



**2013**

# **Annual Activity Report**

**Office for  
Infrastructure and  
Logistics in  
Brussels**

# Table of Contents

<b>INTRODUCTION:</b>	<b>3</b>
THE OFFICE IN BRIEF .....	3
THE YEAR IN BRIEF .....	4
EXECUTIVE SUMMARY .....	5
KEY PERFORMANCE INDICATORS (5 MOST RELEVANT) .....	5
POLICY HIGHLIGHTS OF THE YEAR (EXECUTIVE SUMMARY OF PART I) .....	6
KEY CONCLUSIONS ON RESOURCE MANAGEMENT AND INTERNAL CONTROL EFFECTIVENESS (EXECUTIVE SUMMARY ON PARTS 2 AND 3) ....	11
INFORMATION TO THE COMMISSIONER.....	12
<b>1. POLICY ACHIEVEMENTS</b>	<b>13</b>
1.1 ACHIEVEMENT OF SPECIFIC OBJECTIVES WITHIN REAL ESTATE ACTIVITIES.....	13
1.1.1 REAL ESTATE: BUILDINGS AND INFRASTRUCTURES ARE BEING MANAGED AS PLANNED.....	13
1.1.2 REAL ESTATE: GOOD QUALITY OFFICE SPACE IS BEING OFFERED ACCORDING TO PLAN .....	14
1.1.3 REAL ESTATE: HEALTH AND SAFETY RULES ARE BEING ENHANCED IN THE COMMISSION SITES.....	15
1.1.4 REAL ESTATE: COOPERATION WITH OTHER INSTITUTIONS IS BEING IMPROVED ON THE BASIS OF SLAS.....	16
1.1.5 REAL ESTATE: IMPLEMENTATION OF THE ENVIRONMENTAL MANAGEMENT AUDIT SCHEME (EMAS) IS BEING PURSUED AS PLANNED.....	17
1.2 ACHIEVEMENT OF SPECIFIC OBJECTIVES WITHIN LOGISTIC SERVICES.....	18
1.2.1 LOGISTIC SERVICES: A SOUND FINANCIAL MANAGEMENT OF THE INVENTORY IS BEING ENSURED .....	19
1.2.2 LOGISTIC SERVICES: QUALITY WELFARE SERVICES ARE BEING PROVIDED .....	20
1.2.3 LOGISTIC SERVICES: GOOD CHILDCARE INFRASTRUCTURE IS BEING PROVIDED .....	22
1.2.4 LOGISTIC SERVICES: SOCIAL FACILITIES ARE BEING PROVIDED .....	22
1.3 ACHIEVEMENT OF SPECIFIC OBJECTIVES WITHIN HORIZONTAL ACTIVITIES.....	23
1.3.1 HORIZONTAL ACTIVITIES: PRO-ACTIVE MANAGEMENT OF HUMAN RESOURCES IS BEING MAINTAINED.....	23
1.3.2 HORIZONTAL ACTIVITIES: SOUND FINANCIAL PRINCIPLES, LEGALITY AND REGULARITY ARE BEING ENSURED .....	25
1.3.3 HORIZONTAL ACTIVITIES: PROMOTION OF OIB'S IDENTITY AND VISIBILITY ARE BEING PURSUED .....	28
1.4 SPECIFIC EFFORTS TO IMPROVE 'ECONOMY' AND 'EFFICIENCY' OF SPENDING AND NON-SPENDING ACTIVITIES.....	28
1.4.1 EXAMPLE 1/BETTER EXPLOITATION OF PRINTING CAPACITY .....	29
1.4.2 EXAMPLE 2 / OFFICE SURFACE OPTIMIZATION .....	29
<b>2. MANAGEMENT OF RESOURCES</b>	<b>30</b>
ALL THE PAYMENTS ARE DONE UNDER A CENTRALIZED AND DIRECT MANAGEMENT MODE (INCLUDING ALSO PROCUREMENT), WHICH HAS AN INHERENT RISK RELATIVELY LOW. THE RISKS ARE EFFECTIVELY MITIGATED BY MEANS OF CONTROLS. ....	31
2.1 MANAGEMENT OF HUMAN AND FINANCIAL RESOURCES BY OIB. ....	31
2.2 BUDGET IMPLEMENTATION TASKS ENTRUSTED TO OTHER SERVICES AND ENTITIES .....	38
2.3 ASSESSMENT OF AUDIT RESULTS AND FOLLOW UP OF AUDIT RECOMMENDATIONS.....	39
<b>3. ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS</b>	<b>41</b>
<b>4. MANAGEMENT ASSURANCE</b>	<b>43</b>
4.1 REVIEW OF THE ELEMENTS SUPPORTING ASSURANCE .....	43
4.2 RESERVATIONS AND OVERALL CONCLUSION ON ASSURANCE .....	45
<b>DECLARATION OF ASSURANCE</b>	<b>46</b>

# INTRODUCTION:

## The Office in brief

OIB<sup>1</sup>, as an administrative office, is responsible for the implementation of activities related to facilities management in Brussels, the management of social welfare infrastructures in Brussels and in Ispra and the Commission's logistical tasks.

### Mission

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

OIB's activities do not have a direct impact on EU society.

The Office's main objectives are the following:

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

### Governance

OIB, as a horizontal support service within the Commission, is attached to the Directorate General for Human Resources and Security (DG HR).

The supervision of OIB's activities is ensured by the Management Committee which oversees that the activities are properly implemented. DG HR chairs and assists the Management Committee in the implementation of its tasks. The Director of the Office is responsible for the implementation of the mission of the Office. He is instated with the power of nomination (AIPN) and exercises the function of Authorising Officer by Delegation (AOD).

### **OIB is structured around 4 departments:**

- Real Estate (in charge of the implementation of buildings policy, building management and property projects, internal service for occupational health and safety, prevention and protection, EMAS activities),
- Operations and Services (responsible for social infrastructure in Bxl and Ispra, transport, mail and reproduction, logistic services, historical archives),
- Childcare facilities (responsible for nurseries, other child-care facilities and CIE activities),
- Resources (horizontal activities such as human resources, communication, finances, public procurement, informatics resources and internal control).

OIB does not have a dedicated Internal Audit Capability, but is supported by the IAC of DG HR.

### General risk environment

The main inherent risks for OIB's activities relate to general safety of buildings, equipment and operating activities, and to the organisation of procurement activities (ethics, tender processes, use of contractors, etc.). Human & financial resources elements and internal control set-ups are described in the annexes 2, 3 and 5.

---

<sup>1</sup> The Office for Infrastructure and Logistics in Brussels. OIB was created on the 1 January 2003 by the Commission Decision C(2002)4368 of 6 November 2002.

## The year in brief

The last general staff satisfaction survey (launched at the end of 2013) on the services provided by the Offices shows, in overall, that the Commission staff in Brussels is reasonably satisfied with the OIB services in general. More than half of respondents (54%) are satisfied to very satisfied. Compared with the previous years 2009 and 2011 there is a positive evolution (2009/2011, 50% satisfied respondents). Even though the general satisfaction with OIB services has not increased significantly, 12 out of 17 particular services pointed out in the survey show improvement. The main focus according to the respondents should be on the meals and its quality provided by the different restaurants.

The main events and activities of OIB in 2013 were the following<sup>2</sup>:

### **Real Estate:**

- Undertook heavy constructions/renovation of the buildings portfolio e.g construction of the emergency response centre for DG ECHO (L-84/L-86), the new Visitor Centre for DG COMM (CHAR), continuation of works at the new nursery building (WALI), renovations at CIE Overijse, renovations of several building facades and numerous other renovations and maintenances;
- Finalized tender evaluation for 20.000 m2 and preparation of new tenders for 30.000 m2 and 100.000 m2;
- Relocation of approximately 9,200 staff due to the reorganisation of several services/DGs and changes in the buildings portfolio;
- New SLA agreements with 6 EU institutions or agencies and several amendments;
- 54 EMAS registered Commission buildings (additional 6 buildings in 2013).

### **Logistic Services:**

- Delivered the new concession for catering services (attributed to 3 companies) for start of operation in 2014;
- Opening of one new canteen (COVE) and 2 new cafeterias (ORBN, L-15);
- Rationalization of the print-shops (-3FTE);
- Increased the number of places in nurseries and other childcare facilities (e.g. potential of additional 188 places contracted on the local market);
- Delivered draft proposal of the childcare facilities regulations;
- Promotion of public transport: 11.200 persons benefitting from the scheme;
- Digitalization of historical archives (1958-1982);

### **Horizontal activities:**

- Reduction of posts (15 posts identified to be cut in 2014);
- Almost rolled out the OIB Equal Opportunities Plan 2011-2014;
- Advanced project related to reduction of paper consumption through the simplifications of working method ('paperless') and IT solutions;
- Reduced payment delays to 4.4%;
- Managed 135 procurement lots resulting in 48 contracts signed;
- Delivered Anti-Fraud Strategy.

---

<sup>2</sup> No negative events occurred during the reporting year.

## Executive Summary

The Annual Activity Report is a management report of the Head of Service of OIB 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 and the achievement of objectives.

### Key Performance Indicators (5 most relevant)

Result/Impact indicator (description)	Trend	Target (or milestones) for 2013	Latest known results as per Annual Activity Report
(1) Percentage of overall projects/actions delivered within deadline and budget (up to +/-10%)	😊	100%	95% (Accomplished in 2013: Visitors Centre (CHAR); ERC (L-86); Loi 15) <p>Source: the OIB data</p>
(2) The general quality of offices	😊	62%	On the basis of the general staff satisfaction survey conducted by DG HR 
(3) The price-quality relationship of meals offered in the Commission restaurants	😊	49%	On the basis of the general staff satisfaction survey conducted by DG HR 
(4) Percentage of satisfaction with the provision of nurseries and other child-minding services in Bxl.	😊	41%	On the basis of the general staff satisfaction survey conducted by DG HR 
(5) Percentage of serious ex-post control errors	😊	<2% for any type of transaction	None (0.00%) (2013 data) 2012: 0,24 % Source: the OIB data

The general overview of 2013 achievements supported by above pointed-out performance indicators shows a progress towards increased efficiency in the management of OIB's assignment.

More specifically, it is worth noting that:

1. The indication on performance of the overall real estate projects delivered within

deadline and budget is high and has remained constant over the past years. There is a margin of projects where budget or delivery deadlines are exceeded due to unforeseen circumstances such as additional structural studies to be carried out which might lead to amendment of construction works and finally exceed budget by more than the estimated 10%.

2. The satisfaction level of the staff in Brussels with the general quality of the offices is quite high (58%) and has remained stable since 2011. Bearing in mind the number of outdated buildings with diagnosed technical problems, OIB is gradually renovating (light refurbishments) them in line with the "good state of buildings" policy (BEBA) and budget availability.
3. The appreciation of the price-quality of the meals offered in the Commission restaurants has increased by more than 5% versus results of 2011 and slightly exceeded 2013 target. Although half of the staff is either satisfied or very satisfied, one fourth of the staff is dissatisfied. Trying to improve the price-quality of the meals in the Commission restaurants, the new catering concession has been introduced at the beginning of 2014.
4. The overall staff satisfaction with the quality of nurseries and other child-minding services increased by 9% since 2009, nevertheless still remains rather low (41%). OIB faces difficulties in ensuring sufficient number of places to meet the high demand (e.g. 800 children registered on the waiting list for the nursery places) and to ensure the technical quality of all child-care facilities (some buildings are outdated). Ongoing construction works should improve the accommodation conditions. Alternative places obtained on local market are expected to reduce the demand. All these measures are expected to gradually increase the staff satisfaction with provided services.
5. During the year no transactions have been found to have a serious error that could have financial or reputational impact on the Office's activities and that could lead to unacceptable financial consequences.

## **Policy highlights of the year (executive summary of part I)**

### **Real Estate management**

In the course of 2013, OIB being responsible for the implementation of the building policy, and in particular the new "Road Map" designed for the Real Estate projects validated by Vice-President Šefčovič (in 2012), has delivered the following developments:

- Efforts to move forward the project on the re-design of the European quarter around Rue de la Loi (PUL<sup>3</sup>) were pursued through cooperation with the local authorities. The Brussels Capital Region approved a zone development regulation (RRUZ) on 12 December 2013. A second town-planning tool is however still necessary; a particular land use plan (PPAS) is being prepared and should be adopted by 2015/2016.
- The Loi 15 building<sup>4</sup>: following the signature of the contract at the end of January 2013, fitting out works were completed and the building was delivered by the end of August 2013. DG ELARG was relocated from CHAR to L-15 in September/October 2013.

---

<sup>3</sup> Projet Urbain Loi.

<sup>4</sup> As a reference: the building resulted from a prospection notice (API) for 40,000 m<sup>2</sup> reduced to 17,000 m<sup>2</sup> in anticipation of budget and staff reductions.

- To accommodate staff according to needs and to respond to lease expiries between 2013-2025, OIB, launched a prospection notice in December 2012, for 20,000 m<sup>2</sup> to replace the existing Commission training centre (the lease for GUIM expires on 30 September 2014), to compensate space used for JRC staff transferred to Brussels and new staff following the Croatian enlargement and to rebuild the operational reserve space. Offers were received and analysed by the evaluation committee. The results of the analysis were presented to the Brussels Real Estate Committee on 9 December 2013 which gave a favourable opinion to the request of OIB to conclude negotiations with the proprietor of the selected building of about 16,000 m<sup>2</sup>. It is foreseen that the lease for the building should be signed during the first semester of 2014.
- On-going preparation for two calls for tender for: (1) 30,000 m<sup>2</sup> that should cover the abandon of MO34, G--1 and BU24 buildings; (2) 100,000 m<sup>2</sup> located outside the European Quarter in view of increasing competition (locations outside the Brussels region as well as within the existing sites will be envisaged).
- In the course of 2013 it was agreed to analyse the possibility to replace the CCAB following a prior wide prospection for possible locations. The building has been subject to continual maintenance in order to ensure optimal working conditions. However, in view of its age, a total refurbishment will have to be undertaken in +/-2020. It is envisaged to launch a call for tenders for a private partner to construct a new conference centre of an equivalent size to CCAB in the European Quarter. This would allow the CCAB to operate without interruption until the availability of a new centre. The CCAB would be sold in the end. Further details will be supplied on completion of preliminary studies which have been launched, following the approval of the MAPF by the OIB Management Board in 2013.
- Responding to the needs of extending the Commission's services, the Visitors' Centre was created in the Charlemagne building<sup>5</sup>, and the Emergency Response Centre (ERC) was built in L-86/L-84 zone<sup>6</sup>. The inaugurations of both Centres took place in May 2013. The enlargement of the Durieux meeting room in the CHAR building and the addition of acabin (Croatian language) in the S3 (CHAR) meeting room were accomplished by in the end of 2013. Renovations, technical or fitting out works were delivered in several buildings<sup>7</sup> in addition to renovations carried out within the framework of the "good state of buildings" policy<sup>8</sup>.
- Following the reorganisation of the Commission and related changes in the buildings portfolio, several relocations of services/DGs were managed in 2013. Strict planning led to the successful move of 12 DGs/Services.
- On the occasion of re-locations, the application of the Manual for the Housing Conditions (MCH) and the agreed methodology on calculation of office space were applied. OIB, in cooperation with DG HR and DG BUDG, continued to work on an update of the methodology for the allocation of surfaces. The open space offices arrangements were installed where wanted by the DGs and where feasible<sup>9</sup>. OIB took a leading example and installed, in its head office, two large

---

<sup>5</sup> The Centre is spread over the ground floor and the first floor of the CHAR building and includes six new conference rooms reserved exclusively for the Centre.

<sup>6</sup> The ERC comprises the L-86 zone used for offices accommodating +/- 45 people of which 20 will be housed in an open space office. The L-84 zone comprises a Crisis room, a press room and VIP hall accessible via the J-79 entrance, a large meeting room which can accommodate 45 people and several small meeting rooms.

<sup>7</sup> LX46 and MO59: renewal of the fire detection installations; L-84/L-86/L130/CCAB: façade renovation; L130/BU-5/CCAB/CHAR: kitchen or cafeteria renovations.

<sup>8</sup> 3 buildings are concerned: B232, F101, J-70.

<sup>9</sup> SG, DG ECHO or Cabinet have received the installations in their head offices.

open space offices to gain in depth experience with this alternative solution to standard offices. As regards the specific standards for individual physical environment (offices, ventilation, temperature, etc.), the second part of the Manual laying down these standards was adopted in June 2013. Continuing the developments in designing offices, it was decided to establish rules suitable for dynamic offices and in that context, a working group will be set up to establish a third part of the Manual.

- The construction works at the future nursery WALI (Wagons-Lit) continued throughout the year, aiming at its finalisation by the beginning of May 2014. The new site should be fully operational by September 2014. As regards renovation and construction works in CIE Overijse, renovation works on the clubhouse started in April 2013 when the roof was replaced. In September 2013, renovation works for the entire building commenced and should be completed in June 2014. Once the contract has been signed, construction works of the sports centre should start in March 2014 and be completed by June 2015.
- Renovation of the HTWG site, which will replace the CIE Overijse site during its renovation, were delayed due to the late delivery of the requested building permits. The fitting-out works schedule has been adapted accordingly and, works that were scheduled to start in September 2013, will now start, in February/March 2014 for the installation of the temporary prefabricated modules and, once the building permit has been delivered, on the existing building.
- It should also be noted that STIB has expressed an interest in acquiring this site in the context of the construction of "metro nord". Negotiations are on-going concerning an exchange of land with STIB; if the exchange goes ahead the consequences on the HTWG project will have to be taken into consideration.
- Turning to the implementation of the Commission's decision on EMAS (Eco-Management and Audit Scheme)<sup>10</sup>, OIB continued the programme on the upgrade of the environmental performance of Commission buildings to EMAS principles. In this context, the promotion of best practices took place during several EMAS dedicated events e.g. the "resource efficiency" campaign or energy action through the reduction of "comfort hours" (Earth Day, Easter, Summer and end of year actions). OIB was granted two rewards for EMAS in 2013.

## Logistics services

The following main actions took place in the area of catering, child care and other logistics services in 2013:

- Further to the completion of fitting out of the ORBN, COV2 and L-15 buildings, the following new facilities were opened in 2013: cafeterias were opened in ORBN and L-15 buildings, and a canteen in COV2 building.
- During the course of the year, several catering sites were modernised, including the canteen in L-41 building and the kitchens in CHAR and L130 buildings. The canteen, kitchen and cafeteria in the BU-5 building were partially modernised. The refurbishment of the canteen in the VM-2 building, planned for 2013, has been postponed, whilst similar plans for improvements to catering facilities in VM18 were cancelled, as it was decided that this site would be closed in 2013. Some

---

<sup>10</sup> C(2009)6873 applicable to all Commission services in Brussels and Luxembourg.



cafeterias with open-air terraces were fully equipped with outdoor furniture during the summer<sup>11</sup>.

- OIB concluded the procurement procedure for awarding the concession for catering services in Brussels, as the agreement in place was due to terminate at the end of 2013. The new concession is divided into three geographically distinct lots, each of which has been awarded to a different company (Ciano, Compass Group Eurest and Unijolly) with the aim of ensuring a greater variety of dishes and a high level of quality at a competitive price.
- In response to the constant high demand for nursery places, OIB launched a new call for tenders for places in local private nurseries. As a result, private nursery capacity potential is set to increase by 188 places (to 404 places in total) by September 2015.
- A total of 30 additional places in after-school childcare facilities were secured through reinforced cooperation with the European Schools. Other options involving centrally located sites were also explored and 12 places were created at the COLE site. As a result, the total capacity for after-school childcare increased to 1492 places in September 2013.
- The regulation governing the financing and management of the European Inter-Institutional Centre in Overijse underwent a comprehensive review, the result of which was a proposal for a new approach to financing and managing the centre. This project will be continued in 2014.
- No agreement has been reached yet on a new convention between the Joint Research Centre (JRC) and the Regional Housing Association of the Lombardy Region (ALER), in particular in relation to the modernisation of accommodation blocks at the Ispra site (which are rented by the Commission for the use of newcomers). It is expected that the agreement will be concluded in 2014.
- OIB carried out 9.200 removals during the course of 2013 as a result of internal reorganisations<sup>12</sup>
- To reduce the environmental impact of the Commission's activities, OIB continued its work to ensure better coordination of postal deliveries in the city.
- OIB actively promotes public transport as a means of reducing the number of private cars used for work related journeys. OIB therefore continues to partly reimburse public transport season tickets (1.400 staff were signed up to the system and 11.200 individuals benefit from the payments). Alternative means of transport actions such as walking, cycling and carpooling continued to be promoted through the annual OIB programme "Bike to work" with initiatives such as the "Winter and Summer Trophy" and "ProVélo Bike Experience".
- The digitalisation of core historical archives documents (covering the period 1958-82) was completed in October 2013 and the documents are now available online.

---

<sup>11</sup> Buildings concerned: SPA2; ORBN; MO34; MO59; L-41; L-56; L130; J-70 and J-27.

<sup>12</sup> The CSM2 and C107 buildings were closed in May and June 2013 respectively. SC15 was closed at the end of September 2013. In total 12 DGs/Services were successfully relocated.

## Horizontal activities

In the area of Administrative Activities, the following developments were delivered:

- An analysis of possible simplifications, creation of synergies and transfers or reductions of activities was carried out within OIB. The results of the analysis will guide the implementation of the staff reductions planned up to 2017. During 2013, 15 posts (8 permanent and 7 contractual) to be cut in 2014 were identified. Re-allocation of vacant posts was decided on the basis of OIB's priority needs.
- As part of efforts to promote an ethical professional environment, OIB took an active part in the Commission-wide ethics week and organised a number of OIB-specific actions including discussions via Yammer, an ethics conference and messages posted on OIB-net to raise awareness of ethics.
- The OIB Equal Opportunities Plan for 2011-14 is nearing completion. The OIB "Equal Opportunities Index" fell slightly (from 68 to 65), due in part to a decrease in the number of female AD staff. The OIB "Femmes AD" group and the OIB Equal Opportunities group met on a number of occasions during the year.
- To reduce the paper consumption, a working group was set up to screen the internal "flow" of paper and to introduce, where possible, "paperless" working methods. An example of such method is the electronic visa circuits, which was implemented for some internal documents in 2013. The project has been extended to 2014 with the aim of making further progress by means of IT solutions (e-invoicing or e-CAF).
- During 2013, OIB focused particularly on the timely management of schedules for tenders, which ensured that significant procurement procedures were concluded, including those awarding concessions for catering services, vending machines, office supplies, transport of diplomatic mail, removal services, maintenance services and waste treatment.
- In 2013, OIB pursued its policy of simplifying and standardising requirements in order to increase competition in calls for tender. The 'procurement project cycle' continued to be used for new tenders. This involves setting a target timeline, holding kick-off meetings between operational units and the central procurement team and, a single point of contact for following up on tendering procedures ('SPOC approach'). A procurement help desk was set up to further assist operational units and to help to meet procurement targets.
- OIB continued to rationalise its payment process by monitoring in payment closely and by simplifying procedures. The aim of this is to be able to set tighter deadlines for payment while maintaining a reasonable level of confidence that they will be met. The proportion of payment made outside contractual deadlines was significantly reduced, falling to 4.4% (compared to the Commission average of 17%).
- In order to standardise the corporate IT systems currently in use, a gap analysis on ABAC-SAM and ABAC-ASSETS was completed in 2013. The Commission approved the proposal from DG BUDG and DG DIGIT for a convergence scenario that retain key functionalities of both systems. Its implementation has been already initiated by defining an action plan and related responsibilities of involved services: OIB, OIL, DG DIGIT and DG BUDG<sup>13</sup>. As regard to the harmonisation of IT systems suitable for procurement management, the gap analysis of JRC's PPMT system and OIB's MARCO

---

<sup>13</sup> There were already two meetings held in February 2014 and there are forecasted workshops in March 2014 to define convergence points.

was finalized in the course of the year. OIB should reach a final decision on the basis of the Memorandum of Understanding to be proposed by JRC.

- As part of the ongoing IT rationalisation exercise, OIB carried out a comparative business processes study on OIB/OIL IT systems, which resulted in the decision to migrate to the IT solution on real estate management used by OIL. In order to put in place this new IT system, a feasibility study on the real estate business processes within OIB, assessing the impact of deploying wide-range software solution replacing a number of existing systems, will be conducted. Having issued a business case and having obtained relevant approvals, a procurement procedure should be launched in the course of 2014.
- Activities in the area of internal control were structured around relevant guidelines. The survey assessing the effectiveness of Internal Control Standards (ICS) was supported by an information campaign on OIB-net, which contributed to the high participation rate of 80%. The participants in the workshop on risks assessment for management produced an updated and well-structured risk register. The security system set up to protect the functionality of ABAC modules was assessed by verifying the access rights of ABAC users'. An Anti-Fraud Strategy was adopted in the second half of 2013.
- OIB celebrated its 10th anniversary in 2013, providing an opportunity to increase awareness of the Office's work. Staff commitment was also recognised in various ways, such as the staff forum and the corporate calendar.

## **Key conclusions on resource management and internal control effectiveness (executive summary on parts 2 and 3)**

In accordance with the governance statement of the European Commission, (the staff of) OIB 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 standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. As required by the Financial Regulation, OIB Director has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

OIB has assessed the effectiveness of its key internal control systems during the reporting year and has concluded that the internal control standards are effectively implemented.

Based on the results of the review of the compliance and effectiveness of the ICS carried out in October 2013, OIB senior management decided to prioritize the following ICS in the 2014 MP: ICS 3 (Staff allocation and mobility) and ICS 7 (Operational structure). Although these standards are effectively implemented in OIB and compliant with the requirements, various actions need to be taken, in particular in the field of communication related to the long-term staff rationalization plan and in the implementation of the new Staff Regulation. Please refer to part 3 for further details.

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

In conclusion, OIB 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 of OIB, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

### **Information to the Commissioner**

OIB reports along the year to the Commissioner and to the Board (normally 2 meetings per year) on the main planning and activities.

This report and the assurance declaration have been submitted to OIB Management Committee on March 17<sup>th</sup>, 2014 and its main elements have been brought to the attention of Commissioner Šefčovič, responsible for Inter-Institutional Relations and Administration, during the meeting of 21 March 2014.

# 1. POLICY ACHIEVEMENTS

## 1.1 Achievement of specific objectives within Real Estate activities

The aim in this domain of activities is to meet the requirements of office accommodation for the Commission and related services and staff, in an efficient, effective and timely manner, whilst being in line with the highest possible cost-efficient environmental and energy consumption standards.

### 1.1.1 Real Estate: Buildings and infrastructures are being managed as planned

The Commission's buildings and infrastructure are being managed efficiently and effectively as planned. The space planning is being improved in line with the MAPF objectives by implementing the long-term building policy.

ABB activity: Acquisition, renting and other expenditure related to buildings			<input checked="" type="checkbox"/> Non-spending
	Result indicator	Target 2013	Current situation (as achieved)
Specific objective 1	Ratio of the Commission's real estate portfolio and the surface needs authorised by the budgetary authority (on annual basis) Source: MAPF 2014 – 2024	Target was not fixed as an update of the methodology of the surfaces needs assessment was under internal discussions.	812,500 m <sup>2</sup> OIB manages 67 Commission buildings <sup>14</sup> with a total surface area of about 1 million m <sup>2</sup> , out of which 52 have office space for a total of 812,500 m <sup>2</sup> used by Commission.
	Percentage of overall projects/ actions delivered within deadline and budget (up to +/-10%) Source: OIB data	100%	95% Accomplished Visitors Centre (CHAR); ERC (L-86); Loi 15. VM-2 remains ongoing.

#### The following projects/activities are delivered:

- ❖ Loi-15 building delivered for occupation end of August 2013.
- ❖ Launched feasibility studies for the renovation of CSM1, BU29-33, VM-2 (2019); on-going project.
- ❖ Organised the moves of approximately 9,200 staff in line with the Commission reorganisations and housing policy<sup>15</sup>.
- ❖ Accomplished assessment of offers, resulting from a publication of a prospection notice (API) for 20,000 m<sup>2</sup> (to replace the existing Commission training centre and to compensate space used to accommodate JRC staff to be transferred to Brussels, the Croatian enlargement and to rebuild the operational space reserve). The most suitable building was

<sup>14</sup> This surface area includes buildings for childcare, a conference centre, logistics, executive agencies, other.

<sup>15</sup> The following removals were carried out: DG RTD moved from CDMA to COVE, DG JRC moved from SC15 to CDMA, DG EAC and DG COMP to J-70 and MAD0 respectively, OIB from L-86, G-1 and VM18 to CSM1, Visitor's Centre from VM18 to CHAR, DG SCIC from C107 to B100/VM18 and DG ECHO from AN88 and BU-9 to L-86. PMO from GUIM and SC15 to AN88, DG DEVCO from SC15 to J-59, DG ELARG from CHAR to L-15, DG TRADE and DG ECFIN from N105 to CHAR has been postponed to 2014.

pre-selected and the negotiations with the owner are on-going. It is foreseen to sign the lease for the building during the first semester of 2014.

- ❖ Advanced preparations for one or more tenders for (i) 30,000m<sup>2</sup> (to cover the abandon of the MO34, G--1 and BU24 buildings); (ii) 100,000 m<sup>2</sup> situated outside the European Quarter and; for (iii) in the course of 2013 it was agreed to analyse the possibility to replace the CCAB.

Suspended:

- ❖ The prospectation notice for a new warehouse has been put on hold as OIB is now studying the possibility of building a warehouse in cooperation with the Council on the HTWG site.

## 1.1.2 Real Estate: Good quality office space is being offered according to plan

ABB activity: Acquisition, renting and other expenditure related to buildings			<input checked="" type="checkbox"/> Non-spending																		
	Result indicator	Target 2013	Current situation (as achieved)																		
Specific objective 2	<p>The general quality of my office (space, light, noise, temperature etc.)</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	62% vs 20%	<table border="1"> <caption>Quality of offices</caption> <thead> <tr> <th>Year</th> <th>Satisfied</th> <th>Dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>55%</td> <td>26%</td> </tr> <tr> <td>2007</td> <td>57%</td> <td>26%</td> </tr> <tr> <td>2009</td> <td>62%</td> <td>20%</td> </tr> <tr> <td>2011</td> <td>58%</td> <td>25%</td> </tr> <tr> <td>2013</td> <td>58%</td> <td>26%</td> </tr> </tbody> </table>	Year	Satisfied	Dissatisfied	2005	55%	26%	2007	57%	26%	2009	62%	20%	2011	58%	25%	2013	58%	26%
Year	Satisfied	Dissatisfied																			
2005	55%	26%																			
2007	57%	26%																			
2009	62%	20%																			
2011	58%	25%																			
2013	58%	26%																			
	<p>The cleaning of my office &amp; the building I work in</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	60% vs 22%	<table border="1"> <caption>Cleanliness of offices</caption> <thead> <tr> <th>Year</th> <th>Satisfied</th> <th>Dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>45%</td> <td>31%</td> </tr> <tr> <td>2007</td> <td>52%</td> <td>25%</td> </tr> <tr> <td>2009</td> <td>51%</td> <td>27%</td> </tr> <tr> <td>2011</td> <td>57%</td> <td>23%</td> </tr> <tr> <td>2013</td> <td>59%</td> <td>22%</td> </tr> </tbody> </table>	Year	Satisfied	Dissatisfied	2005	45%	31%	2007	52%	25%	2009	51%	27%	2011	57%	23%	2013	59%	22%
Year	Satisfied	Dissatisfied																			
2005	45%	31%																			
2007	52%	25%																			
2009	51%	27%																			
2011	57%	23%																			
2013	59%	22%																			
	<p>Response to calls to OIB's 24-hour service desk (tel: 55555) regarding technical or maintenance problems</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	72% vs 8%	<table border="1"> <caption>Response to OIB's 24h service desk: 55555</caption> <thead> <tr> <th>Year</th> <th>Satisfied</th> <th>Dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>2007</td> <td>63%</td> <td>8%</td> </tr> <tr> <td>2009</td> <td>65%</td> <td>6%</td> </tr> <tr> <td>2011</td> <td>69%</td> <td>8%</td> </tr> <tr> <td>2013</td> <td>67%</td> <td>9%</td> </tr> </tbody> </table>	Year	Satisfied	Dissatisfied	2005	NA	NA	2007	63%	8%	2009	65%	6%	2011	69%	8%	2013	67%	9%
Year	Satisfied	Dissatisfied																			
2005	NA	NA																			
2007	63%	8%																			
2009	65%	6%																			
2011	69%	8%																			
2013	67%	9%																			
	<p>Adapting buildings to specific needs that arise after recruitment or mobility of PRM (people of reduced mobility)</p> <p><b>Source:</b> OIB data</p>	MADO	<p>This project was suspended as a contract to do these works no longer exists and it was also estimated unnecessary as the particular access in question is never used.</p> <p>All Commission buildings comply with legal prescriptions.</p>																		

**In line with the " A Good State of Buildings" policy (BEBA) schedule, the following projects/ activities were delivered:**

- ❖ Preventive maintenance and light renovations in the scheduled buildings<sup>16</sup>.
- ❖ Replacement of the data network in two buildings (C158 and C150) and cabling structure (in L130), fire detection installations in another two buildings (LX46 and MO59) and launched security installations in CHAR and BERL buildings.
- ❖ The renovation of building façades (of L-86, L-84, L130 and CCAB buildings).
- ❖ Fitting out of cafeterias (ORBN, CCAB buildings), restaurant (at COVE), the renovation of the L-41 restaurant and several kitchens (in L130, CHAR, BU-5 buildings).
- ❖ The construction and the fitting out works at the Visitor's Centre (DG COMM) in CHAR and the ERC (Emergency Response Centre) for DG ECHO in L-86.
- ❖ Withdrew from the Commission buildings portfolio of three buildings: C107, CSM2 and SC15, which are heavy and complex from the technical and administrative point of view.

Postponed:

Replacement of the water pipes in BERL at the request of the Legal Service in view of the on-going legal case against the suppliers of the system.

**With the aim of better exploration of existing space (CIE social centre, Overijse) and increase of capacity (e.g. nurseries), the following renovation and construction works were conducted:**

- ❖ The renovation of the sport centre and clubhouse at the CIE in Overijse<sup>17</sup>:
  - (1) Construction of the sports centre: the construction works are scheduled for April 2014 following the tender procedure that is on-going.
  - (2) Renovation of clubhouse: replaced the roof and started the renovation works which will last until June 2014.
- ❖ The construction work at new nursery building WALI (Wagons-Lit) targeting completion by May 2014 and the nursery being fully operational by September 2014. The construction works at the sports facility VM-2 will be delivered in March 2014 as unforeseen structural studies had to be carried out.
- ❖ The fitting out works at the HTWG site<sup>18</sup> are postponed to February/March 2014 (if weather permits) for the temporary prefabricated modules and, once the permit is delivered, for the existing building.
- ❖ Followed up on the implementation of applicable Belgian law imposing the replacement of the refrigerant HCFC (gas R22) used in the cooling machines in the Commission premises<sup>19</sup>.

### 1.1.3 Real Estate: Health and Safety Rules are being enhanced in the Commission sites

ABB activity: Acquisition, renting and other expenditure related to buildings			<input checked="" type="checkbox"/> Non-spending
	<u>Result indicator</u>	Target 2013	Current situation (as achieved)

<sup>16</sup> Preventive maintenance carried out in buildings: J-70, CHAR (will continue in 2014), B232, F101 and light renovations in buildings concerned: CSM1, G--1 (renovation of the false ceilings), MADO (partitioning), BREY (painting), L-41 (replacement of R22 gas), BOUR (installation of a lift pump), started the renovation of courtyard of L130 which will be accomplished in first semester of 2014.

<sup>17</sup> The 1<sup>st</sup> part of the project, renovation of the clubhouse (windows, floors, finishing works, sanitary equipment, heating/cooling, ventilation, electricity, data network), will be done by OIB via existing contracts. 2<sup>nd</sup> part, revitalisation of the site - sport centre: construction works to be carried out. Execution of the project is planned up to mid-2015.

<sup>18</sup> HTWG stands for Houtweg. The project will be executed until mid-2014. HTWG site will replace the CIE Overijse activities for the outdoor day childcare centre during the renovation of Overijse.

<sup>19</sup> According to the Regulation (EC) n°2037/2000, Gas R22 should be replaced in all buildings by 31 December 2014.

Specific objective 3	Number of evacuation exercises performed without significant problems (possible threats or issues in case of real emergency) out of total number of evacuations  Source: OIB and DG HR data	90%	90%
	Percentage of Commission staff trained in providing First Aid out of total number of personnel  Source: OIB and DG HR data	3.5%	3.5%

**In order to deliver analysis of accidents serving the purpose of further prevention, the following actions were delivered:**

- ❖ Continued encoding data into a registration system on the duration, location, gravity and type of accidents related to absences.
- ❖ Obtained qualitative results from the Working Groups on risk analysis<sup>20</sup> related to an assessment and prevention of injuries caused by accidents at work.
- ❖ Contributed to the working group on psychosocial risk assessment with all instances working on stress, harassment and psychological problems at work. OIB also contributed to the training course that was put in place for management on this subject.
- ❖ Actively participated in the CPPT<sup>21</sup> "asbestos" working group.

**Towards safety at working environment, the following actions were accomplished:**

- ❖ Finalized development of a new system with Quick Response (QR) codes<sup>22</sup> for fire extinguishers.
- ❖ Realisation and bill-posting of evacuation plans in the CSM1 and L-86 buildings.
- ❖ Finalization of the implementation of the TECHCONT system in a web application (system that managed the technical control reports). In future remarks on controls will also be directly introduced in the SMT system to integrate information on technical controls, reports, actions and reporting.

### 1.1.4 Real Estate: Cooperation with other institutions is being improved on the basis of SLAs

ABB activity: Acquisition, renting and other expenditure related to buildings			<input checked="" type="checkbox"/> Non-spending
	Result indicator	Target 2013	Current situation (as achieved)
Specific objective 4	Recovery on time of the revenues resulting from SLAs.  Source: OIB data	Anticipate recovery of 80% of the estimated revenues resulting from SLAs	87% of forecasted revenues have been invoiced of which almost all have been cashed in (17.9M€ forecasted revenues for 2013).

**The agencies' request<sup>23</sup> for technical services on the basis of SLAs was coordinated through the following actions:**

<sup>20</sup> In collaboration with the most concerned Services.

<sup>21</sup> Committee for Prevention and Protection at Work.

<sup>22</sup> The application allows reading the information contained in the QR codes, which are placed on each extinguisher for follow up and control purpose.

<sup>23</sup> The abbreviations of listed EU institutions: CEDEFOP (European Centre for the Development of Vocational Training); ETF (European Training Foundation); EDA (European Defence Agency); EP (European Parliament); EACI (European Agency for



- ❖ Delivered the signatures of new agreements with the Office of the Secretary General of the European Schools (J-30), CEDEFOP and ETF for the J-70 building, the Representation of the EU in Belgium for the CHAR and BERL buildings, with EDA for office supplies and leasing of vehicles and with the EP for the childcare services.
- ❖ Amendments to the SLAs with EACI, REA, ERCEA and DG RTD/FP7 were concluded for the inclusion of services and takeover of the COVE building's maintenance by OIB; a new amendment to the SLA with the External Action Service was concluded in May 2013.
- ❖ Continued preparation of an OLA (Operation Level Agreement) with internal services (DG DIGIT); an amendment to the SLA with DG RTD for the creation of a printshop in COVE; a new SLA with GSA for the renting of office space in a new building in Brussels.

**Towards EU installation in Belgium, the cooperation of EU-Belgium was continued throughout:**

- ❖ Regular meetings and delivered updates to the Task Force EU-Belgium regarding arising problems in connection with building policy, mobility and with the privileges and immunities of the Communities on the installation of the Commission in Brussels.
- ❖ Ensured the secretariat of the ILISWG (the Inter-Institutional Infrastructure, Logistics and Internal Services Working Group), which was chaired by the European Parliament during 2012/2013.

Postponed:

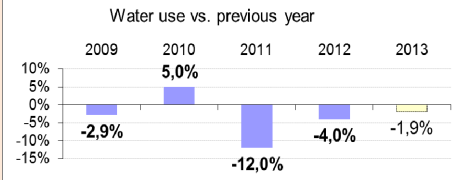
Finalization of the convention between the Commission and the Belgium Federal Administration on the transfer of ownership of parking spaces in the Berlaymont to the Belgian authorities related to the Schuman multimodal station project (the Belgium federal/Beliris project). The signature of the convention is foreseen for early 2014<sup>24</sup>.

**1.1.5 Real Estate: Implementation of the Environmental Management Audit Scheme (EMAS) is being pursued as planned**

ABB activity: Acquisition, renting and other expenditure related to buildings			<input checked="" type="checkbox"/> Non-spending												
	Result indicator	Target 2013	Current situation (as achieved)												
Specific objective 5	Total number of EMAS registered buildings Source: OIB data	54 buildings to be registered by the end of 2013	Pursued EMAS certification for further Commission buildings: 6 new buildings were audited and registered: CCAB, CHAR, CSM1, LX40, L-15, L102. In total, 54 in total EMAS registered buildings.												
	Percentage of energy consumption in comparison with previous year Source: OIB data	-1%	<table border="1"> <caption>Energy use vs. previous year</caption> <thead> <tr> <th>Year</th> <th>Change (%)</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>-0,9%</td> </tr> <tr> <td>2010</td> <td>-5,6%</td> </tr> <tr> <td>2011</td> <td>-0,5%</td> </tr> <tr> <td>2012</td> <td>-5,8%</td> </tr> <tr> <td>2013</td> <td>-0,7%</td> </tr> </tbody> </table>	Year	Change (%)	2009	-0,9%	2010	-5,6%	2011	-0,5%	2012	-5,8%	2013	-0,7%
Year	Change (%)														
2009	-0,9%														
2010	-5,6%														
2011	-0,5%														
2012	-5,8%														
2013	-0,7%														

Competitiveness & Innovation); REA (Research Executive Agency); ERCEA (European Research Council Executive Agency); DG RTD/FP7 (DG Research & Innovation/the Seventh Framework Programme); GSA (European GNSS Agency).

<sup>24</sup> OIB assists the Belgian authorities with their outstanding queries. The convention should be signed in line with the agreement called "Protocol concerning the temporary use of zones of the 'Berlaymont' building necessary for the realisation of the multimodal 'Schuman' station " concluded in 2009.

	Percentage of water consumption in comparison with previous year Source: OIB data	-2%	 <p>[The final data will be available by the end of March 2014]</p>
	Green Public Procurement criteria included into contracts Source: OIB data	100%	94% (16 out of 17 contracts signed with GPP criteria included); Pursued efforts aimed at integrating environmental criteria into procurement with the aim of purchasing and delivering services, products environmentally friendly.

**The actions carried out towards the upgrade of the environmental performance of the Commission's buildings to the EMAS principles:**

- ❖ The 'Energy Audit' pilot project, aiming at identifying the measures to further improve energy performance of buildings, was completed in six buildings (DM24, DM28, BERL, CHAR, PALM, CLOV).
- ❖ Assessed the outcome of the pilot project on electricity saving measures i.e. a centralized switch-off of computers after working hours every evening in certain DGs.
- ❖ Implemented energy saving actions (reduction of comfort hours) during day, weekend and seasonal holidays.
- ❖ Continued dialogue with DG ENER on clarification of requirements and expectations concerning the role of the European institutions according to Article 5 of the new Energy Efficiency Directive (EED)<sup>25</sup> which requires that 3% of all owned and occupied properties of central governments are renovated on a yearly basis to meet the minimum energy performance requirement.
- ❖ Assisted the EMAS external audit (EMAS verification) on the integration of Environmental Management System (EMS) into the Commission's daily activities.
- ❖ Took part in the Commission EMAS awards 2013 where OIB won the award for energy savings and received a special mention for paper saving actions.

**Promoted throughout the year environmental awareness to encourage behavioural changes of Commission staff towards a more environmentally friendly attitude in relation to buildings and resource efficiency (themes: paper saving, CO2 emission reduction, water saving) through communication campaigns, video messages, presentations at various conferences, posters, etc.**

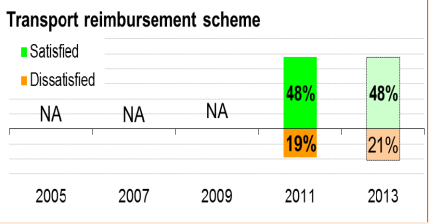
## 1.2 Achievement of specific objectives within Logistic Services

The aim in this domain of activities is to ensure the provision of client-oriented logistical services and social infrastructures, which are in line with staff needs and meet the highest environmental standards. In the context of the Commission's social policy and well-being benefit package, the Commission provides catering and childcare facilities as well as sports facilities.

<sup>25</sup> Directive 2012/27/EU.

## 1.2.1 Logistic Services: A sound financial management of the inventory is being ensured

ABB activity: Equipment, Services and Social Infrastructure			<input checked="" type="checkbox"/> Non-spending																		
	Result indicator	Target 2013	Current situation (as achieved)																		
Specific objective 1	<p>Delivery speed of the central postal service of the Commission</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	68% vs 10%	<p><b>Post delivery speed</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Satisfied</th> <th>Dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>45%</td> <td>31%</td> </tr> <tr> <td>2007</td> <td>63%</td> <td>10%</td> </tr> <tr> <td>2009</td> <td>70%</td> <td>7%</td> </tr> <tr> <td>2011</td> <td>65%</td> <td>11%</td> </tr> <tr> <td>2013</td> <td>69%</td> <td>7%</td> </tr> </tbody> </table>	Year	Satisfied	Dissatisfied	2005	45%	31%	2007	63%	10%	2009	70%	7%	2011	65%	11%	2013	69%	7%
Year	Satisfied	Dissatisfied																			
2005	45%	31%																			
2007	63%	10%																			
2009	70%	7%																			
2011	65%	11%																			
2013	69%	7%																			
	<p>The quality of office furniture and supplies</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	68% vs 13%	<p><b>Office furniture &amp; supplies</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Satisfied</th> <th>Dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>58%</td> <td>18%</td> </tr> <tr> <td>2007</td> <td>57%</td> <td>19%</td> </tr> <tr> <td>2009</td> <td>63%</td> <td>14%</td> </tr> <tr> <td>2011</td> <td>65%</td> <td>14%</td> </tr> <tr> <td>2013</td> <td>63%</td> <td>16%</td> </tr> </tbody> </table>	Year	Satisfied	Dissatisfied	2005	58%	18%	2007	57%	19%	2009	63%	14%	2011	65%	14%	2013	63%	16%
Year	Satisfied	Dissatisfied																			
2005	58%	18%																			
2007	57%	19%																			
2009	63%	14%																			
2011	65%	14%																			
2013	63%	16%																			
	<p>Moving of furniture, boxes and belongings to new offices</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	68% vs 9%	<p><b>Moving services</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Satisfied</th> <th>Dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>58%</td> <td>12%</td> </tr> <tr> <td>2007</td> <td>62%</td> <td>9%</td> </tr> <tr> <td>2009</td> <td>66%</td> <td>6%</td> </tr> <tr> <td>2011</td> <td>65%</td> <td>9%</td> </tr> <tr> <td>2013</td> <td>68%</td> <td>10%</td> </tr> </tbody> </table>	Year	Satisfied	Dissatisfied	2005	58%	12%	2007	62%	9%	2009	66%	6%	2011	65%	9%	2013	68%	10%
Year	Satisfied	Dissatisfied																			
2005	58%	12%																			
2007	62%	9%																			
2009	66%	6%																			
2011	65%	9%																			
2013	68%	10%																			
	<p>Graphic design, copying/reproduction services</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	66% vs 10%	<p><b>Graphic design</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Satisfied</th> <th>Dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>2007</td> <td>52%</td> <td>6%</td> </tr> <tr> <td>2009</td> <td>65%</td> <td>3%</td> </tr> <tr> <td>2011</td> <td>63%</td> <td>10%</td> </tr> <tr> <td>2013</td> <td>58%</td> <td>11%</td> </tr> </tbody> </table>	Year	Satisfied	Dissatisfied	2005	NA	NA	2007	52%	6%	2009	65%	3%	2011	63%	10%	2013	58%	11%
Year	Satisfied	Dissatisfied																			
2005	NA	NA																			
2007	52%	6%																			
2009	65%	3%																			
2011	63%	10%																			
2013	58%	11%																			
	<p>Availability of parking places in the office building</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	51% vs 26%	<p><b>Availability of parking spaces</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Satisfied</th> <th>Dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>2007</td> <td>53%</td> <td>23%</td> </tr> <tr> <td>2009</td> <td>56%</td> <td>22%</td> </tr> <tr> <td>2011</td> <td>49%</td> <td>27%</td> </tr> <tr> <td>2013</td> <td>53%</td> <td>22%</td> </tr> </tbody> </table>	Year	Satisfied	Dissatisfied	2005	NA	NA	2007	53%	23%	2009	56%	22%	2011	49%	27%	2013	53%	22%
Year	Satisfied	Dissatisfied																			
2005	NA	NA																			
2007	53%	23%																			
2009	56%	22%																			
2011	49%	27%																			
2013	53%	22%																			
	<p>Transport/sustainable mobility facilities (Eurobus, service cars, service bicycles, one-way public transport tickets, etc.)</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	62% vs 11%	<p><b>Sustainable transportation</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Satisfied</th> <th>Dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>2007</td> <td>54%</td> <td>15%</td> </tr> <tr> <td>2009</td> <td>46%</td> <td>23%</td> </tr> <tr> <td>2011</td> <td>59%</td> <td>12%</td> </tr> <tr> <td>2013</td> <td>62%</td> <td>11%</td> </tr> </tbody> </table>	Year	Satisfied	Dissatisfied	2005	NA	NA	2007	54%	15%	2009	46%	23%	2011	59%	12%	2013	62%	11%
Year	Satisfied	Dissatisfied																			
2005	NA	NA																			
2007	54%	15%																			
2009	46%	23%																			
2011	59%	12%																			
2013	62%	11%																			

	<p>The public transport reimbursement scheme (new question in 2011)  <b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL.          [the survey is addressed to all Commission staff]  <b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	50% vs 18%	 <table border="1"> <caption>Transport reimbursement scheme</caption> <thead> <tr> <th>Year</th> <th>Satisfied (%)</th> <th>Dissatisfied (%)</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>2007</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>2009</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>2011</td> <td>48%</td> <td>19%</td> </tr> <tr> <td>2013</td> <td>48%</td> <td>21%</td> </tr> </tbody> </table>	Year	Satisfied (%)	Dissatisfied (%)	2005	NA	NA	2007	NA	NA	2009	NA	NA	2011	48%	19%	2013	48%	21%
Year	Satisfied (%)	Dissatisfied (%)																			
2005	NA	NA																			
2007	NA	NA																			
2009	NA	NA																			
2011	48%	19%																			
2013	48%	21%																			

**The following deliveries of the logistic services took place:**

- ❖ Moved out successfully three buildings: CSM2, C107 (in first semester 2013) and SC15 (in September 2013).
- ❖ Signed several framework contracts for delivery of: express mail of the Commission and Diplomatic pouch (in March 2013) and regular mail for all Institutions in BRU and LUX (in April 2013). A new contract for stock management was signed in September 2013 and contracts for office supplies, for service removal and vending machines before the end of 2013.
- ❖ Continued physical inventory of assets covering the period of 2011-13. The tracking rate of foreseen 85% was reached by the end of 2013.
- ❖ Gradual reorganization of several 'mail drop points' (grouped or moved to technical rooms) in some buildings<sup>26</sup> towards the safety rules of fire prevention – 30% achieved. Increased security measures for the shipping of the BERL mail.
- ❖ Mail delivery rounds organisation adapted to series of buildings occupied by the same DG.
- ❖ Merged printshop of OIB/REGIO/CNECT became operationally in February 2013.

**Implementation of the Mobility Plan 2010-2014:**

- ❖ Continued implementation of the public transport contribution scheme having 1.400 new staff members affiliated to the system in 2013 and 11.200 persons being reimbursed in 2013.
- ❖ Continued initiatives: "Bike to Work" having 273 people registered, "Carpoolplaza" facilitating carpooling among the staff members, having 145 people registered in the scheme.

**Towards digitisation of Historical Archives, the following projects were delivered:**

- ❖ Digitised 24.500 files of COM documents covering the years of 1958-82.
- ❖ 20 specialised trainings delivered to different DGs upon their request.
- ❖ Prepared online publications of files to be open to the public within the co-operation with the Historical Archives of the European Union in Florence<sup>27</sup>.
- ❖ Completion of the inventory of the Commission's organisational structures and missions from 1952 until 2004: all organisational charts have been encoded in the database.

**1.2.2 Logistic Services: Quality welfare services are being provided**

Good social infrastructure at Brussels and Ispra sites are being provided by optimising the use and quality of welfare services such as Restaurants, Selfs and Cafeterias facilities.

<sup>26</sup> Reorganised buildings: L-56, DM28, EEAS, C107, ORBN, BU24, BU25, BU33.

<sup>27</sup> HAS selects files of a great interest to the public, produces a copy of these files in an appropriate digital format, determines all relevant technical parameters (e.g. resolution or the shade of colour) and encloses the adequate metadata describing the file itself and its digital-technical status.

ABB activity: Equipment, Services and Social Infrastructure			☒ Non-spending																																																						
	Result indicator	Target 2013	Current situation (as achieved)																																																						
Specific objective 2	<p>The provision of cafeterias, self-service restaurants and other restaurants (29; VM2) – in general</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	<p>Cafeterias: 63% vs 20%</p> <p>Self-service restaurants: 48% vs 26%</p> <p>Restaurants: 57% vs 5%</p>	<p><b>Cafeterias</b></p> <table border="1"> <tr><th>Year</th><th>Satisfied</th><th>Dissatisfied</th></tr> <tr><td>2005</td><td>51%</td><td>26%</td></tr> <tr><td>2007</td><td>48%</td><td>26%</td></tr> <tr><td>2009</td><td>60%</td><td>21%</td></tr> <tr><td>2011</td><td>54%</td><td>24%</td></tr> <tr><td>2013</td><td>54%</td><td>24%</td></tr> </table> <p><b>Self-service restaurants</b></p> <table border="1"> <tr><th>Year</th><th>Satisfied</th><th>Dissatisfied</th></tr> <tr><td>2005</td><td>51%</td><td>26%</td></tr> <tr><td>2007</td><td>48%</td><td>26%</td></tr> <tr><td>2009</td><td>45%</td><td>32%</td></tr> <tr><td>2011</td><td>46%</td><td>30%</td></tr> <tr><td>2013</td><td>46%</td><td>30%</td></tr> </table> <p><b>Restaurants</b></p> <table border="1"> <tr><th>Year</th><th>Satisfied</th><th>Dissatisfied</th></tr> <tr><td>2005</td><td>51%</td><td>26%</td></tr> <tr><td>2007</td><td>48%</td><td>26%</td></tr> <tr><td>2009</td><td>54%</td><td>5%</td></tr> <tr><td>2011</td><td>57%</td><td>5%</td></tr> <tr><td>2013</td><td>57%</td><td>5%</td></tr> </table>	Year	Satisfied	Dissatisfied	2005	51%	26%	2007	48%	26%	2009	60%	21%	2011	54%	24%	2013	54%	24%	Year	Satisfied	Dissatisfied	2005	51%	26%	2007	48%	26%	2009	45%	32%	2011	46%	30%	2013	46%	30%	Year	Satisfied	Dissatisfied	2005	51%	26%	2007	48%	26%	2009	54%	5%	2011	57%	5%	2013	57%	5%
Year	Satisfied	Dissatisfied																																																							
2005	51%	26%																																																							
2007	48%	26%																																																							
2009	60%	21%																																																							
2011	54%	24%																																																							
2013	54%	24%																																																							
Year	Satisfied	Dissatisfied																																																							
2005	51%	26%																																																							
2007	48%	26%																																																							
2009	45%	32%																																																							
2011	46%	30%																																																							
2013	46%	30%																																																							
Year	Satisfied	Dissatisfied																																																							
2005	51%	26%																																																							
2007	48%	26%																																																							
2009	54%	5%																																																							
2011	57%	5%																																																							
2013	57%	5%																																																							
	<p>The price-quality relationship of meals offered in the Commission restaurants (new question in 2011)</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	49% vs 27%	<p><b>Price-quality of meals</b></p> <table border="1"> <tr><th>Year</th><th>Satisfied</th><th>Dissatisfied</th></tr> <tr><td>2005</td><td>NA</td><td>NA</td></tr> <tr><td>2007</td><td>NA</td><td>NA</td></tr> <tr><td>2009</td><td>NA</td><td>NA</td></tr> <tr><td>2011</td><td>47%</td><td>29%</td></tr> <tr><td>2013</td><td>51%</td><td>24%</td></tr> </table>	Year	Satisfied	Dissatisfied	2005	NA	NA	2007	NA	NA	2009	NA	NA	2011	47%	29%	2013	51%	24%																																				
Year	Satisfied	Dissatisfied																																																							
2005	NA	NA																																																							
2007	NA	NA																																																							
2009	NA	NA																																																							
2011	47%	29%																																																							
2013	51%	24%																																																							
	<p>The provision of vending machines - in general</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	51% vs 16%	<p><b>Vending machines</b></p> <table border="1"> <tr><th>Year</th><th>Satisfied</th><th>Dissatisfied</th></tr> <tr><td>2005</td><td>52%</td><td>18%</td></tr> <tr><td>2007</td><td>51%</td><td>16%</td></tr> <tr><td>2009</td><td>44%</td><td>26%</td></tr> <tr><td>2011</td><td>42%</td><td>28%</td></tr> <tr><td>2013</td><td>42%</td><td>28%</td></tr> </table>	Year	Satisfied	Dissatisfied	2005	52%	18%	2007	51%	16%	2009	44%	26%	2011	42%	28%	2013	42%	28%																																				
Year	Satisfied	Dissatisfied																																																							
2005	52%	18%																																																							
2007	51%	16%																																																							
2009	44%	26%																																																							
2011	42%	28%																																																							
2013	42%	28%																																																							

**Towards increase of the general staff satisfaction with the services provided at Bxl/Ispra catering facilities, the following deliveries were provided:**

- ❖ Carried out modernisation of canteens: in L-41 building; modernisation of canteen, kitchen and cafeteria in BU-5 building and the kitchen in CHAR and L130 buildings. Modernisation of catering facility in VM-2 building is postponed.
- ❖ Set up new catering infrastructures (Bxl): the cafeteria with 120 places at Square Orban (ORBN) and the canteen with 320 seats at COV2 building were open in February 2013; cafeteria with sandwiches in L-15 building offering around 100 places was opened in autumn 2013.
- ❖ Gradually introduced a new rotation system for choices and quality of sandwiches at cafeterias (Bxl).
- ❖ Payments simplified at Ispra catering facilities: the entry ID badge are activated for making payments for food/drinks (once being charged at the cash registers), 1600 cards have been activated.
- ❖ Renewed certification ISO 9001 for OIB Ispra activities.

### 1.2.3 Logistic Services: Good childcare infrastructure is being provided

Good social infrastructure at Brussels and Ispra site is being provided.

ABB activity: Equipment, Services and Social Infrastructure			<input checked="" type="checkbox"/> Non-spending																		
	Result indicator	Target 2013	Current situation (as achieved)																		
Specific objective 3	<p>The provision of nurseries and other child-minding services (after-school and holiday camps)</p> <p><b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]</p> <p><b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	41% vs 10%	<table border="1"> <caption>Childminding facilities</caption> <thead> <tr> <th>Year</th> <th>Satisfied</th> <th>Dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>2007</td> <td>30%</td> <td>14%</td> </tr> <tr> <td>2009</td> <td>32%</td> <td>19%</td> </tr> <tr> <td>2011</td> <td>39%</td> <td>11%</td> </tr> <tr> <td>2013</td> <td>41%</td> <td>8%</td> </tr> </tbody> </table>	Year	Satisfied	Dissatisfied	2005	NA	NA	2007	30%	14%	2009	32%	19%	2011	39%	11%	2013	41%	8%
Year	Satisfied	Dissatisfied																			
2005	NA	NA																			
2007	30%	14%																			
2009	32%	19%																			
2011	39%	11%																			
2013	41%	8%																			
	<p>% of satisfaction in the OIB Bi-annual Client Satisfaction Survey</p> <p>[the survey is addressed to the clients of individual facility]: satisfaction rating (very satisfied + satisfied) Source: OIB/DG HR data</p>	<p>Maintain same level of results as obtained in 2010 survey: GPS, Bxl -99% GA, Bxl -97% Nurseries, Bxl-99%</p> <p>75% (Ispra)</p>	<p>After-school child-care facilities: GPS ("garderies post-scolaires") Child-care services during holidays: GA ("garderies aérés") GPS, Bxl - 94% (2013 survey) GA, Bxl - 96% (2012 survey) Nurseries, Bxl - 96% (2012 survey)</p> <p>Childcare facilities, Ispra - 73% (2011 survey)</p>																		

The demand for nursery places: 805 children registered on the waiting list in December 2013.

**In response to the constant demand for the places at the childcare facilities, the following developments were delivered:**

- ❖ Maintained the number of places on the local market in 2013; signed new contracts which will lead to a potential increase in overall nursery capacity by 188 places by September 2015.
- ❖ Explored (to continue in 2014) possible future partnership with local authorities (Bruxelles-ville).
- ❖ Pursued efforts to obtain potential new sites to meet demand for after school (GPS) places within the framework of cooperation with the European schools (Bxl).

**Towards clients satisfaction with provided services:**

- ❖ Launched the satisfaction survey – developed with DG HR, for the after school childcare services (GPS): the survey was addressed to EU employees who enrolled their children to the after school childcare facilities over the last two years. High scores were allocated to quality of activities, quality of educators' approach, adaptations of opening hours to parents' working schedules and to communications provided to parents. The remarks that would require some improvements are related to outdoor areas and activities, the nutritional balance of meals and adaptations of the Kiddyweb IT tool.

### 1.2.4 Logistic Services: Social facilities are being provided

Good social infrastructure at Brussels and Ispra sites is being provided and the use and quality of welfare services such as social and sport facilities are being optimised.

ABB activity: Equipment, Services and Social Infrastructure			<input checked="" type="checkbox"/> Non-spending
	Result indicator	Target 2013	Current situation (as achieved)
Specific objective 4	Number of users of the centre Source: OIB data	8.600 (CIE/Bxl) 3.500 (Ispra) Training participants: 1.500 (Bxl)	Number of participants in sporting and cultural activities: 9.000 (CIE/Bxl) 3.400 (Ispra) Number of training participants: 900 (CIE/Bxl)

**In response to the necessity of establishing and putting in place the new governing rules to CIE Overijse Bxl, the following actions were delivered:**

- ❖ Accomplished a review of the management and financing system of the social/sport facility (CIE) in the context of adoption of new governing regulation.
- ❖ A draft of new financial methodology and governing rules were submitted to DG HR for approval.

**Developments in the social infrastructure at Ispra:**

- ❖ Negotiations between JRC and ALER (Regional Housing Association) on renovation of the social infrastructure<sup>28</sup> area are on-going, expected to be finalised in 2014.
- ❖ Carried over to 2014 the procurement procedure for renewal of furniture and fittings at the lodgings.
- ❖ Direct management of the clubhouse bar and restaurant facilities as decision was taken not to attribute the contract following the procurement procedure launched in 2012.

### 1.3 Achievement of specific objectives within Horizontal activities

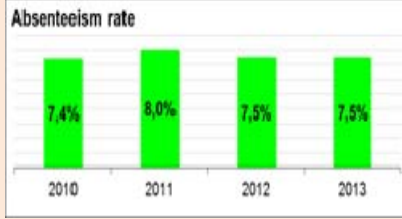
The aim in this area is to offer administrative support to enable the Office to deliver high quality services, in a transparent, efficient, effective, ethical and accountable manner.

#### 1.3.1 Horizontal activities: Pro-active management of human resources is being maintained

Management of human resources aims to optimise the use of available staff and ensure that operations are maintained in spite of the reduction in staff numbers.

ABB activity: Administrative support			<input checked="" type="checkbox"/> Non-spending
	Result indicator	Target 2013	Current situation (as achieved)
Specific objective 1	Average vacancy rate of all posts (%) Source: OIB data	3%	3,1%

<sup>28</sup> Potential agreement should result in the start of a renovation programme of a number of apartments used by OIB.OS.3 for housing newcomers. ALER, who is the current owner, considers renovating the infrastructure and to increase the rent in the future.

	Number of posts of officials converted to post for contract agents vs overall target (TEC annual objectives)  Source: OIB data	The 2013 TEC target will be fixed in the context of the 2014 draft budget, taking also account of the staff cut and the forecast of natural departure of staff on posts earmarked as TEC posts.	8 OIB will pursue the conversion of posts (TEC) without a defined timetable and bearing in mind the staff cut of 1-2% per year introduced for 2013-2017. The TEC policy will continue for vacant posts relating to non-core functions.										
	Percentage of female OIB AD staff Source: OIB data	38%	30%										
	Rate of sickness absenteeism	3.8% (the Commission average)	 <p>Absenteeism rate</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Absenteeism rate</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>7.4%</td> </tr> <tr> <td>2011</td> <td>8.0%</td> </tr> <tr> <td>2012</td> <td>7.5%</td> </tr> <tr> <td>2013</td> <td>7.5%</td> </tr> </tbody> </table> <p>Source: OIB data</p>	Year	Absenteeism rate	2010	7.4%	2011	8.0%	2012	7.5%	2013	7.5%
Year	Absenteeism rate												
2010	7.4%												
2011	8.0%												
2012	7.5%												
2013	7.5%												

#### **A sufficient level of staff ensured to maintain the mandate of the Office:**

- ❖ Put in place a horizontal framework for the implementation of the reductions in staff numbers foreseen up to 2017 (8 permanent posts and 7 contract agent posts to be cut in 2013 have been identified): the internal analysis of simplifications/rationalisation of processes and the identification of possible cuts with minimal impact on OIB operations are delivered.
- ❖ Measures put in place to facilitate the mobility of CA staff between Offices via the joint publication of vacant posts.
- ❖ Actively participated in the staff selection and recruitment process for specialist profiles, i.e. "psycho-pedagogue" and building management.
- ❖ The sickness absence rate in OIB stabilized at the level of 7.5%. Ensured the application of the measures foreseen in "toolkit" for managers in collaboration with the Medical Service aiming at further reduction of sickness absence in OIB, where possible. Regular statistics to the management were provided. Staff is informed of the rules regarding leave and absence via information on OIB-net and through information meetings (GECO tour) of which 13 took place in 2013.

#### **Staff motivation and engagement:**

- ❖ Implemented revised appraisal and reclassification system for Contract Agents and the similar system for the appraisal and promotion of Officials.
- ❖ Launched an extensive campaign to promote e-CV completion resulting in the completion rate from 12 % in May to 55 % at the end of 2013 (now above Commission average).
- ❖ Organised regular meetings of the OIB Equal Opportunities group and the Network for female AD staff.
- ❖ Implemented 2013 Training programme; delivered detailed annual report on training activities. In collaboration with DS a number of specific training activities linked to health and safety were organised ("charge psycho-social" for managers and for staff working in open space offices).



### 1.3.2 Horizontal activities: Sound financial principles, legality and regularity are being ensured

ABB activity: Administrative support			<input checked="" type="checkbox"/> Non-spending																
	Result indicator	Target 2013	Current situation (as achieved)																
Specific objective 2 <b>Financial management</b>	Percentage of budget execution (commitments) versus budget appropriations  Source: OIB data	100%	97%																
	Percentage of financial execution (payments) versus budget commitments Source: OIB data	90%	78%																
	Percentage of payments handled outside contractual delay (overdue payments)  Source: OIB data	Maintain the current results, equal to or lower than the Commission average	<table border="1"> <caption>Payment delays</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2007</td> <td>39%</td> </tr> <tr> <td>2008</td> <td>32%</td> </tr> <tr> <td>2009</td> <td>30%</td> </tr> <tr> <td>2010</td> <td>30%</td> </tr> <tr> <td>2011</td> <td>12%</td> </tr> <tr> <td>2012</td> <td>9,7%</td> </tr> <tr> <td>2013</td> <td>4,4%</td> </tr> </tbody> </table>	Year	Percentage	2007	39%	2008	32%	2009	30%	2010	30%	2011	12%	2012	9,7%	2013	4,4%
Year	Percentage																		
2007	39%																		
2008	32%																		
2009	30%																		
2010	30%																		
2011	12%																		
2012	9,7%																		
2013	4,4%																		
	Value of interest paid resulting from overdue payments  Source: OIB data	0,01%	0,00% (value of 5.456 €)																
	Percentage of overdue recovery orders  Source: OIB data	0	11% A high amount of 2,9 M€ was due at the end of December and has only been paid early January 2014. It's the ratio of overdue RO (3.9 M€) and the total RO (36.2 M€). [98% of that amount corresponds to RO 2013 and 2% to previous years]																
Specific objective 2 <b>Procurement management</b>	Number of procedures handled (> € 60.000) of which inter-institutional  Source: OIB data	Depending on demand	135, out of which 24 are inter-institutional.																
	Number of (> €60.000) contracts signed among which inter-institutional  Source: OIB data	Depending on demand	48 (55 finalized), among which 13 are inter-institutional.																
	Percentage of unsuccessful procurement procedures  Source: OIB data	0	14% 5/35 unsuccessful lots: In 3 cases the requests to participate did not meet the technical capacity requirements; In 1 case no request to participate was received; In 1 case the lot was cancelled due to a procedural error.																

	Number of complaints/cases/proceedings received from unsuccessful economic providers/ by the Court or by the Ombudsman related to the procurement procedures  Source: OIB data	0	0
<b>Indicators for the legality and regularity of underlying transactions</b>			
<b>Ex-Post Control</b>	Coverage of ex-post controls (in €)  Source: OIB data	10% (value) by transaction with a representative sampling (numbers and distribution)	148 transactions, representing 44% - expenditures (payment orders) 43 transactions representing 69% - income (recovery orders)
	% of total expenditure with unacceptable result during ex-post controls Source: OIB data	<2% for any type of transactions	None (0.00%)
<b>AOSD Reports</b>	The percentage of corrective measures implemented on time by units concerned Source: OIB data	100%	79% of open issues identified in the syntheses are considered as closed. (26/02/2014)  100% of reports delivered.
<b>Audit recommendations</b>	Internal or external audit recommendations considered as implemented Source: OIB data	80% (recommendations foreseen to be finalized by the end of 2013)	64% 5 recommendations are carried over to 2014: 2 'very important' recommendations; 3 others are at the lower level linked to IT systems. No 'Critical' recommendations opened.
	Number of open 'critical' and 'very important' audit recommendations of which is overdue by more than 6 months according to original implementation date. Source: OIB data	0	2 carried over 'very important' recommendations, are subject to negotiations (in progress) in order to achieve the most efficient solution.
<b>GAMA consultations</b>	Number of negative opinions from GAMA, " <i>the Group d'Analyse des Marches Administratifs</i> " for all non-building procedures above €130.000 Source: OIB data	0	None 24 files (procedures) were submitted to GAMA, 5 procedures were sampled and all received a positive opinion.

<b>Indicators for the Anti-Fraud &amp; Prevention measures</b>	Number of trainings on ethics Source: OIB data	13 workshops planned (approx. 190 staff members to be trained)	13 workshops delivered: 7 for the personnel of childcare facilities; 5 for personnel dealing with operational management of contracts; 1 for Head of Sectors/Team Leaders.
--	---	--	--

### **A sound financial management ensured:**

- ❖ Contributed to the DG BUDG's working group on checklists simplification aiming at facilitating the payments.
- ❖ Amended financial procedure related to SLA.
- ❖ Finalised contribution to the 'gap-analysis' of ABAC-Assets and ABAC-SAM in order to introduce the most efficient financial systems.
- ❖ Carried out periodical accounting controls to ensure the reliability and quality of the financial reporting.
- ❖ Followed closely the budgetary programming to reconcile budgetary restrictions with securing the necessary resources for the functioning of the Office.

### **Procurement management developments:**

- ❖ Managed 135 procurement lots resulting in 48 contracts signed.
- ❖ Ensured good functioning of the 'Procurement Project Cycle' designed for calls for tender (follow up on the kick off meetings between the operational units and the central procurement unit, the 'single point of contact (SPOC) put in place, regular reporting delivered).
- ❖ Put in place the procurement helpdesk to assist the operational units with the tender preparation.
- ❖ Accomplished the gap analysis of two IT tools for tenders management: MarCo and JRC-PPMT in the context of IT Commission rationalisation.
- ❖ Analysed the requirements concerning performance guarantees and minimum turnover. Guidelines were issued.
- ❖ Took measures to ensure that contractors and sub-contractors accessing the Commission premises comply with Belgian social security obligations (e.g. 40 amendments signed, instructions on verifications dispatched).

### **Towards the efficiency and effectiveness of functioning of internal control system:**

- ❖ Delivered Anti-Fraud Strategy.
- ❖ Carried out the review on the ICS effectiveness conducted on-line with selected management/staff members. The survey was supported by on-line information campaign on ICS.
- ❖ Carried out the workshop on risks assessment dedicated to the management.
- ❖ Approved ex-post manual on how ex-post controls are performed in OIB.
- ❖ Prioritized and addressed to individual units the ex-post recommendations and remarks with the aim of overall quality improvement.

### **Local IT applications adapted to the operational needs:**

- ❖ PRESTO<sup>29</sup>: adapted to the possibilities for providing orders by multiple contractors.
- ❖ COMCAL<sup>30</sup> adapted to record related quality controls.
- ❖ KIDDYWEB<sup>31</sup>: carried out adaptations to respond to series of recorded incidents.
- ❖ PACEGIS<sup>32</sup>: synchronized collected data (on correcting/designing the office surface in each building) with the PACEGIS back-end database. The migration/re-coding of the 'Redlining'

<sup>29</sup> IT application supporting the catering purchases for conferences.

<sup>30</sup> The application for the quality control of catering services (canteens).

<sup>31</sup> IT application allowing to manage the subscriptions to childcare facilities.

functionality (allowing the re-arrangement of offices as desired) was accomplished by the end of September 2013. Preparation done for the phase out of obsolete parts of PACEGIS and to integrate that system to ABAC SAM.

- ❖ ARCHIS<sup>33</sup>: introduced the capability function to track changes of organisational entities and their history. Vision document submitted and approved by the Corporate Project Office (CPO).

### 1.3.3 Horizontal activities: Promotion of OIB's identity and visibility are being pursued

OIB's communication policy is being improved by focusing on the promotion of OIB's identity and visibility and on clear and timely information.

ABB activity: Administrative support		<input checked="" type="checkbox"/> Non-spending																			
	Result indicator	Target 2013	Current situation (as achieved)																		
Specific objective 3	<p>OIB's electronic newsletter called Concrete (9 issues per year)  <b>Source:</b> the general staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL [the survey is addressed to all Commission staff].  <b>Criteria:</b> % of staff satisfaction (very satisfied + satisfied) versus (dissatisfied + very dissatisfied)</p>	66% vs 3%	<p><b>Newsletter Concrete</b></p> <table border="1"> <caption>Newsletter Concrete Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Satisfied (%)</th> <th>Dissatisfied (%)</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>2007</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>2009</td> <td>59%</td> <td>3%</td> </tr> <tr> <td>2011</td> <td>63%</td> <td>3%</td> </tr> <tr> <td>2013</td> <td>64%</td> <td>3%</td> </tr> </tbody> </table>	Year	Satisfied (%)	Dissatisfied (%)	2005	NA	NA	2007	NA	NA	2009	59%	3%	2011	63%	3%	2013	64%	3%
Year	Satisfied (%)	Dissatisfied (%)																			
2005	NA	NA																			
2007	NA	NA																			
2009	59%	3%																			
2011	63%	3%																			
2013	64%	3%																			

#### Strengthen the OIB's identity and visibility:

- ❖ Implemented two actions to commemorate the 10<sup>th</sup> anniversary of OIB: the staff forum and the corporate calendar.
- ❖ Delivered 22 communications on environmental issues.
- ❖ Issued the new set of rules governing temporary exhibitions in the Commission buildings.
- ❖ Production of the "Berlaymont Summa Artis II" catalogue and DVD virtual tour in collaboration with OP & other services (DG EAC, SG).

## 1.4 Specific efforts to improve 'economy' and 'efficiency' of spending and non-spending activities.

According to the financial regulation (art 30), the principle of economy required that the resources used by the institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and the best price. The principle of efficiency concerns the best relationship between resources employed and results achieved.

The respect of these principles is continuously pursued through the implementation of internal procedures and predefined practices. These procedures ensure that activities are executed in an efficient manner (e.g. the different workflows contribute to the efficient cooperation between staff, units, etc...) and according to the principle of economy (e.g. the procurement rules ensure procurement in optimal conditions).

<sup>32</sup> IT application aimed at reviewing building plans via web browsers and reporting any inaccuracies.

<sup>33</sup> IT application enabling the Historical Archives to record the historical organisational structures of the Commission in the system, which will allow the assignment of historical documents with the particular organisation of units within the Commission over its past lifetime.

OIB is continuously fine-tuning its internal arrangements in order to improve the efficiency and economy of its operations. The following two concrete examples illustrate how OIB is continuously improving its functioning further and thus allowing the best use of its resources and the allocation of resources to the most relevant objectives:

### 1.4.1 Example 1/Better exploitation of printing capacity

In order to optimise the usage of building surface and in the context of rationalisation of the printing production, it was decided to merge the three printshops of OIB/DG REGIO/DG CNECT into one to be located in the BU25 building (former DG CNECT's printshop) and to be managed by OIB. The two remaining printshops at BU1 and CSM1 buildings have been closed.

Three individual lease contracts for printing machines and its operators were replaced by one new contract covering a new modern machine and one operator (five machines ('press') were replaced by one and three operators by one).

#### **Results:**

In terms of result of the merge of the printshops, the following economies were obtained:

- Cost reduction: 3 individual lease contracts for equipment were replaced by the new one: release of 4 machines and 2 external contractors (1 machine instead of 5 and 1 operator instead of 3).
- Reduction of building surface used.
- Increased efficiency: the annual production is about +/- 2M pages.
- Printing quality increased as the new printshop has at its disposal a new machine of recent technology.

### 1.4.2 Example 2 / Office surface optimization

#### **State of play & solution:**

Every year, for different reasons (internal reorganizations, end of building lease, works, renovation,...), OIB ensures the relocation of several services of the Commission. In the context of the rationalization objective, OIB decided to take opportunity of these relocations to strictly apply the minimum values of the Housing Manual (MCH -"Manuel des Conditions d'Hébergement").

#### **Results**

In 2013, 12 DGs/Services (around 9.200 people) were relocated. The strict application of the Housing Manual allowed reducing the office space used by the Commission by around 6.000 square meters, which represent a very significant economy.

In the same way, the new MAPF ("multi annual planning framework") for the period 2014-2024 was concluded at the end of 2013. It foresees an ambitious surface target of 768.000 m<sup>2</sup> for the horizon 2024, which represents around 8% decrease compared to 2013. This will be achieved on the basis of: 5% staff reduction by 2017, reorganizations and efficiency measures (application of minimum MCH values, efficient building,...).

Furthermore, following the decision of the Commission to delegate more tasks to the executive agencies, and thereby transferring staff from Commission services to these executive agencies, the target has further been reduced to 743.000 m<sup>2</sup> in the same period.

## 2. MANAGEMENT OF RESOURCES

Assurance is an objective examination of evidence for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes. This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and widely reported to the Head of Service. The reports produced are the following:

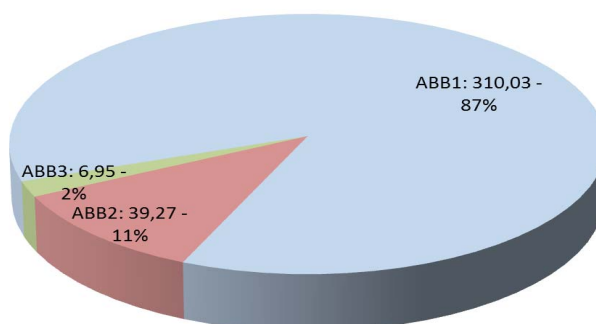
- the reports from ex-post control;
- the reports from the authorising officers by sub-delegation and the follow-up thereon;
- the reports monitoring the exceptions and non-compliance cases;
- the risk assessment;
- the yearly review of the compliance and effectiveness of the internal control system;
- the regular reporting on procurement, on budget execution, on finances, on accounting controls and on human resources;
- the follow-up of anti-fraud indicators;
- the reports from the relevant authorising officers providing assurance in all cases of cross-sub-delegations made by OIB to other DGs/Services;
- the observations and recommendations from the European Court of Auditors (ECA), Internal Audit Service (IAS) and Internal Audit Capability (IAC) as well as the reports on the follow-up of the action plans designed to address these recommendations;

This section reports on the control results and other relevant elements that support managements' assurance on the achievement of the internal control objectives<sup>34</sup>. It is structured in three separate sections: (1) the Office's assessment of its own activities for the management of its resources; (2) the assessment of the activities carried out by other entities to which OIB has entrusted budget implementation tasks; and (3) the assessment of the results of internal and external audits, including the implementation of audit recommendations.

The below table and pie chart present the total payments (on credits C1, C4, C5 and C8) authorised for 2013 and their relative weight in each significant budget activity: 87% of the payments relate to the Building Activity (ABB1) while Services (ABB2) and Administration (ABB3) represent respectively 11% and 2%.

Budget areas	Authorised payments (€ M)
ABB1 - Buildings	310,03
ABB2 - Services	39,27
ABB3 - Administration	6,95
<b>Total OIB</b>	<b>356,26</b>

OIB - 2013 authorised payments - Mio €; %



<sup>34</sup> 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).

All the payments are done under a centralized and direct management mode (including also procurement), which has an inherent risk relatively low. The risks are effectively mitigated by means of controls.

## 2.1 Management of human and financial resources by OIB.

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives. 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.

### Control effectiveness as regards legality and regularity

OIB has set up internal control processes aimed to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the nature of the payments concerned.

The financial circuit in OIB is based on the “four eyes principle”, which ensures that, before an operation is authorised, all its aspects (operational and financial) are verified by at least one member of staff other than the person who initiated the operation. In addition, the authorising officers by sub-delegation (AOS) give validation and confirm that all actions and controls required were performed by the initiating and verifying agents. Once the operation has been completed, a second level of control is performed by the ex-post control team. In this context the AOS and ex-post control reports represent one of the supervision activities which provide the basis of the management assessment.

Due to the nature of its activities, the Office provides services to other institutions and Commission services. The cost of these services is invoiced to their beneficiaries and generates revenues for OIB. For procurement, preventive controls are ensured via the GAMA opinions, as well as by the central role of unit 'Finance & Public Procurement' which is involved in all procedures above €60k.

Other key controls in place are the regular reporting, the risk management procedures, the accounting controls and the register of exceptions and non-compliance events.

As regards the legality and regularity of the underlying transactions, the control objective is to ensure that OIB has reasonable assurance that the total amount of any financial operation authorised during the reporting year which would not be in conformity with the applicable contractual or regulatory provisions, does not exceed 2% of the total expenditure. In order to reach this conclusion, OIB reviewed the results of the following key controls in place. For each item, materiality is assessed in accordance with Annex 4.

#### Payment delays

In 2013, OIB continued the efforts started since 2011 to improve significantly the payment delays. At the end of 2013, the delays of payment in OIB have reached a very low level, being much lower than the Commission average: only 4,4% of OIB payments were made outside the contractual deadline in 2013 (Commission average for 2013 is 17,0%), compared with 9,7% at the end of 2012 and 12% at the end of 2011. Consequently, the average payment cycle time has also been reduced, to 23 days in 2013. Further details on payment delays are described in annex 3 – table 6.

Regular reporting on payment delays is in place and this issue is closely monitored by OIB Management and by all operational units.

This item is also carefully followed-up every year by the European Court of Auditors, who recognised the big efforts made by OIB in the last years and the very significant improvements obtained.

## Recovery orders <sup>35</sup>

In 2013, OIB generated recovery orders for an amount of €30 M (vs €37 M in 2012). This difference is explained by more works realized in 2012 and re-invoiced to the beneficiaries (e.g. canteen in COVE building). The majority of recovery orders results from the Service Level Agreements (SLA) as a compensation for the services provided by OIB to other Commission services or other institutions. The revenue from SLA in 2013 amounts to €21,4 M (vs €19,7 M in 2012).

OIB closely monitors the issuance of recovery orders so that revenue are generated and cashed on time. In 2013, 87% of the revenues from SLAs had been invoiced before the end of year, out of which almost all had been cashed in at the end of the year.

Nearly all recovery orders outstanding at the beginning of 2014 (98%, representing around €1 M)<sup>36</sup> relate to the contributions from other EU institutions (Parliament or Council contributions to nurseries, child minding facilities or inter-institutional centre in Overijse). In principle, the majority of these pending recoveries should be regularised by the corresponding institutions.

## Ex post controls

The 2013 work programme for the ex-post control foresaw two interim reports and one final report to be delivered during the year.

The controls are based on a stratified sample of five types of transactions which include budgetary commitments, payments, recovery orders, low value procurement procedures and high value procurement procedures. Building on the practices and results from previous years in view of a continuous improvement of the methodology, in 2013 the sample method has been improved and is now 100% random and statistically significant (representative) for payments and recovery orders (using the MUS sample methodology), giving the possibility to extrapolate the ex-post results obtained from the sample to the whole population of a same type of transaction. Additionally, in particular given the situation of Unit OIB.OS.3 (Ispra), which has a fully decentralized financial circuit, an additional number of transactions, among which such concerning Ispra, is now also sampled.

The final report on ex-post control activity for the year 2013 was issued in February 2014. 95% of the 2013 work programme was accomplished. For payment and recovery orders, the work program was accomplished and even overpassed. For budget commitments and low and high value procurement procedures, the planned number of verifications could not be reached given the extra workload entailed by the implementation of the new MUS methodology for payments and recovery orders. However, some transactions related to 2013 will continue to be reviewed in the first half of 2014. Out of the 216 transactions controlled, none of them was classified as non-compliant<sup>37</sup>. However, 15 transactions were considered with error level two and 91 transactions with error level three and relate mainly to the lack of supporting documents, lack of reference or signature, no full correspondence with the contractual basis or wrong registration of invoice. All ex-post findings were discussed with each of the units, and a common agreement was reached on the findings and on the actions to be implemented.

Regarding the follow-up of the recommendations previously issued by ex-post control, out of 54 recommendations which were not closed immediately in the respective ex-post reports, 46

---

<sup>35</sup> The term 'recovery orders' refers to 'requests for payment' for services rendered and not to recovery of money subsequent to the detection of an error.

<sup>36</sup> The outstanding balance at the end of 2013 (€4,1 M as per tables 7 & 9 of Annex 3) included a letting of €2,9 M which was overdue on December 27<sup>th</sup> and has been paid at the beginning of January 2014.

<sup>37</sup> No error level one (serious error).



have been implemented in 2013, 3 partially implemented due to specific circumstances, 3 are still to be implemented in 2014, and 2 of them have not been implemented due to circumstances not fully dependant on OIB.

Overall 2013, ex-post controls obtained assurance that the budget was well used for its intended purpose.

<i>Ex-post control indicators</i>	<i>Latest known results</i>	<i>2013 Target</i>
Coverage of ex-post controls (in % of total amount)	2013 average: 16 % - Payments: 44 % - Recovery orders: 69 % - Budgetary commitments: 0,3 % - High value market procedures: 0,1 % - Low value market procedures: 2,4 % <u>2012 data: Average 26%</u> <i>Payments 4%; RO 10%; Budg. commitments 64%, HVPP 12%; LVPP 14%</i>	10% (value) with a representative sampling
% of total expenditure with unacceptable result during ex-post controls	0.00 % (no non-compliance cases)  <u>2012 data: 0.24%</u>	<2% for any type of transactions

The numbers of checks carried out:

2013	Population of transactions		Verified transactions				Non-compliant results			
	Nr	Amount - €	Nr		Amount - €		Nr		Amount - €	
Payments	8.773	350.564.648	148	1,7%	153.844.168	44%	0	0%	0	0%
Recovery orders	1.966	29.602.996	43	2,2%	20.381.879	69%	0	0%	0	0%
Budgetary commitments	346	372.153.110	13	3,8%	1.041.885	0,3%	0	0%	0	0%
High value market procedures	47	343.210.290	2	4,3%	240.570	0,1%	0	0%	0	0%
Low value market procedures	244	1.197.780	10	4,1%	28.947	2,4%	0	0%	0	0%
<b>Total</b>	<b>11.376</b>	<b>1.096.728.824</b>	<b>216</b>	<b>1,9%</b>	<b>175.537.449</b>	<b>16%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

The coverage of ex-post controls for **payments** was as follows:

- Ispra payments of around €42k (1,5%)
- Brussels payments of around €153,8 M (44,2%)

**Recovery orders** checked by ex-post controls were in amount of around €19,8 M (71%) in Brussels and around €613k (36%) in Ispra.

Ex-post controls checked budgetary **commitments** and de-commitments transactions by “code nature” covering all OIB units. Around €862k (0,2%) of Brussels commitments were controlled. For OIB's unit in Ispra the checks of commitments covered about €179k (6%).

The ex-post controls on **high value market procedures** covered one restricted procedure with two lots, for the amount of about €241k (0,1%). Another HVM procedure for the amount of around €72,5 M, which has led to 3 contracts starting in 2014, was sampled referring to the period 2013 and will be verified during the first semester of 2014.

Regarding the **low value market procedures**, the ex-post controls covered public procedures initiated by OIB's units for an amount of around €29.000 (2,4%).

None of the observations made following ex-post controls had a financial impact on OIB's budget. The main observations were the subject to a series of awareness actions addressed to all the units and departments. In order to ensure further improvements in this area, the ex-post

control team will follow up on these issues in 2014.

### **Accounting controls**

Accounting controls in OIB are performed according to the accounting quality project of the Commission. At the beginning of the year, an accounting control program ("accounting quality action plan") for the year is prepared, based on the template proposed by DG BUDG and adapted to the specificity of OIB. In the same time, a summary of the results of the accounting control program performed during the finalized exercise is also drafted. Both documents are validated by OIB Director and transmitted to the Accounting Officer of the Commission.

The accounting control program consists of different types of controls (reconciliation, imputation control,...) on expenses, assets, bank guarantees, recovery orders and other miscellaneous operations. The accounting controls also provide assurance as to the accuracy of the financial transaction processing.

In 2013, the accounting controls were carried out according to the accounting control program of the year and showed that the quality of OIB's accounts remains at a high level. The accounting control and the "cut-off" exercise have been assessed as particularly positive by the Accounting Officer of the Commission. An improved collaboration between the operational units and the accounting team regarding the inventory management was also set up in 2013 and various workshops for the operational units, regarding the cut-off exercise and the fixed assets management, took place.

### **Authorising Officers by Sub-Delegation reporting**

At least twice a year the Authorising Officers by Sub-Delegation provide the OIB's Head of Service with a report on their activity. Issues raised in the AOSD reports are centralized and the implementation of actions designed to address them is regularly followed-up in AOSD syntheses which are brought to the attention of Heads of Department and Heads of Unit. The timely provision of reports is also monitored.

For the year 2013, 100% of the AOSD reports were received. No serious issue was raised. 79% of open issues identified in the syntheses are considered as closed. The implementation of remaining actions will further contribute to improvements in financial, budgetary and procurement management.

<i>AOSD reports indicators</i>	<i>Latest known results</i>	<i>2013 Target</i>
Percentage of corrective measures implemented by concerned units, for issues under the control of OIB	79% (26/02/2014)	100%
Received Authorising Officer by Sub-Delegation reports /number of AOSD reports awaited	100 % (25/02/2014)	100%

The reports from OIB Authorising Officers by Sub-Delegation in 2013 did not indicate any problem which would endanger the declaration of assurance.

### **Preventive controls in procurement**

Continuous efforts are put in place in OIB in order to ensure the legality and regularity, effectiveness and efficiency of the procurement management.

In 2013, OIB pursued the simplification and harmonization of requirements to increase competition in calls for tender. The implementation of the 'Procurement Project Cycle' was continued ('target schedule' for tenders, kick-off meetings between operational units and central procurement team, SPOC approach to follow up on tendering procedures). Requirements concerning performance guarantees and minimum annual turnover have been analysed and guidelines have been issued in order to design a more coherent implementation across similar contracts.

Specific training sessions on procurement were held (e.g. 'Functioning of the Evaluation Committee', training on the changes introduced to the Financial Regulation and its Rules of Application, etc.).

During the year 2013, 135 procedures were handled resulting in the signing of 48 contracts (55 finalized), among which 13 were inter-institutional, for a total value of €352.194.459 (from which €216.462.580 relates to the new catering concessions and automatic distributors procedure). Out of 135 finalised procurement procedures (lots), 5 were unsuccessful as the submitted demands for participation were either not compliant with the technical capacity requirements (3 cases), as no demand for participation was received (1 case) or the lot was cancelled due to a procedure error (1 case).

Indicators on the assurance of the procurement management are positive: in 2013, 35 files (35 lots corresponding to 24 procedures) above the threshold were sent to GAMA<sup>38</sup>, corresponding to 30 lot award reports (€316.293.388), 4 reports for unsuccessful lots and 1 annulation. Out of the 24 procedures submitted to GAMA, 5 procedures (representing €196.806.815) were selected for review, all of which received a positive opinion. Regular follow-ups and consistent supervision are in place (e.g. weekly reports on calls for tender procedures to management, indicators on the gap between 'target schedule procurement' and contractual deadlines).

However, some exceptions / non-compliance situations occurred and have been authorised by the Authorising Officer and registered in the exception register (see item next page).

Regarding building procurement, OIB applies the procedures stipulated in the Memorandum from Vice-President Kallas to the Commission, on the definition of the methodology to be followed by the services of the Commission for prospecting and negotiating for buildings (C(2008)2299 adopted 3 June 2008). OIB consults the Real Estate Committee for each building project, in order to ensure that the rules have been followed correctly and that the projects are fully compliant with the principles of transparency and value for money.

In the context of the IT rationalization in the Commission, a gap-analysis on comparison of two IT tools (MarCo and JRC-PPMT) for tender management was accomplished.

### **High-level exception / non-compliance reporting**

OIB provides a wide range of operational services via external contractors. Therefore in order to assure the continuity of operations, there are cases where the OIB Authorising Officer has to authorize exceptional measures: changes to the contract thresholds (e.g. building maintenance, supply of furniture) or extension of the services rendered by existing contracts, when new contracts are not yet available (e.g. diplomatic pouch, catering).

In compliance with Internal Control Standard 8 (Processes and Procedures) OIB has put in place methods to ensure that all instances of overriding of controls or deviations from established processes and procedures are documented in exception reports, justified, duly approved by the Authorising Officer before action is taken and logged centrally.

In order to comply with the updated DG BUDG guidelines, OIB procedure on exceptions and non-compliance requests will be reviewed in 2014 and where necessary adjusted accordingly. A new IT application facilitating the validation and tracking of exceptions and non-compliance requests has been available since mid-2012. In this context all OIB's exceptions are now registered and followed up in the "exception register" through this IT application and the reporting thereon is done at least twice a year.

In 2013, more than 60% of exceptions and non-compliance events introduced were linked to

---

<sup>38</sup> Groupe d'Analyse de MArchés: advisory group which manages non-building procurement procedures above € 25,000. Before the award decision, any tender above the threshold established in the Directive 2004/18/CE (€130,000 in 2013) may be selected and examined by GAMA.

deviations from standard procedures (e.g. lack of anticipation in establishing legal and budgetary commitments). These deviations do not have a direct impact on the budget of OIB but expose the office to additional risks. The value of payments linked to these transactions ('a posteriori situation') amounted to €0,54 M which represents 0,18% of the 2013 budget execution (compared to €1M representing respectively the materiality of 0,25% of 2012 budgetary execution as reported in AAR 2012). The main payments affecting qualitative materiality in 2013 correspond to cleaning activities, the regularisation of indexation and different taxes in the real estate area, diplomatic pouch and the rental of armoured vehicles.

The exceptions and non-compliances related to procurement during the reporting year are linked to increasing the thresholds of different contracts (installation of signage, supply of furniture, technical assistance to WALI project, maintenance of lifting devices and bus transport), to extending the services rendered and supplies provided before the conclusion of new contracts (e.g. purchase of beverages for the canteen in Ispra, diplomatic pouch and express mail, vending machines) or to deviations from established procedures (purchase of plastic articles for nurseries) .

<b>The quantitative materiality:</b>	<i>2013 results</i>	<i>2012 results</i>	<i>2013 Target</i>
<b>% of a posteriori payments versus budget allocation</b> (of the sum of actual a posteriori payments made versus the budget allocation)	0,18%	0,25%	< 2%

Appropriate corrective measures were put in place to mitigate these risks and regular checks are conducted. Given the very low level of materiality of these exceptions, none of them were considered to have a negative impact on the assurance of the Office.

### **Risk management**

Risk management, as part of the SPP cycle, is a continuous and systematic process in OIB for identifying and managing risks in line with the accepted risk level. All members of staff are responsible for managing risks related to their main activities and objectives. OIB risk management is an integral part of the management process of any activity and contributes to strengthening strategic decision making, enhancing operational effectiveness, improving communication and adjusting the level of control. Risk management exercises are conducted within OIB every year in the context of the Management Plan. An update of the risk register and of the status of implementation of the mitigating actions is also performed every year at the end of the first semester.

In the context of preparation of OIB Management Plan 2013, a risk assessment exercise was carried out by OIB Management in November 2012. 30 risks were identified, two of them being marked as critical. Action plans were established to mitigate the risks, and a regular follow-up of these action plans is realized during the reporting year. Mid-year revision did not raise any new critical risk.

In November 2013, for the 2014 MP, a risk assessment workshop attended by most of OIB Management was performed and allowed to review and assess each risk and to build a new risk map. Further to that, risk register was updated and then validated by OIB Director: 19 risks were retained, one of them being classified as critical.

As part of the OIB anti-fraud strategy, a new specific risk category has also been introduced in the risk register in order to better highlight and follow-up the fraud risks.

All the identified risks, with a special focus on the critical risk, being properly mitigated and managed, the OIB risk assessment process is effective and reinforces the assurance of the Office.

----

In conclusion, the analysis of the above mentioned control results, the assessment of the weaknesses identified and their relative impact on the legality and regularity have not unveiled any significant weakness which could have a material impact as regards the legality and regularity of the financial operations in OIB. Consequently, OIB Management can conclude that the control objective as regards legality and regularity has been achieved.

### Control efficiency and cost-effectiveness

The principle of efficiency concerns the best relationship between resources employed and results achieved. The principle of economy requires that the resources used by the institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price. This section outlines the indicators used to monitor the efficiency of the control systems, including an overall assessment of the costs and benefits of controls.

OIB has analysed the costs and benefits of the three main control processes, i.e. procurement procedures, financial transactions (ex-ante) and ex-post controls. However, since a quantitative estimation of all errors prevented and detected is not available (cost of non-quality), it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls (see annex 3 table 8). In consequence, it is not possible to fully determine the cost-effectiveness of controls.

The subsequent cost estimates are based on the overall cost of an official or contractual agent, estimated by the Commission.

For **procurement**, an estimated €2M were invested in controlling 265 procurement procedures. Of these, 185 were finalized in 2013 with a total value of €353 Mio. Thus 0.6% of the total contract value was dedicated to controls. The estimated unitary cost is approximately €7.5k for an ongoing procurement procedure and €10.7k for a finalized procedure. The procurement procedures are to a large extent a regulatory requirement which cannot be curtailed. Although the related "quantifiable" benefits are difficult to measure, there are important "unquantifiable" benefits, such as the "better value for money", the compliance with the Financial Regulation (and other public procurement rules) and a certain deterrent effect (otherwise the activity could become erroneous in fraud and/or corruption). In fact, OIB's public procurement controls ensure that the procurement procedures and payment transactions arrive 'correct' for the signing of the Authorising Officer by (Sub)Delegation. OIB considers therefore that the necessity of these controls is undeniable, as a significant proportion of the appropriations would be at risk in case they would not be in place (see risks outlined in annex 5). In addition, the absence of negative opinions from GAMA reviews of procurement procedures contributes to ensure that procurement controls are efficient.

For transactions of the **financial circuits**, an estimated €3.9M were invested in controlling around €34.9k financial transactions worth approximately €380M. Thus 1% of the total amount of financial transactions carried out during the year was dedicated to controls. The control of a financial transaction costs an estimated €112. Payment delays have been strongly reduced in 2013 to 4.4%, corresponding to an amount of interests paid of around €5k, which is a very good result compared to the 17% for the Commission average. The average time to pay in 2013 was 23 days.

For supervisory measures (**ex-post controls**), an estimated €431k were invested in controlling 422 financial transactions worth approximately €194M. Thus 0.2% of the total value of transactions checked ex post was dedicated to controls. Each transaction or procedure checked ex post costs an estimated €1k.

Other benefits are: the improvement of systems and the fact that public procurement (for procedures above €60 k), payment and ex-post control are centralized in OIB, which helps to increase the know-how, to bring economies of scale and to reduce the risks.

To reach a firm conclusion on the relative efficiency of the controls in OIB, it is necessary to analyse the evolution of these indicators over time and/or to compare them with relevant benchmarks. This is not yet possible as this is the first year Commission services have calculated

and report these indicators. However, given the above mentioned quantified and non-quantified elements, OIB Management considers its controls to be as efficient as reasonably possible.

### **Fraud prevention and detection**

In the course of 2013, OIB has developed its anti-fraud strategy as foreseen in the Commission's overall anti-fraud strategy<sup>39</sup>. This strategy was based on a specific fraud risk assessment (carried out as part of the 2013 annual risk assessment exercise) and relies mostly on controls already in place but included also new measures; most of them were already implemented at the end of 2013. Only one action (the update of OIB guidelines on Ethics & Integrity) is still being implemented and will be completed in the beginning of 2014.

During the year 2013, no indications of fraud have been detected in OIB and no case was raised to OLAF or IDOC. Additionally, in the past five years, no new investigation regarding OIB has been opened by OLAF. A larger set of other anti-fraud indicators is available in annex 10.1. Consequently, OIB management concludes that the risk of fraud in OIB is reasonably well mitigated, what reinforces the assurance as to the achievement of the internal control objectives.

### **Control effectiveness regarding the safeguarding of assets**

Due to the nature of its activities, OIB manages a significant inventory of fixed assets and therefore the safeguarding of these assets is also an important control objective for the Office.

The subsequent risk of having assets stolen or lost has also been clearly identified for several years in the OIB risk register and appropriate mitigating actions are in place.

Regarding the inventory management, a lot of improving measures have taken over in the previous years. A three years full tracking exercise has begun in mid-2011 and is planned to finish in mid-2014. At the end of 2013, the tracking rate was 85%. In 2013, a closer collaboration between the accounting team and the operational units allowed a better follow-up and easier reconciliation between the accounting inventory and the physical inventory.

Other controls relate to the control of entry passes (together with DG HR.DS) which has been reinforced in 2013, in particular for contractors and sub-contractors and the security cable locking any IT hardware.

For the past years, correct inventory has become a key element of attention for OIB and given the strong improvements observed since 2011, OIB Management considers that the control objective is achieved as no significant issue with a material impact as regards the safeguarding of assets was encountered during the reporting year.

## **2.2 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 OIB's supervisory controls on the budget implementation tasks carried out by other Commission services. In the case of OIB, it relates only to credits cross-sub-delegated to other DGs and Offices.

As in previous years, OIB has cross-sub-delegated the following credits according to the Internal Rules and cross-sub-delegations in place: € 7,14 M to PMO for salaries and the reimbursement of season tickets and missions, € 328 k to DG HR for the recruitment of external staff for OIB and € 144 k to DG COMM for the Task force Greece.

---

<sup>39</sup> COM(2011) 376 of 24.06.2011.

No specific issues were reported by the Authorising Officers from any of the concerned DG/Services regarding the credits cross-sub-delegated. As the budget cross-sub-delegated to another Commission AOD has been managed under the same Commission rules, OIB relies on the internal control systems of the concerned DG/Services and concludes that there are no control weaknesses affecting the assurance building in terms of the 5 internal control objectives (legality & regularity, sound financial management, anti-fraud, true & fair view and safeguarding of assets and information).

According to the cross-sub-delegation agreements, OIB received assurance reports on the use of these appropriations from the corresponding DGs/Services (DG HR, PMO and DG COMM). In their report, none of the AOD communicated any event, control result or issue which could have a material impact on assurance.

Annex 10.2 to this report provides the full list of credits cross-sub-delegated by OIB to other Commission Authorising Officers.

## 2.3 Assessment of audit results and follow up of audit recommendations

This section reports and assesses the observations and conclusions reported by auditors 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 2013, as every year, the European Court of Auditors carried out a review of OIB activities in the context of DAS 2013 as well as the discharge 2012. In addition, 3 IAS and IAC audits and follow-up audits took place during the year and confirmed the effectiveness of OIB internal control system in the areas of the Financial Circuits, Procurement Management and the 'Concept and Reproduction' Services. The follow-up audit carried out by IAS also confirmed the good implementation of the audit recommendations.

### European Court of Auditors (ECA)

In the context of DAS 2013, the European Court of Auditors reviewed 5 transactions (payments) and 4 procurement procedures of OIB. For all these transactions, OIB provided supplementary information / documents (contracts, invoices, delegations, tender documentation...) requested by the Court. At the end of March 2014, the final report from the Court had not been received yet.

As to the 2012 discharge, no observation regarding OIB's activities was made.

Given no significant remark had been made by the Court to OIB since 2006, neither in the context of DAS nor of the discharge, no follow-up of previous year finding was needed.

Consequently, the audit work done by ECA confirms that no significant issue impacts negatively the assurance of the Office on the achievement of the internal control objectives.

### IAS / IAC audits and follow-up audits

Only one IAC audit on the 'Concept and Reproduction' Services was carried out in 2013 at OIB. The final report was delivered in September 2013 and identified different improvement areas. 13 recommendations were made, among them 5 were very important (no critical). The very important issues identified called for optimization of staffing and a print shop production process as well as improvements in existing IT systems. OIB set up an action plan to address these recommendations and some of them have already been closed at the end of 2013.

Based on the results of this audit, IAC believes that "the internal control system in place in OIB provides reasonable assurance regarding the achievement of the business objectives set up for the processes audited", with the exception of the need to implement an IT system that could manage all aspects of the activity, to increase the level of activity of the "print shops" and to systematically analyse the need to replace any retiring staff.

In the meantime, one IAS audit on the 'Financial Circuits' took place. Neither critical nor very important issues were identified. The recommendations made concern the need for better harmonisation in the circuits for payments, budgetary and legal commitments and their monitoring as well as the update and application of existing procedures and adequate training. They will be addressed via an appropriately established action plan. At the end of the year, IAS also performed the follow-up of the 'Procurement Management' audit carried out in 2011: IAS audit conclusions confirmed that improvements have been made and closed all except one recommendations. The latter relates to the implementation of additional measures regarding the stock management of some real estate contracts and its implementation has been postponed until mid-2014.

Based on the results of the audits finalised in 2013, IAS did not identify any major issue in OIB's internal control system.

As regards the implementation of the recommendations from previous years, at the end of 2013, 64% of all accepted recommendations managed by OIB were closed and 5 recommendations were still in progress of being implemented, out of which two were assessed as very important. They concern: (i) the parental contributions and reimbursements in the childcare facilities (implementation date has been postponed until end of 2014 as it is linked to the adoption of the new regulations, which is still on-going); and (ii) further reinforcement of stock management in respect to some real estate contracts. It is also important to note that in 2013, 5 recommendations from the audit on 'property projects' were considered as implemented by IAC and closed.

In addition, out of the 5 recommendations delayed at the end of 2013<sup>40</sup>, 3 are not under OIB control (awaiting political decision) and two are subject to negotiations (in progress) in order to achieve the most efficient solution.

A table featuring the current state of play incorporating new audits / follow-up audits carried out in 2013 by IAS/IAC can be found in Annex 10.3.

As a result of the assessment of the risks underlying the auditors' observations together with the management measures taken in response, OIB management concludes that none of the new or pending recommendations raises an assurance implication. OIB will however 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.

---

<sup>40</sup> Outstanding recommendations with original expected implementation date expiring by the end of 2013.



### 3. ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

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

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

As required by Internal Control Standard 15, OIB conducted in October 2013, in the preparation of its 2014 Management Plan, a review of the compliance and effectiveness of its internal control system. The assessment was carried out through different sources:

- A desk review consisting of exchanges of information and documents and meetings with the different people closely involved in the implementation of the standards;
- In order to evaluate the effectiveness, two online questionnaires built around the 16 ICS were addressed to OIB Management and to a representative sample of staff. The participation rate was very high (92% for the management and 74% for the staff) and around 140 participants completed the questionnaire;
- In the same time, a communication campaign on the ICS was launched on OIB intranet, in order to refresh the knowledge on the Internal Control Standards (ICS) among OIB staff;
- Compliance and effectiveness were also assessed against concrete indicators, analysis, relevant audit results, exceptions and non-compliances cases registered and the results of the risk assessment.

#### **Prioritized Internal Control Standards for the reporting year**

Based on the results of the review of the compliance and effectiveness of the implementation of the Internal Control Standards, realized in the last quarter of 2012, OIB Management concluded at that time that the internal control standards were effectively implemented in OIB, with the exception of few elements of ICS 12 "Information and Communication", concerning the IT Security Plan, which was still in progress of being implemented at the end of 2012. For that reason, ICS 12 remained prioritized in 2013 (already selected in 2012). No other ICS was prioritized in 2013.

#### ***ICS 12 "Information and Communication"***

This Internal Control Standard has been prioritised since 2012 as one aspect<sup>41</sup> of the IT security policy of the Commission was not considered as effectively implemented.

In the context of implementing an IT Security Plan in OIB, various actions were launched in 2012: some IT security plans (for some systems) were drafted and a Local Informatics Security Officer (LISO) was appointed. In 2013, all the remaining IT security plans have been finalized and validated by OIB Director.

Taken into account the actions implemented, ICS 12 is now assessed as being fully effectively implemented in OIB.

---

<sup>41</sup> Requirement that all IT systems used and managed by the Office are adequately protected against potential threats to their integrity, availability and confidentiality.

## General risk environment

The main inherent risks for OIB relate to business continuity in case of disaster or major incident in Commission buildings, safety risks of buildings, equipments and operating activities, inherent risks related to the organisation of procurement activities (ethics, tender processes, high number of contractualized activities, etc.) and the potential impact that the freeze of contractual staff and staff cuts will have on the continuity of service.

These risks have been mitigated and reduced to an acceptable level since several years and are followed up on a continuous basis. But given the context of the staff reduction (2012/2017) and the new Staff Regulation, OIB senior management decided to prioritize the following ICS in the 2014 MP: ICS 3 "Staff allocation and mobility" and ICS 7 "Operational structure". Although these standards are effectively implemented in OIB and compliant with the requirements, various actions need to be taken, in particular in the field of communication related to the long-term staff rationalization plan and to the implementation of the new Staff Regulation. These measures are to be implemented in the course of 2014.

## Conclusion

Concerning the overall state of the internal control system in place in OIB, very positive results were obtained during the compliance and effectiveness review conducted at the end of 2013:

- There was no major event impacting the functioning of OIB's control system in 2013 and all ICS were assessed as being compliant and effectively implemented (including the one prioritized for the year 2013, for which all improving actions have been finalized);
- No significant issue was pointed out by the European Court of Auditors nor by IAS or IAC in their audit reports;
- Appropriate actions have been taken to mitigate the risks identified in the 2013 risk assessment;
- Issues raised in audits, AOSD reports, ex-post controls, risk-assessment, exceptions and litigations are addressed by an action plan and followed-up on a regular basis. None of these issues identified in 2013 was assessed as significant;
- The document management reports and surveys produced by Secretariat General showed very positive results for OIB;
- Sensitive functions (ICS 7 "Operational Structure") continue to be monitored in OIB: regular reporting thereon is provided to senior management and different measures are in place to mitigate the underlying risks (e.g. monthly follow-up and contacts with the units is carried out in order to ensure smooth management of these functions). Although the number of sensitive functions in OIB is higher than Commission average (at the end of 2013, 9% in OIB vs. 5,4% in the Commission), it is relatively low considering the nature of activities carried out and the increased use of outsourcing (which generates sensitive posts in procurement, ordering, reception and payment). In 2013, derogation was granted to allow a few middle managers to remain in a sensitive function in the field of budget management beyond five years. However, appropriate mitigating measures have been put in place in order to reduce the residual risk. On the other hand, measures were taken (removal of sensitive tasks or internal or external mobility) to address the need for mobility for nineteen posts which were subject to mandatory staff mobility due to their sensitivity.

In conclusion, based on the elements mentioned above, the internal control standards are effectively implemented in OIB. This means that the three assessment criteria for effectiveness are met, i.e. (i) staff has the required knowledge and skills, (ii) systems and procedures are designed and implemented to manage the key risks effectively, and (iii) no instance of ineffective controls exposing the Office to its key risks has been observed. Additionally, OIB is particularly concerned about the continuous improvement of its internal control system and makes recurrent efforts to enhance its effectiveness.

## 4. MANAGEMENT ASSURANCE

This section reviews the assessment of the elements reported in Parts 2 and 3 and draws conclusions supporting the declaration of assurance and namely, whether it should be qualified with reservation.

### 4.1 Review of the elements supporting assurance

The information reported in parts 2 and 3 of this report covers the entire budget delegated to the Authorized Officer by Delegation of the Office in 2013 and is complete and reliable as confirmed by the statement of the Internal Control Coordinator in annex 1. Analyses and controls covered all significant areas of OIB budget and provide reasonable assurance as to the achievement of the different control objectives (legality and regularity of the transactions, true and fair view, resources used for their intended purpose, sound financial management, non-omission of significant information, efficiency, safeguarding of assets and prevention and detection of fraud) for both expenditure and revenue operations. The results of these controls and analyses are the following:

- Management reporting is widely present and allows ensuring that the objectives are properly followed up and that Management is aware of any potential significant issue;
- Payments delays have been reduced to a very low level in 2013 (much lower than the EC average) and nearly all recovery orders issued in 2013 have been cashed in;
- Ex-post controls are based on a representative sample and their conclusions did not raise any issue of significant financial impact;
- Accounting controls carried out in 2013 confirmed the high quality of OIB's accounts;
- Regular reports are provided by the authorising officers by sub-delegation (AOSD) regarding the results of operations in relation to objectives set, the associated risks, the use made of assigned resources and the problems that can have a financial impact on activities; a systematic follow-up of these issues is ensured with the assistance of the management. No major issues were reported in 2013;
- All procurement procedures reviewed by GAMA received a positive feedback;
- The intrinsic risk for administrative expenditure managed by OIB including procurement is relatively low because of the centralised and direct mode of budget implementation. The risks are effectively mitigated by means of controls;
- All the exceptions are monitored and registered in the exception register; regular analyses are provided to the management; whenever needed, action plans are set up and carefully followed up by the management;
- Further assurance is obtained by the 2013 risk assessment exercise, which led to the identification of one critical risk and a few new risks; risk register was updated accordingly and action plans were put in place to mitigate the risks;
- On the basis of the available quantified and non-quantified elements, the set of controls in place in OIB can be considered as reasonably efficient;
- In the course of 2013, an anti-fraud strategy was developed and has already been implemented for its most part. No indication of fraud has been detected in 2013 and the Head of Service did not have to transmit any case to OLAF or IDOC. No new investigation regarding OIB has been opened by OLAF in the past five years;
- Different controls are in place to ensure the safeguarding of assets;

- Reasonable assurance was received from the relevant authorizing officers in all cases of cross-sub delegations made by OIB to other DGs/Services;
- The audit reports issued by the European Court of Auditors, IAC and IAS did not raise any major issues;
- Action plans resulting from audit recommendations are carefully followed up and reporting thereon is in place to ensure timely implementation. Thanks to these measures, there is no overdue critical audit recommendation at the end of 2013;
- Recurrent efforts are made to ensure the continuous improvement of the internal control system in OIB: at the end of 2013, OIB internal control system complies with all requirements of the internal control standards and is, in its entirety, effective and provides reasonable assurance.

In light of these results and according to the materiality criteria presented in annex 4, OIB's Authorised Officer by Delegation can confirm that:

→ None of the identified weakness is significant in **qualitative** terms:

Although some derogations/exceptions were reported in the procurement process, none of them are assessed as significant as they stem from a need to ensure the continuity of service, and are mainly related to:

- overstepping of the award decision thresholds of contracts providing for building maintenance;
- overstepping of contractual deadline for different supplies and services before the conclusion of a new contract;

In order to reduce these weaknesses, mitigating measures have been put in place, especially in terms of planning, reporting and communication.

Additionally:

- No weakness has been identified regarding the non-compliance with internal control standards;
- Besides the ex-post controls and audits, OIB's exception register, AOSD reports and supervision tools ensure an extensive coverage of the Office activities;
- No critical recommendation was issued in 2013 by the Internal Audit Service and the Internal Audit Capacity. The Court of Auditor's 2013 report did not mention any particular remark on OIB's activities.

→ None of the identified weaknesses is significant in **quantitative** terms:

The quantified value of a posteriori related to 2013 payments amounts to 0,3 Mio Eur which represents 0,18% of the 2013 payments (< 2%). No major error with financial impact was raised by the ex-post controls and audit bodies.

→ No major event likely to negatively impact the Commission's or OIB's reputation occurred in 2013.

In conclusion, the information provided in this annual activity report is complete and reliable and OIB 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 whenever needed. The Head of Service of OIB, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

## 4.2 Reservations and overall conclusion on assurance

Based on the information presented in parts 2 and 3 of this report and considering that none of the materiality criteria mentioned in Annex 4 has revealed significant weaknesses and that no significant issue was raised by the Court of Auditors or by the internal auditors (IAS/IAC), there is no reservation for 2013.

## DECLARATION OF ASSURANCE

*I, the undersigned,*

*Head of Service of OIB*

*In my capacity as authorising officer by delegation*

*Declare that the information contained in this report gives a true and fair view<sup>42</sup>.*

*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 capability, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.*

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

Brussels, March 31<sup>st</sup>, 2014

"Signed"

Marc Mouligneau

---

<sup>42</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.