



**2015**

# **Annual Activity Report**

**Office for  
Infrastructure and  
Logistics in  
Brussels**



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# INTRODUCTION:

## The Office in brief

### Mission statement

The mission of OIB<sup>1</sup> is to ensure a functional, safe and comfortable workplace for Commission staff and to provide good quality support and well-being services, based on a client-oriented approach in an environmentally friendly and cost-effective way.

The Office's main objectives are the following:

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

### Operating context

#### **Governance:**

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

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

#### **Organisational division:**

**OIB is structured around 3 departments<sup>2</sup> and other entities:**

- ✓ Real Estate (in charge of the implementation of buildings policy, building management and property projects, EMAS activities),
- ✓ Operations and Services (responsible for catering infrastructure in Brussels and Ispra, transport, mail and reproduction, logistic services, historical archives),
- ✓ Childcare facilities (responsible for nurseries, other child-care facilities and for activities at the European Inter-institutional Centre - CIE),
- ✓ Resources (horizontal activities such as human resources, communication, finances, public procurement, informatics as well as internal control) and the internal service for Prevention and Protection at Work are directly attached to the Director starting with 2016.

#### **Management mode:**

OIB has a centralized direct management mode for its financial transactions and procurement.

#### **General risk environment:**

The main inherent risks for OIB's activities relate to:

(1) the general safety of buildings, equipment and people; (2) the procurement activities (ethics, organization, contractors issues); (3) business continuity (absenteeism, staff reduction, low number of AD posts).

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

<sup>2</sup> New organizational chart entered into force as of 1 January 2016.

## The year in brief

**OIB has faced several important issues during the reporting year, which made it difficult to achieve the set objectives.**

**In particular:**

### **(1) Installations / DGs and Services' moves:**

- ✓ The challenges notably included the lack of adequate buildings to meet office space needs (as there is a limited offer of adequately large office buildings on the Brussels real-estate market), the existing regulatory limitations (the lack of a mandatory policy for flexible office arrangements) and resource constraints (as the reduction in the number of workstations was lower than initially foreseen).

### **(2) Catering concession:**

- ✓ The switch from one **catering concessioner** to three different ones, from 2014, brought changes in the way services are delivered and how OIB manages these activities. Due to negative financial results, one concessioner has demanded to sub-contract its activities. Due to social movements, certain facilities experienced minor interruptions of activity. OIB will establish measures to mitigate the risk of discontinuity of catering activities.

### **(3) Childcare facilities:**

- ✓ The increasing number of requests for childcare places represents an important challenge for OIB. The high number of requests results from a number of factors including the shortage of places on the local market, an influx of young officials over the past 10 years and possibly the recent changes to the Staff Regulations introducing longer working hours and diminishing resources. Nevertheless, significant progress was achieved in 2015.

Despite these challenges, in 2015, OIB proved its capacity to respond to ad hoc operational demands while acting in a professional and accountable manner.

## EXECUTIVE SUMMARY

The Annual Activity Report is a management report of the Director of OIB to the College of Commissioners. It is the main instrument of management accountability within the Commission and constitutes the basis on which the Commission takes its responsibility for the management of resources 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.

### Policy highlights of the year (executive summary of section 1)

- ✚ Planning and rationalisation of the allocated office space in line with staff reductions, services reorganisation needs and budget restrictions:

In the framework of the Juncker organization of Commission services, the various moves have required new office partitioning<sup>3</sup> and included adaptations of working areas and commissioners' cabinets. Some of these works are still ongoing and should be finalized in 2016. During 2015, a total of 10,630 structural moves<sup>4</sup> were executed. OIB implemented the programme of moves in a cascade in order to appropriately house the concerned DGs.

Furthermore, OIB continued to establish collaborative work spaces (open plan offices) upon requests from DGs and where appropriate. In the course of the year, +/- 420 workstations were located in newly created collaborative work spaces. Based on the average surfaces (of 14 m<sup>2</sup> for single offices and of 7 m<sup>2</sup> for collaborative offices) the space savings can be estimated at almost 3.000 m<sup>2</sup>.

- ✚ Replacement of expired leases:

Given the existing budgetary and political constraints, it was decided to no longer organize the tenders for 30,000 m<sup>2</sup> and 100,000 m<sup>2</sup>. The new strategy is to propose the prolongation of certain leases that will expire over the next few years and to favour the redevelopment of owned properties such as BU29-31-33 and BREY/BRE2. Preliminary studies have been launched for the redevelopment of the BU29-31-33, VM-2 (1<sup>st</sup> phase), BREY/BRE2 (2<sup>nd</sup> phase) and L130. At present, it is foreseen that works on the 1<sup>st</sup> phase should commence in 2019 and for the 2<sup>nd</sup> phase in 2023. Additional and new needs will be covered through calls for tenders launched on an ad-hoc basis.

- ✚ Additional space requirements for the executive agencies (27.000 m2):

A prospection notice for a building of approximately 27,000 m<sup>2</sup> published in 2014 to cover the space **requirements of the executive agencies**, has been contested at the Court of Justice by an unsuccessful bidder, which significantly delayed the finalization of the procedure. As requested by the Court, OIB recommenced negotiations with all relevant candidates. The solution of a combination of two buildings meeting the required space was approved by the Real Estate Committee in November 2015. The delivery of these buildings is foreseen for autumn 2016. However, due to the delay induced by the legal action, those building will be occupied by other services than the executive agencies. In order to ensure housing for executive agencies' staff, OIB extended some rental contracts<sup>5</sup>.

- ✚ Heavy renovations:

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<sup>3</sup> It concerns: SG, EPSC, IAS, ENV, CNECT, EAC, GROW, MARE, ECFIN.

<sup>4</sup> Structural moves represent the relocations of more than 5 people. OIB also performed additional punctual moves.

<sup>5</sup> It concerns the leases for the W910, BOUR and BOU2 buildings.

Renovation works at the **CIE Overjise** (the clubhouse) that commenced in autumn 2013 struggled with specific technical problems, causing delays, but were finalised in August 2015. The construction of the new sports centre was completed during autumn 2015.

In the context of BEBA, renovation works have started in BERL, together with the reorganization of Cabinets and SG. In addition, the CCAB has undergone a major renovation (including the replacement of the lighting in the interpretation boots). The renovation of L130 started in July 2015 and is due to be finished in summer 2016.

#### Large scale feasibility studies:

It has been decided to launch a call for tender for a private partner to construct a new conference of equivalent size to the CCAB in the extended European Quarter. Preliminary studies for the project are on-going and it is foreseen to launch the tender at the end of 2016, estimating delivery of the new centre during the first semester of 2022.

In meantime, the CCAB, renovated during the summer of 2015, will operate without interruption until the availability of the new centre. Afterwards, it is foreseen to redevelop the site of the current CCAB into an office building which would increase the Commission's owned office space by +/- 20,000 m<sup>2</sup>.

#### L130 complex:

As regards the redevelopment of the L130 site and in order to maximize the construction potential for phase I of the development, negotiations were concluded for the acquisition of the L102 building at the end of its lease and a favourable opinion was received from the Brussels Real Estate Committee to launch the inter-service consultation.

In parallel with the studies for a second set of town planning rules (PPAS<sup>6</sup>) ordered by the Region, a spatial feasibility study has been launched and a "*comité d'accompagnement*" organized to ensure that Commission needs are taken into consideration in the second set of town planning rules.

#### EMAS certified Commission buildings:

The Commission has 62 EMAS certified buildings out of a total of 64. OIB prepared EMAS certification for further Commission buildings with the aim of having all buildings certified by 2016/2017. OIB coordinated the renewal of permits for buildings for which the validity period ends and performed the energy audits foreseen in the environmental permits renewal process (which is expected to take several years).

#### Logistic services:

For inventory management, progress was obtained in the tracking of movable items, reaching 72% of the three years plan. A new system facilitating the management of inventory, using RFID<sup>7</sup>, will be introduced once all tests and analysis are successfully completed.

OIB is carrying out an analysis on staff's daily mode of transportation in order to define tailored-made solutions promoting alternative means of transport.

In 2015, OIB pursued efforts in the domain of Historical Archives to provide public access to digitized files. In the repository of the Publication Office the digitized COM documents were made available via the EUR-Lex database.

#### Catering concession:

The new catering concession contracts (with three operators), replacing the former single-operator

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<sup>6</sup> *Plan Particulier d'Affectation du Sol*.

<sup>7</sup> 'Radio Frequency Identification'.

catering contract, were operational throughout 2015. The implementation showed some positive developments: a bigger variety of products on offer and the possibility for the client to choose between different catering companies, minimizing the risk of Commission's dependence on one contractor.

Following consultations with DG HR and BUDG, a positive answer was given to a concessioner's request to sub-contract his activities due to financial difficulties. The concessioner's decision is awaited.

#### ✚ Sufficient capacity to meet the demand for childcare places:

Significant progress was obtained in 2015 in addressing and responding to the high demand for childcare places (currently 21% above nursery capacity versus 39% in 2014) through several measures: (1) reallocation of places in 2014, (2) optimisation of available capacity, (3) additional places made available on the local market. OIB will continue its efforts to secure more childcare places and to apply tailored-made solutions to respond to emerging needs.

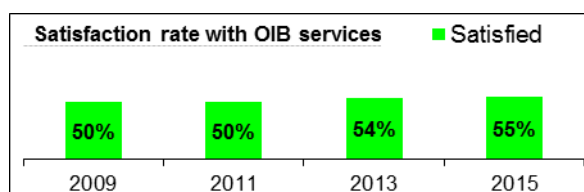
#### ✚ Opening CIE Overijse:

OIB has prepared a business plan for **the European Inter-Institutional Centre in Overijse**, and presented it to DG HR and the Cabinet. The next step will be presenting it to other potentially participating institutions along with a proposal for a new regulation governing the financing and management of the Centre.

The centre was successfully opened and already hosted several team-buildings events.

#### ✚ The 2015 general staff satisfaction survey:

The recent 2015 staff satisfaction survey showed that the majority of staff (55%) are satisfied or very satisfied with the overall level of service provided by OIB, while only 15% are dissatisfied. The level of satisfaction has seen a small increase since 2009.



The most satisfied respondents (50 – 74%) are located in the BERL, CHARL and COV2 buildings. The lowest score was given by staff located in the L102 building (<24%).

The major areas for improvement are office cleaning and temperature. Weaknesses were reported for fitness and well-being facilities, where one can notice an increased interest of the staff, probably due to the Fit@work campaign. About half of respondents are satisfied with furniture and supplies in common areas.

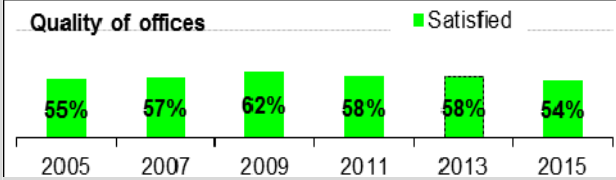
The most positive comments were about the: (i) overall attitude and helpfulness of OIB staff; and (ii) printing and reproduction services.

**OIB will take into account the recommendations, and where relevant, will introduce improvement measures.**

#### ✚ OIB staff Away Day:

For the first time, OIB organised an away day for all staff as a follow-up to the Staff Opinion Survey, to provide a forum for discussion in order to improve job satisfaction and staff engagement and, consequently, the functioning of OIB. The event was considered a success by those who participated and the analysis of results continues on different levels in order to identify, in discussion with staff, concrete actions to be taken.

## Key Performance Indicators (5 KPIs)

Result/Impact indicator (description)	Trend	Target (or milestones) for 2015	Latest known results as per Annual Activity Report (31/12/2015)														
(1) Net office surface available per workstation	😊	Maintain	14 m <sup>2</sup>														
(2) The general quality of offices	😊	Keep satisfaction rate stable	On the basis of the general staff satisfaction survey conducted by DG HR   <table border="1"> <caption>Quality of offices - Satisfaction rates</caption> <thead> <tr> <th>Year</th> <th>Satisfied (%)</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>55%</td> </tr> <tr> <td>2007</td> <td>57%</td> </tr> <tr> <td>2009</td> <td>62%</td> </tr> <tr> <td>2011</td> <td>58%</td> </tr> <tr> <td>2013</td> <td>58%</td> </tr> <tr> <td>2015</td> <td>54%</td> </tr> </tbody> </table>	Year	Satisfied (%)	2005	55%	2007	57%	2009	62%	2011	58%	2013	58%	2015	54%
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(3) The price-quality relationship of meals offered in the Commission restaurants	😊	Keep satisfaction rate stable	On the basis of the 2015 satisfaction survey conducted by OIB /DG HR  Satisfied: 47% Dissatisfied: 53%														
(4) Childcare demands (of current year) over available places	😊	Reduce	Nurseries: 21% above capacity After-school childcare: 12% above capacity Outdoor childcare: demand met														
(5) Percentage of serious <sup>8</sup> ex-post control errors	😊	<2% for any type of transaction	0,01% (No level 1 errors)														

## Key conclusions on Management and Internal control (executive summary of section 2)

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

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

In addition, OIB has systematically examined the available control results and indicators, including those aimed to supervise entities to which it has entrusted budget implementation tasks, as well

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<sup>8</sup> Serious errors that have or could have such financial or reputational impact on the Office activities that they should be considered by the AOD when giving its assurance in the AAR.



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

### **Information to the Commissioner**

This report and the assurance declaration have been submitted to OIB Management Committee in March 2016 and its main elements have been brought to the attention of Vice-President Georgieva, responsible for Budget and Human Resources.

# 1. KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC OBJECTIVES <sup>9</sup>

## 1.1 Achievement of specific objectives within Real Estate activities

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

### 1.1.1 Buildings, infrastructure and space planning

<b>General objective 11:</b> To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.		
<b>Specific objective 1:</b> The Commission's buildings and infrastructures are managed in line with the Commission Building Policy. <span style="float: right;"><input checked="" type="checkbox"/> Non programme-based</span>		
<b>Result indicator:</b> Efficiency of surface allocation (EALL): Office surface net (m <sup>2</sup> )/Number of workstations Source: MAPF 2015 – 2026		
Baseline (2013)	<i>The latest known results</i> 31/12/2015	Target 2015
14 m <sup>2</sup>	Currently: 14 m <sup>2</sup>	Maintain

**In the reporting year, OIB has obtained the following progress for space planning activities:**

- ✓ OIB continued the strict application of the Commission rules for housing services as defined by the Housing Conditions Manual (MCH). Moves were due in particular to the renovation works carried out in buildings, the reorganization and DG staff centralization. The main objective of the moves undertaken in 2015 was to implement the reorganization decided by the new Commission in November 2014 and to renovate the buildings L130, J-27, DM28 and BERL. Some gains in office space were achieved in the buildings where collaborative space layouts were applied.
- ✓ Additional flexibility may be gained through the establishment of 'dynamic' offices, for which the third part of the MCH will lay down the operational standards – currently under development. A "pilot" project for the personnel of DG.HR.DS has been set up in the BERL in September 2015 and will be evaluated during 2016.
- ✓ OIB continued regrouping of some DGs presently located in different buildings: ECFIN in CHAR liberating N105; MARE liberated SPA3, DIGIT liberated L-86; GROW was partial regrouped (in 2 buildings instead of 3). OIB started developing new plans for DIGIT (collaborative offices) and DG DEVCO (BEBA of L-41).
- ✓ OIB delivered an updated feasibility study for the L130 building following relevant town planning i.e. the zone development regulation (RRUZ<sup>10</sup>); The redevelopment of the scope of L130 is ongoing.

#### Other projects:

- ✓ Negotiations are continued with STIB for the exchange of land between the HTWG site (the

<sup>9</sup> In 2015, the Strategic Planning and Programming objectives and performance indicators were harmonized in the Commission to streamline communication and increasing the clarity of reporting. This explains the minor evolution to the 2015 Management Plan indicators and those presented in this report.

<sup>10</sup> RRUZ regulation dictates the size, recession of facades, open areas, etc.

“metro north”) and a warehouse located in Neder-Over-Hembeek (NOH). An agreement from the Belgian Federal and Regional authorities was obtained, following which an internal procedure will be launched in order to formalise the exchange.

**Delays affecting the achievement of objectives:**

- ✓ The acquisition procedure for a new building in the framework of API 27.000m<sup>2</sup>, launched in 2014, was delayed due to legal action by the owners of a non-selected building. As requested by the court in June 2015, OIB recommenced negotiations with all the pre-selected candidates. The building(s) will be made available in 2016.
- ✓ The reallocation of DG NEAR (currently present on 3 sites: J-70, L-15, J-54) was delayed to 2016 as new buildings for the executive agencies were not be available as foreseen in 2015.

**Abandoned preparation of tenders:** (1) 30,000 m<sup>2</sup>; (2) 100,000 m<sup>2</sup>; and (3) for a new conference centre, due to revised internal decision.

**Conclusion:** The execution of the real estate policy planning managed by OIB is on course to meet its multiannual objectives and has achieved the annual performance indicators and outputs in the reporting year.

**1.1.2 Quality of office space**

<b>General objective 11:</b> To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.															
<b>Specific objective 2:</b> OIB's service-oriented culture and client satisfaction is enhanced by offering good quality office space to all Commission sites in Brussels. <input checked="" type="checkbox"/> Non programme-based															
<b>Source of data:</b> the general <b>staff opinion survey</b> conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]															
<b>Criteria:</b> % of staff satisfaction ( <i>very satisfied + satisfied</i> ) versus ( <i>dissatisfied + very dissatisfied</i> )															
<b>Baseline (2005-2015)</b>	<b>Target 2015</b>														
<p><b>Result indicator:</b> Commission staff satisfaction rate with the general quality of their office (space, light, noise, temperature etc.).</p> <table border="1"> <caption>Quality of offices - Satisfaction rates</caption> <thead> <tr> <th>Year</th> <th>Satisfied (%)</th> </tr> </thead> <tbody> <tr><td>2005</td><td>55%</td></tr> <tr><td>2007</td><td>57%</td></tr> <tr><td>2009</td><td>62%</td></tr> <tr><td>2011</td><td>58%</td></tr> <tr><td>2013</td><td>58%</td></tr> <tr><td>2015</td><td>54%</td></tr> </tbody> </table>	Year	Satisfied (%)	2005	55%	2007	57%	2009	62%	2011	58%	2013	58%	2015	54%	Keep satisfaction rate stable
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<p><b>Result indicator:</b> Commission staff satisfaction rate with the cleaning of their office &amp; the building they work in.</p> <table border="1"> <caption>Cleanliness of offices - Satisfaction rates</caption> <thead> <tr> <th>Year</th> <th>Satisfied (%)</th> </tr> </thead> <tbody> <tr><td>2005</td><td>45%</td></tr> <tr><td>2007</td><td>52%</td></tr> <tr><td>2009</td><td>51%</td></tr> <tr><td>2011</td><td>57%</td></tr> <tr><td>2013</td><td>59%</td></tr> <tr><td>2015</td><td>49%</td></tr> </tbody> </table>	Year	Satisfied (%)	2005	45%	2007	52%	2009	51%	2011	57%	2013	59%	2015	49%	Keep satisfaction rate stable
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To improve the quality of available office space and social infrastructure, works were pursued in line with BEBA schedule. Due to re-allocation of resources and priorities during the year, some changes were made to the original planning. Nevertheless, the majority of works foreseen for

**2015 were accomplished and, if budget allowed, other works were taken on board.**

**OIB executed renovations based on the "BEBA" schedule ("A Good State of Buildings" policy):**

- **Renovations** completed in BRE2 and J-27 buildings. Works started in several other buildings: BERL, BREY, DM28 and L-130 and will be finalised in 2016.
- Completed technical upgrades of the data **network infrastructure**: cabling was replaced in buildings: J-27, BRE2, F101, CHAR and DM28.
- Adaptations of lifts to current Belgian legislation were carried out in several buildings. **Lifts** were replaced in CSM1 building in 1<sup>st</sup> semester of 2015 and started in L130.
- Delivered **technical installations**: replacement of ventilo-convectors in VM18 building. L130 started in 2015 and will be finalised during the 1<sup>st</sup> semester of 2016. Lighting in the interpretation booths in CCAB was replaced during the summer break in August 2015.
- **Delivered structural works**: the CCAB roof was redone; the kitchens in BREY, BRE2 and L130 were replaced; the sanitary facilities in L130 were replaced. The project to renovate the facades of CSM1 and L-86 buildings was prepared.
- The **fire detection system** was renovated in: MO59, LX46, J-27, DM28 and BREY.
- The library in VM18 underwent a light renovation.
- Finalised studies for the structural renovations of BU29/31/33 and feasibility analysis for VM-2 and BREY/BRE2.
- Delivered EULP in BRE2 building.

Adaptations of **buildings accessible to people with disabilities**<sup>11</sup>: new lifts have been installed in CSM1 building and all of them are equipped for people of reduced mobility (PRM) including voice signalisation. The entry to the CCAB building was adapted in August 2015.

**The following delays occurred in the course of the 2015:**

- ✓ Renovation works of the clubhouse (villa) at the CIE Overjise continued in 2014 but were severally delayed by the problems encountered with the contractor for general enterprise. Works recommenced in autumn 2014 and were finished in 2015.
- ✓ The second project situated at CIE Overijse is the construction of a new sports centre. Excavation works foreseen to start in August 2014 took longer than expected due to technical difficulties, thus delaying construction works of the new sports centre. The site was ready by September 2015.
- ✓ Fitting out works of the building selected following the prospection procedure for 27,000 m<sup>2</sup> was post-poned due to the legal action brought by the owners of a non-selected building. These works will be carried out in 2016.

**The results on the 2015 general staff satisfaction survey regarding office environment and buildings:**

As for the different physical aspects of the working environment, staff is most satisfied with the space (72%) and lighting of their offices (65%) while the room temperature has the lowest rating (37%). Moreover, the study reveals that employee satisfaction with the office environment is closely linked to how well it allows them to collaborate (71%), to communicate with each other (69%), to concentrate on work (64%) and to enjoy appropriate privacy (61%).

An overwhelming majority of employees (76%) prefers an individual office. These preferences vary by age. For example, employees under 30 are more than twice as likely as any other age group to say that a dynamic office is the most conducive to their daily work.

**The issues related to office cleaning and to ventilation will be addressed gradually during 2016.**

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<sup>11</sup> All Commission buildings comply with legal prescriptions.

Although the general real estate provisions impose office space reductions, targeting economies, OIB continues efforts to implement the best possible solutions matching guidelines with needs and well-being of staff.

**Conclusion:** OIB accomplished its annual objective for the renovation and constructions works and where necessary, has implemented the corrective measures to mitigate identified problems. The multiannual objectives for the renovations and construction planning shall be met, provided that the budget allocations are secured.

### 1.1.3 Prevention and Protection at Work rules applicable to the Commission sites

<b>General objective 11:</b> To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.		
<b>Specific objective 3:</b> OIB's service-oriented culture and client satisfaction is enhanced by applying the Rules of Prevention and Protection at Work applicable to the Commission sites of Brussels. <span style="float: right;">☒ Non programme-based</span>		
<b>Result indicator:</b> Number of evacuation exercises performed without significant problems (possible threats or issues in case of real emergency) out of total number of evacuations. Source: OIB / DG HR data		
Baseline (2013)	<i>The latest known results</i> 31/12/2015	Target 2015
90%	90% Commission's buildings were under security alert "yellow" level. New type of evacuation test (dispersion) following new procedure defined by OIB/DG HR took place in June 2015. Evacuation exercises at the European schools were postponed to 2016.	90%

**In the area of the Prevention and Protection at work, the following 2015 developments took place:**

- ✓ In the context of safety and prevention in Commission buildings, a comprehensive 5 years action plan was prepared following the OHSAS audits, showing the actions to be taken by OIB and DG HR unit responsible for Prevention and Protection at Work. In 2015, this plan was presented to the CPPT<sup>12</sup> for opinion and sent to DG HR.
- ✓ As a result of the CPPT working groups on safety and 'well-being' at work, a better coordination of the concerned services and contacts with experts in the field were achieved, following which procedural proposals and opinions were drafted and submitted to DG HR via the CPPT. As concerns asbestos, OIB prepared documents and synthesis tables for the asbestos inventory for all Commission buildings in Brussels. Moreover, OIB sent personalized answers to more than 200 inquiries about the presence or absence of asbestos in Commission buildings.
- ✓ EC staff trained in First Aid reached the targeted 3.5% of entire Commission staff. The First Aid intervention courses (4 days programme and 0.5 day 'refresh' courses for the First Aid practitioners) stopped at the end of November 2015 due to phase out of the current contract for trainings (a new contract is in the pipeline).
- ✓ OIB participated in the following working groups: (1) on psychosocial risk assessment of stress, harassment and psychological problems at work; (2) the CPPT "asbestos" working group; and (3) the "PMR" (*Personnes à mobilité réduite*) working group.

**Delays occurred in the course of 2015:**

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<sup>12</sup> Committee for Prevention and Protection at Work.

- ✓ On-going complex risk analysis on a wide range of Commission professions at the work place: earth/aviation/fishing inspectors and other professions. Nevertheless, OIB delivered risk analysis for employees and managers of OIB childcare facilities and finalised the risk analysis for the maritime inspectors.
- ✓ On-going analysis on: high/low tensions electrical installations; fire prevention to be in line with new legislation (security files, evacuation plans, alarm switches, magnetic retainers on fire retardant doors) and analysis on creation of a "fight against fire" service<sup>13</sup>. Risk analysis on lifts was delivered.
- ✓ The OHSAS audit on legionella was not announced in 2015 by DG HR.

**Conclusion: The execution of the annual programme of work in the area of Prevention and Protection at work has met its objective and has achieved the annual performance indicators and outputs in the reporting year.**

### 1.1.4 Services provided to other EU institutions

<b>General objective 11:</b> To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.		
<b>Specific objective 4:</b> On the basis of clearly defined Service Level Agreements (SLAs), other EU institutions and bodies benefit from an exchange of best practices, cooperation and service provision. <input checked="" type="checkbox"/> Non programme-based		
<b>Result indicator:</b> Chargeback the full costs incurred and recover on time the revenues resulting from SLAs. Source: OIB data		
Baseline (2013-2015)	<i>The latest known results 31/12/2015</i>	Target 2015
Up to 90% of forecasted revenues are invoiced and cashed-in annually. The remaining 10% are charged with the final invoice in N+1.	95% of the forecasted revenues for 2015 have been charged back and cashed in on time (21.3M)	Invoice and cash in 90% of the forecasted revenues.

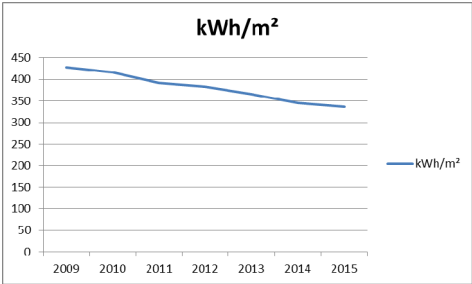
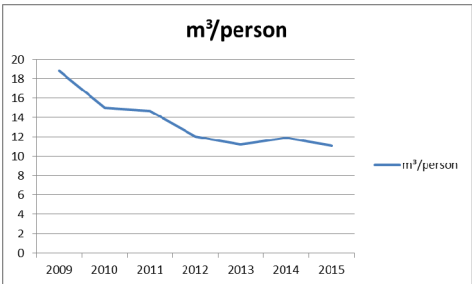
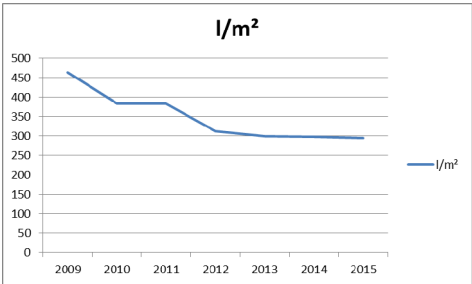
**In the context of providing the technical services to the executive agencies, and further cooperation with them and with other local authorities, the main 2015 achievements were as follows:**

- ✓ 32 SLAs with different set of services were provided. The SLAs are regularly updated in compliance with new demands or conditions. The recovery order manual of procedures was updated.
- ✓ Improvements and simplification of the follow-up and the issuing of debit notes were introduced where possible. Payments in OIB have priority over recovery orders. Nevertheless progress has been made to reduce deadline for the issuing of recovery orders.
- ✓ Contacts at political level with the Belgian authorities on the finalization of the convention between the Commission and the Belgian Federal Administration on the transfer of ownership of 54 parking spaces in the BERL have to be continued to establish the technical constraints.

**Conclusion: The execution of the annual programme of work in the area of services provided on the basis of SLA managed by OIB has met its objective and has achieved the annual performance indicators and outputs in the reporting year with the exception of the signature of the convention with local partners.**

<sup>13</sup> Fire Brigade Services ("*Service de Lutte Contre l'Incendie*" - SLCI).

## 1.1.5 Implementation of EMAS principles

<p><b>General objective 11:</b> To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.</p>																																	
<p><b>Specific objective 5:</b> The environmental standards are met through the implementation of the Environmental Management Audit Scheme (EMAS).</p> <p style="text-align: right;"><input checked="" type="checkbox"/> Non programme-based</p>																																	
<p><b>Result indicator:</b> Energy consumption optimised.  <b>Source:</b> OIB data</p>																																	
<p>Baseline (2009-2015)</p>	<p>Target 2015</p>																																
<p>Energy performance of EMAS registered buildings – 2015 FORECAST:</p>  <table border="1"> <caption>Energy performance of EMAS registered buildings (kWh/m²)</caption> <thead> <tr> <th>Year</th> <th>kWh/m²</th> </tr> </thead> <tbody> <tr><td>2009</td><td>420</td></tr> <tr><td>2010</td><td>410</td></tr> <tr><td>2011</td><td>400</td></tr> <tr><td>2012</td><td>390</td></tr> <tr><td>2013</td><td>380</td></tr> <tr><td>2014</td><td>370</td></tr> <tr><td>2015</td><td>340</td></tr> </tbody> </table>	Year	kWh/m²	2009	420	2010	410	2011	400	2012	390	2013	380	2014	370	2015	340	<p>-1% in comparison to 2014 consumption (as foreseen in the EMAS action plan and the EC action plan to comply with the new European Energy Directive (EED)<sup>14</sup> which is a better result than the reduction determined by the Brussels Region (-0.13%).</p>																
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2011	400																																
2012	390																																
2013	380																																
2014	370																																
2015	340																																
<p><b>Result indicator:</b> Water consumption optimised.  <b>Source:</b> OIB data</p>																																	
<p>Baseline (2009-2015)</p>	<p>Target 2015</p>																																
<p>Water consumption per person of EMAS registered buildings - 2015 FORECAST:</p>  <table border="1"> <caption>Water consumption per person (m³/person)</caption> <thead> <tr> <th>Year</th> <th>m³/person</th> </tr> </thead> <tbody> <tr><td>2009</td><td>19</td></tr> <tr><td>2010</td><td>15</td></tr> <tr><td>2011</td><td>14</td></tr> <tr><td>2012</td><td>12</td></tr> <tr><td>2013</td><td>11</td></tr> <tr><td>2014</td><td>12</td></tr> <tr><td>2015</td><td>11</td></tr> </tbody> </table> <p>Water consumption per m² of EMAS registered buildings - 2015 FORECAST:</p>  <table border="1"> <caption>Water consumption per m² (l/m²)</caption> <thead> <tr> <th>Year</th> <th>l/m²</th> </tr> </thead> <tbody> <tr><td>2009</td><td>450</td></tr> <tr><td>2010</td><td>400</td></tr> <tr><td>2011</td><td>390</td></tr> <tr><td>2012</td><td>320</td></tr> <tr><td>2013</td><td>310</td></tr> <tr><td>2014</td><td>300</td></tr> <tr><td>2015</td><td>300</td></tr> </tbody> </table>	Year	m³/person	2009	19	2010	15	2011	14	2012	12	2013	11	2014	12	2015	11	Year	l/m²	2009	450	2010	400	2011	390	2012	320	2013	310	2014	300	2015	300	<p>Keep evolution stable.</p>
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**In the area of environmental management, the following deliverables were obtained in the course of 2015:**

- The majority of Commission buildings are EMAS certified (62 out of 64).
- The environmental permits were renewed in cooperation with Brussels Environmental Authority (IBGE).

<sup>14</sup> Directive 2012/27/EU of 25/10/2012.

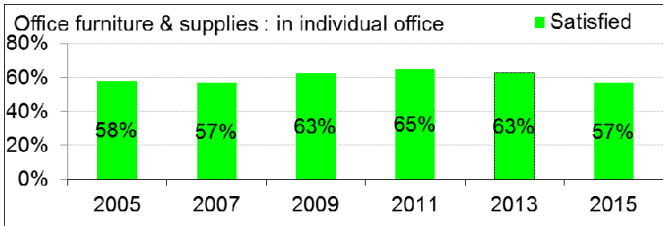
- Following the European Energy Directive (EED) on energy performance of buildings<sup>15</sup>, OIB introduced the necessary measures to achieve the reduction target (-1%) to comply with the new rules. The 2015 energy savings for EC buildings met its objective (of 1% vs 2014 data), which goes beyond the objectives defined by the Region of Brussels (0.13% of the annual energy consumption).
- External audits carried out on buildings underlined the particular strengths of the Commission's environmental management:
  - good practices in environmental permits management and inclusion of economic indicators based on environmental criteria;
  - general conditions of technical installations (e.g. better monitoring of high voltage installations) and rooms maintenance ensured;
  - solid preparation and effective follow-up of the audits;
- Specific EMAS communication campaigns and awareness arising actions were delivered in cooperation with DG HR and EMAS network e.g. EMAS "resource efficiency" (delivered posters, video messages on resource efficiency theme: paper saving, CO2 emissions reduction, water saving, etc). EMAS mobility campaign was organised in September – October 2015.

**Conclusion:** OIB has met the objectives set in the annual programme of work for EMAS and has achieved the performance indicators and outputs for the reporting year.

## 1.2 Achievement of specific objectives within Logistic Services

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

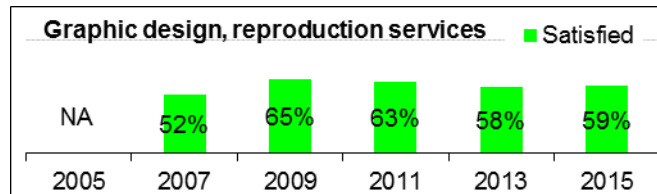
### 1.2.1 Quality services creating the best working conditions

<b>General objective 11:</b> To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.															
<b>Specific objective 1:</b> The sound financial management of the logistic services is ensured. <input checked="" type="checkbox"/> Non programme-based															
<b>Source of data:</b> the general <b>staff opinion survey</b> conducted by DG HR related to the services of PMO, OIB and OIL. [the survey is addressed to all Commission staff]															
<b>Criteria:</b> % of staff satisfaction ( <i>very satisfied + satisfied</i> ) versus ( <i>dissatisfied + very dissatisfied</i> )															
<b>Baseline (2013)</b>	<b>Target 2015</b>														
<b>Result indicator:</b> Commission staff <b>satisfaction rate with the quality of office furniture</b> and supplies.  <table border="1"> <caption>Office furniture &amp; supplies : in individual office</caption> <thead> <tr> <th>Year</th> <th>Satisfied (%)</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>58%</td> </tr> <tr> <td>2007</td> <td>57%</td> </tr> <tr> <td>2009</td> <td>63%</td> </tr> <tr> <td>2011</td> <td>65%</td> </tr> <tr> <td>2013</td> <td>63%</td> </tr> <tr> <td>2015</td> <td>57%</td> </tr> </tbody> </table>	Year	Satisfied (%)	2005	58%	2007	57%	2009	63%	2011	65%	2013	63%	2015	57%	Recover past satisfaction rate
Year	Satisfied (%)														
2005	58%														
2007	57%														
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2013	63%														
2015	57%														
<b>Result indicator:</b> Commission staff <b>satisfaction rate with</b>	Recover satisfaction rate of 2011														

<sup>15</sup> Directive 2012/27/EU of 25/10/2012.



graphic design, copying / reproduction services.



**The main 2015 developments within the area of the logistic services took place:**

**Inventory management:**

- ✓ In 2015, OIB carried out several tests of a new labelling system “Radio Frequency Identification” (RFID)<sup>16</sup> facilitating the **inventory management**. A specific tender for further tests was launched in October 2015 and a cost/benefit analysis of this approach will be available by June 2016. Currently, OIB is running tests jointly with DG DIGIT.
- ✓ Tracking rate of 72% was accomplished within the 2nd year of the 2014-2016 inventory exercise.

**Reproduction & Printing services:**

- ✓ OIB implemented several optimization initiatives for Reproduction and Printing services targeting automation of distribution, reporting, management of purchase orders and stock. Basic configuration of the new software "MyOIBprint"/"MIS" Management Information System was achieved in 80% due to delays in obtaining the necessary signature of the IT Security Agreement related to the application. Machines 'Post press' and 'Computer to plate' became fully operational in 2015. New binding machines were also deployed and a new plotter was installed in 2015.

**Mail distribution:**

- ✓ The central mail service maintained better work organisation and mail shuttles reducing the number of rounds. As mail service distribution will be modified in-depth, following the Synergies and efficiencies exercise, a series of internal trainings in the framework of the knowledge sharing concept inside the unit/sector were carried out, and now, entire staff of central mail is skilled in two sections.
- ✓ The initiative of assisting other DGs in their logistic transport needs was suspended due to lack of relevant resources.

**The Mobility Plan:**

- ✓ The partial reimbursement of public transport season tickets scheme as a substantial part of the Mobility Plan's concept was continued throughout the year and proved a stable increase<sup>17</sup>. Regular interest comes from number of executive agencies located in Brussels and in 2015, three further agencies were affiliated to the system (INEA, EASME, REA). Several initiatives promoting the alternative means of transport e.g. "Villo" bikes, were carried out in the course of the year. New electric vehicles were delivered and infrastructure was adapted accordingly.
- ✓ An evaluation, of the mode of transport used by staff, is ongoing, to provide adequate solutions to be included in the new Mobility Plan, which was not approved in 2015, as originally foreseen.

**Historical Archives:**

- ✓ OIB continued its policy towards further digitisation of files of historical value and has put its focus in 2015 on the publication of the files already digitised. Furthermore OIB prepared together with

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<sup>16</sup> This tool gives the possibility, by means of an incorporated chip, to capture more qualitative and quantitative information than the current bar code system.

<sup>17</sup> 11,639 staff members affiliated; 10,094 reimbursed; 1,569 new subscriptions ordered.

Publication Office two new digitisation projects which are due to start in 2016 (digiCOM3 and digiSEC1). Standard elimination of paper files continued at a sustained level: more than 3 linear km of paper files were eliminated.

- ✓ The major part of the digitised COM documents of 1958-1987 (COM-F and COM-P<sup>18</sup>) as well as their metadata is in the phase of being stored in the digital repository of the Publication Office (CELLAR) and will be accessible via the database EURLex.
- ✓ The fusion of the two repositories JMO and KORT was completed mid November 2015. All files formerly stored in the JMO repository either were eliminated or transferred to Brussels.
- ✓ Thorough analysis and customisations of the electronic files, which could be transferred into the digital repository of the Hermes Preservation Services<sup>19</sup> (HPS II) were executed together with SG and DIGIT. Start-up analysis on the replacement of the ARCHIS database by HPS III<sup>20</sup> was postponed by SG to the beginning of 2016. Development of the system is foreseen from 2016 onwards and its delivery for 2017.

**The 2015 general staff satisfaction survey results in the area of logistic services:**

As for specific OIB services, the internal customers are most satisfied with the response to call to the 24-hour service desk (66%). About 60% of respondents are also satisfied with the delivery speed of the central postal service, graphic designed, copying/reproduction services and the OIB's electronic newsletter. These services have an impact on the overall satisfaction with OIB's services.

The satisfaction with individual office has dropped from 68% obtained in 2013 survey to 57% in the last survey. OIB will gradually introduce new office furniture with ergonomic chairs aiming at increasing the level of satisfaction in this area.

**Conclusion: The activities carried out by OIB in the course of 2015 ensured the achievement of the objectives in terms of continued improvements towards the efficiency of logistic services and an efficient use of resources. OIB has achieved the annual performance indicators and outputs in the reporting year.**

### 1.2.2 Quality of catering services

<b>General objective 11:</b> To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.	
<b>Specific objective 2:</b> Good social infrastructure (Restaurants, Sels and Cafeterias facilities) is provided at Brussels and Ispra sites. <span style="float: right;"><input checked="" type="checkbox"/> Non programme-based</span>	
<b>Result indicator:</b> The satisfaction rate with the provision of cafeterias and self-service restaurants. Criteria: % of staff satisfied versus dissatisfied. Source: OIB/DG HR 2015 survey	
Latest known results 31/12/2015	Target 2015
<b>Cafeterias:</b> Satisfied - 66% Dissatisfied - 34% <b>Self-service restaurants:</b>	First year introduction, not targeted.

<sup>18</sup> COM-F is the final version of COM documents; COM-P is related the archive file for each COM document.

<sup>19</sup> HPS II is a functional module of the HAN system (Hermes-ARES-NomCom) which executes and supports the preservation of the electronic document management of the Commission.

<sup>20</sup> HPS III is the overall archival management system designed for the management of paper archives and electronic preserved files stored in the HPS II digital repository.

Satisfied - 59% Dissatisfied - 41%	
<b>Result indicator:</b> The <b>satisfaction rate with the price-quality relationship of meals</b> offered in the Commission restaurants Source: OIB/DG HR 2015 survey	
Latest known results 31/12/2015	Target 2015
Satisfied - 47% Dissatisfied - 53%	First year introduction, not targeted.

**The main 2015 deliveries are as follows:**

Regular and intensive audits and checks were carried out in order to guarantee the quality of the services delivered to the clients and to point out the contractors' responsibilities. A satisfaction survey developed during the last quarter of 2014 was launched beginning of 2015 and mainly reflected the clients' experience in 2014. The survey showed that the overall clients' satisfaction has not increased and that there is a decrease in the indicator meals quality vs price<sup>21</sup>. Action plans to raise the client satisfaction was introduced by the contractors. In result, there was a slight increase in the sites' frequentation. Moreover, renovation of the self-restaurant and the cafeteria in the site of BU-5 which showed greater dissatisfaction of clients in the last survey was carried out in 2015. As part of the Commission's initiative *fit@work*, OIB launched several initiatives, including the introduction of new dishes.

For the first time in the recent years, the European Commission hosted the "mini summit on the Balkans" end of October 2015. The catering of this meeting was greatly appreciated.

At Ispra, re-styling of the Clubhouse in line with the new bistro concept was accomplished and decision on the management of the restaurant and bar was implemented. The new bistro will start in the first quarter 2016. The renovation of the entrance lobbies to both canteens was rescheduled to April 2016 due to allocation of priority to MILAN Expo works and supplies.

**Conclusion:** As OIB provides the services through the external contractors, any changes introduced by the contractors' may impact the service quality, its continuation and consequently the achievement of the objective. Although some issues were encountered in the course of 2015, nevertheless OIB ensured the continuity of services and overall, met its objectives.

### 1.2.3 Childcare infrastructure

<b>General objective 11:</b> To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.		
<b>Specific objective 3:</b> Good social infrastructure is provided at Brussels and Ispra sites. <input checked="" type="checkbox"/> Non programme-based		
<b>Result indicator:</b> Number of requests (received during the year) versus number of places available at childcare facilities. Source of data: OIB		
Baseline (2014)	<i>The latest known results 31/12/2015</i>	Target 2015
Nurseries: 39% above the capacity. After-school childcare: 7% above the capacity. Outdoor childcare: all demand was met	Nurseries: 21% above the capacity. After-school childcare: 12% above the capacity. Outdoor childcare: all demand was met.	To reduce

**The main 2015 deliveries are as follows:**

In 2015, 12 additional places were contracted on the local market (following the 2013 call for

<sup>21</sup> See KPI 3, page 8.

tenders) bringing the total number of contracted crèches to 320. An additional 48 places were contracted to be available as from January 2016. To further increase nursery capacity a negotiated procedure has been launched in the 2nd semester of 2015 and could provide around 200 additional places as from 2016. Moreover, the new rules governing the nurseries allow optimising existing capacities through sharing of part-time places.

As regards after-school childcare facilities, the demand was very high for the 2015/2016 school-year and although OIB managed to increase capacity by 120 new places<sup>22</sup> and 147 places gained<sup>23</sup> from "overbooking" system where children are enrolled according to observed attendance rather than simple theoretical capacity, it was impossible to meet the demand. Therefore, the ratio between places offered and requests received is at the level of 12%.

A tender procedure was successfully concluded for the outsourcing of the management of the Van Maerlant afterschool centre (the contract in force from 4 January 2016). As it has not been possible to increase internal afterschool capacity enough to meet demand, a tender procedure has been launched to find afterschool places on the Brussels market.

**Conclusion:** OIB explored many different alternative solutions to secure as much as possible number of childcare places and finally a progress was obtained in OIB's respond to the demand for the places.

The internally launched satisfaction surveys have shown a high level of satisfaction with the services provided at all childcare facilities (satisfaction level above 90%). The childcare policy managed by OIB is on course to meet its objective and has achieved the required values for annual performance indicators and outputs in the reporting year.

#### 1.2.4 Welfare services at social facilities

<b>General objective 11:</b> To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.		
<b>Specific objective 4:</b> Good social and sport infrastructure is provided at the European Inter-institutional Centre (CIE) in Overijse, Brussels and Ispra sites.		
<input checked="" type="checkbox"/> Non programme-based		
<b>Result indicator:</b> Users attendance of the sports facilities		
Source: OIB data		
Baseline (2013)	<i>The latest known results 31/12/2015</i>	Target 2015
Number of participants in sporting and cultural activities: 15.000 (CIE/Bxl) 3.400 (Ispra)	1.082 (CIE - reopening in autumn 2015)  Ispra: in average 3.400 members	Not targeted at this stage  Ispra: keep stable

#### The main 2015 deliveries:

Taking into account that fact the CIE centre was under renovation for over half of 2015 and is only fully operational from January 2016, the achievement of some objectives has been postponed to 2016. Nevertheless, part of the centre (the Villa) was opened in September 2015 to a great success. Already, more than 30 team-building events were organised at the Centre with the participation of 1082 people. Reservations for the first quarter of 2016 already imply the participation of over 1.000 people with reservations for this period continuing to arrive. OIB is on course to meet its objective once the centre will be fully operational.

OIB secured agreement with other participating institutions on the business plan, new rules and

<sup>22</sup> From 1640 to 1760.

<sup>23</sup> 1907 children enrolled versus 1760 places real capacity.

financing plan: discussions will start after the meeting with the Cabinet approving the plan.

OIB gradually intensifies a marketing campaign for CIE (which includes close association with the *fit@work* programme). Contact was made with several stakeholders and potential clients and other media options are being prepared.

**Conclusion:** The opening of the Centre was successfully managed. Number of events gradually grows and planned start-up activities were put on track. The objective of having a Centre operational has been achieved.

## 1.3 Organisational management outputs of the year

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

### 1.3.1 Management of human resources

Specific objective 1: Pro-active management of human resources.		
The most important result indicators are:		
Result indicator: Average vacancy rate of all posts Source: OIB data		
Baseline (2013)	<i>The latest known results 31/12/2015</i>	Target 2015
3,1%	2,4% Publication of vacant FO posts within 5 working days from the request of the unit. Reserve lists always available for key CA profiles for OIB.	2,5%
Result indicator: Percentage of female representation in middle management Source: OIB data		
Baseline (2014)	<i>The latest known results 31/12/2015</i>	Target 2015
21% (3 posts out of 14)	25% (3 posts out of 12) (31/01/2016)	Not targeted (new indicator)
Result indicator: Female OIB AD staff Source: OIB data		
Baseline (2013)	<i>The latest known results 31/12/2015</i>	Target 2015
30%	31%	35%

**In 2015 the key actions in HR management were as follows:**

- ✓ The obligatory staff reductions (2% per year for FO and 1% for CA - a total reduction of 16 posts) were applied ensuring the operational capacity of the Office was maintained. Reduction of posts was introduced on the basis of an analysis of possible simplifications and rationalisation measures (synergies, transfer or reductions of activities). Vacant posts resulting from mobility, retirement, invalidity etc. were frozen and placed in a reserve. The conversion of FO posts into CA (TEC) continued where appropriate, AST posts were transformed into AD posts to improve management capacity and a talent management programme was initiated to promote internal mobility.

**Staff absenteeism<sup>24</sup>:**

<sup>24</sup> The sickness absence rate in OIB is not comparable with other DGs, because many OIB staff (nearly 60%) work in a demanding environment e.g. childcare nurses are constantly in close contact with infants, which

- ✓ The OIB sickness absence rate fell from 7.4% in 2014 to 7.1% in 2015.
- ✓ The "benchmarking" of sickness absence rates with OIL revealed that although the headline rate in OIB in 2014 was higher (7.4% compared to OIL's 5.2%), the rate excluding nursery staff, which are not present in OIL was broadly similar.
- ✓ The analysis and follow up of specific situations and the implementation of targeted actions related to working conditions and staff engagement (such as "Well-being" activities, promotion of career development and mobility, administrative simplifications) continued in pursuit of the reduction of sickness absence levels. An audit of absenteeism was carried out and a detailed action to address issues raised was approved.

**Training programme:**

- ✓ OIB delivered tailor-made training programme to meet the specific operational needs of the Office. 36 modules were organised for 943 participants.

**'Well-being' programme:**

- ✓ OIB carried out 'well-being' initiatives designed to maintain the motivation and engagement of staff. In this context, six team-building sessions were organised and twelve staff meetings with the Director took place.

**OIB Away Day:**

- ✓ For the first time, OIB organised an away day for all staff as a follow-up to the Staff Opinion Survey, to provide a forum for discussion with staff in order to improve job satisfaction and staff engagement and in consequence, the functioning of OIB. The event was judged a success by all who took part and the analysis of the results of the event continues on different levels in order to identify, in discussion with staff, concrete actions to be undertaken.

**Communications to OIB staff:**

- ✓ OIB implemented a people-focused approach to communication, providing tailored-made information on HR issues (on career, 'well-being', on leave and absences, evaluation and reclassification of CA). Several publications relating to OIB's activities and achievements were issued to staff during the year. Communication on well-being and related issues was a key priority in 2015.

**Conclusion:** The execution of the annual programme of work in the area of Human Resources managed by OIB has met its objective and has met the annual performance indicators and achieved outputs foreseen for the reporting year.

### 1.3.2 Sound financial principles in the financial and procurement activities

<b>Specific objective 2:</b> Sound financial management principles, legality and the regularity are strengthened in the internal control systems and budgetary planning; procurement management is reinforced.		
<b>The most important result indicators are:</b>		
<b>Result indicator:</b> Financial execution (payments) versus budget commitments. Source: OIB data		
Baseline (2013)	<i>The latest known results</i> 31/12/2015	Target 2015
83%	85%	90%
<b>Result indicator:</b> Payments handled after the contractual deadline.		

increases their risk of disease; some staff carry out manual activities which stress their physical limits; the presence on constructions sites involves an increased risk of accidents.

<b>Source: OIB data</b>																
Baseline (2010-2015)		Target 2015														
<table border="1"> <caption>Overdue recovery orders (2010-2015)</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>30,4%</td> </tr> <tr> <td>2011</td> <td>12,0%</td> </tr> <tr> <td>2012</td> <td>9,7%</td> </tr> <tr> <td>2013</td> <td>4,4%</td> </tr> <tr> <td>2014</td> <td>2,0%</td> </tr> <tr> <td>2015</td> <td>1,5%</td> </tr> </tbody> </table>		Year	Percentage	2010	30,4%	2011	12,0%	2012	9,7%	2013	4,4%	2014	2,0%	2015	1,5%	Keep stable
Year	Percentage															
2010	30,4%															
2011	12,0%															
2012	9,7%															
2013	4,4%															
2014	2,0%															
2015	1,5%															
<b>Result indicator: Overdue recovery orders.</b>																
<b>Source: OIB data</b>																
Baseline (2013)	<i>The latest known results</i> 31/12/2015	Target 2015														
11%	0,30% (Overdue RO (132k€) out of total RO (44,7M€): 32% of the overdue amount corresponds to RO issued in 2015 and 68% to RO issued in previous years).	0%														
<b>Result indicator: Unsuccessful procurement procedures.</b>																
<b>Source: OIB data</b>																
Baseline (2013)	<i>The latest known results</i> 31/12/2015	Target 2015														
14%	21% 10 unsuccessful lots out of 47: no offer was received in 6 cases; no request to participate in 1 case; the unique submitted offer was not compliant with the minimum quality requirements in 1 case; the unique financial offer received was not compliant in 2 cases).	0%														
<b>Result indicator: Complaints/cases/ proceedings received from unsuccessful economic providers/ by the Court or by the Ombudsman related to the procurement procedures.</b>																
<b>Source: OIB data</b>																
Baseline (2013)	<i>The latest known results</i> 31/12/2015	Target 2015														
0	2 cases: 1 case in the Court related to lot 1 of the tender for insurance (on the buildings stock and its contents). The judgment of the Court annulled the Award decision; the indemnity is being negotiated.  1 case in the Court related to the tender for supply of office furniture. A tenderer was contesting the evaluation. The Court has rejected the complaint requesting interim measures. The plaintiff then withdrew its complaint.	0														
<b>Result indicator: Negative opinions from GAMA, "the Group d'Analyse des Marches Administratifs" for all non-building procedures above €134.000</b>																
<b>Source: OIB data</b>																
Baseline (2013)	<i>The latest known results</i> 31/12/2015	Target 2015														
0 (24 files were submitted to GAMA, 5 procedures were sampled and all received a positive opinion)	0 (20 files were submitted to GAMA, 6 procedures were sampled and all received a positive opinion)	0														

## The 2015 key deliverables in the area of financial management, procurement, Internal Control and ICT:

### Financial management:

- ✓ OIB continued its efforts to ensure the stability of achieved payment times through close monitoring of payments and rationalising the responsibilities of actors in the financial circuits. Electronic transmission of payments further moved forward. An action plan to remedy the findings of the IAS audit on financial circuits is under implementation.

- ✓ DG BUDG and DIGIT continue the convergence of the two financial systems ABAC SAM and ABAC ASSETS. OIB will actively participate in the working group chaired by DG BUDG on this subject (specific topics include e-invoicing and the legal commitment kernel).
- ✓ Carried-out periodical accounting controls to ensure the reliability and quality of the financial reporting. Provided accountancy trainings on closing the accounts – four sessions in the second semester of 2015.

#### **Procurement management developments:**

- ✓ In 2015, several important contracts were signed e.g. cleaning of buildings, maintenance and structural works in buildings, supply of office furniture, gas supply; maintenance of remote management installations in buildings.
- ✓ Numerous initiatives were put in place in order to ensure the timely awarding of contracts, to facilitate the familiarity with the procedural aspects of tenders and to strengthen the coordination within OIB:
  - The Manuals for tender procedures and the document templates were updated, also in order to adapt to the changes in the regulatory framework.
  - The 'e-Tendering' tool was systematically used for the publication of open procedures.
  - A helpdesk for procurement procedures was fully operational, providing support to operational units.
  - A taskforce took stock of the efficiency of the 'Procurement Project Framework' (which has been in use for 3 years) and made proposals for improvement, optimisation of resources and shortening of procedure's time.
  - A new specific training session on how to write a coherent tender specification was held in November 2015.
  - OIB has started migration from MarCo to PPMT (IT procurement management tools) targeting better efficiency of procurement management.

#### **Internal control:**

- ✓ Within the framework of internal control coordination, OIB ensured a close follow-up and revision of measures mitigating the identified risks and responding to the recommendations provided by IAC/IAS to various operational activities of OIB. The risks linked to sensitive posts have been revised and a new procedure is in place. The management workshop dedicated to the risk assessment took place in the framework of preparation of the Management Plan 2016. The ex-post control recommendations and remarks were addressed to individual units with the aim of overall quality improvement.
- ✓ The effectiveness review for the ICS, launched in autumn 2015, showed a good level of implementation of the sound financial management principles. Furthermore, the screening of different measures listed in the OIB anti-fraud strategy was finalised and the implementation of the remaining issues was ensured.
- ✓ The Control Framework for Information System Security, formalizing the OIB's IT security governance structure and OIB wide information systems security measures, was designed.
- ✓ Compliance with **E-Domec rules** is ensured through the implementation of the annual document management action plan by the DMO in cooperation with her correspondents. Activities in 2015 were focused on the increased use of e-signatory, for the validation of internal documents, and on the organisation of internal training sessions for document management.

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



- ✓ OIB supported its core business by adapting the existing IT systems to the operational developments:
  - REMIS<sup>25</sup>: the first phase of the project related to real estate portfolio and contract management was deployed into production. A call for tender designed to acquire IT services for the following phases is on the way.
  - deployed PACEGIS<sup>26</sup> feature which allows efficient design and allocation of open spaces in Commission buildings,
  - deployed ABAC SAM interface,
  - opened MOBILITY.NET to new Executive Agencies,
  - PRESTO<sup>27</sup> updated to the changes in catering contracts,
  - ARCHIS to facilitate the digitalisation of historical archives,
  - KIDDYWEB<sup>28</sup> system was also adapted to comply with new regulations; modifications were also made to support paperless initiatives.

Straightforward alignment with Commission corporate IT policies was respected in all cases. The coordination between OIB and OIL on IT matters and an alignment to the corporate IT governance were ensured by a working group OIB/OIL/DG HR which was set up during 2015.

- ✓ Progress was registered in the development of the "ARCHIS Scanning" project, which reached its first major milestone and is now available for use by the Historical Archives. The project will continue to deploy additional features in 2016. This IT system provides support and essential automation to the scanning of the over 100 linear km of historical archives' files that the European Commission has. ARCHIS Historga project aims to keep track of the organisational history of the European Commission and therefore provides the required contextualization of historical documents.
- ✓ The **overall satisfaction survey**, on the degree of realisation of the set objectives, reported positive results from 76% of users (system owners).

**Conclusion:** The execution of the annual programme of work in the area of Internal Control, Finances, Procurement, Ex-post control and ICT has met its objective and has achieved the annual performance indicators and outputs in the reporting year.

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

According to the financial regulation (art. 30), 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, quality and at the best price. The principle of efficiency concerns the best relationship between resources employed and results achieved.

OIB 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 OIB:

### Example 1

#### Electronic treatment of financial transaction files:

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<sup>25</sup> The project resulting from IT rationalisation, aiming at migration the current OIB Real Estate management Information System to the IT solution on real estate management currently used by OIL.

<sup>26</sup> IT application aimed at reviewing building plans via web browsers, reporting any inaccuracies, automating zone allocation (allocation of posts to physical locations) and partitioning work.

<sup>27</sup> IT application supporting the catering purchases for conferences.

<sup>28</sup> The childcare subscription system.

One of OIB's objectives is to electronically process financial transactions and, in the future, to introduce electronic invoices (e-invoicing). The solution that has been implemented internally involves electronic transmission of payment files between the operational units and the central financial unit.

- ✓ Throughout 2015, the results of the electronic treatment of files showed improved efficiency (improved speed of transmission of files; documents/files are saved and archived in a more harmonised way) and the smooth transmission and treatment of files. The paperless treatment (of payment files) is now applied by all OIB units and preparations have started to extend the system to other types of financial transactions (budgetary commitments, recovery orders, legal entities, etc.). This improvement leads the way to a 'paperless' Office.
- ✓ The use of the *e-signataire* within OIB is regularly above 90% of all documents for which the *e-signataire* could be used.

The project will continue throughout 2016.

## Example 2

**The REMIS project: an IT solution aiming at facilitating the management of the Commission' real estate portfolio by optimising the surface area usage of EC buildings.**

As part of the conducted IT rationalisation exercise, OIB carried out a comparative business processes study on OIB/OIL IT systems, which resulted in the decision to migrate to the IT solution on real estate management used by OIL.

The project will continue with the deployment of modules supporting other business processes during the coming years and its realisation will last until 2019. The system will allow OIB to consolidate and rationalise its IT management of the Commission's real estate portfolio and completely align it with OIL.

In order to put in place this new IT solution, a feasibility study on the real estate business processes within OIB, assessing the impact of deploying a software suite replacing a number of existing systems, was conducted in the course of 2015. The first modules for contract and portfolio management acquired in 2014 were deployed into production in 2015. A call for tender designed to acquire IT services for the following phases has been drafted and published. This will allow the OIB to improve its reporting and management capabilities in 2017 with regards to space and allocation activities during phase 2 of the project.

## 2. MANAGEMENT AND INTERNAL CONTROL

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

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

**This section reports the control results and other relevant elements that support managements' assurance. It is structured into (1) Control results; (2) Audit observations and recommendations; (3) Effectiveness of the internal control system; and resulting in (4) Conclusions as regards assurance.**

### 2.1 Control results

**This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives<sup>29</sup>. OIB's assurance building and materiality criteria are outlined in the AAR Annex 4. Annex 5 outlines the main risks together with the control processes aimed at mitigating them and the indicators used to measure the performance of the control systems.**

As OIB is responsible for providing support and administrative services to the Commission, other Institutions and agencies in Brussels and Ispra, OIB only manages administrative expenditure. OIB budget is annual and therefore there is no multi-annual expenditure program. However, this budget annuality is not adapted to the multi-annual real estate projects managed by OIB (the value of such projects has to be financed by appropriations from several years).

In 2015, OIB has cross-sub-delegated or co-delegated credits for an amount of around € 64,6 M to other DGs and Offices according to the Internal Rules and cross-sub-delegations in place and credits were also sub-delegated or co-delegated to OIB by other DGs and Offices for an amount of around € 9,6 M. Annex 10.1 to this report provides the full list of credits cross-sub-delegated by OIB to other

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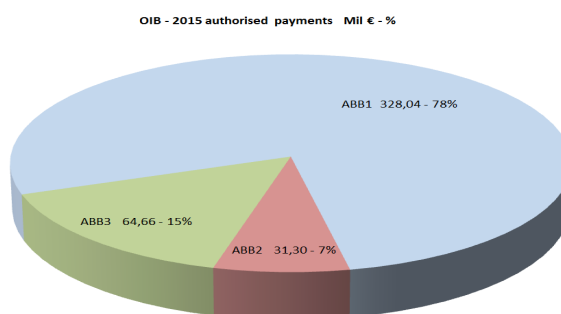
<sup>29</sup> Effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 32).

Commission Authorising Officers as well as those cross-sub-delegated or co-delegated to OIB by other DGs and Offices.

All the payments are done under a centralized and direct management mode (including also procurement), which has an inherent risk relatively low. The risks are effectively mitigated by means of controls. As there is only one type of expenditure in OIB (direct procurement), all payment transactions are subject to the same ex-ante controls. Therefore, there is no segmentation and the analyses and control results reported below concern the entire budget managed by the Office in 2015 and cover all significant areas of OIB's budget (including the credits sub-delegated to OIB by other DGs and Offices). As to the credits cross-sub-delegated by OIB to other DGs or Offices in 2015, assurance reports on the use of these appropriations were received from the corresponding DGs / Services and did not raise any control issue.

The below table and chart present the total payments (on credits C1, C4, C5 and C8) authorised for the year 2015 and their relative weight in each significant budget activity: 78% of the payments relate to the Building Activity (ABB1) while Services (ABB2) and Administration (ABB3) represent respectively 7% and 15%.

Budget areas	Authorised payments (€ M)
ABB1 - Buildings	328,04
ABB2 - Services	31,30
ABB3 - Administration	64,66
<b>Total OIB</b>	<b>424,00</b>



In addition, due to the nature of its activities, OIB generates revenue from services and works provided to other EU Institutions and bodies (other DGs, EEAS, EESC & CR, agencies, etc.). In 2015, OIB revenues amounted to around 40 Mio €, which represent nearly 10% of the budget (commitments). An important part of this amount is carried forward to the following year (C4: 47,8; C5: € 27,3 Mio).

The majority of OIB recovery orders results from the Service Level Agreements (SLA) as a compensation for the services provided by OIB to other Commission services or other institutions. Other sources of revenue for OIB are proceeds from the nurseries and childcare activities (contributions from the parents as well as from the different DGs/Services), proceeds from the sale of movable property (if any) and possible reimbursements of charges connected with the lettings.

In 2015, OIB generated recovery orders for an amount of around €39,6 M (vs €32,6 M in 2014). This difference is mainly explained by the increase of revenues generated from SLA. The revenue from SLA in 2015 amounts to €33,1 M (vs €25,6 M in 2014). The latter increase is mainly explained by additional office space provided to some agencies (corresponding rent and maintenance revenue higher).

### Coverage of the Internal Control Objectives and their related main indicators

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

**OIB has set up internal control processes aimed to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the nature of the payments concerned.** The control objective is to ensure that OIB has reasonable assurance that the total amount of any financial operation authorised during the reporting year which would not be in conformity with the applicable contractual or regulatory provisions, does not exceed 2% of the total expenditure. In order to reach this conclusion, OIB reviewed the results of the following key controls in place. For each item, materiality is assessed in accordance with Annex 4.

Error rate in OIB is estimated mainly on the basis of the results of a comprehensive ex-post control strategy, whose details are explained below.

Financial management and control is grouped around three core processes: 1) Procurement<sup>30</sup> (from the assessment of needs to the selection of the suppliers – award decision), 2) Financial operations (from establishing the financial commitment to payment, contract monitoring and recoveries) and 3) Supervisory measures (including 'ex post' controls and management checks).

For procurement, preventive controls in OIB are ensured via the GAMA opinions, as well as by the central role of unit 'Finance & Public Procurement' which is involved in all procedures above €60k.

The financial circuit in OIB is based on the "four eyes principle", which ensures that, before an operation is authorised, all its aspects (operational and financial) are verified by at least one member of staff other than the person who initiated the operation. In addition, the authorising officers by sub-delegation (AOS) give validation and confirm that all actions and controls required were completed by the initiating and verifying agents.

After the operation has been completed, a second level of control is performed by the ex-post control team. In this context the AOS and ex-post control reports represent one of the supervision activities which provide the basis of the management assessment.

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

### **Preventive controls in procurement**

Continuous efforts are in place to ensure the legality and regularity, the effectiveness and efficiency of the procurement management (key activity in OIB given the nature of its activities).

Indicators on the assurance of the procurement management are positive: in 2015, 47 files (47 lots corresponding to 20 procedures) above the threshold were submitted to GAMA<sup>31</sup>, corresponding to 37 lot award reports (€281.406.913) and 10 reports for unsuccessful lots. Out of the 20 procedures submitted to GAMA, 6 procedures (representing €228.801.900) were selected for review, all of which received a positive opinion.

In 2015, 32 contracts were signed for a total value of € 249.359.875, among which 12 were inter-institutional (for a value of €73.610.000). 16 additional contracts were in final stage for signature at the end of December 2015. Out of 47 files (lots) finished in 2015, 10 were unsuccessful (no offer was received in 6 cases; no request to participate in 1 case; the offer was not compliant in 3 cases). Regular follow-ups and consistent supervision are in place (e.g. weekly reports on calls for tender procedures to management).

Some exceptions / non-compliance situations occurred and have been authorised by the Authorising Officer and registered in the exception register (see corresponding chapter next).

During 2015, a task force worked to take stock of the efficiency of the 'Procurement Project Framework' (after 3 years of its implementation), to make propositions for improvements, optimisation of resources and shortening of procedures' times.

In the context of the IT rationalization in the Commission and in search of better efficiency, OIB has started migration from MarCo to PPMT (both procurement management tools). E-tendering tool is systematically used for the publication of all open procedures and efforts are pursued for a paperless environment.

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<sup>30</sup> Split in OIB between building and non-building procurement (see annex 5).

<sup>31</sup> Groupe d'Analyse de Marchés Administratifs: advisory group which manages non-building procurement procedures above € 60,000. Before the award decision, any tender above the threshold established in the Directive 2014/24/UE (€134,000 in 2015) may be selected and examined by GAMA.

A manual for low value procedures at OIB has been written together with supporting documents. The manual of the tender procedures (high value) has been simplified and updated. The OIB's "Procurement Helpdesk" became fully operational and specific trainings were held. The sector continued also its inter-service and inter-institutional cooperation (participation in GAMA, ILISWG, GTAO, GPP Criteria revision, workgroup EMAS, etc.).

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

### **Payment delays**

Thanks to strong efforts and a close monitoring (monthly reporting and discussion at Management meeting), OIB drastically reduced the payment delays over the recent years, so that at the end of 2015, despite some IT problems and BUDG issues with the processing of certain payments, OIB succeeded to maintain the very positive result observed at the end of 2014 and to even lower again the payment delays indicator (1,5% of payments delayed in 2015 – versus 2,0% in 2014 - significantly below the Commission average of 18,0%). Consequently, the average payment cycle time has also been maintained to a low level, i.e. 27 days in 2015. Further details on payment delays are described in annex 3 – table 6.

### **Recovery orders**<sup>32</sup>

OIB closely monitors the issuance of recovery orders so that revenue are generated and cashed on time. In 2015, 95% of the revenues from SLAs (services rendered in 2015) had been invoiced before the end of year, out of which more than 99% had been cashed in at the end of the year.

At the end of 2015, the amount of outstanding recovery orders was limited to 132k€ (compared to around 169k€ at the end of 2014). The main part of this amount (68%) was generated during the previous years (from 2010 to 2013) and relate to contributions from the Council to the inter-institutional centre in Overijse. Discussions with the Council are in progress to solve this issue.

### **Ex post controls**

Ex-post controls in OIB are one of the main supervision activities, which provide the basis of the management assessment and constitute the principal element for the estimation of the error rate. The controls are based on a stratified sample<sup>33</sup> of five types of transactions (payments, recovery orders, budgetary commitments and low and high value procurement procedures). More details regarding the OIB ex-post control methodology are available in annex 10.2.

In 2015, 129 transactions were controlled, and none of them was classified as non-compliant<sup>34</sup>. However, 50 transactions were considered with error level two and 14 transactions with error level three, providing a detected error rate of 0,01% (€ 8.635). These findings relate mainly to the correctness and/or lack of available supporting documents, lack of justification / explanation of calculation done and no full correspondence with the contractual basis. All ex-post findings were discussed with the units and an agreement on the findings and on the corrective actions was reached in most cases.

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<sup>32</sup> The term 'recovery orders' refers to 'requests for payment' (revenue) for services rendered and not to recovery of money subsequent to the detection of an error.

<sup>33</sup> This sample is representative for payments and recovery orders. Results for these transactions can therefore be extrapolated to the entire population of the same type of transactions.

<sup>34</sup> No error level one (serious error), i.e. detected error rate = 0%.

Regarding the follow-up of previous years recommendations, at the end of 2015, 49 recommendations issued in previous years remained open, although some of them were partially implemented. They will continue to be followed up in 2016.

<i>Ex-post control indicators</i>	<i>Latest known results</i>	<i>2015 Target</i>
Coverage of ex-post controls (in % of total amount)	2015 average: 42 % - Payments: 33 % - Recovery orders: 72 % - Budgetary commitments: 47 %  <i>2014 data: Average 18%; Payments 29%; RO 68%; Budgetary commitments 3%</i>	10% (value) with a representative sampling
% of total expenditure with unacceptable result during ex-post controls	0.01 % (no non-compliance cases)  <i>2014 data: 0.00%</i>	<2% for any type of transactions

The numbers of checks carried out are:

2015	Population of transactions		Verified transactions				Non-compliant results			
	Nr	Amount - €	Nr		Amount - €		Nr		Amount - €	
Payments	7.388	318.113.511	67	0,9%	105.845.192	33%	0	0%	0	0%
Recovery orders	2.057	39.432.567	48	2,3%	28.469.566	72%	0	0%	0	0%
Budgetary commitments	392	286.949.370	8	2,0%	134.354.797	47%	0	0%	0	0%
<b>Total</b>	<b>10.035</b>	<b>644.495.448</b>	<b>123</b>	<b>1,3%</b>	<b>268.669.554</b>	<b>42%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

The ex-post controls on **low value procurement procedures** covered six procedures for an amount of around € 143 k. while no **high value procurement procedures** could be reviewed in 2015 due to fewer resources available.

Overall in 2015, ex-post controls obtained assurance that the budget was well used for its intended purpose. None of the observations made had a financial impact on OIB's budget. The main observations were subject to a series of awareness actions addressed to all units and departments. In order to ensure further improvements in this area, the ex-post control team will follow up on these issues in 2015.

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

Together with ex-post controls, Authorizing Officers by Sub-Delegation (AOSD) reports are one of the supervisory measures in place in OIB. The Authorising Officers by Sub-Delegation provide the OIB's Director twice a year with a report on their activity, covering the results of operations in relation to objectives set, the associated risks, the use made of assigned resources and the problems that can have a financial impact on activities.

The main issues raised in these reports are synthesized and the implementation of actions designed to address them is regularly followed-up in AOSD summary reports which are brought to the attention of relevant Heads of Department and/or Heads of Unit and serve as a tool for the assessment of internal control and budget/financial management. The provision of reports is also monitored and where needed appropriate reminders issued.

86% of the AOSD reports of the year 2015 were received. No very serious issues were identified in the reports. The main remarks mentioned are linked mostly to financial and budgetary management across different units (e.g. recovery practices, processing of information from/to financial IT systems, budgetary needs).

90% of open issues identified in the syntheses relevant to actions resulting from previous reports are

now considered as closed. No very serious issues are outstanding. The implementation of remaining actions will further contribute to improvements in financial and procurement management (e.g. the recovery procedures and the establishment of legal bases).

<i>AOSD reports indicators</i>	<i>Latest known results</i>	<i>2015 Target</i>
Percentage of corrective measures implemented by concerned units, for previous years issues under control of OIB	90% (29/03/2016)	100%
Percentage of Authorising Officer by Sub-Delegation reports received	86 % (29/03/2016)	100%

Given that no significant issue was reported, the reports from OIB Authorising Officers by Sub-Delegation in 2015 contribute to reinforce the assurance of OIB management.

### **Accounting controls**

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

In 2015, the quality of OIB accounts remained high and no significant error was raised by the accounting controls performed. These results were achieved thanks to the good collaboration between the operational units and the accounting team regarding the inventory management which has been improved since 2013 and the organization of various workshops for the operational units, regarding the cut-off exercise and the fixed assets management.

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

**In the context of the protection of the EU budget, at the Commission's corporate level, the DGs' estimated overall amounts at risk and their estimated future corrections are consolidated.**

**For OIB, the estimated overall amount at risk<sup>35</sup> for the 2015 payments & revenue made is between 46 k€ and 2,3 M€ (despite the fact that the detected error rate was 0,01%, the principle of prudence incites to use the range between 0,01% and 0,5%, the latter being the Commission's average for this type of expenditure). This is the AOD's best, conservative estimation of the amount of expenditure & revenue authorised during the year (424,0 M€+39,6M€) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made.**

**This expenditure will be subject to further controls during subsequent years and a sizeable proportion of the underlying error will be detected and corrected in successive years, resulting in the detection and correction of some amounts. The conservatively estimated future corrections<sup>36</sup> for those 2015 payments made are around 212 k€. This is the amount of errors that the DG conservatively estimates to identify and correct from controls that it will implement in successive**

<sup>35</sup> In order to calculate the weighted average error rate (AER) for the total annual expenditure in the reporting year, detected, estimated or proxy error rates have been used (not the RER).

<sup>36</sup> These corrections relate to recoveries or credit notes further to administrative errors (invoice, payment,...). The amount is based on what the corrective efforts since 2009 have shown on average as residual financial corrections (0.05% of the average payments over the same period or around € 198k per year) applied to the payments of the year (424 M€).



years.

OIB	Scope: payments made (FY; €)	Error Rate (%)	Amount at risk (FY; €)	Estimated future corrections (FY; €)
ABB 1	328.04 mil	-	-	-
ABB 2	31.3 mil	-	-	-
ABB 3	64.66 mil	-	-	-
Revenues	39,63 mil	-	-	-
Overall	463.63 mil	0.01% - 0.5%	€46k - 2.3mil	211k

- **Control efficiency and cost-effectiveness**

**Based on an assessment of the most relevant key indicators and control results, OIB has assessed the cost-effectiveness and the efficiency of the control system and it was not able to conclude.**

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, quality and at the best price. This section outlines the indicators used to monitor the efficiency of the control systems, including an overall assessment of the costs and benefits of controls.

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

The subsequent cost estimates are based on the overall cost of an official or contractual agent, estimated by the Commission, and includes a full cost approach (direct costs + indirect costs + overheads). It is important to highlight that the current figures are not comparable with past data due to a change in methodology, which was aligned to the guidance provided by central Commission services. In addition, the yearly comparability of figures can also be influenced by the significant changes that can appear in the value of contracts.

For **procurement**, an estimated €4,7M was invested in controlling procurement procedures for a total value of €483 M. Thus 1% of the total contract value was dedicated to controls. The average time to procure in 2015 was 130 days. The procurement procedures are to a large extent a regulatory requirement which cannot be curtailed. Although the related "quantifiable" benefits are difficult to measure, there are important "unquantifiable" benefits, such as the "best value for money", the compliance with the Financial Regulation (and its Rules of Application) and a clear deterrent effect (otherwise the activity could become erroneous leading even to fraud and corruption). In fact, OIB's public procurement controls ensure that the procurement procedures and payment transactions arrive 'correct' for the signing of the Authorising Officer by (Sub)Delegation. OIB considers therefore that the necessity of these controls is undeniable, as a significant proportion of the appropriations would be at risk in case they would not be in place (see risks outlined in annex 5). In addition, the absence of negative opinions from GAMA reviews of procurement procedures contributes to ensure that procurement controls are efficient.

For transactions of the **financial circuits**, an estimated €7.8M was invested in controlling financial transactions worth approximately €424M<sup>37</sup>. Thus 1.8% of the total amount of financial transactions

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<sup>37</sup> This amount corresponds to the amounts of payments published in table 2 of annex 3.

carried out during the year was dedicated to controls. Payment delays have been strongly reduced in 2015 to 1.5 % (corresponding to a few hundred euros of late interests paid<sup>38</sup>) which is a very good result compared to the 18% for the Commission average. The average time to pay in 2015 was 27 days.

For supervisory measures (*ex-post controls*), an estimated €295k were invested in controlling 129 financial transactions worth approximately €269M. Thus 0.1% of the total value of transactions checked ex post was dedicated to controls.

**Overall**, in 2015 OIB dedicated an estimated total of €12,9M to controls, corresponding to an overall cost of control of 3% of the total expenditure executed during the year.

<i>Control efficiency indicators</i>	<i>2015</i>
- Procurement stage	1.0%
- Financial transactions stage	1.8%
- Supervisory measures stage	0.1%
- Overall <sup>39</sup>	3.0%

The improvement of control systems and the centralisation of public procurement (for procedures above €60 k), as well as for payments and ex-post controls helps to increase the know-how and to apply the best practices, ensures legality and regularity of transactions, brings economies of scale and reduces risks.

Further details, on the relative efficiency of controls in OIB, can be provided by the evolution of these indicators over time as well as by relevant benchmarks using comparable methodologies for services that have similar activities. However, in the latter approach is more difficult due to many factors, which include the significant differences between the services of the Commission, the lack of hard data and the inherent differences between the reasonable estimates made in various services.

The above mentioned quantified and non-quantified elements provide some indication that OIB's controls are efficient. Nevertheless, the lack of quantifiable data regarding benefits prevents us from reaching a conclusion on the cost-effectiveness of controls. In the future, the comparison of these indicators with those from previous years will provide a basis for drawing a conclusion.

- **Fraud prevention and detection**

**OIB has developed and implemented its own anti-fraud strategy since 2013, elaborated on the basis of the methodology provided by OLAF. It has been reviewed in summer 2015.**

OIB anti-fraud strategy's implementation was completed at the end of 2014 and fraud risks are clearly identified in the OIB risk register (in a specific dedicated category) and are reviewed as part of the yearly risk assessment exercise. Additional mitigating measures are decided each time needed. A screening of the different measures listed in the anti-fraud strategy was carried out in summer 2015 and confirmed that all controls and measures are well in place and no significant issue was observed, although the implementation of a few actions still needed to be finalized or better formalized.

During the reporting year, no indications of fraud have been detected in OIB and no case was raised to OLAF or IDOC. On the other hand, no new investigation regarding OIB has been opened by OLAF in the past seven years.

In addition, the survey on the internal control standards realized at the end of 2015 showed that the

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<sup>38</sup> The negative amount of late interest presented in Annex 3 is due to regularization from the previous year.

<sup>39</sup> The overall indicator does not correspond to the sum of the three indicators above as the denominator of each indicator is based on the value of the corresponding transactions and is therefore different from one indicator to another. The denominator of the overall indicator is the total value of payments done during the year.

anti-fraud awareness and the familiarity with anti-fraud regulatory documents and implementing tools are quite high in OIB (around 80% of OIB staff positively replied to this question). A larger set of other anti-fraud indicators is available in annex 10.3.

Consequently, OIB management concludes that OIB anti-fraud strategy is working effectively and that the risk of fraud in OIB is reasonably well mitigated, what reinforces the assurance as to the achievement of the internal control objectives.

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

Due to the nature of its activities and the important level of fixed assets managed, the inventory management (and therefore the safeguarding of these assets) is an important control objective for the Office. Moreover, the subsequent risk of having assets stolen or lost has been clearly identified for several years in the OIB risk register and appropriate mitigating actions are in place.

In 2015, the improving measures implemented during the previous years were continued, in particular a close relationship between the accounting team and the operational units. The current three-year tracking exercise launched in 2014 was pursued, reaching 72% of all inventory items tracked at the end of 2015. This represents a good result, after 2 of the 3 years planned for the entire exercise, which is expected to be finalized by the end of 2016 with a tracking rate objective of 93-95%. Consequently these improving measures in the tracking of assets over the recent years lead to either the turn up & reactivation or to the deactivation & write-off of certain assets. In 2015, this resulted in an accounting loss of € 128k (compared to an accounting profit of € 79k at the end of 2014), corresponding to an annual net impairment of 0.15% of the net book value of the relevant asset classes over a period of 8 years.

Other controls relate to: i) the verification of entry passes (together with DG HR.DS), which has been reinforced again in 2015 in the context of the new security measures, in particular for contractors and sub-contractors; and ii) the security cable locking for any IT hardware.

Given the strong improvements observed since 2011 and the measures in place to reach a 100% tracking rate in the future and as no significant issue with a material impact was encountered during the reporting year, OIB Management considers that the control results are complete and reliable and that the control objective is achieved.

## 2.2 Audit observations and recommendations

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

In 2015, the European Court of Auditors (ECA) performed a review of OIB activities in the context of DAS 2015 and of DAS 2014. On the other hand, 1 new audit and 2 follow-up audits were carried out by IAS during the year. All the audit results confirmed the effectiveness of OIB internal control system in the areas of absenteeism, income in childcare activities and the financial circuits and the two follow-up audits confirmed the good implementation of the audit recommendations.

### European Court of Auditors (ECA)

In the context of DAS 2014 (finalized during the first half of 2015), the Court of Auditors reviewed 6 transactions (payments) of OIB. For 4 of these transactions, OIB provided supplementary information / documentation on the preliminary observations made by the Court. At the end, none of the reviewed transactions gave rise to any observation from the Court in its Annual Report. As every year, the Court also reviewed the supervisory and control systems and the 2014 annual activity report of OIB and had no observation in this regard.

In the context of DAS 2015 (launched in summer 2015), the Court reviewed 6 transactions (payments) and 2 procurement procedures. OIB replied to all questions and additional requests for

information from the Court. At the end of March 2016, the final report from the Court had not been received yet but no significant issue was raised by the Court.

Regarding the 2013 discharge, no observation on OIB's activities was made in the Annual Report of the Court (no significant remark from ECA has been received since 2006).

Regarding the observation made by the Court in the context of the DAS 2013 regarding the lack of evidence on the discount rate used in the estimation of financial leases for some buildings managed by OIB (element mentioned in OIB 2014 annual activity report), the Court performed a follow-up in 2015 and decided to close the observation after additional evidence was provided by OIB.

### **IAS<sup>40</sup> and DG BUDG audits and follow-up audits**

Based on the results of the audits and follow up audits carried out by IAS and former IAC in the last three years, IAS audit opinion concluded that the internal control systems audited are overall working satisfactorily although three very important findings remain to be addressed in line with the agreed action plans.

During the year 2015, IAS carried out a new audit on the absenteeism in Offices. A relevant action plan was established. Two recommendations were addressed to OIB, one being very important and its implementation foresees a more in-depth sickness absence analysis and the establishment of a dedicated benchmarked reference rate in cooperation with DG HR.

IAS also performed during 2015 the follow-up of the 'income in childcare activities' audit and of the 'financial circuits' audit carried out in 2010 and 2013 respectively: IAS audit conclusions confirmed all recommendations closed by OIB as being adequately and effectively implemented. The follow up of the remaining six recommendations from the audits in questions (none of them is critical or very important) currently being in process of implementation will take place in the next years.

In April 2015, DG BUDG issued the final report on its 'evaluation of OIB local systems'. Three recommendations assessed as 'important' are in process of implementation.

As regards the implementation of the recommendations from previous years, in 2015 all open IAC recommendations were transferred to the IAS as part of the handover process and subjected to an internal screening which resulted in most of those recommendations assigned to OIB being technically closed by IAS (downgraded or considered as obsolete). Therefore, at the end of 2015, 50% of all accepted recommendations by OIB were closed and OIB still managed 13 open recommendations, three of them being assessed as 'very important': they relate to the sickness absence analysis (see above) and the other two are linked to the implementation of an IT system supporting the 'concept and reproduction' process, which are in progress. A table featuring the current state of play incorporating new audits / follow-up audits carried out in 2015 can be found in Annex 10.4.

As a result of the assessment of the risks underlying the auditors' observations together with the management measures taken in response, OIB management concludes that none of the new or pending recommendations raises an assurance issue. OIB will however continue its efforts to implement the action plans resulting from the audit recommendations and to take measures to mitigate the issues raised, as part of the on-going effort of continuous improvement.

## **2.3 Assessment of the effectiveness of the internal control systems**

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

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<sup>40</sup> Following the Commission's decision to centralise the audit function, the IAS is now solely responsible for conducting internal audits in the Commission.

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

As required by Internal Control Standard 15, OIB conducted in autumn 2015, in the preparation of its 2016 Strategic and Management Plans, a review of the compliance and effectiveness of its internal control system. The assessment was carried out through different sources:

- A desk review consisting of exchanges of information and documents and meetings with the different people closely involved in the implementation of the standards;
- In order to evaluate the effectiveness, two online questionnaires built around the 16 ICS were addressed to OIB Management and to a representative sample of staff. The participation rate was very high (86% for the management and 65% for the staff) and around 120 participants completed the questionnaire;
- Compliance and effectiveness were also assessed against concrete indicators, analysis, relevant audit results, exceptions and non-compliances cases registered and the results of the risk assessment.

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

Based on the results of the review of the compliance and effectiveness of the Internal Control Standards, realized in the last quarter of 2014, OIB Management concluded at that time that the internal control standards were effectively implemented in OIB.

But given the context of the staff reduction (2012/2017) and the subsequent risks and potential impact on the performance of the Office, OIB management decided to keep<sup>41</sup> ICS 3 "Staff allocation and mobility" prioritised in the 2015 Management Plan, although already effectively implemented in OIB and compliant with the ICS requirements. No other ICS was prioritized for 2015. The main actions done during the reporting year regarding the prioritized standard (ICS 3) are presented in annex 11.

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

In 2015, the number of exceptions and non-compliance events slightly increased compared to 2014 (36 vs 32 in 2014) but remained lower than the average of the last four years (41). The majority of these events (56%) were linked to the lack of anticipation in establishing legal and budgetary commitments. Other instances relate mainly to the need to assure the continuity of the services or operations thanks to exceptional measures validated by OIB Director: changes to the contract thresholds and/or extension of the services rendered by existing contracts, when new contracts are not yet available.

According to a specific procedure in place, all these exceptions and non-compliance cases occurred in 2015 were duly registered and validated via a dedicated IT application (online register of exceptions), appropriate corrective measures are put in place on a regular basis to mitigate these risks and a proper follow-up is conducted. None of these 2015 exceptions were considered to have a negative impact on the assurance of the Office.

### **Risk management**

Risk management in OIB is a continuous and systematic process for identifying and managing risks in line with the accepted risk level and is an integral part of the management of any activity. Many of OIB risks are inherent risks resulting from the operational nature of the activities (some of them cannot be avoided without discontinuing the related activities).

Risk management exercises are conducted within OIB at least once a year in the context of the

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<sup>41</sup> This standard was already prioritized in 2014.

preparation of the Management Plan. In November 2015, a new risk assessment workshop with OIB Management was performed and allowed to review and assess each risk and to build a new risk map. The risk register was then updated and validated by OIB Director: 19 risks were retained, one of them being classified as critical (the general safety risk of buildings, equipment and operating activities). The majority of defined mitigating measures are already in place or advanced in their implementation.

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

## Conclusion

At the end of 2015, concerning the overall state of the internal control system, OIB complies with the three assessment criteria for effectiveness; i.e. (a) staff has the required knowledge and skills, (b) systems and procedures are designed and implemented to manage the key risks effectively, and (c) no instances of ineffective controls exposing the Office to its key risks has been observed. This statement was confirmed by the results of the compliance and effectiveness review of the internal control system carried out at the end of 2015, namely:

- There was no major event impacting the functioning of OIB's control system in 2015 and all ICS were assessed as being compliant and effectively implemented (including the one prioritized for the year 2015, for which various actions have been taken to better mitigate the underlying risks);
- No significant issue was pointed out by the European Court of Auditors nor by IAS in their audit reports;
- Appropriate actions have been taken to mitigate the risks identified in the 2015 risk assessment;
- Issues raised in audits, AOSD reports, ex-post controls, risk-assessment, exceptions and litigations are addressed by an action plan and followed-up on a regular basis. None of these issues identified in 2015 was assessed as significant;
- The document management reports and surveys produced by Secretariat General showed positive results for OIB;
- Sensitive functions (ICS 7 "Operational Structure") continue to be closely monitored in OIB through regular reporting to senior management and monthly follow-up with the units in order to ensure smooth management of these functions. In 2015, a working group was created in order to re-examine OIB's sensitive function procedure (dated from 2008) through a new risk assessment of OIB sensitive functions and to better put in balance the objectives of the Commission decisions on sensitive functions with the necessity to safeguard the competences needed to ensure the continuity of service. This resulted in a new framework for the management of sensitive posts in OIB in place since July 2015. At the end of 2015, measures were taken to address the sensitive posts subject to mandatory mobility (removal of sensitive tasks or internal or external mobility).

**In conclusion, the internal control standards are effectively implemented and functioning in OIB.** Further enhancing the effectiveness of control arrangements in place, by inter alia taking into account any control weaknesses reported and exceptions recorded, is an on-going effort in OIB in line with the principle of continuous improvement of management procedures.

## 2.4 Conclusions as regards assurance

**This section reviews the assessment of the elements reported above (in sections 2.1, 2.2 and 2.3)**

**and draws conclusions supporting the declaration of assurance and whether it should be qualified with reservations.**

The information reported in this section 2 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and covers the entire budget delegated to the Director of OIB. The results of these controls and analyses are the following:

- The audits performed by the European Court of Auditors, IAS and DG BUDG in 2015 did not raise any significant weakness; and a proper follow-up of the audit recommendations is carried out to ensure their timely implementation; as a result there is no overdue critical nor very important recommendation at the end of 2015;
- All procurement procedures reviewed by GAMA received a positive feedback;
- Ex-post control results did not raise any serious error (no issue with significant financial impact);
- No significant issue was mentioned in the reports from the authorising officers by sub-delegation (AOSD) to the Director;
- None of the registered exceptions had a significant impact on the assurance of the Office and appropriate corrective measures were put in place to mitigate these risks;
- All the identified risks, with a special focus on the critical risk, are properly mitigated and managed and the risk assessment process is effective; In addition, the intrinsic risk for administrative expenditure managed by OIB (including procurement) is relatively low because of the centralised and direct mode of budget implementation. The underlying risks are effectively mitigated by means of controls;
- OIB internal control system has been assessed as compliant with the requirements of the internal control standards and, in its entirety, effective. And permanent effort is made to ensure its continuous improvement.
- The delays of payment have been reduced again to a very low limit in 2015 (much lower than the EC average) and nearly all recovery orders issued in 2015 have been cashed in; and the quality of OIB's account remained at a high level;
- Management reporting is widely present in OIB and allows ensuring that the objectives are properly followed up and that Management is aware of any potential significant issue;
- On the basis of the available quantified and non-quantified elements, the set of controls in place in OIB can be assessed as reasonably efficient;
- The risk of fraud is reasonably well mitigated: no indication of fraud was detected and no new investigation regarding OIB has been opened by OLAF or IDOC; and anti-fraud awareness is high among OIB staff;
- The controls in place to ensure the safeguarding of assets did not reveal any significant issue with material impact and were assessed as effective.
- The reports from the relevant authorising officers in all cases of cross-sub-delegations made by OIB to other DGs/Services did not raise any particular issue and provided reasonable assurance;

On the basis of the above elements and taking into account the materiality criteria presented in annex 4, OIB's Authorised Officer by Delegation can confirm that:

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

Although some derogations/exceptions were reported in the procurement and financial management process, none of them are assessed as significant and are mainly related to:

- Insufficient anticipation in establishing legal and budgetary commitments;
- Need to ensure the continuity of service (overstepping of the contract threshold, overstepping of contractual deadline for different supplies and services before the conclusion of a new contract);

In order to reduce these weaknesses, mitigating measures have been put in place and proper follow-up is carried out.

In addition:

- The Court of Auditors did not identify any serious weakness in OIB's activities; and IAS audit opinion confirmed the internal control systems audited are overall working satisfactorily.
- No indications of fraud have been detected and no investigation was opened by OLAF or IDOC.
- No significant occurrence of errors was observed in the transactions;
- No weakness has been identified regarding the non-compliance with the internal control standards;
- Besides the ex-post controls and audits, OIB's exception register, AOSD reports and supervision tools ensure an extensive coverage of the Office activities;

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

According to the results of the ex-post controls and audit bodies (no major error with financial impact detected), the estimation of the risks relating to the legality and regularity for the expenditure authorised during the reporting year is at 0,01%. However, as per the principle of prudence, the AOD prefers to estimate the residual error rate between 0,01% and 0.5% (EC average). But in any case, this quantified value of errors in payment is definitely much lower than the materiality criteria of 2% and therefore not significant.

→ No major event likely to negatively impact the Commission's or OIB's reputation occurred in 2015.

Taking into account the above elements supporting OIB assurance, it is possible to conclude that the internal control systems implemented in OIB provide reasonable assurance as to the legality and regularity of the underlying transactions as well as to the achievement of the other internal control objectives (true and fair view, resources used for the intended purpose, sound financial management, non-omission of significant information, efficiency of controls, prevention and detection of fraud, and the safeguarding of assets) for both expenditure and revenue operations.

### **Overall Conclusion**

**In conclusion**, the information provided in this annual activity report covers the entire budget of OIB, is complete and reliable and **OIB management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented whenever needed.** Therefore, there is no reservation for 2015 and **the OIB Director, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.**



### 3. DECLARATION OF ASSURANCE

*I, the undersigned,*

*Executive Director of OIB*

*In my capacity as authorising officer by delegation*

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

*State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.*

*This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the opinion of the Internal Auditor on the state of control, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.*

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

Brussels, March 31<sup>st</sup>, 2016

*"Signed"*

Marc Mouligneau

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