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Part 1. POLICY ACHIEVEMENTS

1.1 ACHIEVEMENTS BY POLICY AREA

DGT's mission statement

In the interest of the European Union's legitimacy, openness and citizen service, the Directorate-General for Translation (DGT) provides the European Commission with high-quality language-related services for its written communication in all official languages, thereby supporting multilingualism in the European Union.

DGT's core business is to provide the Commission with multilingual translation services, which can be broken down into several distinct products depending on the customer's needs. In this way DGT enables the Commission to fulfil its political and legal obligations, to prepare and monitor legislation in all official languages and to communicate with citizens in their language. DGT follows the Commission's priorities set out in the translation strategy¹.

In 2008, for a fourth consecutive year, DGT faced an augmentation of translation demand. Within the context of increased attention to multilingualism, the political pressure on the translation service and the language coverage of communication continue to rise. At the same time, the overall resource constraints exert increased pressure on cost effectiveness and optimisation of the use of resources. DGT managed to address the growing needs by strictly applying the translation demand, whereas outsourcing has continued to become increasingly complementary to in-house activities, with external resources used mainly for non-legislative and non-sensitive documents, and for a number of domains requiring a very specific expertise.

Despite the afore-mentioned higher translation demand DGT was able to increase the deadline compliance rate in comparison to the previous year, although the sheer number of languages and the complexity of the documents will make it very difficult to have further improvements in the future. 93% of respondents to a customer survey carried out in 2008 considered that DGT usually or always meets the agreed deadlines. The same survey revealed that more than 80% of the respondents rate the overall quality of the service provided by DGT as good or very good, which confirms the efforts undertaken by DGT in the field of quality control and in offering more products responding to its customers' needs and to the fit-for-purpose approach.

With the aim of implementing the Commission's decision to make DGT the "hub" of all translations within the Commission, DGT continued to address the workflow and planning of the translation needs of the Commission services. This was done, *inter alia*, through addressing direct outsourcing, grey translation and enhanced interaction between DGT and the requesting services, in particular through Service Level Agreements and a more structured customer feedback. In 2008, Service Level Agreements with main

¹ SEC(2006) 1489 final of 20 December 2006.

customer DGs were signed, others being ready to be signed during the first half of 2009. The above mentioned customer survey was launched following a recommendation by the Court of Auditors in its special report on translation expenditure in the major institutions². The survey will be repeated on an annual basis.

As translation plays an important role in policy development and implementation in the Commission, it must be included from the start as an integrated dimension in the preparatory process. The proactive approach pursued by DGT in the field of editing resulted in a higher number of legislative documents edited upstream to the interservice consultation. The strengthening of electronic transmission of documents (the e-Greffe project) to optimise the Commission's legislative process was successfully introduced, resulting in the transfer of full end-responsibility for all language versions of Commission documents to DGT.

DGT supports the Commission's policy on multilingualism. In 2008 DGT reinforced its efforts in providing high-quality editing and translation of Commission priority pages of the Europa website in all official languages. DGT thereby promoted the Commission's policy for better communication with EU citizens and its multilingual presence on the Internet. Through its Field offices, DGT contributed to enhancing proximity towards citizens: in close cooperation with the Representation offices in Member States, Field offices drafted and adapted messages to the specific political, social and cultural context to be more comprehensible and clear for all.

DGT continued its proactive efforts in communicating the Commission's language policy and maintained contacts with relevant stakeholders. The 2008 success stories comprise the European Master's in Translation (EMT) project, the organisation of the 8th European Day of Languages and the second round of the translation's school contest, called "*Juvenes Translatores*". The latter, in particular, raised the awareness of national and local authorities in Member States on the importance of language teaching and the professional opportunities that translation offers. The project has allowed to give a "face" to Europe and to reach out to the public with a positive and creative initiative, as reflected in various articles in the press. But more important than the press clippings, which remain ephemeral by nature, is the long lasting effect of the project on a number of Member States that decided to review and enhance the teaching of languages in the school curricula. It is worth noting that the feedback has been 100% positive even from those schools and students that were eliminated or that did not qualify for the prize.

Defence and promotion of DGT's strategic interests were ensured through intensive interinstitutional dialogue in the framework of ICTI – Interinstitutional Committee for Translation and Interpretation – where synergies were identified for what concerns recruitment, training and IT developments. However, the limitation of workload balancing (due to the similarity of the capacity gaps across the institutions) was particularly noticeable in 2008, with a mere 1600 pages of request for translation put through the system and only two institutions (Council and Commission) accepting them.

² Special Report No. 9/2006 concerning translation expenditure incurred by the Commission, the Parliament and the Council, OJ C 284, 21.11.2006.

Generally, the increase of EP written questions and requests for legal analysis reflect the increasing political awareness on the implications of linguistic issues on the legal order and good functioning of the EU.

In 2008 DGT worked on a number of initiatives to broaden and deepen DGT's bilateral cooperation with other translation services at international level while continuing to assist senior management in developing well-established multilateral cooperation and enhancing DGT's external visibility through participation in IAMLADP (International Annual Meeting on Language Arrangements, Documentation and Publication) and other relevant international fora. On these occasions, DGT continued to be looked at as the example to follow and the benchmark for other translation services. DGT has also been active in the implementation of the Strategy for International Cooperation, adopted in February 2008. Its biggest successes were the support it is providing to the African Union and the development of the Russia Translation Facility which was started in 2007.

DGT continuously strives at using its various resources in a cost-efficient manner. Besides recruitment, the provision of subject-area, linguistic and IT training is targeted to maintain the high quality of DGT's services. Indeed, DGT has a higher number of training days per person than the average for the Commission. Further, to enhance cost-effectiveness, DGT undertook efforts to finalise the electronic cataloguing of the whole acquis of its library, which is one of the biggest language-focused libraries in the world.

Budgetary implementation in 2008 was fully satisfactory. DGT's overall execution rate was 95.9% (97.8% for external translation), the same as in 2007 (external personnel budget excluded). As regards payment delays, 95.4 % of payments in 2008 were made on time.

DGT's internal control procedures and structures are well incorporated in all core business processes. Current work is concentrated on consolidating procedures, fine-tuning controls and monitoring proper application. Thanks to the integration of risk management into the ABM/SPP cycle, DGT establishes an Annual Management Plan which reflects the actual management issues. Several initiatives significantly contributed to improving internal control, such as the development of a management information system with key performance indicators and the regular update of DGT's guide of procedures.

1.2 ACHIEVEMENTS BY ABB ACTIVITIES

1.2.1 Activity 31.11 - "Translation"

Objective T1 – Provide the Commission with a high-quality service in the fields of translation, editing and linguistic advice

For the smooth execution of its tasks, the desired achievement of its political/institutional aims and the proper conveyance of its messages, the Commission must be able to rely:

- on the timely delivery of high-quality and consistent translations of its written communication in all 23 official languages,
- on draft documents in native-speaker quality,
- on competent advice on language issues, and
- on appropriate ways and forms to communicate and interact directly and effectively with citizens and other stakeholders.

To this end the range of DGT's services covers not only the translation of documents and websites/pages but also the editing of drafts, including answering all types of queries about improving the clarity of the Commission's original documents and messages, linguistic advice on grammar, style, terms and concepts and the localisation of messages.

A high-quality service is of the utmost importance for legal certainty of the Commission's written communication, the legitimacy of the Commission's acts as well as the understanding of the *raison d'être* of those acts by the citizens. It is defined by the quality of the product, i.e. accuracy and consistency across different language versions, and the timely delivery.

Quality must be ensured before, during and after the translation, editing, advisory or localisation process.

The main elements impacting on the quality of the product at the preliminary stage are recruitment, training, terminological and IT support and planning activities. These issues are covered under various other sections of this report.

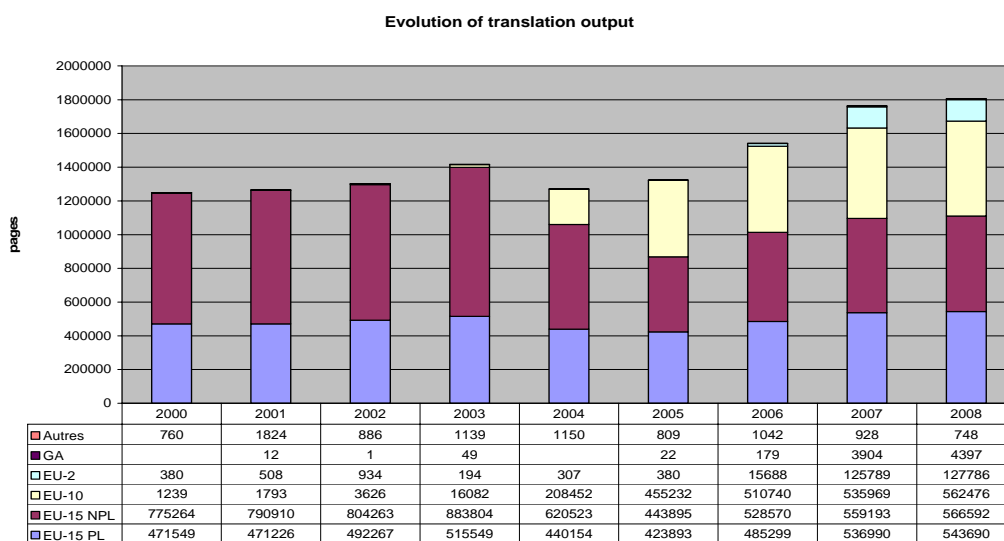
During the process, the following aspects contribute to ensuring a high quality:

- linguistic and formal quality of the original drafts;
- filtering requests according to production categories and product types, each requiring a specific form of control;
- assignment of translation as a daily risk assessment exercise following a "fit-for-purpose" approach (taking into account the "real purpose", the source language and the thematic field of the request as well as the competencies and experience of the translator);
- different forms of quality control (revision, checking, proof-reading etc.) to ensure that products which are "error-sensitive" in terms of the Commission's political, legal and financial obligations or its image are carefully revised, while those wanted for information or simple comprehension are released with fewer checks.

In the stage following the production, customer feedback, ex-post evaluation and quality checks are also essential for optimising the quality of service.

In 2008, DGT had to cope with a continued increase of overall demand. Despite a rigorous application of the demand management aspect of the Commission's translation strategy, overall production was on the rise throughout the whole service totalling to 1 805 689 pages, i.e. an increase by 2.43% as compared to 2007. As this evolution was recorded mainly for legislative texts and communication priorities, DGT made considerable efforts to improve its work rate which amounted to 6.25 pages per available day. In accordance with DGT's quality strategy only a small part of the higher demand could be catered for by an increased recourse to outsourcing (26.3% in 2008 as compared to 23.8 in 2007). In order to address the increasing demand of incoming documents and language coverage problems caused by the higher number of language combinations, DGT launched a two-way translation pilot project where translation takes place from a source text to another than the translator's first language. The project, which is limited to incoming documents of a non-legislative nature aims at testing the general cost-effectiveness of two-way translation for the DGT as a whole whereby adhering to the "fit-for-purpose" principle in terms of quality control and the most adequate response to requesters' needs.

Figure 1: Evolution of translation output



A satisfactory performance was registered in terms of quality control, where procedures have been stepped up: the overall quality control rate was 79.7%, i.e. more than 10 percentage points higher than in 2007. This is all the more important as the share of legislative texts and political priorities has increased. A common checklist for e-Grefte documents was implemented. Further to the quality-enhancement reviews that took place throughout the first semester, a new quality assurance system is now in place, an exception register has been developed, and it is being applied throughout the service since the 1st of June 2008.

In 2008 DGT launched a Total Quality Management (TQM) programme, based on the pursuit of excellence as well as on the acknowledgement of the need for consistency, accountability, cost-effectiveness and strong customer orientation. It selected the

Common Assessment Framework (CAF), a self-assessment application especially designed for public sector organisations, which was implemented in May/June 2008. It led to a set of concrete and specific actions addressing the major CAF criteria where DGT could improve. As a key dimension for this quest for continuous quality improvement, a specific programme "quality in translation" was implemented with 22 actions involving the whole service. Some of these are described below.

Customer feedback and ex-post evaluation are also essential for optimising the quality of service, once the translation has been delivered. In order to further enhance quality, a first survey on customer feedback was launched in 2008 and yielded a positive result, with more than 80% of the respondents satisfied with the services provided by DGT. The survey will be repeated on a yearly basis.

Terminology being one of the basic elements to ensure quality throughout the translation process, this resource is being continuously improved, including through interinstitutional cooperation. Particular attention was paid to the consolidation and completion of the IATE (Inter-active Terminology for Europe) database with 68 493 terms validated by the end of 2008, thus bringing the total number to 8 956 547 for all Institutions (6 478 152 for the Commission only). Specific difficulties in Irish language terminology are being addressed jointly with the Dublin City University and the Department of Community, Rural and Gaeltacht Affairs of Ireland.

The quality of translations relies to a large extent on the clarity of source documents. Given the increasing number of Commission officials working in languages other than their mother tongue, DGT reinforced its proactive approach to editing, which is becoming an increasingly established service across the Commission, with 40 285 pages edited in 2008. Priority was given to legislative texts and political and communication priorities. The results have been good with more editing requests arriving upstream of the interservice consultation.

An active contribution to quality management in translation and other quality-related initiatives was made through the involvement of services throughout the Commission; in particular through Commission-wide workshops on clear writing, training sessions on how to write for the web and joint initiatives to improve the quality and workflow of the Commission's press releases and citizens' summaries.

Objective T2 – Ensure sustainability and coherence in translation and linguistic advice in the Commission

Based on the findings and benefits from previous years, the Commission defined in late 2006 a sustainable translation strategy for 2007 and beyond. While concentrating DGT's scarce resources on the translation of core³ documents the strategy provided for rules on the number of pages and the linguistic regime for certain documents.

This strategy was successfully applied in 2008 where only a limited number of derogations were granted accounting for less than 1% of documents handled.

In order to ensure a coherent implementation of the translation strategy, DGT extended the demand management approach to so-called non-core documents that are not covered

³ Documents for which translation is required by legislation or political obligation.

by the strategy but needed by the Commission services to ensure the efficiency of the Commission's multilingual operation. Service Level Agreements represent a public and transparent framework for the cooperation with other DGs and provide for in-house and external translation of non-core documents; they set the conditions for the translation of the relevant documents, including quality control and the corresponding financial procedures. Through Service Level Agreements DGT raised awareness among its client DGs of the impacts of the Commission's multilingual working environment and of the need to factor that into their work. By the end of 2008 SLAs had been concluded with the following Directorates General: OLAF, AGRI, ECFIN, TREN, ESTAT, MARKT, ENV, INFSO, JLS, EMPL, REGIO, BUDG and COMP.

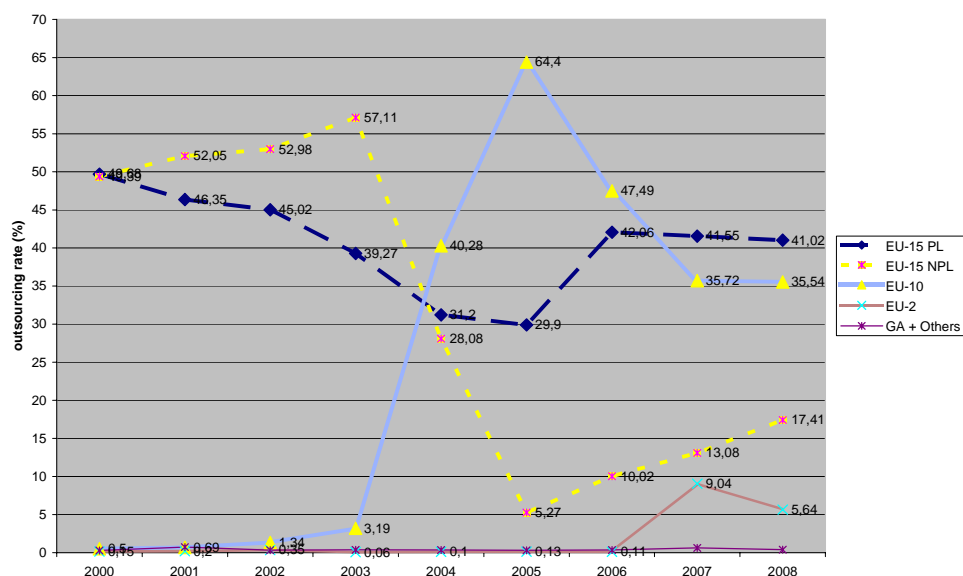
The approach is further reinforced by the new workflow introduced by e-Greffe/action 2, whereby DGT submits translations directly to the Registry. This workflow implied for DGT the assumption of new tasks as the service solely responsible for the delivery of translations and their final quality. E-Greffe/action 2 was introduced on 28 April 2008 for all documents subject to Commission decision procedures. The technical problems hampering the smooth phasing-in of the new process were addressed by DGT in cooperation with DG DIGIT and SG. All incoming documents and outgoing translations are checked by a common checklist applied by all departments.

Objective T3 – Ensure cost efficiency

DGT strives at increasing cost efficiency by optimising the use of its resources. In this context, the identification of current and future capacity needs and the reinforcement of training according to these needs play an important role. A campaign to inventory the linguistic and thematic competencies of DGT staff with the use of e-CV is ongoing. Training and recruitment strategies will be developed on the basis of this inventory and of a benchmark distribution of competencies to fill any current or future competency gaps. Some EU-10 language departments identified subject-matter gaps that were filled via targeted thematic training in cooperation with requester DGs and/or, where possible, with the help of national experts present in some LDs. Due to mobility and to the number of translators approaching retirement age in some language departments, training and recruitment strategies will have to address the risk of loss of expertise in highly specialised fields.

In terms of efficiency DGT managed to increase its work rate including quality control from 5.72 in 2007 to 6.25 in 2008.

At the end of 2008 DGT was operating over 380 framework contracts with external translation providers to outsource non-confidential and lower priority documents for which lower quality standards apply. In assigning translation tasks to contractors, DGT takes full account of their prior performance in terms of deadline keeping and translation quality.

Figure 2. Evolution of outsourcing rates

N.B. Outsourcing patterns for EU10 and EU15 are gradually converging as DGT's campaign to re-align resources across language department's progresses.

In order to improve targeting and enhance quality and cost efficiency of external translation, DGT has opted for a new freelance strategy based on thematic calls for tenders. The first of these, the AOGEN2007 (general affairs) became operational in 2008. While all 23 official languages are covered under the new framework contracts, for some language combinations alternative procurement procedures (such as negotiated procedures) or relay translations are applied. Other thematic calls for tenders, i.e. legal affairs (LEG 2008), TECH 1 (transport, energy, telecommunications and IT) and TECH 2 (agriculture, fisheries, environment and natural sciences), are under way and will be terminated as scheduled.

A number of other initiatives have also been taken to optimise the efficiency of outsourcing: an updated version of the Guide for Freelance translators was published in EN, FR and DE. In December 2008 a set of actions was adopted for creating and maintaining websites for external contractors. In addition to that, information seminars for all contractors under the new framework contracts AOGEN2007 were organised. Similar meetings are planned for contractors under LEG 2008 and TECH 1 and 2 in 2009. An Internal Quality Control Committee (IQC) for external translations was set up in 2008; it handled 53 substandard quality cases under the old contracts and 48 under the new framework contracts. Contracts were terminated for 2 lots and 100% penalties were applied in 20 cases. The proportion of acceptable freelance translation was 93.3%, which is a satisfactory result considering that new framework contracts only entered into force in mid 2008.

Several actions have been carried out in relation to the use of IT tools in order to maximise productivity and quality and the issue of voice recognition (VR) has been addressed with a view to optimise its application in DGT. Both TWB (Translator's Workbench) and Euramis (database for previously translated segments) are widely used in DGT, the ratio saved memories/total number of dossiers and pages having reached 38.8% (27.4% in the reference period 2007).

As far as the quality of originals is concerned DGT follows a two-pronged approach: since most Commission officials draft documents in a language that is not their mother tongue, this has an inevitable impact on quality of originals sent for translation to DGT and may weaken the message that the Commission wants to put across. This is why in 2008, in addition to keeping handling direct requests for linguistic improvement coming from all Commission services, DGT adopted a more proactive approach towards identifying documents that would benefit from editing and started vetting all important, priority documents - those that are most relevant to the Commission's Legislative and Work Programme and which by definition are to be translated into all official languages - and offering its editing services where appropriate. Also, DGT has created a Task Force, composed of representatives from DGT, DG ADMIN, DG COMM, SG, and SJ, which has been given the job of promoting Clear Writing in the Commission by raising awareness among Commission staff of the need to express themselves as clearly as possible. If original documents are clearer and easier to understand, this should also improve the efficiency of translation, and the clarity of the Commission's message.

Objective T4 – Facilitate multilingual interaction with citizens and stakeholders

DGT contributed proactively to enhancing awareness of the policies and actions of the Union among citizens and stakeholders, as provided for in the Commission's Plan D and its policy of Better Communication. DGT translators assigned to Field Offices drafted and translated locally a wide variety of press releases and memos (all in all more than 5400) - selected in close cooperation with the Representations - to get the message across to the public, and performed translation activities directly related to the Commission's priorities as defined at central and local level. The Commission Top News and the EU agenda were an important focus of this translation and editing task. Other standard tasks concerned the drafting of articles and other content for the Representation websites and for the weekly news bulletins, editing/revision of material produced by colleagues in the Representations and the provision of linguistic advice.

In accordance with the Commission's communication strategy and in line with the exponential growth of the Internet as a powerful communication tool, DGT continued to play a key role in ensuring the translation and adaptation of EUROPA web pages to meet linguistic sensitivities in each country and make information understandable and relevant to the widest possible audience. Apart from this day-to-day work, DGT has offered much-appreciated web editing and linguistic advice to other Commission services thus improving the quality of texts written for the web and increasing the efficiency of the translation process.

1.2.2 Activity 31.12 - "Policy strategy and coordination for DGT"

The Commission is committed to respecting cultural and linguistic diversity. Through the policy of multilingualism it promotes linguistic diversity in society and gives citizens access to European legislation and information in their own language. DGT contributes to the Commission's efforts inter alia by maintaining contacts with translation industry and national and international institutions.

DGT has been proactive and increasingly solicited on the international front. DGT is now providing assistance in the build-up of language services in Africa and has been asked by CRITI - Caribbean Research Institute for Translation and Interpretation - to

provide assistance in the hiring of translators and IT. This work is undertaken in the context of the Development and Cooperation policy of the Commission. As for external relations, requests for collaboration on terminology and translation have been received from the Arab League, Canada, South Africa and China; Russia has turned to DGT for assistance in training the new generation of translators that will be dispatched to international organisations; and a ministerial declaration on cooperation on multilingualism that included the linguistic aspects has been agreed with India. Line DGs have turned to DGT for assistance in order to ensure that their negotiating mandates are based on the correct understanding of the documents submitted to them. This in turn has led to requests for setting up a one-stop shop for translating from and into some non-EU languages. At the same time DGT has reinforced its status of model organisation in international fora where it remains the benchmark for other translation services in the world.

Translation and interpretation services are of strategic importance to the European Union. In view of ensuring cost efficiency and sustainable development in the area of translation, DGT has played a key role in the Interinstitutional Committee for Translation and Interpretation (ICTI), *inter alia* driving the cooperation and development in the area of IT tools for translators and enhancing the cooperation to ensure the staff competences needed. Potential synergies have therefore been identified in the areas of training, recruitment, and IT technologies. Furthermore, a renewed effort was deployed to streamline and rationalise interinstitutional cooperation and provide joint financing for a number of translation memories and databases such as the Inter-Active Terminology for Europe database (IATE), and EURAMIS, the European Advanced Multilingual Information System.

By building networks with universities DGT contributes to the development of the translators' profession and the labour market. In this respect, DGT successfully completed two of its flagship activities, the *Juvenes Translatores* school contest 2008 and the EMT conference 2008. It has also commemorated the 50th anniversary of regulation 1/58 by developing training modules for Commission staff about this landmark legislation and its effects.

Juvenes Translatores

DGT successfully managed the first edition (school year 2007-2008) of the flagship pilot project *Juvenes Translatores* that had a resounding success among participants, stakeholders and the media. This project significantly contributed to advancing and promoting the role and image of translators across the EU and encouraged a number of Member States to reconsider language teaching in secondary schools with a view to enhance their curricula. Following the success of the first *Juvenes Translatores* translation contest for schools, preparations for the second round started directly after the award of the first *Juvenes Translatores* prize in spring 2008. By end of 2008 the contest was completed with more than 2000 participants (1400 in 2007/2008).

European Master's in Translation (EMT)

The Commission's initiative on the European Master's in Translation, the aim of which is to strengthen the translator's profession, improving educational standards and enhancing the labour market, has raised a keen interest in Europe among the almost 300 university programmes which offer translator training.

Since 2006 DGT has worked with a number of interested universities with the aim of creating a network and agreeing on a common competence framework. Several conferences have been organised for this purpose.

DGT is encountering a strongly increasing demand for information about multilingualism, the EU's language regime and translation activity. Information material and promotional actions, e.g. in the framework of the European Day of Languages, contributed to overall visibility of the service. At such events, and especially during visits to schools and universities, DGT's Field offices play an important role in acting as ambassadors for the DGT and the translation profession in general.

DGT also promotes translation studies through its contacts with the academic community. In 2008 it initialised two studies (*Language Technology Tools* and the *Size of the Language Industry*), aiming at reinforcing the EU language policy and its objectives by analysing the current and future trends in the European and global translation market. The study on Language Technology Tools was terminated in autumn 2008. A third (internal) study on "50 years of translation at the Commission" was also completed and the results will be published in 2009. In the first half of 2008 a staff survey on multilingualism was carried out, which provided input for the elaboration of the Communication on Multilingualism adopted by the Commission in September 2008.

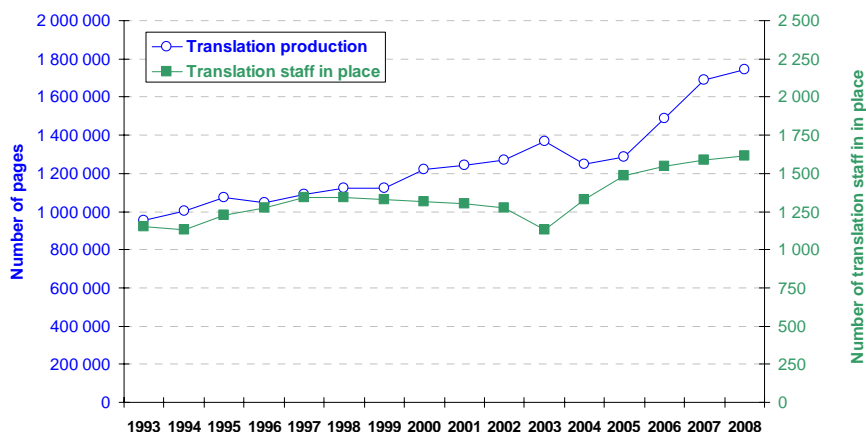
1.2.3 Activity 31.10 - "Administrative support for DGT"

In order to deliver a high-quality service DGT needs high-quality staff.

In the framework of its Learning and Development Framework DGT ensures the provision of appropriate internal and external professional training in a life-long learning perspective. By doing this, it enables and motivates staff to perform their tasks competently and efficiently. Continuous improvement of skills and knowledge were achieved by numerous training actions as can be seen by the number of 10.2 training days per person in 2008 (compared to 7.5 at Commission level). Concerning subject matter training, a noticeable number of conferences and seminars have been organised with the assistance of the training correspondents in language departments and specific DGT courses have been created together with specialised training providers to cover areas such as economy for non-economists and legal training. The ongoing mapping of competencies is expected to provide further strategic input in this context. Access to central language training is well streamlined on the basis of the service needs, although reflections are ongoing on how best to complement the offer of central courses, to adapt to DGT's specific needs.

Furthermore specific attention is paid to newcomers through induction programmes for staff and managers. In 2008 DGT welcomed 214 new members of staff. This figure includes officials and temporary agents.

The recruitment procedures for permanent EU-2 middle management are on the way and the recruitment of EU-10 middle managers is nearly completed: lists will be available in February and June 2009 respectively.

Figure 3: Evolution of overall translation production and translating staff

A reliable and efficient IT environment and technical support are indispensable to maximise total quality and productivity. To this end, DGT provides and maintains a number of high-end computer aid tools including terminology databases, translation memories, librarian tools, document workflow systems, etc.:

- to screen customer demands and determine required output quality;
- to prioritise, organise and supervise the translation workflow;
- to support the translation task by facilitating information sharing among translators and by making available translation memories, documentary resources databases, terminology references, etc.

In 2008 several actions were carried out in relation to the use of IT tools in order to maximise productivity and quality. A major project aiming at the information systems integration is the development of dedicated desktops. This project consists in remodelling DGT's IT systems to have a single integrated system covering all needs of all kinds of profiles in DGT. Work on the Translator's Desktop project has very well progressed and the first public release is scheduled for September 2009. The Translation Management Desktop aimed at managers of translation units and the Planning Desktop created for planning officers are in the elaboration and finalisation phase and are expected to be launched in 2010.

Furthermore DGT developed a new version of the interinstitutional metasearch engine for terminology, called Quest II. The adaptations made it usable for the other institutions and increased its user friendliness. Finally, DGT integrated the Commission's legislative registry (e-Greffe) into DGT's workflow systems thus supporting technically the formal integration of DGT in the legislative workflow of the Commission and ensuring a better quality of legislation.

For web translation, solutions have been developed to allow translators to deal with the files received using XML (a standard chosen by industry as the most appropriate solution for platform-independent electronic content codification). XML is now the standard format for some types of translations, representing approximately 12% of production.

Availability of documentary and terminology resources covering all official languages and all the subjects the Commission deals with is crucial for quality and efficiency of translation work. Therefore, in 2008 DGT continued its effort to further enhance the

services offered by its library, which is possibly, on language and translation matters, one of the largest professional, multilingual reference libraries in Europe, containing more than 30 000 books and periodicals. The range of electronic resources (CD ROMs, access to on-line dictionaries and data bases etc.) made available to translators continued to grow. Good progress was made in electronically cataloguing the library collection, especially in the second half of the year, and 2009 should see its completion. Once completed, cataloguing will enable translators and other Commission's officials to search and order all books on line, with efficiency and minimal wait.

Part 2. MANAGEMENT AND INTERNAL CONTROL SYSTEMS

This section sets out the management, the risk and control environments in which DGT operates and the elements of the management and control systems which support the reasonable assurances expressed in the annual declaration.

2.1 INHERENT NATURE AND CHARACTERISTICS OF DGT'S RISK AND CONTROL ENVIRONMENT

2.1.1 DGT in 2008

Control environment, organisational, administrative and accountability structures

DGT has actively promoted a culture of internal control awareness among all layers of its organisation. DGT's internal control procedures and structures are well incorporated in all core business processes. Current work is concentrated on consolidating procedures, fine-tuning controls and monitoring proper application. Risk management has been integrated into the ABM/SPP cycle, with well established procedures.

The introduction of the new internal control standards as of 2008 required a significant investment and awareness rising among DGT staff. DGT's web portal, dedicated to internal control, is updated regularly and the issue is routinely part of the training of all new recruits.

DGT's Internal Audit Capability (IAC) provides assurance to the Director-General as to the effectiveness of DGT's internal control systems and advises on ways to improve management and internal controls, as well as on specific issues requiring in-depth analysis.

DGT's financial operations are managed by a limited number of units, each having expertise in financial management. DGT's translation departments have no direct responsibility in financial management although they provide assessments of the quality of outsourced translations to help the external translation unit certify invoices for correctness.

Main difficulties, problems and risks

The quality and timeliness of translations are essential for the Commission to fulfil its treaty obligations. Translations that are of insufficient quality or inconsistent across the different languages may result in unequal treatment of citizens before the law, blurring the Commission's messages and damaging its reputation.

DGT operates in a political environment whereby its workload is highly dependent on the evolution of the political agenda and developments in the Commission's policies. Translation demand is characterised by:

- its relative unpredictability in the medium term and high unpredictability in the long term (this holds for forecasting in terms of numbers of pages to be translated, source and target languages, and policy field covered);

- its peaks at certain times of the year when political initiatives are concentrated (June, December);
- the fact that a significant percentage of requests is urgent, either in order to respect political agendas or to meet imperative deadlines set by legal constraints;
- deadline keeping; in this respect performance refers to the timely availability of all language versions at one time; with a growing number of official languages the challenges are increasing exponentially.

Translation resources are, by their very nature, difficult to reallocate rapidly: linguistic excellence and subject-matter expertise do not allow in-house translation resources to be rapidly shifted to changing needs. Within these constraints, DGT maximises the use of flexibility enhancing measures: quality controls are tailored to risks in terms of linguistic and subject-matter expertise of translators; two/three-way translations are used where the nature of the document allows for this in accordance with fit-for-purpose principles and external translation resources are allocated where needed as a balancing resource.

DGT currently faces the following difficulties:

- the efforts in promoting multilingualism are hampered by the fact that there are no dedicated resources for communication on multilingualism.
- the number of languages, the complexity of documents and the introduction of e-Grefe make it virtually impossible to further increase the already high deadline compliance rate.
- the generation shift in some EU-15 language departments will trigger a loss of expertise. This situation is exacerbated by the recurrent recruitment difficulties reflecting the low attractiveness of the Commission as a career possibility for young translators.
- DGT will lose expertise in RO and BG and most of the other new language departments due to the natural shift from temporary to new permanent staff.
- due to the delay of the ongoing internal middle management competitions, DGT may lose some very good managers who would be recruited by other institutions on the basis of parallel EPSO lists that have already been published.
- the new framework contracts for translation services AOPEN 2007 cover 23 languages. However, for several language combinations, contracts have been signed with one contractor only, none for 7 language pairs (from GA into EN/FR/DE, from DE/FR into GA and from MT into DE/FR).

Financial management characteristics and key figures

DGT spent a total of €18.8 million (€17.5 million excluding missions) of appropriations falling under the multi-annual financial framework Heading 5 'Administration' Unlike many other DGs, DGT's core business is not geared towards spending. Its financial operations are designed to support its core business, which consists in providing translation services to the Commission.

DGT manages its budget according to the direct centralised management method. Financial operations other than regular staff expenditure (such as missions) qualify as procurement spending; DGT does not operate any grant schemes. This budget is executed mainly through large numbers of individual financial transactions, each of

relatively low value. For 2008, the relevant figures are:

Total number of budget commitments	140
Total number of legal commitments (excluding mission orders)	19.071
Total number of payments (excluding mission expenses)⁴	10.053
Recovery orders	58

About 85.58% of these commitments and payments are executed under framework contracts established following open calls for tenders with publication in the Official Journal.

DGT is increasingly signing Service Level Agreements (SLAs) with requesting DGs whereby external translations are organised by DGT on their behalf and with their financing. This leads to internal recoveries becoming a more routine process, although with limited risks in terms of recoverability.

DGT has its financial procedures documented and published online. These include financial circuit descriptions ("who does what"), checklists and routing sheets. DGT's procedural manual for low-value public procurement operations (i.e. below the thresholds of the public procurement directive) provides departments with a step-by-step procedure description, supplemented by a full range of templates to make such purchases as efficient as possible while ensuring compliance with regulatory requirements.

DGT's financial circuits for commitments are decentralised, with independent verification (counterweight) by the financial resources unit for non-routine operations with particular risks in terms of compliance with public procurement principles. However, most routine spending transactions under framework contracts are fully decentralised.

All payments are processed through a centralised circuit whereby authorisation is given by authorising officers within the Financial Resources Unit, thereby allowing efficient transaction processing, effective coordination of proper accounting handling and independent ex post verification of most issues relating to the commitment stage.

⁴ DGT's multiple framework contracts allow contractors to provide monthly invoices covering multiple orders. The number of payments processed is therefore significantly lower than the number of orders.

2.2 REPORTING ON THE FUNCTIONING AND EFFECTIVENESS OF INTERNAL CONTROL SYSTEMS

2.2.1 Reporting on compliance with requirements

Planning, programming, monitoring and reporting

The implementation of the Strategic Planning and Programming (SPP) cycle is supported by a dedicated SPP/ABM working group chaired by the Director-General and co-chaired by the Director of Resources. This working group has been effective in implementing strategic planning within DGT through high-level steering from senior management, strategic risk assessments structured around the objectives identified and bottom-up contributions from all departments represented in this group. Through this process, DGT has defined its outputs to achieve objectives/results and has agreed on actions to control/mitigate risks impacting thereon.

This approach has ensured that the different layers of the organisation contribute actively to the planning process, thereby ensuring that objectives and targets are understood and owned by the various services. The AMP is finally distributed to all directorates with the instruction to share it with their staff and complement it with more detailed management plans at the level of directorates and departments.

The SPP cycle is fully integrated into DGT's regular management processes. Through the half-yearly review of achievements against objectives, DGT takes stock of progress in meeting targets through bottom-up reporting from all departments (see also section 2.2.2), and corrective actions are agreed upon where appropriate. DGT has a dedicated statistics and evaluation unit which provides measurements for many of the indicators adopted in DGT's annual management plan. Whenever possible, AMP indicators are selected from those monitored via the Management Information System.

DGT does not operate multiannual operational programmes, but many of its objectives have a multiannual dimension.

Supervisory controls

Proper use of resources is assessed in DGT on the basis of the following criteria:

- only documents complying with rules outlined in the Commission's Translation Strategy (document type, document length, number of target languages) are accepted for translation;
- translations meet fit-for-purpose quality criteria (i.e. trade-off between timeliness of delivery, linguistic concordance of the 23 language versions, linguistic quality, lead time, cost of the translation, etc.);
- documents are outsourced only if :
 - i. their nature and purpose allow for this in accordance with DGT's strategy for external translation,
 - ii. no sufficient in-house capacity is available,
 - iii. no capacities are available in other institutions under the workload balancing scheme.

To monitor and supervise its production process, DGT has put in place the following supervisory control systems:

- the planning unit applies a standard method for screening an average of 200 daily translation requests against criteria set in the translation strategy. They also recommend a level of expected quality based on the type of document.
- the planning unit uses a workflow tool (SUIVI) to estimate available translation capacity by target language. Subsequently, it proposes a deadline for delivery to the customer and assigns the individual translations to the most suitable translation unit(s).
- the translation unit performs a detailed risk analysis for each translation to be assigned to determine the arrangements for carrying out the task. This includes choosing between in-house or external translation and setting the scope of quality controls in compliance with the translation quality guidelines, ranging from full revision to cross-reading (peer-to-peer checking) and spot checks.
- the head of the translation unit uses the workflow tool (SUIVI) to monitor in real time pending customer requests and assign translation and quality control tasks to a qualified translator.
- outsourcing decisions are supervised via senior management's review of the correlation between work rate and outsourcing rate, and via senior management derogations for outsourcing documents of high priority. However, it is still not possible to systematically check on available capacities at other institutions under the workload balancing scheme before deciding on outsourcing owing to lack of information. Diminishing translation resources in other institutions did already limit the possibility to use this facility.
- most language departments have put in place, as part of a unit or language department quality improvement programme, additional ex post quality control mechanisms, including a common checklist for e-Grefe documents.
- senior management uses a high-level reporting tool (StatSuivi) to obtain aggregated data on total volumes translated, average number of pages produced per day, deadline keeping, outsourcing rates, etc. These figures are analysed over time to compare the performance of units and language departments.
- a set of key performance indicators (KPI scorecard) has been established to monitor a wide range of workflow operations.

For DGT's financial management, supervisory controls (other than documentation of procedures and monitoring/reporting arrangements outlined under section 2.2.2) can be summarised as follows:

- a limited strategy for additional supervisory controls, focusing on those issues which could not be monitored through the regular checks on payment transactions, is implemented through targeted controls for selected processes at selected points in time. These controls are performed in collaboration between the managing department concerned and the financial resources unit; they are reported to senior management and include a series of recommendations for corrective actions.

- DGT's procurement operations involve payments becoming due only upon acceptance of well defined deliverables (no prefinancing). There is therefore no necessity to implement ex ante or ex post on-the-spot checks.

2.2.2 Reporting on effectiveness of the implementation of the Internal Control Standards for Effective Management

In the Annual Management Plan 2008, three Internal Control Standards were identified to be particularly important for the functioning and effective management of DGT.

Staff allocation and mobility (ICS n° 3)

DGT's management information scoreboard which is updated on a monthly basis provides key performance data supporting human resources management such as percentage of posts occupied, recruitment against targets, age structure, staff turnover etc. It has to be noted though, that translation resources by their very nature are difficult to reallocate. In order to address this issue and in view of the policy of zero resource growth for the Commission imposed by the budgetary authority for the period 2009-2013, DGT determined staffing benchmarks for administrators and assistants. These benchmarks which have been communicated to the Commissioner are based on various elements and are reviewed twice a year in order to achieve an equitable post distribution. Posts that fall vacant are reattributed taking into account staffing benchmarks as well as other objective factors. Staffing tables are provided every two months in order to ensure timely and adequate AST and AD replacement staff.

Besides, mobility is promoted by internal secondments. These are intended to be a learning experience for translators interested in moving out of a translation career at some later stage, not as a precursor to permanent reinforcement of the receiving unit. Their duration is therefore limited to one year at the most, and the head of the receiving unit must guide the formal and on-the-job-training of the seconded staff.

These measures are supported by a targeted and intensive training programme in order to ensure flexible and dynamic organisation. Access to central language training is well streamlined on the basis of the service needs and specific subject matter courses have been organised to strengthen and knowledge and competencies in very specialised areas like economics and legal matters.

In order to prevent loss of knowledge in the event of mobility of replacement of middle management it is already a well-established practice at DGT to establish hand-over reports, a model of which giving the basic structure is available on the website of the human resources unit.

Processes and procedures (ICS n° 8)

DGT has been applying for the third year its system of high-level management reporting to the Director-General, whereby all Directors report twice a year on a wide range of management issues, including:

- basic indicators on the use of resources;

- progress on implementation of objectives and actions from the management plan, measured against targets;
- internal control strengths and weaknesses – both operational and financial – encountered in carrying out their duties or reported to them by staff;
- newly identified risks;
- follow-up on action plans decided in response to audit recommendations, risk and internal control self-assessments, discharge resolutions, critical messages from previous management reporting, etc.

Communication and information (ICS n° 12)

The high-level reporting has been instrumental in effectively monitoring progress in terms of planning and implementation of internal controls and promoting good management practices around all departments.

Regular reporting is also implemented for daily operational needs (including resources management), providing senior management with regular status reports:

- key indicators concerning the main aspects of DGT such as translation demand and production at various levels (corporate, unit, department) are delivered to management via established a semi-automated Management Information System.
- DGT has developed a management information scoreboard which is updated on a monthly basis. Besides other key indicators it also provides information on IT systems performance which is monitored against AMP targets.
- DGT has set up a workflow system to monitor workloads, productivity and deadline keeping. An extensive statistical database and a set of standard reports are available online to staff and management, providing key indicators on the efficiency of the translation workflow.
- in terms of financial management, monthly reporting is provided on indicators related to budget execution - including a monthly analysis of actual versus planned budget spending, ageing balance of recovery orders, performance in meeting contractually defined payment times, closure of commitments carried forward from the previous year, etc.

In accordance with the working arrangements with the Cabinet of Commissioner Orban, regular information is passed on to the Commissioner to enable him to follow issues of critical importance relating to DGT's management of resources and be involved, where appropriate, in the development of the different stages of the ABM/SPP cycle. This includes information on audits and their results. Regular meetings were held to inform the Commissioner and request guidance to ensure proper functioning of the DG and compliance with internal control requirements.

Last but not least, DGT has established a new three-year communication strategy aiming at communication within DGT and the Commission, communication with the other EU-Institutions and the outside world. Over the next three years (2009-2011) DGT will develop and pursue nine strategic objectives, which focus *inter alia* on the improvement of the information flow inside the service and with other Commission departments, on its prominent role as the biggest language service in the EU and the promotion of multilingualism.

Additional elements

Further to the adoption, in October 2007, of the revised Internal Control Standards for Effective Management⁵, and the new guidance on sensitive functions⁶ (ICS n° 7 – "Operational structure"), DGT carried out during 2008 a thorough exercise of assessment of all the functions. The outcome of this exercise was represented by a revised list of sensitive functions - and mitigating measures, whenever applicable - in the light of the new provisions, and namely the stress on functions where the controls in place leave a significant residual risk of misuse of power for personal gain. The number of sensitive functions has been substantially reduced, from the previous 24 to the current 5 functions.

The weakness identified in respect of business continuity of IT systems in DGT (ICS n° 10 – "Business continuity") was addressed in 2008. The Data Centre has made available its monitoring tool early July but not opened for individual use by DGs until DIGIT's own business continuity plan is implemented and tested (expected February 2009). A template for a new SLA should have been provided to DGT by September 2008. DGT will have to define its own needs in the annexes to the SLA. Taking into account the technical discussions and validation cycles in both DGs, it is foreseen to have an SLA signed by the end of the IT Infrastructure Consolidation project (ITIC) and a good monitoring system in place soon after that. The IT disaster recovery plan (DRP) for DGT was drafted and tested between May and June 2008. The results and the DRP were presented to the IT Steering Committee in November 2008 and accepted as the basis for any further development.

2.2.3 Conclusion

In the light of the elements presented in this chapter 2, it can be concluded that the risks in DGT are properly managed.

This assessment derives from the existence of an enhanced control environment, combined with a management mode – the centralised direct management – which is generally characterised by a low risk.

Furthermore, DGT does not operate grant schemes, but only manages administrative expenditures, for which the Court of Auditors usually gives a positive assessment, as it was the case in the last annual report (covering the exercise 2007).

The effectiveness of the control environment in DGT is also confirmed by the judgement made by the Commission's central services (and particularly DG Budget) on the quality of the financial systems and the accounting data.

DGT will nonetheless ensure that a proper control is maintained also in the future, and endeavour to improve the effectiveness of the individual elements, adopting specific measures and actions in response to opinions of its Internal Audit Capability and

⁵ SEC(2007)1341

⁶ BUDG.D3/AW D(2007) 50122

recommendations by the Commission's Internal Audit Service or the European Court of Auditors.

2.3 BUILDING BLOCKS TOWARDS REASONABLE ASSURANCE OF THE AOD

2.3.1 *Assessment by management*

Key indicators of legality/regularity and sound financial management supporting reasonable assurance

DGT carefully considered its management performance, controls and supervisory checks during 2008 and did not identify any significant (repetitive) errors. DGT is therefore of the opinion that its control systems are sufficiently robust and effective in preventing/detecting/correcting errors.

DGT's financial operations, as further described under the heading "Financial management characteristics and key figures" in section 2.1.1, bear limited financial risks in terms of legality/regularity and do not require ex post on-the-spot controls at the level of the final beneficiaries. A limited set of indicators has therefore been set up to monitor legality/regularity and sound financial management:

Indicator	Measurement		
		No of transact.	Total value
Number of financial exceptions handled	2006	38	€729 000 ⁷
	2007	56	€9 780 000 ⁸
	2008	42	€85 872
Cases referred to OLAF over the last three years	2006	2007	2008
	0	0	0
Budget covered by audits of the IAC over the last three years	87.2%		

In 2008, the median value of each of the 42 recorded exceptions was 8 030 € as most of them related to meetings with experts outside the Commission buildings. The 5 authorized ex-ante exceptions made up 65.21% of the total value of the exceptions. Thanks to the controls put in place, DGT was able to avoid the risk of exceeding the ceiling set in the procurement procedure, and took the appropriate measures to address the issue in due time.

⁷ Of which €369 000 relate to authorised ex ante derogations.

⁸ The 3 authorized ex-ante exceptions (related to the extension of the validity and amounts of framework contracts) made up 98% of the total value of the exceptions.

2.3.2 Results from independent audits during the reporting year

DGT IAC issued this year the final audit reports on IT Planning and Organisation, Personal Data Protection, Human Resources Recruitment and Document Management. It also performed follow-up audits of the soundness and robustness of statistics and external translations.

Their overall conclusion is that the internal control system in place provides reasonable assurance regarding the legality and regularity of transactions but not as regards the achievement of the business objectives set up for the areas audited.

2.3.3 Follow-up of action plans in reply to audit work performed in previous years

DGT operates an integrated database to facilitate systematic follow-up of outstanding actions decided following internal control self-assessments, risk assessments, recommendations from auditors, discharge resolutions, etc. Overall progress on implementation is summarised in section 2.2.2.

A total of 21 actions were monitored throughout 2008 through this database; 7 of those had already been fully implemented by 31 December 2008. The remaining 14 actions are currently being pursued. None of these ongoing actions relates to issues of critical importance that impact on the reasonable assurance expressed in the annual declaration outlined in part 4.

The European Court of Auditors (ECA) finalised its audit on the cost of translation in the main institutions and published its special report in November 2006⁹. After the Council and Parliament adopted their recommendations with respect to this special report DGT concluded that all recommendations had been either implemented or already planned in the AMP; therefore no separate action plan was needed.

The current status on the recommendations from this audit can be summarised as follows:

- the Commission's Translation Strategy for 2007 and beyond extends the guidelines for authorisation, document length, and target languages to all document types and sets clear criteria for assigning the Commission's translation resources (in-house, outsourcing, support to DGs, etc.) to individual tasks in accordance with fit-for-purpose principles. It mandates DGT to provide coordination for all translation activities across the Commission, including grey translations and direct outsourcing. SLA (Service Level Agreements) were signed with numerous client DGs and successfully implemented, many of them providing for re-invoicing schemes.
- To increase awareness in Member States of the Commission's needs for high-quality translators, DGT has strengthened the Visiting Translators Scheme and continued the initiative on the European Master's in Translation.
- DGT's has adopted a Translation Quality Strategy; corrective actions have been established and are being implemented.

⁹ OJ C 284, 21 November 2006, p. 1.

- DGT is fully committed to making the use of its advanced IT tools mandatory for all translators. Individual objectives will be set in this respect for all DGT translators.

The Commission's Internal Audit Service (IAS) finalised in mid 2007 its audit of translation demand management. DGT concluded an action plan to follow up on the recommendations. The current status may be summarized as follows:

- **Service Level Agreements**

DGT developed a 'Service Level Agreement' that (among others) addresses the specific responsibilities of client DGs with a view to promoting the best and harmonised translation practices. One of its main goals is to reinforce programming in the DGs as well as the role of the translation correspondent.

By end of 2008 13 Service Level Agreements (SLA) had been signed and some more will be established before March 2009.

The above mentioned Service Level Agreements address the specific guidelines for client DGs in relation to 'grey translations'. This includes a requirement for other DGs to inform DGT of the types of documents directly outsourced by them or translated in-house by non translating staff. They also provide guidelines to ensure that the principles of the translation strategy are applied.

These elements will be included in the SLA referred to in the point above.

- **Control activities: procedures and controls**

Harmonisation of the workflow reporting practices is well progressing. This task has been delegated to the inter-departmental task force on translation quality to ensure harmonised and participative development/implementation. Out of the 22 actions identified 19 were finalised at the end of 2008. The three remaining actions will reach the stage of implementation during the first semester 2009.

The inventory of different quality control procedures has been completed and a number of actions are planned with a view to clarifying and harmonising quality control measures in the different language departments of DGT.

DGT's Reference Guide to procedures has been entirely updated. Regular (bi-annual) comprehensive revision rounds are performed. The guide is published on DGTnet and is accessible directly from the DGT intranet home page. DGT's staff was explicitly encouraged to become acquainted with it.

Contributors have been reminded about the rules concerning reporting exceptions during the preparation exercise of the bi-annual activity report, which includes a specific section dedicated to exceptions to established rules and policies.

- **Monitoring and evaluation**

The key performance indicators for the Management Information System are regularly monitored. Setting target values for selected performance indicators has routinely become part of the SPP cycle (AMP).

The design and proposal for a DGT Total Quality Management strategy were agreed upon at the beginning of 2007. A TQM steering committee has been set up and its composition and terms of reference were defined. The CAF model was selected and a network for TQM correspondents was set up in view of assessing the main core business processes. In May/June 2008 the first CAF self assessment cycle took place, including communication, training, assessment by a selection of staff and final reporting. The exercise produced a large number of total quality improvement recommendations. Through a structured process of consolidation, discussions with middle management and optimisation of implementation strategy, these recommendations were concentrated into a small set of concrete and specific actions addressing the major CAF criteria where DGT could improve.

A comprehensive customer satisfaction survey addressed to client DGs was performed in October/November 2008 and its final report was submitted in January 2009. This survey prepares the ground for a survey performed on a regular basis.

Part 3. RESERVATIONS AND THEIR IMPACT ON THE DECLARATION

3.1 MATERIALITY CRITERIA USED

During 2008 DGT managed a budget of non-differentiated appropriations of around €18.6 million. Actual spending amounted to €17.9 million.

A weakness is considered material if either quantitative or qualitative criteria are met.

As far as the quantitative criteria are concerned, DGT has set its materiality level at 2% of its actual spending in 2008 – which is the standard threshold applied by Commission's services – although the level of financial spending is very low compared to the overall EU budget (€129.1 billion).. This 2% threshold implies that DGT uses a materiality level of €372 000 as a yardstick.

For the management of its human resources, DGT also applied a materiality level of 2% of total establishment plan posts for 2008, which corresponds to some 48 FTEs.

In addition, DGT bases its assessment on qualitative criteria, such as:

- the presence of a significant shortcoming in the control systems, and
- the possibility of a critical reputational risk for the Commission.

3.2 MAKING THE RESERVATIONS

On the basis of the above criteria, DGT has not identified any issues that would require a reservation in the annual declaration of the Director-General for 2008.

3.3 OVERALL CONCLUSION ON THE COMBINED IMPACT OF THE RESERVATIONS ON THE DECLARATION AS A WHOLE

In the absence of a formal reservation, the Director-General issued an unqualified annual declaration (see Part 4).

Part 4. DECLARATION OF ASSURANCE

I, the undersigned, Karl-Johan Lönnroth

Director-General of the Directorate-General for Translation

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view.¹

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

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

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

Luxembourg, 31.03.2009

Signed

K.-J. Lönnroth

¹ True and fair in this context means a reliable, complete and correct view of the state of affairs in the service.