



2014

# Annual Activity Report

**DG Interpretation**

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# INTRODUCTION

## The DG in brief

The mission of DG Interpretation is to provide conference interpretation and meeting-related services. It aims at facilitating EU decision-making by allowing participants to communicate effectively.

DG Interpretation is the European Commission's interpreting service and conference organiser, but also provides interpretation to the Council of the European Union, the European Economic and Social Committee, the Committee of the Regions, the European Investment Bank, as well as to a number of European offices and agencies.

For Directorates General and departments of the Commission, DG Interpretation also provides conference organisation capability, technological solutions for multilingual communication and daily technical support to the Commission's meetings and conference facilities.

To achieve its mission, DG Interpretation manages continuous training for interpreters and training programmes targeted at universities and students, both in the EU and in third countries.

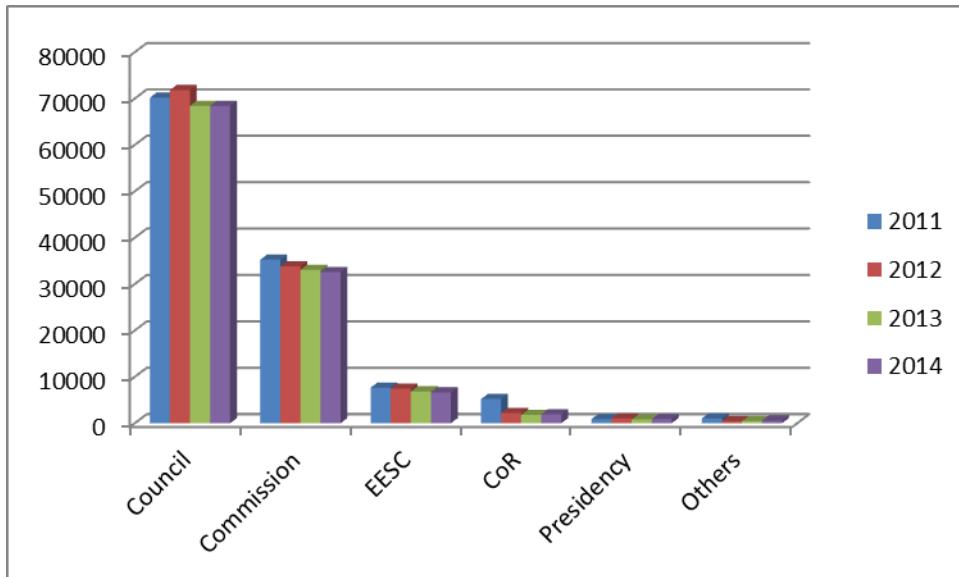
It operates under administrative expenditures (Heading 5), with a significant share of its budget accruing from revenues from users outside the Commission (**in 2014, 58.6% of total budget**).

The main risk the DG faces in its activities is linked to the unpredictability of demand which makes it difficult to use permanent and non-permanent resources in an efficient way throughout the year.

## The year in brief



Interpretation in  
figures (12-...)



In 2014, DG Interpretation delivered 110943 interpreting days which is nearly the same amount as in 2013 (111350 days).

As can be seen from the graph, the Council (including the Council of Ministers and the European Council), is by far DG Interpretation's biggest external user representing around 62% of total interpretation provided. The amount supplied to Council in 2014 was stable compared to 2013 after the significant drop from 2012 linked to reductions in the budget made available for interpretation that year. Clearly, future changes to Council's budget will continue to play a major role on demand for DG Interpretation's services. Activity for the other institutions was also largely stable in 2013 compared to 2014, although it should be noted that without Croatian (which only started to be used on a daily basis in meetings as from July 2013), there would have been a year on year fall in activity of several percentage points, indicating a slow downward trend in demand for interpretation.

# EXECUTIVE SUMMARY

## Key Performance Indicators

Result/Impact indicator (description)	Trend	Latest known results as per Annual Activity Report															
<b>KPI 1: Overall satisfaction with interpretation (in %) (Source: Customer Satisfaction Survey)</b>	😊	<p>Bar chart showing overall satisfaction with interpretation (in %) from 2007 to 2013. The Y-axis ranges from 80% to 90%. The chart compares target (85%) and results (84%, 86%, 89%).</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Target (%)</th> <th>Result (%)</th> </tr> </thead> <tbody> <tr> <td>2007</td> <td>85</td> <td>84</td> </tr> <tr> <td>2010</td> <td></td> <td>86</td> </tr> <tr> <td>2013</td> <td></td> <td>89</td> </tr> </tbody> </table>	Year	Target (%)	Result (%)	2007	85	84	2010		86	2013		89			
Year	Target (%)	Result (%)															
2007	85	84															
2010		86															
2013		89															
<b>KPI 2: Standby rate of staff interpreters (as % of available working time) (Source: SCICView)</b>	☒	<p>Bar chart showing standby rate of staff interpreters (as % of available working time) from 2011 to 2014. The Y-axis ranges from 0% to 25%. The chart compares target (18%) and results (20%, 21%, 23%, 24%).</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Target (%)</th> <th>Result (%)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>18</td> <td>20</td> </tr> <tr> <td>2012</td> <td></td> <td>21</td> </tr> <tr> <td>2013</td> <td></td> <td>23</td> </tr> <tr> <td>2014</td> <td></td> <td>24</td> </tr> </tbody> </table>	Year	Target (%)	Result (%)	2011	18	20	2012		21	2013		23	2014		24
Year	Target (%)	Result (%)															
2011	18	20															
2012		21															
2013		23															
2014		24															
<b>KPI 3: Average language combination (number of passive languages per staff interpreter) (Source: SCICView)</b>	😊	<p>Bar chart showing average language combination (number of passive languages per staff interpreter) from 2011 to 2014. The Y-axis ranges from 0 to 4. The chart compares target (4 passive languages) and results (4, 4, 4, 4).</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Target (passive languages)</th> <th>Result (passive languages)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>4</td> <td>4</td> </tr> <tr> <td>2012</td> <td></td> <td>4</td> </tr> <tr> <td>2013</td> <td></td> <td>4</td> </tr> <tr> <td>2014</td> <td></td> <td>4</td> </tr> </tbody> </table>	Year	Target (passive languages)	Result (passive languages)	2011	4	4	2012		4	2013		4	2014		4
Year	Target (passive languages)	Result (passive languages)															
2011	4	4															
2012		4															
2013		4															
2014		4															

<p><b>KPI 4:</b> Percentage of external clients requests for active interpretation that DG Interpretation was able to satisfy (in %) (Source: SCICView)</p>	<p>☺</p> <table border="1"> <thead> <tr> <th>Year</th> <th>target (95%)</th> <th>results</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>95%</td> <td>94%</td> </tr> <tr> <td>2012</td> <td></td> <td>96%</td> </tr> <tr> <td>2013</td> <td></td> <td>96%</td> </tr> <tr> <td>2014</td> <td></td> <td>96%</td> </tr> </tbody> </table>	Year	target (95%)	results	2011	95%	94%	2012		96%	2013		96%	2014		96%
Year	target (95%)	results														
2011	95%	94%														
2012		96%														
2013		96%														
2014		96%														
<p><b>KPI 5:</b> % of errors in ACI* payments detected by ex post control reports (in value) (Source: SCICView)</p>	<p>☺</p> <table border="1"> <thead> <tr> <th>Year</th> <th>target 2%</th> <th>result</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>2%</td> <td>0.13%</td> </tr> <tr> <td>2012</td> <td></td> <td>0.16%</td> </tr> <tr> <td>2013</td> <td></td> <td>0.34%</td> </tr> <tr> <td>2014</td> <td></td> <td>0.02%</td> </tr> </tbody> </table>	Year	target 2%	result	2011	2%	0.13%	2012		0.16%	2013		0.34%	2014		0.02%
Year	target 2%	result														
2011	2%	0.13%														
2012		0.16%														
2013		0.34%														
2014		0.02%														

\*Conference Interpreting Agents

## Policy highlights of the year

- In 2014, the **number of interpretation days provided by DG Interpretation remained stable overall**, compared with 2013, albeit with some variations between languages. In this context, for the third consecutive year, DG Interpretation managed to exceed the target set for satisfying the demand for active interpretation of our fee-paying users.
- The provision of **remote interpretation** for the European Council dinners. In the course of last year a definitive agreement was concluded between management and staff on the working and technical conditions for these types of meetings, which was endorsed by an overwhelming majority of staff interpreters.
- Following the **changes in the Staff Regulations and the introduction of the 40 hour week** for all staff, an agreement was also reached between management and staff representatives on how to apply this to interpreters' working arrangements, and a new methodology for the counting of interpreting sessions was formally adopted at the end of the year.
- DG Interpretation continued to **tackle the excessive stand-by rate of interpreters** as explained further down in the text.
- As a certain proportion of stand-by is used by interpreters to **carry out other activities in the interest of the service**, DG Interpretation has successfully completed by the end of the year the work undertaken for "Valorisation" i.e. the recording and recognition of non-programmed activities of interpreters. This new "tool" makes it possible for the first time for both staff interpreters and for management to have a comprehensive view of all activities undertaken by interpreters, including those that are not programmed. To have this overview is important for the motivation of staff as well as for putting all interpreters' work in due context.
- Following up on the 2013 Customer Satisfaction Survey, DG Interpretation organised several intensive courses for **language maintenance** and a considerable number of **thematic training courses** (also in languages other than English) to help interpreters to enhance knowledge of the languages they interpret from.
- Faced with the **challenge of ageing** and thus the departure of experienced interpreters with more extended language combinations, DG Interpretation organised language training actions for staff and ACIs throughout 2014 to keep the average number of passive languages per head at its current level.
- Still in the context of successful succession planning, and following the 2013 decision of the heads of service to use recorded speeches for tests in simultaneous, directorate A of DG Interpretation worked out a structured approach for the **recording of speeches** - including relevant training - and developed a coherent methodology for screening.

## Key conclusions on resource management and internal control effectiveness

In accordance with the governance statement of the European Commission, DG Interpretation 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, the Director-General has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

DG Interpretation 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.

In addition, DG Interpretation 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, 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 acting Director General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

## Information to the Commissioner

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

The main elements of this report and assurance declaration have been brought to the attention of Commissioner Kristalina Georgieva, responsible for budget and human resources.

# 1. POLICY ACHIEVEMENTS

## 1.1 Achievement of specific objectives

### 1.1.1 ABB activity Interpretation and linked activities: Maintain quality of interpretation

<b>Specific objective: Maintain quality of interpretation</b>		Non-spending programme	
<p><i>The quality of interpretation depends mostly on the efforts of the DG to recruit and train qualified interpreters with an adequate language combination. However, satisfaction surveys have consistently shown that a limited language coverage in meetings (i.e. not every participant has interpretation into his mother tongue) may have a negative impact on the overall (perceived) quality. Such a limitation in supply in languages may be the result of a lower demand due to budget restrictions in Member States. Another external factor that may negatively influence the quality of interpretation is the quality of the speeches. Last but not least quality also depends on whether speakers use their mother tongue or read out speeches.</i></p>			
<p><b>Result indicator 1: Overall satisfaction with service provided.</b></p> <p><i>The results of the Customer Satisfaction Survey which is carried out every 2 years enable us to measure whether the quality of our service meets our users' expectations and to detect areas needing improvement.</i></p> <p>(Source: Customer Satisfaction Survey)</p>			
Baseline	Milestones		Target
2013	2015	2017	Current Situation
88.7%	>85%	>85%	88.7%
Main outputs in 2014			
Description	Indicator	Current situation	Target
Actions aiming at maintaining a high level of quality of conference interpretation	Number of intensive, refresher and idioms courses training days	975	500
	Number of thematic training days	1147	800
	Percentage of meetings with documentation in the Council, the Commission and the Committees	92.7%	80%

	(excluding missions)		
	Number of new/revised glossaries	580	450
	Number of participants in awareness raising actions	600	500

**Result indicator 2: Percentage of recruitment of ACIs with a quality rating  $\geq 2$**

*Thanks to regular quality monitoring, ACIs are assigned a quality rating by their head of unit which enables our recruitment service to recruit interpreters with the best possible qualifications.*

(Source: SCICView)

Baseline	Milestone		Target
2013	2017	Current Situation	2020
>85%	>85%	88%	>85%
Main outputs in 2014			
Description	Indicator	Current situation	Target
Training of ACIs	Number of thematic training video recordings on SCICnet)	45	50

In 2014 there are fewer thematic training videos available on SCICnet in comparison to the target due to technical problems with the migration to Speech Repository 2<sup>1</sup>. We are working to find a solution so that the older videos, which were stored in a part of Speech Repository 1, can remain available.

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<sup>1</sup> The Speech Repository is DG Interpretation's speech bank which includes +/-3000 speeches in all EU languages and can now be freely accessed via the internet by interpreters, interpreting students and teachers for practising skills and for language enhancement.

## Conclusion

As evidenced above, the objective “Maintain quality of interpretation” managed by the DG is on course to meet its multiannual targets and has achieved the annual performance indicators or outputs and milestones in the reporting year.

### 1.1.2 ABB activity Interpretation and linked activities: Manage resources efficiently and effectively in a context of unpredictable demand

<b>Specific objective: Manage resources efficiently and effectively in a context of unpredictable demand</b>		Non-spending programme			
<i>The unpredictability of users' requests (including short notice changes in language coverage or cancellations of meetings) makes it difficult for DG Interpretation to keep standby under control.</i>					
<b>Result indicator 1: Standby rate of staff interpreters (% of available working time)</b> <i>Monitoring the amount of standby which goes beyond a certain reserve necessary to provide the flexibility to meet operational needs, enables us to check whether we manage our resources efficiently.</i> <i>(Source: SCICView)</i>					
Baseline 2013	Milestone 2017	Current Situation	Target 2020		
23%	15% Staff <b>and</b> ACI standby (N.B. MP 2015 recalibrates the target to include ACIs as well as Staff in order to provide a more comprehensive view)	24%	≤ 15%		
Main outputs in 2014					
Description	Indicator	Current situation	Target		
Close targeting of recruitment of new staff in the Multiannual Recruitment Strategy	Number of new staff recruited	10 new* recruitments + 3 in Jan 2015, following recruitment requests launched in 2014	46 new recruitments for the period 2014-16.		
Reduction and further targeting of long term recruitment of ACIs	Percentage of long term contracts	34%	35%		
Revision of all stages	Final medium term	Ongoing	n/a		

of ACI recruitment to avoid as much as possible over recruitment	recruitment delayed until after cancellation deadlines of minus two weeks and minus two days.		
Programming of activities in the interest of the service (terminology, ad hoc training, ...) carried out by interpreters in periods of lesser activity**	Number of training days carried out during periods of lesser activity (Easter, August, etc.)	Figure not yet available for 2014	+/-1500 days out of the total of +/- 8000 training days

\*The figure does not include former temporary agents who became officials following a competition.

\*\* As proper recording of these activities will only start in 2015, it is not possible to calculate figures for 2014.

DG Interpretation failed to meet this indicator for the second year running which is a cause for concern and has led to reflections and changes in a number of internal processes as well as a recalibration of the indicator for the MP 2015.

The reasons for missing the target are multiple. They stem from the fact that DG Interpretation has little or no control over the timing or the level of demand for interpretation. Over the last three years demand from DG Interpretation's main fee-paying user, the Council of Ministers, has not only been decreasing (as a result of budget restrictions), but has been decreasing in a non-linear and unpredictable fashion. For some languages there have been dramatic falls of up to 30%, whereas for others decrease is more gradual, and in some cases demand is even rising. However, interpreters cannot be reassigned from a surplus to a deficit language, which means that in some of the language units with the biggest falls we have structural staff surpluses which lead to increased standby.

We have reacted to the fall in demand through close targeting of recruitment of new staff in the *Multi-Annual Recruitment Strategy* as well as by reducing and further targeting our long term recruitment of ACIs. In addition, we have reviewed all stages of ACI recruitment so as to avoid as much as possible over recruitment. However, this process has to be balanced against the effects on quality and cost of our ACI recruitment as well as the social impact of moving to later recruitment which creates greater precariousness for this group of interpreters who now account for more than half of DG Interpretation's output.

Finally, it should be noted that a significant part of the extra standby in 2014 was linked to one-off events: cancellation of many scheduled assignments to make way for special

events and summits in the first half of the year, as well as the result of strike action in Belgium in the final months of the year which lead to multiple cancellations of meetings and other events.

### **Result indicator 2: Daily average cost of ACI contracts**

*The daily average cost of an ACI contract is the average of all costs related to ACI recruitment, i.e. remuneration, community taxes, subsistence allowance, flat-rate travel allowance, accommodation costs, travel expenses and travel agency charges, employer costs and premiums (e.g. pension, accident insurance) and additional compensatory payments (non-worked days, tiring missions etc.). It reflects whether DG Interpretation hires ACIs in a cost efficient manner.*

(Source: SCICView)

Baseline 2013	Milestone 2017	Current Situation	Target 2017
723€*	725€	727€	725€
Main outputs in 2014			
Description	Indicator	Current situation	Target
Incentives for young interpreters to register Brussels as their domicile e.g. Newcomers' scheme	Number of new ACIs moving their professional domicile to Brussels in order to be eligible for the scheme	18 new ACIs joined the scheme	There is no target as such but rather an indicative level per language established in line with currently available local ACIs and recruitment trends for that language. This level acts as a ceiling. For 2014, an indicative level of 44 was set.

\*Figure for 2013 adjusted to reflect salary indexation

DG Interpretation was able to keep the average cost of ACI recruitment very much under control in 2014. Our longer term policies aimed at attracting and retaining qualified ACIs with a Brussels domicile (with consequent cost savings per contract day and increased flexibility) has borne fruit.

The current figure of €727 includes the effect of past salary adjustments as well as the extra costs associated with the accession of Croatia: as for previous enlargements, we have had to depend on non-local ACIs for a relatively high proportion of the work done. As we establish the staff base and attract some ACIs to Brussels, this should leave scope for savings.

### **Conclusion**

**As evidenced above, the objective “Manage resources efficiently and effectively in a context of unpredictable demand” managed by the DG is not on course to meet its multiannual targets and has not achieved the annual performance indicators or outputs and milestones in the reporting year.**

#### **1.1.3 ABB activity Interpretation and linked activities: Satisfy the demand for interpretation**

<b>Specific objective: Satisfy the demand for interpretation</b>		Non-spending programme	
<i>DG Interpretation is not only the Commission’s interpretation service, but also provides interpretation to the Council, the 2 Committees, etc. (see DG Interpretation’s Mission Statement).</i>			
<b>Result indicator: Percentage of fee-paying users' requests for active interpretation that DG Interpretation was able to satisfy</b>			
<i>This indicator measures the share of active languages requested by the Council and the Committees we were able to grant on the basis of available interpreters (staff and ACIs). For the largest languages (EN, FR, DE, IT, ES) this indicator is close to 100%, for less-used languages demand may be more difficult to meet.</i> (Source: SCICView)			
Baseline 2012	Milestone 2017	Current Situation	Target 2020
96%	≥95%	96%	≥95%
<b>Main outputs in 2014</b>			
Description	Indicator	Current situation	Target
Recruitment of permanent and temporary staff for languages identified as a priority	Number of staff recruited	2 English, 3 German, 2 Latvian, 1 Estonian	46 recruitments for the period 2014-2016

Accreditation of ACIs	Number of ACIs accredited	and 2 Croatian interpreters recruited (6 permanent and 4 temporary staff) 42 ACIs accredited, mainly from booths identified as having staffing needs
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For the third year running, DG Interpretation has exceeded this target, which reflects the extent to which we satisfy demand for interpretation from our paying customers. For almost all languages we are now at or above the target.

A few languages still present difficulties because of a structural shortage of qualified interpreters and actions are in place to address these shortages over time. It should perhaps be noted that were it not for the impact of Croatian, where we still need to build up staff and ACI numbers after accession, the level of satisfaction for the remaining languages would have exceeded 97%.

### ***Conclusion***

**As evidenced above, the objective “Satisfy the demand for interpretation” managed by the DG is on course to meet its multiannual targets and has achieved the annual performance indicators or outputs and milestones in the reporting year.**

#### **1.1.4 ABB activity Interpretation and linked activities: Pursue an effective succession planning**

<b>Specific objective: Pursue an effective succession planning</b>	Non-spending programme
<i>In order to provide quality interpretation it is important to ensure timely replacement of experienced staff. This objective reflects one of the two key priorities of the DG's Human Resources Strategic Plan.</i>	
<b>Result indicator: Average number of passive languages by interpreter</b> <i>This indicator allows DG Interpretation to check whether we manage to train new members of staff to adequately replace outgoing staff with usually extensive language</i>	

*combinations to continue to satisfy our customers' requests for various symmetric and asymmetric language regimes*  
 (Source: SCICView)

Baseline 2013	Milestone 2017	Current Situation	Target 2020
4	4	4	4
Main outputs in 2014			
Description	Indicator	Current situation	Target
Recruitment of staff and ACIs with relevant languages	Percentage of new staff recruited per year who graduated from DG Interpretation supported training courses	91%	80%
	Percentage of new ACIs accredited per year who graduated from DG Interpretation supported training courses	84%	80%
Additional language training for current staff to add new passive languages	Number of active and passive languages added by staff interpreters	51	50
DG Interpretation bursary for ACIs to add a new language	Number of ACIs having added a language with a DG Interpretation bursary	17	20-30
Retour training for interpreters with active Greek, Danish, Swedish or Finnish and for interpreters with post 2004 active enlargements languages	Number of retours added	2	n/a

Support to postgraduate interpreter training courses in Member states and candidate countries: pedagogical assistance, financial support to universities and students, study visits	450 days of pedagogical assistance 8 grants 97 bursaries 47 study visits	15% of the total pedagogical assistance and 19% of the overall grant amount provided by DG Interpretation in 2014 was allocated to the training courses in Malta, Zagreb and Tallinn.	Making the most efficient use of the (limited) financial and human resources available to address most urgent needs of the Service
Overhaul and extension of Speech Repository	Number of speeches added/revised  Specific target in 2014: complete technical overhaul of the system and making it freely accessible via the web	256 new speeches added and 205 "older" speeches reviewed  New version of the Speech Repository fully operational by October 2014	Add 200 new speeches and review 200 'old' speeches  Have the new platform ready by the start of the academic year
Opening up of Virtual Classes (VC) to a larger number of universities	Number of universities using this type of training assistance and the number of VC sessions actually organised	49 VC sessions organised with 25 different universities	Using this tool up to its maximum capacity (approx. 50 sessions/year)
Launch of "SCICtrain" in March: collection of video modules presented by our experienced DG Interpretation-interpreters covering a wide array of interpretation techniques, tools and resources through demonstrations, personal tips, and brief 'lectures'	Number of modules	39 video clips	35
6th Integration programme (IP6 and	Number of participants who sit	50%	70%

IP6+) for 10 participants (with CZ, DE, ET, HU, LV and SK mother tongue) to enhance their capacity to sit the accreditation test	the inter-institutional accreditation test		
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The target of language additions by AICs after using a DG Interpretation bursary was not attained in 2014 although there is one more AIC who added a language in 2014 after having received DG Interpretation support as an official. AICs who take a DG Interpretation bursary are expected to sit a language addition test within six months after the end of the bursary. It is impossible to predefine the test results where the AIC's performance might be jeopardised due to the stress of the situation. AICs often add the language after resits. The 2014 target was rather ambitious due to the increase in the number of available bursaries from 20 to 30. Finally however only 22 AIC language stays were financed by DG Interpretation, which has an impact on the number of languages added.

The limited number of retours added among the priority population reflects the difficulty of adding a retour, which requires particular skills and strong motivation on the interpreter's side as well as good organisation from the service. A retour for the priority languages offers savings of up to 50% in comparison to adding a passive language.

### ***Conclusion***

**As evidenced above, the objective “Pursue an effective succession planning” managed by the DG is on course to meet its multiannual objectives and has achieved the annual performance indicators or outputs and milestones in the reporting year.**

#### **1.1.5 ABB activity Support and assistance to conferences, events and meetings: Provide Commission services with well-functioning conference facilities and services**

<b>Specific objective:</b>  <b>Provide Commission services with well-functioning conference facilities and services</b>	Non-spending programme
<i>DG Interpretation provides support and assistance to meetings organised in Commission facilities.</i>	
<b>Result indicator:</b>  <b>Satisfaction of requests for meeting organisers with the services related to meetings and conference rooms</b> (Source: <i>WebDOR Feedback</i> )	

Baseline 2013	Milestone 2017	Current Situation	Target 2020
95.4%	>85%	96.7%	>85%
Main outputs in 2014			
Description	Indicator	Current situation	Target
Logistical support and conference room assistance provided to meetings	Number of meetings serviced	> 6.600 meetings in Berlaymont, Charlemagne, Borschette, Loi 130 buildings and, occasionally, in the Breydel building	n/a. There is no target as the support activity depends on client demand.
“Services catalogue” listing the services related to meetings and provided by DG Interpretation (e.g. videoconferencing, webstreaming, etc.)	Publication of a service plan	Partially done as internal publication	2015
Monitoring tools and indicators of the quality of services related to meetings	Definition of quality and performance indicators	Ongoing	2015

#### *Risk assessment*

DG Interpretation identified a reputational and budgetary risk concerning the adverse consequences of the ageing of the CCAB building – the Commission's main conference centre. The responsibility for the CCAB building is not in the hands of DG Interpretation, although the DG is responsible for the services provided in the building. Therefore, action plans to mitigate the risk cannot rely solely on the actions of the DG, they also involve other services.

## Conclusion

As evidenced above, the objective “Provide Commission services with well-functioning conference facilities and services” managed by the DG is on course to meet its multiannual objectives and has achieved the annual performance indicators or outputs and milestones in the reporting year

### 1.1.6 ABB activity Support and assistance to conferences, events and meetings: Provide our clients with reliable multi-lingual streaming services

<b>Specific objective:</b>  <b>Provide our clients with reliable multi-lingual streaming services</b>		<input checked="" type="checkbox"/> Non-spending programme	
<i>DG Interpretation provides audio-visual services (webstreaming,...) for meetings organised in Commission facilities</i>			
<b>Result indicator: Percentage of streaming sessions without incidents</b> <i>DG Interpretation provides multilingual webstreaming of meetings held in Commission facilities it manages (both live and on-demand). This indicator shows the resilience of this service.</i> (Source: SCICView)			
Baseline 2013	Milestone 2017	Current Situation	Target 2020
98%	98%	98%	98%
Main outputs in 2014			
Description	Indicator	Current situation	Target
Increase of the number of languages offered in streaming.	Number of languages offered	48	48
Improved quality assessment of the services	Share of meetings for which feedback is requested	100%	100%

## Conclusion

As evidenced above, the objective “Provide our clients with reliable multi-lingual streaming services” managed by the DG is on course to meet its multiannual

objectives and has achieved the annual performance indicators or outputs and milestones in the reporting year.

### 1.1.7 ABB activity Support and assistance to conferences, events and meetings: Provide professional conference organisation services for the European Commission

<b>Specific objective:</b> <b>Provide professional conference organisation services for the European Commission</b>		<input checked="" type="checkbox"/> Non-spending programme			
<i>DG Interpretation provides a fully-fledged conference organisation service to Commission DGs or provides consultancy for setting up large events</i>					
<b>Result indicator: Overall satisfaction with conference organisation services</b> <i>The indicator reflects the average scores obtained from the DGs for whom conference organisation services were provided. The scores rate the satisfaction levels on services provided before and during the event, including DG Interpretation's staff and financial management.</i> <i>(Source: Ongoing satisfaction survey for meeting organisers)</i>					
Baseline 2013	Milestone 2017	Current Situation	Target 2020		
89%	90%	93%	90%		
<b>Main outputs in 2014</b>					
Description	Indicator	Current situation	Target n/a: DG INTERPRETATION has no influence on demand		
Organisation of conferences for Commission DGs and other Community bodies	Number of conferences organised	56			
	Number of conferences organised under the co-delegated mechanism	13			
	Number of conferences organised without financial management	16			

	Number of events DG Interpretation was involved with lighter organisation assistance (so-called "Conseil")	27	
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As in previous years, customer satisfaction surveys were sent to DGs immediately after the organisation of their events (36 replies). Results were again excellent (over 9/10).

### ***Conclusion***

**As evidenced above, the objective “Provide professional conference organisation services for the European Commission” managed by the DG is on course to meet its multiannual objectives and has achieved the annual performance indicators or outputs and milestones in the reporting year.**

### **1.1.8 Horizontal activity Policy Strategy and Coordination: Provide DG Interpretation staff with an efficient internal communication service**

<b>Specific objective: Provide DG Interpretation staff with an efficient internal communication service</b>			
<i>As staff interpreters have no office and DG Interpretation has a large and geographically dispersed population of ACIs, SCICnet is the main channel for communicating within DG Interpretation’s administrative structure.</i>			
<b>Result indicator: Overall satisfaction with SCICnet</b> <i>Source: intranet reporting data</i>			
Baseline 2012	Milestone 2017	Current Situation	Target 2020
7.2 (out of 10)	7.5	7.2	7.5
Main outputs in 2014			
Description	Indicator	Current situation	Target
Production of a new model for SCICnet and consultation of management and members of staff during the 2 <sup>nd</sup> semester of 2014	New SCICnet in place	Work in progress	2015
Prioritisation of actions which further the other 2 strategic	Event in May to celebrate the	>150 staff and ACIs	n/a

objectives of the DG "One Service" and "Improving information exchange"	10 <sup>th</sup> Anniversary of the enlargement	attended	
	Event for DG Interpretation staff in December attended by the Vice President Georgieva	n/a	n/a

Due to launch of a large scale project to modernise SCICnet at the beginning of 2014 it was agreed to defer the SCICnet survey until 2015 and instead to concentrate resources on creating a new SCICnet.

### 1.1.9 Horizontal activity Administrative Support: Modernise ACI management and procedures

<b>Specific objective:</b>
<b>Modernise ACI management and procedures</b>
Result indicator: No result indicators were set in the MP
Main outputs in 2014
Description
<b>Paper smart expenses processing</b>  DG Interpretation made the electronic submission and processing of ACI expenses claims (automatic payment request or APR) mandatory for ACIs recruited by the Commission and for ACI working for other Institutions. Even if the initial global launch date had to be postponed, eventually, on 1 January 2015 the APR application became the only accepted way of sending the expense claims. (see point 1.3.1. for added value of APR).
<b>Paper smart personal files</b>  Personal files of non-permanent interpreters (ACI) are stored in DG Interpretation's central database CORALIN and are accessed by a number of applications like GRIF (internal payment system), SIGNALETIQUE (management of the joint list of accredited ACI) or ENGAGEMENT (ACI recruitment). With the introduction of SPIRIT web application which forms a unique entry point for candidates, all ACI personal files with the exception of some documentation that needs to be produced by newly accredited ACI in original paper form, are currently stored in electronic format.
<b>Paper smart review procedure for test candidates' files</b>  The screening of the candidate's files is the only step in the ACI accreditation procedure

which is still carried out on the basis of paper files. Initially, the SPIRIT application which allows for electronic submission of candidate's files and management of the accreditation tests was set to support the paperless review of candidate's files. However, following a cost effectiveness analysis, this idea was postponed. The limited number of screening committees' members, the comfort of working with paper files and most importantly a significant investment needed to equip the members with appropriate hardware were the main reasons for keeping the current procedure unchanged.

#### **Modernisation of the ACIs health insurance scheme**

2014 saw also a major revision of the existing sickness and accident insurance coverage for non-permanent staff (ACI). With the launch of the call for tender to replace the expiring insurance contract, DG Interpretation decided to conduct an extensive analysis of the existing policy. A working group supported by an external insurance expert prepared a new insurance policy which for the first time ever aligned the insurance conditions to those applicable to permanent staff, established a link between the insurance contributions paid and the benefits due and introduced provisions to accelerate the reimbursement process. With the signature of the new contract, Institutions were able to secure a more advantageous price for an insurance policy that received a very positive endorsement from the representative of AIIC Delegation.

#### **1.1.10 Horizontal activity Administrative Support: Streamline and simplify the IT System Architecture within the DG**

##### **Specific objective:**

**Streamline and simplify the IT System Architecture within the DG**

**Result indicator: Number of applications registered in GOVIS**  
*(Source: GOVIS2)*

Baseline 2013	Target 2015	Current situation	Target 2020
25	4	4	4

#### **1.1.11 Horizontal activity Administrative Support: Ensure legality and regularity of operations**

##### **Specific objective:**

Non-spending  
programme

**Ensure legality and regularity of operations**

**Result indicator: % of errors (in value) in ACI payments detected by ex post control reports**

<p>(Source: ACI management and financial units)</p>			
Baseline 2014	Milestone 2017	Current Situation	Target 2020
0,02%	<2%	0.02%	<2%
<p><b>Result indicator: Average payment time</b> (in working days, excluding payments to ACIs), excluding suspension periods</p>			
<p>(Source: Financial unit)</p>			
	Milestone 2017	Current Situation	Target 2020
18,6 days	18	18.6	18

### 1.1.12 Horizontal activity Administrative Support: Maintain the collection of revenue deriving from interpretation delivered to SLA clients within 65 days

<p><b>Specific objective:</b></p> <p>Maintain the collection of revenue deriving from interpretation delivered to SLA clients within 65 days</p>								
<p><b>Result indicator: Average number of days needed to reconstitute the resources invested by the Commission to provide interpretation to DG Interpretation's three main clients</b></p> <p><i>DG Interpretation invoices its external users (e.g. Council) for the interpreting services provided in meetings. This indicator measures the effectiveness of revenue collection and effective timely funding of DG Interpretation activities.</i></p> <p>(Source: Financial Unit)</p>								
<p>Baseline 2014</p>								
<p>Milestone 2017</p>								
<table border="1"> <tr> <td>Baseline 2014</td><td>Milestone 2017</td><td>Current Situation</td><td>Target 2020</td></tr> <tr> <td>69 days</td><td>≤ 65</td><td>69</td><td>&lt; 65</td></tr> </table>	Baseline 2014	Milestone 2017	Current Situation	Target 2020	69 days	≤ 65	69	< 65
Baseline 2014	Milestone 2017	Current Situation	Target 2020					
69 days	≤ 65	69	< 65					

### 1.1.13 Horizontal activity Administrative Support: Implement the anti-fraud strategy

Specific objective:			
Implementation of the anti-fraud strategy			
<b>Result Indicator: % of new staff following an ethics course</b> <i>Misuse or leakage of sensitive information handled by interpreters in meetings has been identified as the key risk in the DG. In order to prevent such an event, the DG will be stepping up its ethics training programme, targeting both officials and ACIs.</i> (SCICView)			
Baseline 2014	Milestone 2017	Current Situation	Target 2020
11%	100%	11%	100%
Main outputs in 2014			
Description	Indicator	Current situation	Target
Newcomers are invited to follow the ethics training organised by DG HR by personalised emails and by recommending the training in its own Welcoming Sessions organised for new staff	% of new staff (excluding former ATs and other employment relations) who have followed ethics training	11%	100%
Ex post controls on 2 grants, one of them still being processed and likely to result in partial recovery of the grant	na	na	na
Reflections started on updated guidance on ethics for interpreters	na	na	na
A guidance has been developed and published on the intranet about fraud related issues	na	na	na

## 1.2 Example of EU-added value and results/impacts of projects or programme financed

Not applicable

## 1.3 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).

DG Interpretation is continuously fine-tuning its internal arrangements in order to improve the efficiency and economy of its operations. The following two initiatives show how these principles are implemented in our DG:

### 1.3.1 ACI's Virtual Office

DG Interpretation has been able to create a completely electronic, integrated system which enables ACIs to view and accept contracts on-line via the system Web Calendar, right through to the payment of their salary and expenses. The automatic payment request (APR) was the last module of this system to be brought on-line during 2014.

Apart from obvious environmental issues, the introduction of the paperless processing for all payment requests produced a number of very tangible savings by reducing overheads. With the launch of the mandatory APR, DG Interpretation also aims to reduce the scope for human errors in data encoding, improve access to documentation both for payment managers and audit services and make the payment process more transparent and effective.

### 1.3.2 SCICLOUD

SCICLOUD consists of a wide range of digital resources on interpreter training contributing to the sharing of good practices among DG Interpretation partners (Universities, Training Institutions and International Organisations) and increasing the efficiency of our pedagogical activities. In this context, several important projects were realized in 2014:

- The 'Speech Repository' was renewed and expanded (Speech Repository 2.0 was born in October 2014) and is now freely accessible to students throughout the

world via the internet. It is an open platform that allows full public access to a bank of streamed speeches, including recordings of excerpts of conferences or other public meetings, and training speeches made by interpreters from the European institutions.

- **SCICtrain** was also launched (March 2014). It is a brand new collection of video modules which cover a wide array of interpretation techniques, tools and resources through demonstrations, personal tips, and brief 'lectures' from our experienced professional interpreters and trainers.
- **Virtual Classes**: our experienced interpretation trainers guide and assess students remotely via video conferencing. In 2014 the possibility of using this tool was offered to all the Universities that cooperate regularly with DG Interpretation.
- **Podcast**: European Commission interpreter podcasts address different issues in interpreting, some technical, some more philosophical. Our professionals talk about their experience and their work in international conferences."

## 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.

The results are documented and reported to the Director-General. The reports produced in DG Interpretation for the purpose of providing assurance during 2014 were:

- the report of the Internal Control Coordinator, including the results of internal control monitoring at the DG level;
- the reports of the ex-post controls;
- the opinion of the Internal Audit Capacity (IAC);

In 2014, there were no audits performed by the Internal Audit Service (IAS) or the ECA.

**This section reports the control results and other relevant elements that support managements' assurance on the achievement of the internal control objectives<sup>2</sup>. It is structured in three separate sections:**

- (1) the DG'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 the DG has entrusted budget implementation tasks; and**
- (3) the assessment of the results of internal and external audits, including the implementation of audit recommendations.**

DG Interpretation operates under administrative expenditure (*Heading 5*) implemented under centralised direct management. A significant share of its operating budget comes from revenues collected from external clients (58.6% in 2014).

### 2.1 Management of human and financial resources by DG Interpretation

**This section reports and assesses the elements identified by management that**

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<sup>2</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).

**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.**

### **2.1.1 Meeting and Interpretation Management (Administrative, Procurement & Grant Management Expenditure)**

In order to support the core business of the DG (Meeting and Interpretation Management), DG Interpretation manages a budget of 66.36 M€ under direct management mode.

Individual Internal Control Templates have been attached in Annex 5 which demonstrates how the control system in place in the DG addresses the risks related to each type of expenditure.

The intrinsic risks associated with the Administration, Procurement and Grant Management expenditure managed by DG Interpretation are considered relatively low due to the following reasons:

- The main part of the budget (52.1 M€, 78.5%)<sup>3</sup> is related to the payment of non-permanent interpreters' (ACIs') remuneration, including their wages, health insurance and pension contributions, travel expenses and daily allowances. The management of these expenditures relies on a fully automated procedure and the vast majority of ACIs are recruited in Brussels, thus without any travel allowances.
- The amount related to procurement and grant management is rather limited (8.9 M€, 13.7% of the budget). It includes expenditures linked to IT, technical services, interpreters' education and continuous training as well as conferences organised under co-delegated procedure.

#### **Direct Administration Expenditure**

The main expenditure in DG Interpretation is linked to the payment of non-permanent interpreting staff (Conference Interpreting Agents (ACIs)). ACIs are employed when needed by the DG on a contract basis in order to ensure we can meet demand for interpretation and achieve our mission and strategic objectives. The payments to ACI are, for the most, a fully automated and repetitive procedure, with all relevant data managed through a single, integrated information system (*Management of Interpretation and Meetings (MIM)*) which ensures a high level of data integrity.

Within this activity, the payment of some allowances and reimbursement of transport

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<sup>3</sup> This amount corresponds to DG Interpretation expenses supported by the Commission's budget and does not include the payments made by the DG Interpretation ACIs payment office to ACIs recruited by the European Parliament and the Court of Justice. However, as these payments are subject to the exact same internal control system as DG Interpretation's ACI contracts, the conclusions of this section are applicable to these payments as well.

and accommodation costs of the ACIs when on mission is an area where fraud and/or errors could occur with smaller, one-off payments. However, it should be noted that access to prepaid travel tickets, implementation of APR and various automated checks considerably circumvent the risk of error.

Where travel allowances and *per diem* are paid to ACIs, 100% of all non-local requests are controlled whereas local requests are subject to random control before payment. They are also subject to random ex post controls, where the average error rate found is continuously far under materiality.

Within administrative expenditure, the professional training for interpreters (both officials and ACIs) is included. Professional training for staff interpreters and ACIs must ensure that the requests for language training reflects the needs of the DG so that staff are trained to replace staff who are retiring and who often have extensive language combinations so that we are able to continue to satisfy customers' requests. The consultations across the different Directorates within DG Interpretation ensure the control indicators are met and language training is targeted to the needs of the DG.

In 2014, DG Interpretation managed **52.1 M €** related to interpretation expenditure under direct centralised mode, out of which 17.3M (33.2%) from budget appropriations and 34.7M (66.8%) from assigned revenues (*see the following section for a detailed reporting on revenues*).

### **Grant Management**

DG Interpretation provides grants and bursaries to Universities offering Conference Interpretation qualifications and to students studying these courses. The expected benefit of these actions is to ensure the continued recruitment of well-trained interpreters either as officials or as ACIs. Without this support, these courses may no longer be taught in some Member States, putting at risk the possibility of recruiting interpreters in the near future.

In 2014, DG Interpretation managed **0.8 M €** in grant expenditure.

### **Procurement (including co-delegated conference organisation)**

In 2014, the amount of procurement directly managed by DG Interpretation was **8.1M €**.

In DG Interpretation, procurements follow the same procedure but can be classified into two categories:

- “Standard” procurement procedure. It is used mainly for the supply of IT related services and equipment, technical services and equipment for interpretation and audio-visual services provided by the DG and amounted to 6.6M.
- Procurement procedures undertaken as part of conference organisation under **co-delegation from other DGs**. In 2014 DG Interpretation was entrusted with the financial management of 14 co-delegated events which were completed to a high standard, reflected in the satisfaction indicator in Part I of the AAR. The related expenditure amounted in 2014 to 1.5M.

Although all procurement procedures are subject to the same internal control system, procedures under co-delegated management are subject to consultation of the DG for which the conference is organised.

### Control effectiveness as regards legality and regularity

DG Interpretation 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 transactions concerned.

DG Interpretation must ensure compliance with the provisions defined in *The Agreement on Working Conditions and the Pecuniary Regime for Conference Interpreting Agents (ACIs) Recruited by the Institutions of the European Union*, which defines their payments and entitlements. These provisions have been built into the DG's applications and business processes and procedures to ensure compliance.

The **financial circuits** are based on two models:

- The *legal commitments* related to the recruitment of ACIs are entirely managed within unit C2, the Planning and Programming Unit within the DG. All *payments* related to ACIs are centralised within unit C4, where a number of processes have been implemented in order to prevent fraud and false cost claims.
- For *other commitments*, the financial circuit follows a decentralised model with counterweight, where the operational initiation and verification functions are executed within the operational unit, the financial initiation and financial verification on each commitment is performed by the Finance unit (S2) and the authorisation of the commitment, by the operational Head of unit or Director.
- For *payments and recovery orders (except those related to ACIs)*, the selected model is centralised. The operational unit confirms that goods and services were delivered, while Unit S2 authorises the subsequent payments, and recovery orders are authorised by the Resources director.

As far as ACIs payments are concerned, ex-post controls are carried out by the financial unit to assess the regularity and legality of transactions. The sample of financial transactions tested is selected through a process combining random selection, risk-based selection and representativeness of the whole transactions tested. The ex-post control carried out in 2014 did not reveal fraud indicators pointing towards a suspicion of fraud, neither those performed by the European Parliament on their contracts<sup>4</sup>.

In terms of **Grant Management**, ex-ante controls ensure that only universities and students offering or starting courses for languages where there is an identified need, receive funding from the DG. The list of current language profiles is provided for potential candidates and universities on the Interpreting for Europe pages. Ad hoc ex

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<sup>4</sup> DG INTERPRETATION provides ACIs-related services on behalf of the 3 Institutions that employ interpreters (Commission, Parliament and Court of Justice)

post controls were also carried out on some grants.

The risks identified in the Internal Control Templates related to **public procurement** are effectively mitigated through ex-ante verifications covering 100% of the transactions. In addition, all procedures regarding procurement are documented and 100% of the tender documents of procedures above 60,000€ are reviewed by the Financial Unit and approved by the responsible AOSD before they are published. Tenders are evaluated by evaluation committees as foreseen by the FR and the absence of conflicts of interest of the evaluators is ensured.

#### Summary of materiality criteria

As regards the legality and regularity of the underlying transactions, the objective is to ensure that the estimated annual risk of errors in commitments and payments at the time of the authorisation of the transactions is less than 2%.

#### **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.

DG Interpretation quantifies the costs of the resources and inputs required for carrying out the controls described in annex 5 and estimates, is so far as possible, their benefits in terms of the amount of errors and irregularities prevented, detected and corrected by these controls.

The DG's cost assessment is comprehensive and includes all elements involved. This means covering as much as possible all costs, including direct, indirect costs and overhead costs. Therefore, in estimating the cost of control, we have included not only direct costs (such as the cost of the Commission staff carrying out the controls throughout the different stages associated with the management of the given spending scheme), but also the indirect costs (such as the proportion of the costs of a central IT unit which develops and maintains an application specifically supporting the audit process) and overhead costs (such as a reasonable portion of the general costs of managing the staff in charge of the audit process).

The DG has created an overall indicator of the cost of control for all areas under direct management mode. The overall indicator relates to all control costs incurred in all the stages of the corresponding internal control strategy templates. This information is shown in the table below:

Direct Administration Mode				
Budget	Direct Costs	Indirect/Overhead Costs	Total Cost of Controls	Cost of Control Indicator (%)
60,234,668.00	4,863,000.00	976,272.00	5,839,272.00	9.69%

**Overall, during the reporting year and considering the low average value of managed**

**transactions, the controls carried out by DG Interpretation for the management of the budget appropriations were cost effective, as the estimated cost of controls linked with this activity is 9.69%.**

With regard to the **recruitment of ACIs**, in 2014 there has been an increased focus on the medium and short-term requirements to ensure that DG Interpretation is better able to match more closely real demand and recruitment needs. The stand-by rate is a Key Performance Indicator and the fact that DG Interpretation did not meet the target has been extensively reported on in Section 1 of the AAR. In order to improve the efficiency and effectiveness of the DG with regard to the management of its interpretation staff, a number of measures have been introduced which are fully explained in Section 1, but include a weekly monitoring of the standby statistics was introduced in 2014 to reinforce achievement of the relevant key objectives.

With regard to the **payment of ACIs**, the control objective is to ensure that the measured error rate does not exceed 2% annually (see *Annexe 5*). Standard ex-ante and ex-post controls are carried out according to the Financial Regulations (art. 66), on the basis of a random sampling for the local contracts (lowest risk level) and an exhaustive control for non-local contracts (i.e. ACIs hired from outside Brussels). The DG has reported an error rate of 0.02% detected by ex-post controls. Although minor complaints were recorded in the payment of expenses during the ACI test procedure, no corrections in payments were necessary.

**5 exceptions (2 exceptions and 3 non-compliance events) were reported in 2014** linked to this activity: 3 were linked to training requests where administration had been late or lacking; 2 were requests for additional financial commitments to finalise the reimbursement of ACI candidates who participated in inter-institutional accreditation tests and the second was a request for a supplementary commitment to cover ACI contracts which could not be correctly estimated at the time of validating contracts. In all cases, measures have been taken to ensure procedures are clear and, where possible, to improve capacity to estimate amounts required for expenses for future years based on previous experience.

For **Grant Management**, as reported in Section 1 of the AAR, the DG has exceeded the target set of 80% for both recruited staff and ACIs who have benefitted from DG Interpretation supported training courses.

No complaints or exceptions were reported linked with this activity in 2014.

Given the very limited volume of grants, no error rate is calculated.

For **public procurement**, 5 exceptions (2 exceptions and 3 non-compliance events) were reported in 2014 linked to this activity. The nature of the exceptions is almost exclusively linked to dealing with emergencies where it was impossible to meet the deadlines required for committing the necessary funds for a particular action, resulting in a-posteriori commitment. This is inevitable to satisfy demands to keep the level of service expect by users. Where necessary, measures were taken to improve the procedures or remind suppliers of the rules that must be applied and the procedures to be followed.

No negative opinions were given by the FVA. No other types of incidents have been

reported. The procedures in place are reviewed at least on a yearly basis in the light of previous experience.

No error rate and no residual error rate are calculated.

**In conclusion, the analysis of the available control results, the assessment of the weaknesses identified and that of their relative impact on legality regularity has not unveiled any significant weakness which could have a material impact as regards the legality and regularity of the financial operations and it is possible to conclude that the control objective as regards legality and regularity has been achieved.**

In addition, there are a number of non-quantifiable benefits resulting from the controls operated during the control stages of each of the three areas e.g. the modulated ACI recruitment to reduce staff stand-by on days of lesser activity helping to ensure recruitment and costs are reduced. Furthermore, DG Interpretation considers that the necessity of these controls is undeniable, as the totality of the appropriations would be at risk in case they would not be in place.

## 2.1.2 Non-Expenditure Item – Revenue Collection

In 2014, DG Interpretation banked 84M € in revenues charged to its fee-paying clients. 48.5M were transferred to the PMO as reimbursement of the salary of staff interpreters when they are assigned to meeting requested by these users. 38.9M were consumed by DG Interpretation (see previous section on expenditures related to administration, grant and procurement). Finally, 27.2M were carried over from 2013 and 23.9M were carried forward to the 2015 budget exercise.

The DG has set up internal control processes aimed to ensure the adequate management of the risks relating to the legality and regularity of the revenue collection process.

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

DG Interpretation has set up a uniform and automatic compensation mechanism with a unique compensation rate, the “i-slot”. The i-slot corresponds to the average cost of a half day of an interpreter, making the compensation system transparent for our fee-paying users. With most users, DG Interpretation has concluded Service Level Agreements (in particular where there is a significant volume or frequency of the use of interpretation. The fee paying users have an access to a portal with all information related to their meeting requests and subsequent compensation calculation. Transparency and automation of the system allows for an effective and timely collection of the payments for the provision of interpretation services. .

### Control effectiveness as regards legality and regularity

Revenue collection is performed in accordance with the Financial Regulation (Chapter 5, Recovery Operations) and the Commission's internal rules. They are subject to prior verification and accounting controls.

Information from meetings to be compensated are provided by “MIM”, the integrated  
SCIC\_aar\_2014

information system (*Management of Interpretation and Meetings*). Compensation process is largely automated, reducing the risk of error.

### **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.

**In 2014, 58.6% of DG Interpretation's overall budget was accrued by revenues collected from external clients (38.9M out of 66.4M).**

The DG's cost assessment is comprehensive and includes all elements involved. This means covering as much as possible all costs, including direct, indirect costs and overhead costs. Therefore, in estimating the cost of control, we have included not only direct costs (such as the cost of the Commission staff carrying out the controls throughout the different stages associated with the management of the given spending scheme), but also the indirect costs (such as the proportion of the costs of a central IT unit which develops and maintains an application specifically supporting the audit process) and overhead costs (such as a reasonable portion of the general costs of managing the staff in charge of the audit process).

The DG has created an overall indicator of the cost of control for all areas under direct management mode. The overall indicator relates to all control costs incurred in all the stages of the corresponding internal control strategy templates. This information is shown in the table below:

Revenue Collection				
Budget	Direct Costs	Indirect/Overhead Costs	Total Cost of Controls	Cost of Control Indicator (as a % of revenue collected)
83,218,988.09	250,800	56,760	307,560	0.37%

### **Control efficiency and cost effectiveness indicators**

DG Interpretation quantifies the costs of the resources and inputs required for carrying out the controls described in annex 5 and estimates, is so far as possible, their benefits in terms of the amount of errors and irregularities prevented, detected and corrected by these controls.

DG Interpretation considers that the necessity of these controls is undeniable, as the totality of the appropriations would be at risk in case they would not be in place.

## **Fraud prevention and detection**

**DG Interpretation has developed its anti-fraud strategy as foreseen in the Commission's overall anti-fraud strategy<sup>5</sup>.**

DG Interpretation sets out measures aiming at minimising the risks of fraud through its Control strategy, which foresees ex-ante controls, four eyes review principle for any financial transactions and ex-post controls on a significant part of the budget (risk-based sample + at random sample).

In general, considering the volume of its financial transactions related to grants and procurement, DG Interpretation has a limited exposure to fraud. The strategy is therefore mainly focused on staff and ACIs training, e.g. to prevent misuse of information, and control adjustment where a need is identified.

A set of slides aiming at raising further awareness towards fraud has been developed and published to the attention of staff and management and a number of issues to be examined have been analysed.

All services pay continuous attention to possible fraud cases or even simple errors that might suggest that there is a need to reinforce internal control further, keeping in mind cost-effectiveness of controls.

For instance, lessons gained during an ex post control of two grants have led to an improved control strategy for all similar transactions, resulting in a further reduced risk of fraud.

No fraud cases have been reported by DG Interpretation to OLAF in 2014.

## **Other control objectives: use of resources for their intended purpose, reliability of reporting, safeguarding of assets and information**

### **Sensitive and personal data**

DG Interpretation acts as the EPSO, PMO and HR for the ACIs and thus holds the personal data needed for their recruitment and payment. These data are managed through an integrated information system which ensures a high level of "CIA" (Confidentiality, Integrity, Availability): in particular, the database holding the data is mirrored and a need-to-know policy is enforced. The DG's key personal data processing activities have been notified to the DPO and are fully compliant with the existing Data Protection legislation.

### **Safeguarding of Assets**

The DG is responsible for the audio-visual equipment for a number of meeting rooms in the Commission. This equipment is often highly specialised and may not be readily

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<sup>5</sup> COM(2011) 376 24.06.2011.

available on the market. To ensure meeting rooms are continually available and disruption caused due to the replacement of equipment or refurbishment of rooms kept to a minimum, DG Interpretation is obliged to keep a stock of equipment in a central inventory.

However, the policy of the standardisation of the DG's audio-visual equipment means that all purchased equipment, once delivered, can operate in any meeting room. This has bought significant savings in the delay between the receipt of the goods and the final installation and the reduction of the amount of equipment held in the inventory. The DG tracks equipment on a yearly basis.

## **2.2 Budget implementation tasks entrusted to other DGs and entities.**

*Not applicable*

## **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.**

The DG is audited by both internal and external independent auditors: its internal audit capability (IAC), the Commission internal audit service (IAS) and the European Court of Auditors (ECA).

During the period of reference, the IAC finalised 2 audit assignments in addition to the continuous follow-up of previous recommendations, in accordance with its multiannual audit planning, which covers the DG management processes, on a risk basis, over a period of five years.

Consequently, the IAC expressed the opinion that the internal control system in place provided reasonable assurance regarding the achievement of the business objectives set up for the processes audited except for two "very important" qualifications related to the audit "The operational audit on the professional support provided to the interpreters".

Of the two very important qualifications, one recommendation linked to the traceability and the "need to know" principle of the documentation system MeData, has already been implemented in December 2014 and is closed.

Management has accepted all the auditors' recommendations and submitted action plans which have been assessed favourably by the auditors. The various management measures included in these action plans have been or are being implemented as foreseen.

As regards the implementation of recommendations in previous years, the relevant

actions plans are being implemented as planned and are on schedule. With regard to the outstanding "very important" recommendations, the actions are as follows:

- In the case of the clearly defined mandate for the provision of services related to the technical support provided to meetings and conferences, there are ongoing discussions at the level of Director General in the Commission on this issue. The new Commission and subsequent changes in priority, possible reorganisations have meant that this issue has been delayed but is expected to continue in 2015.
- With regard to key management tools (objective setting, performance indicators, etc.), the DG benefits from a robust business intelligence system (*SCICview*). All objectives and indicators are included in this system however, some "domains", such as meetings, raise more difficulties. Work will continue during 2015 on this aspect.

Consequently, the current state-of-play does not lead to assurance-related concerns.

During 2014, 2 recommendations were closed – 1 related to the year-end audit and the other mentioned above. One recommendation is overdue and 2 are partially overdue; both are related to the audit of the technical support. At the issuance date of the opinion of the IAC, 16 recommendations are still to be implemented, of which 5 are related to the audit of the technical support provided to meetings and conferences, 10 to the audit of the professional support to the interpreters and one to the year-end audit 2013.

The Court of Auditors verifications performed on DG Interpretation administrative expenditures within the framework of the DAS 2014 did not reveal any issues brought to the attention of the IAC.

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

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. In addition, as regards financial management, compliance with these standards is a compulsory requirement.

DG Interpretation has put in place the organisational structure and the internal control system 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.

DG Interpretation annually assess the effectiveness of its key internal control system, including the processes carried out by implementing bodies in accordance with the applicable Commission guidance. The assessment relies on a number of monitoring measures and sources of information including:

- the reporting from the relevant services on the **priority standards** for 2014;
- the **Management Self-Assessment survey** organised in October 2014 using the i-CAT tool specifically developed for this purpose;
- the **mid-term Risk Assessment** exercise;
- the **internal audit findings and recommendations** related to the compliance with the ICS;
- the analysis of the **exception reporting** within the DG
- and an analysis of the **Risk Register** of the DG.

In its management plan for the reporting year, DG Interpretation had foreseen a number of measures to improve the effective implementation of ICS 5 (Objectives and Performance Indicators) ICS 8 (Processes and Procedures) and ICS 12 (Internal Communication).

In the context of the *performance measurement* (ICS 5) implemented throughout the SPP cycle, the DG benefits from a robust business intelligence system (*SCICview*). The main achievements in 2014 were:

- The release of a 1<sup>st</sup> newsletter to all staff covering all objectives and indicators of the management plan;
- The completion of new “domains” in SCICview (training, ACIs).

The key objective should remain to close the SCICview project and to move to operation mode. However, some “domains”, such as meetings, raise more difficulties.

By the end of the reporting year, these measures are still being implemented and full implementation is expected by the end of 2015.

In the external environment in which DG Interpretation operates, one of the main uncertainties it faces is the unpredictability of demand stemming from its main clients. Whilst these events cannot be controlled by the DG, the mitigating actions put in place allow management to be made aware, in a timely fashion, of the extent to which the DG is moving towards the achievement of its mission and strategic objectives. Demand for interpretation is under constant monitoring and has led, for example, to a modified policy in the recruitment of ACIs over the long, medium and short-term.

This aspect of risk was also identified in the DG's anti-fraud strategy and a number of actions were taken to make staff aware of fraud definition and how to tackle it. As DG Interpretation is not a large paying DG, it was extended to other ethical aspects more specific to DG Interpretation operations, such as staff responsibilities and obligations with regard to the information to which they have access. These actions will continue in 2015 with the updating of the DG's ethics guide for interpreters, which will be a guide both for staff and ACI interpreters and a continuous emphasis to the attendance of ethics training. The relevant ICS – 2 Ethical and Organisational Values - has been prioritised for 2015.

### **Exceptions reporting**

There were a total of 17 recorded events in the exceptions registry – 12 fewer than in 2013 (6 exceptions and 11 non-compliance events), worth a total of €826,696.21 (or 1.2% of DG Interpretation's overall budget).

The reporting and registration of all exceptions and non-compliance events were recorded in ARES using the correct templates.

The underlying causes behind these exceptions have been analysed and corrective and alternative mitigating controls have been implemented when necessary. These are properly addressing the risks resulting from the events reported in the exceptions registry.

The analysis of the exceptions registry shows that the control overrides do not negatively affect the internal control system. There is no particular category impacted by exceptions which might indicate a systemic weakness. The nature of the exceptions is almost exclusively linked to dealing with emergencies where it was impossible to meet the deadlines required for committing the necessary funds for a particular action, resulting in a-posteriori commitment. This is inevitable to satisfy demands to keep the level of service expected by users, for instance in the conference organisation activities.

### **Overall state of the internal control system**

The DG complies with the three assessment criteria for effectiveness: (a) staff having the required knowledge and skills, (b) systems and procedures designed and implemented to manage the key risks effectively, and (c) no instances of ineffective controls that have exposed the DG to its key risks.

Further enhancing the effectiveness of the DG's control arrangements in place, by inter alia taking into account any control weaknesses reported and exceptions recorded, is an on-going effort in line with the principle of continuous improvement of management

procedures.

In conclusion, the internal control standards are effectively implemented and no systemic weaknesses have been detected.

## 4. MANAGEMENT ASSURANCE

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

### 4.1 Review of the elements supporting assurance

The information reported in Parts 2 and 3 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director-General of DG Interpretation.

### 4.2 Overall conclusion on assurance

In view of the control results and all other relevant information available, the AOD's best estimation of the risks relating to the legality and regularity for the expenditure authorised during the reporting year is between 0% and 2%, which implies an amount at risk of below EUR 1,3 million.

The internal control strategy foresees the implementation of further controls during subsequent years aimed to detect and correct these errors. It is not possible to identify the specific errors and amounts which will be effectively corrected in the coming years, yet the implementation of these corrective controls since 2009 have resulted on average in financial corrections representing 0.02% of the average payments over the same period. This provides the best available indication of the corrective capacity of the ex-post controls systems implemented by the DG.

Taking into account the conclusions of the review of the elements supporting assurance and the expected corrective capacity of the controls to be implemented in subsequent years, it is possible to conclude that the internal controls systems implemented by DG Interpretation provide sufficient assurance to adequately manage the risks relating to the legality and regularity of the underlying transactions.

Furthermore, it is also possible to conclude that the internal control systems provide sufficient assurance with regards to the achievement of the other internal control objectives.

## DECLARATION OF ASSURANCE

*I, the undersigned,*

*Acting Director-General of DG Interpretation*

*In my capacity as authorising officer by delegation Declare that the information contained in this report gives a true and fair view.*

*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 and the work of the internal audit capability, 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 25<sup>th</sup>, 2015

Carlos ALEGRIA

## ANNEXES

### ANNEX 1: Statement of the Resources Director

*DG SCIC's Resources Director is the acting director general who has signed the declaration of assurance.*

**ANNEX 2: Human and Financial resources**

<b>Human Resources by ABB activity</b>				
<b>Code ABB Activity</b>	<b>ABB Activity</b>	<b>Establishment Plan posts</b>	<b>External Personnel</b>	<b>Total</b>
31 01 07	Interpreting and linked activities	652	23	675
31 AWBL-01	Administrative support for the Directorate-General for interpretation	48	11	59
31 AWBL-03	Support and assistance to conferences, events and meetings	59	28	87
31 AWBL-05	Policy strategy and coordination for the Directorate-General for interpretation	24	3	27
<b>Total</b>		783	65	848

**Personnel externe - Exécution SIRE - Env Globale 2014**

	<b>Total consommable Q + HQ</b>	<b>Total consommé Q + HQ</b>	<b>Pourcentage d'exécution</b>
<b>DG INTERPRETATION</b>	2.305.402,52	2.246.533,92	97,45%

**General remark:** the above data rely on the snapshot of Commission personnel actually employed in each DG/ service as of 31 December of the reporting year. These data do not necessarily constitute full-time-equivalents throughout the year.

## ANNEX 3: Draft annual accounts and financial reports



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2015.pdf

## **ANNEX 4: Materiality criteria**

The threshold of 2 % was taken as reference for determining materiality for the following reasons:

### **Quantitative criteria**

- 78.5% of the 2014 commitments appropriations were related to interpretation activities, most of which being processed through automated procedures (payments of ACI contracts);
- For payments of ACI contracts, the error rate as reported by ex-post controls was 0.02%;
- The reimbursement of ACIs' sickness and accident insurance claims is the responsibility of an external insurance company, thereby transferring the risk.
- Procurement and grant management account for a limited budget where standard ex-ante controls are implemented in order to ensure the necessary control environment is in place and all errors are fully reported. Additional ex-post controls are performed on the spot on grants, based on a risk analysis.

### **Qualitative criteria**

- No significant control system weakness or critical issue has been identified by the AOSDs or the IAC. In particular, the errors detected are not repetitive and corrective actions are taken without delay, in particular regarding ACIs remuneration. Mitigating controls are in place, in particular a single information system (with a single database) ensuring a high level of data integrity;
- DG INTERPRETATION management and reporting tool (SCICview) provides adequate information to management regarding the operations, the collected revenues and the use of resources;
- The reputational risk identified in the risk assessment exercise (i.e. related to the ageing of the Commission Conference Center-CCAB) has not yet materialised in a reputational event.

## ANNEX 5: Internal Control Template(s) for budget implementation (ICTs)

### Execution of the central budget (100% administrative expenditure)

#### Process 1: Payment of ACI contracts

Main control objectives: Fraud and error prevention (as in the PMO, the calculation of ACI remuneration is a fully automated procedure and the main risk of fraud is linked to the reimbursement of travel and subsistence expenses, where the majority of controls are concentrated); compliance (legality and regularity), effectiveness, efficiency and economy.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The recruitment or planning offices of the Institutions introduce the wrong information about the ACI contract into the DG Interpretation internal payment system.</p> <p>An ACI contract is modified after the "conforme aux faits" was sent and the contract paid.</p>	In DG Interpretation, the system which allows the booking of meetings, allocation of interpreters, monitoring of meeting attendance, recruitment and payment of ACI is fully integrated and therefore it is not possible to create fictitious entries at different levels.	<p><b>Coverage:</b> For DG Interpretation, all interpreter bookings are entered into the Meetings and Interpretation Management system which is a single database for the whole of the DG.</p> <p>For the other Institutions, all information related to contracts is covered as of the moment they are injected in DG Interpretation database.</p>	<p><b>Costs:</b> The residual risk of fraud or error once the existing control has been implemented is extremely minimal and therefore there is no further cost assigned to this risk.</p> <p><b>Benefits:</b> Fraud prevention; error detection and correction, compliance and effectiveness and efficiency.</p>	Additional controls were performed as soon as a problem was flagged.

Due to the unpredictability of demand, the DG may have recruited too many ACIs in the long or medium term exercise.	Constant monitoring of demand and review of procedures regarding the long, medium and short-term recruitment exercises.	<p>Meeting the demand for interpretation, whilst ensuring stand-by rates are kept within the targets in the MP are key objectives for DG Interpretation to achieve its mission.</p> <p>Therefore, the monitoring of demand is an ongoing task for the management within the Unit and Directorate</p>	<p><b>Costs:</b> Estimation of staff involved</p> <p><b>Benefits:</b> Improved Efficiency and effectiveness. Cost control</p>	Efficiency: Standby rate
DG Interpretation performs the role of inter-institutional payment office for ACI.  Due to differing procedures between the Institutions, there is a risk of error when handling payment requests.	Payment officers are grouped by Institution and therefore understand the payment rules linked to their specific recruiting institution.	<p><b>Coverage:</b> 100% of all payment requests are filtered in this way.</p>	<p><b>Costs:</b> None, this was a one-off exercise</p> <p><b>Benefits:</b> Efficiency – payments for one officer will follow the same rules.</p>	<b>Efficiency:</b> decrease in % of errors (in value) in ACI payments detected by ex post control.
ACI presents a forged supporting document in order to claim higher or non-existent expenses.	<p>Payment officers are trained to spot possible forged documents. Online access to the ticket booking system Amadeus can be used to confirm the authenticity of the airline ticket presented by the ACI.</p> <p>Access to travel tickets prepaid by the Institutions further reduce the possibility to forge supporting documents.</p>	<p><b>Coverage:</b> 100% of non-local contracts.</p> <p><b>Depth:</b> Training and further guidance is given to ensure controls are sufficient and up to date.</p>	<p><b>Costs :</b> Estimation of cost of staff involved</p> <p><b>Benefits:</b> Fraud prevention; error detection, compliance, effectiveness and efficiency.</p>	<b>Efficiency:</b> number of forged documents detected by payment officers
The amount paid is incorrect or paid to the wrong ACI.	<p>Payment officers have access to statistical data and reference tables to verify respect of the various ceilings.</p> <p>The paid amount per each category of expenses is determined by the</p>	<p><b>Coverage / Frequency:</b> 100% of non-local contracts.</p> <p>Ex-ante checks by the verifying officer</p> <p>Random sampling of approx. 1,2% of payments (in value) via ex-post control.</p>	<p><b>Costs:</b> Estimation of cost of staff involved</p> <p><b>Benefits:</b> Prevention of fraud, correction of errors, compliance issues.</p>	<b>Efficiency:</b> % of errors (in value) in ACI payments detected by ex post control reports.

	<p>initiating agent according to a clear procedure and set of rules.</p> <p>The flat rate character of allowances paid reduces the risk of error.</p> <p>Risk to pay to the wrong ACI is limited via the general Commission methodology to pay only to validated binomes LEF-BAF, univocally associated to each ACI on the database.</p> <p>Each payment is checked by the verifying agent and subject to an independent ex-post control on a sampling basis.</p>		
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## Process 2: Professional Training for Interpreters (Officials and ACIs):

Main control objectives: Prevention of fraud, Compliance (legality and regularity), Effectiveness, efficiency and economy

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The decision for language training priorities does not sufficiently reflect the needs of the DG at the time of the language addition due to unpredictable structural/cyclical valuations in demand and the length of the language acquisition.	<p><u>For officials:</u> Unit C3 defines language training priorities in consultations with Directorate A and unit C2 on the basis of objective criteria such as needs of new officials, existing offer of languages by staff and ACIs and training in universities and loss of passive languages due to retirement.</p> <p><u>For ACIs:</u> a selection committee decides which applications to</p>	Due to extensive consultation, complete coverage and depth once a year.	<p><b>Costs:</b> Estimation of cost of staff involved</p> <p><b>Benefits:</b> Compliance (legality and regularity), efficiency</p>	<p><u>For officials:</u> Average number of passive languages by interpreter</p> <p><u>For ACIs:</u> number of languages added by ACIs after a language stay with the support of DG Interpretation</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
	accept on the basis of the HoU's recommendations and programming needs.			
An interpreter follows a full training cycle without adding the language in the end.	Monitoring of language training process	<b>Coverage:</b> limited sample	<b>Cost:</b> Estimation of cost of staff involved	
Lack of or insufficient supporting documents, absence of legal and/or budgetary commitment for the reimbursement of expenses	Standard ex-ante control procedure with operational initiation and verification in Unit C3 and the financial initiation and verification in Unit S2	<b>Coverage:</b> 100% of all files controlled	<b>Cost:</b> Estimation of cost of staff involved  <b>Benefit:</b> Fraud prevention, compliance	Number of exceptions

### Process 3: Organisation of inter-institutional accreditation tests for ACI:

Main control objectives: Prevention of fraud; Compliance (legality and regularity); Effectiveness, efficiency and economy.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The amount of expenses reimbursed is incorrect.	<p>The reimbursable amount per each category of expenses is calculated by the initiating agent according to the clear procedure and help of the checklist.</p> <p>The ceilings for the reimbursement of travel expenses and flat rate character of allowances paid, to cover subsistence expenses, reduce the risk of error.</p>	<p><b>Coverage / Frequency:</b> 100% of payment requests received.</p> <p><b>Depth:</b> Standard checklists ensure all steps and controls are followed.</p>	<p><b>Costs:</b> Estimation of cost of staff involved</p> <p><b>Benefits:</b> Control against possible fraud, error detection, compliance issues.</p>	<p><b>Fraud prevention/ compliance issues:</b> number of non-eligible claims refused.</p> <p>Number of complaints linked to incorrect payment of expenses</p>

## Grant Management:

*The management of both grants and bursaries from Universities and students studying conference interpretation.*

### Stage 1: Programming, evaluation and selection of proposals

**Main control objectives:** Ensuring that the Commission selects the proposals that contribute the most towards the achievement of the policy or programme objectives (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
Shortfall of key staff in language units	<p>The continuation of the "Relève" project to ensure succession planning in those language booths which have been identified where additional recruitment drives are necessary and give assistance to capacity building.</p> <p>The current and future demand means that recruitment campaigns should be undertaken exclusively for languages with foreseeable shortfalls.</p>	<p>Recruitment targets are set by language booth recruitment needs</p> <p>Grants and bursaries are given to Universities and students who are offering courses or studying those languages with foreseeable shortfalls in the short and medium term.</p>	<p><u>Costs:</u> Estimation of staff involved in the process</p> <p><u>Benefits:</u> The DG will be able to continue to recruit interpreters and ACIs in order to fulfil its mission</p>	<p>80% of staff recruited per year having graduated from DG Interpretation supported training courses</p> <p>80% of new ACIs accredited having graduated from DG Interpretation supported training courses</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and the essential eligibility, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.	Assessment is done by staff (programme officer) and by an inter-institutional evaluation committee. When evaluating the applications, the Committee members use an evaluation grid which implements the eligibility and award criteria as published in the call for proposals.	100% of proposals from Universities and students are evaluated in a two-step process, starting with a first screening of each project/ student, complemented with more detailed information which is requested before the final meeting of the Evaluation Committee.	<u>Costs</u> : Estimation of cost of staff involved in the complete process  <u>Benefits</u> : Ensure that procedures are correctly followed and applied at all stages of the process leading to fewer complaints.	Number of complaints compared to the number of applications:

## Stage 2: Grant Management – Ex post controls:

**Main control objectives:** Measuring the effectiveness of ex-ante controls by ex-post controls; addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.	Ex-post control strategy: All final reports are desk reviewed by the programme officer and random checks are carried out to identify possible 'suspicious' items. Final grant payments (in most cases 50% of the awarded grant) are only made after satisfying documentation/explanation has been received. Also, during the grant period DG Interpretation obtains reports from its pedagogical assistants on the	100% of subsidised projects are subject to ex-post controls.  As 90% of the grants awarded are low value grants, on-the-spot audit missions are therefore only performed when strictly needed in order to keep a correct balance between cost and benefit of such controls.	<u>Costs</u> : Estimation of cost of staff involved in the process  <u>Benefits</u> : sound financial management, prevention of fraud.	Number of exceptions reported:

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
	implementation of the co-financed action. Possible ex-post findings are taken into consideration for improving ex-ante controls.			

# Procurement Direct

## Stage 1: Needs Analysis and Planning

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity):

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The needs are not well defined (operationally and economically). Therefore the decision to procure is inappropriate to meet the operational objectives				
Poor planning and organisation of the procurement process, including the planning of supervision and monitoring, resulting in waste of resources	AOSD supervision and approval of specifications	Meetings are conducted on a regular basis to ensure all procurement procedures are reviewed.	<b>Costs:</b> Estimation of staff involved <b>Benefits:</b> Increased efficiency and economy:	<b>Effectiveness:</b> Number of projected tenders cancelled or not awarded due to the unsatisfactory definition of the tender specifications,
Inappropriate choice of procurement procedure and calculation of threshold, resulting in non-compliance case	Provision of DG Interpretation and other framework contracts in the areas of IT, technical services and equipment and conference management.			
The best offer/s are not submitted due to the poor definition of the tender specifications				
<i>For conferences managed under co-delegated procedures only:</i> The operational needs are not well defined, as DG Interpretation is rarely in position to know well in advance which conferences will	The AOSD has written to all Resource Directors requesting a six month planning notice of the events for which DG Interpretation is likely to be asked to intervene.	Every 6 months letters will be sent to Resource Directors.	<b>Costs:</b> Estimation of staff involved <b>Benefits:</b> Better planning of the procurement processes as opposite to high demand during peak periods. More even distribution of	Replies from RDs in response to the note from the AOSD

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>be organised under the co-delegation management mechanism.</p> <p><i>For conferences managed under co-delegated procedures only:</i> This leads to a difficult planning of the whole procurement processes and an overload of work for operational and financial units.</p>			workloads for both the financial and operational units.	

## Stage 2: Preparation of the contract (Call for Tenders; Evaluation of tenders; award decision; budgetary commitment; legal commitment):

Main control objectives: Effectiveness, efficiency and economy; Compliance (legality and regularity); Fraud prevention and detection.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The most economically advantageous offer not being selected, due to a biased, inaccurate or 'unfair' evaluation process	<p>Calls for tenders above the 60.000€ threshold, collaboration between operational and financial units to ensure that (1) the technical specifications are clear and (2) evaluation and award criteria allow the best possible evaluation compared to the contract subject.</p> <p><b>Formal evaluation process:</b> Opening committee and Evaluation committee for procedures above 60.000€ with representatives of at least 2 administrative entities, complemented with representatives from other DGs as experts or services users and in case of need, external experts.</p> <p>Opening and Evaluation Committees' declaration of absence of conflict of interests</p>	<p>Specifications for calls for tenders above a 60.000€ threshold go through a formal validation process involving the finance unit and the AOSD.</p> <p><b>Evaluation process</b> 100% of the eligible offers are subject to the evaluation process.</p> <p><b>Depth:</b> all documents transmitted</p> <p>100% of the members of the opening committee and the evaluation committee</p>	<p><b>Costs:</b> Estimation of staff involved</p> <p><b>Benefits:</b> Avoid contracting With excluded economic operators – compliance with FR.</p> <p><b>Benefits:</b> % of award decisions revised after reaction of a non-selected bidder during standstill</p>	<p><b>Effectiveness:</b> Numbers of 'valid' complaints</p>
	Low value contracts: eligibility, evaluation of received offers and award decision	All low value contracts (<60000€ threshold) awarded in DG Interpretation		

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
	by the AOSD			
	Exclusion criteria documented	<p><b>Coverage:</b> Low value contracts: up to the AOSD depending on his risk analysis. Other contracts: comprehensive check</p> <p><b>Depth:</b> required documents provided are consistent</p>		
	Standstill period, opportunity for unsuccessful tenderers to put forward their concerns on the decision	100% when conditions are fulfilled		

### Stage 3: Financial Transactions & Contract Execution:

Main control objectives: Ensuring that the implementation of the contract is in compliance with the signed contract

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
(1) The products/ services/ works ordered are not, totally or partially, provided in accordance with the technical description and requirements foreseen in the contract  (2) the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions	(1) Certified correct by a formally endorsed official trained, technically competent and informed of the details of the contract and subsequent invoice.  (2) Operational and financial checks in accordance with the financial circuits, encompassing the comparison between the certified correct endorsement and the contract provisions.  ABAC security prevents from paying more than the corresponding budgetary commitment.  Financial circuits are conceived so that a payment is never authorised by the AOSD having signed the contract to ensure objectivity.	All invoices are endorsed "certified correct"  100% of the invoices are controlled against the contract, including only value-adding checks  ABAC security applies to 100% of the transactions  Subdelegations are granted so that an AOSD for commitments will never be AOSD for payments.	<b>Costs:</b> Estimation of staff involved  <b>Benefits:</b> Compliance	

## Stage 4: Management Supervision:

Main control objective: Ensuring that any weakness in the procedures (tender and financial transactions) is detected and corrected

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
An error or non-compliance with regulatory and contractual provisions, including technical specifications, or a fraud is not prevented, detected or corrected by ex-ante control, prior to payment	Review of ex post controls performed by IAC (until 2013)	100% at least once a year.  <b>Depth:</b> look for any systemic problem in the procurement procedure and in the financial transaction procedure and any weakness in the selection process of the ex post controls	<b>Costs:</b> Estimation of staff involved  <b>Benefits:</b> Amounts detected associated with fraud & error. Deterrents & systematic weaknesses corrected	Number of recording of exception or non-compliant notes Number of "Avis negatif" Number of remarks on the check-lists
	Review of exceptions Reported	100% at least once a year.  <b>Depth:</b> look for any weakness in the procedures (procurement and financial transactions)		

## Non-Expenditure Item – Revenue Collection

**Main control objectives:** Effectiveness, efficiency and economy; Compliance (legality and regularity); Sound financial management

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
(1) Actual meeting costs are not reflected in the cost of an i-slot  (2) The management of resources in a context of unpredictable demand	(1) Implementation of the "charge back guidance" results in a detailed documentation of the cost calculation methodology supported by DG BUDG. Additional assumptions are provided internally (eg level of demand) or BUDG (salary adjustments, promotion rates)  (2) the actual level of resources invested in the delivery of interpretation services is followed up via a number of indicators	100% Coverage: The forecast for the cost of the i-slot in year N is prepared in January N-1 on the basis of a number of assumptions described in the methodology. It is then reviewed in the autumn N-1 with updated assumptions. It is then reviewed in January and Autumn N as part of the preparation for budget N+1. Final cost for year N is known in January N+1 once all expenditure items are known.	Meeting the demand for interpretation, whilst ensuring stand-by rates are kept within the targets defined in the MP, are key objectives for DG Interpretation to achieve its mission.  Therefore, the monitoring of demand is an ongoing task for the management within the Unit and Directorate – making the costs impossible to identify as a single, stand-alone action.	Average daily cost of ACI contract  Standby rate
Accuracy of billing (enquiries, complaints from clients about hours/language regime billed)	Single, integrated, up to date database – MIM (Meeting and Interpretation Management) which holds the data on all bookings of meetings, interpretation, therefore enabling a complete and efficient collection of information to ensure the correct invoice is sent to clients.  Ex-ante control by S2 – verification of amount to be compensated against actual interpretation that took place and modification, where necessary, using a module of MIM, Coral.	100% of all meetings and interpretation requirements are entered into MIM.  All amounts to be compensated are sent to users under the form of an automated pre-information. They have 15 days to accept the amounts to be compensated on an interface or introduce a claim.  100% of all debit notes are controlled against pre-information before being sent to clients	<b>Costs:</b> Estimation of staff involved  <b>Benefits:</b> reduce number of questions and appeals made by clients relating to the debit notes received.  Smoother compensation process ensuring that funds are rapidly reconstituted and allow for the continuity of DG Interpretation activities	

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
Recovery (compensation) delays	<p>Introduction of SLAs introducing clear rules and guidelines on payments.</p> <p>Reporting tools to ensure respect of the compensation rules</p>	100 of recovery orders related to interpretation services	<p><b>Costs:</b> SLAs are created as and when needed with the external users of DG Interpretation. As this work is ongoing, it is not possible to isolate the control factor of these costs.</p> <p><b>Benefits:</b> ensuring the DG functions in accordance with the SLAs and sound financial management</p> <p>SLAs reduce discussions on their implementation.</p>	Average recovery delay for main external users

## **ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission**

*Not applicable*

## **ANNEX 7: EAMR of the Union Delegations**

*Not applicable*

## **ANNEX 8: Decentralised agencies**

*Not applicable*

## **ANNEX 9: Performance information included in evaluations**

*Not applicable*