



2011

Annual Activity Report

**Office for
Infrastructure and
Logistics in
Brussels**



Table of Contents

PART 1. POLICY ACHIEVEMENTS	3
1.1 MAIN POLICY ACHIEVEMENTS IN 2011	3
1.2 ACQUISITION, RENTING AND OTHER EXPENDITURE RELATED TO BUILDINGS	6
1.3 EQUIPMENT, SERVICES ACTIVITIES & SOCIAL INFRASTRUCTURE.....	11
1.4 SPECIFIC OBJECTIVES FOR HORIZONTAL ACTIVITIES	17
PART 2. MANAGEMENT AND INTERNAL CONTROL SYSTEMS	21
2.1 INTRODUCTION TO THE OIB	21
2.1.1 Office Characteristics and Governance Structure.....	21
2.1.2 OIB's Management Model, Organisational, Administrative and Accounting Structure.....	22
2.1.3 OIB's Staff Structure	23
2.1.4 OIB Budget	24
2.1.5 Major Events having an Impact on the Reputation	25
2.2 THE FUNCTIONING OF THE ENTIRE INTERNAL CONTROL SYSTEM.....	25
2.2.1 Compliance with the Requirements of the Internal Control Standards.....	25
2.2.2 Effectiveness of Implementation of the Prioritised Control Standards	26
2.2.3 Conclusion	28
2.3 INFORMATION TO THE COMMISSIONER.....	29
PART 3. BUILDING BLOCKS TOWARDS THE DECLARATION OF ASSURANCE.....	30
3.1 BUILDING BLOCKS TOWARDS REASONABLE ASSURANCE	30
3.1.1 Building block 1: Assessment by Management of OIB.....	30
3.1.2 Building block 2: Results from Independent Audits during the Reporting Year	34
3.1.3 Building block 3: Follow up of Previous Years' reservation and Action Plans for Audits from Previous Years	36
3.1.4 Building block 4: Assurance Received from Other Authorising Officers in cases of Cross-Sub Delegation.....	38
3.1.5 Completeness and Reliability of the Information Reported in the Building Blocks	40
3.2 RESERVATIONS AND THEIR IMPACT ON THE DECLARATION.....	41
3.3 OVERALL CONCLUSION ON THE COMBINED IMPACT OF THE RESERVATIONS ON THE DECLARATION AS A WHOLE	41
PART 4. DECLARATION OF ASSURANCE.....	42

PART 1. POLICY ACHIEVEMENTS

1.1 Main Policy Achievements in 2011

OIB, as an administrative office, is responsible for the execution of activities related to facilities management in Brussels and the management of social welfare infrastructures (in Brussels and Ispra).

OIB's mission is to ensure a functional, safe and comfortable workplace for all those working for the Commission, and to provide good quality support and well-being services, based on a client-oriented approach, in an environmentally friendly and cost-effective way.

In December 2011, DG HR conducted the general staff satisfaction survey, in which almost 6.000 staff members located in Brussels took part. The satisfaction with the services provided by the OIB remains, in general, at the same level as in previous years: 2009 and 2007 (the survey is conducted on 2-years basis). Nearly half of staff, who took part in the survey, stated that they were satisfied or very satisfied with the services (78% if we exclude undecided respondents) and only 14% of respondents indicated to be dissatisfied or very dissatisfied. It's worth noticing that although OIB's range of activities is gradually extended, OIB maintains a high level of satisfaction¹ for most of the services it provides.

Real Estate Management

OIB has prepared the necessary documents to facilitate the negotiations with local authorities for the projects on the redesign of the European Quarter (*PUL – Project Urbain Loi*) and for the new pole for Commission services (*Delta site*).

Several projects were prepared in response to contracts which will expire by 2013 (70.000m²) and to address difficulties in finding the needed space. Negotiations were initiated for COVE and ORBAN buildings to replace SDME building (contract expires on 31 December 2012) and the Inter-Service Consultations were launched. A call for buildings proposals was launched for an additional surface of 40.000 m² – following the opinion of the Real Estate Committee, the contract should be signed mid 2012 allowing the building occupation before mid 2013.

The Real Estate Committee gave a positive opinion on the prolongation of contracts for DAV1 and for the HOST building. An Inter-Service Consultation was launched for DAV1, aiming at signing the amendment in January 2012. The negotiations for the HOST building will start in 2012.

The occupation of SC15 building (by EEAS²) was prolonged due to delayed negotiations for the 'Capital' building, which were finished in August 2011.

The efficient management of the existing portfolio of office space continued to be enforced. In April 2011, a specific note was sent to all DGs summarising their current space allocation and requesting that appropriate measures be taken to reduce possible over-allocation during upcoming reorganisations (concerns 10+ DGs).

In the context of policy development, the second part of the Housing Conditions Manual³ has been drafted. The space allocation planning has been already established and its implementation will follow. All buildings were reviewed based on the "Measurement Code" edited beginning 2011.

¹ Only provisional data was available.

² European External Action Service

³ The manual describes the notions of well-being at work in relation to allocated space. The supplementary part specifies the parameters of the physical environment of work stations and lays down rules for the allocation and layout of individual and collective spaces.

Maintenance work in the framework of "OIB's good state of buildings" policy was conducted in accordance with the schedule with the exception of two buildings. Preliminary studies are ongoing for the renovation of CIE Overijse. Difficulties were encountered in obtaining authorizations from local authorities.

Although all Commission buildings comply with legal requirements regarding accessibility for persons with reduced mobility, work was carried out to further improve accessibility in forecasted buildings.

For the Wagon-Lits project, designed to increase the capacity of childcare facilities, demolition work and asbestos removal began in April 2011 and was finalised at the end of August 2011. Construction work started in December 2011.

In the EMAS area, OIB continued to improve the environmental performance of the Commission's activities. The annual target of 5% reduction of water consumption within the Commission buildings was exceeded, reaching over 13% reduction.

Operations and Services

The 2011 satisfaction surveys conducted by DG HR and independently by OIB, recorded improvements in satisfaction levels for the Restaurants, Canteen (Ispra), Cafeterias and childcare facilities (Bxl/Ispra), whereas for the lodgings, Clubhouse (Ispra) and Self-service restaurants (Bxl) there was a slight reduction in the overall rate of satisfaction. A number of actions have already been undertaken⁴ to address the issues identified in the survey and further improvements will be followed up in the course of 2012.

The upgrade and modernisation of restaurants and cafeterias, aimed at improving the quality of the infrastructure and service, was finalised as scheduled.

The recommendations on the renovations of the social infrastructure site in ISPRA, given by the working group⁵, were integrated into the 'Multi-Annual Development Plan' and its implementation will start in 2012. The re-design of the food distribution system in both canteen structures implemented during the summer, has succeeded in reducing waiting time and eliminating queues⁶.

In the context of increasing the general level of satisfaction with OIB's services, several initiatives in the area of childcare facilities were taken.⁷

The new Cornet-Leman childcare facility was officially opened on 2 March 2011, increasing nursery capacity by 252 places; subsequently, on 1 September 2011, 98 additional after-school childcare places became available. Conversion of the Beaulieu nursery⁸ resulted in increased capacity of 12 additional places. Following negotiations with the European Schools, 150 additional after-school childcare places were made available, mostly in Berkendael and Woluwe schools.

Throughout 2011, OIB continued to strive to obtain additional nursery places on the local market following a call for tenders. Due to delays in obtaining the necessary local authority permits by the contractors, only 212 of the initial 308 proposed places were available by end of year 2011.

Corrective measures put in place, following the report of May 2011 (on inventory tracking and ABAC SAM improvements), allowed, despite delays, to complete the analysis of data

⁴ e.g. new choice of menus and new salad bar composition.

⁵ A report issued by the working group chaired by OIB and composed of JRC personnel and staff representatives was approved by the OIB/JRC Steering Committee and formally submitted to JRC management.

⁶ This operation was implemented at low cost whilst at the same time being highly effective. The design was drawn up internally and unused kitchen equipment was transported from OIB warehouses in Brussels at no cost and re-utilised.

⁷ Improvements were made in the areas of communication and in the broadening of the range of activities and events on offer.

⁸ The nursery was transformed from four into five nursery sections and one kindergarten section, following the transfer of the after-school childcare facility to a new location (BU-1) within the building complex.

collected during the 2010 full tracking exercise, and to apply the necessary corrections to the inventory database, resulting in a comprehensive inventory of assets.

In promoting the use of public transport, the contribution scheme was extended by introducing the *Third Party Payment* system. Over 6.000 staff members subscribed to the scheme, out of which 4.077 have benefited from a 50% contribution towards the cost of public transport season tickets. The scheme was opened up to EEAS staff as of November 2011. In line with the Mobility Plan 2010-14 a survey was conducted for the first time in September 2011.

Mail delivery increased its efficiency by replacing round trips by a zone delivery service and by optimising the use of shuttles capacity.

The digitalisation of the historical archives is progressing. Preparatory work is underway for the fine-tuning of the specific software which has been developed by the Historical Archives Service, completion is expected in 2012. The assigned digitalisation equipment has been installed and the supplementary hardware has been ordered.

The new framework partnership agreement with the Historical Archives of the European Union in Florence (AHUE) has been concluded.

Management of Resources

With nearly 1200 staff members (at 31/12/2011), OIB is the 5th largest service in the Commission in terms of staff numbers. The efficient human resources management is a key priority within OIB. The specific staff composition of OIB (65% contract agents and 35% officials), requires systems and procedures relevant to each staff category.

OIB continued to implement the TEC programme aiming at conversion of official posts into contract agents. Although, efforts were made to reach the fixed TEC objectives, the challenge remains to ensure an appropriate balance with the operational needs of the office.

Priority was given to the new appraisal system for officials entering into force in 2011, the reclassification exercise for contract agents, recruitment and to tailor-made training for the specific needs of OIB's services.

Training courses were developed for nurses and educators (including team-building sessions), its implementation took place during the course of 2011. Continuing with trainings, the programme of workshops on ethical issues was implemented for staff working in finance, contract and procurement (including the team-leaders and staff working in Ispra). As the new promotion and evaluation system for officials entered into force at the beginning of 2011, a series of trainings and information meetings on the subject took place.

Moreover, a dedicated management workshop was organised to address OIB's sickness absence level, resulting in a toolkit developed for managers with measures aimed at reducing sickness absence. Absence levels related to sickness were reduced from 7.3% in 2010 to 6.8% at the end of 2011.

Particular emphasis was given to recruitment. A large number of selection panels (including procedures for nurses and educators, needed for the increased capacity in the childcare facilities) were organised in 2011. A total of 120 contract agents were recruited.

With regard to financial management, OIB focused its efforts on the implementation of the action plan aimed at reducing payment delays, drafted after the analysis carried out in 2010. The average number of invoices paid outside delays was 12% at the end of 2011 compared to around 33% in 2010 (the Commission average 13.5%).

A series of teambuilding workshops on procurement were organised in September 2011 to rationalise and simplify internal procedures and working methods. Several thematic working groups were set up to develop action plans for each of the themes identified in the workshops (to be implemented in 2012).

In 2011, several local IT applications, designed to facilitate daily operations, were made available. (e.g.: "tiers payant" system for partial reimbursement of STIB tickets to the staff; 'Presto' application to facilitate the catering orders at Ispra).

Several actions were carried out in 2011 in the area of internal control coordination, such as: a risk assessment exercise addressed to OIB management which identified potential risks and defined mitigating measures; a new procedure on exceptions was adopted and is being implemented; reviews of ICS effectiveness and compliance were carried out. Following the finalisation of four audits in 2011, only 4 recommendations remain open and 11 were pursued and closed before the end of the year.

OIB was involved in the organisation of various communication events and exhibitions. The renewal of the Berlaymont "Summa Artis" art collection has also been undertaken in 2011.

1.2 Acquisition, renting and other expenditure related to buildings

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

SPECIFIC OBJECTIVE 1: Manage the Commission's buildings and infrastructures efficiently and effectively whilst improving space planning in line with the MAPF objectives by implementing the long-term buildings policy and the procedures for selecting new buildings and/or sites.			
<i>Result Indicators</i>	<i>Situation at the end of 2011</i>	<i>2011 Target</i>	<i>Comments</i>
Ratio of the Commission's real estate portfolio and the surface needs authorised by the budgetary authority (on annual basis)	826,094 [offices surface available for the Commission] authorised: 822,000 (10/02/2012)	827,832 ⁹ / authorised: 850,000	
Percentage of overall projects/ actions delivered within deadline and budget (up to +/-10%)	90% 42 projects/actions have been completed	100%	It's not realistic to obtain 100% as there are often additional works not foreseen in the initial contract what exceed estimated budget and time.
<i>Main outputs for 2011:</i>			
Main real estate projects:			
<ul style="list-style-type: none"> • PUL project: provided all necessary reports and analysis facilitating the negotiations between the Commission and local authorities. A memorandum of understanding between parties was presented for approval. The decision of local authorities on town planning is awaited, as a starting point for further development. • DELTA project¹⁰: the programming was initiated; decisions of local authorities awaited for town planning and commitments regarding the preparation of land and infrastructure. The space needs for Historical archives replacing Modul 1 at KORT building have been integrated into the project. 			

⁹ The capacity of surface might be revised taking into account the installation of EEAS.

¹⁰ Defined as alternative areas ('new pole') outside the European Quarter chosen according to the Commission's decision.

- Prepared the public sale of the townhouse adjacent to the COLE nursery¹¹ which should be finalised in the first semester of 2012.
- Prolongation of the usufruct contract for the SC15 building was signed before the end of the year 2011.

Policy development:

- Launched the revision of buildings (100% of buildings have been reviewed) in the context of implementation of the "Measurement Code"¹² edited beginning 2011; the evaluation process is ongoing.
- Provided contribution to the working group led by DG HR on development the 2nd part of Housing Conditions Manual¹³ (MCH). This part was drafted by the end of 2011 in a view of adoption during the course of 2012.
- The MIT (Manual of Standard Building Specifications - *Manuel des normes applicables à l'Immeuble Type*) was approved by the OIB Board at the end of 2011.

SPECIFIC OBJECTIVE 2: Enhance OIB's service-oriented culture and client satisfaction by offering good quality office space to all Commission sites in Brussels.

<i>Result Indicators</i>	<i>Situation at the end of 2011</i>	<i>2011 Target</i>	<i>Comments</i>
% of staff satisfaction in staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL: (<i>very satisfied + satisfied</i>) versus (<i>dissatisfied + very dissatisfied</i>) [the survey is addressed to all Commission staff]			
The general quality of my office (space, light, noise, temperature etc.)	2011 survey: 58% vs 25%	65% vs 19%	New framework contract put in place as of January 2011.
The cleaning of my office & the building I work in	57% vs 23%	53% vs 26%	
Response to calls to OIB's 24-hour service desk (tel: 55555) regarding technical or maintenance problems	69% vs 8%	68% vs 6%	
Building accessibility to persons with reduced mobility ¹⁴	Two buildings (B100, F101) were upgraded in 2011 and one building (MADO) is foreseen for 2 nd semester of 2012. The PMR programme (accessibility for persons of reduced mobility) is completed.	3 buildings (Belliard 100 and F101 to be upgraded in the 1 st semester and another - MADO - in the 2 nd semester of 2011).	Analysis of the accessibility conditions for visually handicapped persons in the EC buildings will take place in 2012.

¹¹ Following the positive opinion of the Real Estate Committee, OIB launched an Inter-Service Consultation in May 2011. In August 2011, a College decision granted a mandate to sell the building. OIB provided the notary with all the supporting documents needed for the public sale.

¹² The Code applicable to all types of buildings (e.g. offices) standardising the measurement of surfaces and facilitating comparison between buildings.

¹³ This second part will specify the parameters of the physical environment of work stations and lay down rules for the allocation and layout of individual and collective spaces within the DGs and Services. OIB works on design guidelines which will result in the reduction of global space needs.

¹⁴ All buildings of the Commission comply with the legal prescriptions. What is at stake here is the voluntary improvement programme followed by the Commission to bring the accessibility, where adequate, to a higher standard.

Main outputs for 2011:

Preventive maintenance and building renovations:

- Accomplished maintenance in several buildings¹⁵.
- Completed works of partial replacement of the HVAC and the central installations in CCAB: the two phases of works were done before the end of summer 2011.
- Accomplished cabling and fitting out works¹⁶.
- Project on an improvement of the quality/accessibility of green areas in building L130 was submitted by the contractor for an approval (carry over).
- The technical studies on renovation of some roofs have been launched as a temporary solution covering the urgent need for roof renovations resulting from unsuccessful tender procedure¹⁷.

Renovations of the social infrastructure facilities and construction projects:

- Demolition works and asbestos removal in the Wagon-lits new nursery building were completed at the end of summer 2011. Re-building works started before the end of 2011 and should be completed by the first quarter of 2013.
- Study on revitalisation of the site of the sport complex (CIE¹⁸) in Overijse was launched at the preliminary design stage; once finalised, the request for the building permit and the call for tender procedure will be launched.
- Completed design and refurbishment of self-service restaurants and cafeterias¹⁹.
- Prepared draft 'terms of reference' for the study on the feasibility of the Palmerston nursery renovation²⁰.
- The plans and documents for the work permit to create the multi-sport centre VM-2 were finalised and sent to the relevant authorities. The contract for the works to be performed should be signed after the evaluation of offers, in first semester of 2012.

¹⁵ L130 (renovation of lavatories), CLOV and WILS (painting of windows frames and VM-2 in progress), accomplished works in buildings: BU1-5, BU-9 (in progress), replaced the sprinkler system in BERL (building level -1 and -2 completed). Buildings B232 and F101, CHAR, MO34 and SC11 will be carried out in 2012 and J-30 in 2013.

¹⁶ The works were conducted in the following buildings: CCAB, L84/86, BREY, J-99.

¹⁷ Following the unsuccessful call for tender leading to delay in planned renovations, a new call for tender is being re-launched using the AMI list (*Avis Manifestation d'Intérêt*). If successful, the renovation of roofs will be launched during 2012.

¹⁸ Centre Inter- Institutionnel Européen (out-door training and childminding facilities). The potential renovation aims at development of facility for sport, socio-cultural activities and nurseries and other childminding services (after-school and holiday camps), increasing its capacity and improving the accommodation conditions. Project is financed by partial reallocation of the ex-economat funds. Its execution is planned for 2013.

¹⁹ Works done in the buildings: SC11, DM24, DAV1, G-12, J-70, J-79.

²⁰ The decision on the renovation will be taken after a global assessment of nursery needs.

SPECIFIC OBJECTIVE 3: Enhance OIB's service-oriented culture and client satisfaction by offering good quality office space, in respect of the Health and Safety Rules applicable to the Commission sites of Brussels.

<i>Result Indicators</i>	<i>Situation at the end of 2011</i>	<i>2011 Target</i>	<i>Comments</i>
Number of evacuation exercises flawlessly performed out of total number of evacuations	76%	65%	Remaining potential for gradual improvement of technical conditions, increasing staff awareness and enforcing H&S rules at work.
Percentage of Commission staff trained in providing First Aid out of total number of personnel	3.8%	3.8%	There are difficulties in getting sufficient first aid volunteers.
Frequency Index of accidents which occurred within the workplace Frequency Index = No. of accidents at the workplace x 1.000.000)/ no. of worked hours of all CE people.	1.64%	5%	The target was defined based on all type of accidents (PMO data). Currently conducted based on data on the work accidents with more than one day of absence.

Main outputs for 2011:

- The First Aid and Safety training courses started in September 2011 based on new contract signed on 31.05.2011.
- Introduced the new statistical scheme on registration of work related accidents and absences resulting in conducted analysis of work-related accidents.
- Progress made in obtaining the qualitative results of the Working Groups (the risk analysis²¹ and assessment and prevention of injuries caused by accidents at work²² were established).
- Developed and put in place a new registration system to simplify the evaluation of the results of evacuation exercises and to allow providing standardised staff communication (FR & EN). Reports are done for all buildings.
- Conducted safety controls: prevention safety controls were organised during the week/nights/weekends. A specific follow-up was done by OIB for the technical controls contract. A new contract was signed for extinguishers. The same controls of the contractor's work were organised by OIB and are continued.

SPECIFIC OBJECTIVE 4: Enhance the administration of service level agreements (SLAs) and maintain the cooperation with other institutions²³.

<i>Result Indicators</i>	<i>Situation at the end of 2011</i>	<i>2011 Target</i>	<i>Comments</i>
Number of SLAs signed in comparison with previous year	12 SLAs signed ²⁴ , 2 ongoing, 5 amendments to current SLAs signed, 3 amendments ongoing	Depending on demand (+ 6 foreseen)	Indicator phased out

²¹ In collaboration with DS.6, OIL and the Medical Service.

²² Followed up with Medical Service and PMO.

²³ Objective to be fine-tuned/adapted.

²⁴ SLAs with JUs (Joint Undertakings) for building TO56, JU Sesar, EACI, TENTEA for COV2 and W910, Amendments to current SLAs for buildings VM-2, COVE, COV2 and EEAS. Amendment no. 2 to the SLA with EEAS, SLAs for TA – sent for signature.

Recovery on time and without undue delays of the OIB revenues resulting from the SLAs	99% of the revenues have been recovered	New performance indicator	
<i>Main outputs for 2011:</i>			
<ul style="list-style-type: none"> Delivered technical assistance for the fit out works for Agencies and other institutions²⁵ (provided on the basis of SLAs), including EEAS for its installation in future headquarters: e.g. legal assistance, regular control of fit-out works was provided. Conducted technical monitoring of the construction works of Beliris at the Schuman station and contributed to the preparation of the convention on the transfer of ownership of affected areas next to the Berlaymont building due to work at the Schuman railway/subway station to the Belgian authorities (Beliris project²⁶). Ensured for a 2nd year, the presidency of the inter-institutional working group (ILISWG). 			

SPECIFIC OBJECTIVE 5: Meet the highest environmental standards in all its activities, through the implementation of the Environmental Management Auditing System (EMAS)²⁷.			
<i>Result Indicators</i>	<i>Situation at the end of 2011</i>	<i>2011 Target</i>	<i>Comments</i>
Total number of EMAS registered buildings	10 new buildings have been registered.	10 new buildings (42 in total at the end of 2011)	New registration for: AN88, SC27/29, BU29, BU31, BU33, G-1, G-6, G-12, COLE, C-25. Ensured prolongation of existing buildings' environmental permits.
Percentage of energy consumption in comparison with previous year	+4,5% in all buildings (Normalized value, taking into account weather conditions) [the data was revised based on latest invoices received]	-3% in all buildings	Significant reductions were achieved in the past: -9.3% in 2010, -3.6% in 2009,
Percentage of water consumption in comparison with previous year	-14,2% in all buildings (30/11/2011)	-5% in all buildings	
Weight of paper used for offset printing/net weight of the printed job	25,8%	Target will be defined after obtaining the current value	
Consumption of paper used in the Commission for "offset printing" compared to the previous year	-3,66%	-2%	
Consumption of "office paper" within the Commission compared to the previous year	-5%	-2%	
Average CO ² by car g/km	165	178	

²⁵ Assistance provided to: ERC & REA (Bxl), TENTEA (Bxl), EFSA (Parma), ENISA (Heraklion), EACI (Bxl), EASO (Malta), BEREC (Riga). For the abbreviations of agencies, please see EUROPA website: <http://publications.europa.eu/code/fr/fr-5000400.htm>

²⁶ The project is running in the framework of collaboration between the Brussels Region and the Federal Authorities.

²⁷ This objective is horizontal for all the activities EMAS oriented.

Percentage of signed contracts \geq €60.000 with Green Public Procurement criteria / Number of signed contracts where Green Public Procurement criteria should be used	96% (24/25)	70%	The environmental criteria were integrated into public procurement via included environmental criteria in call for tenders and technical contract specifications of new contracts.
<i>Main outputs for 2011:</i>			
<ul style="list-style-type: none"> • Obtained a positive assessment on integration the Environmental Management System (EMS) into the OIB's daily activities by EMAS external verification carried out in September 2011. • Prepared and obtained the 'Energy Performance Certificates' ('<i>Certificats de performance énergétique des bâtiments - PEB</i>') for all buildings located in Brussels²⁸. • Conducted energy savings actions during week-ends and seasonal holidays and conducted EMAS information campaigns aimed at better integrating environmental considerations into daily work: e.g. OIB's mobility plan, energy efficiency of buildings, sustainable mobility week, EU Sustainable energy week. • Conducted the European week for Waste Reduction in autumn 2011 on internal waste production and its management methods. • Replacement or suppression of the refrigerant HCFC (gas R22) used in the cooling machines was carried out²⁹. 			

1.3 Equipment, Services activities & Social Infrastructure

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

SPECIFIC OBJECTIVE 1: Create the best possible working conditions and ensure a sound financial management of the inventory (including the correct and secure delivery of mail, the optimal use of the Commission's printing capacity and the correct delivery of office supplies and furniture) by ensuring high level quality services.			
<i>Result Indicators</i>	<i>Situation at the end of 2011</i>	<i>2011 Target</i>	<i>Comments</i>
% of staff satisfaction in the staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL: (<i>very satisfied + satisfied</i>) versus (<i>dissatisfied + very dissatisfied</i>) [the survey is addressed to all Commission staff]			
Delivery speed of the central postal service of the Commission	2011 survey: 65% vs 11%	70% vs 7%	Additional workload resulted from services offered to EEAS might led to certain delays in delivery, no major event recorded.
The quality of office furniture and supplies	65% vs 14%	66% vs 13%	Satisfaction level slightly increased in comparison with previous years while dissatisfaction remains at the same level.
Moving of furniture,			

²⁸ In December 2011, all the certificates were displayed in each Commission's building and they were among the first buildings in Belgium to receive this certificate.

²⁹ According to the regulation, Gas R22 should be replaced in all buildings before 31 December 2014. Replacement or suppression of the refrigerant HCFC was carried out in the buildings: L-41, G-12, BU-1, C-80, DM24, B232, BREY, BRE2, J-27.

boxes and belongings to a new office	65% vs 9%	69% vs 6%	Due to several reorganisations, a substantial number of moves were carried out.
Graphic design, copying/reproduction services	63% vs 10%	68% vs 3%	
OIB's electronic newsletter called Concrete	63% vs 3%	Not included in last survey - no targeted	
Availability of parking places in the office building	49% vs 27%	59% vs 21%	
Transport/sustainable mobility facilities (Eurobus, service cars, service bicycles, one-way public transport tickets, etc.)	59% vs 12%	48% vs 22%	
The public transport reimbursement scheme (introduced first time)	48% vs 19%	Not included in last survey - no targeted	
Survey on the Commission staff's means of transport to and from work and during working hours and their preferences ³⁰ .	<p>2011 survey:</p> <p>29% of respondents use a public transport to go to and from work (bus, tram, metro) versus 30% in 2008.</p> <p>16% of respondents mention the train as principal transport means versus 19% in 2008.</p> <p>30,6% of respondents use the private car versus 29,1% in 2008.</p> <p>22% of respondents walking or cycling to work versus 18% in 2008.</p> <p>0,2% of respondents use car-pooling (not with family members) versus 1,1% in 2008.</p>	<p>The key targets formulated in the Mobility Plan 2010-2014 are:</p> <p>- increasing use of public transport use from 50 % to 54 %;</p> <p>- reducing single-person private car use from the current 29 % to 25 %;</p> <p>- increasing walking / cycling from 18 % to 20 %;</p> <p>- increasing car-pooling by 50%.</p>	<p>The aim of the survey was to evaluate the impact of the Mobility Plan's initiatives in the light of encouraging the use of public transport for commuting from home to the office, increasing bicycle use and walking, and reducing the percentage of staff that regularly use private cars.</p>
<i>Main outputs for 2011:</i>			
<p>Logistic services:</p> <ul style="list-style-type: none"> Delivered the complete tracking of furniture used in the Commission's buildings; the corrective measures in inventory management were put in place and the procedural manuals on administration of furniture and associated services were updated. Organised the annual meetings for the GBI³¹ (in first semester 2011) and for the GDF³² (in second semester 2011). An intranet-site for GBI became operational. The new nursery "Cornet Leman" and EEAS building were pre-equipped with furniture within the 			

³⁰ Provisional data;

³¹ Gestionnaire des Biens Identifiés (GBI).

³² Gestionnaire des Fournitures (GDF).

given deadlines.

- Increased efficiency of mail delivery³³; Strengthened security of mail delivery by x-raying all mail; followed pre-warning procedure on delay of delivery; conducted double check control of all registered mails.

Transport service:

- Approved the Mobility Plan 2010-14 and the new Regulation on the use of service cars.
- The contribution system to public transport season tickets expenses was extended by a "third party payment system" and EEAS personnel was included.
- The new administration system for parking spaces was extended to SPA2 and J-59.

Historical Archive:

- Implemented a module in the ARCHIS database ("*module inventaire*") to produce archival descriptions according to ISAD (International Standard on Archival Description) in the context of application of the methods of normalised archival treatment (NAT³⁴).
- Developed and put in place an ad hoc infrastructure for indexing and search, as a response to the transfer of the electronic files received from the Commissions Private Offices (Barroso I).
- Five specific trainings on the functioning of HAS and on the rules governing the transfer of files to the historical archives were carried out³⁵.
- 230 repository transfers were verified in-depth, out of which 163 were destroyed³⁶.
- 6.614 files were analysed and 2.205 files are sent to AHUE in Florence.

SPECIFIC OBJECTIVE 2: Promote good social infrastructures at Brussels and Ispra sites by optimising the use and quality of welfare services such as Restaurants, Selves and Cafeterias facilities.

<i>Result Indicators</i>	<i>Situation at the end of 2011</i>	<i>2011 Target</i>	<i>Comments</i>
% of staff satisfaction in the staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL: (<i>very satisfied + satisfied</i>) versus (<i>dissatisfied + very dissatisfied</i>) [the survey is addressed to all Commission staff]			
	2011 survey:		
The provision of cafeterias, self-service restaurants, other restaurants (29; VM2) - in general	60% vs 21% (cafeterias) 45% vs 32% (selves) 54% vs 5% (restaurants)	50% vs 25%	
The price-quality relationship of meals offered in the Commission restaurants (introduced for the first time)	47% vs 29%	Not included in last survey - no targeted	
The provision of vending machines - in	44% vs 26%	53% vs 15%	

³³ Round trips were replaced by a zone delivery service, delivery made using the full capacity of the outgoing van, better coordination avoided empty incoming vans.

³⁴ The NAT methods are designed to manage Commission's archival holdings; a detailed report on the methodology is laid down in the respective report ARES(2011) 473256.

³⁵ Two training sessions were provided to DMO staff. Additional training was given to IT officials in the context of the analysis of HPS (HAN - Hermes Preservation Services) and external training was given for students in Archival master education of ULB (Université Libre Bruxelles – Belgium) in collaboration with the Archives Générales du Royaume (AGR – Belgium) and also for students at the Archivschule Marburg (Germany). DMOs from delegations were welcomed on individual base.

³⁶ Files /records which have no longer administrative, legal or historical value are eliminated from the archival holdings.

general			
% of satisfaction in more detailed annual survey conducted by OIB ³⁷ [the survey is addressed to the clients of individual facility]: satisfaction rating (<i>very satisfied + satisfied</i>)			
Restaurants "29" & "VM2", Bxl Cafeterias, Bxl	The results of 2011 survey: Data not available Data not available	"29" – 91%, "VM2" – 93% Cafeterias - 70%	The survey is detailed and conducted on the sample of the persons using the facilities.
Cafeteria, Ispra	74% (Ispra)	80% (Ispra)	
Selfs, Ispra	74%	75% (Ispra)	
Vending Machines, Bxl	59%	70%	
Vending Machines, Ispra	44% (included for the first time in the survey)	New indicator (no data available)	
Increase of the number of clients in comparison to the previous year:		maintain same level of results obtained for 2010 results:	
Restaurants:"29" & "VM2", Selfs, Cafeterias (Bxl.)	Restaurants:"29"&"VM2": 454.271€ (4/10/2011) Total no. of clients (Selfs, cafeterias, Bxl): 5.014.735 (4/10/2011)	Restaurants:"29"&"VM2": 462.876€ (15/12/2010) No. of clients (<u>Selfs, cafeterias, Bxl</u>): 5.665.755 (15/12/2010)	
Selfs, Cafeterias (Ispra)	Total no. of clients (<u>Ispra</u>): Self: 274.351 Cafeteria: 205.880 [number of snacks and coffees/drinks sold]	No. of clients (<u>Ispra</u>): 479.000 (total of self and cafeteria)	
Main outputs for 2011:			
<ul style="list-style-type: none"> • Reduced waiting time for the distribution of meals in the Staff Canteen resulting from the re-organisation of serving platforms³⁸. • Issued the report of the "Social Area Working Group" on investments at the Ispra social area. The propositions are included in "JRC-Ispra Site Strategic Development Plan 2012-2020"³⁹. • Implemented new initiatives at cafeterias (Bxl) aiming at increasing the client satisfaction e.g. installations new coffee machines, revision of the choice of sandwiches and tartines and proposition of new choices, changes within the working teams. • Put in place the IT application for Ispra - "Presto" - to facilitate catering orders for 'conferences' for DGs / Protocole in Brussels before summer 2011. • The Unit OIB.OS.3 at Ispra was granted ISO 9001 certification by external and independent auditors on 23 December 2011⁴⁰. 			

³⁷ Except for vending machines in Brussels as survey is launched by the contractor. In Ispra survey conducted by JRC and includes OIB services.

³⁸ Works were executed following approval by the OIB/JRC Steering Committee.

³⁹ The project considers: renovation of the multi-purpose sports hall and structural improvements at the Clubhouse (multi-function facility), the purchase of six lodgings in the social area from the Regional housing association which

SPECIFIC OBJECTIVE 3: Promote good social infrastructures at Brussels and Ispra sites by increasing both nursery and after school childminding capacity.			
<i>Result Indicators</i>	<i>Situation at the end of 2011</i>	<i>2011 Target</i>	<i>Comments</i>
% of staff satisfaction in the staff opinion survey conducted by DG HR related to the services of PMO, OIB and OIL: (<i>very satisfied + satisfied</i>) versus (<i>dissatisfied + very dissatisfied</i>) [the survey is addressed to all Commission staff]			
The quality of nurseries and other childminding services (after-school and holiday summer camps)	(2011 survey) 39% vs 11	34% vs 18%	1120 full time GPS places and opening COLE nursery in September 2011 increased positively the level of satisfaction.
% of satisfaction in the OIB Annual Client Satisfaction Survey [the survey is addressed to the clients of individual facility]: satisfaction rating (<i>very satisfied + satisfied</i>)			
	(Bxl.: 2010 survey)	2011 target aimed at obtaining the results of 2010/2008	The survey in Bxl is conducted on 2-years basis. Targets 2011 were established based on 2010 results except GA, where target for 2011 is based on 2008 results (94,4%).
GPS (regular attendance, Bxl	98,7%	98,6%	Next surveys: beginning of 2012 for the nurseries, mid-2012 for GPS and autumn 2012 for GA. (Bxl)
GPS (occasional attendance), Bxl	98,3%	98,3%	
GA, Bxl	97,2%	94,4%	
Nurseries, Bxl	98,6%	98,6%	
Childcare facilities, Ispra	73% (2011 survey / Ispra)	75% (Ispra)	
Ratio between capacity and demand for entry of babies between 0-1 year (in %)	71% 258 new baby places out of 360 requested	80% (opening the COLE nursery will allow handling a part of the demand estimated at the level of 343 new requests)	Due to the unavailability of further nursery places on the local market, it is unlikely that this target will be reached
Number of children on waiting list for nurseries-Bxl.	681	500	
Number of children on waiting list for nurseries- Ispra.	15	No more than 15 (Ispra)	
Number of children on waiting lists for after-school facilities, Bxl (Garderies Post-Scolaires).	12	130	The number is reduced due to the additional places obtained at the European schools and due to a dynamic management of the allocation of places.
Number of children on waiting lists for after-school facilities, Ispra.	0 (Ispra)	At Ispra, there are no children on waiting lists.	
Main outputs for 2011:			
• The new 'Cornet-Leman' childcare facility with 252 nursery places was opened in March 2011 -			

would lead to a multi-annual project for re-building or renovation of these lodgings in order to increase temporary housing possibilities for newcomers and students to the JRC.

⁴⁰ This certification means that the unit, for all of the activities it manages, has established a Quality Management System totally compliant with ISO norms.

98 after-school childcare places were made available from September 2011 in the same facility.

- A total of 212 private nursery places⁴¹ were available by the end of 2011 via the local market.
- An additional 12 nursery places were created as of September 2011 as a result of the re-organisation of the Beaulieu nursery.
- Strengthened communication with parents (general information now distributed in both French and English languages).
- The list of planned activities and excursions are now available on the section/nursery notice boards, while the nursery menus are available via an Intra-comm link.
- 150 additional after-school childminding places (GPS) were obtained at Berkandael and Woluwe European Schools (Bxl).

SPECIFIC OBJECTIVE 4: Promote good social infrastructures at Brussels and Ispra sites by optimising the use and quality of welfare Services such as social and sport facilities.

<i>Result Indicators</i>	<i>Situation at the end of 2011</i>	<i>2011 Target</i>	<i>Comments</i>
Number of participants in sporting and cultural activities (CIE), (Bxl)	5.200	5.000	
Number of participants in sporting and cultural activities, Ispra	3.000	New indicator N/A	
Number of training participants (CIE), Bxl	2.650	2500	
Ispra - no similar activities	N/A (Ispra)	N/A (Ispra)	
<i>Main outputs for 2011:</i>			
<ul style="list-style-type: none"> • Carried out the renovation of tennis court (made them available for the 2011 tennis season) and renewal of fences. 			

⁴¹ Out of the 308 places scheduled originally to be available in 2010, only 212 have materialised by the end 2011: 48 places in Franklin, 36 places in Froissart and 48 places at Square Marie-Louise and 80 places in Barne Park.

1.4 Specific Objectives for Horizontal activities

This domain includes the following principal activities:

- Management of Human Resources and Communication,
- Procurement, Budget and Financial management;
- Programming and Internal Control Coordination activities,
- Informatics activities (including document management).

The general objective in this area is to offer administrative support to enable the Office to deliver high quality services, in a transparent, efficient, effective, ethical and accountable manner. There are three specific objectives defined for this domain.

SPECIFIC OBJECTIVE 1: Maintain more pro-active management of human resources.			
<i>Result Indicators</i>	<i>Situation at the end of 2011</i>	<i>2011 Target</i>	<i>Comments</i>
Average vacancy rate of all posts (%)	5.7 % The level fell from the average of 8.7% in January 2011 to the average of 3.5% in December 2011	3%	High number of contract agent vacancies following the opening of the COLE nursery. The posts are being filled gradually.
Number of posts of officials converted to post for contract agents vs overall target (TEC annual objectives)	89 % (17 out of 19)	100% (on the basis of the draft Communication on the revision of objectives)	
Percentage of female OIB AD staff	37% (23 / 62) (28 % of female, OIB AD management staff)	36%	
Percentage of women of total OIB staff	55% (631/1138)	51%	
Number of training days per person per year	7,4	10 Commission target	
Percentage of flexitime adoption among staff (eligible staff)	56%	53%	
Number of teleworkers	9 teleworkers in total	+10%	Depends on demand (limited number of personnel eligible to telework in OIB)
Main outputs for 2011:			
<ul style="list-style-type: none"> • The training programme on ethics for key staff (finance, contracts etc) and Heads of Sector and deputies was carried out: 18 sessions were held so far till December 2011 (203 staff members trained so far). • Established the action plan on absenteeism; a series of workshop were conducted with the Medical Services. A toolbox was developed for managers to facilitate handling this issue. • 120 contract agents recruited, for which 43 selection panels have been organised; 20 further recruitments, nomination or transfer of officials took place (including "mise à disposition" and "reintegration après CCP"). • The OIB Equal Opportunities plan for 2011-2014 was finalised and approved in April 2011 and is currently under implementation. A network of AD female staff within OIB has been set up. • Implemented the new decision on "Congés/Absences": the information on the main new guidelines were circulated internally and published on OIB-net. 			

SPECIFIC OBJECTIVE 2: Strengthen internal control systems, consolidate budgetary planning and execution and reinforce procurement management, on the basis of sound financial principles, legality and regularity.			
<i>Result Indicators</i>	<i>Situation at the end of 2011</i>	<i>2011 Target</i>	<i>Comment</i>
Financial management:			
Percentage of budget execution (commitments) versus budget appropriations	99,94%	100%	
Percentage of financial execution (payments) versus budget commitments	94,65%	95%	
Percentage of payments handled outside contractual delay (overdue payments)	12%	25%	13,5% Commission average
Value of interest paid resulting from overdue payments	54.963 €	0	
Percentage of overdue recovery orders	0,33%	0	
Procurement management:			
Number of procedures > € 60.000) treated of which inter-institutional	109, of which 36 inter-institutional	Depending on demand	
Number of contracts (> €60.000) signed among which inter-institutional	34 of which 7 are inter-institutional (34 contracts for 66 M€: 45M€ for the Commission and 21M€ for other entities)	Depending on demand	
Percentage of unsuccessful procurement procedures	29% (14 lots of 48)	0	Majority of cases did not comply with requirements (8 lots), other cases: lack of candidates, or excessively high prices.
Percentage of valid bids/total received bids (offers)	76% (66/87)	80%	Exclusion, selection or technical criteria were not met.
Number of complaints/cases/proceedings received from unsuccessful economic providers/ by the Court or by the Ombudsman related to the procurement procedures	0	0	
Indicators for the legality and regularity of underlying transactions			
Ex-Post Control:			
Percentage of realisation of the annual control programme as compared to plan	51%	100%	The shortage in personnel in ex-post control team delayed the work.
Percentage of ex-post control recommendations implemented by units concerned	Data not available	100%	
AOSD Reports:			
For issues under the control of OIB, the percentage of corrective measures implemented on time by units concerned	Data not available	100%	The synthesis AOSD reports were issued begin of 2012 and will be followed in the course of the year.

Percentage of Authorising Officer by Sub-Delegation reports /number of AOSD reports awaited	99%	100%	
Audit recommendations: Percentage of internal or external audit recommendations considered as implemented (status "ready for review")	74% (20/02/2012) (including the audits finalized et the end of 2011/January 2012)	70%	If the audits finalised in 2012 would not be included, the rate would be 91%.
GAMA opinion: Regular consultation - obtaining the opinion of the " <i>Group d'Analyse des Marches Administratifs</i> " (GAMA) for all non building procedures above €125.000 (threshold 2011)			
Number of negative opinions from GAMA	0	0	15 tenders were awarded and submitted to the GAMA. 6 of them were sampled for examination and received a positive opinion.
Internal Control Standards (effectiveness / efficiency): Variation efficiency assessment 2011 vs 2010;			
Number of ICS to improve (priorities) according to MP	2	2	
<i>Main outputs for 2011:</i>			
Finances:			
<ul style="list-style-type: none"> Established an action plan to rationalise and simplify the financial management. Set up the Local ABAC SAM Supervisory Board with all Units to share the best practices on SAM and identify major issues. 			
Procurement:			
<ul style="list-style-type: none"> 34 contracts signed for 66 M€ in total, out of which 7 contracts are inter-institutional (45 M€ for the Commission and 21 M€ for other entities). 109 procedures were handled, out of which 36 procedures were inter-institutional. Carried out in-depth discussion on the procurement organisation and working methods. 			
Internal Control coordination and risk management:			
<ul style="list-style-type: none"> Conducted assessment and workshop for the revision and management of risks. Conducted survey on ICS effectiveness and ICS compliance. Adopted the new procedure on exceptions and non-compliance and development of the REGEX application in collaboration with the IT team. 			
Management of Information and Communication Technology (ICT):			
<ul style="list-style-type: none"> Put in place the "<i>tiers payant</i>" system for partial reimbursement of STIB tickets to staff (July 2011). Put in place the system for verification of the conformity with the OIB technical building drawing standard rules named PaceGIS, facilitating the real estate management (done in the first quarter of 2011) and extending the application by the cost calculation system for repartition/removing walls/doors. Developed the REGEX application (registration of exceptions), in line with DG BUDG guidelines. 			

SPECIFIC OBJECTIVE 3: Improve OIB's communication policy focusing on the promotion of OIB's identity and visibility and on clear and timely information.

<i>Result Indicators</i>	<i>Situation at the end of 2011</i>	<i>2011 Target</i>	<i>Comment</i>
Number of newsletter issues "Concrete"	10 (including 2 Special Edition)	9	Two special editions dealing with mobility and energy issues were launched (prepared and published in April 2011).
Results of satisfaction survey of OIB-Net	79% of respondents are satisfied	New performance indicator (no target)	
The number of environmental communications made by OIB	16 (31/12/2011)	20	Communication provided on EMAS actions taken by OIB related to the impact of the Commission's activities on environment.

Main outputs for 2011:

- Migration of OIB-Net to 'myintracomm' was examined and planned for second semester 2012.
- Responsibility regarding the management of banners on EC buildings has been transferred from OIB to DG COMM as of 1 June 2011.
- A new procedure on the organisation of events has been finalised; over 60 exhibitions and events were co-ordinated.
- Installation of the Summa Artis II, the Berlaymont permanent art collection.

PART 2. MANAGEMENT AND INTERNAL CONTROL SYSTEMS

2.1 Introduction to the OIB

Created by the Commission decision of 6 November 2002, OIB is one of the Commission's Offices responsible for providing support and administrative services for the Commission and other institutions and agencies.

The mission of OIB is to ensure the implementation of all actions linked to office accommodation, the management of social infrastructure and the logistics of the institutions in Brussels, as well as social infrastructure at the Ispra site of the Commission in Italy.

The Office's main objectives are:

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

2.1.1 Office Characteristics and Governance Structure

The Office of Infrastructure and Logistics in Brussels is attached to the Directorate General for Human Resources and Security.

The supervision of OIB's activities is ensured by the Management Committee which oversees that the activities are properly implemented. DG HR chairs and assists the Management Committee in the implementation of its tasks.

The Director of the Office is responsible for the implementation of the mission of the Office. He is instated with the power of nomination (AIPN) and is the Authorizing Officer by Delegation (AOD).

OIB reports regularly to the Commissioner and to the Board on the main planning and reporting activities and on the Service Level Agreements.

2.1.2 *OIB's Management Model, Organisational, Administrative and Accounting Structure*

OIB is structured around 4 departments:

- Resources (horizontal department providing support in the field of informatics resources, internal control, human resources and communication, finance and public procurement),
- Management of Real Estate (in charge of internal service for occupational health and safety, prevention and protection, implementation of buildings policy, technical services, building management and property projects),
- Operations and Services (responsible for historical archives, mail and reproduction, support services, logistics, and social infrastructure in Ispra),
- Childcare facilities (responsible for nurseries, afterschool childcare facilities, and CIE activities).

OIB has three financial circuits in place:

- the fully decentralised model for all OIB.OS.3 transactions at Ispra,
- the partially decentralised model (with counterweight in the Resources Department) for budgetary commitments,
- the fully centralised model for payments in the Resources Department.

Two OIB departments (CPE and RE) have central sectors in place which manage the operational initiation and procurement activities inside the department, whilst for the other two departments (DR and OS) the operational initiation and procurement management (below €60,000) is embedded in the units of the departments.

The circuits are based on the three basic models of Financial Circuits proposed by DG BUDG, which OIB adapted to its own needs and requirements. They are set up in conformity with the principles established by the Financial Regulation and its implementing rules (in particular the principle of separation of responsibilities between initiation and verification).

The procurement for markets above €60,000 is centralised within the Resources Department.

OIB's Director has sub-delegated the signature of all budgetary commitments below €2,000,000 to Heads of Department and below €500,000 to Heads of Unit (annual, by "code nature"). The Director has also sub-delegated the signature of contracts below €1,000,000 to Heads of Department and below €60,000 to Heads of Unit.

OIB does not have a dedicated Internal Audit Capability (IAC), and thus is supported by the IAC of DG HR.

Following the new organisational chart established on 1 January 2010, OIB's structure was consolidated in 2011 by the nomination of some heads of sector and team leaders.

In the context of sensitive functions at middle-management level, OIB has made internal changes with the mobility of three heads of unit in May 2011 within the following units: "Historical Archives, Mail, Reproduction", "Support Services, Logistics" and "Implementation of Buildings Policy".

In order to improve ABAC/SAM operations within OIB, a Local ABAC Supervisory Board was established in 2011 in order to exchange best practices and to identify major issues.

Credits were temporarily sub-delegated to OIB by DG RTD for renting buildings and by Secretariat General for development of the IT application 'Archis'.

In parallel, OIB sub-delegated credits in 2011 to DIGIT for IT support, software and telecommunications, to PMO for salaries and reimbursement of public transport season tickets and HR for security, health and safety, external staff and social welfare infrastructure.

Since the creation of the Office cross delegations were given for the functioning credits from RTD, PMO, JRC, OLAF, EPSO and SG.

In 2011, the Office signed 8 SLAs and 4 amendments to current SLAs to provide full services, 3 SLAs and 1 amendment for technical assistance and 1 SLA for the EASO agency accommodation.

1 amendment for full services, 1 SLA and 2 amendments for technical assistance and 1 SLA for the accommodation of the Commission representation in Belgium are awaiting signature.

Follow-up and update of the SLA with EEAS and the gradual transfer of management of buildings occupied by EEAS towards OIB will continue in 2012.

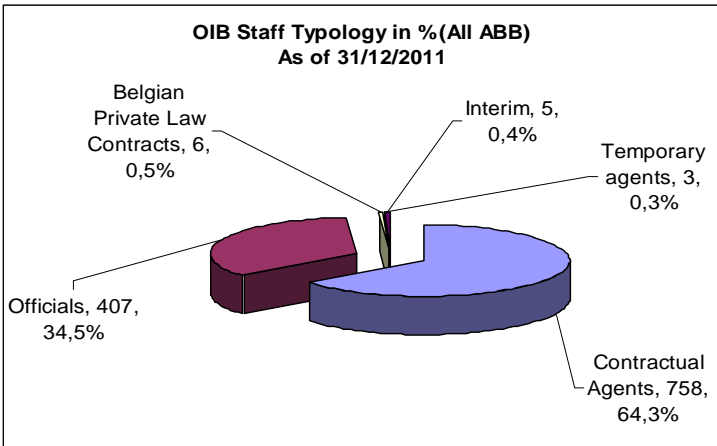
2.1.3 OIB's Staff Structure

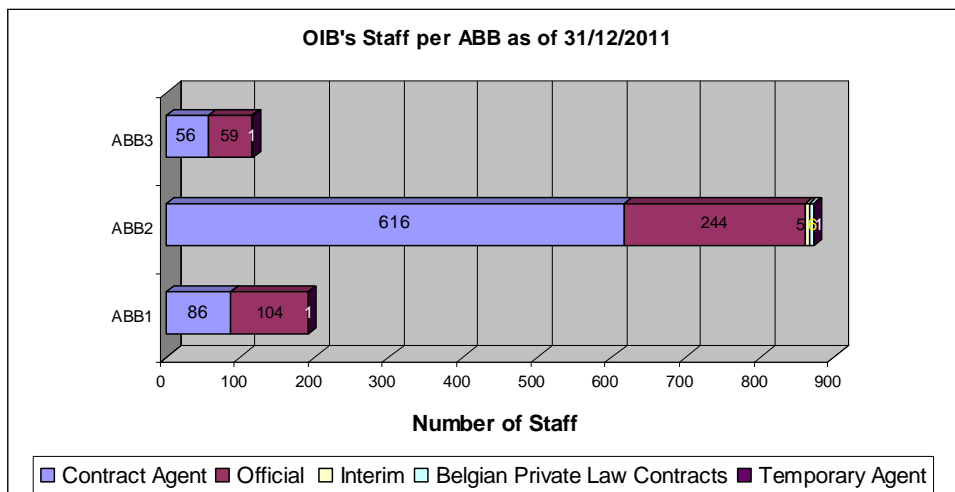
With nearly 1,200 staff members, OIB is the 5th largest service in the Commission in terms of personnel; therefore, good human resources management has continued to be a key priority within the Office.

The percentage of officials has continued to decrease as the TEC policy is implemented, whereby officials carrying out non-core tasks who leave OIB, are replaced by contractual agents. In general OIB has a small number of AD staff compared to other Commission services. This situation, combined with the size of the office (approximately 6% or 70 staff out of a total staff of 1,200) and the relatively large size of the units in OIB (average of 120 staff per unit with a maximum of +/- 300), implies that particular attention should be paid to the managerial positions.

In 2011, 64% of OIB's staff were contractual agents, an increase of 5% compared to last year. In this context, it should be noted that OIB is working closely with DG HR and EPSO regarding the implementation of the changes to the testing procedures foreseen in the new General Implementing Rules which deals with the recruitment and evaluation of contractual agents.

OIB's staff structure is presented as follows:



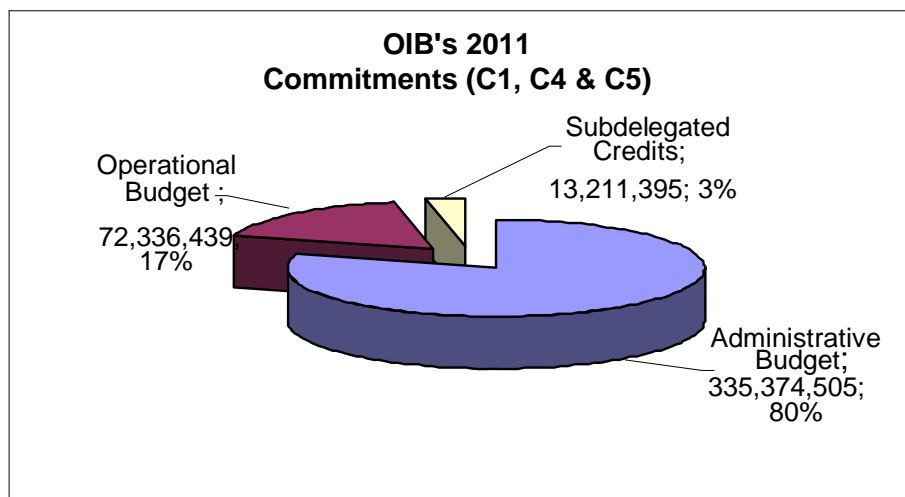


The OIB action plan resulting from the new Commission strategy on equal opportunities 2010-2014, was adopted in May 2011 and communicated to staff. In this context, OIB has continued to promote the representation of women in middle and senior management. At the end of 2011, 4 of the 14 (28.60%) AD middle management positions in OIB were occupied by women, which goes beyond the target originally foreseen for 2011 (26.10%). With regard to non-management AD positions, there is room for further improvement, since the presence of women is only 38.30%, lower than the 2011 target (42.20%). A network of AD female staff has been set up and met together for the first time in June 2011. The objective of this network is to exchange best practices and experience and to encourage women to show and use their talents in order to develop their career. Coaching sessions are foreseen for all new heads of unit in OIB, which could help attract more applications for middle-management positions from women.

In OIB's staff structure there are some very specific job profiles such as: educators, nursery nurses, drivers and building superintendents. In 2011 OIB launched a communication campaign aimed at highlighting these jobs. Portraits or interviews were published on OIB's intranet and in the newsletter "Concret(e)".

2.1.4 OIB Budget

All 2011 budget items (for an amount of around €421 Mio) delegated by the Commission to the Director of the Office, concern two main areas of expenditure: administrative budget (lodging of the personnel, logistics and management of the services) and operational budget (related to the functioning of the Office).



2.1.5 Major Events having an Impact on the Reputation

No major internal or external events which would produce a negative impact on OIB's reputation occurred during the reporting year.

2.2 The Functioning of the Entire Internal Control System

2.2.1 Compliance with the Requirements of the Internal Control Standards

The 16 Internal Control Standards are detailed in 61 baseline requirements defining the specific practical actions which should underlie the internal control system. These requirements specify the minimum features of the service's internal control systems and processes.

According to Internal Control Standard 15, each Directorate-General must conduct an annual review of its internal control arrangements to provide assurance to the Commission on the management of activities.

OIB carried out the 2011 review via a desk review initiated by requests for information sent to the departments or units. The approach used to prepare the review consisted of an exchange of information and meetings with the people involved in the implementation of the requests.

Compliance was assessed against concrete indicators, analysis, relevant audit results and other recent opinions issued by Commission central services.

According to the final analysis, OIB registered a compliance rate of 98% and was partially compliant for the following ICS:

- ICS 12 - Information and Communication: "The standard Information Systems Security Policy of the Commission is applied. In particular, each DG has adopted and implements an IT Security Plan based on an inventory of the security requirements and a risk analysis of the IT systems under their responsibility, and applies at least the relevant control measures of the corporate IS Security Policy". OIB needs to finalise and adopt the security plan for the information systems.

The main actions taken in 2011 to ensure effective implementation of each of the 16 internal control standards within OIB, are listed below:

- mission statements were updated for all OIB units and departments;
- in the human resources field, management discussed strategies and tools to improve staff motivation and engagement;
- the OIB Equal Opportunities plan for 2011-2014 was finalised and approved and is currently under implementation;
- tailor-made training on ethics was organised for Heads of Sector and other target groups such as finance, procurement and staff working in the Early Childcare Centre;
- in the scorecards produced by DG HR, very good indicators on objectives and job description were mentioned for OIB, compared to the Commission's average;

- in the field of internal communication, the action plan to improve OIB's intranet, (following the results of a staff survey) has been implemented. The newsletter "Concret-e", destined for all Commission staff, continues to be a success and is considered as "best practice" around the Commission;
- OIB is developing a database to record, approve and monitor exceptions. This application (Regex) should be launched during the first semester of 2012. In the same context a new procedure on exceptions was established in January 2011 in accordance with new DG BUDG guidelines;
- an update of inventory of procedures in place at OIB was made in 2011;
- in 2011 report concerning the implementation of E-Domec rules produced by SG for all DGs, the OIB overall score demonstrates the improvements made compared to last year and also, the excellent level of document management in OIB.
- In 2011, a survey to evaluate OIB's activities was initiated by DG HR and finalised in 2012.

Concerning the Internal Control Standard 7 "Operational Structure", no derogation was granted in 2011 to allow staff to remain in sensitive functions beyond five years. Three posts were subject to mandatory staff mobility due to their sensitivity. Therefore internal changes of three heads of unit were made in 2011 (see point 2.1.2). Two posts became redundant following the mutation of staff.

2.2.2 Effectiveness of Implementation of the Prioritised Control Standards

Two Internal Control Standards have been prioritised in the Annual Management Plan 2011: ICS 9 "Management Supervision" and ICS 10 "Business Continuity". The following actions were taken with regard to their effectiveness during the year.

ICS 9 "Management Supervision"

In 2011, OIB continued to improve management supervision in order to ensure that the implementation of activities was running efficiently and effectively, whilst complying with applicable provisions. The following aspects were observed during the year:

- regular follow-up of audit recommendations and action plans drawn-up and based on the audit bodies observations. Reports to the Director are made regularly;
- no critical recommendation was issued in 2011, neither by the Internal Audit Service nor by the Internal Audit Capability;
- the Court of Auditor's 2010 report did not mention any particular remark concerning OIB's activities;
- in the area of public procurement, OIB pursues efforts related to the planning and management of calls for tender, in order to ensure continuity of service. Moreover, a teambuilding exercise on public procurement was conducted with the aim of providing a major analysis of OIB procurement processes and internal organisation. Following the workshop, working groups were set up in order to ensure the completion of the action plans, covering management of the procurement process, simplification, improvement of publicity for tenders, and better programming and reporting; an internal Quality Control Group was set up in the Resources Department in order to analyse the "Cahier des charges", to exchange best

practices, to support each "gestionnaire" and to ensure better harmonisation for the quality of procurement documents;

- an internal analysis aimed at simplifying and rationalising the financial management was put in place. Following this analysis, an electronic common database was created for all contracts and documents linked to these contracts in order to simplify access to documents and to ensure the completeness and continuity of data. A local ABAC SAM Supervisory Board was set up with all units to share best practices on SAM. Proposals for the simplification of actions were produced by the financial central unit and relate to the following main aspects:

- replacement of the commitments consumption tables by registered data in ABAC SAM;
- review of check-lists for the financial operations.

These actions together with a timetable for implementation were presented to the Heads of Department and Heads of Unit during a thematic meeting.

- payment delays were greatly improved. 12% of payments were paid outside the contractual delay at the end of 2011, compared to 33% at the end of 2010;
- after the implementation of the new ABAC SAM system in 2009 to manage financial transactions and inventory, OIB continued to improve the required functionalities of the system, with the support of DG BUDG, and to invest internally in its own organisation, procedures and working methods. The system is highly satisfactory and enables transparency, traceability and reliability of the data and financial and inventory management. In addition, it contributed to the significant reduction of payment delays.
- regular reporting is ensured across various fields such as exceptions, litigation, human resources and financial issues;
- since the supervisory activities focus on high-risk areas, a risk assessment exercise was organised with management with a view to updating the risk register and to establish action plans to mitigate the risks;
- regarding the preparation of the Management Plan 2012, and following the request of DG HR on obtaining a more detailed view of the Office's means and outputs, OIB prepared the evolution of result indicators 2011-2012 and provided additional data/values in response to this particular request. Harmonisation of OIB/OIL MP's indicators was initiated;

Taken into account the improvements made, this standard will no longer be prioritised in 2012.

ICS 10 "Business Continuity"

OIB has an essential role in the functioning of the Commission's building and logistic services in Brussels. Therefore the business continuity is one of the Office's priorities.

In 2011 the following actions have been taken in order to improve the capacity to ensure the business continuity in case of activity interruptions:

- the BCP was updated in March 2011 and hardcopy versions were handed out to the heads of department together with the lists of critical and essential functions of OIB;
- in order to ensure a regular update of the critical and essential functions list, a procedure was established in OIB;

- the latest improved version of Noah is in place since June 2011 and provides monthly information on OIB's critical staff. A presentation of Noah was given to OIB management at the end of 2011;
- OIB's BCP (including the annexes containing the lists of critical and essential functions and staff) are regularly updated and are available on a shared drive together with a collection of other useful BCP related documents (access is limited to the members and alternate members of OIB's Crisis Management Team as well as to OIB's critical staff);
- a backup for the BCP Desk Officer was appointed;
- to coordinate business continuity issues within the DG HR family, OIB is represented in the Crisis Management Group, chaired by the Director General of DG HR. In April 2011, OIB participated in a HR BCP exercise and in a DIGIT exercise (Kiddyweb and Pace GIS were identified as the most critical applications).

In 2011, OIB prepared the Internal Control Standards effectiveness exercise. Two sets of questions built around the 16 ICS were addressed to the management and to a sample of 100 persons chosen at random from the staff list. Following the exercise's results analysis and based on the management decision, it was stated that the following standards will be prioritised in 2012:

- ICS 10 "Business Continuity", already selected in 2010, will be maintained in order to pursue the efforts to improve the actions related to business continuity, with a particular focus on detailed testing of the BCP (see above).
- ICS 12 "Information and communication" will be the second OIB's priority in terms of standards, especially from the IT Security point of view. OIB already has procedures in place for the attribution of the access rights to the information located on the shared drive and for the PaceGIS Information System, but the Security IT Plan still has to be finalised. Therefore it has been decided that additional efforts are needed to ensure the standard's effective implementation (see point 2.2.1).

2.2.3 Conclusion

The results obtained from the review of the ICS effective implementation were generally positive and good progress was made on developing the effectiveness of the prioritised standards.

OIB based its appreciation of effectiveness of internal control systems on different elements:

- A quite large number of audits (6 new in 2011, of which 4 concerned finance, non-building and building procurement) were carried out during the reporting year. No critical findings were raised by IAS and IAC;
- The audit report issued by European Court of Auditors did not mention any major issue;
- Action plans were elaborated to implement the recommendations from ex-post controls;
- Necessary measures were taken to mitigate risks identified following the risk assessment exercise conducted in the context of Management Plan;
- A regular follow-up of litigations and issues raised in AOSD's reports is in place at OIB.

OIB will monitor the actions in the context of its 2012 ICS priorities and report regularly on their progress.

On the basis of the results from the reviews and the conclusions from the reports mentioned above, it can be considered that the internal control system in its entirety is implemented effectively in OIB.

2.3 Information to the Commissioner

The main elements of this report and assurance declaration have been brought to the attention of Commissioner Šefčovič, responsible for Inter-Institutional Relations and Administration, during the meeting of 23 March 2012.

PART 3. BUILDING BLOCKS TOWARDS THE DECLARATION OF ASSURANCE

3.1 Building blocks towards reasonable assurance

3.1.1 Building block 1: Assessment by Management of OIB

The assessment by the management is based on a series of key controls and reports aimed to ensure the legality and regularity of transactions and to provide reasonable assurance.

The financial circuit in OIB is based on the "four eyes principle": before an operation is authorised, all aspects of the operation (both operational and financial) are verified by at least one member of staff other than the person who initiated the operation. In addition, the Authorising Officers by sub delegation (AOS) give validation and confirm that all actions and controls required were completed by the initiating and verifying agents. After the operation has been completed, a second level of control is performed by the ex-post control team.

In this context the AOS and ex-post control reports represent one of the supervision activities, as basis of the management assessment. For procurement, preventive controls are ensured via the GAMA opinions. Other key controls in place are the register of exceptions, the regular reporting, the risk management procedures and the follow-up of the audit recommendations.

Ex post controls

The ex-post controls cover four types of transaction: budgetary commitments, procurement procedures, payments and recovery orders.

The reports are based on the notion of global evaluation of each transaction as introduced from 2010. Each operation is examined and reported on an individual "control fiche" which contains the results of the many different controls based on pre-defined verification points, and results in the corresponding classification i.e. "Compliant", "Compliant with conditions" or "Non-compliant". In March 2011, the notion of "Compliant with conditions" was introduced for use in an intermediate phase which can have as result, after receiving the units remarks, a final qualification: "Compliant" or "Non-compliant".

<i>Indicators related to Ex-post controls</i>	<i>Latest known results</i>	<i>2011 Target</i>
Percentage of realisation of the annual control programme as compared to plan	51 %	100%
Percentage of ex-post control recommendations implemented by units concerned	Data not available	100%

In spite of the partial realisation of the planned annual control programme, a methodology of controls was put in place in order to cover all types of transactions and to ensure a significant level of coverage.

Regarding budgetary commitments, the ex-post controls treated transactions by "code nature" related to budgetary commitments and de-commitments covering all OIB units. Transactions for an amount of €167,522,986.19 (40.58% of commitments amounts during the same period) were subjected to ex-post controls in the Office's units in Brussels. For OIB's unit in Ispra the ex-post controls covered a series of transactions for

an amount of €1,406,053.94 (or 48.05% of the commitments amount during the same period).

The ex-post controls on high value procurement procedures covered three types of procedures (inter-institutional procedures – management in Brussels – as well as restricted and negotiated procedures) for an amount of €41,697,40 (88.12% of the total amount awarded of the high-value procedures).

Regarding the low value markets, the ex-post controls covered public procedures initiated by OIB's unit in Ispra for an amount of €57,428.50 €.

Concerning the payments, the coverage of ex-post controls in 2011 was as follows:

- transactions initiated by OIB's unit in Ispra for an amount of €104,549.49 (16.12% of the total of payments issued during the same period);
- transactions initiated by OIB's units in Brussels for an amount of €45,686,218.61 (19.68% of the total of payments issued during the same period).

Recovery orders were also subject of ex-post controls. RO transactions of different units in OIB Brussels were checked for an amount of €13,138,879.76 (89.44% of the total amount of RO validated during the same period).

None of the observations made following ex-post controls had a financial impact on OIB's budget. The ex-post 2011 follow-up control report states "*that the transactions qualified as "non-compliant" could not pose a threat to the reasonable assurance given for the Annual Activity Report of OIB for 2011*". In general, the main observation issued concerns the lack of the documentation accessibility. This point was the subject of a series of awareness actions addressed to all the units and departments. In order to ensure further improvements in this area, the ex-post control team will continue focusing on the issue.

Authorising Officers by Sub-delegation reporting

Twice a year the Authorising Officers by sub-delegation provide the OIB's Director with a report on their activity.

For the first semester of 2011 all AOSDs produced their reports, in total 43 reports were received (100%). During the year, reports for the second semester were split into two periods – up until mid-November and from mid November to December.

The management of AOSD reports was improved in 2011. Analyses of reports are made twice a year and a summary is sent to all Head of Unit and Head of Department in order to better identify any issues raised and to establish action plans to deal with these problems.

<i>Indicators related to AOSD Reports</i>	<i>Latest known results</i>	<i>2011 Target</i>
For issues under the control of OIB, the percentage of corrective measures implemented on time by units concerned	Data not available	100%
Percentage of Authorising Officer by Sub-Delegation reports /number of AOSD reports awaited	99%	100%

The main issues mentioned in the AOS reports for 2011 are related in principal to the litigation cases, such as claim to pay regional taxes on some of the Commission's buildings or reimbursement of "précompte immobilier" for buildings. A better follow-up of the SLAs recovery orders and improvement for payments delays are also highlighted by the AOSDs. All these issues are closely followed by the operational units. Considerable improvement was noticed in payment delays (12% in 2011).

The reports of Authorising Officers by Subdelegation did not indicate risks or problems which would endanger the declaration of assurance.

Preventive controls

The GAMA advisory group manages non-building procurement procedures above €25,000. Before the award decision, tenders above the threshold established in the Directive 2004/18/CE (€125,000 in 2011) may be selected and examined by GAMA.

In 2011, 21 files above the threshold were sent to GAMA corresponding to 15 award reports (€64,400,000) and 6 reports for unsuccessful procedures. Out of the 15 award reports, 6 files (representing €10,200,000) were selected for review and all of which received a positive opinion.

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

Reporting

Management reporting focuses on horizontal and operational aspects such as:

- human resources (reports on: vacant posts, sensitive functions, TEC objectives, job descriptions and staff annual objectives, training needs and participation in training courses; OIB pays particular attention to the scorecards produced by DG HR on human resources indicators);
- finances (reports on: evolution of payments delays, interest paid on delayed payments, litigations; reports on the use of ABAC SAM are issued twice a year by the Local Supervisory Board);
- budget execution (reports on: legal and budgetary commitments, assigned revenue, use of credits, outstanding recovery orders, forecast of revenue versus recovery orders);
- procurement (reports on: status of planned and not yet launched procedures; in 2011, a specific analysis was carried out on the procurement delays and based on the results, timetables were established for each type of procedure);
- internal control (reports on: open audits recommendations, internal procedures, exceptions and risks);
- document management (reports and surveys produced by Secretariat General).

High-level exception reporting

In compliance with Internal Control Standard 8 (Processes and Procedures) OIB has put in place methods to ensure that all instances of overriding of controls or deviations from established processes and procedures are documented in exception reports, justified, duly approved by the Authorising Officer before action is taken and logged centrally. In this context all OIB's exceptions are registered and followed up in the "exception register" and their reporting is done at least twice a year.

In 2011, the most important exceptions were related to:

- late establishment of budgetary and legal commitments (legal and budgetary a posteriori)

Some payments concern a posteriori in the building area and are linked to the late establishment of legal commitments for insurance contracts, to the regularisation of regional taxes, the indexation and other reimbursements, to property projects and transport management.

- procurement processes

The exceptions on procurement processes are mainly linked to overstepping the award decision thresholds of contracts providing for building maintenance and furniture supply and overstepping of contractual deadline for different supplies and services. Other exceptions concern the procurement procedures used for the public transport service provider in Brussels and the activities of the protocol restaurant. The procedures used for the activities of the protocol restaurant (related to the hiring of independent waiters needed for protocol receptions and the organization of food supply and delivery) were not in line with financial and personnel provisions (Financial Regulation and Staff Regulation). Mitigating measures will be put in place starting with 2012, which will include the preparation of calls for tender allowing the establishment of contracts in late 2013 or early 2014.

Corrective measures were put in place to mitigate these risks. None of the exceptions were considered to have a negative impact on the reasonable assurance.

Risk management

Risk management, as part of the SPP cycle, is a continuous and systematic process in OIB for identifying and managing risks in line with the accepted risk level. Therefore, all the Office's activities are focused on high risk area. Risk management exercises are conducted within OIB every year in the context of the Management Plan.

The 2011-2012 risk assessment exercise was based on a three-phase approach:

- 1st phase when the risk register was reviewed by the management and updated accordingly;
- 2nd phase related to the risk assessment workshop which was organised in November 2011 and attended by all management;
- 3rd phase concerning the final validation of the risk register by the OIB's Director.

Following the risk management exercise 27 risks were identified, 2 of which were classified as critical. Based on the risk assessment, action plans were established to mitigate the risks, and a regular follow-up of these actions plans is carried out.

Internal Control Coordinator contribution

The OIB's Internal Control Coordinator, who is also the Resources Head of Department, has a key role in the implementation of internal control systems in the Office, including the Risk Management processes.

In 2011, the ICC's main duties were to monitor the implementation of internal control systems, to coordinate the risk assessment exercise, to report on critical risks and prioritised Internal Control Standards and to coordinate and monitor action plans (for Discharge, ECA, IAS and IAC recommendations).

The ICC had an advisory role, as he acts as a technical coach for the actors involved in the Risk Management process and Internal Control and provides advice on the best organisation of the control environment.

The ICC also had an important role in the preparation of the 2011 Annual Activity Report and participated in the bilateral meetings organised with each department and the Director.

He is also the contact point for Central Services for matters concerning Internal Control and Risk Management and for the implementation of the strategy of structured dialogue with ECA and IAS.

3.1.2 Building block 2: Results from Independent Audits during the Reporting Year

The 2011 IAS and IAC follow-up audits confirmed the effective implementation of the large majority of outstanding recommendations in the area of inventory management, building and non-building procurement and contract management.

IAC audit reports concluded in 2011

- IAC Follow-Up Audit Report on the implementation of the procedure "*Conforme aux faits*" (CAF) in OIB

The final report was delivered mid 2011. It assessed control procedures/methodology for the audited cleaning and maintenance contracts as adequate and closed all very important recommendations.

- IAC Audit Report on Property Projects

The final report was delivered at the beginning of 2012. IT system integration in real estate information systems was the main observation addressed in the report. A study of the effectiveness and efficiency of OIB information systems supporting real estate management needs to be carried out in the medium term.

IAS audit reports concluded in 2011

- IAS Follow-up Audit on the Inventory Process as managed by OIB

Problems related to the management of the physical inventory, procedures and staff needs after the introduction of SAM, were addressed. In mid 2011, IAS confirmed the effectiveness of the actions taken by OIB and closed all recommendations from the

Inventory audit. Nonetheless, IAS drew OIB's attention to the reporting function in ABAC SAM, the finalisation of the analysis on tracking, the GBIs' awareness and the BCP for the warehouse of the external contractor. Specific actions were carried out to address these issues.

- IAS 2nd Follow-up Audit on the Management of Building Procurement contracts by DG HR and OIB

Audit conclusions submitted by the end of 2011 confirmed improvements in building procurement process: all recommendations addressed to OIB were assessed as being adequately and effectively implemented. IAS suggested some enhancement in the use of checklists, timing in establishing tender evaluation methodology and application of Life Cycle Methodology.

- IAS 2nd Follow-up Audit on the Management of Procurement Contracts as managed by OIB

The audit was finalised at the end of 2011. All the relevant recommendations⁴² concerning OIB were assessed as implemented. In particular, they concerned ethics awareness, ex-post control, the management of sensitive functions and the early determination of procurement needs.

- IAS Audit on the Management of Procurement Contracts as managed by OIB

Additionally the IAS audit on Procurement contracts was carried out in 2011 and finalised at the beginning of 2012. The IAS audit raised the issue concerning contract implementation for the renovation work contract and the key management contract, as a risk to mitigate in 2012 (by improving control reporting on the contracts management and by establishing an appropriate inventory control). With regard to procurement management, the auditors recognise the efforts made by OIB to ensure compliance with the procurement rules and significant progress made during previous years with regard to the development of tools and procedures, manuals, certified correct procedures (CAF) for major contracts, programming and planning tools on the major procedures to be launched, as well as risk analysis, customised training covering procurement and ethical awareness, follow-up of sensitive functions, publicity via DG ENTR website for fostering competition, and guidelines intended for tenderness available on its website. IAS also highlighted the benefits resulting from the centralisation of specific competences in a specialised public procurement unit and a GAMA opinion.

IAS contribution

IAS contribution to the AAR 2011 (based on IAS audits finalised in 2011), highlighted the contract implementation risks mentioned above for which remedial action has to be taken.

OIB is finalising its action plan on these findings, to be implemented as of 2012.

IAC opinion

The 2011 IAC opinion is based on the audits carried out in 2011. The following audits were included in the scope of the opinion: Audit on Property Projects, Follow-up audit on

⁴² Except for one recommendation concerning the Management and Follow-up of Contract Implementation. Contract management will undergo/underwent further assessment as a part of the audit on Procurement.

the implementation of the procedure "Conforme aux faits" and Follow-up audit on outstanding recommendations.

IAC believes that the internal control system in place within OIB provides reasonable assurance regarding the achievement of the objectives set up for the activities audited and processes reviewed.

However, IAC draws OIB's attention to the need for a study on the effectiveness and efficiency of OIB information systems supporting real estate management, as identified during the IAC audit on Property Projects.

Moreover, IAC declares that it is not aware of anything which may lead to a possible reservation in the AAR.

Following the IAC observations, OIB will continue the efforts to implement action plans resulting from audit recommendations and to take measures to mitigate the issues raised.

European Court of Auditors (ECA) findings

In September 2011, the European Court of Auditors (ECA) launched the audit in the context of DAS 2011. 6 high value contracts were examined, of which 4 were based on restricted procedure and the other two on negotiated and open procedure. One financial transaction related to contractual payment was also verified by the Court.

In March 2011, ECA provided Vice-President Šefčovič with the DAS 2011 preliminary findings. Three procurement procedures together with the payment transaction did not raise any observation from the Court. For the three remaining procurement procedures, OIB has prepared a response on the observations it received. It is considered that none of these observations has an impact on the reasonable assurance and the reputation of the Office. Regarding the follow-up of previous observations, ECA recognised the efforts done by OIB in terms of payment delays and the improvements obtained.

3.1.3 Building block 3: Follow up of Previous Years' reservation and Action Plans for Audits from Previous Years

Follow up of previous years' reservations

There have been no reservations since 2005.

ECA recommendations and findings

Preliminary findings were issued by the European Court of Auditors in the context of DAS 2009 and were related to the follow-up of late payments. This observation was also maintained in the 2010 DAS preliminary findings, in addition to other observations regarding procurement procedures and financial accounts. OIB provided explanations on the ECA's findings. None of these findings were mentioned in the Court's final report, therefore, the Court did not issue any critical remarks impacting the reasonable assurance.

Follow-up of any weaknesses reported by the IAC, IAS and in the previous Synthesis report

At the end of the reporting year 2010, 75,44% of all accepted recommendations managed by OIB were closed (compared to 74% as reported in AAR 2010). A table featuring the current state of play incorporating new audits/follow-up audits carried out in 2011 by IAC/IAS can be found in Annex 5.

The main action areas are as follows:

Inventory: The tracking exercise has been finalised. The writing-off procedure was carried out for the unlocated assets after receiving positive opinion from the Writing-off Committee.

This is the first time the exercise was conducted in an integrated system responding to user needs. Incoherencies going back several years were identified for all items and corrected in the OIB's accounts for assets. The final net impairment amounted to €362,920. The large majority of these items belong either to asset class 24001010 (depreciation 10%), or to asset class 24001011 (depreciation 12,5%). The annual rate of impairment is equal to 0.51% of the net book value of the relevant asset classes over 8 years.

In terms of non assets, some items were not located, many of which were purchased before 2002 and are close to or beyond their useful life. Nevertheless, there are still some 5544 remaining articles newer than 10 years old with a purchase price above €100 and bellow to €420 which were not found during the tracking, which corresponds in total to around 1.3% of all active items in ABAC SAM⁴³. All items still unlocated will be proposed for write-off at the next meeting of the writing-off committee. This will allow OIB to manage inventory on the basis of a database corrected for inconsistencies migrated from previous systems.

The reporting functionalities on inventory management have been incorporated into ABAC SAM. Moreover, a standard information note was sent to newly appointed GBIs drawing attention to the particular responsibilities of GBIs with regard to inventory management.

Service vehicles: the "Décision de la Commission relative aux dispositions internes concernant l'organisation du service Transport de la Commission", revised the rules governing the management of the service vehicles and was followed up with the Manual for the Users of Service Cars.

Ispra management: concerning the Ispra unit, reinforced ex-post controls covering various transactions were carried out. The financial reporting and documentation of working instructions were improved and a number of seminars on ethics organised on the site allowing staff to be trained accordingly. A tender procedure for food concerning Ispra has been finalised and individual contracts attributed.

Income process: regarding management of the income process, further to the established procedures, regular controls have been introduced in the financial circuit for parental contributions. The regulatory framework for CPE will be revised and simplified.

IT management: some IT systems integration (parental contributions, maintenance contract) should further contribute to the efficiency and effectiveness of respective operations.

⁴³ The ten years useful life was extrapolated in a prudent approach based on the depreciation rates of similar types of assets; €420 is the minimal value set for assets in the Commission's accounting manual; items with an acquisition value of €100 should not be registered in the inventory.

3.1.4 Building block 4: Assurance Received from Other Authorising Officers in cases of Cross-Sub Delegation

Some credits were sub delegated to OIB on a permanent basis according to the Internal Rules in place:

PMO	Mainly building, logistics and supplies expenditures as calculated in 2003 and indexed each year for the Office	Amount: € 3,750,000 on B2011- 26.012100.010300-C1-PMO/OIB budget line Execution: Commitment: € 3,750,000 Payment: € 2,908,443
EPSO	Mainly building, logistics and supplies expenditures as calculated in 2003 and indexed each year for the Office	Amount: € 779,000 on B2011-26-.012000.010300-C1-EPSO/OIB budget line Execution: Commitment: € 779,000 Payment: € 304,904
OLAF	Mainly building, logistics and supplies expenditures as calculated in 2003 and indexed each year for the Office	Amount: € 1,225,223 on B2011- 24.010600.010300-C1-OLAF/OIB budget line Execution: Commitment: € 1,225,223 Payment: € 214,711
JRC	Beginning of 1st March 2009, the social activities of the ISPRA site were transferred to OIB. As OIB has no research funds at its disposal, JRC has to sub delegate some of its funds to OIB.	Amount: € 214,700 on B2011- 10.010503-C1-JRC/OIB budget line Execution: Commitment: € 214,700 Payment: € 153,839 Amount: € 2,430,885 on B2011- 10.010503-C4-JRC/OIB budget line Execution: Commitment: € 650,348 Payment: € 374,003 Amount: € 2,075,435 on B2011- 10.010503-C5-JRC/OIB budget line Execution: Commitment: € 2,075,435 Payment: € 1,947,216

Other credits were sub delegated temporarily to OIB by:

RTD	Renting building (Covent Garden) up to 2013 - Detailed conditions were governed through a Service Level Agreement (SLA).	Amount: € 4,416,689 on B2011-08.010503.05-C1-RTD/OIB budget line Execution: Commitment: € 4,416,689 Payment: € 4,056,996
-----	--	--

Secretariat General	Development of an IT application for Historical Archives ('Archis')	Amount: € 100,000 on B2011-25.010211.00.05-C1-SG/OIB budget line Execution: Commitment: € 100,000 Payment: € 63,000
---------------------	---	---

Some credits were sub delegated by OIB to:

DIGIT	IT support, software and telecommunications	Amount: € 3,029,915 on B2011-26.012201.010300-C1-OIB/DIGIT budget line Execution: Commitment: € 3,029,915 Payment: € 2,855,164
PMO	Salaries of statutory staff, national experts and costs for missions	Amount: € 53,303,251 on B2011-26.012201.%-C1-OIB/PMO budget line Execution: Commitment: € 53,303,251 Payment: € 53,282,721
		Amount: € 2,105,837 on B2011-26.012201.%-C4-OIB/PMO budget line Execution: Commitment: € 2,105,837 Payment: € 2,105,837
		Amount: € 1,964,509 on B2011-26.012201.%-C5-OIB/PMO budget line Execution: Commitment: € 1,964,509 Payment: € 1,964,509
	Reimbursement of season tickets	Amount: € 1,900,000 on B2011-26.012204-C1-OIB/PMO budget line Execution: Commitment: € 1,900,000 Payment: € 412,872
HR	Security and Health & Safety	Amount: € 1,054,000 on B2011-26.012201.010300-C1-OIB/HR budget line Execution: Commitment: € 1,054,000 Payment: € 517,366

	External Staff	<p>Amount: € 312,000 on B2011-26.012201.010201-C1-OIB/HR budget line Execution: Commitment: € 300,000 Payment: € 257,459</p> <p>Amount: € 14,172 on B2011-26.012201.010201-C5-OIB/HR budget line Execution: Commitment: € 14,172 Payment: € 11,188</p>
	Social Welfare Infrastructure	<p>Amount: € 5,000 on B2011-26.015004-C1-OIB/HR budget line Execution: Commitment: € 5,000 Payment: € 5,000</p> <p>Amount: € 60,000 on B2011-26.015004-C5-OIB/HR budget line Execution: Commitment: € 60,000 Payment: € 41,885</p>

No specific issues were reported by Authorising Officers from any of the DGs/Services concerned regarding the assurance of the legality and regularity of underlying transactions resulting from sub-delegated credit.

3.1.5 Completeness and Reliability of the Information Reported in the Building Blocks

OIB has taken into account various types of information available to build the assurance. The following elements were taken into consideration:

- the conclusions of the ex-post controls did not bring to light any issues of significant financial impact;
- regular reports are provided by the Authorising Officers by Sub-delegation regarding problems that could have an financial impact on the OIB's activities. No major issues were reported in 2011;
- all procurement procedures reviewed by GAMA received positive feedback;
- all the exceptions are monitored and registered in the exception report;
- following the risk assessment exercise conducted in 2011, critical risks were identified, OIB's risk register updated and action plans established;
- the audit reports issued by the European Court of Auditors, IAC and IAS did not raise any major issues;
- action plans resulting from audit recommendations are in place within OIB.

In conclusion, it is stated that the information related to the building blocks is complete and reliable for the purpose of the declaration of assurance.

3.2 Reservations and their Impact on the Declaration

On the basis of the information from the various building blocks described above and taking into account that none of the materiality criteria mentioned in Annex 4 have revealed significant weaknesses in 2011, OIB considers that there is no need to present any reservation for 2011.

3.3 Overall Conclusion on the Combined Impact of the Reservations on the Declaration as a Whole

None.

PART 4. DECLARATION OF ASSURANCE

I, the undersigned,

Head of Service of OIB

In my capacity as authorizing officer by delegation

Declare that the information contained in this report gives a true and fair view⁴⁴.

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 judgment 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 and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

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

Brussels, March 30, 2012

Gábor Zupkó

[Signed]

⁴⁴ *True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.*