support for editing of priority documents and web pages.

Relations with customer DGs were further strengthened. 13 service-level agreements were updated/renewed according to the new approach (with DG BUDG, CLIMA, DEVCO, EDPS, ECHO, EMPL, ENV, ESTAT, MOVE, NEAR, SG, TAXUD and TRADE).

In the area of portfolio management, DGT focused mainly on stricter application of the Commission's Translation Strategy, promoting the editing service, participation in the Customer Satisfaction Survey and use of MT@EC.

Six training sessions were given in DGT by Customer DGs; subjects included the Drafter's Assistance Package (Legal Service), the Union Customs Code (TAXUD), the Cotonou agreement (DEVCO), DCC and FCA Network Codes (ENER), the modernisation of copyright rules (CNECT) and a presentation on the general report by DG COMM and the Publication Office.

Two calls for tender for outsourcing translations were published: the OMNIBUS-15 in February and the MERCA-15 in June. The aim of OMNIBUS-15 is to conclude framework contracts for the translation of documents relating to EU policies and administration in general. MERCA-15 calls for framework contracts for the translation of documents relating to specialised subject areas such as financial, insurance and capital markets, securitisation markets, financial services and institutions, including European banks, the banking union and corresponding technical standards and legislation. DGT also started using more frequently the chargeback procedure for the translation of non-priority documents outsourced by DGT.

With the introduction of new workflow functionality,¹⁴ the systematic use of pre-processing was adopted as an integral part of DGT's outsourcing workflow. In budgetary terms, the results are now considerable: savings in 2015 amount up to € 1.5 million.

¹⁴ Based on SDL Trados Studio Analyse Report developed in 2014.

Objective P1 – Meet customers’ needs while increasing the efficiency of translation demand management		<input checked="" type="checkbox"/> Non-spending	
Result indicators	Baseline	Target 2015	Current situation
1. Median execution time for short documents (up to five pages) <i>Source: DGT management information scoreboard</i>	2014: 5 days	$x \leq 5$ days	2015: 5 days
2. Number of pages produced under SLAs in the DGT workflow (Annex 8A of the SLAs) or charged back (Annex 8B) <i>Source: DGT management information scoreboard</i>	2013: Annex 8A: 138 689 Annex 8B: 13 060 Total: 151 749	$x \geq 2013$	Annex 8A: 154 881 Annex 8B: 60.479 Total: 215.360

Conclusion

As evidenced above, the part "Meet customers’ needs while increasing the efficiency of translation demand management" of this activity managed by the DGT has achieved its annual performance indicators and outputs in the reporting year.

Improving efficiency and economy in DGT – 2 examples

1. MERCA/OMNIBUS calls for tenders

Given the expiration of the current translation outsourcing contracts, DGT published two calls for tenders in 2015: OMNIBUS-15 and MERCA-15.

OMNIBUS-15 replaces in principle the current 24 GEN-11 tenders and covers all translations relating to the policies and administration of the EU except for documents falling under the financial and capital market sectors, for which a specialized tender - MERCA-15 – was held in parallel.

OMNIBUS-15 covers 89 language combinations. This new approach of organising one single procedure instead of 24 has greatly reduced administrative labour intensiveness and saved significant resources during the evaluation. Also, excluding from the tender different language combinations which were used in the past to a very limited extent - for which the translation during the last 4 years did not reach 1000 pages i.e. 250 pages on a yearly average – avoided unnecessary present and future costs for managing the framework contracts by DGT. For these language combinations, a negotiated procedure will be organised if the need arises within the limit set in the financial regulation.

2. Systematic use of pre-processing for outsourcing

DGT has a central repository of translation memories which can be fed into Computer Assisted Translation (CAT) tools. The pre-processing in the context of outsourcing consists in an automatic and/or manual extraction of relevant segments from this central repository and uploading them, together with other locally saved resources, in the CAT tool as resources for translation. Providing these resources to external translators allows us to reduce the total translation price, by applying weighting coefficients to the texts to be translated depending on the volume and reuse rate of resources provided (the higher the reuse rate, the more the price is reduced).

2.1.2.2 Objective P2 – Enhance interinstitutional cooperation in the field of translation

In January 2015, DGT took over the presidency of the Interinstitutional Committee for Translation and Interpretation (ICTI), the Executive Committee for Translation (ECT) and the Coordination Committee for Translation (CCT).

In terms of strategic cooperation, the ECT approved the 2014 report on key interinstitutional activity and performance indicators (KIAPI). For the first time, the figures contained in the report are fully comparable since all participating institutions have implemented the KIAPI page count methodology.

DGT chaired a project group on implementation of a communication solution to replace the existing information sharing tool Elise; the project initiation document and the business case were produced and approved.

Four language communities (DA, DE, LT and PT) were selected in an interinstitutional pilot project for teams of translators to work on two files in the ordinary legislative procedure. The first file was the Circular Economy Strategy and the joint work on translation at the Commission stage was successfully finalised by the DA and PT language communities at the beginning of December. The second file on Labour Mobility selected for the DE and LT language communities was, however, postponed by the requesting DG and therefore was not sent to DGT in 2015.

Four interinstitutional events were organised:

- a) "Computer-Assisted Translation Environments from the Translators' Perspective" on 18 March;
- b) "ICTI Reflection Day" on 4 June, at which heads of the EU translation and interpretation services exchanged best practices for cooperation among the language community and on ways to further promote and enhance joint training activities.
- c) "ECT Event for Middle Managers" on 17 September; and
- d) "ICTI Plenary Meeting" on 10 December, celebrating 20 years of interinstitutional cooperation in the area of translation.

DGT participated in the interinstitutional pilot project to use a new platform for exchanging documents in the framework of the workload balancing scheme.

There was one bilateral exchange of staff with the Council and one unilateral staff exchange from DGT to the European Economic and Social Committee (both at AD level). The target of at least five exchanges in 2015 was not met due to a lack of applicants, the feedback received being that the exchange scheme was seen as being too rigid. Following input given by middle managers in the interinstitutional middle management event, the exchange scheme was adapted to make it more flexible.

Objective P2 – Enhance interinstitutional cooperation in the field of translation		☒ Non-spending	
Output indicators	Baseline	Target 2015	Current situation
1. Number of dossiers selected for the pilot project on cooperation in the ordinary legislative procedure <i>Source: records of interinstitutional decisions</i>	2013: 0	2	2
2. Number of interinstitutional events and workshops (senior management, middle management, CAT tool environment) <i>Source: records of interinstitutional decisions</i>	2013: 0	$x \geq 3^{15}$	4
3. Number of AD/AST staff participating in interinstitutional staff exchanges <i>Source: DGT- internal statistics</i>	2013: 5	$x \geq 5$	2

Conclusion

As evidenced above, the part "Enhance interinstitutional cooperation in the field of translation" of this activity managed by the DGT has partially achieved its annual performance indicators and outputs in the reporting year.

2.1.2.3 Objective P3 – Promote the role of languages and translation and professional cooperation in the EU and at international level

The second edition of Translating Europe Forum focusing on young linguists was held on 29-30 October in Brussels and was oversubscribed, attracting around 500 participants. The forum focused on training, mentoring and career coaching for young linguists embarking upon a career in translation. The feedback received was very positive. 37 Translating Europe workshops were organised in the Member States with the assistance of the DGT field officers in the Commission's Representations.

The European Master's in Translation (EMT) network met in March to adopt the *EMT Framework of activities 2014-2019* and the *EMT work programme 2015* – two strategic documents that form the basis for future activities of the network. In November the EMT Network held its first ever meeting outside Brussels in Riga, Latvia. The main theme was "Translation from and into lesser-used languages", with a special focus on Basque and Irish.

The EMT Board met in March and in October. The Board agreed to better coordinate the different traineeship initiatives and to strengthen the participation of EMT in industry events and meetings of the associations.

¹⁵ This is a correction of the number mentioned in the MP 2015, where by mistake a target value of ≥ 5 was given.

The winners of the 2014 Juvenes Translatores translation contest for secondary schools received their awards in Brussels on 16 April from Vice-President Georgieva. The 9th round of the contest was launched in May. A total of 1 579 schools from all over the EU registered, from which 736 schools were selected to participate according to the contest's rules (the number of schools selected from each Member State is equal to the number of seats the Member State has in the European Parliament. The contest was held in all 28 Member States on 26 November.

At the end of end of 2015, 878 individual users from Member State public administrations had access to MT@EC. The system is now used by the administrations of 28 Member States and EEA countries, among which Cyprus, Germany, Slovakia, Italy and Spain have the highest use of. An administrative agreement concerning the use of the system was signed with the German Bundesbank in June 2015. Free access to MT@EC for Member States was extended for the duration of the Connecting Europe Facility programme, i.e. at least until 2020, when the system will be taken over by the Automated Translation platform CEF.AT.

DGT continued to chair the liaison committee between JIAMCATT¹⁶ and IAMLADP and reported on the interinstitutional KIAPI system during the IAMLADP general assembly in Geneva. JIAMCATT's work contributes to consolidate collaboration between the EU and the UN family in the field of terminology, web-based workflow management systems, CAT tools and machine translation. DGT started involvement in the Pan-African Master's project PAMCIT¹⁷ by sending two translators to train students in the Pedagogical University of Maputo, Mozambique, and to the Université Gaston Berger, Senegal, under the Visiting Translator Scheme.

¹⁶ International Annual Meeting on Computer-Assisted Translation and Terminology (formerly Joint Inter-Agency Meeting on Computer-Assisted Translation and Terminology).

¹⁷ PAMCIT (Pan-African Master for Conference Interpretation and Translation) comprises a core group of six African universities representing the five main geographic and linguistic configurations of the African continent.

Objective P3 – Promote the role of languages and translation and professional cooperation in the EU and at international level		☒ Non-spending	
Result indicators	Baseline	Target 2015	Current situation
1. <i>Juvenes Translatores</i> contest: number of Member States which have achieved the allocated number of schools <i>Source: DGT internal statistics</i>	2008: 20	28	28
2. Number of short-term unpaid training placements for university students <i>Source: DGT internal statistics</i>	2013: 83	80	89
Outputs (final output)			
Description	Indicator	2015 target	Current situation
Use of machine translation by Member State administrations	Number of users of MT@EC in Member State administrations <i>Source: DGT internal statistics</i>	MT@EC is a tool that DGT offers to the Member State administrations. Use is voluntary and DGT's influence is limited to promoting the tool. Therefore, no targets can be set.	878 registered users

Conclusion

As evidenced above, the part "Promote the role of languages and translation and professional cooperation in the EU and at international level" of this activity managed by the DGT has achieved its annual performance indicators and outputs in the reporting year.

2.1.3 ABB activity 'Management of the Directorate-General for Translation'

This activity covers the work of DGT services that manage human resources, provide information and communication technologies, and handle document administration and logistics.

2.1.3.1 Objective S – Provide administrative support to the Directorate-General

In 2015, DGT recruited 102 new members of staff (84 ADs, 3 ASTs and 15 SCs (including temporary agents)), and 109 members of staff left the service (74 ADs, 34 ASTs and 1 SC). It also recruited 22 new contract agents (7 FGIV, 1 FGIII, 13 FGII and 1 FGI) and 17 new interim agents. 67 existing contracts were extended (35 FGIV, 1 FGIII, 30 FGII, and 1 FGI).

In the two post allocations in June and November, 2015 DGT distributed 71 AD posts, 4 AST posts and 8 SC posts. 18 AD and 19 SC posts were put aside in order to be returned.

In order to cover the staffing needs in different language departments, 21 translators were recruited from the reserve lists of the 2014 translator competitions (6 DE, 6 EL, 4 ES and 5 SV).

The following selection procedures were held and/or finalised in 2015:

- temporary agent selection for Irish translators; finalised in April with 13 successful candidates to be recruited according to the needs;
- temporary agent selection for English translators, the aim being to cover knowledge gaps in 17 EU languages. 62 candidates passed the translation test and will be admitted to the oral exams.
- a selection procedure for translation from and into Chinese; there were seven successful candidates, two of whom were recruited in 2015.

In close cooperation with EPSO, communication campaigns were organised for the EPSO translator competitions for FI, HU, LV, PL, PT and SK.

In November 2015, DGT adopted the Strategic HR Plan 2015–2019, which developed from DGT's Succession Plan. It is a multiannual management tool for strategic HR planning, providing also a basis for talent management with respect to middle management succession as well as the learning and development framework for all DGT staff.

In view of the gradual end of the Irish derogation over the period 2017-2021, DGT assessed the costs and related issues in preparing to enter full language regime in Irish and prepared the Commission's position on the Council proposal. It coordinated the preparation of the financial statement with all Commission DGs and EU institutions concerned.¹⁸

In the field of training, the following activities should be highlighted:

- 29 VTS (Visiting Translator Scheme) missions took place, of which two visits to

¹⁸ S(2015)5119827

- PAMCIT universities (see 1.1.2.3 – Objective P3) and one to the UN bodies in Geneva.
- More than 870 colleagues participated in standard or specific language courses.
- 70 DGT officials took part in the e-learning scheme for language learning (EN, FR, DE, ES, IT, NL).
- 75 applications were approved for language immersion courses.
- 511 thematic trainings for translators were organised on a wide variety of subjects, with more than 16 700 participations, including some 1 270 from other institutions.
- DGT-specific IT training courses were organised for newcomers and for specific IT needs, including courses on Studio, IATE, Mandesk, Areslook and a pilot course on post-editing of machine translation at the Commission.
- In order to optimise the use of DGT training resources, seven EIPA seminars on EU decision-making, EU policies and EU law were organised in-house.

As in previous years, the indicator target of 10 training days per official was not met. This is probably due to the fact that the training environment has undergone important changes over the last few years; many courses have been shortened considerably, and more and more colleagues use new learning methods that are not accounted for in the training management system (Syslog), for instance e-learning, MOOCs (massive open online courses), TED conferences, etc. Against this background, the target value of 10 training days was too ambitious.

On the IT front, the migration to SDL Studio 2014 was completed in February 2015. Improvements to the integration of SDL Studio in DGT's working environment included better support for the handling of document versions and revision, and a new feature for the handling of marked and sensitive documents. The development of the ManDesk application to manage the internal DGT workflow progressed according to the project schedule. The module handling correction requests for adopted COM documents in non-procedural languages and for texts before adoption (COR2) was deployed in May.

Major developments in the field of machine translation included revamping the MT@EC user interface, which is now also suitable for use on mobile devices. Generations 8 and 9 of the translation engines were put in production, including new language pairs for English/Norwegian and English/Icelandic. Considerable functionality was added to facilitate the processing of SECEM documents.

DGT participated actively in the JMO Steering Committee to prepare the move out of the JMO building in Luxembourg. A DGT internal working group defined specific measures for DGT staff. Communication with staff was organised via a dedicated collaborative space on DGTnet. By the end of the year, 800 members of staff were successfully moved from the JMO building to their new premises in the buildings BECH (50), Ariane (300) and Laccolith (450).

Concerning internal communication, several steps were taken to improve and develop information flows and new ways of working together. A DGT communication week was organised, new features were developed on DGTnet to facilitate navigation of the home page and search function, several Yammer groups were maintained and DGTmonthly was promoted more widely through integration with DGTnet.

Objective S – Provide administrative support to the Directorate-General			☒ Non-spending	
Result indicators	Baseline	Milestone	Target	Current situation
1. Number of departments with AD posts occupied within ± 5% of benchmarks set for 2017 <i>Source: DGT- internal statistics</i>	2013: 12	2015: 22	2017: 24 (100%)	2015:16 (BG, DA, EL, EN, ES, ET, FI, HU, LT, LV, NL, PL, PT, RO, SK, SL)
2. Percentage of temporary agent translators <i>Source: DGT- Management Information Scoreboard</i>	2013: 7.4 %		2015: x < 6.0%	4.6%
3. Number of training days per official <i>Source: DGT- internal statistics + Syslog</i>	2007: 8		2011: 10 2012: 8 2013: 10 2014: 10 2015: 10	2011: 9.3 2012: 7.6 2013: 7.9 2014:7.1 2015: 7.5
4. Number of direct language combinations for which the new machine translation service is operational <i>Source: DGT - internal statistics</i>	2013: 58 direct language pairs		2015: 70 direct language pairs	73
5. User satisfaction with the ICT support, expressed in random follow-up calls <i>Source: ITIC SLA DGT- DIGIT</i>	2009: 80%		2012: ≥ 80% 2013: ≥ 80% 2014: ≥ 80% 2015: ≥ 80%	2012:93.8% 2013:90.2% 2014:93.5% 2015: 85.3%
Main outputs in 2015				
Description	Indicator	2015 target	Current situation	
Language coverage	Number of DGT staff having passed learning level 6 (corresponding to B2 of Common European Framework) for procedural languages	45	53	

Conclusion

As evidenced above, the part "Provide administrative support to the Directorate-General" of this activity managed by the DGT has partly achieved its annual performance indicators and outputs in the reporting year.

2.1.3.2 Objective L1 – Ensure sound financial management and the legality and regularity of underlying transactions

DGT continued to plan, implement, monitor and report on spending, in accordance with the principles of legality and regularity and sound financial management and in line with internal rules and procedures.

With the September budget clearing exercise, budget execution was optimised through some internal reallocations. DGT's initial budget of €26 191 000 was reduced to €23 322 000, as it returned €3 200 000 to the Commission budget following lower than expected consumption for external translation. DGT managed €1 333 000 under cross sub-delegation or co-delegation agreements with other DGs. Overall execution rate was 99.96% on DGT lines (compared to 99.34% in 2014).

The percentage (96.19%) of 2014 outstanding commitments, duly followed by a payment in 2015, was better than in previous years (95% in 2014 and 94% in 2013). The de-committed amount (€210 000) was also lower than in 2014 (€265 000), and mainly stems from underuse of appropriations booked on the EAC sub-delegation (€47 000), on specific lines (€100 000), and on missions from the global envelope (€21 000).

The total number of payments processed was 7 767, i.e. 27% fewer than in 2015, mainly due to the lower outsourcing rate. 97.1% of payments were within the payment deadline.

Only 4 exceptions were registered for the whole DGT, for a total value of €3 501.68, compared with €45 000 (10 exceptions) in 2014.

DGT's revenue results from other DGs paying for translations DGT outsources on their behalf, and from the translation services of other institutions, contributing to the financing of IT tools shared with them. The revenues are defined in formal agreements between the parties (SLAs, annual financing agreements), which foresee a strong control over the costs.

Preparations for the 2016 budget breakdown and 2017 budget request started well in time.

DGT chairs the ECT-CCT Permanent advisory group on finances, which recalculated the budget sharing for the common IT systems, proposed simplifying invoicing procedures and developed a more forward-looking budget tool.

Objective L1 – Ensure sound financial management and the legality and regularity of underlying transactions		☒ Non-spending	
Result indicators	Baseline	Target	Current situation
1. Number of reservations about financial management <i>Source: DGT – Budget execution report</i>	2007: 0	2011: 0 2012: 0 2013: 0 2014: 0 2015: 0	2011: 0 2012: 0 2013: 0 2014: 0 2015: 0
2. Value of exceptions reported <i>Source: DGT – internal statistics</i>	2012: < 2% of the amount of DGT's budget	2015: < 2% of the amount of DGT's budget	2015: < 2% of the amount of DGT's budget
3. Rate of implementation of DGT budget <i>Source: DGT – Budget execution report</i>	2007: 96%	2012: 100% 2013: 100% 2014: 100% 2015: 100%	2012: 99.5% 2013: 99.8% 2014: 99.4% 2015: 99.96%
4. Absorption of budgetary backlog (reste à liquider – RAL) <i>Source: DGT – Budget execution report</i>	2007: 91%	2011: 100% 2012: 100% 2013: 100% 2014: 100% 2015: 100%	2011: 93.0% 2012: 93.0% 2013: 94.0% 2014: 95.0% 2015: 96.2%
5. Time to pay (days) <i>Source: DGT – Budget execution report</i>	2011: 93% < 30 days	95% < 30 days	2015: 97.1% < 30 days
6. Overall cost of control (% of total expenditure) <i>Source: DGT internal statistics</i>	2013: 12.5%	< 2013	2015: 12.3%

Conclusion

As evidenced above, the part "Ensure sound financial management and the legality and regularity of underlying transactions" of this activity managed by the DGT has achieved its annual performance indicators and outputs in the reporting year.

2.1.3.3 Objective L2 – Ensure fraud prevention and detection

In the framework of the transfer of the IAC activities to IAS, IAS updated the inventory of open recommendations and the Internal Control Officer now follows up all open audit recommendations. Out of the six open recommendations followed by IAS, two have been closed. Unit R.2 has become DGT's contact point with IAS and with OLAF.

The target of analysing three key processes could not be achieved, due to a lack of staffing in unit R.2. An in-depth analysis of the financial circuits and subdelegations was launched in order to examine potential conflicting roles.

Concerning the state-of-play of the four actions identified in the anti-fraud strategy, please refer to chapter 2.1.

Objective L2 — Ensure fraud prevention and detection		<input checked="" type="checkbox"/> Non-spending	
Result indicators	Baseline	Target 2015	Current situation
1. Number of key processes analysed in terms of fraud vulnerability <i>Source: DGT — internal statistics</i>	2013: 0	3	1 ongoing
2. Number of actions set out in the anti-fraud strategy that have been implemented <i>Source: DGT internal statistics</i>	2013: 0	4	2 closed 2 ongoing,

Conclusion

As evidenced above, work on the part "Ensure fraud prevention and detection" of this activity managed by the DGT has been partially achieved and is ongoing according to the schedule set in DGT's Anti-Fraud Strategy 2014 -2015.

3. 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 DGT management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to the Director-General. The reports produced are:

- the twice-yearly reports by AOSDs (BiAR reports), including the results of internal control monitoring at DG level;
- the opinion of the internal auditor on the state of control, and the observations and recommendations reported by the Internal Audit Service (IAS) on audits taken over from the former IAC;
- the weekly reports on demand management and outsourcing;
- the monthly reports on budget execution (BER) and the management information scoreboard (MIS) highlighting key data and areas in which action may be needed;
- the observations and the recommendations reported by the European Court of Auditors (ECA) (no report received for 2015).

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 gives complete coverage of the budget delegated to the Director-General of DGT.

This section reports on 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 the internal control system, and leads to (d) Conclusions as regards assurance.

3.1 Control results

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives¹⁹. The DG's assurance building and materiality criteria are outlined in Annex 4 to this AAR. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the control systems.

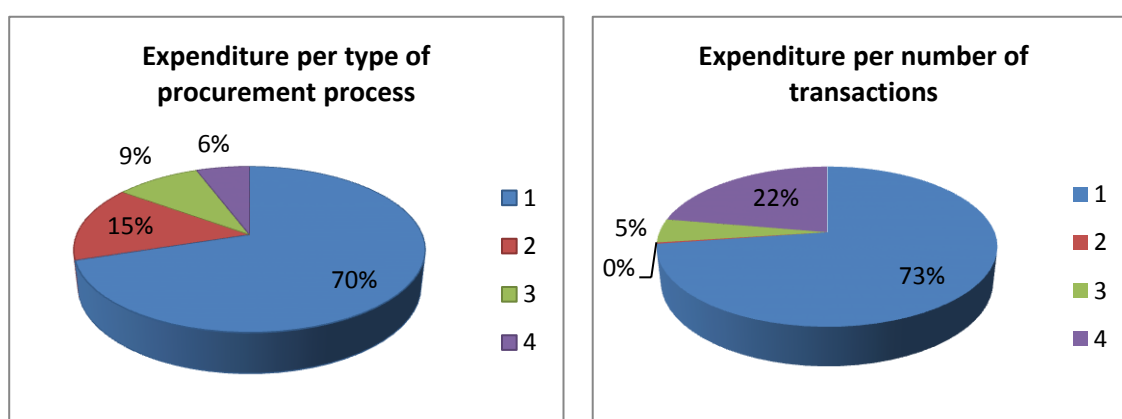
DGT manages administrative expenditure only, under the direct centralised management mode. In 2015, DGT managed expenditure totalling €23.47 million, of which it was directly responsible for €16.33 million (excluding appropriations for external personnel). Despite the low-risk environment, adequate internal control principles are applied with the same approach to scrutiny, attentiveness and effectiveness as in any other DG.

¹⁹ Effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and 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 32).

DGT has a partially decentralised financial circuit in place for commitments, in which controls depend upon the estimated risk of the transaction, resulting from the procurement type.

Expenditure by procurement types	Tot. K €	% budg	Tot trans.	% budg
Type 1: DGT FWC (freelance and co-delegation)	11450	70,13	11.301	69,22
Type 2: DIGIT FWC (IT) + other IT expenditure	2413	14,78	39	0,24
Type 3: Low value NP, AMI, FWC (HR, SCIC, EAC)	1515	9,28	742	4,54
Type 4: Partially managed by PMO (missions)	949	5,81	3.464	21,22
Total DGT budget (excl. external personnel)	16327		15.546	

Source: DGT BER and internal statistics



DGT has a fully centralised financial circuit for payments, in which 100% of payments is controlled for legality and regularity, irrelevant of the budget line.

All controls are ex-ante, as DGT does not manage programmes or award grants. Errors identified are corrected before signature of the contract or authorisation of payment. The residual error rate is therefore assumed to be 0%.

Key control indicators

Indicator	Measurement		
	2013	2014	2015
Budget execution rate (after mid-term adjustments)	99.8%	99.34 %	99.7 %
Payments made within the contractual period (%)	98.1%	98.2 %	97.1 %
Absorption of budgetary backlog (RAL) (%)	94%	95 %	96.2 %
Average delivery timing for monthly execution report ²⁰	8 days	8 days	8 days
Number of financial exceptions handled	18	10	5

²⁰ On the second Thursday of the month, for discussion at the Directors' meeting on the third Monday of the month.

Total value of exceptions (€)	21 000 €	44 953 €	3 502 €
Audit recommendations implemented within deadlines	73 %	83%	N/A ²¹
Audit observations that might give rise to reservations	0	0	0
Cases referred to OLAF over the past three years	0	0	0

Sources: DGT- Budget execution report and DGT internal statistics

Coverage of the internal control objectives and their related main indicators

- **Control effectiveness as regards legality and regularity**

DGT has set up internal control processes aimed to manage **the risks relating to the legality and regularity of the underlying transactions**, taking into account the nature of the payments concerned.

The control objective is to ensure that DGT has reasonable assurance that the total amount of any financial operation authorised during the reporting year not in conformity with the applicable contractual or regulatory provisions does not exceed 2 % of total expenditure, excluding external personnel (see Annex 4: Materiality criteria).

DGT's control strategy is based on 100% ex-ante controls, i.e. before contracts are signed or payments made. This enables potential irregularities to be identified before they are committed, which explains the low number of exceptions reported.

Comprehensive controls and verifications are in place to guarantee the legality/regularity of the transactions and these are documented in the financial circuits:

- For freelance contracts, the financial and legal units' *ex-ante* control consists of reviewing the tender documents before the launch of the tender, and the future framework contracts before the award decisions. All deliveries of translations are quality controlled by internal staff before launching the invoices in the payment circuit. The financial unit reviews all individual contracts, translation evaluations and invoices before authorising payment. The quality control of outsourced work led to penalties issued to supplies for an amount of €27 000.
- For IT contracts, DGT uses the framework contracts provided by DIGIT. The individual draft contracts are reviewed by the financial unit and by DIGIT through the "*paraph*" procedure. The final contracts, timesheets and invoices are checked before the financial unit authorises payment. One instance of error was found in 2015, which led to an exception report.
- All other procurements (low-value negotiated procedures, calls for expression of interest, individual contracts on framework contracts of other DGs) are reviewed by DGT's financial unit before contract signature. The final contracts, delivery reports and invoices are checked by the financial unit before authorising payment. Two instances of error were found in 2015, which led to two exception reports.
- All mission orders and costs declarations are verified by DGT's financial unit before

²¹ With the reorganisation of the audit function in the Commission, the follow-up of open recommendations has been transferred to the IAS. Three recommendations were implemented by management but not yet followed-up by the IAS, therefore the indicator cannot be given.

approval by the authorising officer. Two instances of error were found, which led to two exception reports.

The total number of exceptions in 2015 was 5 out of a total of 15 546 transactions. It represents €3 502 out of a total of €16 327 000 (0.021%). All identified cases related to timing errors, none resulted in undue payments or cost to the budget.

In the context of the protection of the EU budget, at corporate level, the DGs' estimated overall amounts at risk and their estimated future corrections are consolidated. For DGT, the estimated overall amount at risk²² for the 2015 payments is €0.003 million. This is the AOD's best, conservative estimation of the amount of expenditure authorised during the year (€16.33 million) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made.

This expenditure will not be subsequently subject to ex-post controls as DGT does not award grants.

DGT	Scope: payments made (FY; €)	Error Rate (%)	Amount at risk (FY; €)	Estimated future corrections (FY; €)
DGT total budget	€16 327 000	0.021%	€3 502	0

In conclusion, analyses of the available control results and an assessment of the weaknesses identified and their relative impact on legality and regularity have revealed no significant weakness that could have a material impact on the legality and regularity of financial operations. It can be concluded that the control objective has been achieved.

- **Efficiency and cost-effectiveness**

In line with the instructions issued by DG BUDG for the AAR 2015 (Minimum set of common control efficiency indicators, point 4.5), DGT (being a non-spending DG) reports on a single overall cost of control indicator (%). The time-to-pay indicator is given in Annex 3 ("Draft annual accounts and financial reports").

The cost of controls was calculated on the basis of an estimation of direct costs of control of the two main procurement types used in DGT, covering 85% of its total budget (see section 2.1), over the value of the related funds under management.

Cost of control – Freelance translations and IT lines			
	2013	2014	2015
Amount spent on controls	€2 282 000	€2 070 000	€1 915 000
Budget managed	€18 331 000	€18 614 000	€15 512 000
% control/budget managed	12.5%	11.1%	12.3%

²² In order to calculate the weighted average error rate (AER) for the total annual expenditure in the reporting year, detected, estimated or proxy error rates have been used (not the RER).

Cost of order (freelance transaction)	n/a	125€	155€
Cost of IT service contract	n/a	3 389€	4 157€

The cost of control is decreasing. It appears to be stable in percentage compared to the budget managed, but this is due to a decrease in 2015 in the demand for translation, reducing the outsourcing budget managed.

The non-financial benefits of control include better value for money, deterrent effects, efficiency gains, system improvements and compliance with regulatory provisions.

To assess the relative efficiency of the controls, these indicators must be tracked over several years, as the budget managed varies according to the translation demand, but the costs of control can only be adjusted slowly.

Based on an assessment of the most relevant key indicators and control results, DGT has assessed the cost-effectiveness and the efficiency of the control system and reached a positive conclusion.

- ***Fraud prevention and detection***

DGT's anti-fraud strategy was finalised in July 2014, after a specific risk assessment.

The anti-fraud strategy includes four actions; two are implemented. The first concerns the handling of RESTREINT UE/RESTRICTED EU texts exclusively in the RUE system and the integration therein of as many translation tools as possible (the "Studio" CAT tool is now available in the RUE environment). The second is the awareness raising by DGT in author/requesting DGs of the importance of a fit-for-purpose classification of documents. The two remaining actions are partially implemented: one concerns the development of secure network drives for marked/sensitive documents, on which DGT is working closely with DIGIT and has integrated this action in its Information Systems Security Plan action plan for follow-up. The last concerns raising the awareness of DGT staff on fraud risk and prevention, on which training sessions have been organised for all management. Further promotion measures will be developed next year as part of a comprehensive risk management exercise.

DGT is considered a non-spending DG. Its activities consist of processing texts and providing language services, rather than disbursing money. Translations sometimes involve managing documents which can have an important value for an external stakeholder, either on a temporary basis (DG COMP decisions, tender documents) or on a permanent basis (negotiation mandate in trade talks, questions for EPSO competitions).

In conclusion, DGT considers the risk to be low as both the financial processes and the procedures to handle sensitive and classified information are very strictly controlled in DGT:

- The controls aimed at preventing and detecting fraud are essentially similar to those designed to ensure legality and regularity of the transactions and the real quality of the service. DGT controls 100% of financial transactions in order to ensure their legality and regularity.

- The workflow on how to handle sensitive documents is regularly updated and is available to all staff. RESTREINT UE/RESTRICTED EU documents are handled exclusively within the RUE environment, in line with the rules of HR.DS (translation of such documents is done in secure rooms, one in Brussels and one in Luxembourg).

In the last ten years, DGT has not reported any cases of fraud to OLAF nor did OLAF investigate any misuse of DGT money or leak of Commission information by DGT staff.

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

The assets managed by DGT (other than IT intangible assets) are dictionaries or encyclopaedias when their cost exceeds the respective thresholds. This is only a very small part of our library acquisitions. Orders are made based on the end-users' requests and delivered to the library. The invoices are processed by the acquisition sector in DGT's financial unit.

Access to sensitive information is strictly controlled in DGT. Specific workflows are in place for sensitive and marked documents while RESTREINT UE/RESTRICTED EU information is dealt with exclusively within the RUE environment, i.e. limited to the PCs located in the secure rooms.

3.2 Audit observations and recommendations

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

In 2015 neither the IAS nor the European Court of Auditors conducted any audits on DGT specifically. .

In 2015 the IAS conducted a multi-DG audit on "Objective Setting process in the context of preparation of the Management Plans", including DGT. The IAS did not issue any specific recommendation for DGT.

The IAS took over the follow-up of open recommendations from the IAC. None of these recommendations are classified as critical or very important.

The IAS concluded that the internal control systems audited are working satisfactorily²³.

Having assessed the risks underlying the auditors' observations and the management measures taken in response, DGT management believes the recommendations are being implemented under ongoing improvement efforts and that the current state of play does not give rise to assurance-related concern.

²³ ARES(2016)731974

3.3 Assessment of the effectiveness of the internal control systems

The Commission has adopted a set of internal control standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. As regards financial management, compliance with these standards is a compulsory requirement.

DGT has put in place the organisational structure and the internal control systems needed to achieve the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

DGT assesses the effectiveness of its key internal control systems annually, in accordance with Commission guidance.

As outlined in the introduction to point 2, management's assessment is based on a number of monitoring measures and information sources:

- bi-annual activity reports on the use of resources (covering implementation of the management plan, the functioning of the internal control system, the management human and financial resources and the state of implementation of audit recommendations);
- register of reported exceptions and follow-up measures taken to avoid repetition;
- reporting of non-compliance and internal control weaknesses;
- follow-up of audit recommendations (internally and reporting to the IAS where applicable);
- follow-up of the anti-fraud strategy;
- risk assessment process.

Based on the above, DGT management concludes that the internal control systems are effective and has not identified significant weaknesses which may have to be addressed or which would lead to a qualification in the declaration of assurance.

3.4 Conclusions as regards assurance

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

The information reported in Section 2 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and gives comprehensive coverage of the budget delegated to the Director-General of DGT.

No weaknesses were identified in the reporting period that give rise to reservations.

DGT management carefully considered DGT's overall performance and control and supervisory activity in 2015 and found no significant (repeated) or residual errors. In conclusion, it has reasonable overall assurance that:

- suitable controls are in place and working as intended;
- risks are being appropriately monitored and mitigated; and
- arrangements are being improved and reinforced as necessary.

In his capacity as authorising officer by delegation, the Director-General has signed the declaration of assurance.

Overall conclusion

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

Declaration of Assurance [AND RESERVATIONS]

DECLARATION OF ASSURANCE

I, the undersigned,

Director-General of the Directorate-General for Translation

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view²⁴.

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 opinion of the Internal Auditor on the state of control. for years prior to the year of this declaration.

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

Luxembourg, 12 April 2016

(signed)

Rytis MARTIKONIS

²⁴ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.