European Commission

2011

Annual Activity Report

Directorate-General for Informatics (DIGIT)

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Table of Contents

PART 1. POLICY ACHIEVEMENTS

This Annual Activity Report provides an overview of the progress made during the year in achieving DIGIT's objectives that were set in the Management Plan (MP) for 2011.

1.1 General objectives

DIGIT's role may be defined through its general objective as to **enable the Commission make efficient and effective use of ICT to achieve its organisational and political objectives**.

The impact of these objectives is being measured over time through specific exercises coinciding with milestones of the e-Commission initiative. The first such exercise was performed in 2004-2005 and used as an input for the elaboration of the e-Commission 2006-2010 strategy. Similar exercises were performed in 2008 and 2010 respectively to prepare the e-Commission mid-term review and to prepare the new e-Commission 2011-2015 strategy. Following the new IT Governance structures, the e-Commission 2011-2015 has been postponed to 2012 in order to allow the IT Governance bodies to issue a report on its first results before launching the new e-Commission initiative.

A significant improvement in the availability and maturity level of Commission on-line services in support of European policies has been observed year after year since 2005. This trend is illustrated by the results of the three surveys, conducted during the e-Commission 2006-2010 initiative, targeting external stakeholders. Respondents (both private individuals and organisations) consider that the e-Commission initiative does have an increasingly positive impact on efficiency, effectiveness, transparency and quality of the services of the Commission. Although no new measurement was performed in 2011, the numerous evolutions of IT projects provided improved e-government services allow us to consider that the maturity continued to increase.

Table 1. Impact indicators for general objectives

General objective		Impact indicators			
		Indicator	Target (long term)	Situation end 2010	Situation end 2011
1	Increase Transparency	Rank of "Transparency" as one of the most cited improvement priorities (e-Commission benchmark exercise)	"Transparency" should appear as a secondary improvement priority	"Transparency" is not listed in the top three priority by private individual and appears as third improvement priority for organisations.	"Transparency" has become a integral part of every ICT project and is therefore a continuous effort
2	Increase Efficiency, Effectiveness and Quality of services	Contribution of on-line services to the quality of effectiveness of Commission services (e-Government maturity survey)	By 2014, 80% indicate a positive impact of on-line services to the overall quality and effectiveness of Commission services	43,3 % of the private individuals consider that the e-Commission had a positive impact on the Commission's effectiveness while 38,7 % of organization expressed this feeling	No new survey took place in 2011.
		Government maturity level (as defined in the e-Commission communication of 2005	Level 3 by 2010 (integrated government)	Level is above 2.9	As the communication launching the e-Commission 2011-2015 initiatiative proposed by DIGIT in June 2011 has now been rescheduled to Q1 2012, no assessment was carried out in 2011. The new assessment will be carried out in close collaboration with the IT Governance bodies.

1.2 Specific objectives

The Directorate-General for Informatics has, in partnership with all relevant stakeholders, the responsibility to:

- Define the IT Strategy of the European Commission;

- Provide the Commission, and whenever appropriate other European Institutions and bodies with high quality state-of-the-art corporate IT infrastructure solutions, support services, and telecommunications facilities;

- Deliver information systems required to support the EC corporate business processes within the framework the e-Commission strategy;

- Support the cooperation between European public administrations, by facilitating their electronic cross-border and cross-sector interaction.

These responsibilities have been further translated into the four specific objectives.

1.2.1 Specific objective 1

Achieve the maximum benefit for the Commission from newly available technology by maintaining and promoting coherent corporate strategies for the development of Information Systems, for the development of IT and telecommunications infrastructure and for IT support services (including IT security).

The outputs contributing to this objective that were delivered in 2011 are:

(1) *In order to enhance business continuity arrangements and in line with the last IAS audit, DIGIT's business impact analysis (BIA) will be revised & updated in 2011. DIGIT's global BCP plan will be revised accordingly:*

Partly delivered (75 %): After having adapted the standard methodology to DIGIT requirements, an in-depth revision of the overall DIGIT business impact analysis was launched in September. All DIGIT units have contributed to the first phase and the initial results have been compiled. This exercise will be completed in the first quarter of 2012.

(2) *Security policies:*

Partly delivered (75%): On top of the work that has been necessary to cope with various incidents and to deal with the DG CLIMA requests, the drafting and validation process of policies continued. Formal regular contacts have also been established with EU Computer Emergency Response Team (CERT EU), preconfiguration team and with the Security Directorate of the Human Resources and Security DG in order to coordinate the various initiatives in the security management area and to foster collaboration.

(3) *Log management:*

Delivered: The Security Operation Centre (SOC) is operational and continuously integrates new components. Its efficiency has been proved in the field of the management of incidents that occurred in 2011.

An upgrade of the analysis capacity is necessary to increase the level of service and to correspond to current security requirements (as requested e.g. by DG CLIMA for its Registry project). This upgrade will be feasible once office spaces will be made available by the Office for Infrastructure and Logistics in Luxemburg to set up a computer room. As a mitigating

measure, capacity has been provided in the JMO data Centre room for this equipment.

(4) ***Draw up a new e-Commission strategy for 2011-1015, enabling the Commission to reach Level 4 (Transformed Government) in the eGovernment maturity scale:***

Delivered: DIGIT finished its part but the e-Commission inter-service communication proposal has not put by SG on the agenda of the High Level Commission for IT (HLCIT). As this file is important in terms of IT Governance and corresponds to action 88 of the Digital Agenda for Europe, DIGIT negotiated with SG and an agreement has been reached to launch the e-Commission interservice consultation in the first semester of 2012.

(5) ***Propose a convergence plan to streamline the overall number of information systems and to reduce the overall number of human resources involved in IT:***

Delivered: This document has been officially sent to the Secretariat-General as chair of the Activity Based Management+IT committee (ABM+IT) during the first quarter of 2011. Although not distributed, the ideas developed in this document have been nearly integrally taken on board by the new IT Governance bodies..

(6) ***Deliver methodological support for corporate business process streamlining and IS rationalization by setting up the EA@EC Centre of Excellence supporting Enterprise Architecture, Business Process Management and Service-Oriented Architecture Governance, in line with the corporate objectives set by the 2011-2015 e-Commission and the V.P. Šefčovič's Communication on 'Improving the Commission's Business and IT Alignment':***

Partly delivered (80%): In 2011, DIGIT actively collaborated with the various DGs having Enterprise Architecture-related initiatives in order to federate the efforts, to provide coaching to foster a common approach and to use the various results to boost a global improvement of ICT in the Commission and support the IS rationalisation efforts. Communities of Practice have been created and the work of DIGIT in this area has been focused on supporting the new IT Governance initiatives.

For the BPM@EC methodology, modelling guidelines, supporting tools and training material, various documents (guidelines, training supporting material) have been provided to the user community and tools have been made available. The BPM@EC Corporate Repository started to be deployed at the end of 2011 and will be progressively extended. A SOA@EC Governance Model has been defined and is validated and deployed in the Budget DG.

(7) ***Deliver methodological support for Project Management:***

Delivered: The PM² methodology has been endorsed by the Comité Technique Informatique (CTI) in its January meeting as the recommended methodology for IT project management.. The Community of Practice has become a regular event and proves to be a very efficient platform to exchange best practices and to spread a common methodology in the IT project manager's community across the European Commission. The intensive collaboration (training, workshops, coaching) with the development teams of DIGIT has allowed to implement PM² in all units for most of the new projects.

(8) ***Deliver methodological support for software development lifecycle:***

Delivered: The efforts continue to support the IT community in further improving the efficiency of the information system development cycle efficiency.

The RUP@EC community of practice has become a regular event allowing Commission's IT professionals to share experiences and to provide feedback to adapt the methodological offer. An updated RUP@EC version has been delivered and another major update is being prepared for 2012 integrating more "agility".

(9) *Generalised search strategy:*

Cancelled due to budgetary restrictions: This new multi-annual action was not be launched in 2011 due to the budgetary restrictions.

(10) *Information and Knowledge Management Platform (evolution of FPFIS : Flexible Platform for Internet Services): Problem definition statement.:*

Cancelled due to budgetary restrictions: This new multi-annual action was not be launched in 2011 due to the budgetary restrictions.

(11) *Make the new governance structure work, and run the Information System Project Management Board:*

Delivered: DIGIT is actively participating in the various IT Governance bodies and its Director General is chairing the Information Systems Programming Management Board (ISPMB). After having defined its terms of reference, the ISPMB started to meet regularly (at least on a monthly basis plus additional specific meetings). With the help of the Corporate Project Office (DIGIT.01) and with the collaboration of the MAP working group, the ISPMB analysed and gave recommendations for all new IT projects in the Commission, made a series of reflections/studies (e.g. on reusability) and supervised the IT Master Plan evaluation process..

(12) *Expanded SLA template (already available for IS hosting) and associated quality monitoring (KPI's measurements):*

Delivered: Revision of the availability of additional SLA templates was completed. The KPI's on availability has been reviewed to reflect the actual quality improvements of the hosting service; The introduction of KPI's for the Change Management Process is now under study.

Table 2. Result indicators for specific objective 1

Result indicators	Target (medium term)	Current situation
Percentage of services implementing the RUP@EC methodology	2010-2011: 80%	75% of DGs use major components of RUP@EC and on top of that, some elements are mandatory in the new IT Governance arrangements.
Percentage of services using the framework of the Commission Enterprise Architecture (CEAF)	2010-2011: 80% (for the first layers)	75 % and major changes are happening in this area and force to consider to draft a new version of CEAF.

1.2.2 Specific objective 2

Provide the Commission, and whenever appropriate other European Institutions and bodies, with the high quality state-of-the-art corporate IT infrastructure solutions and e-services, support services and telecommunications facilities required for their business processes.

The outputs contributing to this objective that were produced in 2011 are:

(1) *Information Systems infrastructure complying with "critical" and "essential" recovery classes:*

Partly delivered (60%): Databases: 48 out of 88 databases isolated, the higher target figure resulted from an additional dependency analysis using the Configuration Management Data Base.

For Weblogic 34 out of 68 zones were isolated and for Coldfusion 38 out of 52 instances were also isolated.

(2) *Security plans for Information Systems Hosting Services:*

Partly delivered (60%): Security policy drafting, on the basis of gap analyses, have continued at an accelerated rhythm. Security policies are therefore progressively finalised and endorsed after careful validation by all concerned services.

The remaining policies have been partly written but were slightly delayed to give priority to security incident handling and to the setting up of security services required by DG CLIMA.

(3) *Differentiation in service levels according to service classes:*

Delivered: The impact analysis has been completed. Activation is on demand for existing non-production environments and non-critical production.

(4) *Business Continuity Plan (BCP) for Data Network Services:*

Partly delivered (95%): The modules for Phase B have been delivered and accepted. The work for Phase C (test, training and maintenance) is on-going.
A contract for a generic Communication and Coordination Module (CoCoMo) has been signed. The work on the first deliverable (assessment, gap analysis and elaboration of a detailed project proposal) is starting.

Test scenarios for Generic crisis, Denial of Service and Unavailability of staff continuity plans are being finalised and the testing is scheduled in Q1/2012.

(5) *Update BCPs for email, external voice communications, internal voice services, INFOTEL, videoconference, LDAP/ECAS:*

Partly delivered (80%): The Business Continuity Plans for email, external voice communications, internal voice services, INFOTEL, videoconference, LDAP/ECAS have been updated. Actions following the BCP audit are completed for the target defined in 2011. Concomitantly, the first draft of the audio conference BCP is also 40% completed.

(6) *Security plans for I_Call, Videoconference and email:*

Delivered: Based on the Gap Analysis results, completed at mid-term, privileged user access control & security monitoring have been implemented. Global security of the E-mail Service is being constantly improved especially as a consequence of the ECLUSE incident.

(7) *e-signature service Infrastructure:*

Delivered: The Electronic Signature Service Infrastructure service is fully

operational. The eGreffe application went successfully into production at the Secretariat-General on April 6th. A new version of the LOTL (List of Trusted Lists) signer application has been deployed in production in quarter 2 of 2011.

(8) *e-signature managed service implementation:*

Delivered: A Service Description is available for a "basic" managed service. The Application Platform is ready to support other information systems. Mass signing service is the next component implemented. The opportunity and the timing of extending further the basic service is to be evaluated depending on the number of applications using the service.

(9) *Service Oriented Architecture for Information Systems:*

Delivered: The selection of business process design tools and execution engines was completed. The competence centre of Service Oriented Architecture for Information Systems is fully operational. The technical Interoperability Platform for Corporate Information Systems has been improved in various dimensions.

(10) *Cloud@EC vision documents:*

Delivered: A task-force has been established at the level of the Comité Interinstitutionel Informatique. During the first part of 2011 various initiatives aiming at providing better cloud enabling infrastructure services (virtualisation) have been analysed and an internal survey on cloud services has been undertaken by the Advisor to the Director General. Two vision documents on cloud@EC and on the future UNIX strategy for DIGIT have been accepted by DIGIT Management, end 2011. The roadmap available for the UNIX strategy has been broken down into a series of work packages that are part of the Management Plan for 2012.

(11) *Unified Communications Corporate Platform:*

Delivered: The pilot installation for 100 DIGIT users is now completed as well as the evaluation of the pilot installation. A working group was created with DIGIT services and external services such as the Human Resources and Security DG and the Offices for Infrastructure and Logistics in Brussels and Luxemburg which acts as a steering committee. The necessary steps were taken to facilitate the involvement of concerned DGs and services in the process: operational project management, technical steering group. For 2012, the work plan is now defined and needs to be approved by management.

(12/16) *Next generation of e-Mail:*

Delivered: After the project completed the Stabilization Phase at the end of August, it entered the "Early Adopter" phase whereby the new system was deployed progressively in production for a limited number of users. In December, the project team completed the preparations for the pilot phase so that it could start in January 2012, according to the revised plan following the ECLUSE security incident.

(13) *Next office automation platform:*

Delivered: After the project implemented the enhancements decided following the security incident of March 2011, the project launch the Deployment Phase in early October. A master plan for the rollout of the new configuration by the DGs was compiled and published in the project's web pages. By the end of December, a significant number of desktops and servers were already running the new platform.

(14) *Corporate Portal (MyIntracomm):*

Delivered: The "Transition Starter Kit" document has been delivered, this is a document intended to help the DGs prepare their migration autonomously. Two

new releases for MyIntracomm (2.1 and 2.2) have been deployed according to plan. After the completion of the evaluation for the migration to the Sharepoint 2010, a migration decision has been taken and the planning for this process is now available.

(15)   European Commission Authentication Service:

Delivered: The ECAS service now offers Multi Factor Authentication (e.g. securing external access to MyIntraComm). ECAS provides a federation capable implementation via support for SAML version 2 and the OASIS/W* protocol.

(16/12)   REMI

Delivered: After the project completed the Stabilization Phase at the end of August, it entered the "Early Adopter" phase whereby the new system was deployed progressively in production for a limited number of users. In December, the project team completed the preparations for the pilot phase so that it could start in January 2012, according to the revised plan following the ECLUSE security incident.

(17)   IT Infrastructure Consolidation (ITIC):

Delivered: The 2011 tasks defined in the ITIC Service Continual Improvement Plan were executed. Enrolled DGs were the Marine Affairs and Fisheries DG on April 1st and the Secretariat-General, the Bureau of European Policy Advisors and the Cabinets commenced their alignment on November 22nd.

(18)   Middleware infrastructure evolution towards less power consuming infrastructure:

Delivered: Product evaluation for BODI, BO DS and IDOL on X.86 platform was completed and the service was defined. Product evaluation of Weblogic server on X.86 platform was completed and the service was defined. Product evaluation CF on X.86 platform was finished. A restricted management meeting was held in October 2011.

(19)   Consolidate and extend the scope of services offered by DTS to other DGs:

Delivered: The pilot organised with the Regional Policy DG (REGIO) was completed in July 2011. The final report of the pilot is available and its conclusions have been reviewed by DIGIT Management. As demonstrated in the report, the achieved cost and workload efficiency has been considered to be insufficient. Consequently, the decentralised approach is not suitable for a higher-scale deployment and the organisation of training courses locally at the DG's premises should only be done on an exceptional basis.

Customer satisfaction was also evaluated as a part of the pilot experience. A mid-term coordination meeting was held with DG REGIO in January 2011, resulting in a number of recommendations that were implemented in the second part of the pilot with the objective to improve customer satisfaction. However, as mentioned before, due to low cost and workload efficiency, the decentralised approach is not suitable for a higher-scale deployment.

The objective of increasing the share of the courses organised by DTS among all IT courses delivered in the Commission was also evaluated during the pilot but the results are not positive: contrary to expectations, holding the courses in DG REGIO's premises did not encourage higher participation of users from that DG (compared to the situation from before the pilot).

(20)   Definition of the DG DIGIT policy with regards to DTS positioning as an inter-institutional supplier for IT training:

Delivered: The document "IT Training Strategy 2012-2013" has been prepared and

approved by DIGIT Management. The strategy develops on the inter-institutional dimension of DTS service offering IT training.

(21) Implementation of the solutions and provision of the services agreed with EEAS:

Delivered: Implementation of services to European External Action Service (EEAS) users in their current installations finished and service provision is on-going. Implementation of services in the new EEAS building depends on the timing of the building change.

(22) Comprehensive and timely transfer of ICT items from management centre DIGIT to EEAS:

Delivered: Following the reschedule of the move of EEAS to its new building to February 2012 and the request that DG DIGIT carries out the move of the IT items on behalf of EEAS, it has been agreed between EEAS, the Budget DG and DIGIT that DIGIT will keep the ICT assets of EEAS in its management centre until the move is completed, in principle not later than 30 June 2012.

(23) Network management call for tender:

Partly delivered (95%): The Call for Tender for Network Management was published and the offers were received. At the end of the year the technical and financial evaluation was on-going.

(24) Carrier Network Services (CNS) call for tender:

Delivered: The Framework Contract was signed 09/08/2011 and the first Specific Contract was signed in September 2011. Migration was on plan and actions were on-going at the end of the year.

(25) Videoconference service on the Web call for tender:

Rescheduled: Due to other priorities, in particular the ECLUSE security incident and its consequences, this process has been delayed. A draft orientation document was prepared but it is now cost-effective to work on a redefinition of the objective and to combine it with the Call for Tender for the renewal of the audio-conference service. Taking into account the abovementioned constraints and new opportunities this action was postponed for 2012.

(26) Infotel Call for tender:

Delivered: The tendering procedure was completed. The contract was signed with the new selected contractor.

(27) Internal control and audit coordination and support:

Delivered: All strategic planning and internal control activities were accomplished according to the planning. A complete review of the risk register was performed, involving consultations at unit and directorate level. Consolidated results were validated by management. A permanent contact and coordination with the IAS team performing audit missions on the Management of guarantees and sTESTA was ensured.

(28) Budget and accounting services:

Delivered: The 57.8 M€ of administrative appropriations received by DIGIT in addition of the budget directly delegated by the Commission (127,3 M€) were obtained and made available on time. This represents a very significant part (i.e. an increase of 45 %) of the initial allocations. 4.3 M€ were carried over mainly because DIGIT's counterparts made them available only during the last quarter of 2011.

Scoreboards were improved and monitoring tables of the outstanding payments were regularly sent to all operational units. The structure of Syslog accounts was completely reviewed which will provide for improved information as from 2012.

(29) _Procurement services:_

Delivered: The programme has been executed in conformity with the planning (new Framework Contracts 11, amendments 227, interchange agreements in the form of an amendment 13, e-invoicing agreements 25, etc.)

(30) _Financial management services:_

Delivered: All commitments and payments which had to be processed by 31/12/2010 were processed. One invoice from December for the Office of Infrastructure and Logistics in Brussels (48K€) could not be paid because it was waiting for a certify correct visa from this Office.

(31) _Improved processing system of all logistical requests for the DGs in ITIC:_

Partly delivered (30 %): The main action involves the creation of an interface between SMT-ES, the application used by the ITIC service to enter calls for action, and ABAC Assets, the application to carry out the logistical requests. The vision document on the interface between SMT-ES and ABAC Assets has been completed in January 2012 with an integration approach in 3 successive phases. The next step for the main user is to have the budget, necessary for the implementation, allocated to the system supplier.

Simultaneously it was set in action a process of collecting and analysing all failed logistical actions requests made by the DGs serviced by ITIC. In 2012, DIGIT will deliver a final report identifying the root causes of the failures, and propose hands-on solutions to the ITIC service.

(32) _Monitoring of mobile or loaned ICT devices to reduce risks of loss or theft:_

Delivered: A reminder of their regulatory responsibilities in the management of mobile devices was sent to the IRMs together with a survey on the current practices in their DGs. Replies to the survey were received by end of August 2011.

The replies to the survey will the form the basis for the design and availability of a follow-up tool in 2012.

(33) _Timely and accurate implementation of the purchase orders for ICT items and associated services:_

Partly delivered (80%): The new report for monitoring the implementation of the purchase orders has been put in production since mid-2011. One of the operational Initiating Agents (OIA) has starting using it for testing and it will be gradually deployed among the other OIAs. The deployment of the report for monitoring the open purchase orders will be completed in the period March- July 2012.

(34) _Disposal of ICT obsolete and waste items fully compliant with environmental requirements:_

Partly delivered (80%): At the beginning of 2011 a call for tenders for the collection and recycling of obsolete items has been launched, however the procedure was closed unsuccessfully and a negotiated procedure for the delivery of these services had to be put in place at mid-term. The new framework contract with OXFAM Solidarité was eventually signed on 03/01/2012. In the meantime, low-value orders were signed with OXFAM-Solidarité which contained provisions aiming at meeting the environmental requirements. The rate of compliance will be assessed through the 2011 activity report of OXFAM Solidarité, to be issued in May 2012.

Table 3. Result indicators for specific objective 2

Result indicators	Target (medium term)	Current situation
Percentage of Commission users satisfied with DIGIT's IT services	80%	80% (2009 survey)
Satisfaction of the DG's with DIGIT's services	3 / 4	3 / 4 (2010 survey), 79% good and very good (2011 survey)
Number of new DGs enrolling to IT Infrastructure Consolidation (i.e. signing an ITIC Memorandum of understanding with DIGIT)	Everybody	12 DGs and 3 Services (eEU-CERT, TFGR and SGPT) enrolled to ITIC as of December 2011
Key Performance and User Satisfaction Indicators	User satisfaction above 8,5/10	User satisfaction: 8,9/10
	ITIC Service Balanced scorecard: Global target KPI levels achieved	Dashboard/Generic KPI = 112,5% achieved
Availability rate of the fixed telephone service	99,9 %	99,99%[1]
Availability rate of the internal network (SNET)		
For the backbone	99,999%	100%
For a building	99,99%	97,8%
At floor level	99%	97,8%
Availability rate of the access to the internet	99,9%	99,999%
Percentage of IS hosting related incidents solved within the target resolution time:		
Priority 1 (within 2 hours)	80%	92,3%
Priority 2 (within 4 hours)	80%	95,06%
Priority 3 (within 8 hours between 8:00 and 19:00)	80%	92,97%
Average end-to-end IS Hosting availability, down time periods for maintenance included	97%	99,32%
Finance and contracts for DIGIT and the ICT community of other DG's, EU Institutions and Agencies:		
Percentage of negative GAMA opinions	0%	0%
Percentage of new contracts signed on time (covering the needs of operational services)	100%	100%
Percentage of amendments to existing contracts signed on time (covering the needs of operational services)	100%	100%

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[1] Average for 2010 in Brussels, Dublin, Luxemburg and Strasbourg and based on the downtime measured by the Management System and the total time it should be available

1.2.3 Specific objective 3

Deliver the information systems required to support the EC corporate business processes within the framework of the e-Commission strategy

2011 was a year of continuous delivery by DIGIT.B of information systems supporting administrative processes and EU policies for all its clients – DGs, Offices, other Institutions and agencies. It was also marked by an active participation in the IT rationalisation initiative particularly in the document management, legislative lifecycle, human resource and grant management domains.

The successful delivery on time of systems meeting users' functional and quality requirements (see below) was due the establishment of true partnerships with our clients characterised by a close collaboration during each project between business managers who understand the potential of IT and DIGIT.B's business-minded software engineers. This partnership-oriented approach is at the core of DIGIT.B's culture.

The outputs contributing to this objective that were produced in 2011 are:

(1) ***Develop a complete post-awarding e-Procurement solution for the Commission:***

Delivered: As regards e-Invoicing, a new version of the supplier portal has been released. This version includes the tool box services (inbox, query, status request etc) and the e-Ordering functionalities. The last two modules e-Fulfilment and e-Payment have been developed and delivered.

(2) ***ARES-HPS: Develop an archiving module to complete the document management process:***

Delivered: HAN-HRS 2.2, has been delivered as foreseen at the end of October. This release covered the support for Courrier du President Business process (first absorption of an existing system), administration tools Phase 1, and new reports. In this release HPS (Hermes Preservation Services) Phase 1's (iteration 1) functional analysis has been delivered, covering the management of retention policies and their link to headings and files. Furthermore, the analysis for HAN-HRS 2.3 started for the search refactoring. In December a minor release was delivered including the necessary security adaptations for documents marked with COMP Special Handling, COMP Operations and Court Procedural Documents and it also provided with administration tools Phase 2.

In 2011, 3 delegations have migrated to Ares. India has already sent positive feedback and with some improvements for the next migrations (planning for 2012 is being established).

(3) ***Vista, being an important part of the "dorsale décisionnelle":***

Partly delivered (90 %): A first internal release has been delivered in November. Quality tests for migrated data and for the information coming from eGreffe are being conducted by the system owner. There have been new changes requested: change of the whole user interface (home and details), feedback from pilot user and an increased scope for migrating data not only from eGreffe but also from SGVista. New planning, including new production date is under discussion.

(4) ***eGreffe: integration with e-Trust Document (transmission and notification to other Institutions) integration with ESSI (electronic signature):***

Delivered: This release has been a major one, having a very important impact both for internal users and external stakeholders. The elimination of the "Memo de la Commission', which aimed to a simplification for the services but required big changes in eGreffe to cover the 'finalité' needed by the different acts (such to be

notified, published, sent to institutions, …). Other major change included was the alignment with the LegisWrite templates (around 100) to be fully compliant with the Lisbonne Treaty, including all the business rules required per type family.

It has also included adaptations to be able to use eTrustEx, for exchange of documents with member states and the other institutions.

And not to forget new cotes added for joint documents (adoption with EEAS) and the non-translation of COM cote in all the languages. Release 1.14 has been rescheduled to January, to comply with other institutions' requirements and to complete the foreseen functionalities. Developments were finished in December to allow testing and roll-out.

(5) *Deliver integrated HR systems covering business processes end-to-end:*

<u>Delivered:</u> For the Human Resources and Security DG, DIGIT delivered in the context of Sysper2 the Recruitment module (leading to the phase-out of RECLAU). A module to manage Leave on Personal Grounds was put in production. We further extended the Ethics and Time Management modules and performed a major revision of the Job Description and e-CV modules. The development of the first milestone of the Sysper2-External Resource Management project, the migration of the SIRE system to a new technical platform (HRAccess v7), is well on track. With the new technical platform, a closer integration between Sysper2 and SIRE will become possible. And last but not least, we delivered a new appraisal module in time for the start of the Commission's new appraisal exercise in January 2012.

Sermed2 was put in production, including a module to manage the vaccination campaign. Despite the delays on account of a security audit, the conclusions proved to be positive for the Sermed2 application.

DIGIT's second client is the Pay Masters Office (PMO). The PMO is engaged in a fundamental business and service transformation and has well understood the enabling role of IT in this transformation and the importance of DIGIT as loyal and committed partner. As a consequence, projects for PMO are particularly challenging, both from an IT and from a business transformation perspective, but they also show a clear added value for the rationalisation process in our Institution.

This is particularly the case for our 2011 PMO deliveries. We have enhanced PMO's entitlement management process by building upon the core Sysper2 Rights module delivered in 2010. The new functionalities cover the declaration of children and unions, from the staff member's declaration in the front-office until the automated processing by the PMO back-office including an automatic link with the pay system. For post-activity management, we put in production the module for the outwards transfer of the pension rights. Also for the inwards transfer we made a major delivery that significantly increases the efficiency of the pension administration, as confirmed by PMO during the last steering committee. For the sickness insurance, we put in production the first module to manage insurance entitlements; we performed the technically challenging integration of the Council antenna within PMO's main settlement office and we are ready to deliver the second major back-office module for the management of Prior Authorisations in January 2012.

DIGIT also delivered a new front-office for MiPS, which will go live in March 2012 but is already receiving excellent feedback from pilot users.

(6) *Deliver information systems that support a proactive HR policy:*

<u>Delivered:</u> After the successful automation of the state of affairs part of the HR scorecard, DIGIT also delivered new reporting facilities on management staff in the context of the HR Reporting project. The reporting environment was afterwards migrated to Business Objects XI enabling the harmonisation of the HR reporting needs of the different DGs. An incremental data loading facility on Time

Management data has also been delivered. This is an essential enabler for efficiently treating the high data volumes concerning staff presence and absences. Last but not least, we have also delivered new reporting facilities on mobility in the Commission.

With regards to the annual Screening and SPP exercise, inter-service contributions are now supported in the automatic treatment. Improvements were also made for a better tracking of the impact on the screening of organisation chart evolutions and staff mobility in the course of a calendar year.

(7)   *Deploy the Commission's corporate HR systems in other European institutions:*

Delivered: Sysper2 has been successfully set up to allow the Pay Masters Office to manage entitlements for regulatory agencies. As a result, the old SYSPER system and the corresponding BS2000 mainframe infrastructure were phased-out in July, generating significant savings for the IT infrastructure budget.

Sysper2 was deployed in the EEAS. Although technically there are no significant issues, it does represent a major support challenge due to the unclear roles, responsibilities and procedures in this new Institution. We also upgraded our e-Vote system to support the EEAS staff committee elections last November with successful electronic voting in 150 delegations across the world. Due to the creation of the EEAS, we also had to render NDP, our electronic personnel file management system, multi-institutional, in order to support the personnel files of the EEAS.

The Court of Auditors benefits from this work, as it has introduced with DIGIT's help this inter-institutional version of NDP end 2011. DIGIT also phased-in the Rights management module in the Court of Auditors during summer. The Court now has a fully automated pay cycle with seamless integration between Sysper2 and NAP, similar to the European Commission.

Good progress was also made with the introduction of Sysper2 in the Committees, the Court of Justice and for the EDPS. Those actions will continue during the first half of 2012. They represent an additional step forward for the inter-institutional convergence in the HRMIS domain.

Last but not least, the development of the new version of the salary system based on the new technical platform is completed. Tests results are positive. The new version of the salary system will pass in production in Quarter 1 of 2012 instead of end 2011 in order to avoid the critical end of year period for the pay cycle.

(8)   *ECI (Citizens' Initiative): make the registry to manage the citizens' initiatives as proposed by the Lisbon Treaty available. It will also include an open source application to cover the online collection by organizers:*

Delivered: The OCS (Online Collection Software) has been published in Joinup.eu on the 23rd of December, as required by the regulation. This version included all requested changes, the translation to the 23 official languages and the specific business rules for each 27 member states. It included also the required changes resulting from the vulnerability tests.

The registry website was finalised and adapted to the new visual identity of the Commission.

In parallel to the development, DIGIT continued supporting and collaboration in the writing of the regulation for the technical specifications adopted by the Commission in November.

Both systems were ready for the ECI conference which took place on the 26th of January.

Table 4. Result indicators for specific objective 3

Result indicators	Target (medium term)	Current situation
Assessment attributed to ARES by the EC staff (cf. yearly survey on User Perception of IT in the Commission)	6.2	5.6 (survey of 2009) 7.0 (user survey 2011)
Number of institutions and agencies (excluding the EC) in which Sysper has been deployed.	8	8 (survey of 2009) 20 (2011)
Assessment attributed to Sysper 2 by the EC staff (cf. yearly survey on User Perception of IT in the Commission)	7.5	7,2 (survey of 2009)
Assessment attributed to MIPS by the EC staff (cf. yearly survey on User Perception of IT in the Commission)	6.5	6,0 (survey of 2009)
Assessment attributed to ABAC Asset/Syslog by the EC staff (cf. yearly survey on User Perception of IT in the Commission)	6.5	6,2 (survey of 2009)
Percentage of ESP-DESIS requests managed via eRequest (as compared to the ones still made via fax).	80%	100%

1.2.4 Specific objective 4

Improve efficiency and collaboration between European public administrations by facilitating electronic cross-border and cross-sectorial interaction between public administrations in support of the implementation of Community policies and activities.

The appointment in 2011 of a new Head of Unit in DIGIT.B2(ISA) and the revision of the ISA work programme laid the foundations for a reinforcement of the overarching role played by the ISA programme in defining, promoting and supporting the implementation of interoperability solutions and frameworks for European public administrations, in achieving synergies and promoting re-use of infrastructure, digital services and software solutions and in translating public administrations interoperability requirements into specifications and standards for digital services.

Interoperability is the key enabler for the cross-border digital services at the heart of the digital single market and the ISA programme is fundamental to their technical sustainability. In addition the reusable solutions funded by ISA (especially e-procurement - see below) specifically contribute to its realisation as part of the Digital Agenda for Europe.

The outputs contributing to this objective that were produced in 2011 are:

(1)   Deliver a complete post-awarding e-Procurement solution for the MS administrations:

Delivered: Open e-Prior has been successfully installed in Greece (University of Pireos in Athens). After Greece, Open e-Prior has been successfully installed in Portugal. In addition, a new cooperation with the University of Agder (Norway) has been started with the objective of launching an Open e-Prior pilot for the municipalities of the South of Norway. As regards the implementation, a new release of Open e-Prior including an extended version of the PEPPOL access point has been delivered. The last two modules: e-Fulfilment and e-Payment have been developed and delivered. The new Open e-Prior version is available on Join-up.

(2)   2011 revision of the ISA Work Programme:

Delivered: The 2011 ISA Work Programme 2012 revision was approved by the ISA committee and it is currently in the process of approval by the Commission.

(3)   Implementation of the ISA Work Programme:

Partly delivered (90%): The necessary funds for the continuation of running actions and launch of new ones included in the ISA Work Programme were released. A prototype of a measurement system allowing the monitoring and evaluation of the ISA programme and its actions is available and it was presented to the ISA committee in January. Information campaigns were prepared for priority actions including the launch of the new ISA website and the Collaboration Platform was deployed in December.

(4)   Re-alignment of the European Interoperability Strategy (awareness exercise):

Delivered: National Interoperability Framework Observatory (NIFO) is in place and the collection of MS experiences and plans as input to the review of the EIS has finished. The formal EIS revision has been launched and will use the input from the EIF implementation review as well as the input from the NIFO as mentioned above.

(5)   Participation of Candidate Countries in the ISA programme:

Delivered: An agreement was signed with Croatia. Turkey and FYROM were not interested in joining the ISA programme.

(6) *Involvement of regional and local European administrations, industry and other stakeholders:*

Delivered: A new interaction approach aimed at "going local" was proposed to the member states. A more in-depth proposal will be established in 2012 after the implementation of the first concrete initiatives started in 2011 and to be continued in 2012. The new ISA website has been launched.

Representatives of regional and local administrations participated in the EIA workshop and their input was included in the definition of the EIA. EIF guidelines are being prepared for these representatives and presentations to other stakeholders are also planned. A number of concrete "going local" initiatives were accomplished in 2011 taking different formats like bi-lateral meetings with key stakeholders in public administrations, participation in conferences with different target profiles, seminars, participation in the "going local" initiatives from DG INFSO.

(7) *sTESTA call for tender:*

Partly delivered (90%): The announcement for the sTESTA call for tender was published, several candidatures were received and the evaluation is in progress.
A set of clarifications was requested and we are currently waiting for replies to further the evaluation process.

For the phase 2 (awarding criteria) of the procedure the draft Technical specifications are available, the award criteria and scenarios are in progress.
The consultation with the stakeholders was completed. The input for scenario's stakeholders was not yet received.

The annexes are in state of finalisation. The SLA annex and the minimum security requirements need a revision, for the latter the consultation of the Security Directorate is also required once the document is final.

(8) *Facilitates cross-border and cross-sectoral interaction between European public administrations via a secure internet application:*

Delivered: The registry of registries management module for IMI (Internal Market Information System) was delivered in production. The facility to split an information request at destination in order to facilitate contributions to the response from multiple authorities was also delivered in production. The improvements for the question set generation module in order to have a more flexible tool to support the various information exchange requirements on the posting of workers directive have been implemented.

Table 5. Result indicators for specific objective 4

Result indicators	Target (medium term)	Current situation
Establishment of a common approach to interoperability at EU level	Alignment of EU and national eGovernment strategies for the provision of cross-border public services (to be realised over the period 2010-2015). Application of the EIF by at national level by 2013 as specified in the Digital Agenda for Europe.	On-going actions in member States to align their national IT strategies with the EIS and EIF. Implementation follow-up and reporting by the National Interoperability Framework Observatory.. First results from the National Interoperability Framework Observatory available giving the 1st overview of the alignment of the national interoperability framework with the EIF.

Result indicators	Target (medium term)	Current situation
Use of common frameworks at EU level	Establishment of a coherent set of frameworks creating a context in which Member States and sectors can discuss cross-border and cross-sector interoperability (to be realised over the period 2010-2015). More specific targets will be set up in 2011 following the launch of initial actions. These targets will need to be reviewed regularly during the life-time of the ISA programme.	A common vision for an European Interoperability Architecture has been completed in 2011 Launched action aiming the definition of Core vocabularies that would be used at the EU level in collaboration with Member States and international organisations
Increased use of common services and generic tools for cross-border and cross-sector projects	Professional delivery of a coherent services and tools portfolio, allowing for the building of interoperability infrastructures at EU level (to be realised over the period 2010-2015). More specific targets will be set up in 2011 following the launch of initial actions. These targets will need to be reviewed regularly during the lifetime of the ISA programme.	Actions aiming the dissemination of information and increasing awareness. Collaborative platform in place. Control of the coherence of proposed actions for funding. Increased screening of inter-service consultations.
Smoother implementation of EC legislation through ICT	Further the assessments of ICT implications of EC legislation already during the conception phase through the provision of support services; provision of common services and generic tools to support the implementation (see line above).	Delayed due to lack of resources. Close scrutiny of ISCs to verify if ICT implications have been taken into account.

1.2.5 Conclusions

Except for 3, all planned actions have actually been started. Two third of them delivered all scheduled outputs and for one third, work is still progressing. The overall non-weighted completion rate is 90%. Details by specific objective and by priority are supplied in the following tables.

Table 6. Status of planned actions by specific objective

Specific objective		Not started # actions	Partly delivered		Delivered # actions	Overall completion rate
			# actions	Average completion rate		
1	Achieve the maximum benefit for the Commission from newly available technology by maintaining and promoting coherent corporate strategies for the development of Information Systems, for the development of IT and telecommunications infrastructure and for IT support services (including IT security)	2	3	72%	7	78%
2	Provide the Commission, and whenever appropriate other European Institutions and bodies, with the high quality state-of-the-art corporate IT infrastructure solutions and e-services, support services and telecommunications facilities required for their business processes.	1	8	73%	25	91%
3	Deliver the information systems required to support the EC corporate business processes within the framework of the e-Commission strategy		1	90%	7	99%
4	Improve efficiency and collaboration between European public administrations by facilitating electronic cross-border and cross-sectoral interaction between public administrations in support of the implementation of Community policies and activities		2	90%	6	98%
Total		**3**	**17**	**77%**	**42**	**90%**

Status by specific objective

Completion rate by specific objective
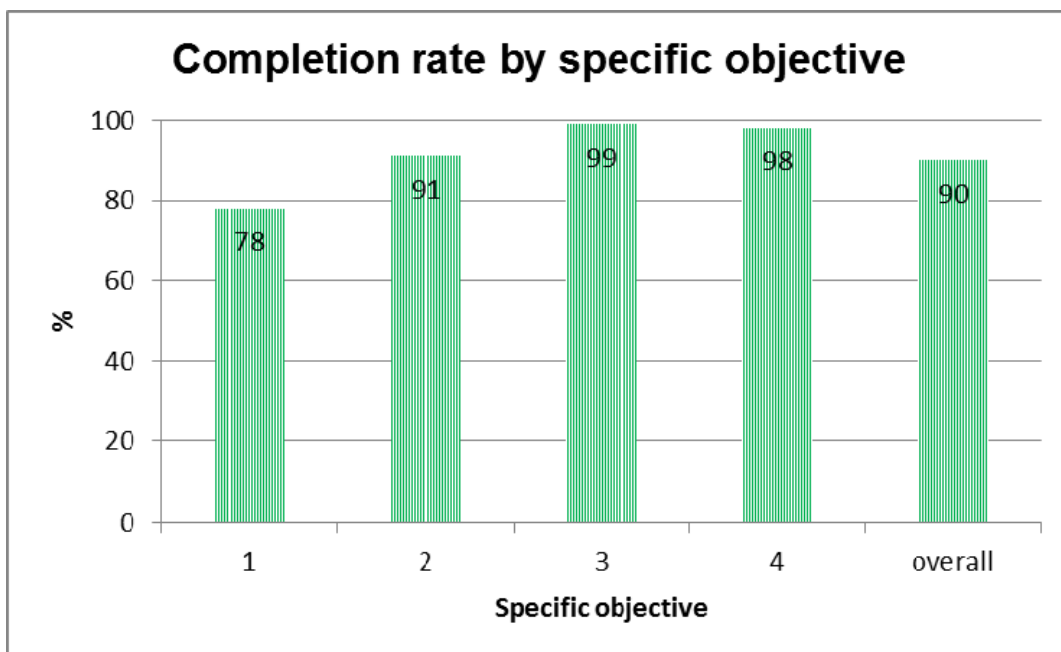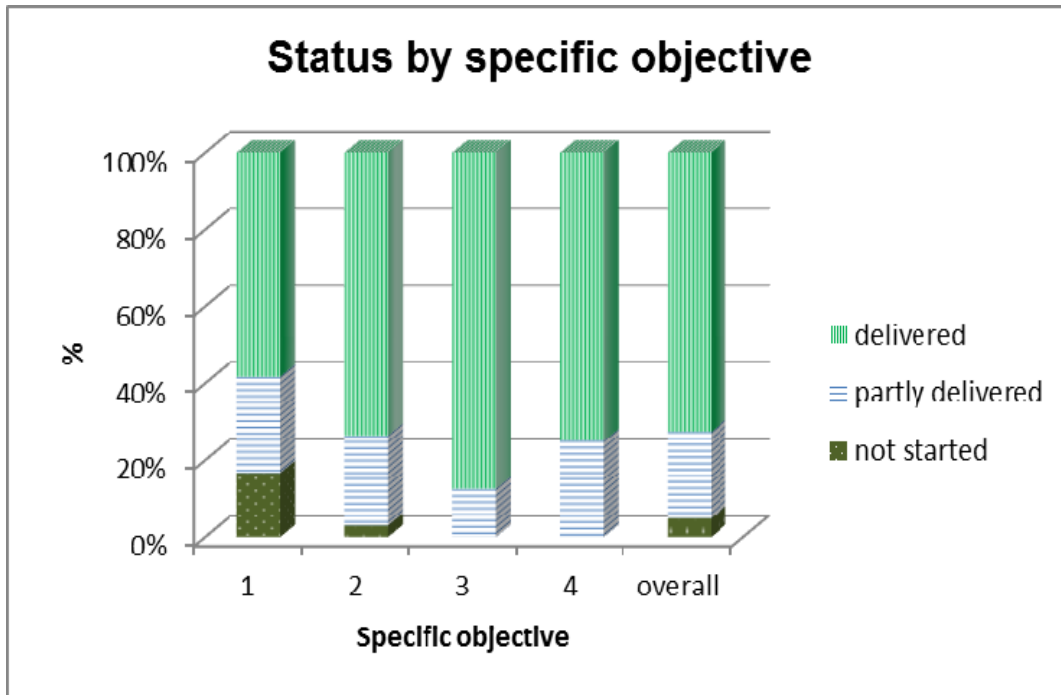
Table 7. Completion rates by DG's priority initiative

DG's priority initiative	Specific objective(s)	Non-weighted average completion rate[2]
(1) Security and Business Continuity for IT mission critical services	1, 2	83%
(2) Communication on the e-Commission 2011-2015	1	100%
(3) E-signatures and e-procurement	2, 3, 4	100%
(4) Contribution to the rationalisation in the Commission leading to convergence and simplification. Contribute to the improvement of Project management simplification	1, 2	96%
(5) Evolution of the Office Automation infrastructure including mobility services, e-mail, collaboration and Unified Communications	1, 2, 3	83%
(6) Increase resilience of the ICT Infrastructure and services by proposing the necessary approach to the new Governance structures	1	100%
(7) Obtain a decision on from the new Governance structures for IT Infrastructure Consolidation (ITIC) initiative and deploy it	2	100%
(8) Continue the evolution of the Human Resources Management systems	3	100%
(9) Further ways of "greening" the Commission's ICT in line with the EMAS initiative	9	100%
(10) Enhancement of interoperability for European Public services (ISA)	4	98%
(11) Appropriate levels of administrative support, compliance and control while minimising overhead	1, 2	88%
(12) Continue supporting operational policies: research, internal market, etc.	3, 4	100%
Total		**90%**

The somewhat lower but still good results for priorities "Security and Business Continuity for IT mission critical services" (83%) and "Evolution of the Office Automation infrastructure including mobility services, e-mail, collaboration and Unified Communications" (83%) can be explained by the fact that considerable resources needed to be mobilised for a security incident that occurred in March 2011 (Ecluse).

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[2] Percentages relate to the work which was planned to be executed in 2011. Averages for on-going actions have been calculated on a prorata temporis base

PART 2. MANAGEMENT
AND INTERNAL CONTROL SYSTEMS

2.1 Introduction to DG DIGIT

- *Organisational structure*

DIGIT was created as a Directorate-General on the 1st of May 2004 following a Commission decision of April 2004. DIGIT is a Commission service based in both Brussels and Luxembourg. DIGIT co-ordinates the development of technology and information systems for all the Commission's services. In addition, DIGIT provides ICT services for some of the agencies.

The Directorate General for Informatics is composed of 4 Directorates and one Unit.

Directorate A:

Provides consulting services to promote best practice in the application of modern information and telecommunications technology, including Open Source technologies.

Directorate B:

Delivers corporate information systems to support the business processes of the Commission, in partnership with the other directorates-general and services. These systems are principally, but not exclusively, in the fields of document management, financial management, planning and reporting and human resources systems. One of the units (B2, the former unit 01) implements the ISA (Interoperability Solutions for European Public Administrations) programme, which replaced the IDABC[3] programme in 2010.

Directorate C:

Provides the Commission, and whenever appropriate other European Institutions and bodies with the secure, reliable and high-performance information technology and telecommunication infrastructure to support the Commission's activities and to enable the implementation of the e-Commission.

Directorate R:

Provides human and budgetary resources to enable DIGIT to achieve its objectives including logistical and contractual services to ensure the efficient and cost-effective procurement and deployment of products and services. The Director is the Internal Control Coordinator.

Unit 01:

The mandate of the unit is to deal with a series of horizontal IT subjects. This mandate requires working in close collaboration with the other units of DIGIT and with the local IT teams in DGs.

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[3] Interoperable Delivery of European eGovernment Services to public Administrations, Businesses and Citizens

The first set of missions of the unit is the implementation of the e-Commission by leading the implementation of the Commission decisions on interoperability and participating in the new IT governance structure. The second set of missions is oriented towards DIGIT since the unit plays the role of DIGIT Programme Management Office (DPMO). The third set of missions involves the actual implementation of IT security ensuring that all missions relative to the security of information systems used by the Commission services and the specific missions related to this domain for DG DIGIT are defined and carried out properly.

- *Mission and vision statements*

DIGIT aims to be a proactive leader in information and communication technologies, identify opportunities and offer, in partnership with stakeholders, innovative tools, solutions and e-services to enable the Commission to accomplish its goals more effectively and efficiently manage and deliver European policies for the benefit of EU public administrations, citizens and business.

The mission of the Directorate-General is to enable the Commission to make effective and efficient use of Information and Communication Technologies in order to achieve its organisational and political objectives.

With this goal in mind, the Directorate-General for Informatics, in partnership with all relevant stakeholders, has the responsibility to:

- Define the IT Strategy of the European Commission;
- Provide the EC and whenever appropriate other European Institutions and bodies with high quality and advanced:
- IT infrastructure solutions and e-services;
- Support services;
- Telecommunications facilities;
- Deliver information systems required to support EC corporate business processes within the framework of the e-Commission strategy;
- Promote and facilitate, in full collaboration with European public administrations, the deployment of pan-European eGovernment services for citizens and enterprises.

This mission is carried out in line with best practices in IT governance and in partnership with all Commission's DGs and Services.

Neither the Vision nor the Mission Statement were changed in 2011.

- *Working arrangements between the Commissioner and the Department*

In 2006, the working arrangements between DIGIT and the Vice-President Siim Kallas and his Cabinet were aligned with the good practice at the Commission following an initiative of the President and the Secretariat-General. In 2010, these arrangements were renewed with Vice-President Šefčovič and his Cabinet and they are still valid.

- *Cross delegations*

DIGIT is system supplier for the development of some of the information systems of operational DGs and is offering hosting services to them. For this purpose, cross sub-delegated budget lines are given by the concerned DGs to DIGIT and underlying SLAs are signed between DIGIT and its clients. For each cross sub-delegated budget line received, DIGIT provides quarterly and annual reporting justifying the use of credits.

DIGIT has also cross-delegated credits to other services. These are, amongst others, used to finance actions within the ISA programme and for carrying out

infrastructure related tasks (electricity, cabling) in a Data Centre room. Detailed reporting justifying the use of these credits has been obtained from the services concerned and can be found in section3.1.4.

- *Main systemic processes for which DIGIT is responsible as a process owner*

IT Governance Process

The Communication of 2004 on the improvement of information technology governance in the Commission assigned a number of duties to DIGIT as regards the development of IT strategy and IT interservice coordination in the Commission.

Since then, DIGIT put in place IT management procedures and interfaces with budget allocation processes (for administrative budgets only) allowing to offer a global vision of the information system portfolio of the Commission.

The increased use of IT allowed the Commission to become more efficient in its delivery of services and its interaction with citizens. At the same time, as pressure grows to limit public sector expenditure, the Commission needs to ensure it is getting the best from its investment in IT and, therefore, to further improve the IT Governance processes in order, mainly to include all IT investments (and not only the administrative ones).

This is why in April 2010 an Interservice Task Force was set up to study the current IT situation and to make recommendations. These were incorporated in a communication from Mr. Šefčovič: "Getting the Best from IT in the Commission".

This communication assigned the following responsibilities to DIGIT:

- The Director-General of DIGIT is a member of the ABM+IT Steering Committee. This Committee proposes the corporate IT strategy for the Commission to the College. It oversees the streamlining and harmonisation of business processes, set targets for achieving efficiency gains; review IT security etc.;

- DIGIT is also represented at senior management level in the High Level Committee on IT. This Committee performs the work that is necessary to give effect to the Interservice Task Force's recommendations;

- DIGIT chairs the Information Systems Project Management Board, which prepares guidelines on good IT project management; advises DGs on all new IT investments above €0.5m and identifies potential new corporate applications and convergence actions. This Board signals issues requiring corporate guidance or decision to the High Level Committee on IT and for endorsement by the ABM+IT Steering Committee.

Other systemic processes

At the end of 2006, DIGIT transmitted its Business Impact Analysis and Business Continuity Plan to the Secretariat General. This document was regularly updated and identifies currently twelve systemic critical functions for which DIGIT is responsible as the process owner:

- Central Help Desk (CHD) - Point of contact of DG DIGIT for the handling of ICT incidents coming from the local service desks of the DGs, dispatching and reporting incidents that are transmitted to the DIGIT support groups or to third parties;

- Corporate Information System Hosting (ISHS) - Management of critical,

essential and necessary corporate and DG information systems hosted by DIGIT, as identified in the Communication to the Commission; assurance of availability and performance;

- Data Network Infrastructure (Snet) - The data network services supporting internal and external data communications, enabling the services of internet and intranet, electronic mail, video conferencing, information storage, applications and information systems;

- Systems and Infrastructure (SIS) - Management of infrastructure hardware and related software; assurance of operations of the Data Centre, Office Automation and Telecommunication;

- Telephone Information (INFOTEL) - The telephone answering services ("INFOTEL") of the European Commission in Brussels and Luxembourg;

- Telephone (FTSA/VCOL/NUPS-MCP) - Management and support of fixed and mobile telephony services in Brussels and Luxembourg;

- Corporate IT Infrastructure & E-mail (CITIS) - Electronic message handling services and the associated services; providing E-Mail, access management, virtual fax handling, anti-virus software, external access to Commission applications;

- Secure Network (sTesta) - Management of the telecommunications network for the secure information exchange between European public administrations;

- IT Infrastructure Consolidation (ITIC) - Provision of consolidated workstation management and office automation services, including service desk and backup facilities, to client DGs;

- Video- and audio-conferencing - The provision of video- and audio-conferencing services;

- Authentication services (ECAS and LDAP) - Provision of common authentication services to Commission information systems;

- I-Call - Provision of the necessary technical infrastructure to enable setup of Call Centres (also known as Contact Centres). This infrastructure includes telephony equipment and computer applications for agents and supervisors enabling them to operate and manage their Call Centre.

For all twelve critical services identified, specific Business Continuity Plans have been established and are regularly reviewed.

2.2 The functioning of the entire Internal Control system

This part provides an assessment of DIGIT's entire control system via a benchmarking against the Commission's 16 internal control standards for effective management.

2.2.1 Compliance with the requirements of the control

standards

The ICC function in DIGIT assessed the level of compliance with the requirements of each of the 16 Internal Control Standards. This assessment was based on a thorough examination of all controls, processes and procedures in DIGIT[4].

DIGIT is in general compliant but that there is still room for improvement regarding the following standards:

> ICS 1 - Mission : DIGIT's mission and vision have been well explained to all staff but all relevant Directorate and Unit mission statements could be better explained to staff;

> ICS 6 - Risk Management Process: Follow-up of implementation of action plans could be enhanced;

> ICS 7 - Operational Structure: There is no formal written communication to the operational agents (OIA/OVA) regarding the scope of delegated powers;

> ICS 8 – Processes and procedures: The guidelines regarding guarantees need to be improved. New instructions are being drafted;

> ICS 10 - Business Continuity: so far no major issues appeared during "business-as-usual" interruptions. However, this has been a priority standard for the last couple of years and many actions are still on-going. This was also found by the IAS in their audit of Business Continuity Management, for which a detailed action plan is being implemented.

ICS 7 on Operational Structure requires that, once a jobholder has been exercising the same sensitive function(s) for five years, risk is re-assessed, following which management decides to move the jobholder, or to transfer the sensitive function(s) or to implement additional mitigating controls which reduce the residual risk to a level it considers acceptable. Furthermore, once a jobholder has been exercising the same sensitive functions for seven years, mobility should as a general rule be applied.

In DIGIT, as from 1 May 2011 the Director General would have passed the maximum period of 7 years for holding the sensitive function of AOD, partly because he was acting Director General and AOD between May 2004 and November 2005. To avoid the subsequent risks, the critical function of awarding authority for framework contracts was delegated to the operational Directors.

The Directors of Directorates A, B and C have had the sensitive function of AOSD for commitments in their attributions for more than 5 years as from respectively 1 March 2011, 22 February 2011 and 18 January 2011. Considering the above, during 2011 it was decided to perform a risk assessment exercise for each Director concerned. The final results show that the level of residual risks and their level of acceptability for the Directors to maintain the sensitive function for an additional 2 years are at acceptable levels. Nevertheless additional control measures were established for some areas.

Also related to this same control standard, one Director who was also AOSD for commitments declared in 2010 a conflict of interest regarding one of the suppliers he dealt with. These tasks were immediately taken over by one of the Heads of Unit and by another director as awarding authority. This situation did not change in 2011.

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[4] Ares(2011)193328

Concerning ICS 8 on Processes and Procedures, the Internal Control Coordination (ICC) team performed a targeted ex-post control of cases where the Operational Initiating Agent (OIA) and Operational verifying Agent (OVA) did not belong to the same unit[5]. Of the 6810 invoices and orders that were analysed, 12 concerned other DG's and were not under DIGIT's control and the other 129 cases were not exceptions but relate to expenditure where specific arrangements were in place.

Regarding ICS9 on Management Supervision, DIGIT asks for a four-monthly reporting from all Authorising Officers by Sub-delegation (AOSD) to the Authorising Officer by Delegation (AOD) on internal control issues. In one instance, this bottom-up information revealed some compliance issues regarding the waiving of potential liquidated damages and regarding award decisions for low-value telecommunications contracts[6]. This first issue was also found by the ICC team[7]. Both problems are being addressed and no other issues were brought forward.

2.2.2 Effectiveness of implementation of the prioritised control standards

In its Management Plan for 2011, DIGIT prioritised the following standards and groups of standards:

- Business continuity (N° 10): This is an on-going and continuous priority for a service supplier like DIGIT and it was already a priority for 2008, 2009 and 2010.

- Staff Allocation and Mobility (N° 3) and Staff Evaluation and Development (N° 4): To review the suitability of job descriptions and objectives.

ICS 10 (Business continuity)

In 2011 DIGIT continued its programme of enhancement of its business continuity capacity, with several actions targeting specifically the improvement of resilience for the Commission-critical services it provides.   In line with SEC(2006)898 on business continuity and the recommendations of the IAS audit on business continuity management in the DG, many of the specific continuity arrangements have been updated and special training sessions took place.   Significant progress was made in the on-going revision of the SNET (network) business continuity plan and also a major revision of the ISHS (IS hosting) business impact analysis was undertaken. Continuity plans for the additional services recently designated as critical for the Commission are being accordingly updated and revised. A revision of the global DIGIT business impact analysis was also launched and is expected to be completed early in 2012. As before, business continuity remains an integral part of a process of continuous improvement of services at DIGIT.

ICS 3 (Staff Allocation and Mobility) and ICS 4 (Staff Evaluation and Development)

The allocation and recruitment of staff is closely linked with the DG's objectives and priorities. Evaluations at senior management level take place regularly. The organigramme is kept aligned with the business requirements. The most recent adaptations date from 16/01/2012, 23/01/2012 and 13/02/2012 and aimed at aligning the organisational structures and staff allocations with priorities and workload.

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[5] Ares(2011)382116

[6] Ares(2011)550650

[7] Ares(2011)387504

Staff performance is evaluated against individual annual objectives, which are drawn up on the basis of DIGIT's overall objectives. In the context of the CDR process, discussions are held individually with all staff to establish their annual objectives. In preparation for the new evaluation and promotion framework, the HR section organised training sessions for all concerned staff in the last quarter of the year.

Self-assessment of the effectiveness of the internal control standards

In line with the ICS 15 (Assessment of Internal Control Systems), the effectiveness of the 16 Internal Control Standards (ICS) was self-assessed using the corporate iCAT tool.

Management (i.e. the Directors, the Heads of Unit, the Deputy Heads of Unit and the Assistant to the General Director) and the "Heads of Entity" (i.e. Heads of section and Heads of sector) completed shortened questionnaires (of respectively 54 and 20 questions) and 4 persons from the Resources Directorate answered all 90 questions.

The general, overall effectiveness of ICSs in DIGIT was assessed at 90%.

This is an excellent score and even slightly higher than in 2011 (89,6%). Results show that there would still be some room for further improvement regarding ICS 3, 4 and 10, all assessed with the lowest, but still rather good effectiveness rate of 85%:

> – *ICS 3, Staff allocation and mobility*: this standard was prioritised in DIGIT's 2011 Management Plan (MP). Participants suggest that taking into account the size and complexity of DIGIT's organisation as well as the nature of high job specialisation specific to the IT field, it could be useful to have a higher degree of organisational flexibility which will allow for more mobility within the DG.

> – *ICS 4, Staff evaluation and development*: this standard was also prioritised in DIGIT's 2011 MP. Comments referred to a perceived rigidity in the organisation of the objectives setting-evaluation cycle, on a yearly basis and with an individual focus rather than teamwork. Participants conclude that staff annual objectives are sometime generic and repeated each year. Also the career development measures are a concern for staff in the context of increased pressure for overhead reduction.

> – *ICS 10, Business Continuity:* An overview of the comments and observations received indicates that staff who is directly involved in the well-functioning of a BCP is well aware of the measures in place, there was a positive attitude towards the BCP audit results and the benefits of the Business Impact Analysis exercise. Colleagues also commented that raising awareness of all staff would be desirable, but the resources are limited for such activities.

This standard is prioritised in DIGIT's 2012 MP.

The results will be further analysed and an action plan to increase compliance with and effectiveness of the requirements shall be set up.

2.2.3 Conclusion

DIGIT has put in place the measures that ensure that the internal control systems are effective. DIGIT also considers the risks and focuses the control resources on those areas where risks are the greatest, while ensuring adequate control over all activities. The remaining 'weaknesses' are minor and are not hampering the overall effectiveness. Based on all available information and the above analysis, plus the information provided in part 3 of this AAR, it can be stated that DIGIT has an effective, robust and reliable internal control system at its disposal.

2.3 Information to the Commissioner

The main elements of this report and assurance declaration have been brought to the attention of Commissioner Šefčovič.

PART 3. BUILDING BLOCKS
TOWARDS THE DECLARATION OF ASSURANCE
(AND POSSIBLE RESERVATIONS TO IT)

3.1 Building blocks towards reasonable assurance

Reasonable assurance is the personal judgement of the AOD, based on all information at his/her disposal. This information is structured around four pillars or "building blocks":

(1)   An assessment by management;

(2)   Results from independent audits during the reporting year;

(3)   Follow-up of action plans which address weaknesses identified by internal and external audits in previous years;

(4)   Assurance reported to the AODs for the implementation of budget lines by other AODs in the case of crossed sub-delegation.

3.1.1 Building block 1: Assessment by management

Ex-ante and ex-post controls

Ex-ante controls: All commitments with a value higher than or equal to 50.000€ in the area of centrally managed IT expenditures as well as all other commitments are subject to a dedicated ex-ante verification by a Financial Verifying Agent (FVA), who is a member of the Financial Unit in the Resources Directorate. For the other lower value commitments, this verification is performed by the Authorising Officer by sub-delegation (AOSD). For all other transactions (other commitments, payments and recovery orders), there is no dedicated FVA but the AOSD performs the verification as stated in the financial circuit model and related procedures adopted by the Authorising Officer by delegation (AOD) for DIGIT.

Ex-post controls: All Directors control samples of commitments and payments for their directorates that are authorised by the financial unit. The Director-General controls an overall sample of commitments and payments, the Resources Director controls a sample of commitments authorised by one of his Heads of Unit and the Internal Control and Coordination (ICC) group controls an overall sample of commitments, payments and recovery orders.

	Authorised		Controlled			
	Number	Value	Number	%	Value	%
Payments	7.611	200.400.945	90	1.2	18.764.864	9.4
Commitments	3.877	298.572.161	70	1.8	33.031.388	11.1
Recovery orders	260	17.767.993	15	5.8	7.161.863	40.3

Benefits of controls (i.e. recoveries and financial corrections): As for the past three years, controls carried out show that there have been **no material errors as regards legality and regularity and that the cumulative level of errors in favour of the beneficiaries is zero (no overpayments)**.

Exception reporting (ICS8) and deviations from established processes and procedures (ICS9)

Exceptions:

In 2011, 53 exceptions records were registered. This is 26 less then in 2010 and corresponds to 0.45 % of the total number of financial transactions processed during the year (11.748 commitments, payments and recovery orders).

In total, 6 exceptions could not be avoided for reasons such as organisations insisting on pre-payment for training actions and late receipt of documents form the contractors.

A significant improvement in contract monitoring and timely extension of maintenance contracts was registered last year.

None of the recorded exceptions caused a financial loss for the budget.

DIGIT considers that the identified **exceptions are of minor importance and they are not negatively affecting the assurance**.

Deviations from established procedures:

Regarding stand-by duty services, DIGIT is responsible for twelve systemic critical functions as the process owner. In line with business continuity requirements, there is a need to run stand by duty services for these functions.

There are two areas of operations for which DIGIT has such stand by duty services running:

1. Provisioning of infrastructure services: 21 different services operated by 50 officials;

2. IT Infrastructure Consolidation (ITIC): 3 different services operated by 15 officials;

In 2011, DIGIT agreed with DG HR the way these stand-by services are being set up and operated and the **ITIC services were fully aligned with the applicable instructions[8]. Regarding the provisioning of infrastructure services, this is also the case as of 2012[9].**

However, the applicable instructions, based on a Council regulation dating back to 1997, cause problems for 24/7 IT service management. In particular, assuring complete coverage of all required 21 services identified is extremely difficult. In order to mitigate the risks, DIGIT will need to either obtain more statutory resources or to further outsource interventions and give more decision-making responsibility to its suppliers for operational incidents impacting Commission business services.

Management of multi-annual programmes.

The **ISA** programme is exclusively implemented via public procurement (for

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[8] Ares(2011)1323063

[9] Ares(2011)1397104

service contracts). All **contractual payments were systematically checked** against contractual deliverables and cost statements are included in the related progress reports.

Cases of control overrides

The **GAMA**[10] advisory body is consulted with regard to procurement files on a mandatory basis and **all opinions of this committee have been taken into account** (no "passé outre"). In 2011, two files were not subject to GAMA due to the urgency (services had to be provided immediately after the need was detected -cyber-attack-) or to the fact that the procedure had previously been subject to other competent Commission services (BUDG/Central Financial Service, Legal Service, DG MARKT). These exceptions had been documented internally and GAMA was later informed. Financial Regulation states that: "An authorizing officer by delegation or sub delegation who considers that a decision, which it is his responsibility to take, is irregular or contrary to the principles of sound financial management shall inform the delegating authority in writing. If the delegating authority then gives a reasoned instruction in writing to the authorizing officer by delegation or sub delegation to take the decision in question, the authorizing officer may not be held liable". No such case occurred in 2011 in DIGIT.

Paraphe procedure

All Commission's DGs and Services are asked to systematically use the 'paraphe' procedure whenever they buy IT or telecommunications goods or services.

This procedure was implemented to meet following objectives:

- Be aware of all the 'goods and services' acquired by DGs in the IT and telecommunication fields and make sure that these acquisitions are compliant with Commission rules and policy in this matter;

- Insure the coherence of IT goods and services;

- Verify the correct use of DIGIT framework contracts (purpose, etc…);

- Follow the ceiling consumption of DIGIT framework contracts;

- Register all assets in the inventory, as DIGIT is the Management Center for ICT equipment.

3020 paraphe files were submitted in 2011. However, experience has shown that the procedure is not always used and therefore regular reminders are sent to DGs.

Legal complaints and cross-cutting issues

Table 8. Legal challenges closed during 2011

Body	Reference	Subject	Outcome
General Tribunal	T-377/07	Public procurement. Challenge of award decision on Call for Tenders "Content Interoperability for	100% successful for DIGIT

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[10] Groupe d'Analyse des Marches pour la DG HR

		European eGovernment Services"	
Court of Justice	C-560/10 P	Public procurement. Challenge of award decision on Call for Tenders "Your Europe Portal Management and Maintenance" (Lot 1). Appeal against judgment T-300/07 by General Court.	100% successful for DIGIT
European Ombudsman	438/2007/TN	Maladministration / CIRCA project	In 2010 the European Ombudsman had formulated 1 critical remark on this file. In 2011, the Commission sent a detailed reply rejecting this remark, providing additional information and proposing a number of follow-up measures. In his annual report 2011, the Ombudsman has applauded this response

Table 9. <u>Legal challenges started before 2011 and still pending (p.m.)</u>

Body	Reference	Subject	Status on 31/12/2011
General Tribunal	T-457/10	Public procurement. Challenge of award decision on Call for Tenders ESP-DESIS II (Lot 2)	Written procedure finished.
General Tribunal	T-474/10	Public procurement. Challenge of award decision on Call for Tenders ESP-DESIS II (Lots 1A, 1B, 1C and 3)	Written procedure finished.
European Ombudsman	2395/2007/ VIK	Maladministration / Mass mailings	In December 2011, the European Ombudsman formulated 3 critical remarks on this file. The Commission has to reply to the European Ombudsman by 31 May 2012.

Table 10. <u>New</u> legal challenges (started during 2011 and <u>still pending</u>)

Body	Reference	Subject	Status on 31/12/2011
General Tribunal	T-442/11	Request for damages / CIRCA project	Written procedure ongoing. N.B.: The Commission has filed a plea of inadmissibility

All pending legal challenges are closely monitored and **potential subsequent risks are deemed to be under control**.

Conclusions

Building block 1 contributes positively to the declaration of assurance.

3.1.2 Building block 2: Results from audits during the reporting year

In 2011, the Internal Audit Capability (IAC) performed an audit of the Management of Risks and 2 follow-up audits: financial circuits and of inventory management in DIGIT.

These engagements were identified on the basis of a joint IAS/IAC risk analysis in view of assuring a balanced coverage of both the financial and non-financial processes, notably taking duly into account the nature of support service of DG DIGIT and the positive Declaration of Assurance (DAS) provided by the ECA on the Administrative expenses.

The IAC of DG HR believed that based on the results of their audits as described in the objectives and scope of the engagements carried out during 2011, the internal control system in place in DG DIGIT provides reasonable assurance regarding the achievement of the business objectives set up for the processes audited[11].

Furthermore, the IAC concluded that the 2 very important recommendations highlighted in their audit on Management of Risks were implemented by management before year end and therefore they do not qualify the IAC assurance provided.

Finally, in addition to the opinion given above, and taking into account their coverage of the activities/processes in the DG, the IAC declared not to be aware of anything not reported which could lead to a potential reservation in the AAR.

The Internal Audit Service (IAS) finalised in 2011 the following audit where DIGIT was the main auditee:

> – Management of the telecommunication infrastructure and services sTESTA: The scope of this audit was to assess DG DIGIT's activities and its capacity of defining sTESTA security and operational requirements and monitoring the correct implementation of the different related contracts. The IAS concluded that that the internal control system in place provides reasonable assurance on the management of the sTESTA project as a whole. An action plan for the implementation of recommendations was accepted by the IAS early 2012.

Furthermore, the IAS conducted in 2011 an audit on the Management of Guarantees at Commission level, the final report which was issued at the beginning of 2012 contains some recommendations and issues for consideration that are addressed also to DIGIT. An action plans has been developed and sent to the IAS but the results of this audit mission can only be used as a source of assurance for the purpose of the next AAR.

Building block 2 contributes positively to the declaration of assurance.

3.1.3 Building block 3: Follow-up of previous years' reservations and action plans for audits from previous years

In 2011, DIGIT successfully completed the implementation of a relatively large number of audit recommendations: three very important, thirteen important and one desirable.

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[11] Ares(2012)224360

Out of these, three recommendations had their origin in the Internal Audit Service (IAS) and the other fourteen came from the Internal Audit Capability (IAC).

The very important recommendation related to the evaluation and quality of the training delivered by DG DIGIT's Training Service (DTS), to the definition of more objective risk assessment criteria and to establishment of clear links between the risk register and the objectives, activities and projects.

The remaining seven very important and thirteen important recommendations will be implemented according to the planning between February 2012 and July 2014.

Building block 3 contributes positively to the declaration of assurance.

3.1.4 Building block 4: Assurance received from other Authorising Officers in cases of crossed sub-delegation

DIGIT has also cross-delegated credits to other services. These are, amongst others, used to finance actions within the IDABC/ISA programme and for the renting of Data Centre premises. Detailed reporting justifying the use of these credits has been requested from the services concerned and is listed in the table hereafter.

Table 11. Sub-delegations granted to AOD's in other DG's

From DIGIT to DG/Service	Budget line	Committed amount in 2011	Paid amount in 2011	Reported matters of material impact by the other service
AGRI	26.030102	0,00	528.146,67	None
COMP	26.030101	449.741,25	694.518,48	None
DGT	26.030101	749.174,00	429.984,05	None
EAC	26.030102	0,00	21.792,42	Implementation at national level for dossier 2009-5263 is delayed since 2010 and the only transaction for this contract in 2011 was a decommitment of the remaining balance. The paid amount refers to another contract for which no difficulties or weakness were encountered
EMPL	26.030102	0,00	749.993,88	None
ENTR	26.030101	0,00	158.446,00	None
ENTR	26.030102	0,00	529.965,18	None
INFSO	26.030101	199.950,00	97.100,00	None
MARE	26.030101	299.660,00	0,00	None
MARKT	26.030101	938.961,70	492.380,90	None
OIL	XX.010301.11.03	75.000,00[12]	0,00	None
SANCO	26.030102	0,00	33.948,86	None

Building block 4 contributes positively to the declaration of assurance.

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[12] 40.968,57€ were effectively ordered

3.1.5 Completeness and reliability of the information reported in the building blocks

Taking the positive and the negative elements presented above into account, we believe that the information presented in the four previous building blocks is reasonably complete and reliable.

3.2 Reservations

The AOD will not make a reservation in this AAR.

3.3 Overall conclusions on the combined impact of the reservations on the declaration as a whole

Not applicable

PART 4. DECLARATION OF ASSURANCE

I, Francisco García Morán,

Director-General of DG DIGIT

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view .

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

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the internal audit capability, the observations of the Internal Audit Service 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, 30/03/2012

(signed)

Francisco Garcia MORAN