

Annual Activity Report

2014

DG IPOL

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0. SUMMARY OF BUDGETARY IMPLEMENTATION

to be filled in by the DG		calculation		
Code	Appropriation type	Type de crédits	EUR or %	Formula
	Appropriations of 2014	Crédits 2014		
A	Initial appropriations	Crédits initiaux		5.334.660,00
B	Final appropriations	Crédits finaux		4.459.660,00
C	Commitments	Engagements		3.860.608,13
D	Commitments in % of final appropriations	Engagements en % des crédits finaux	D=C/B	87%
E	Payments	Paielements		1.146.187,44
F	Payments in % of commitments	Paielements en % des engagements	F=E/C	30%
G	Cancellations of 2014 final appropriations	Annulations de crédits finaux 2014	G=B-C-K	599.051,87
H	Cancellations appropriations in % of final appropriations	Annulations en % des crédits finaux	H=G/B	13%
	Appropriations carried over from 2014 to 2015	Crédits reportés de 2014 à 2015		
I	Automatic carryovers from 2014 to 2015	Crédits reportés automatiquement de 2014 à 2015	I=C-E	2.714.420,69
J	Automatic carryovers from 2014 to 2015 in % of commitments	Crédits reportés automatiquement de 2014 à 2015 en % des engagements	J=I/C	70%
K	Non-automatic carryovers from 2014 to 2015	Crédits reportés non-automatiquement de 2014 à 2015		
L	Non-automatic carryovers from 2014 to 2015 in % of final appropriations	Crédits reportés non-automatiquement de 2014 à 2015 en % des crédits finaux	L=K/B	-
	Appropriations carried over from 2013 to 2014	Crédits reportés de 2013 à 2014		
M	Automatic carryovers from 2013 to 2014	Crédits reportés automatiquement de 2013 à 2014		4.412.044,59
N	Payments against automatic carryovers from 2013 to 2014	Paielements sur crédits reportés automatiquement de 2013 à 2014		4.231.098,63
O	Payments against automatic carryovers from 2013 to 2014 in % of automatic carryovers from 2013 to 2014	Paielements sur crédits reportés automatiquement de 2013 à 2014 en % des crédits reportés automatiquement de 2013 à 2014	O=N/M	96%
P	Cancellations of automatic carryovers from 2013 to 2014	Annulations de crédits reportés automatiquement de 2013 à 2014	P=M-N	180.945,96
Q	Cancellations of automatic carryovers from 2013 to 2014 in % of automatic carryovers from 2013 to 2014	Annulations de crédits reportés automatiquement de 2013 à 2014 en % des crédits reportés automatiquement de 2013 à 2014	Q=P/M	4%
R	Non-automatic carryovers from 2013 to 2014	Crédits reportés non-automatiquement de 2013 à 2014		0,00
S	Payments of non-automatic carryovers from 2013 to 2014	Paielements sur crédits reportés non-automatiquement de 2013 à 2014		0,00
T	Payments against non-automatic carryovers from 2013 to 2014 in % of non-automatic carryovers from 2013 to 2014	Paielements sur crédits reportés non-automatiquement de 2013 à 2014 en % des crédits reportés non-automatiquement de 2013 à 2014	T=S/R	-
U	Cancellations of non-automatic carryovers from 2013 to 2014	Annulations de crédits reportés non-automatiquement de 2013 à 2014	U= R-S	-
V	Cancellations of non-automatic carryovers from 2013 to 2014 in % of non-automatic carryovers from 2013 to 2014	Annulations de crédits reportés non-automatiquement de 2013 à 2014 en % des crédits reportés non-automatiquement de 2013 à 2014	V=U/R	-
	Assigned revenue in 2014	Recettes affectées 2014		
W	Appropriations from assigned revenue in 2014 (current)	Crédits de recettes affectées courants 2014		0,00
X	Assigned revenue carried over to 2014	Crédits de recettes affectées reportés à 2014		0,00
Y	Payments in 2014 against appropriations from assigned revenue (current and carried-over)	Paielements sur crédits de recettes affectées 2014 (courants et reportés)		0,00
Z	Payments in 2014 against assigned revenue in % of assigned revenue in 2014 (current and carried-over)	Paielements sur crédits de recettes affectées 2014 en % des crédits de recettes affectées 2014 (courants et reportés)		0,00
			AA=Z/(W+X+Y)	-

1. OBJECTIVES

1.1. Objectives of the Directorate-General for Internal Policies

In the election year 2014 DG IPOL's objectives were organised around two strands, namely firstly those specifically relating to the transition character of the year and secondly general objectives. The objectives were not changed throughout the year and they comprised, inter alia, the following:

I. Specific objectives regarding the transition to a new parliamentary term

- Contribute to the identification of priority files which still needed to be finalised during the 7th legislative term.
- Prepare the screening exercise on unfinished business according to Rule 229 of the Rules of Procedure for the beginning of the new parliamentary term.
- Support DG COMM's activities in the framework of the information campaign on the European elections 2014; in this context disseminate the recently updated Fact Sheets on the European Union.
- Set up a special internal training programme for staff during the election period and particularly encourage colleagues' participation in external trainings and language courses.
- Compile a "welcome pack" for Members of parliamentary committees.
- Organise the committees' constituent meetings as well as the constituent meeting of the Conference of Committee Chairs.
- Organise the hearings of the Commissioners-designate in close cooperation with other DGs concerned and contribute to the design and managing of the dedicated section in the Elections website.
- On the basis of the regularly updated Political Work Programme provide Members with information on pending parliamentary demands to the European Commission made during the preceding term in the relevant policy area.

II. General objectives for the year 2014:

- Continue to provide the best possible assistance to parliamentary committees and bodies, to the Institution, to its President and Members.

Deliver high quality expertise for parliamentary committees and other political bodies and ensure good visibility and accessibility of the services and products offered by Policy Departments and the Economic Governance Support Unit. Cooperate closely with DG EPRS.

- Prepare a framework and structures for a more systematic political and legislative scrutiny of the executive at all stages of the policy process in the next parliamentary term.
- Finalise work on the MFF-related legislative files and follow up on the implementation of the programmes at legislative and budgetary levels.

- Foster cooperation between units and problem-solving of common challenges by sharing best practices of secretariats in IPOL via the appropriate channels.
- Ensure the efficient management of Human Resources and, in particular, implement the provisions of the revised Staff Regulations; contribute to improving, modernising and accelerating the recruitment of inter-institutional and EPSO candidates.
- Organise the removal of DG IPOL services to the new premises in Square de Meeûs, with a particular focus on practical and organisational aspects ensuring the continuous provision of high-quality services to Members, despite the increased geographical distance between DG IPOL services and Members. Adjust working methods to this new situation, particularly taking into account EMAS principles and developments.
- Efficiently allocate and use the DG's finance resources, particularly in the context of an election year with reduced appropriations, and including full consolidation of new procedures and working methods following on from the first full year of implementation of the new Financial Regulation; effectively contribute to the project on the new financial IT systems (FMS).
- As one of the major stakeholder DGs, continue on all relevant levels to be substantially involved in the on-going work of several key programmes such as eParliament, Legislative Knowledge Management and Paperless/eMeeting while ensuring their alignment with the DG's business requirements, including improved efficiency; carry on investing extensively into achieving the IT implementation of the Lisbon Treaty; launch reflections on developing new specific monitoring tools for legislative and financial programming (CIBA adjustment).

1.2. Evaluation of the feasibility and its associated potential risks

Most of DG IPOL's main objectives for 2014, as described under 1.1, are closely linked to political processes and decisions and it is difficult to attach any specific linked financial and non-financial risks which might adversely affect them.

As stated on previous occasions, the assistance and expertise for the parliamentary committees, as well as many horizontal issues, in the legislative and budgetary fields particularly but also increasingly other "scrutiny measures", are thus part and parcel of the DG's daily work but remain linked to political decisions, both inside and outside the Parliament.

Therefore, the main objectives of the DG are very much dependant on such 'political risks' but it is not considered feasible or appropriate to try and put a price on such political developments within the framework of this overview.

However, as far as administrative risk is concerned, which may of course also have a knock-on effect on the real objectives described, the DG's risk register and risk assessments has been updated.

In 2014, these effectively all relate to the objectives under item 1.1 and are the following:

- Risks related to the optimal functioning of parliamentary committees
- Risks related to human resources
- Risks related to financial resources
- Risks related to the dependence on IT systems
- Risks related to the DG's move to the Square de Meeûs building

These risks and the associated efforts to mitigate them are described in the risk files, including a rating as to their likelihood and seriousness.

Some of the problems encountered during the year, in various areas, have shown the need to have a "crisis management" mechanism for unexpected risks in the EP. IPOL has requested the creation of such mechanism in the framework of the risk management Advisory Committee.

Currently, work is ongoing to transpose the risk files into a new format provided by the Risk Manager in late 2014.

2. EVALUATION OF THE RESULTS OF ACTIVITIES COMPARED TO THE OBJECTIVES - USE OF RESOURCES

2.1. Environment of DG Internal Policies

DG IPOL's work environment during the year 2014 was characterised by the transition from one legislative term to the next. This meant de facto a division of the year in three parts.

The first part, from January to April was characterised by identifying legislative proposals which committees still wanted to see adopted during the 7th term and giving priority to them in terms of committee meeting time and trilogues so as to allow their finalisation for the last plenary sessions of the term. The tight deadlines meant a considerable pressure on staff and on resources in general and 132 trilogues were still organised during these months.

May to June were months of transition, both politically and administratively: DG IPOL participated in the welcome stands in June and prepared for the constitution of the new committees as well as for the resumption of legislative work. These two months were also characterised by finalising the so-called welcome pack, exhaustive compilations of information material for the new Members of parliamentary committees. During the same time, DG IPOL started moving from the Atrium building to the Square de Meeûs. A series of smaller and bigger technical challenges and problems in the new building had to be dealt with over the rest of the year, some of which still persist in early 2015.

The third phase, as from July 2014, started with the constitution of the new committees and of the Conference of Committee Chairs. With the election of the new committee Chairs and Vice-Chairs and the successful completion of the hearings of the Commissioners-designate in September/October, all elements are in place for the legislative and non-legislative work in committees to restart fully.

2.2. Human resources of the DG

	Situation as at 01/01/2013	Situation as at 01/01/2014	Staff numbers as at 31/12/2014
	Establishment plan posts		
AD			
Permanent	301	287	246
Temporary	4	3	10
AST			
Permanent	278	264	228
Temporary	2	2	8
Total 1	585	556	492
	Other staff (FTE estimates)		
Contract staff	34	29	26
Seconded national experts	19	18	15
Agency staff			
Interpreters (ACI)*			
Accredited parliamentary assistants			
Local parliamentary assistants			
Outside staff**			
Total 2	53	47	41
EP total (1+2)	638	602	533

The modifications to the organigramme (less AD and less AST posts) are the result of the transfer of posts and colleagues to new DG EPRS created on 01/11/13: a) from the old Directorate G "Impact Assessment and European Added Value" of DG IPOL and b) from Directorates (without compensation), as well as the result of the 1% annual reduction of staff (3 AD and 6 AST posts).

Regarding staffing, a number of AST and AD posts are vacant due to the increased length of the recruitment procedures, which sometimes causes candidates to withdraw their applications for the benefit of other institutions.

As regards the Management of the DG, in July 2014, DG IPOL proceeded to a mobility exercise of 7 heads of unit in time for the new legislative term, anticipating the compulsory mobility of some of the colleagues concerned.

2.3. Implementation of the budget in 2014

2.3.1. Final appropriations and initial appropriations

Final appropriations were EUR 875 000 less than those originally available (EUR 4.46 million compared to EUR 5.33 million). This balance was offered in a two-stage mopping-up procedure for an amount of EUR 850 000, to be used by DG INLO on the KAD building, and through an individual transfer of EUR 25 000 to DG PERS in order to contribute to training measures.

It is important to note that, due to the special characteristics of an election-year, a substantial reduction in voted appropriations took place (5.33 million in initial appropriations compared to 9.55 million in initial appropriations in 2013).

2.3.2. Final appropriations and commitments

Overall implementation stood at 87% (72% if the effect of the two mopping-up transfers is eliminated), corresponding to EUR 3.86 million committed (7.79 million in 2013).

Again, it is important to note that the budget initially available was over EUR 4 million less than last year.

The non-implemented budget can mainly be explained by three factors:

- firstly, a surplus of EUR 397 000 resulting from the deliberate budgeting of the full expertise amount for two possible temporary committees, or for newly created committees in the new legislature, thus excluding a significant amount from the initial planning of policy departments/committees, resulting in an amount generally available as a reserve for unforeseen events and, importantly, to respond to possible future political decisions regarding committees. This precaution was particularly important in a situation where the composition of the new Parliament, also in terms of the number of committees to be constituted, was not known at the time of establishing the budget.
- secondly, a resulting margin of some EUR 450 000 stemming from the four Policy Departments and the Economic Governance Unit, corresponding to about EUR 25 000 per committee (more or less the equivalent of a single medium study), a situation similar to last year when an amount corresponding to about 30 000 per committee was not finally implemented of the budgeted appropriations for policy departments).
- thirdly, it could also be noted that, as a share of the total number of expertise items, the number of internally produced papers and briefings remained at a significant level following the increase that could already be observed in 2013.

The overall base implementation of 72% was thus lower than the previous year (82%). This reflects the difficulties in forecasting an exceptional year, also in terms of budget spend, and what the newly constituted committees might request in terms of expertise items that would need to be bought/tendered externally.

An amount of EUR 559 052 was cancelled (EUR 788 181 in 2013).

For further details please see annexes.

2.3.3. *Commitments and executed payments*

Payments on contracted appropriations stood at 29.7 % at year-end.

The proportion of payments to initial commitments decreased to 21.5% (25.2% in 2013) rising to 25.7% compared to commitments available after outgoing transfers.

This relatively modest level of payments in year n, and the consequently rather high level of carry-overs to year n+1, stems from the fact that research departments commission studies and papers on the basis of political requests, during the financial year, from the committees. Many of these, particularly the more costly ones, are subject to time-consuming research and rarely give rise to payments in the same year. This has a big effect on the executed payments against commitments.

Additionally, guests entitled to reimbursements frequently send in their requests and receipts only after the end of the financial year, presumably when they prepare their private tax returns. This means that a significant portion of provisional commitments for travel and subsistence allowances has to be carried over as well.

The final amount carried over to 2015 (EUR 2.7 million) was of course significantly lower than last year (EUR 5.2 million). As a proportion of contracted commitments, however, the ratio remained fairly stable.

Amounts carried over will then be paid the following year at a rate that should approach 100%. Exceptions can relate to cases where the Parliament cancels a particular expertise item or considers that only part of the service has been delivered. They can also relate to carry-overs for travel and subsistence reimbursements, as the travel costs are not known at the time of the carry-over. It is therefore necessary to make an estimation erring on the safe side.

2.3.4. *Use of the appropriations carried over from 2013 to 2014*

The use of the appropriations carried over from 2013 to 2014 was about 96%. This was the same rate as in 2012, but slightly down from 2013 (98%).

For DG IPOL, which exclusively tenders for services (mainly studies, impact assessments and briefing papers) it is not unusual that a small part of the carry-overs is in fact cancelled, but the DG tries to minimise this portion through active follow-up and reminders from the Finance Unit.

As explained above, amounts not finally used can relate to the fact that papers may occasionally be rejected once received, either outright or (more often) in view of substantial modifications that need to be made. This is sound financial management as studies of insufficient quality should not be paid for, or only paid for partially.

Also, there are outstanding amounts, not finally used, that relate to carry-overs made on provisional commitments related to travel reimbursements. This is difficult to avoid since the eventual costs are not known at the time of the carry-overs procedure.

2.3.5. *Use of the appropriations corresponding to the assigned revenue*

2.3.5.1 Specific expenditure appropriations/assigned revenue

2.3.5.2 Specific expenditure appropriations/assigned revenue carried over

Not applicable

2.4. Obtained results

In early 2014 DG IPOL successfully put major efforts into finalising urgent legislation before the end of the term; for the other files the committee secretariats and Coordleg launched the exercise of “unfinished business” for the new term to prepare for speedily continuing work on these files.

Before the electoral break IPOL management met for an away-day in Genval to discuss current and upcoming challenges for our Directorate-General. The DG there welcomed the Secretary-General who presented the “Strategic Execution Framework” (SEF) as well as its component “completing the legislative cycle”, hence providing an impulse for starting related strategic reflections in IPOL.

In April DG IPOL submitted a first set of 8 strategic projects to the Secretary-General. One of the focal points of these projects is “scrutiny” for which IPOL submitted three projects (scrutiny culture – scrutiny of delegated acts – scrutiny of MFF programmes) and work on the first milestones of these projects started immediately. Later in the year DG IPOL reviewed these projects in the process of elaborating an SEF for the DG. Both IPOL's SEF and the reviewed and refined strategic projects were submitted to the Secretary-General in December 2014.

As in 2009 an "Election Break Training" was organised and implemented by the DG IPOL and EXPO Training & Assistance Service, in close cooperation with DG EXPO, which ran from 28 April to 23 May 2014. During this 4-week programme, 65 training modules were offered to IPOL and EXPO staff (and some staff of other DGs such as EPRS, TRAD and PRES). Courses covered a wide range of subjects including topical policy issues, procedural questions, sharing of best practices, and IT applications. Altogether 3066 participants followed the courses.

DG IPOL organised committee and policy department welcome stands for the new Members in June, giving them a first overview of what our staff can do for them. IPOL also prepared a comprehensive welcome pack for the new committees which should be a very useful compilation for Members.

The removal to our new offices in the SQM building as from June was a logistical challenge. Certain bigger or smaller problems were encountered in the new building during the first months and colleagues have shown considerable flexibility and patience when it came to dealing with complications.

July saw a smooth constitution of the new committees and of the Conference of Committee Chairs.

September and October stood under the sign of the hearings of the Commissioners-designate, another major multi-dimensional project involving many units of IPOL as well as several other DGs. This complex exercise had tight deadlines, but was well prepared and run so that the new European Commission could start its term on time on 1 November. Compared to previous exercises of scrutinising designated commissioners, the last one proved more difficult due to the new distribution of competences within the future commission. Preparatory meetings at administrative level as well as very delicate negotiations at political level have been organised by the committee secretariats in order to guarantee a good balance across committee's competences and interests. The results have been excellent.

In the field of public procurement, DG IPOL cooperated with the Internal Auditor. In response to recommendations made in the 2013 internal audit report on STOA (now in DG EPRS), the auditor was informed of three improvements that would be implemented also in IPOL:

- Update of the Procurement Preparatory Document to better estimate the expected cost of external expertise
- Revision of the quality assessment sheet of external expertise to better assess the value for money
- Creation of a common database for the quality assessment sheets in order to better share these across the different units in the DG.

As regards IT matters in the Parliament, IPOL continued to actively contribute to the development and implementation of key projects such as E-Parliament, Paperless/E-Meeting, and Knowledge Management. The committee cycle for amendments, which allows the full electronic transmission of documents, was completed. Also, at the beginning of the new legislative term, the possibility of using electronic signature for committee amendments was generalised across parliamentary committees, as well as the option of holding paperless committee meetings, already used by EMPL and ENVI committees.

Also, in October 2014 a revamped IPOLnet website went on line together with a brand new website for policy departments (POLDEPnet). The new IPOLnet ensures easy access to all the necessary information that is usually searched by intranet viewers - such as administrative news, presentation of services and related tasks, staff lists and documents - while comprehensive information on finance, human resources, informatics, logistics and trainings are gathered in a "support services" site. This has made the structure of the DG far more easily accessible for web-visitors.

2.4.B Obtained results (data against budget items)

DG IPOL renewed its commitment to using its disposable resources in the best possible way, in terms of staff, meeting time, conciliations, trilogues, interpretation, translation, etc.

A selection of specific indicators to meet the political and legislative objectives and to complement the text above are the following (it should be noted that they are not necessarily comparable to previous years, due to the characteristics of an election-year).

- 312 parliamentary committee meetings were organised, including the constituent meetings of the new parliament. These, and all related work prior to them, eventually led to the adoption of some 404 reports (including budget transfers), which were voted and later dealt with by the plenary.
- 197 trilogues were organised in 2014, clearly reflecting a reduction due to the election year (695 in 2013 and 335 in 2012).

Concerning budget resources managed directly by DG IPOL, the following quantitative analysis can be made:

- Concerning sub-item 1612-02 (professional training): DG IPOL organised and financed 45 individual courses (115 in 2013), 10 away-days (18 in 2013), and 3 internal training courses (6 in 2013). The vast election break training programme was organised with in-house trainers/moderators and did not involve expenditure from this item.
- Concerning sub-item 3042-01 (committees' missions): In total, 25 missions were organised, out of which 18 had a financial impact against this line (organisational costs such as rental of office space and local transport). This low number should be seen against the background of the Parliament's "no-missions-policy" for the first half of the year.
- Concerning sub-item 3200-01 (external expertise): The policy departments commissioned a total number of 123 items of external expertise (2013: 179). Of these, 9 were large studies over EUR 60 000 (2013: 23). Approximately 60% of this volume (based on value) was ordered through the existing framework contracts (2013: also 60%), the remaining 40% being ordered through other procedures. In 2014, IPOL policy departments had 15 framework contracts in place (2013: 19). The DG also disposes of 3 CEI lists (call for expression of interest) to further widen the choice of expertise in some areas.
- Importantly some 218 internal studies and briefing papers were also produced, not drawing on any budget funds managed by IPOL (2013: 372 and 2012: 231). If requested up-dates of existing internal papers is included, the number was as high as 348, despite the significant dip in regular activities during an election year. These figures seem to consolidate a trend of increased internal production over the past two years.
- The policy departments organised 15 workshops in which external experts participated and discussed with committee members (2013: 37). A total of 55 experts were reimbursed against this item. A further 10 experts were invited to share their economic, financial and monetary expertise in preparatory meetings of Monetary Dialogue sessions organised by ECON; these experts delivered 27 briefing papers prior to the sessions (2013: 34).
- The committees organised 50 hearings (2013: 85). A total number of 104 experts at these hearings (2013: 162) were reimbursed for travel costs against this item. Also, the Petitions Committee heard 127 petitioners at different hearings and meetings (21 petitioners were reimbursed against this item).
- Sub-item 3220-13 (books and subscriptions) was used 7 times for various subscriptions (used 12 times in 2013).

3. EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL SYSTEMS, INCLUDING AN OVERALL ASSESSMENT OF THE COSTS AND BENEFITS OF CONTROLS (ART 66.9 FR)

In general terms, IPOL's financial activities include a mix of medium to low-value transactions. In terms of value, some 90% of the budget is related to the purchase of expertise following requests from parliamentary committees. A substantial number of low-value transactions is also handled and relate to reimbursement of experts for hearings.

The budget structure and detailed financial circuits for the DG's implementation of these funds are published and updated on its web-pages.

This year, the Authorising Officer by Delegation requested that this substantial information should be subject to a major update and check.

The reason for this was that a major exercise of migrating all the DG web-structure onto a new web-site was undertaken. This thus constituted an ideal opportunity to update and/or re-write certain parts and to discontinue anything that had become outdated. This exercise was carried out by the Finance Unit.

The AOD always includes an item of budget follow-up on every agenda of the Directors' (AOS) meetings (weekly). The implementation of all funds is authorised at the level of Directorates, with the respective Director as AOS, and in close cooperation with the Finance Unit in terms of ex-ante control and advice. This cooperation between operational departments and the Finance Unit, and also with the personnel and IT units for those issues, reflect a strong culture of cooperation in an essentially decentralised structure with strong central support functions.

The use of budget funds is transparent and under detailed scrutiny at all levels of the hierarchy. Naturally, all basic concepts, such as the segregation of duties, are fully respected.

The DG objectives are set annually on the basis of the *Administrative Work Programme* approved by the Secretary General (to be replaced by the *Strategic Execution Framework* and the *Parliament Project Portfolio* from 2015). These are communicated to staff in writing and orally in meetings. Delegations of powers are clearly defined and always communicated in writing.

Risk management within the DG is still under development. Five risk files have been completed and are in the process of being transposed to a new format. The practical use of the risk file(s) proved disappointing in relation to the DG's move to new premises. Also, a crisis management mechanism has been proposed by IPOL (see point 1.2).

In addition to the above, IPOL also operates a number of other procedures and work practices to continuously monitor and improve the compliance with the minimal norms for internal control and their effective functioning.

For example, DG specific instructions on public procurement issues are also published and updated, including all relevant links to DG Finance models.

IPOL also runs an official working group to promote knowledge and experience in the field of procurement and contract management. This group is very useful to discuss issues in detail, such as consequences of the new rules. The working group officially submitted a proposal for a more effective and adapted version of the procurement model for open procedures during the year. A final input is still expected from the Public Procurement Forum after consultation of the Legal service.

Regular meetings with all financial actors have also been set up by the AO, implemented by the Finance Unit, in order to continuously monitor and improve financial procedures.

Naturally, the DG works closely with the Internal Auditor, both in terms of his annual work programme and audit topics, but increasingly also on special consultation assignments. This cooperation continued in an excellent way in 2014.

The AO has since many years introduced a training programme for newcomers, also including a module on "financial circuits" to emphasise the importance of correctly applying the existing procurement, contractual and financial rules.

DG IPOL continued to dedicate a previously existing post of an ex-ante verifier purely for procurement issues and contractual advice as from January 2012. This measure has continued to give positive results during the course of 2014. The focus on giving assistance to operational departments "ex-ante" thus continues in a successful way.

Overall, the cost effectiveness of controls is assessed to be high with a large degree of transparency, good cooperation and clear procedures, while at the same time maintaining a lean establishment plan and an un-bureaucratic central structure.

4. CONCLUSIONS

As the above remarks will have made clear, 2014 was a special year for IPOL. While 2013 had seen an expected peak of legislative activity, in particular in connection with the Multiannual Financial Framework, 2014 logically did not bring the same intense level of legislative work.

At the same time, this decline of legislation in 2014 was offset by a broad array of atypical tasks and challenges due to the transition to a newly elected Parliament. These special tasks in 2014 had an impact for many colleagues in IPOL, in committee secretariats, in Policy Departments or the Economic Governance Support Unit, as well as in horizontal and support functions.

The transition to the 8th term was thoroughly prepared and DG IPOL, in good cooperation with other DGs concerned, ensured that the committees and the Conference of Committee Chairs could restart their work smoothly and without any problems.

The transition to the new term was flanked by IPOL's move to the Square de Meeûs. A remaining challenge following this move is to ensure that our colleagues can continue to provide the best possible assistance to committee Members, despite the increased geographical distance and also in situations of peak workload. Developments in this sense will have to be closely monitored and, where appropriate, working methods will need to be adapted.

In addition to demonstrating flexibility and availability in connection with the move of the whole DG, and being able to quickly adapt to a different logistical environment, DG IPOL staff at the same time proved very able to cope with the hearings of Commissioners-designate, even when facing very short-term notice of the distribution of responsibilities amongst Commissioners, as well as dealing with other unexpected events brought about by last minute political changes.

5. DECLARATION BY THE AUTHORISING OFFICER BY DELEGATION

I, the undersigned,

Director-General of

hereby declare, in my capacity as authorising officer by delegation, that I have reasonable assurance that:

- a) the information contained in the report presents a true and fair view;
- b) the resources assigned to the activities described in the report have been used for their intended purpose and in accordance with the principle of sound financial management;
- c) 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 self-assessment, ex post controls and remarks by the Internal Audit Service, as well as the lessons learned from the reports of the Court of Auditors for financial years prior to that for which this declaration is being made.

I also confirm that I am not aware of anything not reported here that could be prejudicial to the interests of the institution.

Done at Brussels,

on

Signature

6. ANNEXES

- 6.1. Lists on the budget implementation 2014**
Listes concernant l'exécution du budget 2014
- 6.2. Report on the compliance with payment time limits**
Rapport sur le respect des délais de paiement
- 6.3. List of exceptions – derogations to the rules**
Liste des exceptions – dérogations à la réglementation
- 6.4. Long-term contractual obligations**
Obligations contractuelles de longue durée
- 6.5. Exceptional Negotiated Procedures**
Procédures négociées exceptionnelles
- 6.6. Results of the evaluations *ex-post* - not applicable**
Résultats des évaluations a posteriori – sans objet
- 6.7. Sensitive posts**
Fonctions sensibles
- 6.8. Self-assessment of the implementation of Minimum Standards for Internal control**
Auto-évaluation de l'application des normes minimales de contrôle interne

Annex 6.1.1

USE of CURRENT APPROPRIATIONS as at 31 DECEMBER 2014 (Source: FINORD)**Situation of current appropriations**

Sub-item	(*)	Initial appropriations	Extra Budg. Transfers	Current appropriations	Contracted commitments	Appropriations available	% Used
1		2	3	4	5	6=4-5	7=5/4
01612-02		140.000,00	-25.000,00	115.000,00	65.632,07	49.367,93	57,07%
03020-09		54.660,00	0,00	54.660,00	35.341,55	19.318,45	64,66%
03042-01		150.000,00	0,00	150.000,00	58.805,10	91.194,90	39,20%
03200-01		4.950.000,00	-850.000,00	4.100.000,00	3.669.785,60	430.214,40	89,51%
03220-13		40.000,00	0,00	40.000,00	31.043,81	8.956,19	77,61%
TOTAL		5.334.660,00	-875.000,00	4.459.660,00	3.860.608,13	599.051,87	86,57%

Situation of payments

Payments done	Balance of commitments = carry overs	% Used
8	9=5-8	10=8/5
60.957,17	4.674,90	92,88%
23.467,55	11.874,00	66,40%
53.205,10	5.600,00	90,48%
977.513,81	2.692.271,79	26,64%
31.043,81	0,00	100,00%
1.146.187,44	2.714.420,69	29,69%

Annex 6.1.2

Use of 2013/2014 APPROPRIATIONS CARRIED OVER as at end of 2014

(Source: FINORD)

SITUATION of APPROPRIATIONS CARRIED OVER (C/O)

Sub-item	C/O 2013/2014	Payments done on C/O	% of paid appropriations C/O	outstanding not used amount
1	2	3	$4=3/2*100$	5=2-3
01612-02	12.256,06	11.157,50	91,04%	1.098,56
03020-09	11.841,54	11.204,00	94,62%	637,54
03042-01	11.216,35	8.005,98	71,38%	3.210,37
03200-01	4.375.543,83	4.199.832,30	95,98%	175.711,53
03220-13	1.186,81	898,85	75,74%	287,96
TOTAL	4.412.044,59	4.231.098,63	95,90%	180.945,96

6.2 Report on the compliance with payment time limits

6.2 Rapport sur le respect des délais de paiement

SOO25:Invoices paid from 01/01/2014 to 31/12/2014
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Factures payées		Intérêts de retard à payer à la demande (<=200 €)	Pas d'intérêts de retard à payer	Total
Endéans le délai	Nombre de factures		281	281
	Montant total des factures (EUR)		4.686.188,58	4.686.188,58
	Montant des intérêts de retard (EUR)			
Après le délai	Nombre de factures	42		42
	Montant total des factures (EUR)	521.394,57		521.394,57
	Montant des intérêts de retard (EUR)	1.017,99		1.017,99
Nombre de factures		42	281	323
Montant total des factures (EUR)		521.394,57	4.686.188,58	5.207.583,15
Montant des intérêts de retard (EUR)		1.017,99		1.017,99

Although it concerns very minor amounts, DG IPOL takes note of the fact that the number of invoices with potential charges needs to be explained. A first analysis showed that the distribution across different departments is not uniform. Special targeted information and advice will therefore be given.

6.3 List of exceptions – derogations to the rules / Liste des exceptions - dérogations à la réglementation
 Liste des renoncements/annulations de créance (RAP 91, 92)

Dérogations aux procédures

Les décisions dérogeant aux procédures établies et aux réglementations applicables							
Réf. document	Ordonnateur compétent	Objet	Montant	Avis vérificateurs		Décision	
				conforme avec observation / non conforme	Justification	Ordonnateur compétent	Justification
OD 875/102, ED 875/15031	G. LAPRAT and A. VITREY	Reimbursement of A. Wille, CONT hearing, 17.09.2013	388	Conforme avec observation	Due to problems with carry over of provisional ED 546/15019 from 2013 to 2014, ED 875/15031 from 2014 is used to cover legal commitment from 2013	G. LAPRAT and A. VITREY	Agreed in order to honour legal commitment (see GEDA note D(2014) 10720 of 21.02.2014)
ED 830/15016	A. VITREY	Funeral	250	Conforme avec observation	Exception due to the fact that an expense for a funeral was not explicitly mentioned in IPOL guidelines (to be revised), but is of course in full compliance with the budget line in question	A. VITREY	Agreed to pay DG IPOL's respects at the funeral of a Member
OD 577/417 ED15005 (2013)	S. OBERHAUSER	Exceptional payment of the travel expenses reimbursement claim for the participant of the PECH Committee public hearing on 16/12/13	465	Conforme avec observation	Declaration of loss of boarding cards; payments authorised by AOS in note to the file of 25/9/14	S. OBERHAUSER	Agreed to reimburse the participant's travel expenses based on a photocopy of the invoice, and his declaration on the honour that he did send the tickets and boarding passes.

Les décisions dérogeant aux procédures établies et aux réglementations applicables

Réf. document	Ordonnateur compétent	Objet	Montant	Avis vérificateurs		Décision	
				conforme avec observation / non conforme	Justification	Ordonnateur compétent	Justification
ED 648/15209	T. LEPOUTRE	6 months subscription to Economic analytics data package	7500	Conforme avec observation	Paid out of ECON Budget post 03200-01-06 instead of 03200-13-01 for subscriptions	T. LEPOUTRE	signed request submitted to ex-ante on 21/11/2014
ED 843/15210	S. OBERHAUSER	Expert invitation to attend AGRI workshop 04.12.2014	1500	Non Conforme	Breach of Art. 86.1 FR : Invitation letter was sent 1 month before the ED for travel reimbursement was established	S. OBERHAUSER	ED was cancelled; instead provisinal ED 648/15013 was used with the agreement of T. Lepoutre-Dumoulin
ED 843/15211	S. OBERHAUSER	Expert invitation to attend AGRI workshop 04.12.2014	1500	Non Conforme	Breach of Art. 86.1 FR : Invitation letter was sent 1 month before the ED for travel reimbursement was established	S. OBERHAUSER	ED was cancelled; instead provisinal ED 648/15013 was used with the agreement of T. Lepoutre-Dumoulin

Renonciation/annulations de créance

Not applicable

Les procédures de renonciations/annulations de créance

Réf. document	Ordonnateur compétent	Objet	Montant	Justification de l'ordonnateur quant à la renonciation/annulation

6.4 Long-term contractual obligations / Obligations contractuelles de longue durée

Contractant	Objet	Durée ⁽¹⁾		Valeur totale marché	Dépense contractuelle pour 2014	Type de renouvellement ⁽²⁾	Description des mesures de contrôle
		Contrat	Marché				
MILIEU	IP/A/ENVI/FWC/2010-005/C1/MILIEU 1 /AV/2	54 months	3 specific order forms in the 5th year	FWC = 0 EUR	121.620 EUR	Manuel (extension letter)	expiry date of the FWC : 31.12.2014
Österreich. Institut für Raumplanung	IP/B/REGI/FWC/2010-002/LOT1/C2/OSTERREICH 1	5x12 months	2 specific order forms in the 5th year	FWC = 0 EUR	118.200 EUR	Tacit renewal	expiry date of the FWC : 31.12.2014
Wuppertal Institut für Klima, Umwelt , Energie GmbH	IP/A/ENVI/FWC/2010-003/LOT3/C1/WUPPERTAL 1/AV/ 2	48 + 6 months	5 specific order forms in 2011 for a total amount of 121.205 EUR	FWC = 0 EUR	15.915 EUR	Manuel (extension letter)	expiry date of the FWC : 31.12.2014
Centre European Policy Studies	IP/C/LIBE/FWC/2009-054/LOT5/C1/CENTRE 1	5x12 months	3 specific order forms in 2012 for a total amount of 120.000 EUR	FWC = 0 EUR	0 EUR	Tacit renewal	expiry date of the FWC : 31.12.2014
Deloitte	IP/D/ALL/FWC/2009-056/LOT6/ Deloitte 2	5x12 months	2 specific order forms in 2013 for a total amount of 178.700 EUR	FWC = 0 EUR	0 EUR	Tacit renewal	expiry date of the FWC : 31.03.2015
Ernst and Young	IP/D/ALL/FWC/2009-056/LOT7/Ernst & Young 1	5x12 months	2 specific order forms in 2012 for a total amount of 109.210 EUR	FWC = 0 EUR	0 EUR	Tacit renewal	expiry date of the FWC : 31.03.2015
CSIL	IP/B/REGI/FWC/2010-002/LOT1/C2/CSIL CENTR 1	5x12 months	3 specific order forms in 2012 for a total amount of 185.650 EUR	FWC = 0 EUR	0 EUR	Tacit renewal	expiry date of the FWC : 31.12.2014

London Economics	IP/A/IMCO/FWC/2010-057/LOT3/C2/LONDON 1	5x12 months	1 specific order form in 2012 for a total amount of 109.450.EUR; 2 specific order forms in 2013 for a total amount of 108.200.EUR	FWC = 0 EUR	0 EUR	Tacit renewal	expiry date of the FWC : 31.07.2015
Jeanet Associés	IP/C/LIBE/FWC/2009-064/LOT2/C1/Jeanetass 1	5x12 months	3 specific order forms in 2011 for a total amount of 370.000 EUR	FWC = 0 EUR	0 EUR	Tacit renewal	expiry date of the FWC : 31.12.2014

(1) Indiquez s'il s'agit de mois ou années, voire si la durée est indéterminée

(2) Indiquez s'il s'agit d'un renouvellement manuel ou automatique

6.5 Exceptional Negotiated Procedures
Procédures négociées exceptionnelles - articles 53, 134 et 135 RAP

Nom/s de/s l'attributaire/s	Objet	Montant	Base juridique	Motif	Candidats		Critères d'acceptabilité	Référence du marché	Date Avis FMP
					Invités	Pour négociations			
Blomeyer y Sanz	Update of the Study: The effectiveness of the Code of Conduct for Members of the European Commission	24.000	Article 134.1 (e) and 134.2 RAP	Update of the Study IP/D/CONT/2008-186 - Additional service awarded to the contractor performing the initial contract	1	1	As a very significant part of the follow-up study, including use of the methodology developed, would need to build on the original study, it was considered, from both a financial and content point of view, necessary to use the original contractor.	IP/D/CONT/IC/2014-053	n/a
Stimulus S.A.	Delegation COP20-Lima, PERU	31.513,81	Article 134.1 (b)	Space rental for the EP and office equipment for meeting room	1	1	Sole operator in charge of the organisation of the Conference with whom an agreement could be signed for the rental of office space and equipment.	Committee Delegation expenses, ED 15012	n/a

6.6 Results of the evaluations *ex-post*
Résultat des évaluations ex-post

N/A

6.7 Sensitive posts
Fonctions sensibles

***Fonction identifiée sensible -
Mesures prises***

The 2012 assessment of the sensitivity of DG IPOL posts showed that, even though there are potentially sensitive posts (e.g. management posts; more than 7 years in posts), the existing control environment can be considered as sufficient to compensate for the resulting risks (e.g. inclusion in the annual mobility exercise).

The next assessment is planned for 2015.

6.8 Self-assessment of the implementation of Minimum Standards for Internal control
Evaluation de la mise en oeuvre des normes minimales de contrôle interne

Tableau synoptique d'évaluation

(base : normes de 2002)

N° norme 2002	N° norme 2014	achevée	presque	en partie	démarrée	à démarrer / NA
Section 1: Environnement de contrôle						
1. Déontologie et intégrité	2	✓				
2. Mission, rôle et tâches	1	✓				
3. Compétences du personnel	3	✓				
4. Rendement du personnel	3, 4	✓				
5. Fonctions sensibles	7	✓				
6. Délégation	7	✓				
Section 2: Performance et gestion des risques						
7. Fixation d'objectifs	5	✓				
8. Programmation pluriannuelle	n/a					
9. Programme de travail annuel	5	✓				
10. Contrôle de la performance sur la base d'objectifs et d'indicateurs	5	✓				
11. Analyse et gestion du risque	6	✓				
Section 3: Information et communication						
12. Information ad hoc en matière de gestion	12, 13	✓				
13. Enregistrement du courrier et systèmes d'archivage	11, 12	✓				
14. Signalement d'irrégularités	12	✓				
Section 4: Activités de contrôle						
15. Documentation relative aux procédures	8, 13		✓			
16. Séparation des tâches	8	✓				
17. Surveillance	9	✓				
18. Relevé des exceptions	8	✓				
19. Continuité des opérations	10	✓				
Section 5: Audit et évaluation						
20. Identification et correction des insuffisances du contrôle interne	15		✓			
21. Rapports d'audit	16		✓			
22. Examen annuel du contrôle interne	15		✓			

À titre d'information ci – après un tableau de conversion des normes 2014 par rapport aux normes 2002.

N° norme 2014	N° norme 2002	achevée	presque	en partie	démarrée	à démarrer / NA
Section 1: Mission et valeurs						
1. Mission	2	✓				
2. Valeurs éthiques et organisationnelles	1	✓				
Section 2: Ressources humaines						
3. Affectation du personnel et mobilité	3	✓				
4. Évaluation et développement du personnel	3, 4	✓				
Section 3: Processus de planification et gestion des risques						
5. Objectifs et indicateurs de performance	7, 9, 10	✓				
6. Processus de gestion des risques	11	✓				
Section 4: Opérations et activités de contrôle						
7. Structure opérationnelle	5, 6	✓				
8. Processus et procédures	15, 18		✓			
9. Supervision par le management	17	✓				
10. Continuité des opérations	19	✓				
11. Gestion des documents	13	✓				
Section 5: Information et reporting financier						
12. Information et communication	13, 14	✓				
13. Information comptable et financière	12	✓				
Section 6: Évaluation et audit						
14. Évaluation des activités	n/a					
15. Évaluation des systèmes de du contrôle interne	20, 22		✓			
16. Rapports d'audit	21		✓			

Commentaires sur le résultat de l'exercice annuel de l'autoévaluation des NMCI

1. Normes évaluées achevées - bonnes pratiques

Good practice examples for **2002 norms** (N° in brackets) :

- Regular training for newcomers (1);
- Budget management structure published on IPOLNET (2);
- Access to databases (e.g. FINORD) linked to mandatory training; toolbox for initiators published on IPOLNET (3);
- Dialogue with line manager for annual assessment in place (4);
- Rotation policy in place (5);
- Financial Actors table published on INTRANET (6);
- Objectives of the DG are defined and communicated each year (7);
- Administrative work program in place (9);

- Weekly monitoring of main budget implementation done by the DG's Finance Unit in cooperation with all operational departments (10) + (17);
- Risk assessment done by the responsible AOS for financial and legal commitments up to 60.000 EUR (11);
- Rules published on IPOLNET (12);
- Financial archives, of the DG centralised and managed by in the DG's Finance unit; all procedures published; in addition, before moving to the SDM building in July, destruction of all financial documents dated up to 2006 fulfilling the conditions established by DG IPOL's Retention Schedule Document (13);
- Financial circuits in line with Financial Regulation in place and published on IPOLNET; Detailed checklists for initiation , verification and archiving continuously updated and published (16);
- Exceptions and Derogations are registered in the Finance Unit's database FINIP and in Web Contracts (18);
- Back-up in place to ensure the continuity of operations (19).

Good practice example for **2014 norm** N° 9 :

- Budget follow-up figures on every agenda of the Directors' (AOS) weekly meetings
- On a political level, the CCC reviews the budget in September for potential adjustments and re-allocations in accordance with the Committees' needs

2. Normes évaluées **presque achevées - éléments à compléter**

- On-going regular update and revision of tailor-made IPOL templates and best-practice in procurement. Depends on IPOL. Full harmonisation of IPOL specific model for open procedures expected in early 2015 (currently submitted to the FMP and Legal Service for approval).
- A major check and update of on-line based manuals / templates of financial and contractual procedures on the new IPOL web-site has been done since it was launched in October 2014. Moreover, a new section "NEWS" has been added to the new Finance Unit's web-site to improve efficiency of communication with Financial Actors and Committee Secretariats.
- Follow-up an implementation of recommendations (e.g. IPOL working group to improve efficiency of procurement activities). Depends on IPOL.
- Annual revision of control framework in connection with the annual activity report. Depends on IPOL. Such a “method” should still be better defined, even though the control framework is continuously monitored and improved, notably through the Finance Unit and particularly the use of the DGs web-pages.

3. Normes évaluées **partielles** ou **démarrées - points faibles et pratiques**

NA

4. Normes évaluées à **démarrer ou non applicables.**

- **From a purely political aspect**, control standard 10 is, however, partially non-applicable. This is due to the fact that the most important objectives of the DG are of a political nature and mostly depend on political decisions. They do not lend themselves easily to measurement through quantitative indicators
- Multi-annual programming is not an integral part of the current system of an annual "administrative work program". With the introduction of a "Strategic Execution Framework" (SEF), multiannual aspects will feature more prominently.
- The DG does not operate an ex-post evaluation system. Given the need to carefully weigh the benefits of such controls compared to the resources needed to implement them, it is considered much more effective to concentrate limited resources on ex-ante controls in conjunction with continuous information and training. This is particularly so given the DGs relatively modest annual budget. Nevertheless, informal ex-post controls can be made when deemed pertinent