

ANNEX 1: STATEMENT OF THE RESOURCES DIRECTOR

I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission¹, I have reported my advice and recommendations to the Director-General/Head of Service on the overall state of internal control in the DG/service.

I hereby certify that the information provided in Parts 2 and 3.1 of the present AAR and in its annexes 2 to 5 is, to the best of my knowledge, accurate and exhaustive.

Gianmarco di Vita

(Signed)

¹ [SEC\(2003\)59 of 21.01.2003.](#)

ANNEX 2: HUMAN AND FINANCIAL RESOURCES BY ABB ACTIVITY

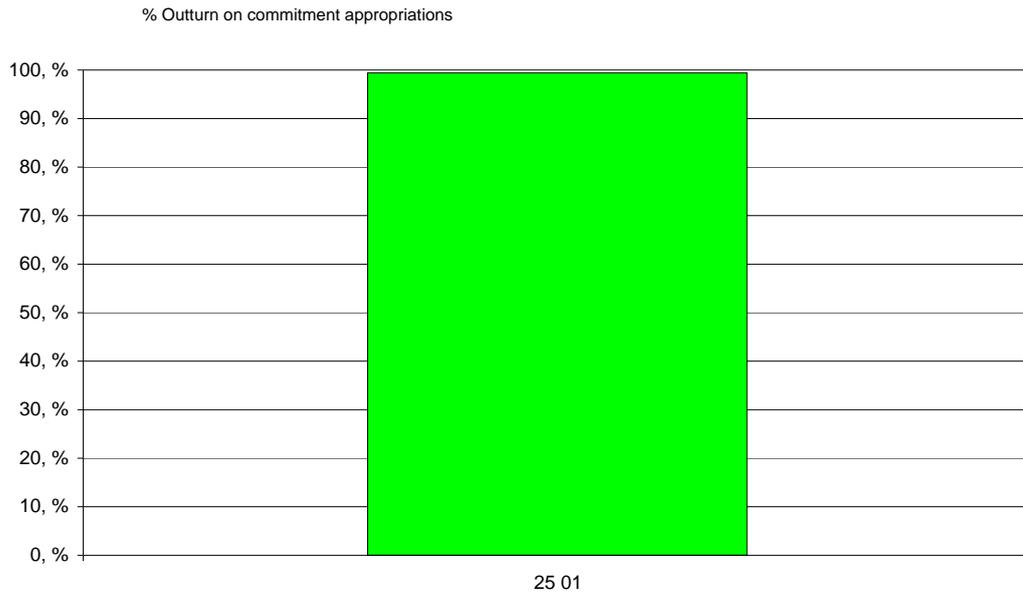
| Code ABB Activity | ABB Activity | Human Resources by ABB activity | | |
|-------------------|--|---------------------------------|--------------------|-----------|
| | | Establishment Plan posts | External Personnel | Total |
| 25 AWBL-06 | Policy advice | 18 | 7 | 25 |
| 25 AWBL-08 | Policy strategy and co-ordination for BEPA | 13 | 3 | 16 |
| | Total | 31 | 10 | 41 |

General remark: the above data rely on the snapshot of Commission personnel actually employed in each DG/ service as of 31/12/2011. These data do not constitute full-time-equivalent units throughout the year.

Annex 3 Financial Reports - DG BEPA - Financial Year 2011**Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Economic Outturn Account****Table 6 : Average Payment Times****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders****Table 11 : Negotiated Procedures (excluding Building Contracts)****Table 12 : Summary of Contracts (excluding Building Contracts)****Table 13 : Building Contracts****Table 14 : Contracts declared Secret**

| TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2011 (in Mio€) | | | | |
|---|--|---------------------------|------------------|---------|
| Chapter | | Commitment appropriations | Commitments made | % |
| | | 1 | 2 | 3=2/1 |
| Title 25 : Commission's policy coordination and legal advice | | | | |
| 25 01 | Administrative expenditure of Commissions policy coordination and legal advice policy area | 1,54 | 1,53 | 99,41 % |
| Total Title 25 | | 1,54 | 1,53 | 99,41 % |
| Total DG BEPA | | 1,54 | 1,53 | 99,41 % |

* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).



| TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2011 (in Mio €) | | | | |
|--|---|------------------------|---------------|---------|
| Chapter | | Payment appropriations | Payments made | % |
| | | 1 | 2 | 3=2/1 |
| Title 25 : Coordination des politiques de la Commission et conseil juridique | | | | |
| 25 01 | Dépenses administratives du domaine politique «Coordination des politiques de la Commission et conseil juridique» | 2,03 | 0,98 | 48,18 % |
| Total Title 25 | | 2,03 | 0,98 | 48,18 % |
| Total DG BEPA | | 2,03 | 0,98 | 48,18 % |

* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

% Outturn on payment appropriations

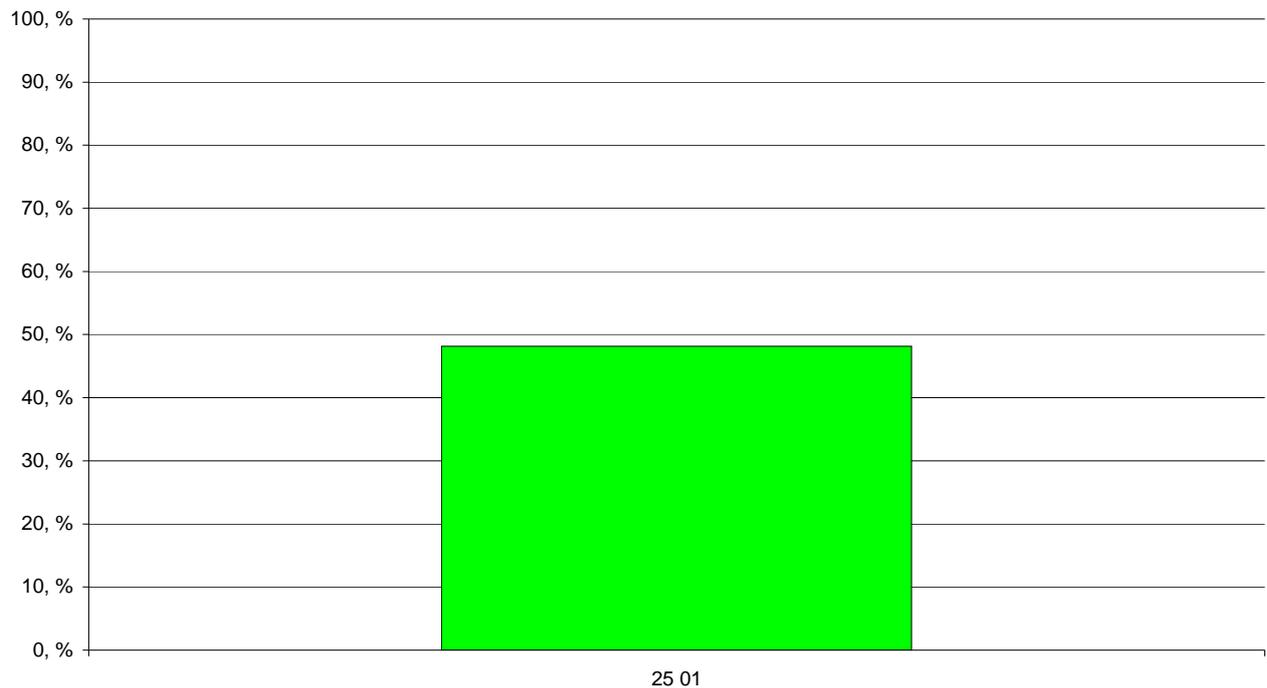


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2011 (in Mio €)

| Chapter | 2011 Commitments to be settled | | | | Commitments to be settled from financial years previous to 2011 | Total of Commitments to be settled at end of financial year 2011 (incl. corrections) | Total of Commitments to be settled at end of financial year 2010 (incl. corrections) | |
|---|--|---------------|----------|-----------------|---|--|--|------|
| | Commitments 2011 | Payments 2011 | RAL 2011 | % to be settled | | | | |
| | 1 | 2 | 3=1-2 | 4=1-2/1 | | | | |
| Title 25 : Commission's policy coordination and legal advice | | | | | | | | |
| 25 01 | Administrative expenditure of Commission's policy coordination and legal advice, policy area | 1,53 | 0,67 | 0,86 | 56,29 % | 0,00 | 0,86 | 0,49 |
| Total Title 25 | | 1,53 | 0,67 | 0,86 | 56,29 % | 0,00 | 0,86 | 0,49 |
| Total DG BEPA | | 1,53 | 0,67 | 0,86 | 56,29 % | 0,00 | 0,86 | 0,49 |

Breakdown of Commitments remaining to be settled (in Mio EUR)

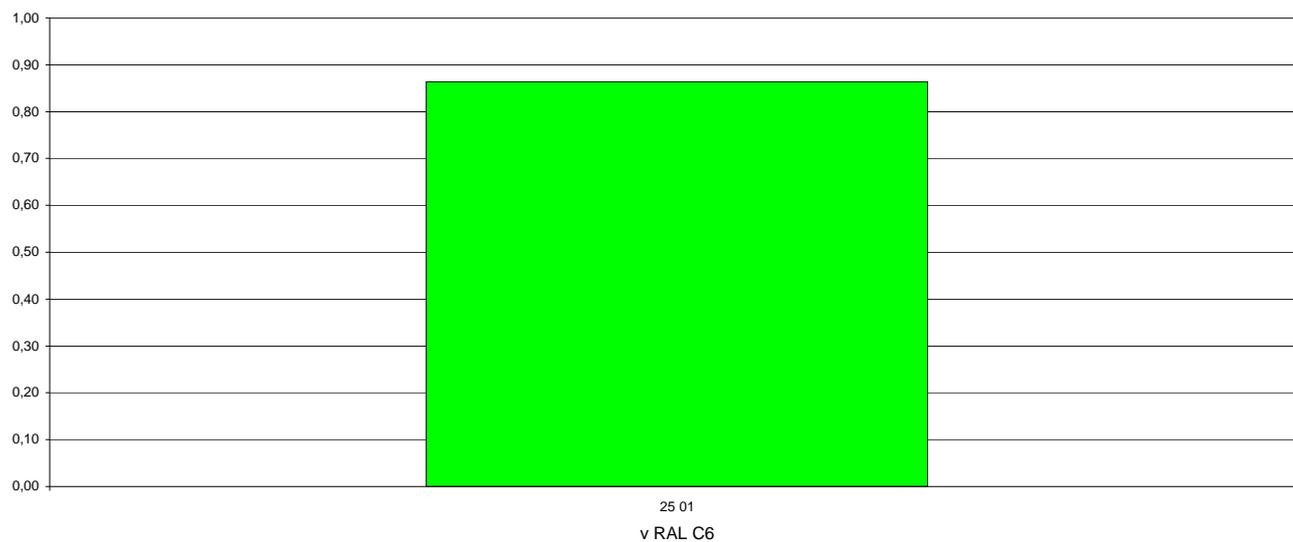


TABLE 4 : BALANCE SHEET BEPA

| BALANCE SHEET | 2011 | 2010 |
|---|--------------------|------------------|
| A.II. CURRENT ASSETS | 0,00 | 0,00 |
| A.II.3. Short-term Receivables | 0,00 | 0,00 |
| ASSETS | 0,00 | 0,00 |
| P.III. CURRENT LIABILITIES | -104 750,12 | -3 570,53 |
| P.III.4. Accounts Payable | -104 750,12 | -3 570,53 |
| LIABILITIES | -104 750,12 | -3 570,53 |
| | | |
| NET ASSETS (ASSETS less LIABILITIES) | -104 750,12 | -3 570,53 |
| | | |
| P.I.2. Accumulated Surplus / Deficit | 0,00 | 0,00 |
| | | |
| Non-allocated central (surplus)/deficit* | 104 750,12 | 3 570,53 |
| | | |
| TOTAL | 0,00 | 0,00 |

* This figure is a balancing amount presented here so as to reflect the fact that the accumulated result of the Commission is not attributed to each DG

It should be noted that the balance sheet and economic outturn account presented in Annex 3 to this Annual Activity Report, represent only the (contingent) assets, (contingent) liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and economic outturn account they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5 : ECONOMIC OUTTURN ACCOUNT BEPA

| ECONOMIC OUTTURN ACCOUNT | 2011 | 2010 |
|--|-------------------|-------------------|
| II.1 SURPLUS/ DEF. FROM OPERATING ACTIVIT | 102 549,64 | -52 611,06 |
| II.1.1. OPERATING REVENUES | 1 370,05 | -1 875,95 |
| II.1.1.1. Other operating revenue | 1 370,05 | -1 875,95 |
| II.1.2. OPERATING EXPENSES | 101 179,59 | -50 735,11 |
| II.1.2.1. Administrative Expenses | 101 179,59 | -50 735,11 |
| II.2. SURPLUS/DEF. NON OPERATING ACTIVIT | | 0,00 |
| II.2. FINANCIAL OPERATIONS | | 0,00 |
| II.2.2. Financial expenses | | 0,00 |
| ECONOMIC OUTTURN ACCOUNT | 102 549,64 | -52 611,06 |

It should be noted that the balance sheet and economic outturn account presented in Annex 3 to this Annual Activity Report, represent only the (contingent) assets, (contingent) liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and economic outturn account they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 6: AVERAGE PAYMENT TIMES FOR 2011 - DG BEPA

| Legal Times | |
|--------------------------|--------------------------|
| Maximum Payment Time | Total Number of Payments |
| | |
| Total Number of Payments | |
| Average Payment Time | |

| Target Times | |
|----------------------------|--------------------------|
| Target Payment Time (Days) | Total Number of Payments |
| | |
| Total Number of Payments | |
| Average Payment Time | |

| Suspensions | | | | | | | |
|-------------------------|-----------------|---------------------|-------------------|--------------------------|---------------------|-------------------|-------------------|
| Average Report Approval | Average Payment | Number of Suspended | % of Total Number | Total Number of Payments | Amount of Suspended | % of Total Amount | Total Paid Amount |
| | | 0 | | | | | |

| Late Interest paid in 2011 | | | |
|----------------------------|------------|-------------|--------------|
| DG | GL Account | Description | Amount (Eur) |
| | | | |

TABLE 8 : RECOVERY OF UNDUE PAYMENTS
(Number of Recovery Contexts and corresponding Transaction Amount)

| RECOVERY ORDERS ISSUED IN 2011 Year of Origin (commitment) | TOTALS | |
|---|--------|-----------|
| | Nbr | RO Amount |
| | | |

| EXPENSES | | |
|--------------------------|-----|--------|
| | Nbr | Amount |
| INCOME LINES IN INVOICES | 0 | |

| | Nbr | Non-Eligible Amount |
|------------------------------------|-----|---------------------|
| NON ELIGIBLE AMOUNT IN COST CLAIMS | 0 | |

| | Nbr | Credit Note Amount |
|--------------|-----|--------------------|
| CREDIT NOTES | 0 | |

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2011 FOR BEPA

| Year of Origin | Number at 01/01/2011 | Number at 31/12/2011 | Evolution | Open Amount (Eur) at 01/01/2011 | Open Amount (Eur) at 31/12/2011 | Evolution |
|-----------------------|-----------------------------|-----------------------------|------------------|--|--|------------------|
| Totals | | | | | | |

TABLE 10 : RECOVERY ORDER WAIVERS IN 2011 >= EUR 100.000

| Waiver Central Key | Linked RO Central Key | RO Accepted Amount (Eur) | LE Account Group | Commission Decision | Comments |
|--------------------|-----------------------|--------------------------|------------------|---------------------|----------|
|--------------------|-----------------------|--------------------------|------------------|---------------------|----------|

| | |
|---------------|--|
| Total DG BEPA | |
|---------------|--|

| | |
|----------------------|---|
| Number of RO waivers | 0 |
|----------------------|---|

No data to be reported

TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG BEPA - YEAR 2011

| Negotiated Procedure Legal base | Number of Procedures | Amount (€) |
|---------------------------------|----------------------|------------|
| Total | | |

No data to be reported

TABLE 12 : SUMMARY OF PROCEDURES OF DG BEPA EXCLUDING BUILDING CONTRACTS

| Internal procedures > €60,000 | 2011 | |
|---|--------------|-------------------|
| Contract Class | Count | Amount (€) |
| Service | 2, | 782 000,00 |
| TOTAL | 2, | 782 000,00 |

| Procedure Type | Count | Amount (€) |
|--------------------------------|--------------|-------------------|
| Open Procedure (Art. 122.2 IR) | 2, | 782 000,00 |
| TOTAL | 2 | 782 000,00 |

| External procedures > €10,000 |
|---|
| Contract Class |
| TOTAL |

| |
|-----------------------|
| Procedure Type |
| TOTAL |

TABLE 13 : BUILDING CONTRACTS

| | |
|-----------------------------|---|
| Total number of contracts : | 0 |
| Total amount : | |

| Legal base | Contract Number | Contractor Name | Description | Amount (€) |
|------------|-----------------|-----------------|-------------|------------|
|------------|-----------------|-----------------|-------------|------------|

No data to be reported

| |
|---|
| TABLE 14 : CONTRACTS DECLARED SECRET |
|---|

| | |
|-----------------------------|---|
| Total Number of Contracts : | 0 |
| Total amount : | |

| Legal base | Contract Number | Contractor Name | Type of contract | Description | Amount (€) |
|------------|-----------------|-----------------|------------------|-------------|------------|
|------------|-----------------|-----------------|------------------|-------------|------------|

No data to be reported

ANNEX 5: BUDGET IMPLEMENTATION (ICT)

Because of the small amount of budget involved and of the Service Level Agreement signed with Secretariat General, BEPA refers to the ICT of SG.

| | |
|---|---|
| ICT N°: | |
| <p>Management mode:</p> <p><i>Direct centralised</i></p> <p>Key figures:</p> <p><i>[Key figures to be provided under this section (with reference as necessary to the relevant supporting budgetary information contained in Annex 3) should cover the nature, type and volume of transactions/operations and its percentage of the overall budget implemented by the service].</i></p> | <p><i>[Insert a graph illustrating the number of transactions and the average amount]</i></p> |
| <p>Management and control systems: stages and main actors</p> <p><i>[The AOD should explain in summary format how the DG's/service's management and control systems respond to the underlying conditions and how risks are dealt with. It should reflect the control strategy of the DG/service and should highlight the main issues addressed at different control stages.</i></p> <p><i>Information should be presented following the structure below. Depending on the DG/service, the indicative headings should be adapted/omitted to best reflect the elements that are considered key to understanding the DG's/service's systems].</i></p> | |
| <p>Selection process:</p> <p><i>(of beneficiaries, intermediaries, agencies, contractors etc), including preventive measures</i></p> | |
| <p>Communication and information:</p> <p><i>measures to improve the quality of financial management and provision of supporting data by beneficiaries, contractors and intermediaries</i></p> | |
| <p>Detective and corrective controls:</p> <p><i>Checks and monitoring during the initial phases of the programme/contract</i></p> <p><i>Checks and monitoring during the final/ closure phases of the programme/contract</i></p> | |
| <p>Preventive and corrective controls and audit:</p> | |

| | |
|---|--|
| <p><i>Desk reviews, on-the-spot audits carried out either ex-ante or ex-post.</i></p> | |
| <p>Anti-fraud measures (if applicable):</p> <p><i>Fraud prevention and detection measures taken, like anti-fraud strategy, systematic controls and risk analysis, close monitoring of selected contracts or grants, etc.</i></p> | |
| <p>Feedback which enables control activities to be optimised</p> <p><i>[In this section the AOD should explain the mechanisms put in place to supervise/monitor their internal control processes, including, where appropriate, performance of third parties working on their behalf].</i></p> | |
| <p>Verification that processes are working as designed</p> | |
| <p>Monitoring of performance</p> <p><i>of independent bodies, 3rd party auditors, externally contracted auditors</i></p> | |
| <p>High level management reporting</p> <p><i>(e.g. to the Director General and its role in monitoring problem issues)</i></p> | |