



Management Board

ACTIVITY REPORT OF THE TRANSLATION CENTRE 2011

CT/CA-002/2012/01EN

ADOPTED BY THE CENTRE'S MANAGEMENT BOARD ON 22 MARCH 2012

This Annual Activity Report (AAR) has been drawn in compliance with Article 8(3) of Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union, as last amended by Council Regulation (EC) No 1645/2003 (the 'Founding Regulation') and Article 40(1) of the Financial Regulation of 22 December 2003 applicable to the Translation Centre for the Bodies of the European Union, as last amended by the Regulation of 25 March 2009 (the 'Financial Regulation')

Activity Report for 2011.

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Translation Centre for the Bodies of the European Union

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INTRODUCTION TO THE TRANSLATION CENTRE

The Translation Centre for the Bodies of the European Union was formally established in 1994 by Council Regulation (EC) No 2965/94, amended by Council Regulation (EC) No 1645/03 and then amended again by Council Regulation (EC) No 2610/95.

The Translation Centre's mission is to provide translation services to the other decentralised EU agencies and assist those EU institutions and bodies which have their own translation services in times of peaks in workload. Its second main task is to contribute to interinstitutional cooperation between the EU's translation services with the aim of rationalising working methods, harmonising procedures and making overall savings in the field of translation.

The clients are the Centre's *raison d'être*. In addition to the 52 existing clients at the end of 2010, four new clients were added to the Centre's portfolio of clients in 2011: the three new financial supervisory authorities – European Banking Authority (EBA), European Securities and Markets Authority (ESMA), European Insurance and Occupational Pensions Authority (EIOPA) and the Body of European Regulators for Electronic Communications (BEREC). At the end of 2011, negotiations about formal cooperation were still ongoing with the European Economic and Social Committee (EESC) and the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (IT Agency).

In response to the challenge of the anticipated reduction in the workload from its biggest client, the Office for Harmonization in the Internal Market (OHIM), in 2011 the Centre prepared 'Options for the sustainable future of the Centre' and the new 'Strategy 2012-2014: Embracing the challenges' presented to the Management Board in October 2011.

In 2011, the Centre carried out its activities in line with the strategic priorities set out in the current Strategy 2008-2012, which are, first, to market and promote its service, and satisfy its clients; second, encourage a spirit of innovation; and, finally, capacity building with new knowledge and skills. The Centre's operations are based on annual work programmes. The Work Programme 2011 is divided into four activities:

1. Core operational activity: translation
2. Support activities
3. External outreach activities
4. Management and supervision activities

The mandate, mission statements, specific activities/actions and operations of the Centre are implemented by five departments and the Director's Office. Annex I shows the Centre's organisation chart as of 1 June 2011. At the end of December 2011, the organisational structure had not changed.

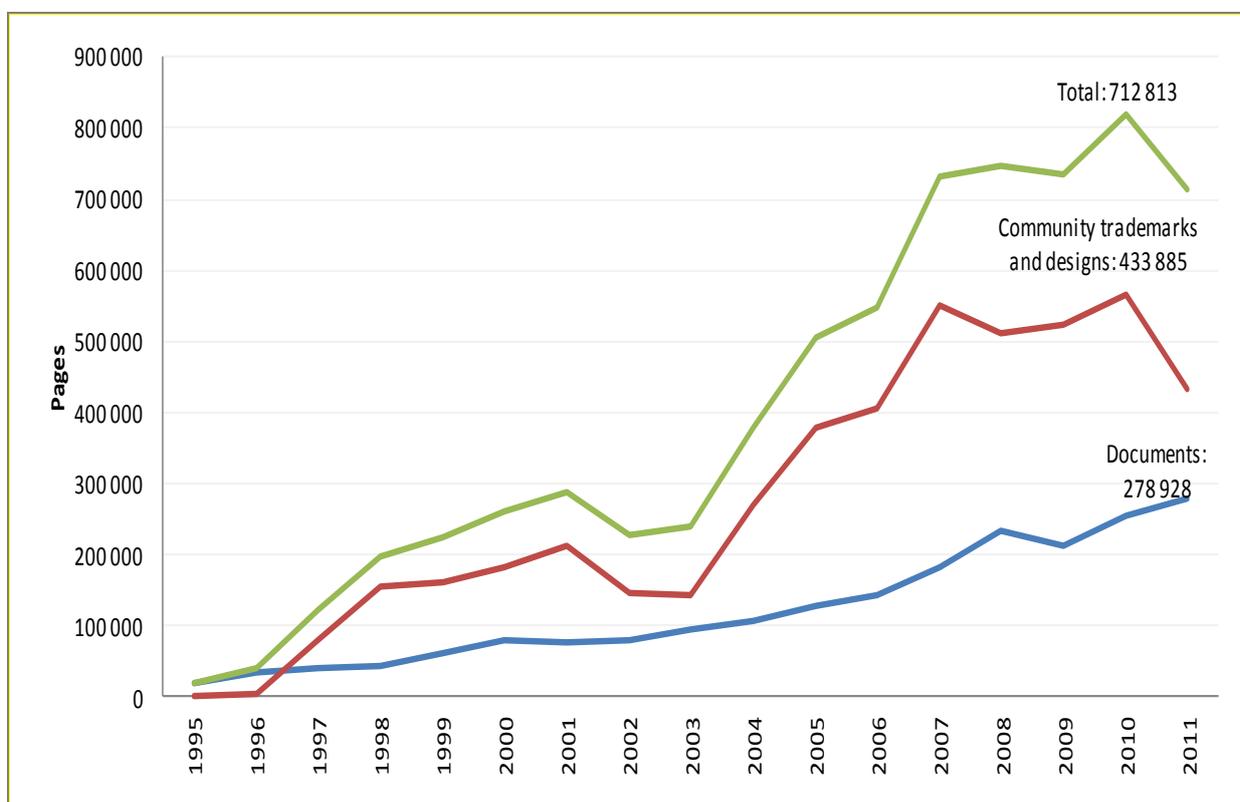
PART I.
IMPLEMENTATION OF THE WORK PROGRAMME 2011

CHAPTER 1
CORE OPERATIONAL ACTIVITY: TRANSLATION

Actions 1.1 and 1.2. Translate, modify, edit and revise documents and Community trademarks and designs according to set quality criteria

In 2011 the translation volume of the Centre totalled 712 813 pages¹: 278 928 for documents and 433 885 pages for Community trademarks, against 836 039 pages planned in the Work Programme 2011 (315 624 pages for documents and 520 415 pages for Community trademarks).

Figure 1: Evolution of translation volumes 1995-2011

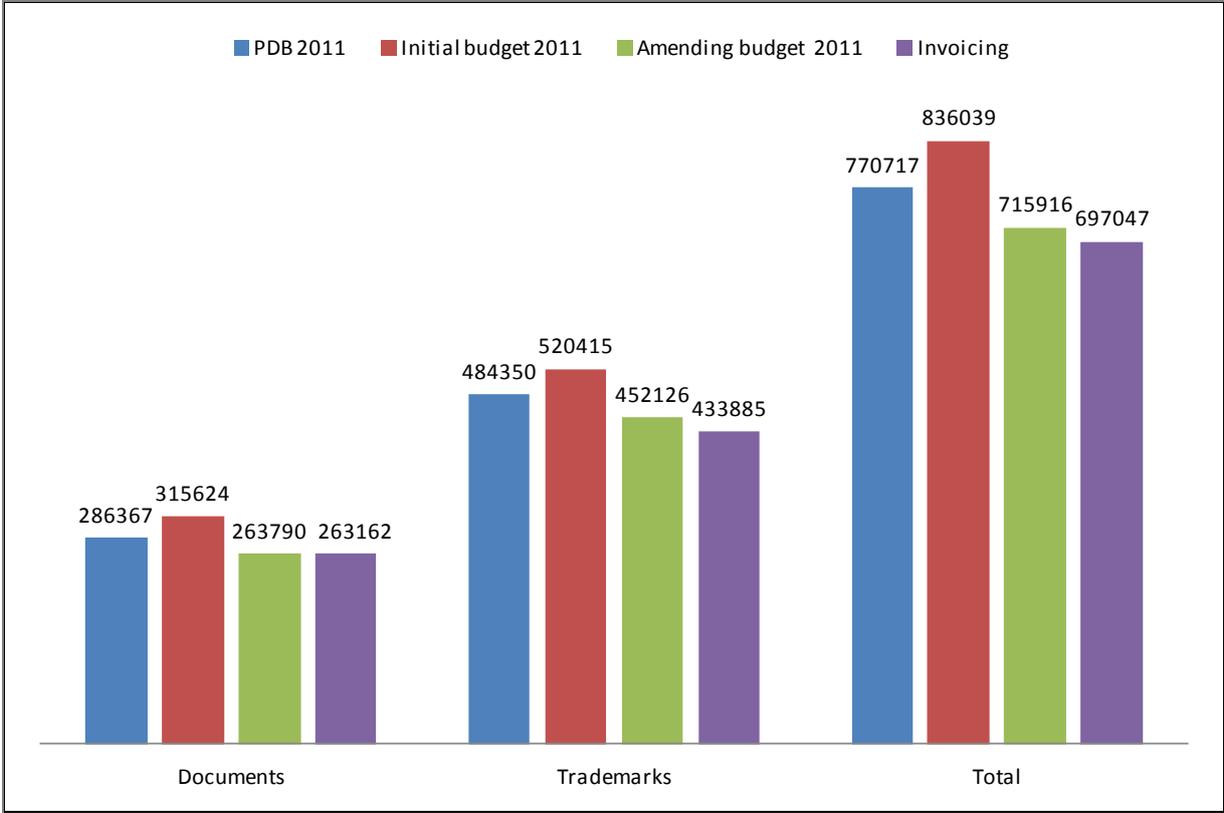


2011 was marked by a considerable fluctuation of volume forecasts during the year. The reduction in the planned volume of documents can be explained by the tightening of the budget due to the global economic situation; the reduction in the volumes of Community trademarks is explained by the technological developments that the Office for Harmonization in the Internal Market (OHIM) has introduced internally. It should be noted, however, that this drop in volumes was anticipated by the Centre only from the year 2014 onwards, as tentatively announced by the OHIM; thus the considerable

¹ Including pages translated for the Translation Centre.

drop which materialised earlier than planned had an impact on the Centre’s budget. The fluctuations of forecasts vs actual volumes are shown in Figure 2².

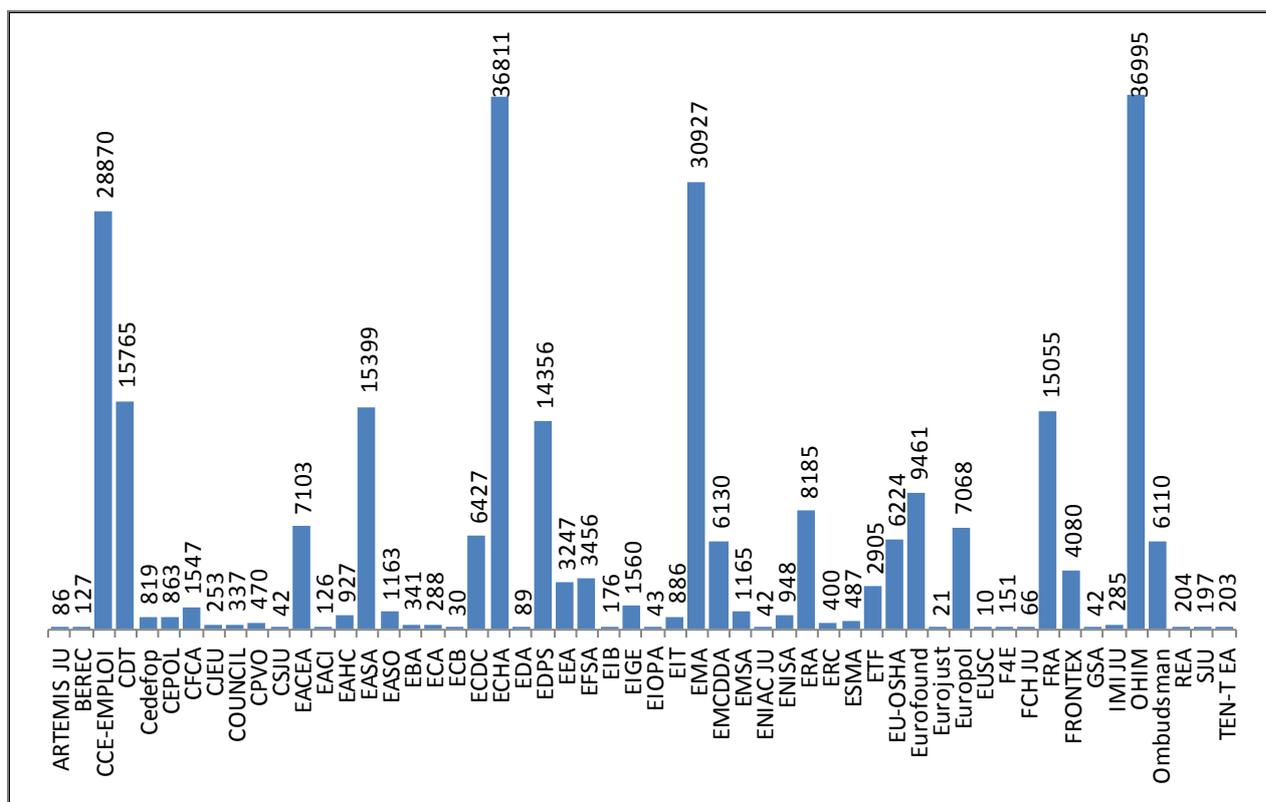
Figure 2: Fluctuations of forecasts vs actual volumes in 2011 (in pages)



In line with its mission and business strategy, the Centre offered a number of products/services³ to its clients in 2011. In addition to its translation services, it edited a total of 13 087 pages for nine clients, of which 11 241 were opposition decisions⁴. Some 283 man/days were devoted to terminology work. In 2011, seven clients requested the translation of 47 210 ‘term list’ entries, of which 33 576 were done within the framework of trademark classification. The breakdown of 2011 volumes by client is shown in Figure 3:

² For a more detailed presentation, please see Part II, Chapter 2, Item 2.1.6. For figures, see Annex III Statistics on financial management
³ The language services include: translation of documents, translation of Community trademarks and designs, amendment/modification, revision of translations, editing of source text, proofreading of OHIM opposition decisions, terminology, term lists and standardisation.
⁴ OHIM opposition decisions are documents relating to trademark oppositions. Usually around five pages long, these documents are sent for editing to the Translation Centre when drafted in English by non-native speakers.

Figure 3: Volume broken down by client ⁵



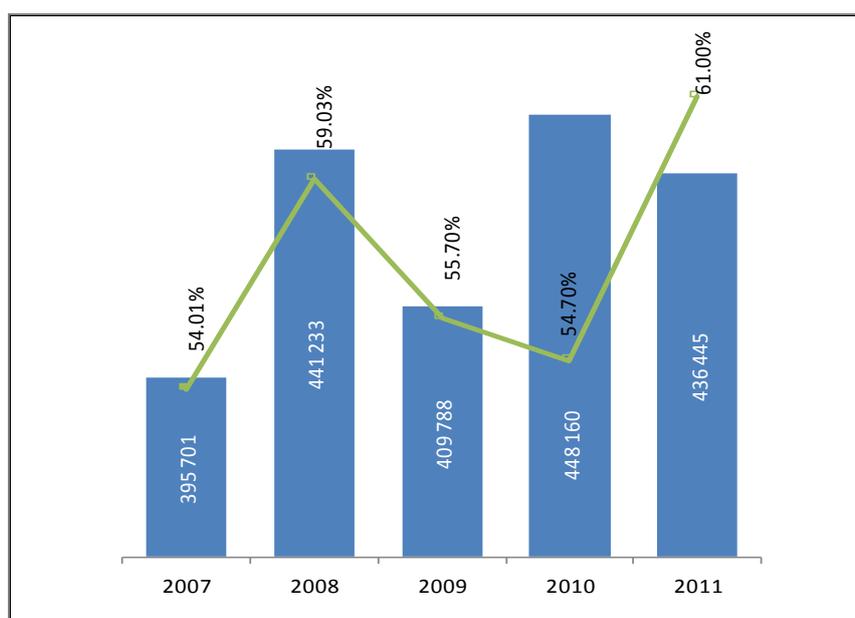
In 2011, the Centre used 1 547 framework contracts signed with freelance translation providers⁶ to outsource documents. In assigning translation tasks to contractors, the Centre takes full account of their prior performance in terms of respecting deadlines and translation quality. In 2011, the Centre outsourced a total of 436 445 pages (61% of total volume), i.e. 6% more than in 2010 (see Figure 4). Within the framework of translation quality assurance, all these pages were revised by in-house translators. As in 2010, in 99.5% of these cases⁷ the translations were judged to be of good or excellent quality by the Centre's in-house translators.

⁵ Figures include services invoiced in standard pages: translation of documents, amendment/modification, revision of translations, editing of source text and proofreading of OHIM opposition decisions. The graph does not show the figure for Community trademarks and designs.

⁶ The Centre's translation requests are channelled through either in-house or freelance translation. The Translation Centre uses a network of freelance translators (companies and individuals) to cover translation requests for specific subject matters and language combinations.

⁷ Indicator: $\frac{\text{number of translated documents having received a positive assessment by the Centre's in-house translators}}{\text{total number of documents translated externally}}$

Figure 4: Evolution of outsourced pages over the last three years



Action 1.3. Maintain a high respect of delivery deadlines

In 2011, the Translation Centre delivered translations to its clients on time in 98.5% of cases, against the indicator of 99% set in the Work Programme 2011. Around 49.5% of translations of documents had a normal deadline, while 33% were scheduled and 17.4% were urgent. In 2010, these figures were 53.4%, 26% and 20.6%, respectively.

Action 1.4. Implement the Translation Quality Assurance Action Plan

The Centre exceeded the set target, as by the end of 2011 approximately 90% of the Translation Quality Assurance Action Plan had been implemented, against 80% as foreseen in the Centre's Work Programme.

The main improvements comprised, first of all, actions concerning new translation tools, document formats and translation memories, including the migration to the interinstitutional translation memory database 'Euramis', carried out by the restructured Language and Technology Support Section. An important element was the new focus on the training of translators: the Centre's Training Plan 2011, rather than giving priority to acquiring new languages, concentrates on fostering mother-tongue skills, in particular 'writing for the web' and journalistic style, and technical knowledge in the areas of activity of the Centre's clients.

As regards the monitoring of service delivery, in 2011 the Centre conducted a general Client Satisfaction Survey⁸, the response rate of which was 50%. 96% of clients replied that they were generally satisfied with the quality of the Centre's translations. This represents an increase of 15% compared with the previous survey conducted in 2008. The survey revealed the clients' priorities and future needs, thus enabling the Centre to develop and implement client-specific action plans.

⁸ The survey was sent to 53 clients.

Action 1.5. Consolidate Demand Management's workflow in view of optimising pre and post-processing as defined in the Translation Quality Assurance Management Manual

In 2011, as foreseen in the Work Programme, the Centre successfully implemented an important organisational and procedural change: the Freelance Management and Demand Management Sections were merged in order to enhance communication along the translation chain and facilitate the monitoring of the workflow. As part of this new Demand Management Section, the post of Translation Workflow Administrator (TWA) was created, aimed at staff with a strong linguistic and administrative background. The target of '100% degree of polyvalence of core business demand managers' was fully achieved.

Though this optimisation has been implemented successfully, the Centre, in line with its Work Programme 2011, has prepared a questionnaire to monitor staff satisfaction with the efficiency of this new workflow. In order to allow for the maturity of the process, the decision was taken to launch this survey at the beginning of 2012.

In addition to the above major restructuring, the Language and Technology Support Section has implemented a wide range of procedural and technical changes to be fully integrated into the translation workflow thus ensuring an efficient pre-, mid- and post-processing of client's requests.

Action 1.6. Install a proactive response mechanism to satisfy client needs by developing new linguistic services and products

By the end of 2011, the proactive response mechanism had, in principle, been implemented at the Centre. This is shown by the 'Decision on the pricing structure of the Centre' (CT/CA-071/2011) adopted by the Management Board in October 2011, by which two new language services – 'slow' and 'very urgent' translations – were included in the Centre's portfolio of services. This decision was the result of cooperation between the Technical Working Group set up by the Management Board and the Centre.

The Centre implemented another objective foreseen in Work Programme 2011 by drafting the 'Methodology for the analysis of clients' needs', which documents the response mechanism tools in place. In addition to that, the Centre collected clients' needs for new services and the likely trends in their multilingual policy via its general Client Satisfaction Survey conducted in 2011. The results of this survey are set out in a report. These three instruments – the Methodology, the survey and the report – applied systematically, will allow making this 'proactive response mechanism fully operational' in 2012. The Centre has also launched a survey on the possible use of machine translation by its clients in the context of the MT@EC project of the European Commission's DG Translation.

The Centre consciously carried over to the year 2012 two deliverables '100% of client needs analysed according to the Methodology' and '< 6 months taken between receiving new requests and providing new language services, including approval by the Management Board'. It was the decision taken during the Strategy Away-Day of the Centre's management in June 2011, when the new 'Strategy 2012-2014: Embracing the challenges' was drawn up. The new Strategy places a strong emphasis on this area and includes, among others, such strategic output indicators as 'new services survey carried out', 'number of new possible services to be analysed in depth' and 'number of new possible services analysed, and those financially viable identified'.

As can be seen, the Centre has made a firm commitment to strengthen this area in the coming year, based on the foundations laid in 2011.

The remaining two outputs for Action 1.6. 'Methodology for language services watch defined and documented' and the 'Language services watch mechanism fully operational', were reformulated and integrated into the Work Programme 2012.

CHAPTER 2 SUPPORT ACTIVITIES

Action 2.1. Deploy modules of the Corporate Portal project (Client Portal, Demand Management Portal, Freelance Portal, Internal Translation Portal)

This is the Centre's most sophisticated project: it responds to the need to replace the IT systems currently used at the Centre, as the legacy systems have reached the end of their lifecycle, both from a technical and functional point of view. Renamed the 'e-CdT programme' due to its complexity, this project will have an essential impact on the core business. Its preparation started a couple of years ago, and its final architecture was agreed in early 2011 when the Centre took the decision to purchase a market product, rather than to develop its own application in-house. The Centre promptly commissioned an external market study, which provided the list of market competitors in the field of translation workflow systems offering valid, mature and customisable workflows that could satisfy the Centre's needs. This change of approach required additional time; therefore the planning foreseen originally had to be reconsidered and deadlines extended.

In spite of the change in the approach, the increased complexity of the programme, and the time needed for the development of the market study, the target 'to draft 100% functional and technical specifications of the new system', set in the Work Programme 2011, was achieved by 60%.

In parallel to the development of the e-CdT programme (ex-Corporate Portal project as described above), the Centre successfully released, in early January 2011, one part, namely, the 'Client Portal', a secure software interface that addresses client needs. In mid-2011, a Client Portal Survey was launched to gain a better understanding of the clients' first experience of working with the new tool. The survey showed that respondents were satisfied with the core piece of the Client Portal, the translation request module (the overall return rate was 37.2%). Nevertheless, some suggestions for improvement were integrated into an action plan; some improvements were made available to users already in 2011.

*For further information about the Client Portal, please see the Centre's **Client Report 2011**, available on the Centre's website (www.cdt.europa.eu).*

Action 2.2. Deploy new modules of the Tr@Mark system

In 2010, the Centre had released the new Tr@Mark workflow, the tool used for the management of the Community trademark translation process. In 2011, this reengineered workflow made it possible to move to a system of daily batches of trademarks and to reduce the processing time of batches from 18 to 15 days, as requested by the OHIM.

In implementing the Work Programme 2011, the Centre delivered the foreseen output 'Improvement of the user interface for the translation of trademarks' by adding the spell-checking functionality and improving the dedicated tools used by the in-house and freelance translators.

The objective 'Implementation of the clean-up of translation memories' was achieved by deploying a revised version of the translation module that improved the overall quality of the pre-translations. An onerous manual clean-up of the language resources could thus be avoided.

The final target of 'Implementation of the business-to-business services' by 100% was fully implemented: the Centre created a 'business-to-business' (B2B) infrastructure to respond to the OHIM's request to use File Transfer Protocol (FTP), rather than email to transfer files between the Office and the Centre via the STESTA⁹ network.

Later in the year, the Centre had to reprioritise its project portfolio planned for 2011, and started working on an unplanned request from the OHIM to allow for the regular update and translation of EuroClass terminology lists for the Office. This B2B infrastructure, which uses web services, will be put in place from April 2012. An extension of the B2B model to other products is foreseen for the future.

Action 2.3. Create new, user-friendly tools for planning and monitoring the Centre's budget

Due to the reprioritisation of the Centre's project portfolio, the delivery of the output for this action, namely 'Software developed for gathering data from various Authorising Officers by delegation' was postponed in order to respond to the OHIM's B2B request.

Action 2.4. Implement the streamlining of services and information management project

The first output foreseen in the Work Programme 2011, 'Implementation of Windows 7' with the target of '100% deployment' was postponed due to an external constraint, namely, the delay in replacing the SI2 budget management system by the ABAC Accrual-based Accounting system. The former SI2 system cannot function properly under the Windows 7 operating system. Upon implementation of ABAC in June 2012, the migration to Windows 7 can be started.

The implementation of the deliverable 'Implementation of Version 2010 of Microsoft SharePoint' has been partially achieved. The Centre delivered the required output by deploying the latest version of SharePoint 2010 – all documents and related data stored in SharePoint 2007 have been migrated to this new platform. However, though the first target indicator '100% deployment' has been fully achieved, the second target indicator '100% of the Centre staff use SharePoint 2010' has been achieved partially. Only two of the five departments used SharePoint at the end of the year due to a lack of internal and external human resources during the technical deployment.

In parallel, the Centre has modernised and optimised its technical infrastructure by continuing the installation and virtualisation of its servers and the replacement of its data storage systems. This has enabled the Centre to start the preparation of the transfer of equipment to an external data centre in 2012.

For the third deliverable, the 'Study on the implementation of Office 2010' to be carried out by 100%, an implementation rate of 90% is reported. The remaining 10% will be completed during the test phase of the installation of Windows 7. The conclusions of this study require validation tests, which have not been feasible due to the delay in implementing ABAC (see Action 2.5 below).

⁹ STESTA: the secure private network for the European Commission and other EU institutions.

Action 2.5. Simplify and optimise data management in the financial field

The output and target of deploying 'ABAC implementation' by 100% could not be achieved in 2011, as set in the Work Programme, due to the changed planning of the European Commission. The official start of the implementation of the ABAC (Accrual-based Accounting) project was only possible after the signature of a security convention with the software owner, the European Commission, in May 2011. In addition to the technical aspects, in preparation for this migration, the Centre reviewed and optimised some of its financial processes, e.g. the introduction of ex-post controls on financial transactions in core business. 18 staff members were trained on three ABAC modules (initiating agents, authorising officers and verifying agents, and accountants). The development of features needed for integrating ABAC with internal systems is ongoing and will be finalised in June 2012 when this application will replace and integrate several tools currently used at the Centre in the areas of accounting, finance and management of assets.

For the second deliverable 'ABAC Assets: adaptation of this module to the Centre', the foreseen target of 'Testing phase achieved' was not met due to the fact that 'ABAC Assets' can only be installed once ABAC is in place. However, in 2011 the Centre made the preparations for replacing its ISIPARC inventory software with 'ABAC Assets', which is planned for June 2012.

As regards the third output – 'Application developed for the automated collection and processing of data, for the cost-accounting system', the target of 'Testing phase achieved' was not met. During the revision of the project portfolio in mid-2011, as mentioned under Action 2.2., this was postponed due to its low priority and the lack of human resources.

Action 2.6. Simplify and optimise data management in the human resources field

In line with the Work Programme 2011, two new modules were implemented in the SYSPER 2 database: 'Individual rights' and 'School allowance'. The implementation of the 'Time management' module, which was started in 2011, is planned for February 2012.

As regards the second planned output 'Development of new applications for training and promotions management and further steps in development of appraisal procedures (replacement of Gestures)', one target 'Appraisal and promotions: testing phase achieved' has been implemented partially. Though considerable changes were made to the application used for the managing of the annual appraisal exercise, the Promotion module will be integrated into the application only in 2013. Due to the reprioritisation of the Centre's project portfolio, the replacement of Gestures was also postponed to 2013.

Action 2.7. Run final tests and establish an interconnection between the Centre's BCP and other institutions and the Luxembourg authorities

As provided for in the Work Programme 2011, the output for this action, 'Business Continuity Plan (BCP) fully in place and tested', has been achieved. 'One major test' exercise, set as a target in the Work Programme 2011, was carried out involving the Translation Department (Germanic language group), IT Department, External Relations and Communication Section and the Demand Management Section.

The target of 'Test connections with other institutions' was not achieved due to a reason independent of the Centre: the Court of Justice, the leader of the project for testing interconnections of institutions with the Luxembourg Authorities through a common BCP exercise, did not undertake any actions in 2011.

Action 2.8. Structure and formalise the Centre's approach to 'technology watch'

This action has been fully implemented as the Centre delivered most of the requested outputs: 12 new ideas, tools and methods were evaluated, exceeding the target of 10 set in the Work Programme 2011; four presentations on new technologies, tools or methods by other organisations were made against the five set in the Work Programme 2011; and the annual report on technology watch was drafted and will be published in early 2012. In addition, the dissemination and analysis of language technology watch results is included in the meetings of the Centre's management on a quarterly basis.

Action 2.9. Maintain an alignment between staff skills and organisational needs

This action has been fully implemented as regards the output 'Gap between needs and core skills identified', and the target set in the Work Programme 2011 'Five core skills possessed by at least two people in each section/group' has been achieved. For this, the Centre has run its second skills assessment exercise, which has enabled management to take necessary action wherever a gap was identified. Furthermore, in order to guarantee the building of new knowledge and skills, the Centre has reinforced the procedure of identifying training needs during the annual appraisal dialogue. As a result, the requests are better monitored and are more in line with the Centre's needs. As a final point, it has drafted the new General Implementing Provision on Training, which has been submitted to the European Commission for approval.

Action 2.10. Maintain fully operational the local career guidance service to identify staff potential

This action has been fully implemented. In line with the enhancing of interdisciplinary work and polyvalence of staff, a local career guidance service was set up. In 2011, six staff members requested the service of the local career counsellor. The target of 90% for the output 'Staff satisfaction among those who spontaneously consult the career guidance service' was achieved.

CHAPTER 3 EXTERNAL OUTREACH ACTIVITIES

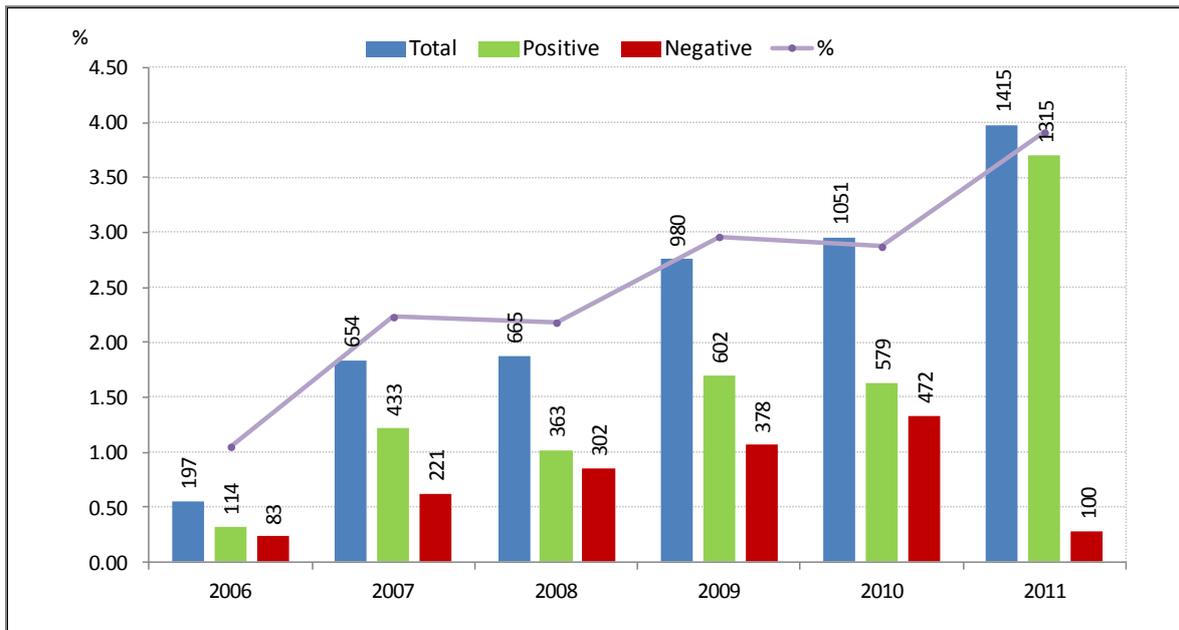
Action 3.1. Formalise a structured system of managing client relations in view of optimising the quality of service

In 2011, the Centre met 20 out of 52 clients, i.e. 35% were met, exceeding the target of '25% of clients met' set in the Centre's Work Programme 2011. *For further information, please see the Centre's Client Report 2011, available on the Centre's website (www.cdt.europa.eu).* As is standard practice at the Centre, each meeting resulted in a report with action items so that the output 'Client-specific action plans drawn up' was achieved by 100%. The implementation rate of actions resulting from client meetings was 58% in 2011. However, it should be noted that some of the planned actions (26%) will run into the first quarter of 2012, so their achievement will be reported in next year's report. The actions which the Centre was not able to work on in 2011 (16%) will be postponed to 2012. As regards the output

'Implementation of action plans', the target of '100% of Client Satisfaction Forms (CSFs) analysed and acted upon' has been fully achieved.

Though the target of '5% CSF return rate' has not been fully achieved, as the return rate was 3.91%, the Centre considers that it took all possible measures towards achieving it, the most important being the introduction, in early 2011, of the Client Portal with a modern management of the Client Satisfaction Form (CSF) online. The ratio between satisfaction and dissatisfaction was 100:7 (1 315 positive CSFs, i.e. 3.63%, against 100 negative CSFs, i.e. 0.28%).

Figure 5: Evolution of Client Satisfaction Forms (CSFs)



Action 3.2. Increase active participation in the ICTI¹⁰ and IAMLADP¹¹

The ICTI partners continued to entrust the Centre with the management of IATE¹², the European Union's interinstitutional terminology database, containing more than nine million terms. As in previous years, the Centre was in charge of the administrative and technical support for the internal and public sites on behalf of the project partners, and chaired the interinstitutional IATE management group. The target of '100% of the IATE work programme implemented' was achieved.

The Centre participated and contributed actively in all the ICTI meetings, working groups, projects and initiatives that were relevant to its work and structure, around 40 events in total.

Further information on interinstitutional activities can be found in the Centre's Client Report 2011, available on the Centre's website (www.cdt.europa.eu).

¹⁰ ICTI: Interinstitutional Committee for Translation and Interpretation.

¹¹ IAMLADP: International Annual Meeting on Language Arrangements, Documentation and Publications.

¹² IATE: Inter-Active Terminology for Europe.

Action 3.3. Establish contacts with Member State universities

In 2011, the Centre established contacts with six Member State universities: the Universities of Pisa, Bergen, Valladolid, Leicester, Palermo and Torino. One of these contacts, namely with the University of Pisa, resulted in an agreement for cooperation in the linguistic field. An online consultation line was opened between a professor from this university and the Centre's Italian team. Therefore the output 'Ratio between bilateral events organised and concrete projects generated by these events' achieved its target of 'At least one project per five events'.

Action 3.4. Implement the external communication strategy and action plan and promote good practice

As foreseen in the Work Programme 2011, the Communication Framework adopted in 2010 in order to take a systematic corporate approach to internal and external communication, was further developed with the drafting of the 'External Communication Framework'.

As regards the expected output – 'Regularity of publications on the Internet website', the target of 'One article per week published on the Internet', following the decision taken during the mid-term review of the Work Programme 2011, was changed into 'two articles per month' and was fully implemented.

Further information on communication with the global community can be found in the Centre's **Client Report 2011**, available on the Centre's website (www.cdt.europa.eu).

CHAPTER 4 MANAGEMENT AND SUPERVISION ACTIVITIES

Action 4.1. Finalise the implementation of the Centre's new price structure

This action has been fully implemented: the 'Decision on the pricing structure of the Centre' (CT/CA-071/2011) was adopted by the Management Board at its October 2011 meeting. This decision describes the Centre's updated services portfolio, the price structure and turnaround times for documents. The Centre's new pricing structure includes two new language services, namely 'very urgent documents' and 'slow documents'.

The Centre also introduced penalties for delayed delivery of language services to be applied wherever no agreement on the extension of a given deadline can be reached between the Centre and the client.

Regarding the prices for the translation of Community trademarks, during the bilateral negotiations between the OHIM and the Centre, carried out during 2011, a new pricing model was agreed. In the previous years, a single price was applied by the Centre throughout the year, irrespective of the final volume of trademark translation. To avoid dramatic fluctuations in revenue due to unreliable forecasts, as from 2011 the Centre has been applying a price grid where the unit price for trademarks varies according to the volume of trademark translations. Such a model better reflects the Centre's cost structure. Therefore, it contributes to a better budget planning, better cost and price alignment, implemented since 2010, and a more balanced budget result.

Action 4.2. Pave the way for the definition of the new strategy

The Work Programme 2011 had foreseen only steps to 'pave the way for the definition of the new strategy' to be drawn up in 2012, yet the Centre went further: in order to prepare for the challenges relating to the decrease in the volume of trademarks, the Centre drafted the new 'Strategy 2012-2014: Embracing the challenges', which was approved by the Management Board.

The new Strategy foresees two main strategic priorities, namely 'Service delivery' and 'Optimisation and improvement'. These two priorities encompass five objectives: retain the present clients; become more competitive; find new clients; become more cost-efficient and effective; and be a good employer.

As the previous strategy covered the period 2008-2012, there will be an overlap during the year 2012 between the current and the new strategy. The Centre will implement all actions planned for 2012 deriving from the Strategy 2008-2012 alongside the new set of strategic activities established under the new strategic framework.

Action 4.3. Implement the internal communication strategy and action plan, and foster communication in the Centre by promoting good practices

The Centre implemented this action by delivering three outputs as foreseen in the Work Programme 2011.

Regarding 'Regularity of publications on the Intranet', the targets of 'One newsletter per department' was achieved by 90%: four departments published their annual newsletters (Translation Department – two newsletters).

The target of 'At least two articles per week published on the Intranet' was exceeded: an average of three articles were published each week, i.e. 47% more than planned in the Work Programme 2011, complying with another target of 'One article published after each event'.

Finally, in order to measure 'staff satisfaction with quality and usefulness of publications', the Centre carried out a survey, to which 51% of staff responded. Almost 75% of respondents replied that they read the Intranet articles and the department newsletters on a regular basis. 62% found them interesting/useful and 30% found them somewhat useful. 67% appreciated their quality, and 24% found it satisfactory. 72% of respondents said that the number of publications was just what they needed. The outcome will allow the Centre to take the corresponding measures with regard to its internal communication strategy.

As regards the output 'Regularity of internal meetings', both targets of 'Two plenary meetings with the Director per year' and 'Six meetings on department level per year' have been achieved.

Action 4.4. Implement the internal communication improvement measures

The expected output was 'Implementation of the Action plan on internal communication improvement', drafted as a follow-up to the Staff Survey 2010. This Action Plan, which focuses on cascade and horizontal communication, improving interdepartmental cooperation, providing additional information sessions on promotion and evaluation and enhanced personal feedback from managers, was implemented by 100%, achieving the target set.

In addition to that, in the framework of the Internal Control Assessment exercise 2011, the Centre identified internal communication as an area for improvement (See below, PART II, Chapter 2, Item 2.1.1).

Action 4.5. Focus on the enhancement of the effectiveness of selected internal control standards

The Centre has fully achieved three of the five targets set, namely: (1) the Risk register was reviewed; (2) 75% of the mitigating actions identified in Risk Assessments were implemented; and (3) the Internal Control assessment (one, annual) was carried out.

The target of '>95% of the Centre's staff trained in internal control standards' was achieved by 91.30%. The target of '50% of the Action Plan on priority areas of the ICS implemented' was implemented slightly below the target (45%).

Action 4.6. Analyse, review and audit processes and procedures in order to revise the documentation of the Total Quality Management System (TQM) in place

In 2011, the Centre's process model which has been used at the Centre since 2001, underwent an exercise of substantial process simplification. On the basis of this new process model, the priorities for document processes and procedures for the period 2011-2013 were set.

As regards the output 'Status of implementation of the action plan', 39% of the plan was implemented against 50% set as a target in the Work Programme 2011. The output 'All foreseen processes reviewed or analysed' achieved the target of 8, as the following processes were analysed or reviewed: 'To supervise steps of audit recommendations'; 'Revenue operations'; 'Preparing and following up budget programming and implementation'; 'Preparing the Centre's annual work programme'; 'Define and manage IT projects', 'Management of the register if exceptions and non compliance events'; 'Preparing the Annual Activity Report'; and 'Controlling the quality management documentation system'.

The target for the third output, 'Number of quality audits performed', was exceeded as 10 quality audits were performed against the 8 set in the Work Programme, including 3 new quality audits and 7 follow-up quality audits (2 of which had been carried over from 2010). (See Part III, Chapter 1.1., for further information).

Action 4.7. Formalise the IT governance structure in the Centre

In 2011, the Centre worked on three of the four COBIT processes planned in its Work Programme. One process could not be finalised since priority was given to implementing the OHIM's request that the Centre create a 'business-to-business' (B2B) infrastructure that had been made in the course of the year.

The Centre implemented the COBIT PO4 (Plan and Organise: Define the IT processes, organisation and relationships) by setting up an IT Steering Committee. The Committee focused on the implementation of the COBIT PO10 (Manage projects). In the framework of the COBIT PO1 (Plan and Organise: Define a strategic IT plan), the IT Strategy 2009-2013 was updated to align it with the Centre's Strategy 2012-2014. The implementation of the COBIT AI6 (Acquire and Implement: Manage changes) began with the selection of an IT tool dedicated to change management.

The target of 50% for 'Percentage of selected processes reviewed under the COBIT Framework' was not reached.

The target of 100% implementation of the output 'Finalising project management methodology and implementing business architecture practices' was achieved by 80%.

Action 4.8. Design an Activity Based Management (ABM) system at the Centre

This action was not implemented: the project 'Design an Activity-Based Management (ABM) system at the Centre' was not started in 2011. The Heads of Agencies had taken the decision to create a common framework for an ABM model, and the Centre decided to wait until this framework had been provided.

PART II.
GOVERNANCE, MANAGEMENT AND INTERNAL CONTROL SYSTEMS

CHAPTER 1
MANAGEMENT BOARD ACTIVITIES

The main pillar of the governance of the Centre, the Management Board, consists of representatives of the Centre's clients (EU institutions, bodies and agencies), representatives of 27 EU Member States, and two representatives of the European Commission. A full list of the members can be found in Annex VI to this report. The Management Board is currently chaired by Mr R. Martikonis, Director-General of the European Commission's Directorate-General for Translation.

In 2011, the Management Board held two meetings in Luxembourg and examined various projects by written procedure. It took its traditional decisions with regard to governance and supervision by adopting the Activity Report 2010, the Opinion of the Management Board on the Centre's accounts for 2010, the Amending Budget 2011, the Work Programme 2012, the Decision on the Centre's pricing structure, the Budget 2012, the Centre's 'Strategy 2012-2014: Embracing the challenges' and the Multiannual Staff Policy Plan 2012-2014. The Management Board also adopted a number of provisions on, inter alia, the renewal of the contract of employment of the Director of the Translation Centre, the rules applicable to the staff (reimbursement of mission expenses, the certification procedure) and the rules for the implementation of the Financial Regulation of the Centre.

In particular, regarding the Amending Budget 2011, the Management Board decided to use the 2010 surplus (EUR 9.2 million) to create two exceptional reserves, one for the development of a more efficient translation workflow management tool (the e-CdT programme, ex-Corporate Portal) (EUR 4.3 million) and another (a reserve for stability pricing) to allow the Centre to keep prices stable in 2012 and 2013 (EUR 4.9 million). The amending budget (EUR 51.3 million) included the creation of these two reserves. However, the amount of the reserve for stability pricing is lower than the originally proposed amount, as EUR 1.8 million had to be used already in 2011 to compensate for the drop in revenue from clients.

Moreover, three other issues were given special attention by the Management Board. First, the report of the Technical Working Group (TWG) on the Centre's new pricing policy. According to its mandate, the TWG developed proposals regarding the penalty system to be applied for translations not delivered within the deadline; the grid of turnaround times for the Centre's services, namely for translations, revisions and modifications; and the definition of 'slow' and 'very urgent' translations, which were approved by the Management Board.

Secondly, the report of the Technical Working Group on staff policy. On completing its task, the TWG submitted four recommendations, which were adopted by the Management Board in October 2011. These recommendations related chiefly to: (1) where possible, recruiting temporary agents; (2) discontinuing the recruitment of new officials for AST posts; employing temporary agents for AD posts, while allowing, within reason, the recruitment of officials for translator posts; (3) applying the plan providing for an increase in the number of contract agents, instead of temporary agents and officials, and drawing up a policy on this matter; and (4) exploring the possibility of recruiting seconded national experts.

Finally, the Management Board conducted a thorough and wide-ranging discussion on the three options presented by its Chairman with a view to securing a sustainable future for the Centre. These three options were: (1) increasing the translation volumes from present clients due to new languages; and increasing volumes due to new EU agencies and bodies; (2) cooperation with the Commission; and (3) amending the Founding Regulation in view of the possibility of making the Centre a centralised Multi-Purpose Support Centre for the European agencies (or 'Shared Service Centre'). In the light of the detailed analysis to be carried out on these options by the Commission's Directorate-General for Translation and the Centre, the Management Board will examine further this issue at its future meetings as it is of strategic importance for the sustainable future of the Centre.

CHAPTER 2 THE INTERNAL CONTROL SYSTEM

This chapter describes the control environment in which the Centre operates, and management supervision, risk and the internal control system, which support the reasonable assurances expressed in the Director's annual declaration of assurance.

2.1. Organisation of control activities and supervision

As presented in the Introduction of this Annual Activity Report, the Centre has identified four activity areas: 'Core operational activity: translation', 'Support activities', 'External outreach activities' and 'Management and supervision activities'. The full description of the four areas was provided in the Work Programme 2011. Annex V shows how the human and financial activities have been allocated to the activities.

Control over and supervision of these activities have been ensured through the performance of the following main activities and tools:

- the Centre's Internal Control and quality management systems
- management meetings
- reports
- scorecards and key performance indicators (KPIs)
- delegations and accountability chains
- financial management
- accounting quality
- human resources management
- data and document management
- risk management

2.1.1 The internal control and quality management systems of the Centre

In 2001, the Centre adopted the Excellence Model of the European Foundation for Quality Management (EFQM)¹³, and became a member of the Foundation in 2002.

¹³ European Foundation for Quality Management, <http://www.efqm.org/> COPYRIGHT AND TRADEMARK NOTICES: All contents of the EFQM Web Site are: Copyright 2008 EFQM and/or its suppliers. All rights reserved. EFQM, Private Stichting est titulaire des marques EFQM®, BADAR®, ainsi que du modèle d'excellence déposées auprès de l'Office Benelux de la Propriété intellectuelle (OBPI) – Benelux Office for Intellectual Property, <http://www.boip.int>.

In line with its revised Strategy 2008-2012¹⁴, the Centre further developed its Total Quality Management System (TQM) into an integrated system that aims to strengthen internal control¹⁵ and implement an efficient and consistent risk management¹⁶.

In line with its strategic priorities and Total Quality Management principles, in 2008-2009 the Centre adopted three documents on quality assurance in the field of translation: The Translation Quality Assurance Management Model outlines the Centre's general approach to translation quality management, which follows the logic of ISO 9000 and the European Standard EN 15038:2006. To implement this model, the Centre adopted a Translation Quality Assurance Manual and a Translation Quality Assurance Action Plan that has been implemented since 2010.

The Centre has adapted to its needs the minimum standards governing the basic principles of internal control on the basis of the standards set out in the Communication to the Commission. Revision of the Internal Control Standards and Underlying Framework – Strengthening Control Effectiveness, SEC(2007)1341. The 16 Internal Control Standards (ICS) of the Centre are grouped into six large blocks: Mission and Values, Human Resources, Planning and Risk Management Process, Operations and Control Activities, Information and Financial Reporting, Evaluation and Audit.

2.1.2 Management meetings

The management team (Director and Heads of Department) meet once per month. Meetings are minuted, and resulting actions are recorded and followed up; decisions are listed in a register which was created in 2011. In addition, operational meetings without minutes take place every Monday. Every three months, the Director organises an extended meeting for Heads of Section/Group for the purpose of horizontal information sharing. Heads of Department, in their own turn, have department meetings with their respective Heads of Section/Group.

In addition to these managerial meetings, the Centre has established a system of structured meetings dedicated to specific areas of activities:

- the IT Steering Committee meets on average every two months in order to closely monitor project implementation;
- the Working Group on Cost Reduction holds quarterly meetings on the Cost Improvement Plan (CIP);
- the Centre also has quarterly meetings dedicated to follow-up and discussions related to its second mission, interinstitutional cooperation;
- the Centre's Client Coordination Group and core business hold monthly meetings during which a thorough analysis of Client Satisfaction Forms (CSFs) is performed and subsequent actions for improvement decided;
- last but not least, the Centre has a well-designed system of performance reviews and the Management Effectiveness Reviews (MERs), held every quarter; the Mid-term and End-of-the-year Review of the Work Programme are also part of this exercise.

2.1.3 Reports

In addition to the reports that are required to comply with the legal requirements of the organisation, the following reports are produced and circulated to the Centre's management team for discussion:

¹⁴ Strategy 2008-2012 (Doc. No CT/CA-017/2008EN), adopted by the Management Board on 12 March 2008.

¹⁵ Communication to the Commission. Revision of the Internal Control Standards and Underlying Framework – Strengthening Control Effectiveness, SEC(2007)1341.

¹⁶ Towards an effective and coherent risk management in the Commission services, SEC(2005)1327.

- monthly and quarterly budget reports on the Centre's budget implementation, quarterly report on missions and on missions relating to training (number, budget), budget consumption relating to contract and agency staff;
- client forecasts;
- quarterly cash-flow situation;
- half-yearly balance sheets;
- half-yearly cost analysis;
- Business Continuity Plan test reports;
- quarterly report on the status of audit recommendations;
- project portfolio and project monitoring status;
- quarterly analysis of performance reviews;
- half-yearly reports on the status of all activities of the annual work programme prepared for the Mid-Term Review and End-of-Year Review of the Work Programme;
- monthly listing of all staff (by department, grades and category (officials, temporary agents, contract agents) and report on staff changes and moves;
- annual report on career development;
- annual report on skills management;
- annual report on training plan implementation;
- quarterly Client Satisfaction Form reports.

2.1.4 Scorecards and key performance indicators (KPIs)

The Centre has in place a general scorecard at corporate level and a scorecard for each department. Progress towards the achievement of the targets set are followed up on a quarterly basis via the 'Performance Reviews' and 'Management Effectiveness Reviews (MERs)'. In 2011, the Centre reviewed the indicators and the scorecards.

2.1.5 Delegations and accountability chains

Delegations of powers and duties are made in writing, as a letter of authorisation, and records of granted authorisations are kept. Authorisations precisely and unambiguously define the scope of the powers given, e.g. the type of decisions staff are empowered to make, the amount up to which staff can make financial decisions, the period during which the authorisation is in force, the possibility for handing over the authorisation partially or completely to another staff member, with due acceptance of powers or duties evidenced by the staff member's signature.

For delegations in the financial domain, appropriate reporting has to be carried out by the Authorising Officers by delegation and sub-delegation to the Authorising Officer.

2.1.6 Financial Management

a) Revenue

The Centre's budget is primarily composed of the revenue received from invoicing its clients for services provided. Unlike in other institutional translation services, the Centre's clients pay for the translations they request. The financial activity is subject to strict financial control and monitoring in keeping with the applicable regulatory framework. The Budget and Finances Group closely monitors clients' budgetary forecasts and expenditure. The group regularly contacts each client to request forecasts of their planned translation volumes and expenditure.

The Centre's original budget for 2011 (EUR 43.5 million) was subject to an amending budget, which was adopted by the Management Board on 13 October 2011, for the following reason: in the first six months of 2011, the volume of language services was lower than anticipated in the clients' forecasts received in October 2010, when the initial budget was drafted. The new forecasts, made in July 2011, confirmed a significant drop in volumes and, as a direct consequence, in revenue, of over 16% (EUR 6.7 million).

The issue was subject to an internal audit performed by the IAS in 2011 (for the related results, please see below, 'Building block 2: Results from audits during the reporting year' – Internal Audit Service).

Some 630 invoices were issued in 2011. Due to the fact that the Centre's clients are other EU bodies, the revenue management carries a very low financial risk.

b) Expenditure

According to the model used at the Centre, the financial operations in the departments are initiated by the initiators. The financial verifiers working in the Budget and Finance Group carry out ex-ante verifications on 100% of commitments and payments. In case of errors detected by the financial verifiers, the files are sent back for correction to be made before approval by the Authorising Officer by delegation or sub-delegation.

As of November 2011, an ex-post control on a sample of operations on the budget line 3000 (Operations) was performed by the financial verifiers.

In 2011, approximately 76.0% of the financial resources were allocated to the core business (see Annex V). In relation to the core business, the Centre has two main areas of budget expenditure (approximately 75% of the budget): Title 1 – Staff, accounting for 49.57% of the overall budget, and budget line 3000, 'External translation services' of Title 3 – Operational expenditure, accounting for approximately 25.33% of the budget.

As regards the original Procurement Plan, approved by the Management Board as part of the Work Programme 2011, which serves as the financing decision, the Centre organised calls for tenders for the provision of translation/revision services in the fields of industrial/intellectual property (all official languages into all official languages, except Irish, but including Icelandic and Croatian; 494 contracts were awarded); medical & pharmaceutical (from English into 23 languages, 175 contracts were awarded) and aviation and railway for some language combinations not covered by the previous calls for tenders. The Centre also launched a call for tenders for the editing of documents drafted in English.

Compared to the Procurement Plan 2011, the Centre had to organise additional calls for tenders: one for translation/revision of documents in the general affairs field from English into Icelandic, Norwegian,

Turkish and Croatian (replacing the foreseen interinstitutional Croatian call for tenders) (25 contracts awarded) and another for terminology services from English into Icelandic and Croatian (4 contracts awarded).

The Centre could not participate in 2011 in the interinstitutional call for tender for translation/revision in the general affairs field from German, English and French into all languages. Due to the tight time constraints of the lead service, the European Commission, it was not possible to finalise common specifications in time for the launch of the call for tenders.

As regards the foreseen participation in interinstitutional procedures, the Centre participated in five procedures in the IT and general affairs fields. Compared to the Procurement Plan 2011, a number of changes were made for justifiable reasons. Concerning the financial amount involved by the calls for tender for the year 2011, the difference between the original and final Procurement Plan was negligible (EUR 1 000).

c) Individual rights

Any allocation of a right or reimbursement is done only by comparing the eligibility criteria with the evidence provided. Each decision is reviewed by an operational verifier and further checked by an independent financial verifier; after the financial verification, it is entered into the system. Each error¹⁷ detected is corrected before approval by the Authorising Officer by delegation and assignment to the staff member in the individual rights system.

For further data on financial management, see Annex III.

2.1.7 Accounting quality

To achieve the main objective 'to give a true and fair view about the financial position of the entity and its operating results', the Centre assures quality of the accounting information as follows:

Accounting framework – the Centre applies the accounting rules of the European Commission that are based on the international IPSAS accounting standards and instructions of the Commission's Accounting Officer.

Accounting controls – the Centre's Accounting Officer assures the integrity of the accrual accounting systems. For this purpose, the Accounting Officer validated the accounting systems and the systems laid down by the Authorising Officer to supply or justify accounting information.

Over the year, the Accounting Officer makes regular checks and reconciliations to assure consistency of the accounting data, mainly on the bank accounts, and vendor and client accounts.

Closure of accounts represents a key element in the assurance of the accounting quality because all the Centre's balance sheet accounts are verified by the Accounting Officer; further reconciliations are performed between the balance sheet accounts, economic outturn accounts and budget outturn accounts in order to assure consistency of the data presented in the annual accounts. The annual accounts are subject to an audit by the Court of Auditors.

¹⁷ See error rate below, in the table on 'Legality and Regularity' indicators under point PART III.1.1 – Building block 1. Assessment by management, p.29

The Centre's provisional annual accounts 2010 were prepared by the Centre's Accounting Officer and sent to the Court of Auditors and the Commission on 1 March 2011. The Centre's Accounting Officer then performed further reconciliations of the accumulated budget and the economic outturn. The analysis showed that a correction¹⁸ of the accumulated budget outturn, of EUR 4 906 000, had to be performed in the annual accounts in order to reflect a booking that had been omitted in 2003. The Centre included this correction in the revised provisional annual accounts 2010, together with other changes (regarding the presentation of the annual accounts), as proposed by the Court of Auditors, and sent them to the Court of Auditors on 12 April 2011.

For further information about the observations of the European Court of Auditors see PART III, Chapter 1, Item 1.2.

Reporting – the Accounting Officer lays down regular reports that allow efficient identification of accounting errors and provision of information for the decision-making, and any preventive and ex-post corrective measures implemented by the Authorising Officers by delegation (and sub-delegation) (AODs). The reports cover mainly the following areas: cash forecasts, revenue and profit forecasts, recovery of receivables and cost accounting.

2.1.8 Human resources management

The Centre's policies ensure a transparent procedure for recruitment and appointment of staff, and a system of mobility to enable staff to obtain a wide range of experience.

By the end of 2011, 205 posts of the establishment plan (included in Annex IV) had been filled (91.1% of the total number foreseen). However, in line with the Centre's continuous efforts to optimise working methods and reduce costs, in 2011 a new screening of all the Centre's posts was performed which led to a reduction of 5 posts as of 2012. By considering this reduction, the establishment plan would be 93.18% filled.

During the year 2011, four staff members used the opportunity of internal staff mobility and changed jobs at the Centre.

The Centre has set appropriate human resource practices for establishing levels of knowledge and skills required for every post and verifying the qualifications of job candidates in order to hire and promote only those with the best levels of required knowledge and skills.

The Centre carries out an annual appraisal of each member of staff, establishes the levels of knowledge and skills required for each post, and carries out periodic analyses of the required knowledge and skills for each post, on the basis of which periodic plans for training are prepared. In respect to training in 2011, staff members spent 7.11 days on average in training. Furthermore, the analysis of staff skills showed that 91.17% of staff members do have the skills required for their job profile. The 8.83% includes both those not having the skills and those who have just changed their jobs and newcomers who are developing new skills.

¹⁸ The correction was due to the fact that a part of the provision created in the period 2000-2002, namely EUR 4 906 000, had been recorded as budget expenditure by reducing the budget outturn to carry forward. Since the implementation of accrual accounting in 2003, the provision has been created only in the general accounting. However, the reversal of the operation carried out in 2000-2002 had not been carried out with the implementation of accrual accounting. Therefore, the present reversal of EUR 4 906 000 represents a correction of the budget outturn to carry forward that should already have been made with the implementation of accrual accounting in 2003. As a result, the cumulated budget outturn to carry forward at the end of 2010 had to be increased by EUR 4 906 000 from EUR 4 325 709.81 to EUR 9 231 709.81. This amount was used to create two reserves: for investment and price stability.

In 2011, the Joint Appeal Authority did not receive any complaints in relation to the appraisal exercise. Equally, the Joint Promotion/Reclassification Authority did not receive any complaints in relation to promotions.

2.1.9 Data protection

In 2011, in order to increase the independence of the function, the Centre appointed a new Data Protection Officer (DPO). The number of prior check notifications made to the European Data Protection Supervisor (EDPS) in 2011 was four, namely video surveillance, the disciplinary procedure, anti-harassment policy and the certification procedure. For video surveillance, the case is closed, with a favourable opinion; for the disciplinary and anti-harassment procedures, complementary information was sent to the EDPS at his request; for certification, the EDPS feedback is still pending.

2.1.10 Risk management

A risk management exercise is carried out on an annual basis in the framework of the preparation of the Annual Work Programme. Implementation of the action plans is monitored. A risk register is kept by the Centre, and its content is disclosed periodically to the members of the Management Board.

By the end of 2011, a revised risk management framework had been drafted in order to introduce a risk register by department in 2012.

2.2. The functioning of the entire internal control system

Since 2008 when training on 'introduction to internal control' was offered to all staff members, new sessions have been organised annually for newcomers. In 2011, eight new colleagues were introduced to the Centre's internal control system and internal control standards.

2.2.1 Compliance with the requirements of the Internal Control Standards

In June 2011, the Centre's management carried out, for the fourth time already, a self-assessment workshop on internal control. Prior to this, the Centre's management had filled in the standard questionnaire on compliance, built around the six building blocks. Its results were analysed at the June 2011 meeting and enabled the Centre's management to assess the Centre's level of compliance by benchmarking against its 16 Internal Control Standards for effective management.

Management's assessment of the level of implementation of the internal control system in place showed that the Centre was not yet compliant with standard No 8, 'Processes and Procedures', and that some efforts were still needed in order to become fully compliant with standards Nos 10, 'Business Continuity' and 12 'Information and Communication'. An action plan to address the situation was set up, which is to be completed in 2012 (see Annex VII).

As regards the internal control standard No 7 'Operational Structure', the Centre, due to its size, cannot implement the mandatory mobility. Accordingly, two jobholders have been in the post for more than seven years. However, measures and controls are in place to reduce the risk to an acceptable level.

The Centre's management considered that the Centre was fully compliant with all the remaining standards.

In 2011, a new procedure for the recording of exceptions (Register of exceptions) was set up and published.

2.2.2 Effectiveness of implementation of the Prioritised Control Standards

In 2011, the ICC prepared an Internal Control self-assessment questionnaire based on the model drawn up by the Commission. This questionnaire showed that the effectiveness of implementation of the specific standards was assessed as follows¹⁹:

Internal Control Standard (ICS)		No	Yes
1	Mission	11%	89%
2	Ethical and Organisational Values	24%	76%
3	Staff Allocation and Mobility	29%	71%
4	Staff Evolution and Development	7%	93%
5	Objectives and Performance Indicators	11%	89%
6	Risk Management Process	11%	89%
7	Operational Structure	36%	64%
9	Management Supervision	21%	79%
11	Document Management	18%	82%
13	Accounting and Financial Reporting	21%	79%
14	Evaluation of Activities	13%	87%
15	Assessment of Internal Control Systems	16%	84%
Average		18%	82%

2.2.3 Conclusion

Based on the guidance for assessing the effectiveness of an internal control system issued by the Commission, in 2011 the Centre's management performed an assessment of the Centre's compliance with the Internal Control Standards. The results show that, overall, the Centre complies with the requirements of the Internal Control Standards for effective management, except for the three non-compliant standards (Nos 8, 10 and 12). However, the controls already in place and the actions implemented to date give reasonable assurance as to the architecture of the internal control system.

¹⁹ ICS 8: Processes and Procedures, ICS 10: Business Continuity and ICS 12: Information and Communication are not included as they have been covered in the previous paragraph. ICS 16: Internal Audit Capability is no longer applicable for the reasons explained in PART III.1.2 – Building block 2: Results from audits during the reporting year, p. 30.

PART III.
BUILDING BLOCKS TOWARDS THE DECLARATION OF ASSURANCE

CHAPTER 1
BUILDING BLOCKS TOWARDS REASONABLE ASSURANCE

Weaknesses can be defined on the basis of quantitative or qualitative criteria.

As regards the quantitative criteria, the threshold of 2% of the budget managed in 2011 was used as a reference to define the materiality. The materiality threshold of 2% of the budget managed by the Centre, excluding the reserves included in Title 10 means a threshold of EUR 876 788 based on the budget available in 2011, EUR 43 839 400.

The qualitative criteria used are two:

- a poor quality of the translations which might adversely affect the reputation of the Centre, and by extent, the EU bodies as a whole;
- internal errors or mistakes which might adversely affect the reputation of the Centre, and to a certain extent, the EU bodies as a whole.

The Declaration of Assurance, provided by the Authorising Officer, based on all information at her disposal, is structured around four pillars or 'building blocks':

- (1) an assessment by management;
- (2) results from independent audits during the reporting year;
- (3) follow-up of action plans which address weaknesses identified by internal and external audits in previous years;
- (4) Management assurances.

Indicator	Result 2011	Result 2010
<i>Input: resources devoted to ex ante, to ensure legality and regularity of underlying transactions:</i>		
Staff devoted in each ex-ante control	2	2
Financial verifiers	2	2
<i>Output: level and nature of controls carried out:</i>		
No. of commitments issued	368	418
% of commitments verified ex-ante	100%	100%
No. of payment orders issued	7007	7349
% of payment orders verified ex ante	100%	100%
No of recovery orders issued	506	508
% of recovery orders verified ex-ante	100%	100%
<i>Results of controls: what the controls allowed the Centre to discover/ remedy</i>		
% of technical errors concerning commitments <u>corrected before authorisation</u>	4.08%	5.02%
% of technical errors concerning payments <u>corrected before authorisation</u>	1.44%	2.18%

% of technical errors concerning recovery orders <u>corrected before authorisation</u>	2.37%	1.38%
Number of exceptions	9	5
Total amount of the exceptions recorded	297364.75 ²⁰	45280.26
Number of cases received by the Ombudsman	0	0
Number of proceedings initiated by contractors or unsuccessful economic providers against the Centre before the Court	0	0

1.1. Building block 1. Assessment by management

Results of monitoring

The Budget 2011 was subject to a close and regular monitoring to ensure an optimal and sound management of the Centre's financial resources.

The level of commitment execution was 96.47% in 2011, compared with 86.79% in 2010. The execution of C8 (C1 from 2010) was 96.54% in 2011, against 95.25% in 2010.

Legality and regularity

In November 2011, the Centre introduced an ex-post control on the payment orders for budget line 3000 (expenditure for external translation services).

The resulting situation was as follows:

Indicator	Result 2011
No. of payment orders	230
No. of payment orders verified	24
Errors detected	0

Effectiveness

Indicator	Result 2011	Result 2010	Variance analysis/comments
TIMELINESS OF THE SERVICES PROVIDED: rate of on-time delivery to clients	98.43%	98.19%	
QUALITY OF THE SERVICES PROVIDED: client dissatisfaction (negative Client Satisfaction Forms received)	0.28%	1.29%	

²⁰ Three exceptions alone accounted for 87.10% of the overall amount of the exceptions :

- The first, EUR 100 000 was due to a budget transfer between budget lines 2100 and 3000. The internal procedure regarding the budget transfer was amended.
- The other two for amounts of EUR 72 875 and EUR 86 125 related to two order forms signed exceeding the delegation limits set due to a human error. A blocking feature is a standard functionality foreseen in ABAC.

Fraud

Indicator	Result 2011	Result 2010	Variance analysis/comments
Cases referred to Olaf	0	0	

Internal Quality audits

As approved by the Centre's management in December 2010, the Centre's quality auditors performed 10 quality audits, comprising 3 new quality audits and 7 follow-up quality audits (of which 2 had been carried over from 2010). The new quality audits carried out were: 'Creating a new specialised terminology collection'; 'Expenditure operations'; and 'Revenue operations'. The follow-up audits were carried out on 'Selecting and obtaining reference material'; 'Providing reference material to external translators'; 'Translating a Community trademark or design'; 'Measuring and handling client satisfaction'; 'Managing skills development'; 'Contracting to get external products or services'; and 'Preparing and following up budget programming and implementation.

One point of non-compliance with the process documented (deviation) was identified among the above audits, but it was immediately tackled by management.

1.2. Building block 2: Results from audits during the reporting year

This building block provides assurance from independent monitoring/assessment sources.

1.2.1. European Court of Auditors

In its report on the annual accounts of the Centre for the financial year 2010, adopted by Chamber IV of the European Court of Auditors at its meeting of 6 September 2011, the European Court of Auditors did not issue new observations and expressed the following opinions:

Opinion on the reliability of the accounts

'In the Court's opinion, the Centre's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2010 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.'

Opinion on the legality and the regularity of the transactions underlying the accounts

'In the Court's opinion, the transactions underlying the annual accounts of the Centre for the financial year ended 31 December 2010 are, in all material respects, legal and regular.'

1.2.1 Internal Audit Service (IAS)

The Centre has never received any critical recommendations by the Internal Audit Service (IAS).

In 2011, the Internal Audit Service, in line with its 2010-2012 Strategic Audit Plan, carried out an audit on Revenue Budgeting. The final audit opinion states that 'the internal control system in place within the Centre provides reasonable assurance regarding the achievement of the business objective set up for the revenue budgeting process, except for the following important issue: 'Postponement of improvement measures for revenue budgeting''.

The IAS made three recommendations, none of which was of critical or very important significance. The three important recommendations made, namely 'Develop and implement a new budget planning and

monitoring tool'; 'Develop a centralised invoicing system'; and 'Establish practical working instructions on forecast adjustment', were accepted by the Centre.

1.2.2 Internal Audit Capability (IAC) audits

At the end of 2010, the function of the Internal Audit Capability (IAC) of the Centre, which was put in place in 2008 was discontinued. Given that the Centre, like the other Agencies, is already audited by the IAS of the Commission and by the European Court of Auditors, also given that the Centre has a quality system in place and, as part of this system, regular quality audits are carried out, the Director considered that the auditing part was solidly covered. The Director considered it more useful to strengthen the internal control system in its implementation phase; for these reasons, she decided to reinforce the advice function mentioned in Article 38(4) of the Financial Regulation and to cancel the IAC function.

1.2.3 European Data Protection Supervisor (EDPS)

The EDPS, in its general report on 'Measuring compliance with Regulation (EC) 45/2001 in EU institutions and bodies ('Spring 2011'), issued on 23 January 2012, included the Centre in group 'A' (institutions with a high rate of compliance with Article 25 and 27 of the Regulation, which was the subject of the report).

1.3. Building block 3: Follow-up of reservations and action plans from audits from previous years

a) Follow-up of previous AAR reservations

The Declaration of Assurance of the Centre's Authorising Officer in the Activity Report 2010 did not contain any reservations.

b) Follow-up of previous ECA reports

In 2011, the Centre further reduced its cumulated surplus by creating two reserves (see Part II Chapter 1 Management Board).

c) Follow-up of previous IAS reports

In 2011, the Centre made significant progress in closing the recommendations issued by the IAS.

The recommendations closed mainly related to 'hand-over'; 'sensitive functions'; 'delegation of AIPN powers and functions'; 'personnel development: documentation of rules and procedures'; 'identification of training needs'; 'formalisation and documentation of planning activities'; 'procedure on delegations'; 'quality of the client forecast'; 'establish practical working instructions on forecast adjustment'; 'alignment and monitoring of objectives in the AWP'; 'assessment of indicators'; 'registering exceptions'; 'procedure and ownership of follow-up processes'; 'structured preparation of the AAR'; 'ensure adequate decision basis for repartition between in-house and external translations'; 'update the implementing rules on the financial regulation'; 'proceed with an analysis of joint versus own tender procedures'; 'disclosure to the Joint Promotion Committee on exercise 2008'; and 'formalise the CdT's project management approach'.

According to the Centre's management, 30 recommendations of those 43 partially or not accepted have been implemented. Of the 13 recommendations in progress, 11 have passed the original expected completion date.

Table 1 – State of play of IAS recommendations

Audit title	Number of recommendations			
	Total	Partially or not accepted	In progress	Implemented
Follow-up audit in ICS and HR management	13	0	4	9
Monitoring and building blocks of assurance	16	2	3	11
Budgeting of expenditures	13	0	4	9
Revenue management	3	0	2	1
Totals	45	2	13	30

d) Follow-up of previous Internal Audit Capability (IAC) reports

According to the Centre's management, 18 recommendations out of the 48 audit recommendations accepted relating to 4 audits have been implemented. Out of the 30 recommendations in progress, 29 have passed the original expected completion date.

Table 2 – State of play of IAC recommendations

Audit title	Number of recommendations		
	Total	In progress	Implemented
IT organisation and planning	11	7	4
Planning	7	3	4
Cost accounting	6	0	6
Follow-up audit on procurement	14	7	7
Translation Quality Management	16	13	3
Totals	54	30	24

1.4. Building block 4: Management assurances

As in the past, in 2011 the Authorising Officer continued to monitor the budget utilisation of the Authorising Officers by delegation and sub-delegation via the regular reporting established in the act of delegation.

No irregularities were detected by the AO.

In order to further improve the clarity of the reporting, the structure and content of the reporting used has been harmonised in a common template.

1.5. Completeness and reliability of the information reporting in the building blocks

Based on all the elements and facts presented in the previous sections, and in the light of the opinions expressed by the Court of Auditors on the reliability of the accounts and on the legality and regularity of the transactions underlying the accounts and the IAS, following its audit carried out in 2011, it can be concluded that the information presented in the previous sections is reasonably complete and reliable and provides an exhaustive and fair view of the Centre's situation.

CHAPTER 2 RESERVATIONS

In line with the quantitative and qualitative criteria established by the Centre's policy to define the materiality criteria on which to base a decision to include a reservation in the annual Declaration of Assurance in the context of annual activity reporting, the Authorising Officer of the Centre has not issued any reservation.

In other words, the resources assigned to the activities described in this Annual Activity Report have been used for their intended purpose and in accordance with the principles of sound financial management. In addition, the control procedures put in place ensure the legality and regularity of the underlying transactions.

CHAPTER 3 OVERALL CONCLUSIONS ON THE COMBINED IMPACT OF THE RESERVATIONS ON THE DECLARATION OF ASSURANCE AS A WHOLE

Not applicable.

PART IV.
DECLARATION OF ASSURANCE

I, the undersigned, **Gailė Dagilienė**, Director of the Translation Centre for the Bodies of the European Union, in my capacity as the Authorising Officer,

Declare that the information contained in this report gives a true and fair view²¹.

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.

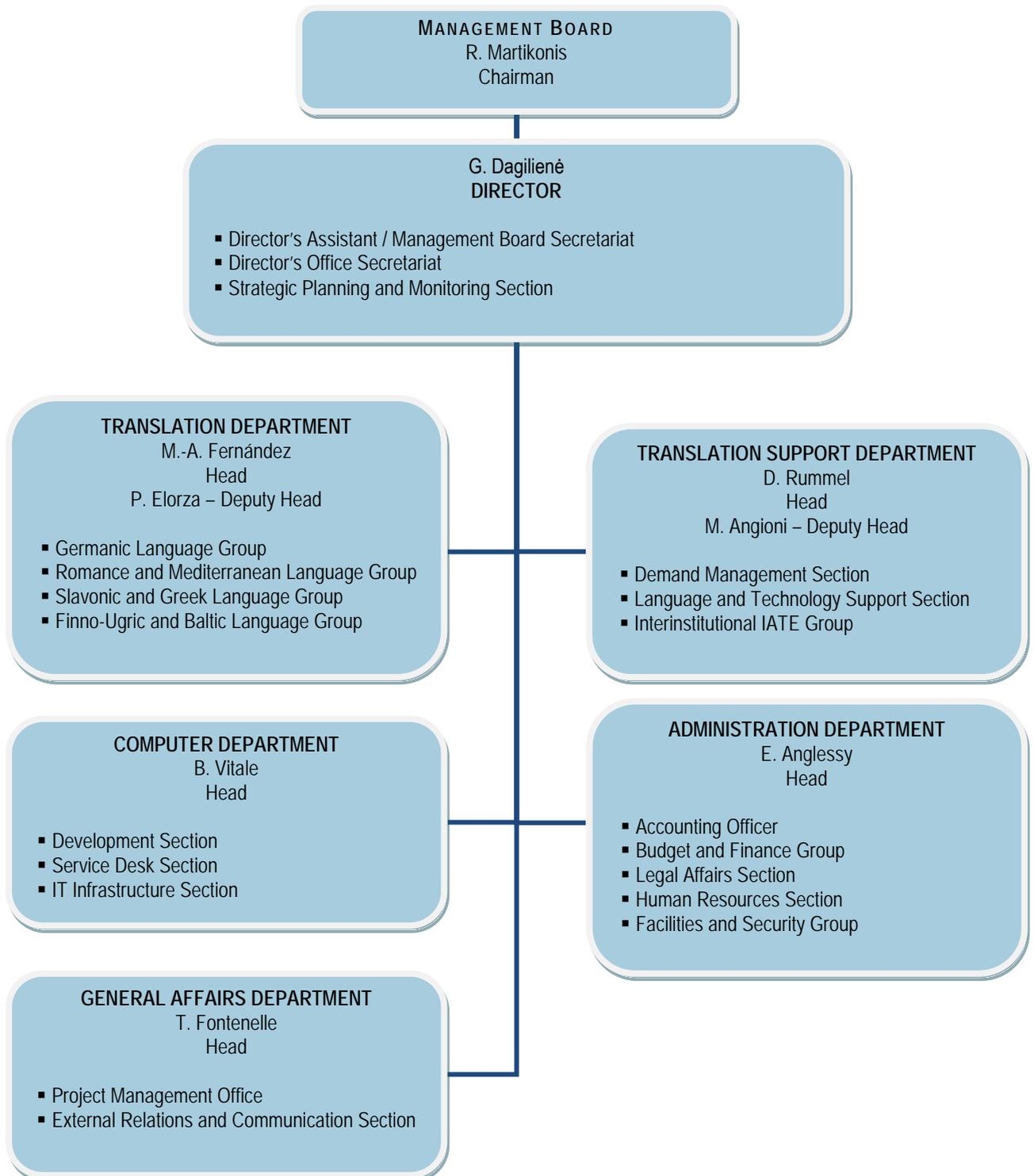
This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

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

Luxembourg, 1 March 2012



²¹ True and fair in this context means a reliable, complete and correct view on the state of affairs in the Centre.



A. Comparative breakdown by target language 2011/2010

Language	2011			2010	
	Ranking	Pages	%	Ranking	Pages
FR	1	48014	6.74%	1	53839
EN	2	41765	5.86%	2	42536
DE	3	35642	5.00%	3	40740
IT	4	32922	4.62%	4	39678
ES	5	32408	4.55%	5	39139
EL	6	31416	4.41%	6	36281
HU	7	30888	4.33%	9	35434
BG	8	30562	4.29%	8	35780
RO	9	30512	4.28%	7	36122
PL	10	30423	4.27%	10	35186
PT	11	30277	4.25%	11	35152
LT	12	30123	4.23%	14	34865
ET	13	30104	4.22%	15	34845
LV	14	30092	4.22%	20	34751
SL	15	30050	4.22%	18	34793
FI	16	29991	4.21%	12	35097
SK	17	29968	4.20%	13	34960
DA	18	29912	4.20%	17	34793
SV	19	29832	4.19%	21	34627
CS	20	29544	4.14%	16	34811
NL	21	29325	4.11%	22	33826
MT	22	28969	4.06%	19	34786
GA	23	1874	0.26%	23	1866
Others (1)		8200	1.14%		5 691
Total (2)		712 813	100%		819 598

(1)

NO, HR, IS, TR, AR, ZH, MK, RU, SQ, SR, HI, VI, MN, FA, JP, CA, UZ, KO.

(2)

Volume of translation in pages (including pages translated for the ongoing operation of the Centre).

Key to abbreviations

BG (Bulgarian), ES (Spanish), CS (Czech), DA (Danish), DE (German), ET (Estonian), EL (Greek), EN (English), FR (French), GA (Irish), IT (Italian), LV (Latvian), LT (Lithuanian), HU (Hungarian), MT (Maltese), NL (Dutch), PL (Polish), PT (Portuguese), RO (Romanian), SK (Slovak), SL (Slovene), FI (Finnish), SV (Swedish), AR (Arabic), CA (Catalan), FA (Farsi), HI (Hindi), HR (Croatian), IS (Icelandic), JP (Japanese), KO (Korean), MK (Macedonian), MN (Mongolian), NO (Norwegian), RU (Russian), SQ (Albanese), SR (Serbian), TR (Turkish), UZ (Uzbek), VI (Vietnamese), ZH (Mandarin Chinese).

B. Statistics on translation deadlines

Clients	No. of documents delivered*	No. of documents sent within the deadline	Deadline + 1-2 day(s)	Deadline + 3-5 days	Deadline + 1 week
EEA	240	238	1	1	
ETF	241	241			
EMCDDA	269	269			
EMA	9569	9450	114	3	2
EU-OSHA	1349	1307	37	2	3
OHIM	6520	6339	155	26	
CPVO	180	180			
Europol	559	557	1	1	
Eurofound	1777	1774	2		1
Cedefop	181	178	3		
FRA	897	890	4	2	1
EIB	48	48			
EFSA	632	621	11		
Eurojust	21	20	1		
EMSA	65	65			
EASA	388	387	1		
ERA	300	287	3	10	
ENISA	141	141			
ECDC	352	349	1		2
Frontex	93	89	4		
EACEA	718	714	3	1	
EACI	28	28			
CEPOL	85	85			
EAHC	51	47	4		
GSA	21	21			
EDA	5	5			
ECHA	4038	3990	19	29	
CFCA	137	136	1		
F4E	24	24			
EUSC	3	3			

Clients	No. of documents delivered*	No. of documents sent within the deadline	Deadline + 1-2 day(s)	Deadline + 3-5 days	Deadline + 1 week
TEN-T EA	110	109	1		
EIT	26	26			
ERC	131	131			
REA	68	68			
CSJU	21	21			
EIGE	106	105	1		
SJU	153	153			
EDPS	845	842	3		
ARTEMIS JU	43	43			
IMI JU	42	42			
FCH JU	44	43	1		
EASO	10	10			
ENIAC JU	21	21			
CCE-EMPLOI	3133	3085	4	10	34
COUNCIL	41	40	1		
ECA	59	59			
CJEU	13	13			
ECB	3	3			
Ombudsman	759	757	2		
CDT	1128	1114	5	3	6
BEREC	24	24			
EBA	36	36			
EIOPA	22	22			
ESMA	85	85			
Total	35855	35335	383	88	49
%	100%	98.5%	1.1%	0.3%	0.1%

* This does not include Community trademarks or designs, which are always sent within the contractual deadline.

A. Initial and amending budgets

Title	Heading	Final budget 2011	Amending budget (13/10/2011)	Initial budget 2011
Revenue				
1	Payments from agencies, bodies, offices and institutions	39 215 700	-4 330 300	43 546 000
2	Subsidy from the Commission	p.m.	p.m.	p.m.
3	Interinstitutional cooperation*	2 451 700	-359 100	2 810 800
4	Other revenue	400 000	-200 000	600 000
5	Surplus carried over from the previous financial year	9 231 700	9 231 700	p.m.
6	Refunds	p.m.	p.m.	p.m.
Grand total		51 299 100	4 342 300	46 956 800
Expenditure				
1	Staff	25 432 100	-1 510 000	26 942 100
2	Buildings, equipment and miscellaneous operating expenditure	4 704 600	-107 400	4 812 000
3	Operational expenditure	13 702 700	-1 500 000	15 202 700
10	Reserves	7 459 700	7 459 700	p.m.
Grand total		51 299 100	4 342 300	46 956 800

* Interinstitutional cooperation, as defined in Title 3 of the budget revenue, includes all translation services provided to EU institutions, i.e. not only the interinstitutional IATE database.

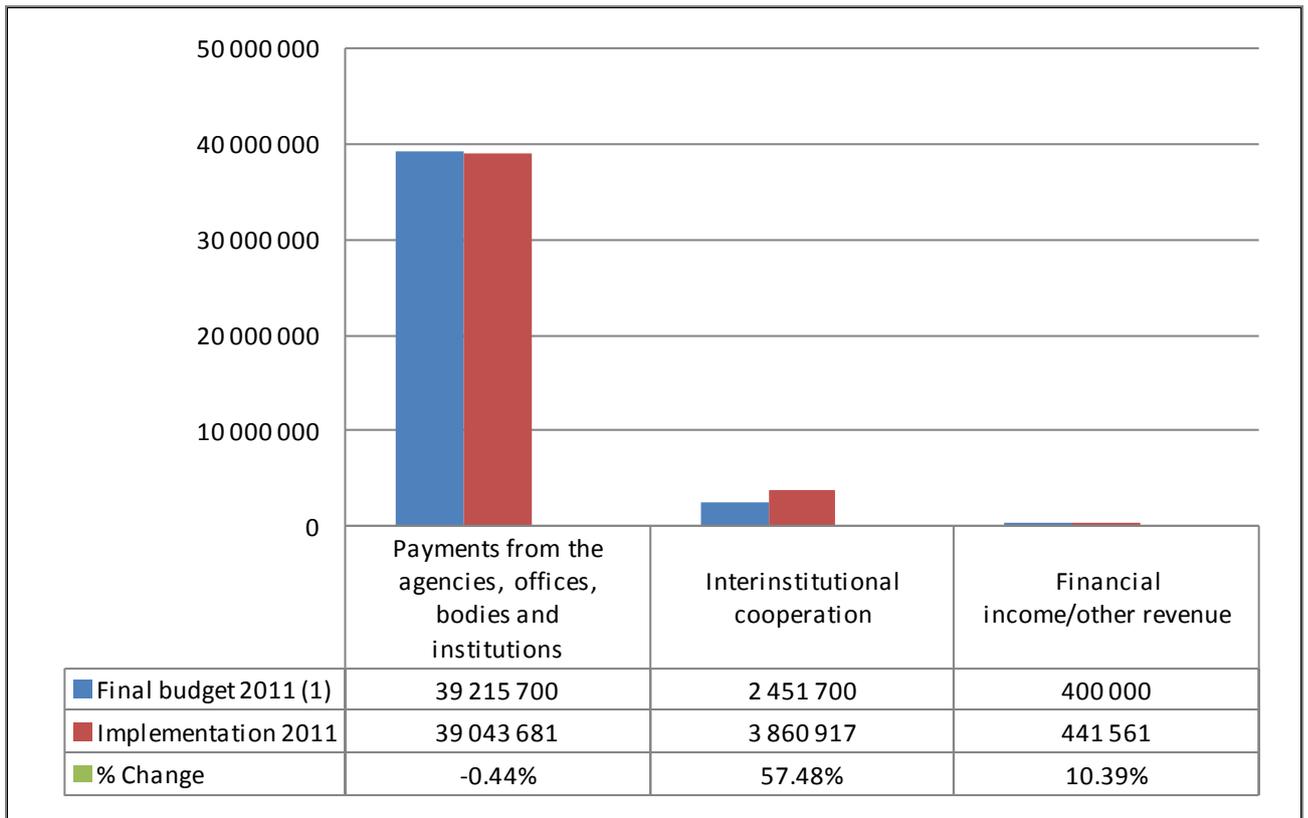
B. Revenue

Comparative analysis of budget revenue for 2011 and 2010:

Budget revenue	2011	2010	% change
Total revenue relating to the activity	42 904 598	50 795 683	-16%
Financial income	421 367	308 803	36%
Other operating income	20 194	101 084	-80%
Total budget revenue	43 346 159	51 205 570	-15%

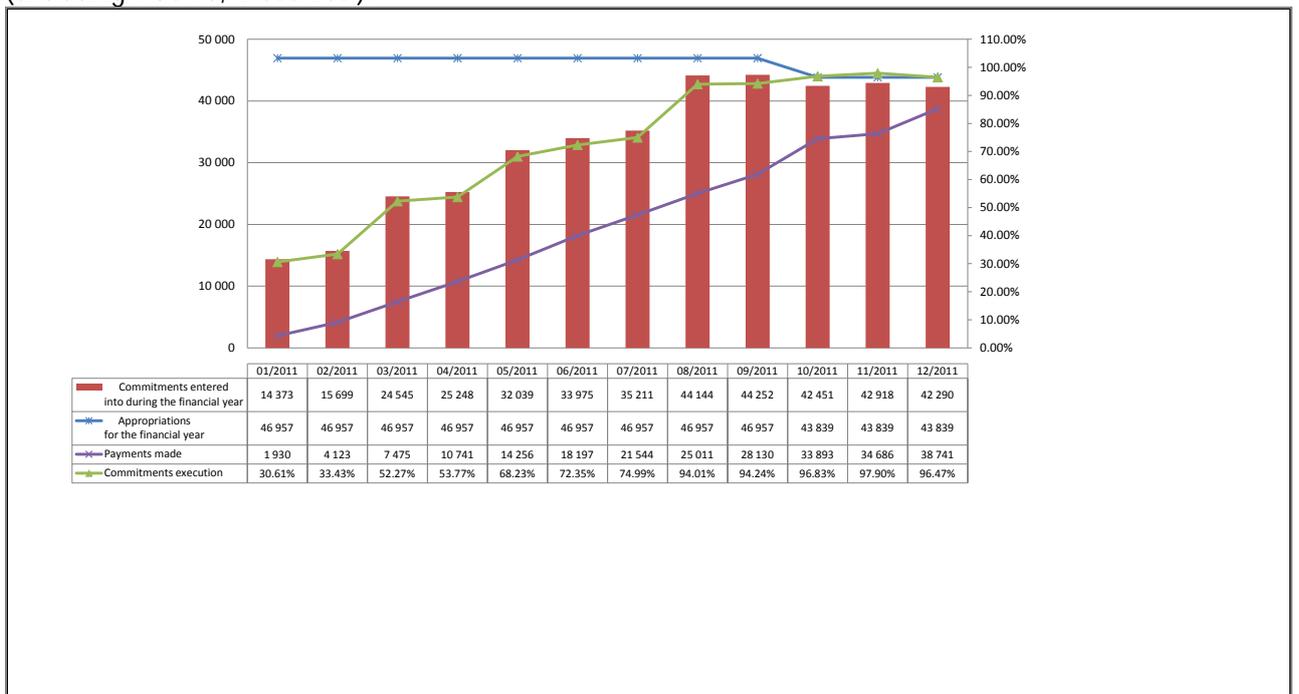
The average client payment deadline is 38.71 days for a total of 630 debit notes issued (32.50 days for a total of 639 debit notes issued in 2010). The statutory payment deadline is 45 days.

Figure 6: Implementation of budget revenue for 2011 (not including EUR 9 231 700 for 'Outturn for the previous year')



C. Expenditure

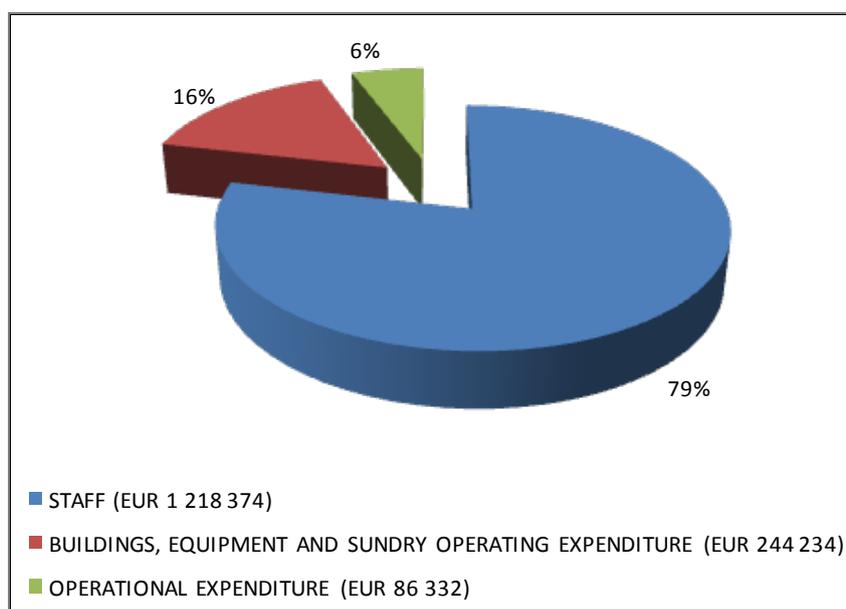
Total expenditure for the year was EUR 42 290 460, or 96.47% of funds provided for in the budget (excluding Title 10, 'Reserves').



Change in budgetary implementation

Description	2011	Implementation 2011	2009	Implementation 2009	% Change
Budget (excluding Title 10)	43 839 400	N/A	49 588 400	N/A	-11.59%
Commitments entered into	42 290 460	96.47%	43 035 735	86.79%	-1.73%
Appropriations cancelled	1 548 940	3.53%	6 552 665	13.21%	-76.36%
Payments made	38 741 413	91.61%	38 836 392	90.24%	-0.24%
Appropriations carried over	3 549 047	8.39%	4 199 343	9.76%	-15.49%

Figure 7: Appropriations cancelled - 2011 budget



D. Budget outturn

	2011	2010	% Change
Budget revenue	43 346 159	51 205 570	-15%
Translation	40 368 794	47 873 348	-16%
Terminology	194 802	187 119	4%
Term lists	1 358 752	2 037 723	-33%
Interinstitutional cooperation	982 250	697 493	41%
Financial revenue	421 367	308 803	36%
Miscellaneous	20 194	101 084	-80%
Budget expenditure	42 290 459	43 035 735	-2%
Title 1 – Staff	23 410 971	22 909 592	2%
Title 2 – Buildings, equipment and miscellaneous operating expenditure	3 364 798	3 266 962	3%
Title 3 – Operational expenditure	11 965 644	12 659 838	-5%
Appropriations carried over	3 549 047	4 199 343	-15%
Budget outturn for the financial year	1 055 699	8 169 835	-87%
Other	1 917 650	-3 844 125	-150%
Appropriations carried forward and subsequently cancelled	145 308	150 348	-3%
Exchange-rate differences	332	-786	-142%
Outturn for the previous year	9 231 710	24 041 195	-62%
Client refunds	0	-6 822 069	-100%
Contribution to the Community pension scheme 1998-2009	0	-18 271 649	-100%
Allocation to reserves	-7 459 700	-2 941 164	154%
Budget outturn	2 973 349	4 325 710	-31%

Function group	2011				
	Permanent		Temporary		Total
	Posts budgeted for	Posts occupied	Posts budgeted for	Posts occupied	Posts occupied*
AD 16	0	0	0	0	0
AD 15	0	0	1	0	0
AD 14	1	1	0	1	2
AD 13	1	0	1	0	0
AD 12	6	6	5	5	11
AD 11	8	8	9	9	17
AD 10	10	10	4	5	15
AD 9	4	3	10	7	10
AD 8	2	2	9	9	11
AD 7	9	9	20	18	27
AD 6	3	0	19	15	15
AD 5	1	3	15	21	24
Subtotal AD	45	42	93	90	132
AST 11	0	0	0	0	0
AST 10	0	0	0	0	0
AST 9	0	0	1	1	1
AST 8	5	5	0	0	5
AST 7	1	2	4	2	4
AST 6	4	2	4	3	5
AST 5	0	1	5	3	4
AST 4	4	3	17	12	15
AST 3	4	5	21	20	25
AST 2	0	0	11	6	6
AST 1	0	0	6	8	8
Subtotal AST	18	18	69	55	73
TOTAL	63	60	162	145	205

* As of 31 December 2011.

A. Human and financial resources forecast for 2011 (included in the AWP 2011)

Activities	Human resources (*)(**)					Financial resources (**)				
	Total (%)	Total	Officials	TA	CA	Title 1	Title 2	Title 3	Total budget	Budget (%)
Core activity: translation	62.2%	152.3	31.0	106.3	15.0	17 785 431	3 002 111	14 497 700	35 285 242	75.1%
Support activities	28.3%	69.4	17.0	47.4	5.0	5 604 951	1 355 708	0	6 960 659	14.8%
External outreach	1.9%	4.7	2.0	2.7	0.0	645 189	90 836	705 000	1 441 025	3.1%
Management and supervision activities	7.6%	18.6	13.0	5.6	0.0	2 906 529	363 345	0	3 269 874	7.0%
Overall total	100.0%	245.0	63.0	162.0	20.0	26 942 100	4 812 000	15 202 700	46 956 800	100.0%

(*) Expressed in full-time equivalents (FTE).

(**) Rounded-up figures.

B. Human and financial resources actually used in 2011 in order to achieve the objectives set

Activities	Human resources (*)(**)					Financial resources (**)				
	Total (%)	Total	Officials	TA	CA	Title 1	Title 2	Title 3	Total budget	Budget (%)
Core activity: translation	64.3%	141.5	29.0	97.5	15	15 767 034	2 600 766	13 704 572	32 072 372	76.0%
Support activities	25.4%	55.9	17.1	38.8	0	4 752 590	1 020 172	0	5 772 762	13.6%
External outreach	2.3%	5.0	2.2	2.8	0	712 375	103 858	693 336	1 509 569	3.5%
Management and supervision activities	8%	17.6	11.7	5.9	0	2 508 156	427 600	0	2 935 756	6.9%
Overall total	100.0%	220	60	145	15	23 740 155	4 152 396	14 397 908	42 290 459	100%

(*) Expressed in full-time equivalents (FTE).

(**) Rounded-up figures.

ANNEX VI

LIST OF MEMBERS OF THE MANAGEMENT BOARD

Institution/Body – Member State	COMMON NAME/ ABBREVIATION	FULL MEMBER	ALTERNATE MEMBER
European Commission	Commission	Rytis Martikonis (Président/Chairman)	Marian O’Leary
		George Vlachopoulos	Gurli Hauschildt
Council of the EU	Council	Margarida Lacerda	Hendrik Baes
Court of Justice of the EU	CJEU	Letizia Lombardi	Alberto Morello
European Central Bank	ECB	Klaus Riemke	Sarah van Baak
European Court of Auditors	ECA	Ulla Falk-Petersen	José Ortiz Pintor
Committee of the Regions of the EU	CoR	(2)	
European Investment Bank	EIB	H. Woestmann (1)	
European Ombudsman	Ombudsman	Loïc Julien	Alessandro Del Bon
Community Fisheries Control Agency	CFCA	Niall McHale	Rieke Arndt
European Union Agency for Fundamental Rights	FRA	Friso Roscam-Abbing	John Kellock
European GNSS Agency	GSA	Carlo des Dorides (1)	
European Network and Information Security Agency	ENISA	Udo Helmbrecht (1)	
European Defence Agency	EDA	Sébastien Pechberty	José-Luis Mena
European Aviation Safety Agency	EASA	Patrick Goudou	Frank Manuhutu
European Medicines Agency	EMA	Andreas Pott	Isabelle Moulon
European Chemicals Agency	ECHA	Andreas Herdina	Lindsay Jackson
European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union	Frontex	Tomasz Cybulski	Roeland Woldhuis
European Agency for Safety and Health at Work	EU-OSHA	Andrew Smith	Terence Taylor
European Maritime Safety Agency	EMSA	Manuela Tomassini	Joachim Menze
European Environment Agency	EEA	Katja Rosenbohm	Sigfús Bjarnason
European Research Council Executive Agency	ERCEA	George Vlachopoulos	Gurli Hauschildt
Trans-European Transport Network Executive Agency	TEN-T EA	George Vlachopoulos	Gurli Hauschildt
Education, Audiovisual and Culture Executive Agency	EACEA	George Vlachopoulos	Gurli Hauschildt
Executive Agency for Competitiveness and Innovation	EACI	George Vlachopoulos	Gurli Hauschildt
Research Executive Agency	REA	George Vlachopoulos	Gurli Hauschildt
Executive Agency for Health and Consumers	EAHC	George Vlachopoulos	Gurli Hauschildt
European Railway Agency	ERA	Mikkel Emborg	Salvatore Ricotta
European Food Safety Agency	EFSA	François Monnart	
European Asylum Support Office	EASO	Muriel Guin	Françoise Comte
European Centre for Disease Prevention and Control	ECDC	Ines Steffens	
European Centre for the Development of Vocational Training	Cedefop	Corinna Frey	Alison Clark
European Union Satellite Centre	EUSC	Katharina Schön	Jean-Baptiste Taupin
European Police College	CEPOL	Kate Armitage	Maria Elena Perez-Gracia
Fusion for Energy Joint Undertaking	F4E	Stavros Chatzipanagiotou	Thierry Malengreau
Eurojust	Eurojust	Hans Jahreiss (until 09/2011) Klaus Rackwitz (1) (from 10/2011)	Elizabeth Gavin
European Training Foundation	ETF	Bent Sørensen	Joanna Anstey
European Foundation for the Improvement of Living and Working Conditions	Eurofound	Cristina Frawley	Mary McCaughey
European Institute of Innovation and Technology	EIT	Jose Manuel Leceta (1)	
European Institute for Gender Equality	EIGE	Luigi Sandrin	Natalia Pirkanniemi

Institution/Body – Member State	COMMON NAME/ ABBREVIATION	FULL MEMBER	ALTERNATE MEMBER
European Monitoring Centre for Drugs and Drug Addiction	EMCDDA	Rosemary de Sousa	Kathryn Robertson
Community Plant Variety Office	CPVO	Bart Kiewiet (until 08/2011) Martin Ekvad (1) (from 10/2011)	Carlos Godinho
Office for Harmonization in the Internal Market (Trade Marks and Designs)	OHIM	Miguel Ángel Villarroya Sánchez	Peter Rodinger
European Police Office	Europol	Christian Jechoutek	Jerry Vermeulen
Belgium		(1)	
Bulgaria		(1)	
Czech Republic		Pavla Bálková Koppová	
Denmark		Jes Brogaard Nielsen	
Germany		Arndt Freiherr Freytag von Loringhoven	Maren Kresse
Estonia		Viljar Lubi (1)	Mall Tamm (1)
Ireland		Aingéal O'Donoghue	Tom Lucas
Greece		Alexandros Konstas (1)	Atalanti Michelogiannaki
Spain		Carmen de la Viuda Sainz	Alicia Rico
France		Yves Teyssier d'Orfeuil	Samuel Ducroquet
Italy		Silvia Basconi (until 09/2011)	Chiara Petracca
Cyprus		Kalouda Kremmou (1)	
Latvia		Māris Baltiņš	Agris Timuška
Lithuania		Rosita Jonušaitė	Mindaugas Silkauskas
Luxembourg		Paul Duhr	Tom Reisen
Hungary		Gábor Somogyi	
Malta		Vanni Bruno	Marie-Louise Gatt
Netherlands		Marion Alhadeff (1)	Teresa Morris (1)
Austria		Robert Weiss	
Poland		Jolanta Falkenberg	
Portugal		Patrícia Pincarilho (until 09/2011) Sara Marques (from 10/2011)	Rui António da Costa Martinot Mendes Correia (from 10/2011)
Romania		Laura Mihăilescu	
Slovenia		Darja Erbič	Jerneja Lipičnik
Slovakia		Mária Krošláková	
Finland		Rauno Lämsä	Armi Liinamaa
Sweden		Anne-Marie Hasselrot (until 09/2011) Bengt Baedecke (from 10/2011)	Timothy Chamberlain
United Kingdom		(1)	

(1) NOMINATION EN COURS ♦ APPOINTMENT IN PROGRESS – (2) SANS NOMINATION ♦ NO NOMINATION

Standard	Most important actions already taken	Ongoing actions
<p>8. Processes and Procedures The Translation Centre's processes and procedures used for the implementation and control of its activities are effective and efficient, appropriately documented and in compliance with applicable provisions. They include arrangements to ensure segregation of duties and to track and give prior approval to control overrides or deviations from policies and procedures.</p>	<p>8 processes/procedures were reviewed, namely 'To supervise steps of audit recommendations'; 'Revenue operations'; 'Preparing and following up budget programming and implementation'; 'Preparing the Centre's annual work programme'; 'Define and manage IT projects', 'Management of the register of exceptions and non-compliance events'; 'Preparing the Annual Activity Report'; 'Controlling the quality management documentation system'.</p>	<p>Publish 75% of the Centre's main operational and financial processes and procedures on the intranet by end-2012.</p>
		<p>The Centre will document the definition of the segregation of duties concerning negotiated procedures.</p>
	<p>The documentation of underlying calculation and information of budget forecasts, especially for expenditure relating to staff or IT, has been improved, and updated procedures on expenditure planning published.</p>	<p>To adopt a charter applicable to financial verifiers.</p>
	<p>In order to ensure that all cases of overriding of controls or deviations from established processes and procedures are documented in exception reports, justified, duly approved before action is taken and logged centrally, the Centre adopted a procedure for the management of the register of exceptions and non-compliance events.</p>	
<p>10. Business Continuity Appropriate measures are in place to ensure continuity of service in case of 'business-as-usual' interruption. A Business Continuity Plan is in place to ensure that the Translation Centre is able to continue operating to the extent defined in the plan, whatever the nature of a major disruption.</p>	<p>Updated handover procedure published and communicated to staff. 'Who does what?', updated with backups, was published on the intranet. First exercise relating to continuity of service done.</p>	<p>To verify and update the procedures relating to Continuity of Service (Business-As-Usual) and publish them on the intranet.</p>
	<p>The Business Continuity Plan covers the crisis response and recovery arrangements with respect to major disruptions (such as pandemic diseases, natural disasters, etc.) in accordance with client needs. The Business Continuity Plan identifies the functions, services and infrastructure which need to be restored within certain time-limits, and the resources necessary for this purpose (key staff, buildings, IT, documents, etc.). In order to maintain Business Continuity Management efforts up-to-date (impact on procedures, handover, etc.), the Business Impact Analysis is updated every year. A major test was carried out.</p>	<p>To update and publish on the intranet an updated BCP (following the major test). To provide mandatory BCP training to all members of staff each year. To test connections with other institutions: delivery of report on the test of connections with other institutions To assess whether the BCP is easily understandable and readily accessible when needed.</p>
		<p>Draft procedures for implementing, updating and validating the Business Continuity Plan.</p>

Standard	Most important actions already taken	Ongoing actions
<p>12. Information and Communication Internal communication enables management and staff to fulfil their responsibilities effectively and efficiently, including in the field of internal control. Where appropriate, the Translation Centre has an external communication strategy to ensure that its external communication is effective and consistent. IT systems used and/or managed by the Translation Centre (where the Translation Centre is the system owner) are appropriately protected against threats to their confidentiality and integrity.</p>	<p>Awareness on compliance with copyright provisions was raised through the publication of news on the intranet.</p>	<p>To adopt and publish a copyright procedure. To update the communication framework, taking into account the copyright compliance requirement.</p>
	<p>Management scoreboards developed for the Translation Centre's main activities, monitored on a quarterly basis. Links with the Strategy/Work Programmes are included in the scoreboards.</p>	<p>IT strategy updated to bring it into line with the new business strategy 2012-2014. To add IT indicators to the IT scorecard that enable the monitoring of the successful execution of the new IT Strategic Plan aligned on the Centre's Strategy 2012-2014 To develop the business specifications for a user-friendly comprehensive management & supervision reporting system to provide timely, pertinent and adequate management information about planning and monitoring.</p>
	<p>A decision register was introduced in 2011.</p>	<p>To update the communication framework.</p>
	<p>The Centre has a well-established, documented procedure for the analysis of client feedback, including action plans.</p>	<p>The Centre will update its communication strategy in order to improve external communication.</p>
	<p>An email usage policy and Internet policy were published.</p>	<p>The Centre will prepare and apply an Information Systems Security Policy, including relevant control measures, based on an inventory of the security requirements and a risk analysis of the IT systems under the Centre's responsibility. To include the Information Systems Security Policy as a regular topic at management meetings. To organise periodic training for all staff in order to create awareness of the Information Systems Security Policy.</p>

GLOSSARY

Common name / Abbreviation	Institutions/bodies/agencies
ACER	Agency for the Cooperation of Energy Regulators
ARTEMIS JU	ARTEMIS Joint Undertaking
BEREC	Body of European Regulators for Electronic Communications
CCE-EMPLOI	Directorate-General for Employment, Social Affairs and Equal Opportunities (DG-EMPL)
CdT	Translation Centre for the Bodies of the European Union
Cedefop	European Centre for the Development of Vocational Training
CEPOL	European Police College
CFCA	Community Fisheries Control Agency
CJEU	Court of Justice of the European Union
Commission	European Commission
CoR	Committee of the Regions of the European Union
CPVO	Community Plant Variety Office
CSJU	Clean Sky Joint Undertaking
EACEA	Education, Audiovisual and Culture Executive Agency
EACI	Executive Agency for Competitiveness and Innovation
EAHC	Executive Agency for Health and Consumers
EASA	European Aviation Safety Agency
EASO	European Asylum Support Office
EBA	European Banking Authority
ECA	European Court of Auditors
ECB	European Central Bank
ECDC	European Centre for Disease Prevention and Control
ECHA	European Chemicals Agency
EDA	European Defence Agency
EDPS	European Data Protection Supervisor
EEA	European Environment Agency
EESC	European Economic and Social Committee
EFSA	European Food Safety Agency
EIB	European Investment Bank
EIGE	European Institute for Gender Equality
EIOPA	European Insurance and Occupational Pensions Authority
EIT	European Institute of Innovation and Technology
EMA	European Medicines Agency
EMCDDA	European Monitoring Centre for Drugs and Drug Addiction
EMSA	European Maritime Safety Agency
ENIAC JU	ENIAC Joint Undertaking
ENISA	European Network and Information Security Agency
ERA	European Railway Agency
ERCEA	European Research Council Executive Agency
ESMA	European Securities and Markets Authority
ETF	European Training Foundation
EU-OSHA	European Agency for Safety and Health at Work
Eurofound	European Foundation for the Improvement of Living and Working Conditions
Eurojust	Eurojust
European Council	Council of the European Union
Europol	European Police Office
EUSC	European Union Satellite Centre

Common name / Abbreviation	Institutions/bodies/agencies
F4E	Fusion for Energy Joint Undertaking
FCH JU	Fuel Cells and Hydrogen Joint Undertaking
FRA	European Union Agency for Fundamental Rights
Frontex	European Agency for the Management of Operational Cooperation at the External Borders of the European Union
GSA	European GNSS Agency
IMI JU	IMI Joint Undertaking
OHIM	Office for Harmonization in the Internal Market (Trade Marks and Designs)
Ombudsman	European Ombudsman
REA	Research Executive Agency
SJU	SESAR Joint Undertaking
TEN-T EA	Trans-European Transport Network Executive Agency



Management Board

ANALYSIS AND ASSESSMENT OF THE ACTIVITY REPORT 2011

CT/CA-027/2012EN

LEGAL BACKGROUND

Article 8(3) of the Centre's founding regulation¹ states:

- '3. The Management Board shall adopt the annual report on the Centre's activities and transmit it by 15 June at the latest to the European Parliament, the Council, the Commission, the Court of Auditors and the bodies referred to in Article 2.'

Article 40 of the Financial Regulation applicable to the Centre² states:

- '1. The authorising officer shall report to the management board on the performance of his duties in the form of an annual activity report, together with financial and management information confirming that the information contained in the report presents a true and fair view except as otherwise specified in any reservations related to defined areas of revenue and expenditure. The annual activity report shall indicate the results of his operations by reference to the objectives set, the risks associated with these operations, the use made of the resources provided and the efficiency and effectiveness of the internal control system. The internal auditor within the meaning of Article 71 shall take note of the annual activity report and any other pieces of information identified.
2. By no later than 15 June each year, the management board shall send the budgetary authority and the Court of Auditors an analysis and an assessment of the authorising officer's annual report on the previous financial year. This analysis and assessment shall be included in the annual report of the Translation Centre, in accordance with the provisions of the constituent instrument.'

The Management Board is happy to see that Article 40 of the Financial Regulation is now being fully implemented by the Centre.

OVERALL EVALUATION OF THE ACTIVITY REPORT 2011

The Management Board welcomes the fact that the Annual Activity Report prepared by the Director of the Centre for 2011 is a high-quality document. It provides very satisfactory information on all the points that, in accordance with the Financial Regulation, should appear in this report. It allows the members of the Centre's Management Board as well as the audit supervisory and discharge authorities to have access to the information they need to do their work.

The Management Board would like, nevertheless, to draw attention to certain points relating to content and presentation, and to make recommendations for the future.

¹ Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union, as last amended by Council Regulation (EC) No 1645/2003 (the 'Founding Regulation').

² Financial Regulation of 22 December 2003 applicable to the Translation Centre for the Bodies of the European Union, as last amended by the Regulation of 25 March 2009 (the 'Financial Regulation').

ANALYSIS AND ASSESSMENT OF THE ACTIVITY REPORT 2011

1. The Management Board considers that the Activity Report presents in a satisfactory manner the measures initiated by the Centre to find new ways of assuring a stable future for the Centre in the face of the structural changes with which the Centre is confronted. The Management Board welcomes the action taken by the Centre to gradually implement a new pricing policy based in particular on a cost-price alignment. In this connection, the Management Board notes and would encourage the efforts made by the Centre to reduce its expenses.

2. As was recommended at the 36th meeting of the Management Board in March 2011, the Annual Activity Report was split into two documents: Activity Report 2011, with detailed information, presented activity by activity, and Client Report 2011, a more user-friendly publication presenting statistical information with regard to the translation services performed for the Centre's clients (EU institutions, agencies and bodies).

This approach seems to be successful and allows a better transmission of information to the different users. Besides other merits, the Client Report 2011 is also excellent promotional material, explaining to the general public the Centre's mission and activities. The well planned layout of the pages and the emphasis on the most important statistical data are other advantages of this publication.

The Management Board is in favour of maintaining this presentation.

3. The Management Board considers that the Activity Report provides a faithful account of the work undertaken by the Centre in 2011, and notes that the objectives that had been fixed in the Centre's Work Programme 2011 were achieved.

The first part of the Activity Report 2011 is organised in accordance with the activities and sub-activities defined in the Work Programme 2011. This approach allows the reader to compare the planned and actual volume of translation better. The reasons for any large discrepancies between plans and reality are explained and commented on.

The Management Board considers that the gradual implementation of a table of key performance indicators will be relevant in the future in order to show developments in comparison with previous financial years.

4. The second part of the Report, which leads up to the Director's declaration of assurance, provides a very full account of the main results of the operations conducted by the Centre. The presentation is transparent, regarding both the Centre's positive results and the negative management issues of 2011, such as those caused by unforeseeable circumstances.

The Management Board regrets, nevertheless, that this part does not contain a presentation of the main results of the risk analysis, and asks the Centre to remedy this for future financial years.

The Management Board is of the opinion that the information contained in the table on the implementation of internal control standards (paragraph 2.2.2) is insufficiently precise (in particular with regard to the content of Annex VII), and recommends that a more detailed table be presented in future.

In the same vein, the Management Board believes that it would be relevant to add a more operational presentation of the audit recommendations (IAS and IAC), based on the relative importance of the recommendations, and a measurement of the impact of the risks arising from the recommendations not yet implemented (part III, paragraph 1.2).

Lastly, the Management Board recommends adding any recommendations made by the discharge authority (and their follow-up) for the previous financial year.

Done at Luxembourg, 7 June 2012

For the Management Board,

Rytis Martikonis 

Chairman