

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION TO THE COUNCIL AND PARLIAMENT

THE COMMISSION'S APPROACH

TO THE

MANAGEMENT OF RESOURCES

1. Introduction

1.1. At a time when the Community is going through a period of rapid changes and political interest in its future, it is quite natural that the Commission should be attracting special attention as a public administration, for the quality and scale of a public administration's resources reflect political choices as to the role it should play and the importance attached to its success.

1.2. This is the backcloth to the Commission's response to the Court of Auditors' report on the management of its resources, which was produced at the joint request of the Council and the Commission.

The Commission notes that the Court's assessment concludes with a recommendation that the Commission favour a more integrated system of management to achieve a better optimal allocation of resources, but at the same time stress is laid on the fact that the balance to be achieved is a matter for the Commission's political judgement. As the Court says in its report, the question of whether and how a task should be performed is in many cases political rather than technical.

The Commission President wrote to the President of the Court of Auditors on 15 June 1990 pointing out that, while some of the recommendations made might enhance the effectiveness of the instruments at the Commission's command, this in no way called into question the worth - which the Court acknowledged in its report - of the instruments available to the Commission today.

While it is obvious that these instruments must be developed and integrated in such a way as to further enhance their effectiveness, the Commission would point out that some of the recommendations could make procedures more cumbersome and so achieve the very opposite of the objective of transparency and in particular greater integration of the management system.

1.3. At all events - and quite apart from the need to take account of the Court's suggestions and the adjustments being made to management methods - the Commission feels that the starting point is the obvious incoherence between the considerable extension of its field of activity, the increase in administrative workload this entails and the objective need for additional resources. And yet the Community is required to produce results by stated deadlines.

The Commission maintains that the application of an integrated resources management system depends primarily on a narrowing of the excessively wide gap observed by the Court between the field of action and the resources parsimoniously assigned to the Commission. Unless something is done to make good this deficit, the organization of the Commission's priorities on an overall basis which the Court would like to see - an objective shared by the Commission - will be all the more difficult to achieve, as the optimum resources base is inadequate for the policy choices to produce more coherent balances in terms of overall management.

The Commission notes that at no point in its report does the Court question the quality of the work done by the Commission in what the Court recognizes quite objectively are difficult conditions.

In this respect, mobilizing and motivating its staff are of the essence.

2. The Commission: a unique public administration

2.1. The Community is a unique political construct. The executive role of the Commission is also unique in relation to the Community's other public services.

2.2. The Commission is first and foremost a multicultural, multilingual public service. This is essential if the Member States and their citizens are to accept the Commission as part and parcel of their own public service, while at the same time acknowledging its specific identity and the need for this identity.

2.3. The Commission has four functions:

- an increasingly important "think-tank" function to enable the institution to play its role as policy initiator;*
- a permanent negotiation function with the Member States and other countries;*
- a management function connected with the implementation of Community policies adopted, entailing an ever closer involvement with national civil services, which have an increasingly decisive management role to play;*
- a monitoring and control function to ensure that policies adopted are implemented correctly and equitably.*

2.4. This partnership between the public services of the Community and the Member States is thus vital and must be stepped up. There must not be a feeling that the administration of Community policies is something far removed from those to whom those policies apply at national and local level. It must therefore be a partnership in which each side respects its obligations to the other.

2.5. While work must continue on the implementation of the acquis communautaire, there are also new initiatives to be prepared and new political developments to be supported. It is, however, vital that what has already been achieved is maintained.

The expansion of the Community's activities in recent years has consequently meant a very significant increase in the Commission's tasks:

- *whether in terms of budgetary amounts, the intensification of Community action in particular sectors or the extension of such action to new areas, the increase is obvious and widely recognized.*

What makes the constraints imposed by this increase in Community activity even heavier is that specific deadlines have been set at political level for several areas.

There is no denying that this new situation does exist.

By way of example:

- *The budgetary impact of Community policies and the growing number of such policies, not only over the last ten, but especially in the last five years, have resulted in the Community budget soaring from ECU 17.5 billion in 1980 to ECU 30.5 billion in 1985, and on up to ECU 55 billion in 1991, combined with a radical regearing of Community expenditure since 1988.*

This means that for all Directorates-General, the official/ecu management ratio has substantially increased, rising, for example, for the ERDF from ECU 9.45 million to ECU 18 million in 1990.

This brief recapitulation is only part of the picture of the resulting additional administrative workload.

- *The resources assigned to the completion of the internal market, which involves over ten Commission departments (i.e. nearly half of them all) cannot be assessed in terms of budgetary impact. But the preparation, negotiation and monitoring of almost 300 directives demands greater mobilization of staff. The resources for this are now insufficient.*
- *Similarly, implementing the policies to flank completion of the internal market, particularly the structural policies, which now have a major budgetary impact, should require a mobilization of staff which is not feasible today. Despite the additions provided in 1988, partnership, which is the cornerstone of the reform and is in the very interests of the Member States and the regions concerned, demands that adequate resources be available.*
- *Similarly, the present administrative structure simply cannot cope with the sheer scale of the Community's external activity (partnership with countries of Eastern Europe, trade relations with all regions of the world, etc.). The Community's political commitments are at stake.*
- *The repercussions of German unification will affect every single department.*
- *Finally, all horizontal management measures connected with the functioning of the institution have increased with the extra workload imposed in all sectors. That is a fact.*

2.6. To put it another way, the Commission is, and cannot avoid being, a target-oriented public service capable of planning, acting, implementing and monitoring, but constantly able to adapt its attitudes and switch its resources to meet the requirements of a special assignment (by definition an evolving one) bound up with the unique nature of the task of building the Community.

2.7. Underlying these requirements is the need for the Commission to have a solid enough base to ensure that the continuity of Community action is not jeopardized by new assignments.

It is worth pointing out that the Commission does not in fact have large numbers of staff. In this connection it is interesting to note that the ratio between the Commission's staff numbers and the total Community population has not fundamentally changed since 1970, while the Commission's workload has grown substantially.

The foundations of the Commission administration can only be the European civil service, and due regard must be paid to the unique nature of the official position held by its staff (who have permanent tenure and must be independent and competent). It must therefore be given enough resources to give it the flexibility a target-oriented administration needs.

Consequently, to maintain too wide a discrepancy between the work to be done and the resources the Commission is granted would be incompatible with the objectives it is supposed to achieve and the maintenance of the necessary foundation.

3. These aspects are reflected in the changing Commission management, but resources are still insufficient

3.1. For many years now the Commission has been giving special attention to the management of its resources. 1986 saw the launching of a modernization programme designed to improve management within its departments, while taking account of the multicultural features.

This programme branched out into a new area in 1989 when it was decided to decentralize decision-making powers with regard to officials' careers, giving local department heads direct responsibility for the management of their staff. The departments of the central administration were also restructured to provide it with better support.

3.2. At the same time, there were changes in relations with national public services, with markedly greater use being made of the exchange system whereby national officials can work in Commission departments (150 in 1985, 410 in 1990) for limited periods (and vice versa), the aim being to instil a greater knowledge of the workings of the Community in the national civil services, given their ever-increasing involvement in the implementation of Community policies.

3.3. *The Commission already allocates its resources with great flexibility, depending on developments in political priorities and the need to carry on with existing projects.*

The Commission can show that, despite the limited numbers of staff, it has managed to start redeploying staff to tackle the major political priorities set by the Community, endeavouring to achieve the optimal allocation, i.e. continuing at the same time to implement existing policies. For instance, the internal market increased its share of total staff from 19% in 1985 to 23% in 1990, structural operations from 10% to 13%, and external relations from 12% to 20%, while the horizontal departments (Budget, Financial Control, Legal Service, Secretariat-General and Administration) diminished; and for obvious reasons there was a large increase in the language service. While the research and technology effort grew threefold, the staff resources for implementing the programmes were multiplied by a factor of 1.5.

3.4. *Commission departments often change their administrative structures to reflect new Community activities. Similarly, the Commission uses mobility to prepare its staff for new tasks and redeployment to reallocate resources. In 1989 the Commission set a target of 7.5% redeployment over two years (1989 and 1990), and 4% for 1991. The first objective has already been reached, well ahead of the end of 1990, with 796 people being redeployed since the beginning of 1989.*

3.5. *Since 1988 the Commission has also adopted a new approach in its budgetary requests for staff. It has been particularly strict with its departments, limiting the number of posts requested after choosing between internal claims and directing resources at the current priorities, with the aim of obtaining a more integrated approach to resources management than in the past.*

The Commission has also sought to allow for what has now become the systematically restrictive attitude of the budgetary authority. It did not wish to become involved in bargaining on the basis of what might have been considered initial overbids when in fact they corresponded to the institution's real needs.

The Commission observes - as the Court does too - that this responsible policy has been endorsed by the budgetary authority, which has accepted virtually all the requests for posts put in since 1985. But the outcome has been that the percentage increase in Commission staff numbers fell between 1985 and 1990.

3.6. *This demanding approach adopted by the Commission has reached its limit when seen against the institution's real needs to tackle the Community's growing political commitments.*

What is at stake today is the maintenance of the Commission's capacity and the quality of its work, the motivation of its staff, and the continuation of the necessary partnership with national authorities.

3.7. The fact that it has been necessary to make increasing use of "mini-budgets" over the same period is consistent with these trends.

The idea of "mini budgets" originates in the need for greater flexibility, which can be more easily achieved by using external resources rather than permanent staff. This need has been recognized and encouraged by the budgetary authority. The facility thus provided has been extremely useful in the face of pressure from new policies, which often require specialists, and, at least initially, do not easily lend themselves to treatment using traditional resources. Although growth in this area became rapid at one stage, leading to certain management difficulties, the decisions taken by the Commission in 1990 have brought the situation fully under control and made it completely transparent, as the budgetary authority has been able to see for itself.

There remains the question of the balance to be struck between permanent and non-permanent resources and it must undoubtedly come down in favour of the former if we are not to undermine the role of the European public service.

4. Report of the Court of Auditors

4.1. *Although the Court of Auditors' report concentrates on the management of resources in a technical sense, which was of course the Court's brief, it also pinpoints certain features of Commission management, which are set out below.*

4.2. *The Court comments on the continuous increase in the tasks to be carried out by the Community and the Commission, and the latter's performance in this respect.*

It notes that the Commission itself has drastically reduced the staffing requests lodged with the budgetary authority and that the budgetary authority's attitude has become increasingly restrictive. It acknowledges the Commission's right, and duty, to have a solid structure for the management of its resources in keeping with changing political priorities.

It confirms that structures are flexible and that efforts are being made to redeploy resources. It notes that there are several systems for the management of objectives and resources. It underlines the need for transparency which applies to any public authority and which is fully recognized and put into practice by the Commission.

4.3. *Its main criticism concerns the need to improve the coherence between the Commission's various management instruments, notably by introducing new techniques for identifying priorities with greater accuracy and for assessing requirements so that the clearest possible case can be made out for the Commission's budgetary requests, in particular where mini-budgets are concerned.*

4.4. *It is the Commission's wish to improve its management techniques - and in this spirit it incorporates the Court's recommendations - but at the same time eschewing any further layers of bureaucracy. On the contrary, its aim is to simplify and streamline management within the Commission in order to make it more efficient. The annex contains an analysis of the detailed reactions to the Court report and lists the measures adopted as well as those being planned.*

- (a) *The Court criticizes the fact that there is no connection between the evaluation of departments' total requirements and the selection of the requests to be put before the budgetary authority. In the Commission's view there is a very clear connection and that is the political arbitration between different interests which it carries out at this stage in the budgetary procedure, in the light of their respective priorities. By its very nature this process cannot be quantified but it is nevertheless essential in any system of resource management with political objectives in view.*
- (b) *The Court also criticizes the lack of transparency of "mini-budgets", although it acknowledges the need for them, and their effectiveness. While the Court was carrying out its investigation, the Commission took a number of decisions on this subject and a report was transmitted to the budgetary authority. This can be seen as a response to the substance of the criticism. While accepting the need for transparency, the Commission must enjoy the flexibility required to manage this vital instrument.*
- (c) *Similarly, the Commission fully accepts that a capacity for in-house evaluation needs to be developed as a way of ascertaining to what extent objectives have been attained and being in a position to adjust management methods and resources accordingly.*

4.5. *Staff policy and the management of personnel and its various resources constitute a political priority for all the Members of the Commission, particularly the President.*

While the Commission readily acknowledges the value of firm coordination, it must operate with due respect for the principle of the institution's collective responsibility.

The Commission is nevertheless willing to consider the Court's suggestion when it states that the conclusions and recommendations of the audit will be of no use unless the Commission President is prepared to implement and monitor the necessary measures and the two arms of the budgetary authority give their support. The concrete measure suggested is that the Commission should appoint a coordinator to report direct to the President.

For this reason, and because of the need for a constant evaluation of resource management as part of an integrated approach, the Commission takes the view that the absence of a departmental inspectorate is a defect to be remedied. The Commission is considering setting up a departmental inspectorate reporting to the President and responsible for the constant evaluation of departments and resource management.

5. The future

5.1. *The Community's tasks continue to expand in a wide range of areas, not only those on which the media tend to turn the spotlight. The work of Parliament and the Council are daily proof of this fact.*

While the growth of the Community's - and hence the Commission's - activity cannot, and must not, go hand in hand with inordinate increases in Commission staffing levels, it has become necessary for the Commission to bring its staff complement up to date by introducing new resources. At the same time the Commission must adapt its management methods, relying on strict coordination to ensure the consistency which is required if its action is to be efficient.

5.2. *Partnership between the Community and national civil services should continue to be encouraged for the reasons outlined above. Any initiative in this direction must strictly safeguard the Commission's role, subject to proper facilities for monitoring and follow-up.*

5.3. *Against this background and subject to conditions defined in legislative decisions and decisions taken by the Commission in its field of competence, the flexibility of action which is essential to a target-oriented administration would be sought for a number of clearly-defined management tasks. These would be supervised by the Commission, and would presuppose the existence of an adequate resource structure as a starting point.*

Some tasks could be entrusted to agencies, specialized offices or specific authorities with appropriate management procedures and working conditions. There could be no question of eroding the Commission's powers or jeopardizing the charter of the European civil service.

This course of action would be appropriate only in the case of activities which have:

- a well-defined scope which does not usurp any of the Commission's powers in relation to the Community policy concerned;*
- interests, from the point of view of the European citizen, in the area of scientific or technical objectivity which would be served by going to a specific agency.*

In advance of any systematic recourse to this option, the Commission would define a coherent framework and a specific modus operandi to guard against any dilution of its powers.

5.4. *Although the Commission intends to continue to work with the internal flexibility which is the hallmark of a target-oriented administration, it recognizes that there are objective limits to what it can do.*

The importance of new Community priorities does not detract from the importance of the past decisions which make up the acquis communautaire. New priorities have to be managed side by side with existing ones.

In the Commission's view the purpose of flexibility is to promote the delegation of certain tasks in the interests of efficient, responsive management. Increased flexibility should not have the effect of undermining existing structures but should rather increase the consistency and efficiency of the institution as a whole.

5.5. In this context the Commission would stress that the increased demands made on staff presuppose a climate of mutual trust. It committed itself to the creation of such a climate in the "Social Contract for Progress 1989-1992" signed with the trade unions and staff associations on 7 June 1989. This commitment will be honoured.

6. Conclusion

6.1. Management of resources is a matter of constant concern to the Commission, which is aware that there is an on-going need to adjust in order to achieve an optimal allocation as part of an integrated approach, as the Court itself advocates.

6.2. The Commission believes that the time has come for a substantial boost to its resources to bring them up to the level required today; in this way the coherence of the instruments working for the Community will be safeguarded and enhanced. This is a precondition for the injection of a measure of flexibility, notably in the context of the delegation of tasks.

The need for a substantial boost in resources should therefore be recognized by the budgetary authority in the forthcoming budgetary procedures, beginning with the current one. This will mean revising the financial perspective and allowing for this in the budgetary procedure.

The consequential recruitment effort must be put in hand under optimum conditions so that it can bear fruit as quickly as possible and satisfy requirements linked to compliance with agreed deadlines.

6.3. The Commission is already in the process of adapting resource management to the Community's current objectives. But it would like to go beyond this to respond to a new situation.

It would like to adopt an overall approach to management and create a new organizational and management framework to be put in place before the end of 1992. Steps would be taken to ensure that there was no interference with existing objectives.

Moves in this direction, designed to provide the necessary back-up for European integration and preserve the instruments working for the Community, would take place in the climate of the mutual trust between the Commission and its staff created by the "Social Contract for Progress 1989-1992".

**DETAILED COMMISSION RESPONSE TO
THE RECOMMENDATIONS OF THE AUDIT COURT**

1. INTRODUCTION

1. Section II of this annex regroups the various conclusions and recommendations in Section 5 of the Audit Court report under the following four chapters :

- (a) management of human resources at the level of each Directorate General;
- (b) role of the central services in the management of human resources;
- (c) management of human resources at the level of the Commission;
- (d) information technology and training.

For ease of reading the conclusions have not been treated in the sequence in which they appear in the Audit Court report but have been grouped by theme within each chapter (e.g. Work Programme, priorities, internal consultancy and audits etc). However, the final page lists the Audit Court recommendations in Section 5 and provides a cross-reference to the Commission's response as set out in the present text.

In each case, the recommendation of the Audit Court is quoted. This is followed by an indication of the present situation in the Commission, and either an explanation of how the Commission intends to implement the recommendation in order to improve the present situation, or the Commission's reasons for not accepting the recommendation.

In the light of the analysis contained in this report, the Commission has taken the points made in Annex 1 of the minutes of the Budget Council of 27th July 1990 ("Déclaration du Conseil sur le rapport de la Cour des Comptes") and shows in Section III the extent to which the Council's recommendations have been followed.

11. DETAILED COMMENTS ON AUDIT COURT RECOMMENDATIONS

A) MANAGEMENT OF HUMAN RESOURCES AT THE LEVEL OF EACH DIRECTORATE GENERAL

(1) Audit Court: Establish operational work programmes at the level of each DG

"Directorates General should :

- *establish formally an operational work programme in such a way that staff at all levels have a clear view of their objectives and responsibilities, and management from Head of Unit to Director-General an agreed means of assessing progress in relation to those objectives (§ 5.8 a));*
- *identify activities included in their work programme which cannot be adequately carried out or carried out at all because of the staffing situation (§ 5.8 c));*
- *establish formal reporting arrangements to allow their services to account on a regular basis for their performance by reference to the work programme. Variances, such as backlogs, should be analysed and remedial measures indicated. A summary report should be communicated by DGs to a central monitoring unit within DG IX/Secretariat General (§ 5.8 d));*
- *carry out a critical examination of their activities based on the above at least annually with particular emphasis on their development in relation to changing priorities and the consequences for inputs, including human resources." (§ 5.8 e)*

For 5.8 (b) please see B (11).

Response of the Commission to the establishment of work programmes at the level of each DG

The Audit Court has indicated that certain DGs (e.g. the Statistical Office) already have work programmes. A number of other DGs, not mentioned by the Audit Court, also have formal work programmes (e.g. DG IX - Personnel and Administration has for many years been operating its "ODI" system ("Objectives, Delegation, and Information").

The method of formulating a work programme and the extent to which it is formalised has until now been left to individual DGs.

The Commission has decided to follow this recommendation in order to improve and to harmonise these annual work programmes at the level of each Directorate General. The work programmes (or "mission statements" as they will be known) will be used by each Director General as a planning, monitoring and review tool. The "mission statement" for each Directorate General will indicate the mission of the Directorate General, its objectives and principle tasks for the coming year.

The Commission intends to go further than the recommendations of the Audit Court by examining the possibility of creating a bridge between the "mission statement", the already existing Work programme of the Commission (legislative programme), and the Rolling plan, which provides a photograph of the allocation of all types of human resources within the DG.

In addition, the Commission will examine the possibility of using these instruments as a basis for establishing an Internal Directory ("Guide des Services") which will be published internally and will improve communications within the Commission by indicating who is responsible for what.

The survey of staff attitudes carried out in 1988 by CEGOS indicated that the setting of objectives was highly motivating for officials.

The Commission, without wishing to establish a bureaucratic system of control, also agrees with the need for ongoing evaluation by each service of the extent to which objectives thus defined are being achieved. The mission statements, and their breakdown by different levels, will enable this continuing review by each hierarchy. In addition there will be a review by the Director General with the central services at the end of the year. The services, having retained the different political priorities and the corresponding allocation of resources, will be able to make the necessary proposals in the light of this evaluation.

(see also point B (1))

B) ROLE OF THE CENTRAL SERVICES (IN PARTICULAR DG IX - PERSONNEL AND ADMINISTRATION, AND THE SECRETARIAT GENERAL) IN THE MANAGEMENT OF HUMAN RESOURCES

(1) Audit Court - central services to establish an integrated management resource system

"It is for the Secretariat General and DG IX, whatever the exact division of day to day responsibility, to ensure that the Commission services have adequate systems for securing the efficient, effective and economical use of its human resources and that these systems are properly and consistently applied. This means that they are responsible, inter alia, for :

- (a) *prescribing standard procedures for the drawing up of work programmes and the allocation of resources and ensuring that an integrated system of management is established and consistently applied."* (§ 5.9. & 5.9.a)

Response of the Commission that the central services should establish an integrated management resource system

The Audit Court has pointed out that

"The Commission now disposes of a number of valuable elements with which to manage its operations and its resources" (§4.1.)

The Commission accepts that these elements can be improved, in particular by integrating them as well as by developing them further.

The Secretariat General and DG IX are already examining the feasibility of providing Directorates General with an integrated set of instruments which will include "mission statements", a modified Rolling plan, the "Internal Directory of Services" together with the organigramme and the file of tasks and activities for A-level staff.

The Secretariat General and DG IX will develop these instruments. This will be done through or with a certain number of Directorates General by a pilot implementation. The result of this pilot implementation will be evaluated and the necessary decisions will be taken as to whether or not these instruments should be implemented throughout the Commission.

The Commission will be concerned to make sure that the development of these systems does not result in unnecessarily elaborate procedures. As a small administration with very varied services, a heavily centralised system could require more effort than the gains to be achieved.

(II) Developing guiding criteria at the appropriate level both for executive tasks (by reference to classical techniques) and for conceptual tasks (on the basis of experience) for the translation of tasks into workload and this into the requisite quantity and quality of staff. (§ 5.8 (b))

"Develop guiding criteria at the appropriate level both for executive tasks (by reference to classical techniques) and for conceptual tasks (on the basis of experience) for the translation of tasks into workload and this into the requisite quantity and quality of staff." (§ 5.8 (b))

Response of the Commission

The Commission does use classical techniques for evaluating the work load for process-type activities. However, most of the work of the Commission is of a non-process type (conceptual work, drafting and negotiating legislation, representational activities, etc).

The Audit Court itself has recognised the difficulty of establishing such indicators for this latter type of work:

"It would be unrealistic to expect even an improved system to make easy precise quantitative assessments on the needs for staff : the question whether and how a task should be executed is in many cases more a question of policy than a technical matter" (§4.8).

The Commission has used external consultants to examine the feasibility of establishing performance indicators in order to define the number and grading of staff to carry out non-process tasks. The external consultants have not discovered satisfactory performance indicators used elsewhere for similar types of work to that mainly carried out by the Commission; nor have they been able to establish such indicators for the Commission.

The Commission intends to test a number of time series which juxtapose certain relevant statistics, as a further means of establishing an indication of increases in productivity, also taking account of inputs such as investment in information technology, training, etc.

(III) Advising Commission services on the scope for improved use of existing human resources and where necessary initiating reviews of organisational structures. (§ 5.9 (c))

"Advising Commission services on the scope for improved use of existing human resources and where necessary initiating reviews of organisational structures." (§ 5.9 (c))

"Monitoring the allocation of human resources to determine whether the quantity is economical and their classification satisfactory." (§ 5.9 (e))

"Establish a coherent framework for the management and monitoring of human resources. Specifically the Secretariat General and/or DG IX should establish units to advise DGs on management techniques (organisation, development of procedures, priority setting, motivation, communication and feedback) and to monitor the performances and the allocation of human resources at the level of the Commission's services." (§ 5.11 (b))

Response of the Commission to providing internal management consultancy and management audits

The Commission central services already carry out these two functions, albeit on a limited basis. Nevertheless, the Commission recognises that, in the context of an integrated approach to human resource management, a permanent audit of its services is a necessity. The Commission is therefore considering the creation of an internal management audit capability reporting directly to the Presidency and with the mandate to carry out an on-going and permanent evaluation of the management of resources.

(iv) Audit Court - Request and Justification for additional human resources, allocation of these resources

"Provide Commission services with an analysis of the likely supply of human resources and of relevant considerations and constraints at the start of the rolling plan exercise. DG IX should integrate Directorates' General rolling plans into a Commission human resource plan that reflects the requirements of the whole, ranks activities by their comparative need for additional human resources and indicates the options available to resolve shortages (e.g. redeployment, reserve, new statutory posts, non-statutory staff)" (§ 5.11 (a))

"prepare the allocation of human resources, both statutory and non-statutory, in accordance with Commission priorities, for decision by the College." (§ 5.9 (b))

"... an analytical report could be elaborated for the information of the Budgetary Authorities. The demand for additional staff should thus take account of both the Commission's political priorities and of the operational workload of commission services. The budget proposal should explicitly include requests for non-statutory staff (i.e. funded by mini-budgets) for administrative support of the Commission's activities so as to avoid any duplication and show how statutory and non-statutory staff complement each other." (§ 5.15)

Response of the Commission regarding requests for and allocation of human resources

With regard to the first recommendation, the Commission will indicate to Directorates General the likely supply of human resources in order that Directorates General can take account of political and budgetary restraints in formulating their requests. The individual rolling plans for each Directorate General are already consolidated into a total plan for the Commission as a whole. The development of mission statements and the links to be developed between them and the other instruments will enable the preparation by the central services of proposals for the allocation of staff in the light of new priorities.

With regard to the request for additional staff submitted to the Budgetary Authority, the Commission already provides much material. It will try to improve and simplify the presentation of its staff request (both central and "minibudgets") to the Budgetary Authority in such a way as to demonstrate to the Budgetary Authority that there is no duplication, and that statutory and non-statutory staff complement each other. A detailed analytical report as proposed by the Court would be difficult to prepare and might introduce too much rigidity in the face of evolving priorities.

With regard to the allocation of available human resources granted by the Budgetary Authority, the College will maintain its responsibilities to allocate and reallocate its resources in accordance with existing priorities, e.g. by the use of redeployment. Its control is now also firmly established over general and human resources funded by minibudgets.

(v)

Article 101(a) of the Treaty of Rome, in conjunction with Article 102 of the Treaty of Rome, requires that the Commission should ensure that the staff of the Commission are distributed in accordance with the needs of the Commission.

"Establish a coordinating infrastructure between DG IX and Commission services to ensure the comprehensive and consistent implementation of the decentralised aspects of staff policies." (§ 5.11 (c))

Response of the Commission to coordination between DG IX and Commission services on staff policies

Such a coordinating infrastructure exists.

A "Careers" Directorate has already been created in DG IX, one of whose major roles is to ensure such coordination.

Each week there is a meeting of all the Assistants chaired by the Secretariat general. Representatives of DG IX (in particular, those from the Careers Directorate) regularly participate in these meetings in order to explain particular aspects of staff policies affecting Directorates General.

A seminar of assistants will be held shortly to reinforce this coordination.

C) ROLE OF THE COMMISSION IN THE MANAGEMENT OF ITS HUMAN RESOURCES

(1) Article 101 of the Treaty of Rome (Article 101 of the Treaty of Rome) which provides that the Commission shall be required to manage its human resources in accordance with the overall balance of priorities.

"The overall balance of priorities should be indicated by broad category taking care to include all of its activities, not simply those which concern mainly the legislative procedure." (§ 5.6 (a))

"An operational work programme should be established on the basis of the overall balance of priorities." (§ 5.6 (b))

Response of the Commission to the proposed Work programme for all Commission activities and the allocation of priorities to those activities

It would appear from the opinion of the Court that the Audit Court recommends that the Commission establish a numerical ranking of its activities by broad category in accordance with their political priority.

The Commission does not believe that this is either possible or appropriate for the management in the context of political activities. It also has to take into account its legal obligation to manage existing policies, as well as its political will to develop new initiatives.

Nevertheless, the Commission does have clear political priorities and objectives (e.g. ensuring the completion of the internal market, ensuring the implementation of the Single Act, dealing with the new situation in Central and Eastern Europe, etc). The Commission's political priorities have always determined its decisions on the allocation of scarce human resources and will of course continue to do so in the future.

It follows, therefore, that a work programme based on priorities as proposed by the Audit Court is not possible. Nevertheless, the use of "mission statements" covering all of the work of each DG and discussed on a regular basis with the central services will enable the central services to bring to the attention of the College any non-respect of the Commission's priorities, scope for redeployment from lower priority areas, needs for additional resources etc..

D) INFORMATION TECHNOLOGY AND TRAINING

(1) Information technology

Administrative Guidelines

"Ensuring the fullest use of information technology whenever it will make an important contribution on the tasks concerned." (§ 5.9 (d))

"... a new steering committee ... should be established, chaired and provided with its secretariat from outside the line of command of the IT Directorate, and provided with briefing primarily by a general resource management branch." (§ 5.18)

"Horizontal office automation projects are owned by CDIC and are in practice not run as a project on the user side; nor is there a dialogue between the IT Directorate and the general resource management function in DG IX about their impact. This risks unnecessarily slow and difficult implementation, and failure or delay in realizing any available productivity gains. To avoid this problem these projects should be controlled ("owned") by project committees dominated by user interests, which should also be responsible for ensuring good management of the implementation process." (§ 5.19)

"... to ensure all ISMs command both the training and the resources necessary to carry out all the functions envisaged by the Guide Informatique; and that their organizational position within their DGs permits them to play the required driving role in systems management." (§ 5.20)

"The Court recommends that there should be an independent examination of DG IX's Information Technology service to review its management framework. Particular attention should be given to : the strategic decision-making process; communication between general management and top IT management; the management of horizontal office automation projects; and the special position of ISMs and RAIs." (§ 5.21)

Response of the Commission

The Commission agrees with the Court's recommendation to make the fullest use possible of information technology.

On the more specific recommendations :

- the Commission has reinforced the presence of users in the CDIC, from whom are now drawn at least 2/3 of the committee's members;

- It is taking new initiatives to help each user DG to develop its own "profile" for the use of office automation software from among the available options; product management committees have been put in place including representatives of all interested users;
- It is drawing the attention of all Directors General to the problems of the situation of ISMs in their own services, and is also reinforcing the dialogue between ISMs as well as the central Informatics service.

On the Court's recommendation of an independent examination, the Commission has put in place several actions :

- an immediate dialogue between the CDIC and the ISMs and other interested groups, to identify immediate problems;
- a complete review of the Informatics strategy, which will provide the occasion to review the points raised by the Court; this review will be conducted with the help of external advisers.

(II) Training

Administrative

"There should be an early external review of DG IX's training service to assess how best it might be developed to respond to the needs of Commission services, and to consider budgetary requirements. Consideration should be given to making Directorates General responsible for the management of appropriations for professional training." (§ 5.22)

Response of the Commission

The Commission agrees that there is need to significantly develop its training, in the light of the evolving needs of its services. It has nearly completed a far reaching review of its training policy with the participation of many services, staff representatives and some external help. Reforms will be progressively introduced from 1991. In these circumstances, an external review does not at this stage seem necessary.

It also agrees that management structures should be reviewed, to ensure that the training supplied is of the highest quality corresponding to the needs of each Directorate General. While this may permit some decentralisation to DGs, the possibility of some interinstitutional effort is also being examined.

FINAL CONSIDERATION

In the context of the discussions of the 1992 preliminary draft budget, the Commission will submit to the Budgetary Authority a report which indicates those recommendations which, by that time, have already been implemented and a time-table for the implementation of the remaining recommendations.

APPENDIX

TABLE OF CROSS-REFERENCES

<u>Audit Court Recommendation</u>	<u>Reference in Commission response</u>
5.6 (a)	C (1)
5.6 (b)	C (1)
5.8 (a)	A (1)
5.8 (b)	B (11)
5.8 (c)	A (1)
5.8 (d)	A (1)
5.8 (e)	A (1)
5.9 (a)	B (1)
5.9 (b)	B (iv)
5.9 (c)	B (111)
5.9 (d)	D (1)
5.9 (e)	B (111)
5.11 (a)	B (iv)
5.11 (b)	B (111)
5.11 (c)	B (v)
5.15	B (iv)
5.18	D (1)
5.19	D (1)
5.20	D (1)
5.21	D (1)
5.22	D (11)

III. "DECLARATION DU CONSEIL SUR LE RAPPORT DE LA COUR DES COMPTES"
(27.7.1990)

I) Conseil :

"Fixer des priorités et établir un programme de travail annuel pour l'ensemble de la Commission, couvrant toutes les activités et pas seulement celles liées au calendrier législatif."

Response of the Commission :

The Commission will fix its priorities (see C (1)). The central Commission services will discuss individual "mission statements" with each DG on a regular basis and, on a consolidated basis, will bring to the attention of the College any non-respect of the Commission priorities, scope for redeployment from lower priority areas, needs for additional resources, etc. (see C (1)).

II) Conseil :

"Transposer les objectifs et les priorités définies pour l'ensemble de la Commission dans des objectifs et des programmes de travail détaillés au niveau de chaque direction générale."

Response of the Commission :

The definition of priorities by the Commission and the establishment of "mission statements" by the DGs (top-down and bottom-up procedures) will constitute an iterative process which will result in mission statements at the level of each DG which fully reflect the objectives and the priorities of the Commission (see A (1) and C (1)).

III) Conseil :

"Développer davantage les procédures systématiques de transfert de postes et d'effectifs vers les domaines de haute priorité."

Response of the Commission :

It is the Commission's intention to continue to develop its policies of redeployment and mobility (see B(IV) and C (1)). It should, however, be recognised that there are limits to the possibilities for redeployment and mobility.

IV) Conseil :

"Améliorer le mécanisme par lequel les propositions de postes supplémentaires - statutaires et non statutaires - sont présentés et justifiés devant l'Autorité Budgétaire."

Response of the Commission :

It is the Commission's intention to improve and simplify its methods for presenting and justifying to the Budgetary Authority its requests for additional human resources (see B(IV)).

v) CONCLUSION :

"Etablir les procédures que devront suivre les directions générales pour quantifier et évaluer les activités et les besoins de leurs services."

Response of the Commission :

The Commission will further develop its capacity for establishing workload indicators (see B (II)) and, in addition, to strengthen its internal management consultancy and management audit capacity (see B(III)).

vi) CONCLUSION :

"Mettre en place un mécanisme permettant de comparer l'utilisation prévue des ressources et leur utilisation effective et d'adapter de manière appropriée le processus de planification."

Response of the Commission :

The comparison between planned and actual usage of resources will take place at the periodic discussions between the central services and each DG on the basis of the evolving mission statements (see A (I) and C (I)).