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# eu-LISA Consolidated Annual Activity Report

2017

# Table of contents

List of abbreviations and acronyms .....	3
Legal background .....	6
Assessment by the Management Board .....	7
Introduction .....	11
Executive summary.....	13
Part I. Achievements of the year .....	20
Part II (a). Management.....	40
2.1. Management Board .....	40
2.2. Major developments .....	42
2.3. Budgetary and financial management.....	44
2.4. Human resources management .....	48
2.5. Assessment by management .....	55
2.6. Budget implementation tasks entrusted to other services and entities.....	56
2.7. Assessment of audit results during the reporting year .....	57
2.7.1. Internal Audit Service .....	57
2.7.2. Internal Audit Capability (IAC) .....	57
2.7.3. European Court of Auditors .....	58
2.8. Follow-up of recommendations and action plans for audits .....	59
2.9. Follow-up of observations from the discharge authority .....	61
Part II (b). External evaluations.....	69
Part III. Assessment of the effectiveness of the internal control systems .....	71
3.1. Risk management .....	71
3.2. Compliance and effectiveness of Internal Control Standards.....	71
Part IV. Management assurance .....	73
4.1. Review of the elements supporting assurance.....	73
4.2. Reservations (if applicable) .....	75
4.3. Overall conclusions on assurance .....	76
ANNEXES .....	77
Annex I. Corporate Performance Indicators .....	77
Annex II. Statistics on financial management .....	79
Annex III. Organisational chart .....	85
Annex IV. Establishment Plan .....	86
Annex V. Human and financial resources by activity .....	89
Annex VI. List of trainings delivered to Member States.....	90
Annex VII. Specific annex related to Part II.....	91
Annex VIII. Specific annex related to Part III .....	98
Annex IX. Draft financial accounts .....	102
Annex X. Annual activities and indicators.....	105
Annex XI. Report on public access to documents .....	121

# List of abbreviations and acronyms

ABB	activity-based budgeting
AFIS	Automated Fingerprint Identification System
AG	Advisory Group
BCU	Backup Central Unit- backup centre in St. Johann im Pongau
BMS	Biometric Management System
BG	Bulgaria
CA	Contract Agent
CAAR	Consolidated Annual Activity Report
CAF	Common Assessment Framework
CBS	core business systems
CEPOL	European Union Agency for Law Enforcement Training
CO	compensatory leave for overtime
CR	change request
CS	core system
CU	Central Unit - the main data centre in Strasbourg
CV	curriculum vitae
DAPIX	Working Party on Information Exchange and Data Protection
DG HR	Directorate-General for Human Resources and Security
DPO	Data Protection Officer
DTPITO	Development Training Programme for IT Operators
DubliNet	Communication Network for Eurodac
EAB	European Association for Biometrics
EASO	European Asylum Office
ECA	European Court of Auditors
e-CODEX	e-Justice Communication via Online Data Exchange
ECRIS	European Criminal Records System
ECRIS-TCN	European Criminal Records System — Third Country Nationals
EDPS	European Data Protection Supervisor
EES	European Entry/Exit System
EiO	entry into operation
ENISA	European Union Agency for Network and Information Security
EPMO	Enterprise Project Management Office
ETIAS	European Travel Information and Authorisation System
EU	European Union
eu-LISA	European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice
Eurodac	European Asylum Dactyloscopy Database
Eurojust	European Union's Judicial Cooperation Unit
FG	Function Group
FRA	European Union Agency for Fundamental Rights
Frontex	European Border and Coast Guard Agency
FSA	Final System Acceptance
FTE	full-time equivalent
GCU	General Coordination Unit
GDPR	General Data Protection Regulation
HLEG	High Level Expert Group set up by COM in the context of the April 2016

	Communication <i>Stronger and Smarter Information Systems for Borders and Security</i>
HQ	headquarters
HR	Human Resources
IAC	Internal Audit Capability
IAR	Impact Assessment Report
IAS	Internal Audit Service of the European Commission
ICS	Internal Control Standard
ICT	Information and Communication Technology
IMS	Information Management Strategy
InfoVIS	Informal VIS
ISMS	Information Security Management System
IT	information technology
ITIL	Information Technology Infrastructure Library
ITSM	Information Technology Service Management
JHA	Justice and Home Affairs
KPI	key performance indicator
L1	level 1
LIBE	Civil Liberties, Justice and Home Affairs
LMS	Learning Management System
MB	Management Board
MEP	Member of the European Parliament
MoU	Memorandum of Understanding
MP	Member of Parliament
MS	Member States
MSP	Microsoft Project
MWO	Maintenance in Working Order
NAP	National Access Point
NCP	National Contact Point
NIST	National Institute of Standards and Technology
N.SIS	national Schengen Information System
OJ	Official Journal
OLAF	European Anti-Fraud Office
PAS	Production Applications Support
PD	Programming Document
PRINCE	Projects in Controlled Environments
QAIP	Quality Assurance and Improvement Programme
R&D	research and development
RO	Romania
SBD	stand-by duty
SIEM	Security Information and Event Management
SIRENE	Supplementary Information Request at the National Entries
SIS II	Schengen Information System
SLA	service level agreement
SM9	HP Service Manager 9
SNE	Seconded National Expert
sTESTA	Trans European Services for Telematics between Administrations
SXB	Strasbourg
TA	Temporary Agent

TCO	total cost of ownership
TESTA-ng	Trans European Services for Telematics between Administrations — new generation
TLL	Tallinn
UTC	Coordinated Universal Time
VIS	Visa Information System
VIS Mail	communication platform for information exchange between relevant authorities and other Member States
WAN	Wide Area Network
WP	Working Party

## Legal background

Article 17 of Regulation (EU) No 1077/2011 of the European Parliament and of the Council of 25 October 2011 establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice requires that the Executive Director shall submit to the Management Board for adoption the draft of the Agency's Annual Activity Report, after prior consultation with the Advisory Groups, while Article 12 of the same Regulation requires that, by 31 March each year, the Management Board adopts the Agency's Annual Activity Report for the previous year, comparing the results achieved with the objectives of the Annual Work Programme. Furthermore, according to Article 47 of the Framework Financial Regulation, the authorising officers shall report to the Management Board on the performance of their duties in the form of a consolidated Annual Activity Report.

# Assessment by the Management Board

The Management Board of the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA or the Agency) has analysed and assessed the Executive Director's Consolidated Annual Activity Report on the achievements and results for 2017. The Board acknowledges the Agency's performance and notes the following observations, in particular.



*Filip Pynckels*

## General observations

The Management Board:

- considers that eu-LISA's performance in 2017 met the objectives set out in the Agency's Establishing Regulation and the goals and objectives established in the Agency's long-term strategy for 2014-2020;
- emphasises the importance of continuing the important work and therefore highlights the adoption of the Agency's revised long-term strategy for 2018-2022;
- acknowledges that the Agency successfully delivered its mandate through the year, despite the fundamental lack of resources;
- observes the correct achievement of the annual objectives of the Agency's Single Programming Document for 2017, in terms of both results achieved and performance;
- acknowledges that, in addition to successfully delivering its Single Programming Document's activities for 2017, the Agency demonstrated agility and flexibility through the year;
- acknowledges the continuously growing importance of the systems that have been entrusted to the Agency for the functioning of the Schengen Area, and that the need for the Agency to be reinforced with additional human resources accordingly is duly justified and shall be further insisted upon in 2018;
- supports the need to continue with the efforts necessary for staff retention and development in the Agency;
- acknowledges the continuous efforts of the Agency to evolve and refine its internal control system and emphasises the importance of further implementation of its programme, project and corporate quality management system;
- emphasises the importance of implementing the projects for the reconstruction of the operational site of the Agency in Strasbourg and of the new headquarters building in Tallinn for the future long-term development of the Agency; acknowledges the need for further extension of the office space on the Strasbourg site and the need for the datacentre expansion;
- acknowledges the good progress with the implementation of the action plan on non-legislative recommendations stemming from the first external evaluation of the Agency from 2016;
- notes the discharge granted by the European Parliament for the budget year 2015.

## Observations on the main policy's strategic and operational achievements

The Management Board:

- recognises the efforts of the Agency in delivering the tasks established in the Single Programming Document 2017 within the existing human resources limitations (which are very stringent); the Board found that the performance of eu-LISA met and even exceeded the expectations of its stakeholders;
- considers that the way the Agency handled the substantially increased workload was highly adequate, but stresses that the pressure of work on staff has to be kept at a viable limit;
- emphasises the importance of providing the Agency with adequate resources (both financial and human) for the implementation of its mandated tasks;
- emphasises the high level of importance of the adopted legal basis for the European Entry/Exit System (EES), takes note of the substantial progress achieved so far in preparations for implementation and invites the Agency to progress with implementation of EES without delay as soon as necessary implementing acts will be adopted by the European Commission, and as soon as the necessary resources are present;
- emphasises the great importance of the European Travel Information and Authorisation System (ETIAS) for border management and internal security in the EU and invites the Agency to proceed with necessary preparatory tasks for its implementation, as soon as the necessary resources are in place;
- emphasises the importance of the Automated Fingerprint Identification System (AFIS) for the Schengen Information System (SIS II) with respect to the internal security of the European Union (EU) and appreciates the Agency's efforts towards its implementation in order to address increased security and terrorist threats in the EU;
- finds that the actions performed by the Agency to manage and evolve the three systems currently entrusted to it (Eurodac, Visa Information System/Biometric Management System (VIS/BMS) and SIS II) are adequate in relation to the objectives set out in its Establishing Regulation;
- emphasises the importance of the quality of the data inserted into the systems and the extended role of the Agency in data quality management and delivery of data quality reports for the Member States;
- takes note of the efforts of the Agency to improve the Change Management Process in close collaboration with Member States and the European Commission;
- emphasises the importance of the final report of the High Level Expert Group (HLEG) and the proposals on interoperability<sup>1</sup> and encourages the Agency to continue its close collaboration with the Commission to ensure full implementation of the various elements of interoperability once its legal basis is adopted by the co-legislators;

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<sup>1</sup> REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing a framework for interoperability between EU information systems (police and judicial cooperation, asylum and migration) [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-security/20171212\\_proposal\\_regulation\\_on\\_establishing\\_framework\\_for\\_interoperability\\_between\\_eu\\_information\\_systems\\_police\\_judicial\\_cooperation\\_asylum\\_migration\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-security/20171212_proposal_regulation_on_establishing_framework_for_interoperability_between_eu_information_systems_police_judicial_cooperation_asylum_migration_en.pdf); REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing a framework for interoperability between EU information systems (borders and visa) and amending Council Decision 2004/512/EC, Regulation (EC) No 767/2008, Council Decision 2008/633/JHA, Regulation (EU) 2016/399 and Regulation (EU) 2017/2226 [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-security/20171212\\_proposal\\_regulation\\_on\\_establishing\\_framework\\_for\\_interoperability\\_between\\_eu\\_information\\_systems\\_borders\\_and\\_visa\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-security/20171212_proposal_regulation_on_establishing_framework_for_interoperability_between_eu_information_systems_borders_and_visa_en.pdf)



- welcomes the further development of the internal capabilities of the Agency with regard to budget planning and proactive monitoring of its execution to ensure sound management of the Agency's financial resources; the Board acknowledges that the overall execution level of commitments and payments was 100 %, with a target of 95 %;
- expresses its satisfaction with the implemented internal control system of the Agency, which is also acknowledged by the audits performed through the year and by the fact that no critical recommendations were issued.

## **Management Board assessment of the management of the Agency**

The Management Board, acknowledging the results delivered by the Agency and considering the outcomes of the internal and external audits performed, expresses its satisfaction with the quality of the management of the Agency in 2017.

## **Variations in the use of human and financial resources compared with the Annual Work Plan**

The Management Board:

- considers that this report provides sufficient assurance that resources (staff and budget) are used by the Agency in line with their intended purpose and in accordance with the Single Programming Document 2017;
- considers that the variations in the use of resources are justified, considering the results achieved by the Agency and the outcomes of the audits that have been performed;
- stresses that there are limits on the pressure of work that can be expected of the Agency's staff.

## **Performance indicators**

The Management Board acknowledges the levels of the key performance indicators of the Agency for 2017.

## **Risk and control environment**

The Management Board acknowledges that:

- the main risks to the organisation, which might have jeopardised the delivery of the tasks in the Single Programming Document 2017, have been correctly identified and adequate preventive and mitigating measures have been put in place;
- the internal management systems are functioning adequately, considering the results achieved by the Agency;
- the internal control systems are functioning adequately, considering the outcomes of the audits performed.

## **Assurances and reservations issued by the Authorising Officer**

The Management Board:

- considers that adequate and appropriate measures are in place to address the identified management and control weaknesses;

- notes that eu-LISA has started the implementation of activity-based budgeting; therefore, detailed information on the use of human and financial resources for each activity is not available for 2017.

## Recommendations

The Management Board, considering the information provided in this report, encourages the Agency, in 2018, to:

- continue delivering on its mandate;
- emphasise the importance of the timely conclusion of negotiations on the Agency's revised mandate, taking into consideration the opinion of the Board;
- implement further restructuring of the organisation following upcoming changes in the mandate of the Agency resulting in additional tasks;
- continue the implementation of the EES and the preparations for the implementation of the other new systems to be entrusted to the Agency as well as the Regulations on interoperability;
- continue and accelerate the introduction of activity-based management as planned; once the detailed information is available, the Management Board insists on benchmarking the available resources and the workload against other organisations within the EU context (agencies, European Commission, etc.) and comparable organisations in the public and private sectors;
- continue with implementation of ex ante evaluations in the Agency;
- continue to further enhance its internal control system, paying specific attention to the efficiency of internal processes and the further development of the competencies and skills of the staff members;
- continue with the implementation of the action plan for the implementation of the non-legislative recommendations of the evaluation of the Agency as planned, and report further to the Board.

## Conclusion

The Management Board is satisfied with the overall performance of eu-LISA in 2017 and with the achievement of the goals, objectives and results that were established in its Single Programming Document 2017, as well as by the level and adequacy of the utilisation of the available human and financial resources, although the considerable pressure of work remains a concern.

The Management Board expresses its appreciation to the Executive Director and his staff for their commitment and achievements through the year, and wishes to thank them especially for the constructive and pleasant collaboration with the Management Board and its Chair.

**Filip PYNCKELS, Chairman of the Management Board**

# Introduction

The purpose of the Consolidated Annual Activity Report of the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice is to give a structured overview of the main objectives and activities achieved and performed in 2017.

## Background information

Today, the EU and its Member States face a great opportunity to maximise the added value of information technology (IT) and systems for the Union. For the first time in its history, the European Union has an agency responsible for the professional management of large-scale IT systems – and the need for it is fundamental. In recent years, the areas of border management, internal security and migration management have been going through a major transformation, moving from the physical to the virtual world and converging rapidly at the same time. They are more and more dependent not only on the available physical resources, but on data and information too. Moreover, in today's globalised world it is not realistic to expect a single EU Member State to be able to ensure its security alone. The ability to respond to continuously increasing terrorist threats and pressure on the external borders of the Union depends on timely, efficient and comprehensive exchange of information between relevant national and EU authorities and agencies. Therefore, this transformation can only be addressed through the provision of sophisticated, flexible and integrated systems and solutions for law enforcement cooperation and integrated border management at an EU level.

The European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) was set up in 2011 by Regulation 1077/2011 and became operational on 1 December 2012. The establishment of the Agency aimed to provide a long-term solution for the operational management, at EU level, of large-scale IT systems in the area of freedom, security and justice — both present and future.

eu-LISA currently manages the European Asylum Dactyloscopy Database (Eurodac), the Schengen Information System (SIS II) and the Visa Information System (VIS). These systems are essential for the normal functioning of the Schengen Area, for the efficient border management of its external borders as well as for the implementation of common EU asylum and visa policies. Furthermore, the availability of these systems is one of the measures used to guarantee freedom of movement of EU citizens within the Schengen Area. As of December 2017, the Agency is also responsible for implementation and operational management of the European Entry/Exit System (EES). In the near future, the mandate of eu-LISA may evolve and the Agency could be made responsible for the development, implementation and operational management of other large-scale IT systems in the Justice and Home Affairs domain, namely the ETIAS, e-Justice Communication via Online Data Exchange (e-CODEX), European Criminal Records System — Third Country Nationals (ECRIS-TCN), etc., provided that co-legislators adopt the required legal instruments.

## Our mission, vision and core values

Based on its legal mandate, the Agency's Mission is ***to continuously add value to Member States, supporting through technology their efforts for a safer Europe.***

This mission is delivered through the Vision of the Agency by ***providing high-quality and efficient services and solutions to stakeholders, by earning their trust through continuously aligning the capabilities of technology with the evolving needs of Member States*** and by ***growing the Agency as a centre of excellence*** in its policy domain.

The Mission and the Vision of the Agency are translated into its operational activities through its core values. They drive and underpin all operational activities and strategic development of the Agency. These values are:

- **Accountability:** deploying a sound governance framework, sound financial management and cost-efficient operations;

- **Transparency:** providing regular and open communication to the Agency's key stakeholders and engaging them in a continuous dialogue to define the long-term strategy for development of the Agency;
- **Excellence:** through having the right organisational structure, the right people and the right processes in place to ensure service continuity to the Member States;
- **Continuity:** ensuring that the Agency will make the best use of expertise, knowledge and investments made by the Member States and will continue to develop them;
- **Teamwork:** seek to empower each individual team member to make the best use of his knowledge and experience, contributing to the common success;
- **Customer focus:** ensure that the Agency is aligned at all time with the needs and demand of its stakeholders.

### Where we are based

The Agency has its headquarters in Tallinn, Estonia, where new facilities are under construction to accommodate the growing need for space. The main operational site is in Strasbourg, France, where the facilities are under expansion too, as new premises are needed for the increased operational duties of the Agency. eu-LISA also has a backup site in in Sankt Johann im Pongau, Austria, and a liaison office in Brussels, Belgium.

# Executive summary

Today, Europe faces a dual challenge: staying open whilst at the same time staying secure. In order to achieve this, the capabilities of modern information technology (IT) need to be utilised to their fullest, and information exchange and collaboration between Member States need to be reinforced and enhanced, together with the technological advances. An adequate response to this challenge also requires the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) to undertake new tasks. The ongoing digital transformation in the European Union (EU) Justice and Home Affairs domain has highlighted the need to further increase the added value of eu-LISA to the Member States and the EU as a whole. The European Commission's proposal to revise the Agency's mandate<sup>2</sup> takes into account the needs deriving from this transformation and develops further the ability of the Agency to address them.



*Krum Garkov*

On 1 December 2017, eu-LISA celebrated the fifth anniversary of the day the Agency was established. During that period, the Agency has demonstrated that, by consolidating the operational management of large-scale IT systems in a single EU Agency, significant efficiency gains can be achieved. This is attained through consistently pooling the infrastructure and the human resources expertise required for professional IT system management. The highly specialised knowledge of the Agency's staff is applied across all the IT systems entrusted to it, assuring their security and the protection of the data stored in them, whilst enabling rapid evolution of systems in line with changes occurring in the information technology field. Five years after taking over its core tasks, the Agency has proven itself to be a reliable, competent and capable contributor to the Member States and the EU. It was also able to take on new tasks in order to strengthen internal security as well as border and migration management in Europe. The Commission proposal to revise the mandate of eu-LISA is a proof of that, and I am confident that eu-LISA will be successful in implementing its new mandate and addressing the challenges ahead.

At the same time, eu-LISA continued to deliver on its current mandate: stable, effective and efficient operational management and evolution of the three systems currently entrusted to the Agency — Eurodac, the Schengen Information System (SIS II) and the Visa Information System (VIS). In 2017, the continuous and uninterrupted management of the systems and their associated communication networks and the supervision and the security of the communication infrastructure, as well as the coordination of the relations between the Member States and the network service provider (for both the operational centre in France and the backup site in Austria) were the priority of the Agency, and they will remain so.

## The systems

Along with operational management, the further evolution of the aforementioned systems' technical and functional capabilities was delivered as planned. In particular, for Eurodac, the system capacity was upgraded to 7 million records (15 000 transactions per day and 1 500 transactions per hour). The physical move of the Eurodac equipment (pre-production) in the data centre and the Central Unit/Backup Central Unit (CU/BCU) synchronisation improvement project were successfully completed. A maintenance exercise in production, including a switch-over and switch-back to/from BCU, was successfully performed by the end of 2017. Regarding the revised legal basis of Eurodac, eu-LISA has strongly supported the discussions on the new legislative proposals.

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<sup>2</sup> Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice, and amending Regulation (EC) 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) 1077/2011.

For SIS II, the main achievement was the integration of Croatia into SIS II, which was delivered successfully by the end of 2017. Preparations for Ireland to integrate into SIS II were carried out. As for the implementation of the biometric matching capabilities in SIS II (AFIS), the design phase and the build phase for central system infrastructure and application were completed successfully. Testing with the Member States lasted until mid-October. The entry into operation (EiO) will take place at the beginning of March 2018. Regarding the recast of the legal basis of SIS II, eu-LISA contributed substantially to the discussions in the appropriate Council working parties over the past year.

For VIS, the EiO of the Visa Code Plus project in May 2017 was the highlight of the year. The upgraded VIS (version 3.0) has been one of the most complex and impactful releases ever deployed in VIS since 2011, as any failure would have been immediately visible to the whole Schengen Area (having an impact at both border and consular levels). Data migration procedures were for the first time successfully performed and all national systems were modified and went through extensive testing. Seven months after the EiO, no issues related to that release were reported on VIS. Next, the VIS Recast Study was delivered to the European Commission and Member States (MSs) within the agreed deadlines. Following the EiO of VIS Mail phase 2 back in January 2016, in 2017 the Informal VIS (InfoVIS) Task Force continued to analyse the critical business processes supported by VIS Mail, namely the Schengen consultation and ex post notification procedures, as well as the procedures supported by VIS Mail phase 1, which has been operational since October 2011. The results will further strengthen and contribute to drafting the modification proposals of the VIS Regulation (VIS Recast).

### **The communication infrastructure**

In the communication and network area, two large projects were delivered, namely the completion of the VIS and SIS II communication infrastructure migration from sTESTA (Trans European Services for Telematics between Administrations) to TESTA-ng (Trans European Services for Telematics between Administrations — new generation) and the delivery of VIS 2<sup>nd</sup> encryption layer pilot infrastructure, deployed and tested with Member States.

### **The common shared infrastructure**

Based on the outcome of different studies (Common Shared Services Study and Virtualisation-Active/Active Study) and eu-LISA's Technology Strategy, eu-LISA started in 2017, under the Framework Contract for a Common Shared Infrastructure, the preparatory activities for setting up the foundations of widespread sharing of IT infrastructures (backup, storage, database servers, etc.) and technical services (monitoring, security events management, time synchronisation, single sign on, IT infrastructure management, etc.). As part of these preparatory activities, the data centres' layouts (in both Strasbourg and Sankt Johann im Pongau) were also reorganised to optimise the usage of their capacity.

### **The legal framework**

In 2017, the Agency continued to make substantial contributions to a number of strategic EU-level initiatives, from the EES regulation and ETIAS to the ECRIS-TCN and interoperability.

On 12 December 2017, the Commission tabled two proposals for interoperability<sup>3</sup>. The proposals came out of the

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<sup>3</sup> REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing a framework for interoperability between EU information systems (police and judicial cooperation, asylum and migration) [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-security/20171212\\_proposal\\_regulation\\_on\\_establishing\\_framework\\_for\\_interoperability\\_between\\_eu\\_information\\_systems\\_police\\_judicial\\_cooperation\\_asylum\\_migration\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-security/20171212_proposal_regulation_on_establishing_framework_for_interoperability_between_eu_information_systems_police_judicial_cooperation_asylum_migration_en.pdf); REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing a framework for interoperability between EU information systems (borders and visa) and amending Council Decision 2004/512/EC, Regulation (EC) No 767/2008, Council Decision 2008/633/JHA, Regulation (EU) 2016/399 and Regulation (EU) 2017/2226 <https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda->

work of the High Level Expert Group on Information Systems and Interoperability and the delivery of several studies, including a study on a shared Biometric Matching Service that was provided to the Commission to support legislative drafting in November 2017. Furthermore, the Agency strongly supported the Commission's studies on other interoperability components, namely the European Search Portal and Common Identity Repository. The proposals, as drawn up, detail a vision for the interoperability of information systems for border management and security in the EU and lay the groundwork for significant Agency work in this domain in the coming years.

On 29 December 2017, the EES regulation entered into force, and the system should be operational by 2020. Substantial preparations were made by eu-LISA during 2017, by setting up a dedicated internal project team to undertake all the preparatory work possible on drafting technical specifications, recruiting the necessary specialist staff and initiating all procurement-related activities. Member States have been engaged to guide the work and ensure alignment of the most crucial elements from the beginning.

A general approach for the ETIAS proposal was reached at the Justice and Home Affairs (JHA) Council meeting over the summer and, in preparation for the development of the ETIAS system, Agency representatives conducted study visits to the United States of America and Canada, and also held a meeting in London with the Australian High Representative, aiming to learn more about the national systems that fulfil similar goals to those of ETIAS.

Regarding ECRIS-TCN, the Agency closely followed the negotiations on the proposal. A general approach was agreed in December 2017 on the draft regulation. According to the proposal, eu-LISA will be responsible for the development and operational management of the ECRIS-TCN system, and the central system will also be hosted by the Agency.

No legal proposal on e-CODEX (e-Justice Communication via Online Data Exchange) has yet been presented by the European Commission, but the Agency has undertaken some preliminary actions to be able to take over the operational management of e-CODEX, if decided so.

### **Cooperation with others**

eu-LISA also increased its contribution to the Schengen evaluation mechanism, supporting in total 11 Schengen evaluation missions in 2017. Upon requests from the Commission, eu-LISA enlarged its support to two areas of the Schengen *acquis*, adding the Common Visa Policy (including VIS) area to the SIS/Supplementary Information Request at the National Entries (SIRENE) area (supported already in 2015 and 2016). For the first time, eu-LISA provided experts for evaluations of the Common Visa Policy.

Fruitful collaboration with the other agencies in the Justice and Home Affairs area continued. On 19 September, a Memorandum of Understanding (MoU) was signed between the European Union's Judicial Cooperation Unit (Eurojust) and eu-LISA. The drafting procedure of the Working Arrangement between eu-LISA and the European Union Agency for Network and Information Security (ENISA) was finalised by the end of 2017 and the MoU was signed on 10 January 2018. In 2017, eu-LISA also confirmed its readiness to chair the larger Network of EU Agencies from March 2020 to March 2021, which is a great opportunity to further strengthen the role and position of the EU Agencies Network in Europe. eu-LISA hosted visibility meetings at its headquarters in Tallinn with the Heads of Diplomatic Missions on 23 March and with the Justice and Home Affairs Counsellors on 28 March. On 8 May, a meeting with the members of the European Parliament's Committee on Civil Liberties, Justice and Home Affairs (LIBE) took place in Brussels.

Regarding technical training for Member States, 2017 contained many noteworthy achievements such as launching the new eu-LISA Learning Management System (LMS) for MSs, full implementation of the new blended learning

concept based on SIS II Development Training Programmes for IT operators, and launching of the update of the Training Strategy document. Very good cooperation continued with partners and stakeholders in the training field (MSs, JHA agencies and the Commission) along with maintaining high satisfaction rate for eu-LISA training among system users.

## The organisation

On 27 April 2017, I delivered a statement before the Committee on Civil Liberties, Justice and Home Affairs, describing the accomplishments of eu-LISA during its first 5 years of action and presenting a vision for the future of the Agency, which includes four main pillars to ensure the development and growth of eu-LISA for the years to come, in particular:

- keeping the Agency focused to ensure stable and efficient operational management of the present and future systems entrusted to it;
- gradually increasing the Agency's contribution to the Member States and the EU;
- developing further the 'on demand service' portfolio for Member States and the other JHA agencies;
- further development of the organisation.

Following this vision and to better respond to the changes in the political and operational environment in which the Agency operates, it was established that the eu-LISA's long-term strategy needed an update. The updated document, covering the period 2018-2022, realigned strategic goals and objectives to the present political and operational context, building on the same mission, vision and core values of the Agency. The document was adopted by the Management Board in November 2017, setting the direction for future development of the Agency, and therefore will have a significant impact on its work and its staff.

The Agency continued to enhance and develop its planning capabilities and further improved its cooperation with the Commission and the Member States in this area. Following the requirements of the Framework Financial Regulation, the Agency developed a comprehensive ex ante evaluation process and tested them in a pilot. The rules were adopted by the Management Board in November 2017. Particular efforts were put into developing necessary elements of activity-based management and strengthening further budget management processes.

The Agency's intent is to evolve and refine its comprehensive internal governance and operational frameworks based on best practice and current industry standards. It will also continue to ensure the efficient and cost-effective management of the systems by continuously monitoring and evolving operational processes and seeking opportunities to optimise its operations. This approach to continuous improvement, covering governance, operations and other critical areas of our business, aims to focus resources and integrate activities that are critical to the successful delivery of our stakeholders' requirements. To sustain this, eu-LISA continued to optimise its governance and processes, utilising industry-recognised standards such as Information Technology Infrastructure Library (ITIL), Projects in Controlled Environments (PRINCE) 2 and other relevant IT governance frameworks. The appliance of such standards improves further the alignment between the business objectives and capabilities of the Agency and its operational model and will help to ensure sustainable and cost-efficient operations. The utilisation and consolidation of industry best practice operational models and robust governance frameworks will therefore continue throughout the implementation of the Agency's Programming Documents in coming years.

In June 2017, an Enterprise Project Management Office (EPMO) was established within the Agency. The EPMO's mission is to integrate and monitor all eu-LISA projects and programmes as well as to contribute to internal governance within the Agency to ensure transparency, accountability and the deployment of industry standard best practices in the area of project and program management. The Agency considers project and program management capabilities, as strategic competencies, crucial to ensure high stakeholders' satisfaction and better internal governance.

To strengthen its governance framework, a corporate quality management system was implemented, tailored to



eu-LISA's needs, following the applied methodology of the Common Assessment Framework (CAF)<sup>4</sup> requirements. As a next step, an action plan, based on the outcomes of the assessment, was put together, to be implemented from 2018 onwards.

In accordance with Article 31 of the Agency's Establishing Regulation, the Commission, in close consultation with the Management Board (MB), performed an evaluation of the actions of eu-LISA. The Final Report of this evaluation was presented to the MB in March 2016. The action plan on the non-legislative recommendations was adopted by the MB in March 2017 and its implementation status was updated in November 2017.

### **Communication with the stakeholders and public**

Summing up eu-LISA's performance in the communications domain throughout the year, it can be stated that all the set objectives were successfully reached. Tasks relating to a regular and active online presence, well-coordinated input to awareness events organised under the Estonian EU Presidency and timely publishing of good-quality corporate and awareness-raising publications were all performed with success. The highlights of the year were the high-level eu-LISA Annual Conference 'Going Digital for a Safe and Secure Europe' organised under the Estonian EU Presidency, the eu-LISA roundtable 'A single search portal and shared BMS for Europe: Moving forward with concrete implementation' with industry representatives, and VIP visits to eu-LISA providing for related coverage. The visiting VIPs included the Estonian President; Members of the European Parliament (MEPs); Dimitris Avramopoulos, Commissioner for Migration, Home Affairs and Citizenship; Věra Jourová, Commissioner for Justice, Consumers and Gender Equality; the Estonian Prime Minister; the Estonian Minister for the Interior; and national Members of Parliament (MPs).

The Agency's main communication tool to provide transparency — the website — was used to further enhance the visibility of our work and achievements in order to strengthen public engagement and proactively manage stakeholder relations. Social media platforms were increasingly utilised in order to highlight our awareness-raising activities and training courses as well as eu-LISA's recruitment and procurement needs. Modifications to the website, based on the 2016 website usability analysis, aimed at a responsive and easily accessible website were initiated with a comprehensive requirement-gathering exercise to support a website revamp project. As a principal asset to the Agency's communication strategy, a modern functional website is one of the best means to guarantee our accountability towards the citizens of Europe. Therefore, the Agency has focused on developing further the dynamism of the website and introducing web functionalities that allow increased online public engagement.

### **Sites**

The construction works on the new headquarters (HQ) building in Tallinn started in April 2017. The Estonian State Real Estate Ltd in cooperation with the Estonian Ministry of the Interior invited eu-LISA and its staff to attend the ceremony to witness the placing of the cornerstone on 29 September 2017. The new headquarters of eu-LISA are expected to be completed in the summer of 2018. The construction work on the extension of the operational site of the Agency in Strasbourg also progressed further and the staff of the Agency moved to the new office building. Nevertheless, there is a general concern that the renovated site in Strasbourg may not have sufficient capacity to host all the required Agency staff and contractors, considering the major upcoming developments in the JHA area, namely the implementation of the EES and the introduction of ETIAS, ECRIS-TCN, etc. The Agency is preparing a business case for a second extension of the site in order to address future needs stemming from its extended mandate and the new systems entrusted to the Agency.

### **Budget implementation**

In 2017, eu-LISA managed a budget of EUR 153.3 million in commitment appropriations and EUR 67.7 million in

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<sup>4</sup> <https://www.eipa.eu/portfolio/european-caf-resource-centre/>

payment appropriations received from EU subsidy. The Agency attained a high budget implementation rate by the end of the year:

- 100 % for commitment appropriations, including level 1 (L1) commitments made due to delays in adoption of legal instruments for the EES and Eurodac Recast;
- 100 % for payment appropriations, including the carry-forward of administrative expenditure to 2018.

### **Human resources**

In 2017, eu-LISA had the following authorised posts: 131 Temporary Agents (TAs), 27 Contract Agents (CAs) and 9 Seconded National Experts (SNEs). The total number of posts in the Establishment Plan was reduced by 3 in comparison with 2016 due to staff cuts and reached the level of 115 posts, and at the same time it was increased by 16 additional posts in order to respond to the new tasks entrusted to the Agency (14 posts for the Entry/Exit System and 2 posts for the Eurodac Recast). Recruitment for these additional posts was dependent on the adoption of the legal instruments. Therefore, in terms of the total headcount, at the end of December 2017, there were 153 full-time staff members: 114 TAs, 32 CAs and 7 SNEs. Of these, 75 TAs, 21 CAs and 5 SNEs were employed in Strasbourg, 39 TAs, 9 CAs and 2 SNEs were working in Tallinn, and 2 CAs were located in eu-LISA's Liaison Office in Brussels. The exit turnover of staff was 3.27 %, due to 5 employees leaving the organisation in 2017. This is below the benchmark key performance indicator (KPI) of 5 % set for turnover. The Tallinn headquarters were affected more strongly, as staff turnover there reached 5.13 %.

The main achievements in learning and development in 2017 have been the further development of iLearn (eu-LISA's Learning Management System), the further development of the eu-LISA Competency Framework, the implementation of the Annual Learning Plan, and the staff engagement survey and its follow-up.

At the same time, it should be emphasised that the Agency needs reinforcement with additional staff because its portfolio is continuously growing, with more tasks and efforts to ensure compliance with applicable legal requirements and rules.

### **Main issues submitted to the Management Board**

The close collaboration between the Management Board and eu-LISA continued in 2017. The main issues brought to the Board's attention by the Agency were the staffing situation of eu-LISA and, in particular, the fact that there was a continuous increase in the number of tasks assigned to the Agency, while, at the same time, eu-LISA continued to reduce statutory staff in its Establishing Plan, having received no additional human resources to reflect the increased workload and administrative overheads; and the amendment of the budget in September 2017 in connection with the new tasks related to implementation of the EES and the Eurodac Recast regulation, in order to preserve the budgetary appropriations from the consequences of the delayed adoption of the corresponding legal basis. The underlying risks and the potential repetition of the global commitment adoption over subsequent financial years were also discussed. Following the proposal for a new Establishing Regulation of the Agency, which will expand the responsibilities of eu-LISA, the Agency also presented to the Management Board a new organisational structure and a plan to extend its operational site in Strasbourg further.

### **Assessment by management**

The management of the Agency has reasonable assurance that appropriate internal controls are in place and that they are functioning as intended; throughout the year, major risks are being appropriately identified, monitored and mitigated. This assurance is further confirmed by the results of the internal and external audits performed through the year.

### **Audit results**

No critical recommendations were made to the Agency during audits performed over the course of the year by the

European Court of Auditors, independent external auditors, the Internal Audit Service of the Commission and the Internal Audit Capability of the Agency. All other recommendations were addressed in due course through action plans.

## Risks

For the year 2017, four major corporate risks were identified. A corporate risk response plan has been established to address them<sup>5</sup>.

## Conclusion

In 2017, eu-LISA continued its challenging but rewarding journey. Through the year, the Agency has sometimes been alone in the face of a huge workload, with scarce resources to do what needed to be done. But we've also achieved a lot! We've kept stable and uninterrupted operations with our core systems. At the same time, the Agency has made huge contributions to a number of strategic EU-level initiatives, from EES implementation, to ETIAS, to ECRIS-TCN and interoperability.

Within the Agency, we have updated our long-term strategy and implemented our corporate quality management system. In 2017, we also took significant steps to further strengthen our internal controls with particular emphasis on our budgetary and contract planning, management processes and development, and implementation of required ex ante evaluations.

Still, it's not just the journey that matters — it's who you take the journey with. And because I am so proud of what we have accomplished over the year, let me take this opportunity to thank especially the eu-LISA staff and managers. If we have done something good in the year, it is especially thanks to this group of motivated, dedicated and talented professionals from almost all European countries, who have worked so hard to make this possible. The support of the European Commission, the European Parliament and the Council, as well as of the governments of the countries where the Agency has established its sites, have also been of paramount importance to drive forward our agenda. The cooperation and support of the Management Board has been essential for the further progress of the Agency to respond to the needs of the Member States and political priorities in the JHA domain. Last but not least, positive engagement with the industry has been important to enhance the technical quality of our work and to contain the risks we faced on the way.

The coming year will require no less than that. The Agency will continue to operate in a very challenging and turbulent environment. But no matter what the environment and circumstances are, we will not lose sight of our priority: ***to contribute through our services to the efforts of the Member States to make Europe safer***. To be successful in this, we shall put our stakeholders and their needs at the heart of everything we do, showing to the Member States how we effectively support them, with a passion for excellence, agility, flexibility and commitment.

The year ahead will bring its own challenges but I'm sure, by working together, keeping focus on our priorities and putting our stakeholders first, we can achieve our ambitions!

**Krum GARKOV, Executive Director**

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<sup>5</sup> See Section 3.1, Risk Management, and Annex VII.

# Part I. Achievements of the year

## Activities under Strategic Goal 1: 'Continue to grow as a contributor to and facilitator of freedom, security and justice policies in Europe'

### Operational management of the systems

For the period of 2017, the continuous and uninterrupted operational management of the systems (currently Eurodac, the Schengen Information System (SIS II) and the Visa Information System (VIS)) and their associated communication networks has remained a priority for the Agency. The operational management of Eurodac, SIS II and VIS/Biometric Matching System (BMS) business as usual activities, application management for continuous service provision through system and service level agreement (SLA) monitoring, incident resolution, daily follow-up of incidents and weekly problem management meetings as well as follow-up of Information Technology Service Management (ITSM) processes, were continuously carried out. The systems were up and running and available for the Member States during the year. The overall performance of the systems was stable, the availability of VIS was 99.92 %, the availability of Eurodac was 99.95 % and the availability of SIS II was 99.82 %<sup>6</sup>. In order to monitor much more closely the systems' compliance with their SLAs, additional key performance indicators (KPIs) were agreed with the Member States (MSs), via the respective Advisory Groups (AGs), in particular for the management of the incidents and problems. The annual regular Customer Satisfaction Survey was improved and will be an integral part of eu-LISA's Standard SLA document, an update of which, initiated in 2017, is going to be ready by the middle of 2018. Further to the above, full support was provided to Member States along with all test services, carried out as planned, as well as the supervision of the communication infrastructure and coordination of relations between Member States and the network service provider.

The Agency identified particular opportunities to evolve the cost-efficiency and effectiveness of the operational management of these systems. eu-LISA increased its monitoring of infrastructure, services and systems to identify and implement synergies focusing on lowering the total cost of ownership (TCO) of the systems<sup>7</sup>. During last year, considerable efforts were made concerning this. They included, but were not limited to, building and refining each system's evolution roadmap, implementing a comprehensive schedule of adaptive and corrective maintenance and, at the same time, looking for ways in which to optimise and consolidate each system's infrastructure. In this respect, a significant achievement of the Agency has been the further development of its Technology Strategy, which will set milestones for the gradual optimisation of operations with a 5-year horizon.

Reliable core business systems (CBS) information technology (IT) infrastructure service was provided along with Trans European Services for Telematics between Administrators/Trans European Services for Telematics between Administrators — new generation (sTESTA/TESTA-ng) Network Services delivered, matching the service levels laid down in the relevant SLAs. The Agency enhanced its testing capabilities through the virtualisation of testing environments and automating the test cycle.

Contractually, the Agency developed further its procurement and contract management capabilities for the systems under management, ensuring that the Maintenance in Working Order (MWO) contracts, in particular, are well managed and that any scheduled handovers between contractors are undertaken successfully and with no negative impact on service provision. Due to the change of MWO on Eurodac and SIS II, the release plans for 2018 cannot be completed yet. The VIS release plan will be available and shared with Member States in the first months of 2018.

Over 76 million alerts were stored in the SIS II database at the end of 2017, showing an increase of 7 %. For comparison, at the end of 2016, over 70 million alerts were stored, which was 11.6 % more than the data stored at

<sup>6</sup> The figures for system availability do not include the time for maintenance.

<sup>7</sup> The TCO model looks at the complete cost of a system from purchase to disposal and can include repair, maintenance requests, upgrades, service and support, networking, security, training and software licensing costs to give more accurate through-life costs.

the end of 2015.

The total number of visa applications stored in the VIS/BMS system by the end of 2017 was over 52 million. At the end of 2016, the amount reached almost 36 million, an increase of more than 75 % from 2015. The number of fingerprint sets stored in the database was 44 million. Over 30 million fingerprint sets were stored by the end of 2016, which was more than 85 % greater than the number stored at the end of 2015.

Due to the construction works in the data centre building, there was a major issue on 7 September 2017, when the ventilation and air conditioning system in that building was not working properly. This had two effects: the temperature in the data centre increased beyond the normal operational conditions and a large amount of dust was blown at quite high pressure into the operations area where the Service Desk and the Production Applications Support (PAS) 24/7 teams are located. All necessary measures were taken immediately. A temporary operations room has been set up in the main building and will be in use until the construction works have been finalised by the contractor. Further assessment of potential risks/damages to the systems has been done. As a result of the measures, all systems continued to run stably.

In order to further upgrade its operations in line with international best practice, the Agency also continued with the development of its service and process model based on Information Technology Infrastructure Library (ITIL)/ITSM implementation. At the end of 2017, four new processes were mapped and launched, namely Continuous Service Improvement Management, Knowledge Management, Availability Management and Capacity Management, which will significantly strengthen eu-LISA's process model, thus, increasing the quality of the services provided. Further automation and integration of the processes are carried out in parallel.

The audit of IT operations, performed by the Internal Audit Service of the European Commission (IAS), provided assurance that the Agency had set a solid foundation for its operational model, utilising industry best practices and standards for service management such as ITIL/ITSM.

#### *Operational management of Eurodac*

During the reporting period, the overall availability and performance of Eurodac traffic, as well as the accuracy of the system, remained high and within the agreed SLA levels. The system's performance was monitored on a 24/7 basis by the eu-LISA Member State Support Service Desk.

The procurement process for the new Eurodac MWO contract was concluded and the new contract signed on 27 October 2017. The National Access Points (NAP) maintenance will be covered by the previous contract until mid-2018 (the old contract's expiry date of implementation). The duration of the new contract is 3+1+1+1 years, with a total budget of EUR 22.6 million. A number of further projects and activities are in preparation for execution through the new contract, starting in 2018. The new contract will be covering elements such as the initiation of services related to takeover from current contractor, corrective and adaptive maintenance, functioning of the local service desk, evolutions (major/functional/technical-infrastructure related/identified/non-identified), MS technical training, technical assistance, as well as handover tasks (at the end of the contract). In addition, the new contract puts in place a stricter SLA with set of additional KPIs used to measure contractual performance.

#### *Operational management of SIS II*

During the reporting period, the SIS II central system was monitored round the clock and the system's overall performance was within the agreed SLA levels. An important incident (dated 5 January 2016) was finally and completely resolved in 2017 (the root cause investigation was finalised). Nevertheless, the fact did not affect any normal operations or the availability of the system.

During the reporting period, the availability of the SIS II central system was impacted by some incidents related to the network and a bug introduced in release 8.2, which affected mainly Belgium, right after their incident on 24 July.

SIS II test services for Member States were carried out according to plan:

- Tests for Croatia integration passed successfully.
- Tests for release 8.3 passed successfully.

- Tests for SIS II AFIS for pilot Member States passed successfully.
- MS are receiving full support from dedicated team through Work Package 6.

Regarding the transition for the new SIS II MWO, tender phase 1 was delivered. SIS II tender phase 2 is ongoing due to delays in the SIS II MWO.

#### *Operational management of VIS/BMS*

During the reporting period, the service management activities for VIS/BMS were delivered in their full scope, following eu-LISA's operational model based on the ITSM framework. The planned reports were provided on a quarterly basis, in line with the incident resolution times, which are measured in the HP Service Manager 9 (SM9) tool. The general performance of VIS and BMS, as set out in the SLA, was at agreed levels.

Regarding the daily operations, in 2017, 269 million VIS operations were processed (18 % increase), up to 139 000 operations per hour at peak hour were achieved, which is a new high score for the peak usage. For VIS, the maximum throughput is currently 450 000 messages per hour. BMS capacity and performance are adequate for MSs' use of VIS. In addition, for the central system performance, no major deviations were found.

On 1 January 2018 00:00 UTC, there were 52.29 million visa applications, 52.27 million facial images and 44.8 million fingerprint sets in the VIS database. The five biggest VIS users are France, Spain, Italy, Poland and Germany. The five most active VIS regions are Russia, East Asia, North Africa, eastern neighbouring countries and the Gulf region. The average time between visa application and issuance is 4.7 days.

In 2017, the service was unavailable for 0.92 hours due to system failures and 22.8 hours due to planned maintenance.

#### **Evolution of the systems**

eu-LISA continued to evolve the systems under its management, in accordance with legal requirements and Member States' operational needs, in order to further enhance their capabilities. The adoption of a clearly defined single Change Management Process by eu-LISA has introduced a more coherent and auditable approach to system evolution and maintenance, and this was continued. The Agency also facilitated the refinement and optimisation of processes through regular review of emerging technologies and their potential application. Further, the Agency continuously monitored systems' performance and service levels provided. Continued enhancement towards existing services and alignment of systems with business needs based on the established roadmap for each system were delivered.

The main achievements in 2017, in the evolution of the systems, can be summarised as follows:

- Eurodac Central Unit (CU)/Backup Central Unit (BCU) synchronisation improvement project successful completion;
- integration of Croatia into SIS II;
- development of AFIS for SIS II (slightly delayed);
- entry into operation of the Visa Code Plus project;
- VIS Recast Study delivery to the Commission and the MSs within the agreed deadline.

#### *Evolution of Eurodac*

The Agency has fully implemented the changes in the Eurodac system as set out in the recast Regulation applicable since 20 July 2015. In May 2016, two new legislative proposals were made. One concerns further steps to align Eurodac and size it properly to cope with new legal provisions (Eurodac Recast). The other one is the proposal for a Regulation reforming the Dublin system, which establishes an automated system, which will allow the registration of all applications for international protection and the monitoring of each Member State's share in all applications

and of the corrective allocation system. The development of this new system is dependent on the adoption of the respective legal proposal.

In 2017, the scope of the 2016 Eurodac capacity upgrade to 7 million records was extended to 2017 and deployed into production during the reporting period. The system is now sized to 7 million records (15 000 transactions per day and 1 500 transactions per hour). Formal project closure activities (prerequisites for the Final System Acceptance) have been finalised.

The CU/BCU synchronisation improvement project was successfully completed and deployed to production on 29 November. A maintenance exercise in production including a switch-over and switch-back to/from BCU was successfully performed in December 2017.

Europol, the European Union's law enforcement agency, has been able to connect to Eurodac since July 2015, when the provisions of the Eurodac Recast Regulation came into force. Since 22 June 2017, Europol has started performing searches against the Eurodac database pursuant to Articles 19 and 21 of Regulation (EU) 603/2013. Law enforcement searches performed by Europol are 'category 5' searches ('category 4' are law enforcement searches by MSs, already in use since 20 July 2015). Europol currently is not directly connected to the Eurodac central system, but conducts the searches by using the Dutch National Access Point.

In 2017, Eurodac equipment (pre-production) was physically moved to the data centre (project completed) and the eu-LISA coordinated updates on the standardised NAP solution used by many MSs for their connection to Eurodac.

### *Evolution of SIS II*

The SIS II Roadmap was continuously revised and implemented in 2017, taking into account the requirements of Member States, to ensure the appropriate level of system evolution and the requisite adaptive and corrective maintenance measures. eu-LISA took the necessary measures to ensure that the available capacity of SIS II was enough to successfully fulfil its purpose. Evolutions and changes have been responded to and implemented as per Change Management Processes, and integrated into the release plan in consultation with the stakeholders. Regarding the alignment of the SIS II central system to new/changed user demands, the MSs received the first version of the simulator in 2017.

Furthermore, following the study on feasibility of implementation of biometrics in SIS II, developed by the Joint Research Centre and a technical study made by the Agency, both delivered in 2015, eu-LISA had to introduce biometric capabilities in SIS II. The implementation of biometric matching capabilities in SIS II (AFIS), initiated at the end of 2016, and a number of SIS II-related activities, re-prioritised from 2016 to 2017, are in progress as agreed with Member States. For AFIS, the requirements for phase 1, detailed project analysis, the design phase and the build phase for central system infrastructure and application have been completed. The first phase of integration testing with Member States that implemented the biometric queries lasted until mid-October and regular Project Management Forum meetings were held either face to face or by web conferences. Two training sessions for MSs took place in October and November. Go-live has been delayed by 1 month and will now take place at the beginning of March 2018.

An important technical release to SIS II was delivered in November, as per agreed release plan, incorporating relevant operating system patches. From the MSs' perspective, the release included some urgent changes in the code tables on firearms and a modification of the Extend Alert functionality, which would send an error message instead of a warning. From a central system perspective, the release also contained a NIST (National Institute of Standards and Technology) logging optimisation. As for the SIS II central system (CS) simulator project, the project's beta version was delivered in mid-November, and the final delivery of the CS simulator is expected in January 2018 (including training).

With regard to the planned studies, there was a delay in the delivery by the contractor of a study necessary for the implementation of the project to increase the SIS II capacity/performance system/fine-tune functionalities activity.

For this reason, implementation of the project was no longer possible under the present MWO contract. Therefore, the Executive Director of eu-LISA, using the delegated powers from the Management Board and from the point of view of sound financial management, decided to transfer the implementation of activity 2.1.16, 'Finalisation of the project to increase the SIS II capacity/performance system/fine-tune functionalities', as described in eu-LISA's 2016-110 REV 2 Single Programming Document 2017 from the year 2017 to 2018<sup>8</sup>.

Regarding Croatia's integration into SIS II, from a technical point of view, the Croatian national system (N.SIS) is ready for integration to the Central SIS. According to Council Decision 2017/733 of 25 April 2017 on the application of the provisions of the Schengen *acquis* relating to the SIS in the Republic of Croatia, as of 2 May 2017, alerts covered by Decision 2007/533/JHA and EC Regulation No 1987/2006 of the European Parliament and of the Council, as well as supplementary information and additional data connected to those alerts, may be made available to Croatia. The first Create/Update/Delete operation from Croatia was done in June 2017. The SIS/Supplementary Information Request at the National Entries (SIRENE) Schengen evaluation of Croatia was carried out between 18 and 22 September 2017. Regarding other MSs' integration into SIS II, Ireland has informed about the status of its integration plans, planning to go live in Q2 2019. No changes have been reported by Cyprus and Iceland.

eu-LISA supported the European Commission and the MSs in implementing the Schengen evaluation mechanism in the area of SIS/SIRENE. Experts from the Agency supported in their role of observer all the evaluation missions carried out in this area, namely the evaluations of Croatia, Denmark, Iceland, Norway, Portugal, Spain, Sweden, and the United Kingdom.

#### *Evolution of VIS/BMS*

Having finalised the rollout of VIS in 2015 and VIS Mail phase 2 in 2016, eu-LISA continued the VIS and BMS capacity assessment and forecast exercise in order to better align the systems with business requirements. In addition to incorporating additional Member States, it was also envisaged that new functionalities will be integrated in these systems, with reporting and statistics to be improved.

The new VIS (version 3.0) entered into operation on 13 May 2017 (Visa Code plus project); it introduced changes mainly stemming from the Visa Code, as well as changes aiming to further support the business itself. The new version better supports the consultation procedures, the future integration of VIS Mail and the management of the List of Authorities. It also supports the future functional integration of Croatia. That was one of the most complex and impactful releases ever deployed in VIS since 2011. As any failure would have been immediately visible to the whole Schengen Area (affecting both border and consular levels), the Agency took sufficient measures to ensure such a scenario would not occur. Hereby, MSs and eu-LISA met for the last time on 31 August 2017 to discuss the projects' lessons learned, which resulted in the delivery of the related lessons learned report (18 September 2017). The main observations were that the activity was delivered successfully and on time. During entry into operation (EiO), no data were lost and all data migrated successfully. There were no major/blocking issues during the go-live and the 4 months dedicated to Final System Acceptance. Intensive testing campaigns were successfully executed along with recognition of lessons learned and following recommendation/improvements for future projects. The project can also be considered proof of eu-LISA's growing maturity as an organisation, as well as its increasing competencies, capabilities and expertise.

For VIS Mail, the communication mechanism allowing the transmission of messages between MSs via the VIS infrastructure, there were no major issues detected. The business supported by VIS Mail was continuously monitored and analysed. The results of this analysis and the related actions for the MSs are transmitted to them via the regular InfoVIS Task Force conference meetings.

Following the EiO of VIS Mail phase 2 back in January 2016, the InfoVIS Task Force continued analysing the critical

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<sup>8</sup> Decision No 93/2017 of 14/09/2017 of the Executive Director of the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice.



business supported by VIS Mail, namely the Schengen consultation and ex post notification procedures, as well as the procedures supported by VIS Mail phase 1 (operational since October 2011). The results are reported at the VIS Advisory Group and institution levels and will further strengthen the argumentation for the modification proposals of the VIS Regulation (VIS Recast).

Regarding the Implementation of the VIS/BMS end-to-end testing platform, two Impact Assessment Reports (IARs) were drafted and validated, one for the implementation of the enhanced end-to-end background databases, and another one for the implementation of the standardised testing tools and migration of the first set of existing test cases. In addition to this, the detailed design of the technical solution was delivered, reviewed and accepted, two background databases were generated for VIS, and the remaining ones are under development. Last but not least, various test design documents and user manuals were delivered.

For the projects 'Tuning of VIS transactional throughput', 'Tuning of BMS transactional throughput' and 'BMS database increase', the Impact Assessment Reports were delivered by the contractor and verified and accepted by eu-LISA. In addition, two specific contracts for the VIS/BMS transactional throughput alignment and the BMS database upscale implementation were signed in December 2017. The detailed design of the technical solution is planned for the second quarter of 2018, along with virtualisation, security assessment phase 2 and VIS/BMS virtualisation implementation and qualification. For the enlargement of the BMS database, the entry into operation is planned for Q4 in 2019. Regarding the enlargement of the VIS database, significant improvement in traceability between design documentation and the supplies installation process was required in order to secure the next steps of implementation and qualification. eu-LISA had to invest additional efforts in order to guide the contractor towards an improved organisation. The overall design has been delivered but the detailed technical design and specifications are subjects of a future delivery. The build of the solution is partially delivered.

The takeover and handover between MWO contractors for VIS and BMS was successfully completed and the transfer of knowledge, set-up of new contractor organisation and baseline of cooperation framework with eu-LISA, in terms of quality, processes and service level agreement were duly set up with/by the MWO II contractor.

Furthermore, Europol carried out the preparatory work for access to VIS/BMS in the course of 2017, subject to the inclusion of the VIS project in its annual work programme. eu-LISA will provide all necessary assistance to support the integration and any such similar integrations. An activity 'VIS new users integration: Europol' is planned for 2018.

Following the overall evaluation of the VIS, based on Article 50 of Regulation 767/2008 (the VIS Regulation) and Article 57(3) of Regulation 810/2009 (the Visa Code), in October 2016, the Commission invited eu-LISA to provide an assessment of the technical and financial implications of some of the evolutions. eu-LISA's assessment served as a basis for the legal, technical and financial justification of the proposal (VIS Recast proposal). During Q1/Q2 2017, MSs, the Commission and eu-LISA further reviewed and commented on the IAR, and, on 10 July 2017, the final draft of the IAR, together with the document inspection sheet including the remaining open topics, was delivered. The next steps are now for MSs and the Commission to continue the discussion and negotiations on the topic.

Finally, the project of increasing the VIS database's capacity to 100 million visa applications has been triggered and also covers the virtualisation of a number of core execution components. In parallel, the technical study aiming to improve the system architecture and bring the design and technology stack of VIS up to the state of the art was started, with the target of supporting a future active/active configuration and improving the system's flexibility and scalability.

In addition to the SIS/SIRENE area, last year eu-LISA, at the request of the European Commission, supported the Schengen evaluation mechanism in the area of the Common Visa Policy (including VIS) too. Experts from the Agency participated in three evaluation missions jointly led by the Commission and one MS, namely eu-LISA supported evaluations carried out at the Danish consular posts in New Delhi (India) and in Bangkok (Thailand), the Icelandic consular post in Beijing (China) as well as the Spanish consular posts in Malabo (Equatorial Guinea) and in Tangier (Morocco).

## Secure communication infrastructure

The Agency continues to be responsible for the supervision, security and coordination of relations between Member States and any third-party provider for the communication infrastructure for Eurodac, SIS II and VIS/BMS (tasks relating to the operational management of these systems can be entrusted to third-party private sector providers or other bodies). The Agency shares the responsibility for the management of the communication infrastructure with the European Commission, which is responsible for all other tasks relating to it, in particular those tasks relating to budgets, acquisition, renewal and contractual matters. The network provider is bound by the security measures that are laid down in the basic instruments for each system and has no access to any of the systems' operational data. The Agency will continue to ensure that these contractual provisions are respected and will continue to maintain and monitor these networks throughout the reporting period to ensure their ongoing security and reliability.

Secure and reliable communication infrastructure is a continued outcome. In 2017, VIS and SIS II communication infrastructure migration from sTESTA to TESTA-ng was completed. After the migration, the decommissioning of sTESTA infrastructure started. All the main elements, such as the Security Operations Centre and Central Service Domain, were decommissioned before the end of the year.

During 2017, eu-LISA continued to be responsible for the respective communications and information exchange platforms (SIRENE Mail, DubliNet and VIS Mail 2). The Agency will continue to oversee and supervise the systems' relevant communication infrastructure, a task it currently shares with the European Commission. The DubliNet operational management services were delivered in accordance with the Memorandum of Understanding (MoU) signed by the European Commission.

The pilot infrastructure for the second encryption layer of VIS was deployed and tested with Member States. The fall-back solution market study was completed. For VIS Mail, the communication mechanism allowing the transmission of messages between MSs via the VIS infrastructure, there were no major issues detected. The business supported by VIS Mail was continuously monitored and analysed. The results of this analysis and the related actions for the MS are transmitted to them via the regular InfoVIS Task Force conference meetings.

As part of the unified network study, the Agency prepared a legal impact assessment and shared it with the Commission. The contract for the study itself was arranged and the work on the study has been started.

The Agency arranged the contract for the Advanced Network Statistics and started activities on the study.

## Development and implementation of new systems

With a view to other systems that are likely to be incorporated into the mandate of eu-LISA in the coming years, the Agency closely followed the negotiations on the European Entry/Exit System, for which the legislation entered into force on 29 December 2017. In particular, the Agency supported the discussions of the co-legislators on the file providing relevant factual information pertaining to the technical feasibility of the system that enabled positive progression of discussions. Additionally, given the high political priority of the file and the clear indication from stakeholders that entry into operation of the system should be as close to the initially slated go-live date in 2020 as possible, the Agency established an EES preparatory project that ran throughout 2017. The dedicated team set up worked to define technical requirements and specifications, and elaborated draft system architectures to the greatest extent possible. Member States were engaged to guide the work and ensure alignment of the most crucial elements from the beginning. This allowed the publication of the first phase of a call for tender for a framework contract for the implementation and maintenance in working order of the European Entry/Exit System on 30 August. In addition, extensive recruitment was undertaken to ensure that new EES-focused staff could be in position immediately after the legislation was adopted.

Following the proposal for the implementation of a European Travel Information and Authorisation System (ETIAS) in late 2016, the Agency supported discussions at Commission, Council and Parliament levels, providing its technical

expertise and insight. With such positive support, a general approach was reached at the Justice and Home Affairs (JHA) Council meeting of 8-9 June 2017 and the report of the EP's Civil Liberties, Justice and Home Affairs (LIBE) Committee was adopted on 23 October 2017. Interinstitutional negotiations on the proposal are ongoing. Fact-finding missions undertaken to the USA, Canada and the Australian High Representative in London in 2017 also laid the groundwork for more efficient and more optimal system development, implementation and maintenance activities in the coming years subsequent to potential approval of the legislation, enabling eu-LISA experts to learn more about national systems that fulfil similar goals to those of ETIAS.

The Agency has also closely followed the negotiations on the proposal for a Regulation on establishing a centralised system for the identification of Member States holding conviction information on third country nationals and stateless persons to supplement and support the ECRIS-TCN. The new ECRIS-TCN system would allow the efficient identification of Member States having convicted third country nationals or stateless people. Identified Member States can be requested to provide conviction information through ECRIS. According to the proposal, eu-LISA will be responsible for the development and operational management of the ECRIS-TCN system, and the central system will also be hosted by the Agency. On 8 December 2017, the JHA Council agreed on a general approach on the draft Regulation. The EP's LIBE Committee will decide on the proposed amendments for the draft proposal at its meeting in January 2018, to be followed by the interinstitutional negotiations.

### **Towards interoperability of EU large-scale IT systems**

The European Commission tabled two proposals for establishing a framework for interoperability between EU large-scale IT systems in December 2017. The publication of the proposals was the culmination of significant work undertaken by stakeholders in the preceding months. eu-LISA was a key contributor in this regard. In the early months of 2017, it continued to support the Commission's High Level Expert Group on Information Systems and Interoperability (HLEG) as well as its three subgroups, providing material input on matters such as data quality of systems, data architectures and draft timelines for component development while also more generally supporting discussions with its knowledge and expertise. A cross-functional task force comprising five staff members established to contribute to this work drove this process throughout, enabling contributions from the entire organisation and ensuring that the discussions, touching topics of a diverse nature and affecting all Agency systems, infrastructure and organisation, benefited from horizontal knowledge. The outcomes of the HLEG process were captured in the group's final report, published in May 2017. The Agency continued its work on interoperability thereafter, delivering a feasibility study on a shared biometric matching service that was formally delivered to the European Commission in November 2017 to support drafting of the legislative proposals. In addition, it provided full support to discussions amongst Member States and other stakeholders in the Working Party on Information Exchange and Data Protection (DAPIX), Friends of the Presidency group.

The concept of a data warehouse for improved provision of statistical data was included in the HLEG's final report, and in the legislative proposals on establishing a framework for interoperability (COM (2017) 973 final and COM (2017) 974 final) published in December 2017. The solution — described as a 'Central Repository for Reporting and Statistics' in the regulatory proposals — is intended to provide a comprehensive solution for sharing reports for policy, operational and data quality purposes.

The inclusion of the concept in the legislative proposals followed the completion of a dedicated feasibility study/technical impact assessment that was formally submitted to the European Commission in November 2017. Consultations and discussions with the Commission throughout the study enabled the Commission to fully take on board all considerations during drafting of the legislative texts. The study examines data protection aspects of any potential solution in addition to examining appropriate technical arrangements for implementation; the European Data Protection Supervisor (EDPS) was consulted on the matter during the study and the Supervisor's input taken fully on board during finalisation of the eventual report.

eu-LISA will continue its preparatory work to the extent possible as discussions on the legislative proposals continue. The central repository for reporting and statistics is scheduled to be the first interoperability concept to be implemented if the text is approved, and it is slated for development in 2019 according to the legislative financial

statement. Therefore, a proof of concept exercise is planned in 2018 in order to ensure technical readiness for procurement and implementation once the relevant legislation is in place.

## Security

Security is a core element of all activities undertaken in an IT-focused organisation such as eu-LISA, for legal reasons, but also in its role as a centre of excellence in the provisions of IT services, emphasising assurance of system and data security in all of its activities. During 2017, the Agency's security function continued to maintain and upgrade security measures concerning both physical and system security, in order to facilitate fulfilment of the Agency's mandate. As a core element of its Information Security Management Framework, the Agency establishes, operates and continuously develops its Information Security Management System (ISMS), in compliance with the relevant ISMS standards and ISO 27001. The Agency's security policies and procedures were also further developed and improved, incorporating security standards and procedures based on the relevant policies and standards of the European Commission.

To ensure that the central systems of Eurodac, VIS and SIS II will continue to comply strictly with the requirements of their respective regulations in terms of data protection and security and with international best practices in terms of information security, the Agency continued to strengthen and upgrade the security framework and procedures for the organisation itself, the systems under its management and the relevant communication networks. Continuous monitoring and management of the residual risks took place throughout the year to provide assurance that the appropriate security controls for the IT systems under eu-LISA management have been properly implemented and managed. In particular for VIS, the implemented security and business continuity measures were tested in October 2017 through an operational disaster recovery exercise together with eight Member States.

The cooperation with the Member States and other EU agencies has been maintained at the level of exchange of knowledge and best practices through the biannual meeting of the Security Officers Network. The group of experts, chaired by eu-LISA's Security Officer, discussed the development of the threat landscape, latest trends in the security and business continuity field, and ways ahead for the security community. One of the Security Officers Network meetings was organised together with the Europol Security Committee in Tallinn, under the auspices of the Estonian Presidency of the Council of the European Union.

## Data protection

The Agency continued to ensure full and rigorous compliance with all data protection provisions concerning any access to data in the systems under management, and it also carried out the data security tasks assigned to it under the legal instruments for the systems that it operates. The Agency maintains a full data protection regime regarding its administrative operations and information systems, including definition of baseline privacy requirements, privacy notifications as well as regular checks, inspections and audits.

Notification processes were adapted according to the relevant legal base, and early privacy impact assessment was instigated for all processing operations, adopting the principles of privacy by design whereby privacy and data protection are embedded throughout the entire life cycle of the Agency's systems and processes. Cooperation with the European Data Protection Supervisor continued to be a priority; eu-LISA took appropriate measures to respond to the EDPS's recommendations and provided relevant information on new developments.

Further to that, the 41st Data Protection Network Meeting took place on 31 May and 1 June in Tallinn. This event allowed all the Data Protection Officers (DPOs) from each European Union institution, body and agency to meet, discuss and brainstorm on data protection matters related to their daily work. Around 70 participants joined the debate, in which the newly adopted General Data Protection Regulation (GDPR), which will fully apply in May 2018 to all the processing of personal data in the European Union and by the European Union institutions, was also discussed. Currently, Regulation (EC) 45/2001 frames the data protection requirements that the European Union institutions, bodies and agencies must implement while processing personal data. This text is now under revision to align the data protection rules with the GDPR and the future ePrivacy Regulation, which offers a higher standard of protection during processing operations made by European Union organisations.

On 14-15 November, eu-LISA's DPO attended the meetings of the Supervision Coordination Group of SIS II, Eurodac and VIS, which were held in the European Parliament. The Agency's DPO made a presentation on the status and technical performance of the three large-scale systems under the operational management of eu-LISA and answered the questions raised by the MS representatives. On 16 November, the third JHA DPO network meeting was held at Europol, in The Hague, where eu-LISA's DPO made a presentation on the proposal for a new regulation of eu-LISA and the aspects of interoperability.

## Reporting and statistics

As in previous years, technical and statistical reports on Eurodac, SIS II and VIS were delivered in accordance with the legal basis. In this context, the Agency looks forward to the adoption of the revised legal framework of the IT systems as well as to the revised eu-LISA regulation.

As part of the fifth Information Management Strategy (IMS) action list, the Agency's Roadmap for Enhancement of Data Quality in Large-scale IT systems was approved by the Council Working Party (WP) on DAPIX on 1 December 2016 (document 13301/1/16). Following this, dedicated meetings were arranged with Member State experts to define possible statistical indicators on data quality to support Member States in improving the quality of data contained in the systems. EU agencies, including the European Border and Coast Guard Agency (Frontex) and the European Union Agency for Law Enforcement Training (CEPOL), were engaged regarding the possible inclusion of dedicated modules on data quality in relevant training materials.

For 2017, the following specific reporting requirements were addressed in accordance with the legal basis:

- SIS II 2016 annual statistics published and submitted to the EU institutions in April 2017;
- SIS II updated list of authorities published in the Official Journal of the EU C 228, 14 July 2017;
- SIS II technical report (covering 2015-2016) published and submitted to the EU institutions in November 2017;
- Eurodac 2016 annual statistics published and submitted to the EU institutions in May 2017;
- Eurodac updated list of authorities published on eu-LISA's website in June 2017;
- Eurodac 2016 annual report published and submitted to the EU institutions in July 2017;
- work started for the VIS biannual technical report.

A full update on progress made under the Action Plan was provided to the DAPIX Working Party on 30 November 2017. As the work on the plan continues, the Council intends to include a follow-up to this plan in the sixth IMS action list, currently being finalised.

## Provision of systems training to Member States

The Agency continuously provided appropriate training to Member States on the technical use of Eurodac, SIS II and VIS, and also for SIRENE staff, Schengen evaluation team members and lead experts on the technical aspects of SIS II. In 2017, the Agency delivered a comprehensive training plan: 42 training sessions, in total, on various scales and in various formats, from small workshops to large classroom courses, and from hands-on training to webinars. The full list of training courses that were delivered throughout the year is presented in Annex VI. It should be noted that all scheduled training activities were delivered as planned. The number of participants in eu-LISA MS training was 848 attendees from all MSs, Associated Countries and countries new to using the systems.

The average participant satisfaction rate in 2017 was 89.7 %, or 4.48 out of 5 (based on KPIs), which clearly demonstrates a very high level of satisfaction among trainees on eu-LISA courses, and signifies the overall added value of the training delivered in 2017 (for comparison, in 2016 the satisfaction rate was 88.15 % or 4.45 out of 5). Training activities are summarised in the annual implementation report, which will be submitted to the AGs and National Contact Point network representatives at the beginning of 2018.

The update of the eu-LISA Training Strategy for Member States for 2017-2020 has been initiated in close consultation with various stakeholders, particularly with the network of National Contact Points. The objective of the update is to bring it in line with eu-LISA's updated long-term strategy 2018-2022.

The new eu-LISA MS training framework, entitled Development Training Programme for IT Operators (DTPITO), launched in 2017. DTPITO was created to better respond to Member States' training needs and to offer the national IT operators a comprehensive and systematic approach to eu-LISA training activities. The programme has been created for all three systems: Eurodac, SIS II and VIS. DTPITO enables participants to enhance their knowledge from beginner to expert level on a three-step path: Entry (level 1 (L1)), Intermediate (L2) and Advanced (L3). The training is supported by a combined approach of training methodologies comprising e-courses, face-to-face training and assessment tests. DTPITO has received very positive feedback from the participants and MSs. The average satisfaction rate for the four courses that took place in 2017 was 90.8 % (4.54 out of 5).

In 2017, eu-LISA also moved from a SharePoint-based e-learning platform to a Moodle-based Learning Management System. Launching the new eu-LISA Learning Management System for MSs is one crucial prerequisite for building up and implementing online and blended learning concept based training. Today, the Learning Management System (LMS) provides MS users with unlimited access to learning content (training materials and activities, additional materials and training community), each individual's list of training attended, online learning modules that are available for all users of the LMS, an up-to-date training calendar, an overview of eu-LISA's training portfolio, etc. The National Contact Points (NCPs) have access to all training courses in eu-LISA's LMS to observe and support the participants. The network of NCPs also has its own space in the LMS, to provide and share information about news, up-to-date training plans and quarterly training reports.

## **Activities under Strategic Goal 2: 'Become an acknowledged information and communication technology (ICT) centre of excellence and service provider'**

### **Continued development towards a centre of excellence in ICT services and corporate governance**

eu-LISA has continued to maintain and refine the internal processes in place related to operational management of the systems, following standards and best practice of ITIL, by further developing and strengthening eu-LISA's ITSM Framework. Necessary improvements in eu-LISA's integrated ITSM tool were also introduced throughout 2017. The ITSM phase 2 project was launched, which included the following processes: Availability Management, Capacity Management, Knowledge Management and Continuous Service Improvement Management. Their implementation is scheduled for 2018, together with the implementation of an Advanced Reporting Solution, for which a specific project is going to be launched at the beginning of 2018, starting with the study phase, for which the preparation was done in 2017. Aimed at simplifying everyday communication with the eu-LISA's contractors as well as to have more efficient reporting of their performance, based on agreed operational SLAs and KPIs, in 2017 a project to give contractors access to eu-LISA's integrated ITSM tool was initiated. The realisation of the new ITSM processes, in particular of Continuous Service Improvement Management, putting in place the Advanced Reporting Solution and having all the eu-LISA contractors already using eu-LISA's integrated ITSM tool, will significantly increase the efficiency of the everyday operational activities as well as of the measurement of and reporting on the agreed SLAs and KPIs. Thus, eu-LISA will be able to further identify and implement activities to improve service quality and improve the efficiency and effectiveness of the established ITSM processes and service model, also improving significantly the cost-effectiveness of delivering IT services without sacrificing customer satisfaction. Further coordinated integration of the IT Service Management processes aims at providing ongoing control, greater efficiency and opportunities for continual improvement of eu-LISA services.

In addition, the Project Portfolio Management processes were streamlined for efficient delivery. Further development of the Microsoft Project (MSP) platform, with integrated planning, resource allocation and dependencies across projects, is ongoing.

In the middle of 2017, an Enterprise Project Management Office (EPMO) was established within the Agency. The

EPMO's mission is to integrate and monitor all eu-LISA projects and programs, as well as to contribute to internal governance within the Agency to ensure transparency, accountability and the deployment of industry standard best practices in the area of project/program management; this results in the stakeholders' satisfaction and enables better internal governance, serving as a focal point for information collection and exchange between the internal bodies in the Agency. The Agency also continued to evolve its project management framework, based on Projects in Controlled Environments (PRINCE) 2.

A key element in the development of the Agency as a centre of excellence is continuous and transparent engagement and dialogue with its stakeholders, primarily the Member States and the European Commission, which was carried out through the year. The Management Board and the Advisory Groups serve as a platform for this engagement. At the same time, the Agency aimed to have open dialogue and established and developed its partnerships with other agencies in the area of ICT governance as per its mandate.

In accordance with Article 31 of the Agency Regulation, the Commission, in close consultation with the Management Board, performed an evaluation of the Agency, which was finalised in February 2016. As per the Establishing Regulation of the Agency, this evaluation assessed the way in which the Agency contributes to the operational management of large-scale IT systems and its role in the context of a Union strategy, aiming for a coordinated, cost-effective and coherent IT environment at Union level that is to be established in the coming years. The findings and recommendations stemming from the external evaluation of the Agency have been adequately followed up through an action plan. In March 2017, the Management Board (MB) adopted the action plan on the non-legislative recommendations presented by the Execution Director, and in November 2017 the MB took note of its implementation status update. Also, as expected, following up the evaluation by the European Commission, in 2017 a proposal to amend the mandate of the Agency was made, taking account the recommendations put forward in the evaluation.

## **Growing the Agency's technology and business expertise**

### *Change management*

The Change Management Process ensures a coordinated and transparent approach to the identification, assessment and implementation of necessary changes in the systems managed by the Agency, at present Eurodac, SIS, VIS and BMS, to ensure they are in line with the needs of the Member States and the developments of the legal instruments governing them.

In 2017, eu-LISA received 9 new change requests (CRs) on SIS II (and closed 6), 16 new CRs on VIS and BMS (and closed 25) and 3 new CRs on Eurodac (and closed 6).

Compared with the previous year, the total number of new CRs received in 2017 decreased. However, the complexity of the new change requests to be assessed for implementation remains high. The effort required on the part of both MSs and eu-LISA is unchanged or even increased by the complexity of the proposed changes and the impact these have on national systems and the central system.

Thanks to the excellent cooperation between MS experts and eu-LISA, within the Change Management Group, it has been always possible to find an agreement on the proposed technical enhancement and on the actions to be taken to implement changes needed to maintain the systems in line with current regulations.

eu-LISA, by adopting the single Change Management Process, has introduced a more coherent and auditable approach to system evolution and maintenance, and this was continued throughout the year. During the year, considerable efforts were made by the Agency to review and improve the Change Management Process in close collaboration with Member States and the European Commission, and the work will continue in 2018. The Agency also consults the DPO and the Security Officer on the changes proposed in the Change Management Process, following the PRINCE 2 methodology. The main goal of the Change Management Process is to find resources and achieve customer satisfaction. In 2017, the annual report of the Change Management Group was presented to the Advisory Groups, receiving favourable opinions from Member States.

### *Monitoring of technology*

The 'monitoring of technology' function continued to explore relevant technological developments in 2017 in accordance with the Annual Plan drawn up and presented to the Advisory Groups in February 2017. It reported on outcomes of this work to internal and external stakeholders. A report on IT security — *Protecting large-scale IT systems developed and/or managed by eu-LISA from modern threats* — was presented to the Advisory Groups in February 2017. In line with requests from the AGs in previous years, more emphasis was placed on project contributions from research monitoring than hitherto.

Priorities for 2017 included biometrics, technologies to improve IT system usability and data quality. Knowledge assimilated from the study of biometrics provided significant added value to the Agency's work preparing draft implementing acts on biometric performance and quality and on minimum standards for equipment. It was also relevant to enhancement of the quality of the Agency's study on the feasibility of a shared biometric matching service. The Commission-led studies on a European Search Portal and Common Identity Repository, meanwhile, benefited from insight derived from study of technologies relevant to IT system usability and flexibility. Furthermore, significant contributions were made to work on drafting the EES system architecture. Research monitoring on technologies to enhance data quality underpinned significant work undertaken as the Agency coordinated the Action Plan on Data Quality approved under the fifth IMS action list.

A report on distributed ledger technology (of which blockchain is the most well-known implementation) is being drafted and should be made available to stakeholders early in 2018. As a result of efforts to ensure that outcomes of research translated into tangible outcomes for the Agency and its stakeholders, competing demands (heavy involvement of the Research and Development (R&D) Officer in work on EES and interoperability) and due to limited resources (planned support to the R&D function could not be provided as initially planned), the completion of the final planned report on technologies for IT efficiency and user-friendliness was not possible. All other activities planned have been achieved:

- An industry event took place in Strasbourg on 8 June, focusing on interoperability-related topics.
- Actions defined within the Agency Action Plan on Data Quality and enumerated in the roadmap were implemented and MSs were updated at the DAPIX WP in December 2017.
- Input was provided to discussions on interoperability and the work of the High Level Expert Group on Information Systems and Interoperability.
- A panel discussion at the European Police Congress on 21-22 February 2017 as proposed in the roadmap was organised and delivered.
- Presentations were delivered at the Passenger Terminal Expo conference, BIOSIG 2017, the European Association for Biometrics (EAB) Research Projects Conference, etc.
- The annual conference was successfully delivered, with high-quality content.

### *Technology Strategy*

Following the Management Board's recommendation, eu-LISA's Technology Strategy was discussed within the AG meetings (2-6 October 2017), where it was agreed that a roadmap will be presented at one of the upcoming AG meetings. The roadmap development is currently in progress, as part of eu-LISA's Technology Strategy revamp, to accommodate the new developments after its initial delivery.

Currently, all systems under eu-LISA's operational management responsibility run on different platforms, in terms of applications and infrastructure, and have separate sets of operational management tools. The challenge is that, with increasing demand, effort is required to scale current technology. Moreover, due to the current infrastructure set-up, maintaining SLAs towards Member States is increasingly challenging and eu-LISA's existing technology landscape requires a number of changes in order to ease its current position, as well as to permit the provisioning of new services (e.g. the EES, ETIAS, etc.). While the current set-up has been successful in providing stable operational



management services, a technology infrastructure in silos increases the TCO. To create economies of scale and to improve the current situation, eu-LISA should upgrade the technology landscape to ensure flexibility, service delivery, security and reduced TCO. Based on this need, four areas have been identified as being the key domains for developing eu-LISA's Technology Strategy landscape:

- intelligent infrastructure — can help eu-LISA to provide better service to Member States, collaborate and innovate more effectively and reduce costs more predictably;
- continuous delivery — creates value by enabling more agile, more frequent and more reliable building, testing and releasing of software;
- virtual operations centre — combining end-to-end monitoring with analytics, can help predict equipment failures, reduce unforeseen downtime and derive insights into reliability and maintainability;
- advanced security processes — can help eu-LISA unlock the full potential of the collected data and provide powerful tools in the perpetual battle against security threats.

### **Activities under Strategic Goal 3: 'Grow as the principal EU ICT technology centre and hub of expertise'**

#### **Partnerships with the Member States, EU institutions and other stakeholders**

On 29 June 2017, the Commission presented the proposal for amendment to the eu-LISA Establishing Regulation<sup>9</sup>, where a number of changes from the currently applicable eu-LISA Regulation are proposed. They stem both from the recommendations of the external evaluation and from the policy, legal and factual context. Some of the proposed novelties, in particular as regards the Agency's role in relation to interoperability and data quality, were already referred to in the Commission Communication of 6 April 2016 on Stronger and Smarter Information Systems for borders and security<sup>10</sup>, the final report of the High Level Expert Group on Information Systems and Interoperability of 11 May 2017<sup>11</sup>, the Commission's Seventh progress report towards an effective and genuine Security Union of 16 May 2017<sup>12</sup> and the Council Conclusions on the way forward to improve information exchange and ensure the interoperability of EU information systems of 8 June 2017<sup>13</sup>. Negotiations on the proposal are ongoing and have been supported by the Agency fully as requested. It was discussed in the Council's DAPIX: eu-LISA formation on 13-14 July, 19 September and 9 October and presented to the LIBE Committee on 7 September 2017.

In terms of future system evolution, eu-LISA has strongly supported the discussions on the new legislative proposals for SIS II, Eurodac and ECRIS-TCN in the appropriate Council working parties, working at the same time in close cooperation with the European Commission. In addition, in close collaboration with Member States and the European Commission, the Agency has significantly advanced the project to implement central AFIS functionalities in SIS II, which results in the expectation that related functionalities will be available already in early 2018.

eu-LISA continued to contribute to the work of the Commission's HLEG on Information Systems and Interoperability in a constructive and proactive manner. As well as supporting discussions in the main group on interoperability by providing its expertise to support analyses and providing supporting documents such as a draft ABIS roadmap, the Agency was also a member of all three subgroups on current systems, new systems and

<sup>9</sup> Proposal for a regulation of the European Parliament and of the Council on the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice, and amending Regulation (EC) 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) 1077/2011 [2017/0145 (COD)].

<sup>10</sup> 7644/17.

<sup>11</sup> Ares(2017)2412067 - 11/05/2017.

<sup>12</sup> COM(2017) 261 final.

<sup>13</sup> 10151/17.

interoperability. Within these groups, it also provided important material input, including reports on data quality and proposals for improvement in this regard, a documentary overview of current system capabilities and services provided, and a draft data architecture. The final report of the group, published on 5 May 2017, includes a number of recommendations for further work by the Agency that arise from proactive input and collaborative discussions with the Commission, EU agencies and Member States over the past 12 months. The agreement of the group to invest such trust in the Agency's ability to advance IT system interoperability in Europe through the work proposed is a testament to the quality of input provided and recognition of the Agency's knowledge, expertise and capabilities.

The HLEG's final report recommended that 'eu-LISA should analyse the technical and operational aspects of the possible implementation of a shared biometric matching service. The Agency thus took the lead on a shared BMS feasibility assessment and completed the work in November 2017, sharing the outcomes with the European Commission to help the Commission draft the legislative proposals establishing a framework for interoperability. It also strongly supported the European Commission in its studies on a European Search Portal and Common Identity Repository, engaging in regular dedicated meetings to ensure that planned work is feasible and complete from a technical perspective. Improvement in the quality of data contained in large-scale IT systems is also emphasised as a necessity and, in this regard, the Agency acted as coordinator for an Action Plan on Enhancement of Data Quality prepared in the context of the fifth IMS action list. The plan was approved by the DAPIX WP on 1 December 2016. The HLEG report recommends implementation of the Action Plan by the MSs, the European Commission and eu-LISA. The Agency has already implemented improved data quality reporting for the systems already in place, examined possible use of common data quality indicators and sought to incorporate relevant material into training curricula to a greater extent than is currently the case. This work will continue in 2018.

With a view to other systems that are likely to be incorporated into the mandate of eu-LISA in the coming years, the Agency continued its preparations for implementation of the European Entry/Exit System and continued to support negotiations on the proposal for a regulation on the European Travel Information and Authorisation System. With regard to the EES, the Agency committed to such preparations early in 2017, by setting up a dedicated internal project team to undertake all necessary tasks related to drafting technical specifications, recruiting the necessary specialist staff, and preparing and initiating all procurement-related activities. Member States were engaged in dedicated technical meetings and webinars throughout the year to contribute to the work and ensure that requirements to the system are correctly reflected in its specifications.

On 25 October, the European Parliament adopted the regulation for European Entry/Exit System and the regulation amending the Schengen border code in relation to the EES, adopting the text at Plenary. On 20 November, the Council followed suit. The EES regulation came into force following publication in the Official Journal of the European Union on 29 December 2017.

Stakeholder events with cooperation partners have been held to present and exchange views on the activities and plans of the Agency, in particular the meeting with the Heads of Diplomatic Missions on 23 March in Tallinn, with the JHA Counsellors on 28 March in Brussels and with the LIBE Committee members on 10 May 2017. During the reporting period, eu-LISA managed, on top of the planned visits and briefings, several high-level meetings and related informative online coverage of the VIP visitors: the Estonian President, the Estonian Prime Minister and the Commissioner for Justice, Consumers and Gender Equality.

Stakeholder events with cooperation partners have been held to present the Agency's mandate, highlight business processes related to eu-LISA's large-scale IT systems and exchange views on the activities and plans of the Agency. They included:

- an official visit of the Commissioner for Migration, Home Affairs and Citizenship and the Estonian Minister for the Interior on 7 July 2017;
- an official visit of the Permanent Secretary of the Ministry of the Interior of Finland and the Secretary General of the Ministry of the Interior of Estonia on 10 August 2017;
- a visit of the counter-terrorism experts from the Working Party on Terrorism (International Aspects) of the Council of the European Union on 4 September 2017.

## Partnership with other agencies

In relation to cooperation with other agencies, eu-LISA continues to actively participate in and contribute to the activities of the JHA Agencies Network, in 2017 chaired by the European Monitoring Centre for Drugs and Drug Addiction. Within the reporting period, eu-LISA's representatives contributed to discussions, in particular during the meetings related to ICT coordination, training and policy. As an example of positive contributions in this regard, it may be noted that the Agency took responsibility for coordination of bilateral arrangements for exchange of EU CONFIDENTIAL information. In addition to that, the Agency is ready to provide necessary support to the next chair of the Network, the European Institute for Gender Equality, with regard to the meeting of the ICT experts of the JHA agencies. At the expert meeting on 20-21 April 2017 on 'The expanding influence of the internet, the exploitation of cyberspace and the transformational nature of new technologies — challenges and opportunities for the work of the JHA agencies', which was one of the priority areas of the JHA agencies in 2017, eu-LISA provided an overview of relevant subjects from the Agency's perspective.

Contributions to the preparations for the main event of the year — the annual Heads of JHA Agencies meeting in November 2017 — continued in the months leading up to it. eu-LISA provided relevant input to the final report of the Justice and Home Affairs Agencies' cooperation in 2017, in particular highlighting topics on interoperability. Having in mind eu-LISA's proactive approach and significant contributions to the work of the High Level Expert Group on Information Systems and Interoperability, the Agency is expected to continue collaborative discussions and coordinate common work of the JHA agencies involved (the European Asylum Office (EASO), eu-LISA, Eurojust, Europol, the European Union Agency for Fundamental Rights (FRA) and Frontex).

In order to streamline a common approach and to make joint contributions to the EU policy on migration, asylum, security and border management, eu-LISA proposed that JHA agencies take part in regular meetings with the private sector. Accordingly, the invitation to the Industry Roundtable events organised and hosted by eu-LISA will be extended to all of the partner agencies in the Justice and Home Affairs domain.

Detailed and specific Annual Cooperation Plans were agreed and signed on a bilateral basis with EASO, CEPOL and Frontex, for the period of 2017 and 2018. The Memorandum of Understanding between eu-LISA and Eurojust was signed on 19 September 2017. A Working Arrangement between eu-LISA and the European Union Agency for Network and Information Security (ENISA) was finalised in 2017, and signed on 10 January 2018. Several projects have been carried out with regular information exchange and sharing of best practices with partner EU agencies. Preparations for eu-LISA to host Frontex's backup site also continued in 2017, with a view to being finalised in 2018. eu-LISA and Europol, in collaboration with the Estonian Ministry of the Interior, joined forces to host a meeting gathering national, European and international security experts on 8 November 2017. eu-LISA and CEPOL contribute to more effective professional learning activities by jointly organising an annual course, 'Train the trainers: SIS II, VIS, Eurodac IT operators'. Participants from EASO, Eurojust, Europol, FRA and Frontex contributed to the fourth annual conference of eu-LISA on 17-18 October and were actively engaged in the discussions about digital transformation of the JHA domain, interoperability for internal security, data protection and fundamental rights.

In 2017, eu-LISA confirmed its availability to chair the Network of EU Agencies from March 2020 to March 2021. The Agency looks on the upcoming chairmanship as a great opportunity to further strengthen the role and position of the EU Agencies Network in Europe. In addition to that, the chairmanship would provide eu-LISA with an opportunity to demonstrate its capacity as a pace-setter among other EU agencies and EU institutions. It would be an added value for the Agency to fulfil the obligations of the coordinator of the EU Agencies Network and to manage the Network's cooperation in a positive and structured way. A new objective was included in the Agency's planning document for following periods alongside in-house preparations for the chairmanship.

## Activities under Strategic Goal 4: 'Develop a modern, efficient and agile organisation'

The Agency celebrated its fifth full year of operation in 2017. The challenge for the Agency in 2017 continued to be

the continuous consolidation and refinement of internal processes, with an emphasis on further developing their efficiency and effectiveness.

### **Strategic and operational planning**

eu-LISA's long-term strategy for the period 2014-2020 needed an update after more than 3 years since its adoption. The environment in which the Agency operates has changed significantly in terms of political and operational realities, introducing new challenges. To provide an adequate response to them, a thorough internal review of the strategy was performed, with the participation of the management team of the Agency and experts. The review involved analyses of the current achievements, the external and internal environment, and the vision document of the Executive Director, which he presented to the Management Board in March 2017. Based on that internal work, the Agency prepared, and introduced to the Management Board for adoption, an update of its long-term strategy, which covers the period of 2018-2022. During its meeting in November 2017, the Management Board adopted the proposed update of the strategy.

The updated document realigned strategic goals and objectives to the political and operational context of today. The mission, vision and core values of the Agency remained the same. The document sets the framework for future actions of the Agency and therefore will have a significant impact on the work of the Agency and its staff.

eu-LISA's Programming Document 2018-2020 was adopted by the Management Board at the beginning of October 2017. The Agency, in cooperation with the European Commission, successfully delivered the first draft of its Programming Document 2019-2021 to the Advisory Groups in October, and to the Management Board in November 2017, for their review. In December 2017, the AGs gave a positive opinion on the document.

At the same time, the Agency continued to refine its relationship with the Advisory Groups, especially involving them in the earliest stage of its annual planning cycle, in order to increase the efficiency of the planning process and utilise as much as possible the existing technical expertise in the groups.

To support the planning process, the Agency significantly upgraded its sophisticated planning application, which led to a decreased workload and further reduced the possibilities of technical mistakes.

At the beginning of 2017, eu-LISA delivered its Consolidated Annual Activity Report 2016, which received a positive opinion from the AGs and was adopted by the MB in March 2017. In the course of the year, the Agency delivered to the MB two implementation reports to ensure that the Board is informed of the implementation of the activities planned for 2017.

### **Evolving the Agency's governance framework**

The Agency strengthened its governance framework by implementing a corporate quality management system. As the Agency decided to apply the Common Assessment Framework (CAF) methodology for this purpose, eu-LISA successfully tailored the approach to its environment as a first step. Then, a dedicated self-assessment group of staff members was established, with the purpose of conducting the analysis phase in Q1 and Q2 2017. During this period, the group identified strengths and areas of improvements in accordance with the CAF definitions, and proposed a number of initial recommendations in order to improve the quality of services and processes of the Agency.

The outcome was summarised in a dedicated report in summer 2017, and was further discussed at the management level at a dedicated workshop in autumn, facilitated by the contractor supporting the activity. All in all, a total of 113 proposals, focused on many of the Agency's business areas, were reviewed at the event (e.g. weighted by their strategic importance for eu-LISA) in order to identify the most important items for the upcoming quality improvement period, which is the 2-year timeframe recommended by CAF to implement any improvement actions.

The workshop agreed to 12 quality improvement actions, focusing on various topics and elements of the organisation, such as human resources, financial management and stakeholder management. Following that,

individual owners have been assigned to each measure, and at the end of 2017 the draft quality improvement plan was established, summarising all actions in one file. It is expected that the Agency will implement the plan from Q1 2018 onwards.

### **Financial management**

The Agency continuously developed and strengthened its internal financial processes and procedures, to ensure the transparent and effective management of its available financial resources. The elements necessary for the future deployment of activity-based budgeting (ABB) were established along with continuous monitoring and evolvement of the Agency's financial and procurement procedures.

The Finance and Procurement Unit made a renewed effort to plan for the future, especially in the budget and procurement area, and to embrace change in its processes — 2018 will see a progressive shift from paper to electronic workflows in ARES (Advanced Records System) for most circuits in the finance, budget, asset and procurement areas. The introduction of e-procurement will also start. The re-engineering of processes is a key factor in ensuring the continued success of the Agency, as it is becoming clear that the increase in staff for the new tasks will not always correspond to the increase in the workload.

### **Procurement**

The Agency's procurement activities were streamlined further through the consolidation and reinforcement of its financial and procurement procedures, including the preliminary step for e-procurement tools. Support to contract management was particularly intense, especially in complex contracts such as the VIS/BMS MWO framework contracts signed in 2016, and the contract for the reconstruction and expansion of the Strasbourg operational site.

### **Logistics and facilities management**

With regard to the construction work on the new headquarters building in Tallinn, progress has been made as per the defined project plan. Six construction tender offers were submitted by the deadline. The construction contract was finally signed on 29 March 2017 for a total of EUR 8 759 889.60 by Fund Ehitus OÜ. The construction work started in April 2017. An important milestone on the way to eu-LISA having a new head office in the northern part of Tallinn was reached on 29 September 2017, when the Estonian State Real Estate Ltd, in cooperation with the Estonian Ministry of the Interior, invited eu-LISA and its staff to attend the ground-breaking ceremony and witness the placing of the cornerstone, which symbolically marks the beginning of the major construction work on the new head office. The new headquarters of eu-LISA are expected to be completed, furnished and handed over in the summer of 2018, at which point the relocation will also take place.

The construction work on the extension of the operational site of the Agency in Strasbourg has progressed further. The staff of the Agency has been moved to the new office building, the energy building is in its last phase of development and the contractor initiated work on the data centre building in September 2017. Nevertheless, there is general concern with regard to the capacity of the renovated site in Strasbourg to host all the required Agency staff and contractors, considering the major upcoming developments in the JHA area, namely the implementation of the EES and the introduction of ETIAS, ECRIS-TCN, etc. The Agency prepared a business case for a second extension of the site in order to address future needs stemming from its extended mandate and the new systems entrusted to the Agency. The business case was presented to and discussed by the Management Board in November 2017.

### **Human resources**

The Agency's annual activities in the area of human resources (HR) management were focused on retention and continuous development of the staff of the Agency through robust knowledge and skills management, in parallel with personalised employee development paths. The development of the Competency Framework on the core, professional and functional competencies was finalised and its implementation in recruitment and in learning and

development was initiated. Work on the leadership competencies for managers was advanced, with the aim of finalising it in the first quarter of 2018. Attention was given to the recruitment of the additional staff for the Entry/Exit System, the development of which will begin in 2018. The Agency also initiated work on the development of the Health and Safety Policy, which will be implemented in the coming years.

In 2017, eu-LISA had the following authorised posts: 131 Temporary Agents (TAs), 27 Contract Agents (CAs) and 9 Seconded National Experts (SNEs). The total number of posts in the Establishment Plan decreased by 3 posts in comparison with 2016 due to staff cuts and reached the level of 115 posts and at the same time it was increased by 16 additional posts. In terms of headcount, at the end of December 2017, there were 153 full-time staff members: 114 TAs, 32 CAs and 7 SNEs. Of these, 75 TAs, 21 CAs and 5 SNEs were employed in Strasbourg, 39 TAs, 8 CAs and 2 SNEs were working in Tallinn, and 2 CAs were located in eu-LISA's Liaison Office in Brussels. The exit turnover of staff was 3.27 %, due to 5 employees leaving the organisation in 2017. This is below the benchmark KPI of 5 % set for turnover. The Tallinn headquarters were affected more strongly, with staff turnover reaching 5.13 %.

The main achievements in learning and development in 2017 were the support to eu-LISA management, the further development of iLearn (eu-LISA's Learning Management System), the further development of the eu-LISA Competency Framework, the implementation of the Annual Learning Plan and the staff engagement survey and follow-up.

### **Further strengthen external communication**

During the reporting period, the Agency continued to foster its positive image as a transparent organisation of the European Union, accountable to the public. In line with eu-LISA's updated External Communication and Information Strategy 2017-2020, approved by the Management Board on 22 March 2017 as a follow-up to a thorough preparation and consultation process with internal and external stakeholders during 2016, the strategic communication action plan was fully implemented under structured performance, monitoring and evaluation standards.

The high-level conference 'Going Digital for a Safe and Secure Europe' took place successfully on 17-18 October 2017. It was also part of the Estonian EU Council Presidency events. It provided an opportunity for over 180 pan-European delegates to focus on IT solutions that help ensure Europe's internal security. Discussions touched upon the digital transformation of law enforcement, border and asylum authorities, interoperability of IT systems and the use of mobile technologies to provide better security. Keynote speakers at the event included Dimitris Avramopoulos, EU Commissioner for Migration, Home Affairs and Citizenship, Andres Anvelt, Estonian Minister for the Interior, and Krum Garkov, Executive Director of eu-LISA. The 95 % satisfaction rate with the conference proves the high quality and success of the event. Through live streaming by Estonian Public Broadcasting, the main partner for the audio-visual solutions for the presidency, the conference was accessible to the broad EU public. Compared with the previous year's equivalent event, the eu-LISA conference social media exposure in 2017 increased by over 50 %.

During the reporting period, eu-LISA managed, on top of the planned visits and briefings, several high-level meetings and online communication coverage of a number of the VIP visitors to the Agency as mentioned above. eu-LISA also contributed to eight major Estonian EU Presidency-related meetings and conferences, and several in-house briefings of stakeholders' groups to highlight the tasks and the enlarged responsibilities of the Agency.

In 2017, eu-LISA's online communication and social media presence advanced considerably. eu-LISA proactively participated in the pan-EU social media campaigns of the EU institutions (*#EU60*, *#NoMoreRansom*), published on average one social media post per day on eu-LISA business-related topics and produced close to 150 timely web updates to rapidly give objective, reliable and easily understandable information to the stakeholders and the public.

eu-LISA strengthened the area of direct public engagement to improve awareness, knowledge and visibility of the Agency among citizens. The Agency's active presence at the Europe Day and the Open Doors Day awareness events of the EU institutions, organised in Strasbourg and Tallinn by the European Parliament and the European

Commission, provided for a notable number of direct and indirect contacts and generated sizable public reach. An estimated 14 000 people attended the event in Strasbourg and 13 000 in Tallinn.

### **Internal communication**

In 2017, internal communication aimed to further facilitate and promote the mission, vision and core values of the Agency and to use them as drivers for the development of its corporate culture and team spirit. It was also considered one of the most important tools to keep the organisation unified, given the physical separation of the Agency into two sites. The annual Internal Communication Action Plan was accomplished in full. Analysis of the results of the 2017 Staff Satisfaction Survey on Internal Communication indicates a 114 % increase in the participation rate (compared with 2016) and a notable 94 % satisfaction rate (90 % in 2016) with the internal communication activities. The results give proof of the positive development in staff engagement and improved awareness on all the sites of the Agency regarding organisation and operational matters. This in turn allows the staff to make informed decisions regarding their professional tasks, and perform to a higher standard in contributing to achieving the strategic goals of eu-LISA. The survey results provide the basis of the 2018 internal communication priorities and related action plan, which aim to meet further the corporate needs and expectations of the staff as much as possible given the resources available.

During the reporting period, several quality improvements were executed in the corporate communication area regarding the look and feel of the internal information products and the usability of the information-sharing platform (the intranet). Additional improvements will follow in 2018.

In 2017, internal communication also focused actively on change communication to provide full communication support to preparation for moving the staff into the new buildings of the Agency. Regularly updated communication was complemented with related visual coverage to strengthen corporate culture and promote mutual understanding. Therefore, change communication photo galleries and videos were produced and shared across the different sites of the Agency. A time-lapse video was initiated and will be launched to the staff alongside the finalisation of the move in 2018.

### **Internal audit**

eu-LISA continued to use its audit function as a key enabler for risk assessment and management, and process improvement. The Agency continued to cooperate with the European Court of Auditors and the Internal Audit Service of the European Commission, hosting their audit missions and taking measures to respond to the resulting recommendations where necessary. The Internal Auditor of eu-LISA continued to coordinate work in this area, including the preparation of reports, missions, follow-up activities and ensuring general awareness amongst management and staff of the Agency of the principles, objectives and procedures of internal and external auditing.

Implementation of the Internal Audit Capability Model for the Public Sector reached level 3, as demonstrated by the results of the self-assessment with external independent validation carried out in the context of the Internal Audit Capability's (IAC's) Quality Assurance and Improvement Programme.

## Part II (a). Management

### 2.1. Management Board

In 2017, the Agency continued its very close, transparent and constructive collaboration with its Management Board. In addition to the items approved by the Board in accordance with its functions as defined in its Establishing Regulation, the Agency has brought to its attention all the significant risks and issues identified during the reporting period.

The Agency continued to provide administrative support to the MB and the AGs. The three MB Meetings in March, June and November and the four regular AG meetings within the reporting period were organised in a timely and efficient manner. Following provisions of the Establishing Regulation of the Agency, the Board adopts the Agency's Programming Document for the following year and the Agency's Corporate Annual Activity Report for the previous year. The Management Board adopted the Consolidated Annual Activity Report 2016 in its meeting on 20-21 March 2017 and the Programming Document 2018-2020 at the beginning of October 2017. The Management Board decided to amend the 2017 budget in September 2017. It also took note and supported the adoption by the Agency of global commitments required for the fulfilment of the new tasks related to implementation of the EES and the Eurodac Recast regulation, in order to preserve the budgetary appropriations from the consequences of delayed adoption of the corresponding legal basis. The MB also took note of the underlying risks and the potential repetition of the global commitment adoption over subsequent financial years and asked the Agency to provide regular information regarding their management.

In February 2017, the MB adopted the annual report on the 2015 activities of the central system of Eurodac, including its technical functioning and security, pursuant to Article 40(1) of Regulation (EU) No 603/2013, and adopted the opinion on the recommendations of the Commission regarding changes to the Establishing Regulation of eu-LISA by asking the Commission to forward the opinion with the recommendations and appropriate proposals to the European Parliament, the Council and the European Data Protection Supervisor, in accordance with Article 31(2) of the Establishing Regulation of eu-LISA.

In March 2017, the MB approved the set of corporate KPIs for the Agency, which are measured annually and reflected in the Agency's Consolidated Annual Activity Report (see Annex I). The approval represents the final outcome of a series of refinements of the original set established in 2015, in order to ensure their continued business relevance and added value for both eu-LISA and its stakeholders.

In May 2017, the MB adopted the annual list of SIS II authorities, N.SIS II offices and SIRENE bureaux and the list of designated authorities, which have access to data recorded in the central system of Eurodac.

In June 2017, the MB took note of the final report of the HLEG and encouraged the Agency to continue its close collaboration with the Commission to ensure full implementation of the conclusions of the report. At the same time, the MB emphasised the importance of providing the Agency with adequate resources (both financial and human) for implementation of interoperability activities.

Throughout 2017, the MB adopted several important strategies such as the Agency's revised long-term strategy for the years 2018-2022, its Security and Continuity Strategy and the Technology Strategy, providing a recommendation to the Agency to elaborate further on the strategy and develop an implementation roadmap. The Board also adopted a decision concerning the working language regime of the Agency.

For the Agency's projects approved for implementation from 2018 onwards, the MB adopted the relevant criteria for selection of projects for ex ante evaluation that the Agency shall start applying accordingly.

In November 2017, the MB decided to create two sub-groups: the Financial Committee and the Audit and Compliance Committee. In addition, the MB started discussions on establishing the EES Programme Board, taking



into consideration the progress achieved from the EES proposal.

As an annual exercise and in close cooperation with the Internal Auditor of the Agency, the Board analysed the progress report on the Internal Audit Plan 2017 and welcomed the coherent approach of the Agency to providing assurance on a regular basis. In this regard, the Board adopted the Internal Audit Plan of eu-LISA for the year 2018.

The findings and recommendations stemming from the external evaluation of the Agency from 2016 have been appropriately followed up through an action plan. In March 2017, the MB adopted the action plan on the non-legislative recommendations presented by the Execution Director and in November 2017 the MB took note of its implementation status update.

In terms of risks identified by the Agency, the Board was informed that its decision of 27 June 2017 to allocate 45 additional Contract Agent posts, in order to strengthen the core team of the Agency, had finally been rejected by the European Commission (because the Directorate-General for Budget disagreed)<sup>14</sup>. Therefore, the core team of the Agency will continue to be more stretched across a raised number of activities, thus increasing the risk of untimely delivery of the planned work. In addition, since a number of job functions in the Agency either are understaffed or do not have built-in business continuity, operational risks for eu-LISA will continue to grow, especially in the light of the proposed significant extension of the mandate of the Agency. In addition, the efficiency of operations and daily work in the Agency may be reduced, given that it had already been established that use of external resources is less efficient and more expensive and risky than internal staffing.

At its meeting on 21-22 March 2017, the eu-LISA Management Board decided, in accordance with Article 18(5) of the Establishing Regulation of the Agency, to inform the European Parliament about its intention to extend the term of office of the Executive Director for 3 years from the expiry date of his mandate (1 November 2017). On 27 April 2017, in the context of the extension of his term of office, the Executive Director delivered a statement before the LIBE Committee, describing the accomplishments of eu-LISA during its first 5 years of action and his vision, which includes four main pillars to support the future development and growth of the Agency.

Anticipating the growth of the tasks of eu-LISA that will come with its new Establishing Regulation, the Agency presented to the Management Board a proposal for expanding its Strasbourg site and a new organisational structure.

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<sup>14</sup> It should be noted that some of those contract agent posts (27) were included in the proposal of the European Commission for revision of the Establishing Regulation of eu-LISA.

## 2.2. Major developments

### External developments

The political landscape also continued to develop and evolve in 2017. Citizens of the EU consider it to no longer satisfactorily respond to many problems that concern them: long-term unemployment, fading solidarity, slow growth, a late shift towards a sustainable economy, security challenges, etc. Developments in recent years have shown that enhanced cooperation and mutual aid can unite and advance people towards a common destiny. It was in this spirit that Europe was built. From the outset, it wanted to follow the path of cooperation, solidarity, economic development, democracy, human rights and the rule of law, and to this end it has adopted common institutions. But this objective is only partly fulfilled. Nowadays it is challenged at several levels.

The freedom of movement of people is one of the four freedoms the European Union implemented with the introduction of the Schengen Area. Today, it is also facing the challenges of increased visibility of serious crime (drug trafficking, human trafficking, financial crime, cybercrime, etc.), terrorism and migratory pressure. A growing number of citizens consider that this outcome is due to Europe being too open and therefore exposed to the effects of globalisation. In addition, the economic climate of austerity within most Member States has continued, thus limiting the available resources in Member States, and the EU, as a whole, needs to address growing challenges in the Justice and Home Affairs domain.

Therefore, today, the internal security and the protection of the European Union at its external borders have become a crucial challenge. A failure in this area could have dramatic consequences on the future of Europe. After the Stockholm Programme ended in 2014, a process of realignment of strategic and political priorities towards better coherence, efficiency and cost-effectiveness was initiated in the Justice and Home Affairs domain. There are two major drivers for it.

- **Firstly**, the continuous migratory pressure on the external borders of the EU and the clear need for better management of migration in all of its aspects.
- **Secondly**, the EU and its Member States face an increasing number of new and complex security threats. To address them further, synergies and closer cooperation at all levels are required. Many of the threats originate from instability in the EU's immediate neighbourhood as well as evolving forms of radicalisation and terrorism. Threats are becoming more and more international and are increasingly of a cross-border nature. These threats require an effective and coordinated response at the European level.

Political priorities, set in the Justice and Home Affairs domain, have resulted in a number of practical initiatives and actions, addressing different dimensions of security, border and migration management. These priorities are also reflected in eu-LISA's annual and long-term activities. At the same time there is growing acknowledgment amongst Member States and the EU institutions of the crucial importance of the large-scale IT systems and the need for information exchange within the Justice and Home Affairs domain, especially in light of new challenges and threats.

Given the above, eu-LISA and the systems it manages are likely to come under increasing levels of public and political scrutiny in the coming years. The Agency already plays and will continue to play in the future a crucial role in the sustainable functioning of the Schengen Area and delivery of political priorities and implementation of relevant policies in the Justice and Home Affairs domain.

In June 2017, the Commission presented the proposal for amendment to the eu-LISA Establishing Regulation (new eu-LISA Establishing Regulation). In December of the same year, the JHA Council agreed on a general approach on the draft Regulation and the European Parliament's LIBE Committee approved a report on eu-LISA's revised Regulation. Interinstitutional negotiations on the draft Regulations are expected to be initiated in January 2018.

As of the end of December 2017, the EES legal framework entered into force and the Agency should proceed with its implementation as soon as the necessary implementing acts are adopted by the European Commission in 2018.

On 17 November 2016, the European Commission introduced a proposal for the implementation of a European Travel Information and Authorisation System (ETIAS). Discussions on the proposals followed throughout 2017. The

proposed legislation seeks to provide for a system that would enable improved checks on visa-exempt travellers before they arrive at the EU's external borders. The Agency fully supported discussions amongst co-legislators when requested, providing its technical expertise to advise on the feasibility of the proposals and appropriate approaches to system implementation. It also positively supported the technical meetings on ETIAS organised by the European Commission. Furthermore, in order to optimally prepare itself for the expected development of the ETIAS system in the future, it undertook fact-finding missions to the USA, Canada and the Australian High Commission in London, examining the systems of a similar nature implemented by these countries.

The Proposals for a Regulation on establishing a centralised system for the identification of Member States holding conviction information on third country nationals and stateless persons (TCN) to supplement and support the European Criminal Records Information System (ECRIS-TCN system) and amending Regulation (EU) No 1077/2011 was tabled by the European Commission on 29 June 2017.

As a follow-up to the studies done by eu-LISA and the work of the HLEG generally, in December 2017 the European Commission introduced two proposals for Regulations establishing a framework for interoperability between EU information systems in the areas of (1) police and judicial cooperation, asylum and migration and (2) borders and visa. The aim of the proposals is to close existing gaps in the information architecture of the Justice and Home Affairs domain and to increase the efficiency of the existing and future EU information systems for security, border and migration management.

### **Organisational developments**

eu-LISA's long-term strategy for 2014-2020 was updated in response to the vision document of the Executive Director and the significant changes in terms of political and operational realities, which present new challenges. In November 2017, the Management Board adopted the updated strategy.

The MB adopted the Agency's Security and Continuity Strategy and the Technology Strategy. Following the Management Board's recommendation, eu-LISA's Technology Strategy was discussed during the Advisory Group meetings, where it was agreed that a roadmap will be presented at one of the upcoming Advisory Groups meetings. The roadmap development is currently in progress.

A new internal development of eu-LISA was the establishment of the EPMO to enable better internal governance. In November 2017, after a pilot test carried out by the Agency, the Management Board adopted rules on ex ante evaluation following the requirements of the Agency's Financial Regulation. The ex-ante evaluations are now part of the responsibilities of the EPMO.

An activity preparatory to the development of ABB was initiated in the year. It consisted of designing a high-level model for aggregation of direct and indirect costs of executing the Agency's mandate, and a revision of Title 3 of the Agency budget starting with the 2019 financial year, allowing more precise cost categorisation in operational activities. A contract with a consultant for the development of an ABB model was signed at the end of 2017, with activities expected to start in Q2 2018.

In 2017, to support the implementation of a total quality management system based on CAF, the first self-assessment report using the CAF methodology was delivered by a group of internal assessors. As the next step, after internal discussions, an action plan based on the outcomes of the assessment was put together to be implemented.

In 2017, the cornerstone of the new headquarters building in Tallinn was laid by the Estonian Minister for the Interior and the Executive Director of eu-LISA. The building is expected to be completed at the beginning of the summer of 2018. In Strasbourg, the Agency started using the newly constructed premises, thus helping to reduce the burden on staff by having insufficient working space.

## 2.3. Budgetary and financial management

eu-LISA is financed through different funding sources<sup>15</sup>. The main revenue comes from an EU subsidy, approved on an annual basis by the European Union budgetary authority, i.e. the European Parliament and the Council of the European Union<sup>16</sup>.

As part of its annual reporting framework, the Agency publishes its budget execution rates and performance indicators, which can help to highlight the efficiency and effectiveness with which the Agency was able to manage its spending during the reporting period.

### Implementation of the 2017 budget

In 2017, eu-LISA managed a budget of EUR 153.3 million in commitment appropriations and EUR 67.7 million in payment appropriations received from the EU subsidy.

The Management Board approved two amendments to the budget:

- EUR 67.6 million in payment appropriations due to the delayed adoption of the legal basis for the European Entry/Exit System, Eurodac Recast and Dublin Allocation<sup>17</sup>;
- EUR 18 million in payment appropriations, which were not required in the management of operations.

They had the following impact on the initial voted budget 2017:

Budget	Commitment appropriations		Payment appropriations	
	EUR million	% of initial voted budget	EUR million	% of initial voted budget
Initial voted budget 2017	153.3	100 %	153.3	100 %
Amending budget no 1			-67.6	-44.1 %
Amending budget no 2			-18.0	-11.7 %
<b>Final adopted budget</b>	<b>153.3</b>	<b>100 %</b>	<b>67.7</b>	<b>44.2 %</b>

The Agency attained a high implementation rate of the final adopted budget by the end of the year:

- 100 % for commitment appropriations;
- 100 % for payment appropriations, including the carry-forward of 2017 administrative expenditure to 2018.

### Commitment appropriation execution

The commitment credits (C1) voted for 2017 were split among different titles as follows: 83.3 % for the operational budget (Title 3), 6.2 % for infrastructure and operating expenditure (Title 2) and 9.5 % for staff expenditure (Title 1). The graphs below show the budget implementation by title at year end.

Operational expenditure (Title 3) detail: due to the multi-annual nature of contracts used to support core operations, EUR 121.5 million of the 2017 open commitment appropriations has been automatically carried forward and will be paid in 2018 and in the subsequent years. For a detailed breakdown see Annex II.

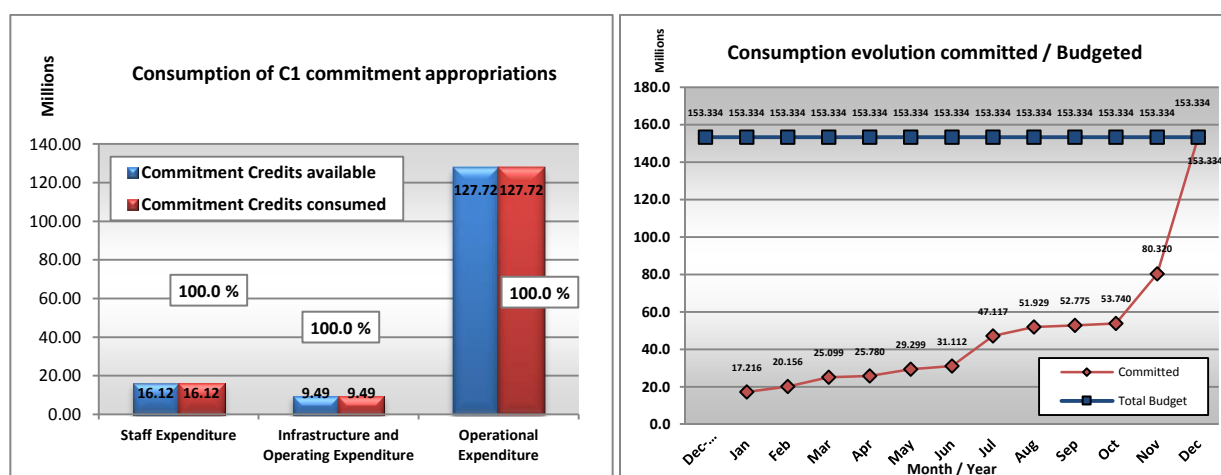
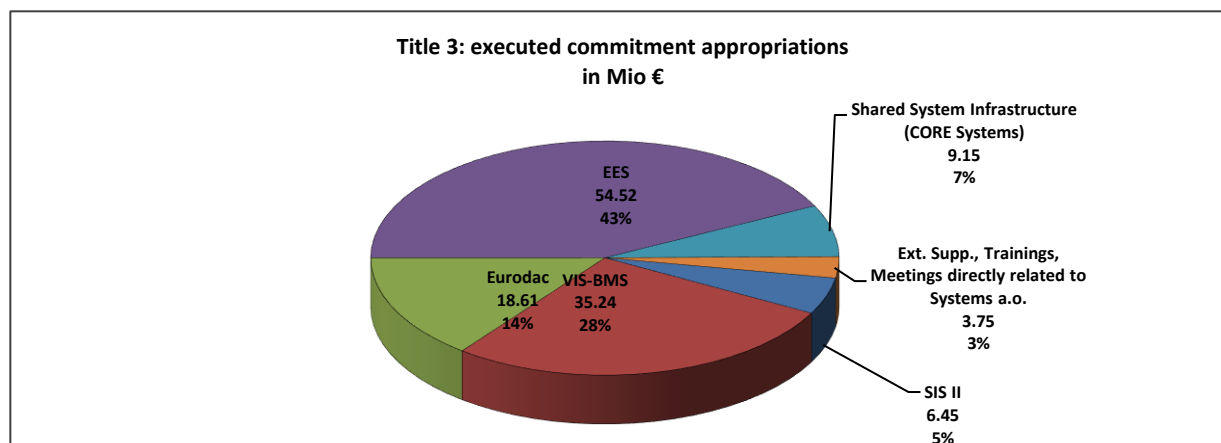
eu-LISA implemented 100 % of operational budget, amounting to EUR 127.7 million. The graph illustrates the

<sup>15</sup> Article 32 of the Establishing Regulation.

<sup>16</sup> This subsidy refers to C1 commitment and payment appropriations (voted credits of the current budgetary year).

<sup>17</sup> With written procedure 2016-164 of 12.12.2016 for the adoption of the annual budget, the Agency informed the Management Board as follows: "In 2017, the Agency shall request the Management Board to adopt an amending budget to return the payment appropriations foreseen in the EU budget in excess of the revised estimates of revenue and expenditure submitted by the Agency."

breakdown of the operational budget by chapter.



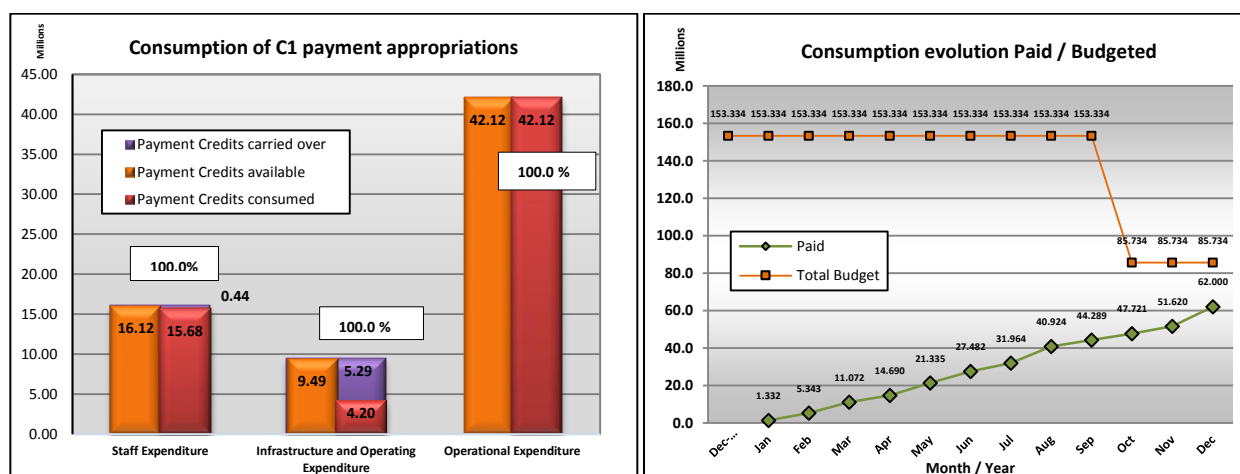
The delayed adoption of the legal basis for the Entry/Exit System, Eurodac Recast and Dublin Allocation triggered, with prior consultation with the Management Board, the implementation of substantial<sup>18</sup> global commitments (L1) in order not to lose the corresponding appropriations, the utilisation of which was planned in the Legislative Financial Statements attached by the European Commission to the corresponding legislative proposals. Such measures are, however, of a temporary nature, and there is a risk that further delays in the adoption of the legal basis (Eurodac Recast and Dublin Allocation), or the availability of implementing decisions on the EES, may result in the procurement cycle not allowing the consumption of the global commitments in 2018, which would result in the cancellation of the appropriations carried forward. It is also to be mentioned that the adoption of L1 commitments in 2017 will be likely to have a cascade effect on the future financial years.

### Payment appropriation execution

The total voted budget for payment appropriations amounted to EUR 67.7 million.

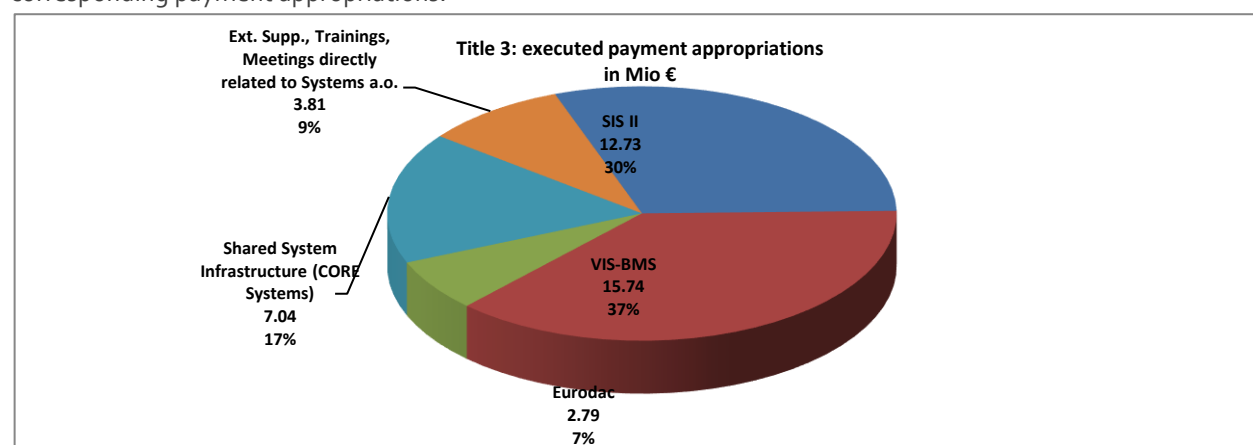
At the end of 2017, the execution of payment appropriations for C1 credits reached 100 %, including the carry-forward of administrative expenditure to 2018. The graphs below show the split of the total budget by title and the overall consumption of payments credits over the year 2017.

<sup>18</sup> Adopted global commitments include EUR 54.5 million for the EES, EUR 11.3 million for Eurodac Recast and EUR 1.8 million for the Dublin Allocation.



Furthermore, 87.8 % of the payment appropriations carried forward from 2016 to 2017 in administrative expenditure have been executed.

Commitment appropriations in Title 1 (Staff Expenditure)<sup>19</sup> amounting to EUR 0.4 million and in Title 2 (Infrastructure and Operating Expenditure) adding up to EUR 5.3 million, not yet consumed through payments in 2017 and for which a valid legal commitment exists, are to be carried forward to 2018 together with the corresponding payment appropriations.



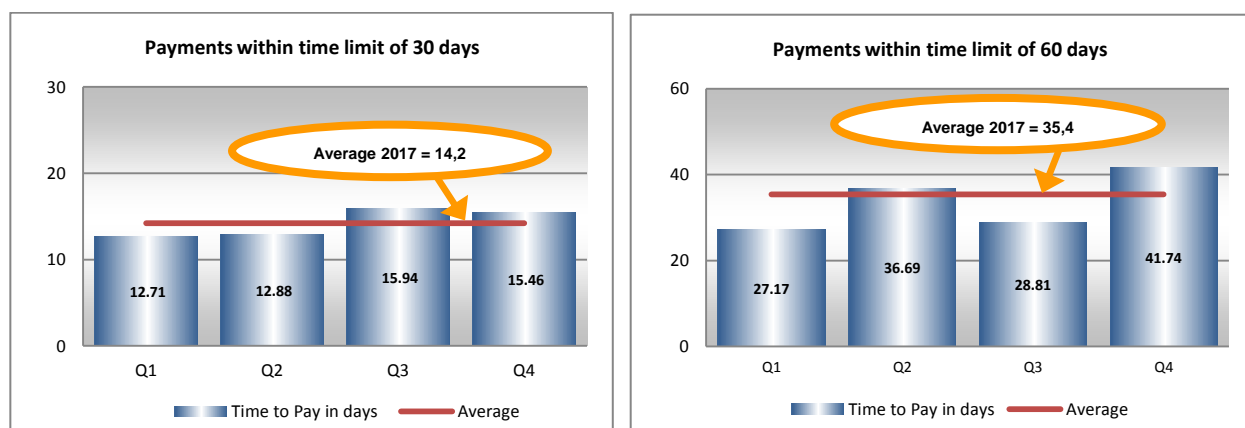
Within Title 3, the largest proportion of payment appropriations was spent for VIS-BMS. The graph above shows the breakdown of executed payment credits for the operational budget.

#### Performance indicator: time to pay

A total of 2 555 payment transactions were carried out in 2017, 11.5 % fewer than in 2016: 2 412 transactions with a maximum payment delay of 30 days, 31 payment with a maximum payment delay of 45 days, 110 with a maximum payment delay of 60 days, 1 with a maximum payment delay of 5 days, and 1 with a special payment delay of 35 days.

The average time to pay for all types of payments remained well within the contractual time limit. For the two main categories it was 14.2 days (for 30-day payments) and 35.4 days (for 60-day payments).

<sup>19</sup> Commitment and payment appropriations related to salaries and allowances cannot be carried forward.



Overall, 93.8 % of all transactions were paid within the contractual time limit. There were 159 delayed payments, of which 3 resulted in late interest amounting to EUR 960.21 paid to the contractors.

### Procurement procedures

In 2017, eu-LISA awarded a total of 405 contracts, of which 74 followed direct procurement procedures launched by the Agency; the remaining 331 were awarded as specific contracts/orders in the scope of already established eu-LISA or interinstitutional framework contracts.

Negotiated procedures were the most commonly used procedures in 2017 (53 for low-value procurement), followed by two open procedures and one restricted procedure.

In 2017, eu-LISA signed a major IT system framework contract following the restricted procedure: it was for Maintenance in Working Order of the Eurodac System and for an estimated maximum amount of EUR 22 690 000.00.

The first phase of the Entry/Exit System restricted procedure was launched in 2017, as was the restricted procedure for the new SIS II MWO framework contract, given that the current contract will expire in 2018.

## 2.4. Human resources management

### Developments

In 2017, the Agency's activities in the area of HR management were focused on the objective, set in the Programming Document 2017, of retaining and continuously developing staff of the Agency through robust knowledge and skills management, in parallel with personalised employee development paths.

The activities undertaken served to ensure the effective implementation of the HR policy, learning and development opportunities for the staff to enhance their technical, soft, managerial or administrative skills, and the implementation of an effective personnel administration service. Attention was given to the recruitment of the additional staff for the Entry/Exit System. The Agency initiated work on the development of the Health and Safety Policy, the scope of which goes beyond human resources management and which will be implemented in the next few years.

### Learning and development

The results of the annual training needs analysis for 2017 were reflected in the training offered to staff members and the organisation. The main achievements in 2017 were the further development of iLearn (eu-LISA's Learning Management System), the further development of the eu-LISA Competency Framework, the implementation of the Annual Learning Plan, and the staff engagement survey and its follow-up. Furthermore, the Learning and Development team provided a learner-/staff-centred approach in the various workshops and engagement activities that were carried out. All these activities contributed to the achievement of the Agency's strategic and operational goals and objectives with the focus on developing the necessary skills and on providing technical training to the staff in the Operations Department.

The infographic below gives an overview of the activities organised at eu-LISA and the indicators for each of them.

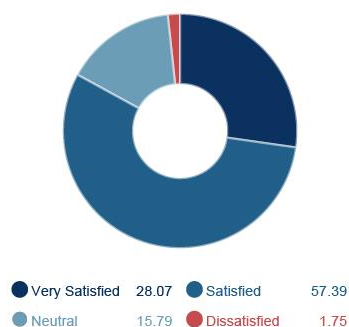
Activities and indicators concerning learning and development in 2017





## SATISFACTION

General Satisfaction of Courses  
Staff Satisfaction with Learning and Development Activities



## STAFF ENGAGEMENT



### Establishment Plan and headcount

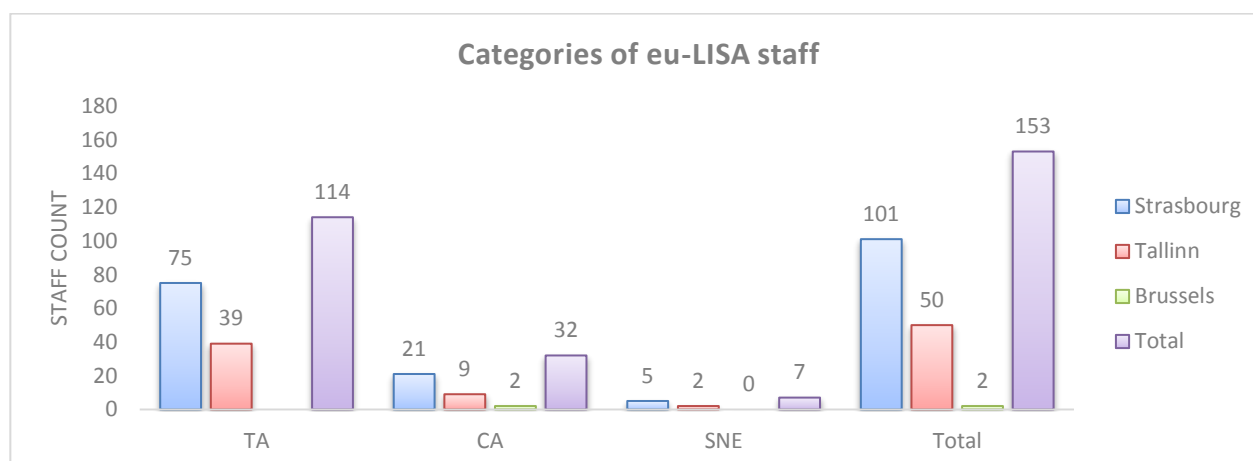
In 2017, eu-LISA had the following authorised posts: 131 Temporary Agents (TAs), 27 Contract Agents (CAs) and 9 Seconded National Experts (SNEs). The total number of posts in the Establishment Plan decreased by 3 posts in comparison with 2016 due to staff cuts and reached the level of 115 posts, and at the same time it was increased by 16 additional posts<sup>20</sup>. It should be noted that the Establishment Plan of the Agency does not include posts for officials or clerical posts classified as AST/SC. Annex IV shows the 2017 Establishment Plan of eu-LISA.

In terms of headcount, at the end of December 2017 there were 153 full-time staff members: 114 TAs, 32 CAs and 7 SNEs. Of these, 75 TAs, 21 CAs and 5 SNEs were employed in Strasbourg, 39 TAs, 8 CAs and 2 SNEs were working in Tallinn, and 2 CAs were located in eu-LISA's Liaison Office in Brussels.

The Agency staff represented 21 nationalities. Women constituted 26 % of the staff (40), while 74 % (113) were men.

The graph below shows the number of eu-LISA staff members per type of contract and split between the offices of the Agency.

Categories of eu-LISA staff: status on 31 December 2017



The Agency also offered internship opportunities. At the end of 2017, there were two interns located in Tallinn and

<sup>20</sup> This number includes 14 posts for the Entry/Exit System and for the Eurodac Recast, which could not be filled by the end of the year due to the delay in the adoption of the relevant legal instruments. At the time of drafting this report, seven job offers have been accepted with starting dates between 16 January and 1 March 2018.

one intern placed in Brussels.

### Organisational structure

In 2017, the following changes were made to the organisational structure of eu-LISA:

- the organisational structure of the General Coordination Unit (GCU) was revised and the changes to the sectors in the GCU were approved;
- the Enterprise Project Management Office Sector reporting directly to the Executive Director of eu-LISA was created.

In November 2017, a proposal for the new organisational structure of eu-LISA was submitted to the Management Board of the Agency. Changes to the organisational structure are necessary due to the adoption of the revised Regulation, planned for 2018, and the expected regulations on the new systems and tasks that will be allocated to eu-LISA in 2018/2019 (e.g. ETIAS, Eurodac Recast, SIS II Recast, interoperability of the EU systems, etc.). These new projects will result in an increase in the number of staff of the Agency, which will double by the end of 2019. At present, the proposal is under discussion with the European Commission.

The organisational chart of eu-LISA showing the status on 31 December 2017 is presented in Annex III.

### Performance indicators in the area of HR

The Agency set performance indicators<sup>21</sup> (KPIs) for areas related to HR. They serve to measure the rate of absenteeism, staff turnover, the staff performance index and staff engagement.

The absenteeism rate KPI was 22 %, compared with 23 % in 2016, while the target was to keep it below 25 %.

The exit turnover of staff was 3.27 %, due to 5 employees leaving the organisation in 2017. This is below the benchmark KPI of 5 % set for turnover. The Tallinn headquarters were affected more strongly, as staff turnover there reached 5.13 %.

Staff turnover in 2017 split by site and contract type

2017 staff turnover			
Type of staff	Strasbourg	Tallinn and Brussels	eu-LISA as a whole
TA	2.67 %	5.13 %	3.51 %
CA	4.76 %	0.00 %	3.13 %
SNE	0.00 %	0.00 %	0.00 %
All	2.97 %	3.85 %	3.27 %

The staff performance index was slightly below the target set for the KPI (the target being 100 % of appraisals completed) and reached 99 %. This was caused by a single case of inability to complete the appraisal for objective reasons. In addition, a KPI target of more than 10 % of performance at the top level and less than 5 % at low level was achieved. It reached 10.3 % for level I performance (the highest performance) and 76 % for level I and level II performance (performance beyond expectations). There were no cases of low (unsatisfactory) performance reported.

Staff engagement was measured by evaluating the percentage of staff responding to the Staff Satisfaction Survey. This KPI reached 88 % in 2017 and the target value was 80 % or more.

<sup>21</sup> eu-LISA Corporate Performance Indicators; this document was adopted by the Management Board of eu-LISA on 15 March 2015 (ref. 2015-042) and the change request to the Management Board for Changing the Agency's Corporate Key Performance Indicators (ref. 2016-127) is from October 2016.

## Compensatory leave schemes

The Agency is required, in accordance with paragraph 28 of the Parliament's Discharge Report '2011 Discharge: performance, financial management and control of EU agencies'<sup>22</sup>, to report on the number of days of leave authorised to each grade under the flexitime and compensatory leave schemes.

Flexitime is a default working pattern applied by analogy at eu-LISA in accordance with the Implementing Rule on working time<sup>23</sup>. The mandate of the Agency is to offer its services to Member States on a continual basis (24/7); this implies that some of the staff work in shifts or on stand-by duty. The interventions to the IT systems managed by the Agency require, from time to time, that the work be performed outside regular office hours, including at night or on public holidays. Therefore, compensation for overtime acquired under flexitime, during stand-by duty interventions or for particular projects, is an inherent feature in the operation of the organisation.

The table below shows the number of leave days granted as compensation for overtime, split by function group and grade of staff member, and the average number of days of those absent.

Functional group and grade	Compensated overtime	Compensated stand-by duty	Compensated flexitime
AD 5	1.0	1.3	36.2
AD 6	10.7	3.1	130.7
AD 7	5.0	0.9	111.1
AD 8	22.9	2.8	146.8
AD 9	6.0	2.8	49.4
AD 10	0.0	1.3	22.5
AD 11	2.0	0.0	30.5
AD 12	0.0	0.0	0.0
AD 13	0.0	0.0	2.0
AD 14	2.0	0.0	0.0
AD 15	0.0	0.0	0.0
AD 16	0.0	0.0	0.0
AST 1	0.0	0.0	0.0
AST 2	0.0	0.0	0.0
AST 3	2.0	0.0	8.5
AST 4	7.0	0.1	24.6
AST 5	4.0	0.0	7.5
AST 6	0.0	1.1	24.4
AST 7	0.0	0.0	20.0
AST 8	0.0	0.3	21.8
AST 9	0.0	0.0	0.0
AST 10	0.0	0.0	0.0
AST 11	0.0	0.0	0.0
<b>Total number of days</b>	<b>62.6</b>	<b>13.5</b>	<b>636.0</b>
<b>Number of people</b>	<b>24</b>	<b>13</b>	<b>77</b>
<b>Average number of days on leave</b>	<b>6.92</b>		
FG III 9	0.0	0.0	7.5

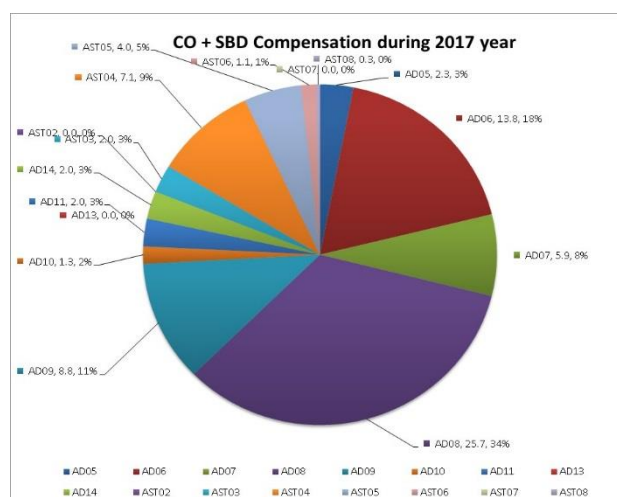
<sup>22</sup> P7\_TA(2013) 0134.

<sup>23</sup> Commission Decision on working time of 15 April 2015, C(2014) 2502, adopted by the Management Board of eu-LISA on 15 April 2015.

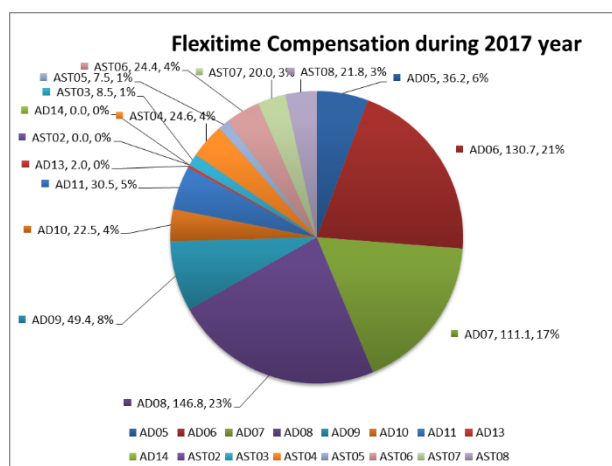
FG IV 13	8.3	0.0	29.9
FG IV 14	12.3	4.1	62.9
FG IV 15	0.0	0.0	16.5
FG IV 16	0.0	0.5	16.0
FG IV 17	0.0	0.0	1.5
<b>Total number of days</b>	<b>20.6</b>	<b>4.6</b>	<b>134.2</b>
<b>Number of people</b>	<b>5</b>	<b>3</b>	<b>23</b>
<b>Average number of days on leave</b>	<b>5.53</b>		
SNE	2.9	74.1	49.5
<b>Total number of days</b>	<b>2.9</b>	<b>74.1</b>	<b>49.5</b>
<b>Number of people</b>	<b>1</b>	<b>5</b>	<b>5</b>
<b>Average number of days on leave</b>	<b>8.74</b>		
<b>TOTAL number of days</b>	<b>86.2</b>	<b>92.2</b>	<b>819.7</b>
<b>TOTAL number of people</b>	<b>30</b>	<b>21</b>	<b>105</b>
<b>Overall average</b>	<b>6.71</b>	<b>4.39</b>	<b>7.81</b>

The figures below show the number of days of compensatory leave for overtime (CO) and interventions during stand-by duty (SBD) and the percentages they constitute.

Number of days and percentage of compensatory leave for overtime (CO) and interventions during the stand-by duty (SBD) of the Temporary Agents, by grade



### Number of days and percentage of flexitime compensation of the Temporary Agents, by grade



### Description of the results of the screening/benchmarking exercise

eu-LISA has undertaken its fourth benchmarking exercise to identify the ratio of administrative to operational staff to respond to the requirements of the Framework Financial Regulation, which stipulates that all agencies should carry out such a benchmarking exercise on an annual basis to justify administrative expenditure in a more structured and transparent way. The screening exercise was conducted in accordance with the methodology agreed by the Heads of Administration of the European Agencies. It was applied to all eu-LISA posts occupied in December 2017. The results of the 2017 screening are shown in the tables in Annex IV.

There was a slight decrease in the percentage of operational posts in 2017; it fell by 1.28 percentage points because 16 additional operational posts were not screened, since they could not be filled before the legal instruments regarding the European Entry/Exit System and the Eurodac Recast, for which they have been allocated, were adopted. They will be included in the 2018 benchmarking exercise.

The percentage of administrative posts was slightly higher in 2017 than in 2016, increasing from 15.91 % to 17.00 %, because a few additional posts had to be created in order to perform the relevant tasks and not all operational posts were screened. The percentage of neutral posts remained at the same level.

A further split of the types of posts into categories shows that in the operational posts there was a slight increase in the percentage of the programme management posts (from 4.53 % to 6 %) and a slight decrease in the percentage of general operational posts (from 60.74 % to 58 %).

According to Analytical Fiche<sup>24</sup> No 15 on Human Resources Management at the EU decentralised agencies, administrative staff 'represent 30 % of agencies' staff'. Using this as a reference, the benchmarking ratio at eu-LISA is remarkably below that level. The Agency considers that a 'healthy' proportion should remain at the level of 20 % of posts in Administrative Support and Coordination. This was balanced by a higher proportion of administrative support posts applied to external support, as seen in the benchmarking of the external service providers (intra muros). This balance will continue to be necessary as long as the Agency is growing in the number of operational staff and there is no sufficient staff for the administrative posts to support the operations. However, it is worth pointing out that the number of operational posts increased in 2017 in comparison with 2016 by 8 percentage points and the neutral posts by 2.42 percentage points, while administrative posts account for 46.42 %, 10 percentage

<sup>24</sup> [https://europa.eu/european-union/sites/europa.eu/files/docs/body/fiche\\_15\\_sent\\_to\\_ep\\_cons\\_2011-07-20\\_en.pdf](https://europa.eu/european-union/sites/europa.eu/files/docs/body/fiche_15_sent_to_ep_cons_2011-07-20_en.pdf)

points less than in 2016.

Annex IV of the report contains tables providing the following information:

- the Establishment Plan 2017 of eu-LISA’;
- the levels at which the key roles listed by the European Commission for benchmarking of key functions are represented in eu-LISA;
- the comparison of the results of the benchmarking exercises undertaken in 2016 and 2017 for both staff members and the external service providers (intra muros).

## **2.5. Assessment by management**

The Agency's Internal Control Standards (ICSs) (as outlined in Article 30, Article 44(2) and Article 47(1)(b) of the Financial Regulation of the Agency) were formally adopted by the Management Board by written procedure on 15 June 2014, and they had already been implemented in 2013. The 16 individual control standards are structured around six major areas: (1) mission and values; (2) HR; (3) the planning and risk management process; (4) operations and control activities; (5) information and financial reporting; and (6) evaluation and audit. An Internal Control Coordinator has been formally appointed by the Executive Director. The Agency's internal control system integrates all these 16 ICSs as adopted by eu-LISA, establishing the overall internal control environment and providing assurance to management that objectives are being achieved, with robust financial and operational checks and balances in place. The framework is monitored on a regular basis to ensure that the controls in place work effectively.

## **2.6. Budget implementation tasks entrusted to other services and entities**

The Agency did not entrust budgetary implementation to other services or entities.



## 2.7. Assessment of audit results during the reporting year

### 2.7.1. Internal Audit Service

In 2017, the Internal Audit Service of the European Commission (the IAS) carried out an assurance audit on the controls over the procurement process in eu-LISA<sup>25</sup>.

The objective of the audit was to assess the adequacy of the design, and the effectiveness and efficiency, of the internal control system for the public procurement process in eu-LISA.

The scope of the audit included the control environment, including the design and implementation of key controls on the main milestones of the procurement process. The controls were reviewed to assess whether they contribute effectively to eu-LISA meeting its procurement objectives and ultimately safeguarding best value for money.

In conclusion, the IAS acknowledges that the controls on the procurement process in eu-LISA support the achievement of the main operational objectives of the Agency (such as the 24/7, uninterrupted operation of the large-scale IT systems it manages). However, the IAS found significant weaknesses that may affect sound financial management and compliance with procedural requirements.

In this context, the IAS identified two *very important* issues related to the estimation of the contract value and the definition and documentation of the key controls throughout the procurement process. The IAS has also identified three *important* findings.

The Agency, in agreement with the IAS, has put in place an action plan addressing the audit findings and recommendations.

### 2.7.2. Internal Audit Capability (IAC)

In 2017, besides providing the usual support to external audits, the IAC of eu-LISA focused on the stakeholders' expectations of improving governance processes as follows.

#### Ex-ante evaluations

The IAC has defined the process of ex ante evaluation of project proposals that imply significant expenditure. As a result, starting in 2018, the Agency will perform ex ante evaluations of all projects classified as 'Large' after applying the project classification criteria as approved by the Management Board. The adopted classification is in line with requirement laid down in Article 29(5) of the Financial Regulation of the Agency, which require ex ante evaluations to be performed for significant expenditures. The IAC handed over the ex-ante evaluation process to the Enterprise Project Management Office for implementation and reporting. In November 2018, the Agency will report on the results of ex ante evaluations and propose any adjustments to the ex-ante evaluation process and/or project classification criteria, if necessary.

#### Prevention and management of conflict of interest

The IAC has proposed a policy and rules for preventing and managing conflicts of interest at eu-LISA. According to them, any staff member of the Agency will have to make and/or update a declaration of interests annually and his/her line manager will have to check it. The results of implementation of this requirement will be presented in the Agency's annual activity report. The IAC proposed a similar requirement for members of the Management Board,

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<sup>25</sup> Final Audit Report on controls over the procurement process in the eu-LISA (ref. Ares (2016)7043332 – 19/12/2016).

their alternates and members of the Advisory Groups, to be analysed in the first part of 2018 with a view to adoption.

### **IAC Quality Assurance and Improvement Programme (QAIP)**

The IAC has completed the procedures in accordance with its QAIP roadmap. The result is that an independent external evaluator confirmed that the IAC's activity generally takes place in accordance with the Standards and the Ethics Code. In order to continually optimise its work, IAC has developed a plan with 12 actions for implementation by the end of 2018.

### **2.7.3. European Court of Auditors**

In 2017, the European Court of Auditors (the Court) finalised the usual audit on the Annual Accounts of the eu-LISA for the financial year 2016<sup>26</sup>. The Court has audited:

- (a) the annual accounts of the Agency, which comprise the financial statements<sup>27</sup> and the reports on the implementation of the budget<sup>28</sup> for the financial year ended 31 December 2016, and
- (b) the legality and regularity of the transactions underlying those accounts.

In the Court's opinion, the annual accounts of the Agency present fairly, in all material respects, its financial position as at 31 December 2016 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

In the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2016 are legal and regular in all material respects.

The Court made seven comments that do not call the above opinions into question. The comments are on the legality and regularity of transactions, internal controls, budgetary management and sound financial management as follows:

- legality and regularity of transactions: commitments formalised ex post;
- internal controls: action plan in place arising from the IAS audit on Operations;
- budgetary management: high level of carry-overs;
- sound financial management: construction contract paid in full although less than half of the work had been completed;
- sound financial management: procurements where the Agency did not check for the most economical solution;
- sound financial management: potential risk to the competitiveness of the procedure, as the company that developed the BMS technology was not contractually obliged to grant commercial access to any interested tenderer;
- sound financial management: action plan in place arising from the external evaluation of the Agency.

All findings have been addressed by the Agency.

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<sup>26</sup> Report on the annual accounts of the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) for the financial year 2016 together with the Agency's reply: <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=42033>

<sup>27</sup> These include the balance sheet and the statement of financial performance, the cash flow table, the statement of changes in net assets and a summary of the significant accounting policies and other explanatory notes.

<sup>28</sup> These comprise the budgetary outturn account and the annex to the budgetary outturn account.

## 2.8. Follow-up of recommendations and action plans for audits

The Agency's IAC regularly monitors and follows up the state of play of action plans that eu-LISA has put in place following various audit recommendations.

In its scope are all the audit recommendations open on 31 December 2017, rated as 'Critical' or 'Very Important' (as indicated in the template of the Consolidated Annual Activity Report — CAAR), and issued by the following auditors:

- Internal Audit Services of the European Commission (IAS);
- Internal Audit Capability of eu-LISA (IAC);
- European Court of Auditors (ECA).

The report presents both the monitoring result (status of action plans as asserted by management and actions' owners) and the results of the auditors' follow-up. To confirm closure (under the heading 'Closed' in the summary table below), the auditors carried out the annual follow-up to those action plans declared 'Implemented' (i.e. auditor's assessment of evidence provided and collected).

### State of play of the action plans' implementation progress

#### On 31 December 2017, no 'Critical' issue was open.

The Agency had 23 audit recommendations rated as 'Very Important' open. Of these, nine audit recommendations had been issued at the end of 2017 and are marked below as 'New', and action plans for them are being agreed. Of the 14 recommendations left in scope, the Agency reported 6 recommendations as 'Implemented' (or 'Ready for review'): 2 to the IAS, 4 to the ECA and none to the IAC.

**The IAS followed up** and closed<sup>29</sup> the two recommendations stated to be 'Implemented', namely:

- Rec. ID #2015052620 — *Complete the establishment of a comprehensive process handbook and exception reporting* (from the IAS audit report on limited review on the implementation of the Internal Control Standards in eu-LISA done in 2015);
- Rec. ID #2016121944 — *Compliance with procedures and accurate maintenance of personnel files* (from the IAS audit on Staff Planning & Allocation, Performance Appraisal & Promotion, and Training done in 2016).

**The ECA followed up** the six observations made in the previous years and the results are:

- Two recommendations<sup>30</sup> were closed as no longer applicable.
- Two recommendations<sup>31</sup> are maintained as 'ongoing' although eu-LISA's management has asserted their status to be 'Implemented'.
- Two recommendations<sup>32</sup> are outstanding (past due). In agreement with the IAS and the IAC, the Agency has put in place an action plan addressing the root causes of ECA findings. However, effective implementation of the action plan depends on the allocation of additional staff positions, currently lacking in the Agency, e.g. support to the legal officer, vendor management, business analyst<sup>33</sup>.

**The IAC did not follow up** any of the five recommendations resulting from its audits, as none of them were ready for review. The status of these is as follows:

- Two recommendations are still in progress (rec. ID #2016112841 — *Project and contract management*, and rec. ID #2017011748 — *Completion, maintenance, and continuous improvement of the project management process*).

<sup>29</sup> Pending formal communication from the IAS, expected by the end of February.

<sup>30</sup> Rec. ID #2016103037 and rec. ID #2016103038.

<sup>31</sup> Rec. ID #201410308 and rec. ID #2016103039.

<sup>32</sup> Rec. ID #2016103036 — 13: Legality and regularity of transactions, and rec. ID #201610340 — 16: Other comments.

<sup>33</sup> To be confirmed.

- One recommendation is partially implemented (and past due), for which the action owner requested a new extension of the deadline until December 2018 (rec. ID #2015100924 — *Definition and organization of contract management*). However, the full implementation of the recommendation depends on the reorganisation of the Agency as proposed to the Management Board in November 2017, and on the adopted Technology Strategy and a pending Service Strategy.
- One recommendation had needed a revised action plan, which was agreed with the IAC (rec. ID #201404295 — *Internal control override*).
- One IAC recommendation has been merged with a similar new recommendation issued by the IAS (rec. ID #2017011749 — *Project cost estimate and price negotiation with contractors* merged with rec. ID #2017121959 — *Controls before establishing specific contracts*).

### Summary table

IAS, IAC and ECA recommendations by rating	Total	New	Implemented	In progress	Merged	Closed	Past due
Critical <sup>a</sup>	0	0	0	0	0	0	0
Very Important <sup>b</sup>	23	9	6	4	1	4	3
<b>Total</b>	<b>23</b>	<b>9</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>3</b>

Notes: For monitoring purpose, recommendations issued by ECA are rated as 'Very Important'

Reading key for the headers in the table above: **Merged**, the auditor merged the recommendation with a similar one; **Closed**, the auditor closed formally the issue; **Implemented**, the recommendation owner asserts that the issue is ready for the auditor's follow-up with a view to closure; **In progress**, implementation is proceeding according to plan and deadline not due or new action plan/deadline agreed with the auditor; **Past due**, recommendation was not implemented by the agreed deadline; **New**, action plans are being put in place or implementation has just started, in the case of recommendations issued less than 3 months before the reporting date.

<sup>a</sup>Critical: a fundamental weakness in the audited process that is detrimental at the entity level.

<sup>b</sup>Very Important: a fundamental weakness in the audited process that is detrimental to the whole process.

## 2.9. Follow-up of observations from the discharge authority

At the time of preparation of this report, the discharge procedure for 2016 is still ongoing. The Agency has fulfilled all its reporting obligations so far towards the discharge authorities by sufficiently providing feedback. For information, the status of the Agency's action plan with regard to the previous discharge procedure (2015) and recommendations is listed in the following table.

A) Points to be improved/followed up			
Number	Question	Explanation	Answer
1	Conclusion of the arrangements with Schengen Associated Countries: what are the improvements made with regard to defining detailed rules for their participation in the work of the Agency, including their contribution to the Agency's budget? (5);		The negotiation of the arrangements with Schengen Associated Countries falls within the responsibility of the Commission and the Agency is not part of it. In mid-2017, the Commission informed the Agency about the ratification by the parliaments of Norway and Switzerland of the eu-LISA Regulation and, therefore, the two Associated Countries were invited to join the Management Board and Advisory Groups of the Agency, as Observers. Liechtenstein and Iceland already had Observer status. In addition to their participation in the governing bodies of the Agency, the experts of the Associated Countries are invited to participate in the technical meetings related to the operational management of the systems. As regards the contribution to the Agency's budget, since 2014 the Associated Countries have reimbursed operational expenditure directly related to the systems under management. The agreements under ratification foresee a reimbursement mechanism covering the whole budget, for which the Agency is preparing a cost allocation methodology in the framework of the activity-based budgeting expected to roll out in 2018.
2	Improvement of procurement procedures: The report encourages the Agency to conclude agreements with multiple suppliers or to define the services required more precisely. Has the Agency made improvements on the observed procurement procedures in 2016?	Notes that, further to its audit of the Agency's procurement procedures, the Court concluded that the Agency in 2015 entered into contractual agreements or engaged in negotiations with a single contractor without precisely defining the services requested; is deeply concerned, as the agreements signed in 2015 ran a high risk of acting contrary to the principle of economy and damaging the cost-effectiveness of such procurements and are much more exposed to the risk of corruption; observes that such agreements could also further limit competition and	The negotiation with a single contractor occurred within a framework contract, originally awarded through competitive restricted procedures. The negotiation is sometimes necessary because it is not always possible to define with precision all deliverables at the time of the tendering procedures, or when operational requirements call for a revision of an existing specific contract. The Agency systematically awards the large-scale framework contracts in support of operational activities through competitive procedures. The possibility of tendering procedures with reopening of competition has been explored, however the complex nature of the operational requirements of the systems requires an end-to-end contractual responsibility to be entrusted to a single supplier/consortium.

A) Points to be improved/followed up			
Number	Question	Explanation	Answer
		increase dependence upon the contractor; acknowledges that, in particular for the systems under management, factors outside the control of the Agency limit the possibility of systematically reopening competitions; encourages the Agency to conclude agreements with multiple suppliers or to define the services required more precisely, whenever possible; awaits the Court's audit of the Agency's procurement procedures for 2016. (6);	
3	Contract management and governance: what is the state of play of the five IAC recommendations regarding the definition and organisation of contract management, as well as regarding contract governance? (14);		<p>Four recommendations were addressed and closed by the end of 2017:</p> <ul style="list-style-type: none"> <li>– contract governance — very important;</li> <li>– -quality management system — important;</li> <li>– assessment of contractual risks — important;</li> <li>– contract monitoring tool — important.</li> </ul> <p>One recommendation (definition and organisation of contract management — very important) is partially addressed, through the adoption of a corporate IT partially addressing the required sourcing strategy; however, the full implementation of the recommendation depends on the reorganisation of the Agency as proposed to the Management Board in November 2017, and on the adopted Technology Strategy and a pending Service Strategy.</p>
4	Adoption of the internal whistleblowing policy (15); has it been adopted and implemented?		<p>The Management Committee of the Agency has approved its Guidelines on Whistleblowing on 23/05/2016; the text was then positively opinionated by OLAF. However, in the following, the Commission (DG HR) was not in favour of it and informed eu-LISA that Commission is working on new guidelines, which have to be adapted by the Agencies in a second step. Further discussion took place between the representatives of all EU agencies and the Commission on 31 October 2017; as a consequence, a model decision was established for further inter-service discussion at the European Commission. The exact timeframe for this remains uncertain, since it depends on the potential comments received in the course of this procedure. The state of play is that therefore the internal whistleblowing procedure has not been implemented yet; however, in the meantime the Agency has published the general principles</p>

A) Points to be improved/followed up			
Number	Question	Explanation	Answer
			relevant to whistleblowing (as included in the policy) in the code of conduct on the eu-LISA website.
5	Adoption of guidelines for a coherent policy on the prevention and management of conflicts of interest and to adopt and implement a clear policy on conflicts of interest. Have the curricula vitae (CVs) of the Agency's Management Board members and the CVs and declarations of interest of the members of its Advisory Groups been published on the Agency's website? Have the guidelines and a clear policy in terms of conflicts of interest been adopted?	Notes with concern that the CVs of the Agency's Management Board members and the CVs and declarations of interest of the members of its Advisory Groups are not published on the Agency's website; urges the Agency to adopt guidelines for a coherent policy on the prevention and management of conflicts of interest and to adopt and implement a clear policy on conflicts of interest. (16);	Article 21 of the Agency's Establishing Regulation requires all Members of the Management Board to issue an annual public statement of interest in writing. The Agency follows strictly this requirement and all annual statements are duly signed and originals kept by the Secretariat of the Management Board. Although there is no specific legal requirement in the Establishing Regulation of the Agency for publication of the individual statements of commitment of the members of the Management Board, the Agency published their declarations on its website. Article 21 of the Establishing Regulation also requires the Agency to publish on its website the list of the members of the Management Board. The list alongside with the CV of the Executive Director and the Chairperson of the Management Board are duly published and kept up to date on the website of the Agency. For the AG, due to the high number of members and frequent changes in the representation from the national level, the declarations are only stored in the Agency's premises and can be made available upon request. The new Rules on the prevention and management of conflict of interest for eu-LISA staff were adopted by an Executive Director Decision dated 30 January 2018 and entered into force on the next day. In addition, the Management Committee agreed on the draft Policy on Conflict of Interest covering members of the Management Board, their alternates and members of the Advisory Groups, which will be sent to the Management Board for discussion and possible adoption.
6. a)	Development of the anti-fraud strategy: a. Has the monitoring report (expected to be issued by March 2017) been issued? Is there been registered an improvement on the results? Notes that the first annual monitoring report on the implementation of the Agency's anti-fraud strategy was issued in April 2016 and that it showed a level of implementation close to 60 %;		The second monitoring report was issued at the end of November 2017 and updated at the end of January 2018. eu-LISA confirms a level of quantitative implementation above 85 % (12/14; one action has been scoped out — see answer to point 4 above). The result is positive when compared with the level of implementation of 60 % registered in April 2016. After 2 years from the adoption of the first Anti-fraud Strategy at eu-LISA, the result is very good compared with the target set of more than 80 %. Certainly, the Agency has achieved a solid anti-fraud foundation on which other necessary elements will be further developed confidently.

A) Points to be improved/followed up			
Number	Question	Explanation	Answer
	notes that the next monitoring report was to be issued by March 2017; asks the Agency to inform the discharge authority of the results of that report; notes that the Agency's Management Board adopted the Agency's anti-fraud strategy and an action plan in November 2015. (17);		
6. b)	Development of the anti-fraud strategy: b. Have the new anti-fraud rules been adopted and started to be implemented? Notes furthermore that the Agency aims to adopt the new rules resulting from the action plan by the end of 2017 and to start implementing them immediately after their adoption. (17);		The current Anti-fraud Strategy is due for revision in November 2018 and has been assessed as still relevant until then. In 2018, the Agency will perform a fraud risk assessment to feed in to the revision of the document and the resulting action plan. eu-LISA understands that the new anti-fraud rules referred to are the new rules on the prevention and management of conflict of interest that are ongoing; see the previous answer (6a).
7	Need to provide information concerning the ratification of the headquarters agreement with France for its operational site in Strasbourg. (19);		On 26 October 2013, the Management Board of eu-LISA approved (2013-082, following 2013-072 and 2013-077) the Agreement concerning the technical site with the host Member State, France. The French National Assembly, on 1 June 2016, adopted the Site Agreement between the Agency and the French Government. The promulgation by the President of the French Republic took place on 14 June 2016. On 15 June 2016, the document was published in the French Official Journal ( <i>Journal Officiel de la République Française</i> ). The Agency notified the Government of France about the completion of its internal procedures on 29 July 2016. The agreement shall enter into force 30 days after both parties had notified each other of the completion of their internal procedures necessary for the entry into force of the agreement (according to Article 31 of the same agreement). The Agency was notified by the French Ministry of Foreign Affairs that the agreement entered into force on 28 August 2016.



A) Points to be improved/followed up			
Number	Question	Explanation	Answer
8	What improvements have been made in terms of gender balance in the composition of the Agency's management board? (22);		The Agency cannot influence the composition of its Management Board; therefore, no particular steps have been taken in this regard. However, eu-LISA encourages female candidates for the posts published at the Agency, and in cases of equal merit looks at the possibility of recruiting female candidates in order to balance genders.
9	What is the state of play on the implementation of the performance indicators for the work of the Agency? (25);		The Agency's KPIs were adopted by its Management Board in March 2017. Since then, the Agency calculates them once per year (each January for the previous year) and reports them in its Consolidated Annual Activity Report.
10	What are the improvements done regarding the visibility of the Agency's work through online platforms? (25);		<p>In 2017, eu-LISA's corporate accounts for social media (Facebook, Twitter, LinkedIn) were put into systematic use, in line with the related Social Media Strategy principles. The social media activities were closely integrated with other Agency communication tools and increasingly used for transparency purposes to highlight our awareness-raising activities and training courses for Member States as well as eu-LISA's procurement and recruitment needs. In 2017, the eu-LISA on-line communication and social media presence advanced considerably. eu-LISA pro-actively participated at the pan-EU social media campaigns of the EU institutions (#EU60, #NoMoreRansom), published on average one per day social media posting on eu-LISA business-related topics and produced close to 150 timely web updates to rapidly give objective, reliable and easily understandable information to the stakeholders and the public.</p> <p>A dedicated Twitter wall was created and used to allow additional interaction with stakeholders and the public during the eu-LISA annual conference. Compared with the previous year's equivalent event, the eu-LISA conference social media exposure in 2017 increased by over 50 %.</p> <p>Modifications to the website, as one of the best means to guarantee accountability to the citizens of Europe, were initiated, based on the 2016 website usability analysis, with the aim of developing it further into a responsive and easily accessible website with functionalities that allow increased online public engagement and high visibility.</p>

**B) Any other issues that could be highlighted as improvements. For example, on the 2015 discharge they have welcomed the following issues:**

Number	Question	Explanation	Answer
1	Strengthening data protection and data security in the Agency, through		As a follow-up, the eu-LISA Data Protection Officer organised 12 dedicated Data Protection Awareness sessions in 2016 and 8 in 2017. Four special sessions were provided in 2017 on the Data Protection Day,

B) Any other issues that could be highlighted as improvements. For example, on the 2015 discharge they have welcomed the following issues:			
Number	Question	Explanation	Answer
	awareness sessions, training for staff and the production of data breach policy and procedures, and the action plan and work programme. (13);		<p>and two EU DPOs provided sessions on their experience.</p> <p>An e-learning module on data protection was developed, targeting mainly newcomers, a data breach policy and procedure was adopted and implemented, and the DPO organised the first JHA Agencies DPOs Network meeting. A complaint procedure was also established by the DPO.</p> <p>In May 2017, eu-LISA's DPO hosted the 41st DPOs Network meeting with the participation of 70 DPOs of EU institutions and bodies.</p> <p>The 2017 focus was on the policy area, with the adoption of a new security policy and of an updated business continuity policy. Several awareness sessions on cybersecurity and business continuity were carried out with the whole staff to highlight risks and implemented mitigation measures in our organisation. A disaster recovery exercise on the VIS system was run with the participation of eight Member States to test the end-to-end recovery capabilities of both the central and the national systems. This successful activity increased the level of awareness of the existing operational procedures and highlighted areas for improvement. Finally, a set of vulnerability assessments and penetration tests were run within different technical platforms to assure the effectiveness of the implemented security and business continuity measures.</p>
2	Activities to raise awareness and visibility. (18);		<p>eu-LISA strengthened the area of direct public engagement to improve awareness, knowledge and visibility of the Agency among citizens and stakeholders. The Agency's active presence at the Europe Day and Open Doors Day awareness events of the EU institutions, organised in Brussels, Strasbourg and Tallinn by the European Parliament and the European Commission, provided a notable number of direct and indirect contacts and generated sizable public reach. An estimated 14 000 people attended the event in Strasbourg and 13 000 in Tallinn.</p> <p>The Agency has proactively enlarged the scope of its involvement in various public events for stakeholders, for example the 11ème Rendez-vous européens de Strasbourg, the European Police Congress and roundtables with industry representatives. The Agency has organised awareness-raising briefings with partners and stakeholders such as the JHA Counsellors and diplomats from EU MSs and has provided active cover of VIP delegations' visits to the sites of the Agency: Commissioners, delegations of MEPs and national MPs, the Kangaroo Group, the Estonian President, the Estonian Prime Minister, high-level civil servants, etc. In 2017 the Agency organised the high-level conference 'Going Digital for a Safe and Secure Europe', which was part of the Estonian EU Presidency activities. The 95 % satisfaction rate with the conference proves the high quality and success of the event. eu-LISA was actively</p>

**B) Any other issues that could be highlighted as improvements. For example, on the 2015 discharge they have welcomed the following issues:**

Number	Question	Explanation	Answer
			involved in contributing to the organisation of nine additional major awareness-raising events in cooperation with the Estonian EU Presidency on topics regarding the responsibilities of the Agency. eu-LISA also launched a comprehensive process to update its multi-annual External Communication and Information Strategy, which was adopted by the Management Board of the Agency in March 2017.
3	Efforts to keep Justice and Home Affairs systems aligned with evolving political priorities and unforeseen events. (26);		<p>The Agency welcomes the positive views expressed by the European Parliament regarding its efforts to keep Justice and Home Affairs systems aligned with evolving political priorities and unforeseen events (point 26 of the report on discharge in respect of the Agency). eu-LISA continues to make every effort in this regard. Assurance of flexibility to handle unpredictable variations in IT system usage and/or demand for increased functionality requires investment in modern, scalable technologies and infrastructure. As a centre of excellence in IT service provision, eu-LISA's efforts towards such investment have continued since the Agency took over management of its current IT systems. In addition, the Agency remains in contact with stakeholders to ensure full awareness of developing priorities, particularly through its various governance structures. It also proactively engages other relevant parties—for example through organisation of regular Industry Roundtables that ensure awareness of the state of the art in a fair and transparent manner, enabling responsiveness to change requests.</p> <p>This responsiveness is exemplified through changes made and upgrades introduced in recent years. Following the communication from the European Commission to the European Parliament and Council COM (2016) 205 and its call to develop an automated fingerprint identification system (AFIS) for SIS II, eu-LISA immediately undertook vigorous efforts with the Member States to work towards such development. Implementation efforts continue towards a go-live in March 2018, filling an important gap in current system capabilities in line with a stated political priority. VIS upgrades undertaken in 2016 included implementation of Schengen consultation/notification procedural workflows in VIS Mail 2 in January 2016, and the system was capable of full handling of biometric-supported visa issuance and checks at external borders following completion of the global rollout in November 2015. Following the significant increase in usage of Eurodac in 2015, usage levels have remained high and the system continues to handle this capably. Looking towards the envisaged system recast, the Agency has supported discussions with its technical expertise and knowledge. In particular, it has provided detailed studies on possible inclusion of scanned documents in the system and the possible use of facial images.</p>

**B) Any other issues that could be highlighted as improvements. For example, on the 2015 discharge they have welcomed the following issues:**

Number	Question	Explanation	Answer
			<p>Development projects that are horizontal across systems are particularly relevant in the context of assuring responsiveness to external changes. They often take advantage of the consolidation of system management at a single location to enable sharing of resources across systems to the extent sensible and permissible by regulation. The Agency continues to work on its common shared infrastructure project, enabling sharing of certain infrastructural elements. As spare capacity and capabilities are not necessarily allocated in a system-specific manner, the Agency can prepare for unforeseen events in a cost-efficient manner. Efforts towards system interoperability foreseen for the coming years will bring further improvements. Interoperability solutions such as the European Search Portal will enable the Agency to make more rapid changes to system changes that can be more easily accommodated by Member States with less extensive IT development and testing efforts than is currently the case. Addition of new systems to the IT ecosystem should also be easier.</p> <p>The second objective of the Agency's multi-annual strategy is to become an EU ICT centre of excellence and service provider. This inevitably involves continuous liaison with the stakeholder community and configuration of operations and technology to assure responsiveness to requests. Such work has been a focus since 2014 and continues. Thus, as is already the case, the Agency will remain aware of evolving political priorities, take note of unforeseen events with impact as soon as possible and be in a position to respond appropriately going forward.</p>
4	Information about the level of execution of the budget (in 2015 it exceeded 99 % for both commitments and payment appropriations (LIBE 3));		<p>The level of budget implementation was 98 % for commitment and payment appropriations in 2016 and 100 % in 2017.</p>

## Part II (b). External evaluations

At the time of writing this report (January 2017), the Agency has undergone external evaluation, in accordance with Article 31 of Regulation No 1077/2011.

The evaluation examined the way in which eu-LISA implemented its mandate, as laid down in its Establishing Regulation, looking at four areas: efficiency, effectiveness, added value and coherence. It also examined the Agency's contribution to the establishment of a coordinated, effective and coherent IT environment for the management of large-scale IT systems supporting the implementation of JHA policies.

The evaluation was successfully carried out in 2016 and came to the conclusion that the Agency effectively fulfils its mandate. The evaluation also suggests particular ways of improving the operations of the Agency and identifies potential opportunities to extend its mandate.

Selected highlights from the evaluation include the following findings:

- The Agency had, overall, achieved its objective of effectively ensuring the operational management of the three IT systems entrusted to it.
- Although the organisational set-up and internal processes are still developing, these are properly structured and described. The Agency has been able to identify solutions for carrying out the assigned tasks. This was particularly observed through the project case studies (e.g. the Smart Borders pilot project and the Common Shared Services Studies).
- The Agency has been successful, overall, in respecting the clear allocation of roles and responsibilities at EU and national levels concerning its core business of managing large-scale IT systems.
- The activities of eu-LISA are generally well aligned with the relevant JHA policy frameworks and strategies.
- The Agency has developed a coherent cooperation strategy for engaging with different stakeholders in a structured way through the adoption of its Stakeholder Management Strategy.
- The establishment of a single management authority to assume operational management of the three IT systems inherently creates a high level of added value, to the extent that the Agency effectively and efficiently carries out its tasks. The ultimate added value of eu-LISA is, therefore, logically highly dependent on its ability to fulfil its core tasks in an efficient and effective manner.
- Overall, the evaluation noted positive feedback concerning the level of involvement and communication with national-level stakeholders.

The evaluation report made 65 recommendations. They looked at opportunities for improvements related to the present tasks of the Agency as well as the possibility of enlarging the Agency's mandate to increase its added value, taking into account possible future needs of the EU and the Member States.

Each recommendation had a rating (Critical, Very Important, Important, Minor), which was assigned in view of necessity and time for implementation. The impact of the recommendations has also been analysed from financial, legal and organisational perspectives.

In this respect, recommendations have been split into two major groups:

- recommendations with legal impact (11 recommendations in total);
- recommendations with organisational and/or financial impact (54 recommendation in total).

Recommendations in the second group were further broken down to:

- 7 Critical;
- 10 Very Important;
- 30 Important;

- 7 Minor.

The recommendations with organisational and/or financial impact stemming from the external evaluation of the Agency have been adequately followed up through an action plan. In March 2017, the Management Board adopted it and, in November 2017, its implementation status update was presented.

## Part III. Assessment of the effectiveness of the internal control systems

### 3.1. Risk management

The Agency follows a comprehensive risk management framework that includes, on an annual basis, the collection of risks, the assessment and prioritisation of risks and the carrying out of a corporate risk management workshop during quarter 4 of each year. At the workshop, risk owners, as well as risk strategies and responses, are decided. The outcome is documented in the annual corporate risk response plan, which is valid until the following annual corporate risk management workshop; this also defines the details of the risk-monitoring exchange between the risk owners and the EPMO.

For the year 2017, a total of four corporate risks were identified and dealt with within the Agency's corporate risk response plan. These were related to the potential project pitfalls of the Strasbourg site extension, which might endanger the desired outcomes; lack of sufficient statutory staff, which might negatively affect the Agency in achieving its assigned tasks or even may lead to non-compliance events; lack of 24/7 support for corporate services, endangering 24/7 availability of corporate services; and the eligibility of the Smart Borders delegation agreement.

For those risks, seven individual risk measures have been set up with the nominated risk owners, three of which 3 have been implemented, with the aim of sufficiently mitigating the risks identified and their impact on the organisation. The removal plan for the Strasbourg site was completed on 10 August 2017 with no business continuity issues. In order to minimise the risk regarding the 24/7 availability of corporate services, extended working hours for intra muros staff have been negotiated with the external service supplier. Regarding Smart Borders, the official notification to the Executive Director dated 10 August 2017 from DG Migration and Home Affairs E1 confirmed acceptance of the final report prepared by eu-LISA on Smart Borders operations. For details of the four corporate risks, please refer to Annex VII.

### 3.2. Compliance and effectiveness of Internal Control Standards

All 16 approved eu-LISA ICSs have been applied to the tasks stemming from the Programming Document (PD) 2017-2019 for the Agency, and have been integrated in a balanced way. In 2017, the 16 ICSs were further detailed to give 125 individual ICS measures, assigned to relevant staff members in the organisation. Considering the 2017 measures taken to achieve and maintain compliance with the Agency's ICSs, it can be stated that internal control is sufficiently established in eu-LISA. A number of actions have been implemented, thus demonstrating eu-LISA's efforts in applying and striving for good governance. For 2018, the range and scope of compliance measures will be updated based on advice provided by the Authorising Officer as well as on findings related to the outcomes of joint meetings between the Internal Control Coordinator and eu-LISA managers and staff with ICS-related functions.

The function of the Internal Control Coordinator has been established to support the efficient and effective implementation of ICS at eu-LISA by creating a focal point for providing information and awareness, as well as a capacity for monitoring and reporting. Following biannual monitoring exercises with managers and staff with ICS-related functions, the Internal Control Coordinator continuously reported in 2017 to the Executive Director about the status and progress of ICS compliance within eu-LISA.

In addition, the overall effectiveness and efficiency of the internal control system was assessed by the Internal Control Coordinator. For this purpose, the eu-LISA ICS register (which documents the status of each individual

measure related to the implementation of the ICSs at the Agency) was consulted to extract the necessary data, which was then summarised and forwarded as a report to the eu-LISA Management Board for its information. For details of the implementation of the ICS, please refer to Annex VII.



## Part IV. Management assurance

### 4.1. Review of the elements supporting assurance

The building blocks of assurance underpin the reasonable assurance given by the Authorising Officer in his/her declaration of assurance of the Annual Activity Report. These are summarised below.

#### **Building block 1: Assessment by management**

##### *Assessment by management*

The management of the Agency has reasonable confidence that, overall, suitable controls are in place and are working as intended; risks are being monitored and mitigated appropriately and the necessary improvements and reinforcements are being implemented.

Furthermore, the management of the Agency recognises the need to maintain a high level of efficiency in its internal control environment and for continuous assessment and strengthening of existing internal controls to achieve and then maintain full compliance with the requirements of the 16 ICSs adopted to ensure the achievement of the objectives in its Single Programming Document.

##### *Register of exceptions*

The Agency has had a procedure in place for the registration of exceptions since 2013. At the beginning of 2015, a formal procedure for the registration and management of exceptions was adopted. Its overall objective is to establish appropriate arrangements to ensure that any exceptional circumstances of significant instances of overriding controls or deviations from the established regulatory framework are well explained, registered and reported in accordance with the principle of transparency. An exception must be documented, justified and approved at the appropriate level before any action is taken.

In 2017, 36 exceptions and non-compliance events from the established procedures were registered. The Authorising Officer has determined that such exceptions or non-compliance events do not require a formal reservation in the declaration of assurance on the basis of materiality. However, in the light of the latest audit findings, a root cause analysis will be performed to identify the reasons why the exception procedure has not been always observed. Swift actions will be taken based on the results. The target date is June 2018.

#### **Building block 2: External audit results<sup>34</sup>**

##### *IAS opinion*

##### *Final audit report on the controls over the procurement process*

In conclusion, the IAS acknowledges that the controls on the procurement process in eu-LISA support the achievement of the main operational objectives of the Agency (such as the 24/7, uninterrupted operation of the large-scale IT systems it manages). However, the IAS found significant weaknesses that may affect sound financial management and compliance with procedural requirements.

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<sup>34</sup> At the time of writing the report, the external audit results were not yet available.

In this context, the IAS identified two *very important* issues related to the estimation of the contract value and the definition and documentation of the key controls throughout the procurement process. The IAS has also identified three *important* findings.

The Agency, in agreement with the IAS, **has put in place an action plan** addressing the audit findings and recommendations.

*ECA opinion (audit report on 2016 accounts)*

*Opinion on the reliability of the accounts:*

In the Court's opinion, the annual accounts of the Agency **present fairly, in all material respects**, its financial position as at 31 December 2016 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

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

In the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2016 **are legal and regular in all material respects**.

### **Building block 3: Follow-up of reservations from previous reporting periods**

The declaration of assurance of the Authorising Officer in the Annual Activity Report 2016 did not contain any reservations.

### **Conclusion**

Based on Part II and Part III above, the conclusion can be drawn that there are no significant weaknesses in internal controls that might have an impact on the declaration of assurance.

## **4.2. Reservations (if applicable)**

Based on the information provided above, the Authorising Officer did not issue any reservations.

### 4.3. Overall conclusions on assurance

I, the undersigned Krum Garkov, Executive Director of the European Agency for operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA),

In my capacity as Authorising Officer,

Declare that the information contained in this report gives a true and fair view of the activities of the Agency in 2017.

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

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, the audits of the Internal Audit Service, the audits of the Internal Audit Capability and the audits of the European Court of Auditors.

I confirm that I am not aware of anything not reported here which could harm the interests of the Agency or its stakeholders.

Tallinn,.....

..... (signature)

Krum GARKOV

# ANNEXES

## Annex I. Corporate key performance indicators

KPI	Corporate key performance indicator	Target	Actual 2017
1	Security: number of identified critical shortcomings during security tests	0	37
2	Security: percentage of identified security risks treated by assured security controls	100 %	100 %
3	Eurodac central system availability	99.99 % <sup>a</sup>	99.95 % <sup>b</sup>
4	Eurodac central system response time	99.45 %	99.90 %
5	Wide Area Network (WAN) availability (for SIS II and VIS systems)	99.99 %	99.99 %
6	SIS II central system availability	99.99 % <sup>a</sup>	99.82 % <sup>b</sup>
7	SIS II central system response time	99.50 %	99.66 %
8	VIS central system availability	99.99 % <sup>a</sup>	99.92 % <sup>b</sup>
9	VIS central system response time	100 %	99.24 %
10	Cancellation rate of carried-over payment appropriations	< 5 %	2.12 %
11	Rate (%) of budgetary commitments implementation	95-99 %	100 %
12	Rate (%) of payment implementation	> 95 %	100 %
13	HR: ratio (%) of administrative resources to operational resources	Administrative: 20 %	17 %
		Operational: 70 %	72 %
14	Ratio (%) of payments completed within statutory deadlines	90-100 %	93.78 %
15	Average square metres of office space per FTE (m <sup>2</sup> )	10 m <sup>2</sup>	10.04 m <sup>2</sup>
16	eu-LISA training course external participant satisfaction	> 3	4.48
17	Procurement compliance with the Agency's Procurement and Acquisition Plan	0.5-1.5	0.28
18	Procurement project management: % of main procurement projects on schedule	> 60 %	41 %
19	Customer satisfaction: % of MS users satisfied or very satisfied with the overall service provided by eu-LISA Service Desk	> 80 %	94.45 % <sup>c</sup>
20	Ratio (%) of activities identified in the Annual Work Programme met or on schedule	90 %	88.75 %
21	Member States systems helpdesk performance	> 80 %	90 % <sup>c</sup>
22	Project management: assessing completed projects against defined quality/cost/time parameters	< 10 %	8.79 %
23	Percentage of audit recommendations implemented within stipulated deadlines	80-100 %	50.0 %
24	HR: percentage of uncertified vs certified absence days from work within reporting period	< 25 %	22 %
25	HR: annual percentage staff turnover	≤ 5 %	3.27 %
26	HR: staff performance index	Completed appraisals: 100 %	100 %

		Low performance: < 5 %	0 %
		Top performance: > 10 %	76 %
27	HR: staff engagement level	≥ 80 %	88 %
28	External communication: eu-LISA web-based visibility <sup>d</sup>	Unique visitors: open	61 489
		Average visit duration: open	3 minutes, 44 seconds
		Bounce rate (left after one page): open	38 %
		Actions per visit (average): open	3.5

<sup>a</sup>System availability target is not precisely defined in the legal instruments governing the systems. The target of 99.99 % has been established by the Agency considering the fact that systems managed by it are defined as high availability systems.

<sup>b</sup>The actual availability of the systems includes switch-over and switch-back time, in the event of planned maintenance.

<sup>c</sup>Data from 2016. At the time of preparing this report, the data for 2017 are being collected.

<sup>d</sup>Because of a technical malfunction at eu-LISA's hosting service provider on 3 May 2017, statistical data were not recorded or saved between 4 May and 7 August, when the service was restored. This service is now monitored. For this reason, the data presented should not be benchmarked against previously collected data, as just over 3 months of data are missing.

## Annex II. Statistics on financial management

### 1. Initial budget, transfers and amending budgets

The table below summarises at chapter level the internal budgetary transfers operated by the Agency for C1 funds in 2017. Two amending budgets were required and performed.

Budget chapter		Commitment appropriations				Payment appropriations			
		Initial budget	Transfers	Amending budget	Final budget	Initial budget	Transfers	Amending budget	Final budget
<b>TITLE 1 — STAFF EXPENDITURE</b>		<b>12,133,700.00</b>	<b>-13,623.36</b>		<b>16,120,076.64</b>	<b>16,133,700.00</b>	<b>-13,623.36</b>		<b>16,120,076.64</b>
<b>A-11</b>	Salaries & allowances	14,633,210.00	-416,528.47		14,216,681.53	14,633,210.00	-416,528.47		14,216,681.53
<b>A-12</b>	Expenditure related to recruitment	122,250.00	-8,854.92		113,395.08	122,250.00	-8,854.92		113,395.08
<b>A-13</b>	Mission Expenses	330,000.00	136,000.00		466,000.00	330,000.00	136,000.00		466,000.00
<b>A-14</b>	Socio-Medical Infrastructure	602,740.00	158,333.00		761,073.00	602,740.00	158,333.00		761,073.00
<b>A-15</b>	Training for Staff	445,500.00	117,427.03		562,927.03	445,500.00	117,427.03		562,927.03
<b>TITLE 2 — INFRASTRUCTURE AND OPERATING EXPENDITURE</b>		<b>8,382,400.00</b>	<b>1,111,406.81</b>		<b>9,493,806.81</b>	<b>8,382,400.00</b>	<b>1,111,406.81</b>		<b>9,493,806.81</b>
<b>A-20</b>	Expenditure for premises	1,412,500.00	-626,554.99		785,945.01	1,412,500.00	-626,554.99		785,945.01
<b>A-21</b>	Corporate IT & Telecom	1,500,000.00	269,542.18		1,769,542.18	1,500,000.00	269,542.18		1,769,542.18
<b>A-22</b>	Movable Property and Associated Costs	420,000.00	-324,728.26		95,271.74	420,000.00	-324,728.26		95,271.74
<b>A-23</b>	Current Administrative Expenditure	345,000.00	623,853.26		968,853.26	345,000.00	623,853.26		968,853.26
<b>A-24</b>	Postage	30,000.00	2,885.81		32,885.81	30,000.00	2,885.81		32,885.81
<b>A-25</b>	Management Board	491,900.00	-225,834.00		266,066.00	491,900.00	-225,834.00		266,066.00
<b>A-26</b>	Information and Publications	1,233,000.00	58,628.41		1,291,628.41	1,233,000.00	58,628.41		1,291,628.41
<b>A-27</b>	External Support Services	1,650,000.00	2,023,788.84		3,673,788.84	1,650,000.00	2,023,788.84		3,673,788.84
<b>A-28</b>	Security	1,300,000.00	-690,174.44		609,825.56	1,300,000.00	-690,174.44		609,825.56
<b>TITLE 3 — OPERATIONAL EXPENDITURE</b>		<b>128,818,100.00</b>	<b>-1,097,783.45</b>		<b>127,720,316.55</b>	<b>128,818,100.00</b>	<b>-1,097,783.45</b>	<b>-85,600,000.00</b>	<b>42,120,316.55</b>
<b>B3-0</b>	Shared System Infrastructure (Core Systems)	8,701,300.00	445,809.19		9,147,109.19	9,050,000.00	487,092.16	-2,500,000.00	7,037,092.16
<b>B3-1</b>	SIS II	6,825,000.00	-371,767.78		6,453,232.22	6,500,000.00	9,233,758.55	-3,000,000.00	12,733,758.55
<b>B3-2</b>	VIS-BMS	34,505,000.00	739,005.33		35,244,005.33	35,000,000.00	-11,257,977.54	-8,000,000.00	15,742,022.46
<b>B3-3</b>	Eurodac	19,570,000.00	-965,000.00		18,605,000.00	18,570,000.00	802,842.75	-16,580,000.00	2,792,842.75
<b>B3-4</b>	Entry/Exit System	54,520,000.00			54,520,000.00	54,520,000.00		-54,520,000.00	0.00
<b>B3-6</b>	Ext Supp Services directly related to Core Systems	3,518,800.00	-850,785.20		2,668,014.80	4,000,100.00	-161,604.29	-1,000,000.00	2,838,495.71
<b>B3-7</b>	Advisory groups	428,000.00	-57,461.91		370,538.09	428,000.00	-93,616.42		334,383.58
<b>B3-8</b>	Training directly related to operations	750,000.00	-37,583.08		712,416.92	750,000.00	-108,278.66		641,721.34
<b>TOTAL</b>		<b>153,334,200.00</b>	<b>0.00</b>		<b>153,334,200.00</b>	<b>153,334,200.00</b>	<b>0.00</b>	<b>-85,600,000.00</b>	<b>67,734,200.00</b>

## 2. Implementation of the budget for the year (fund source C1)

As far as the 2017 appropriations (fund source C1) are concerned, the Agency reached a high level of budget implementation of 100 % in both commitment and payment appropriations, taking into consideration the automatic carry-over of appropriations.

BUDGET TITLE	COMMITMENTS (C1)			PAYMENTS (C1)		
	Budgeted	Consumed	%	Budgeted	Consumed	%
<b>Title 1 — Staff expenditure</b>	<b>16,120,076.64</b>	<b>16,120,076.64</b>	<b>100.0 %</b>	<b>16,120,076.64</b>	<b>16,120,076.64</b>	<b>100.0 %</b>
<i>of which, executed</i>		16,120,076.64	100.0 %		15,681,259.13	97.3 %
<i>of which, automatic carry-forward</i>		-			438,817.51	2.7 %
<b>Title 2 — Infrastructure and Operating expenditure</b>	<b>9,493,806.81</b>	<b>9,493,806.81</b>	<b>100.0 %</b>	<b>9,493,806.81</b>	<b>9,493,806.81</b>	<b>100.0 %</b>
<i>of which, executed</i>		9,493,806.81	100.0 %		4,198,841.10	44.2 %
<i>of which, automatic carry-forward</i>		-	-		5,294,965.71	55.8 %
<b>Title 3 — Operational expenditure</b>	<b>127,720,316.55</b>	<b>127,720,316.55</b>	<b>100.0 %</b>	<b>42,120,316.55</b>	<b>42,120,316.55</b>	<b>100.0 %</b>
<b>TOTAL EUR</b>	<b>153,334,200.00</b>	<b>153,334,200.00</b>	<b>100.0 %</b>	<b>67,734,200.00</b>	<b>67,734,200.00</b>	<b>100.0 %</b>
<i>of which, executed</i>		153,334,200.00	100.0 %		62,000,416.78	91.5 %
<i>of which, carried forward</i>		-			5,733,783.22	8.5 %

## 3. Implementation of the budget for other fund sources

In addition to the budget for the year (fund source C1), the Agency implemented appropriations:

- from internal assigned revenue (fund source C4);
- from internal assigned revenue carried over (fund source C5);
- from carry-forward of commitments (differentiated in Title 3 and non-differentiated in Titles 1 and 2) and the corresponding payment (non-differentiated only) appropriations from previous years (fund source C8);
- from external assigned revenue, as contributions from the Associated Countries in accordance with Article 32(1)(b) of the Establishing Regulation (fund source Ro, Title 3 only).

			Commitment			Payment		
Budget title		Fund source	Budgeted	Consumed	% commit	Budgeted	Consumed	% payment
A-1	Staff expenditure	C1	16,120,076.64	16,120,076.64	100.0 %	16,120,076.64	15,681,259.13	97.3 %
		C8	415,692.33	361,656.56	87.0 %	415,692.33	361,656.56	87.0 %
		Subtotal	16,535,768.97	16,481,733.20	99.7 %	16,535,768.97	16,042,915.69	97.0 %
A-2	Infrastructure and Operating Expenditure	C1	9,493,806.81	9,493,806.81	100.0 %	9,493,806.81	4,198,841.10	44.2 %
		C4	108,406.00	108,406.00	100.0 %	108,406.00	74,683.28	68.9 %
		C5	95,290.59	95,290.59	100.0 %	95,290.59	86,855.09	91.1 %
		C8	4,977,748.44	4,373,454.57	87.9 %	4,977,748.44	4,373,454.57	87.9 %
		Subtotal	14,675,251.84	14,070,957.97	95.9 %	14,675,251.84	8,733,834.04	59.5 %
Bo-3	Operational Expenditure	C1	127,720,316.55	127,720,316.55	100.0 %	42,120,316.55	42,120,316.55*	100.0 %
		C4	16,082.30	16,082.30	100.0 %	16,082.30	16,082.30	100.0 %
		C5	26,512.57	26,512.57	100.0 %	29,290.94	29,290.94	100.0 %
		C8	65,182,314.81	63,931,620.24	98.1 %	0.00		
		Ro	4,683,256.33	1,760,651.45	37.6 %	4,683,256.33	463,237.59	9.9 %
		Subtotal	197,628,482.56	193,455,183.11	97.9 %	46,848,946.12	42,628,927.38	91.0 %
ALL	TOTAL	228,839,503.37	224,007,874.28	97.9 %	78,059,966.93	67,405,677.11	86.4 %	

\*For Title 3 C1 appropriations, EUR 6 191 866.54 refer to payments of commitments for the year. The remainder, amounting to EUR 35 928 450.01, was used to cover commitments from previous years.



#### 4. List of budgetary transfers

During 2017, the following internal transfer operations were performed under Article 27 of the Agency's Financial Regulation. The rationale of the transfers was to ensure optimal budget allocation of commitment and payment appropriations.

Budgetary transfers in 2017					
Budgetary transfer No	Reference	Date	Budget line	Commitment appropriation	Payment appropriation
1	LIS.1334	09/02/2017	A02000 Expenditure for premises EE	-150,000.00	-150,000.00
			A02220 Documentation and Library Expenditure	5,500.00	5,500.00
			A02330 Other Running Costs	-50,000.00	-50,000.00
			A02331 HR fees and charges	200,000.00	200,000.00
			A02500 MB Meetings	-5,500.00	-5,500.00
			B03600 Ext Supp Services directly related to CORE Systems	-100,000.00	-100,000.00
			B03730 Other meetings and missions	100,000.00	100,000.00
2	LIS.1338	09/03/2017	A02000 Expenditure for premises EE	-150,000.00	-150,000.00
			A02010 Expenditure for premises FR	-200,000.00	-200,000.00
			A02100 Corporate IT & Telecom	-350,000.00	-350,000.00
			A02320 Legal Expenses	85,000.00	85,000.00
			A02331 HR fees and charges	15,000.00	15,000.00
			A02500 MB Meetings	-100,000.00	-100,000.00
			A02700 External Support Services	1,000,000.00	1,000,000.00
			A02800 Corporate Security	-300,000.00	-300,000.00
3	LIS.1344	15/05/2017	A01190 Weightings	-10,000.00	-10,000.00
			A01201 Other Expenses	10,000.00	10,000.00
			A02330 Other Running Costs	3,000.00	3,000.00
			A02700 External Support Services	650,000.00	650,000.00
			A02800 Corporate Security	-200,000.00	-200,000.00
			B03600 Ext Supp Services directly related to CORE Systems	-483,000.00	-483,000.00
			B03730 Other meetings and missions	30,000.00	30,000.00
4	LIS.1346	08/06/2017	B03100 SIS II MWO	0.00	2,000,000.00
			B03200 VIS-BMS MWO	0.00	-2,000,000.00
5	LIS.1348	29/06/2017	A01184 Daily subsistence allowance	46,460.00	46,460.00
			A01190 Weightings	-46,460.00	-46,460.00
			A02200 Other Technical Equipment and Installation	-1,500.00	-1,500.00
			A02400 Postage	1,500.00	1,500.00
			B03100 SIS II MWO	0.00	7,000,000.00
			B03200 VIS-BMS MWO	0.00	-7,000,000.00
			B03300 Eurodac MWO	0.00	-15,495.00
			B03301 Eurodac Other	0.00	15,495.00
6	LIS.1352	25/08/2017	A01124 Daily allowance	-7,000.00	-7,000.00
			A01125 Monthly allowance	18,000.00	18,000.00
			A01130 Insurance against sickness	-22,600.00	-22,600.00
			A01141 Travel Expenses for Annual Leave	-26,500.00	-26,500.00
			A01182 Installation and reassignment allowance	11,600.00	11,600.00
			A01201 Other Expenses	26,500.00	26,500.00
			A01301 Mission Expenses	60,000.00	60,000.00
			A02030 Expenditure for premises BRUX	6,500.00	6,500.00
			A02100 Corporate IT & Telecom	40,000.00	40,000.00
			A02200 Other Technical Equipment and Installation	-66,500.00	-66,500.00
			A02210 Furniture and Office Equipment	-40,000.00	-40,000.00
			A02510 Other meetings	15,100.00	15,100.00
			A02800 Corporate Security	-15,100.00	-15,100.00
7	LIS.1356	21/09/2017	A01301 Mission Expenses	40,000.00	40,000.00
			A01402 European school	187,000.00	187,000.00

Budgetary transfers in 2017					
Budgetary transfer No	Reference	Date	Budget line	Commitment appropriation	Payment appropriation
			A01403 Social activities	55,000.00	55,000.00
			A01500 Training for Staff	130,000.00	130,000.00
			A02030 Expenditure for premises BRUX	15,000.00	15,000.00
			A02100 Corporate IT & Telecom	600,000.00	600,000.00
			A02400 Postage	5,000.00	5,000.00
			A02700 External Support Services	340,000.00	340,000.00
			B03100 SIS II MWO	-315,000.00	0.00
			B03200 VIS-BMS MWO	-1,402,000.00	-1,397,000.00
			B03600 Ext Supp Services directly related to CORE Systems	315,000.00	0.00
			B03730 Other meetings and missions	25,000.00	25,000.00
			B03810 Training for Member States	5,000.00	0.00
8	LIS.1359	27/10/2017	A01100 TA Basic salary	-270,000.00	-270,000.00
			A01102 Dependent child allowance	-30,000.00	-30,000.00
			A01104 Expatriation and Foreign Residence Allowances	-80,000.00	-80,000.00
			A01110 CA salary	270,000.00	270,000.00
			A01182 Installation and reassignment allowance	12,000.00	12,000.00
			A01183 Removal Expenses	5,000.00	5,000.00
			A01190 Weightings	80,000.00	80,000.00
			A01401 Nursery allowance	-33,000.00	-33,000.00
			A01402 European school	46,000.00	46,000.00
			A02330 Other Running Costs	-2,170.00	-2,170.00
			A02331 HR fees and charges	2,170.00	2,170.00
			B03200 VIS-BMS MWO	0.00	-80,000.00
			B03710 Advisory groups	-10,000.00	0.00
			B03800 Training directly related to operations	0.00	80,000.00
			B03810 Training for Member States	10,000.00	0.00
9	LIS.1362	27/11/2017	A01183 Removal Expenses	2,310.00	2,310.00
			A01301 Mission Expenses	15,000.00	15,000.00
			A01403 Social activities	10,000.00	10,000.00
			A01500 Training for Staff	-12,310.00	-12,310.00
			A02320 Legal Expenses	65,870.00	65,870.00
			A02500 MB Meetings	-91,870.00	-91,870.00
			A02600 Information and Publications	166,000.00	166,000.00
			A02700 External Support Services	26,000.00	26,000.00
			A02800 Corporate Security	-150,000.00	-150,000.00
			B03000 Shared System Infrastructure (CORE Systems)	1,000,000.00	0.00
			B03001 System security and business continuity	-20,000.00	-20,000.00
			B03100 SIS II MWO	0.00	1,500,000.00
			B03200 VIS-BMS MWO	0.00	-2,200,000.00
			B03300 Eurodac MWO	-965,000.00	0.00
			B03600 Ext Supp Services directly related to CORE Systems	-55,200.00	669,000.00
			B03730 Other meetings and missions	20,000.00	20,000.00
			B03800 Training directly related to operations	-10,800.00	0.00
10	LIS.1366	15/12/2017	A01100 TA Basic salary	-57,589.83	-57,589.83
			A01101 Household allowance	-23,046.31	-23,046.31
			A01102 Dependent child allowance	-19,939.19	-19,939.19
			A01103 Education allowance	-53,794.61	-53,794.61
			A01104 Expatriation and Foreign Residence Allowances	-30,292.80	-30,292.80
			A01105 TA Overtime Shifts and on-call duty	-2,814.22	-2,814.22
			A01110 CA salary	-23,695.84	-23,695.84
			A01124 Daily allowance	-629.90	-629.90
			A01125 Monthly allowance	-500.20	-500.20

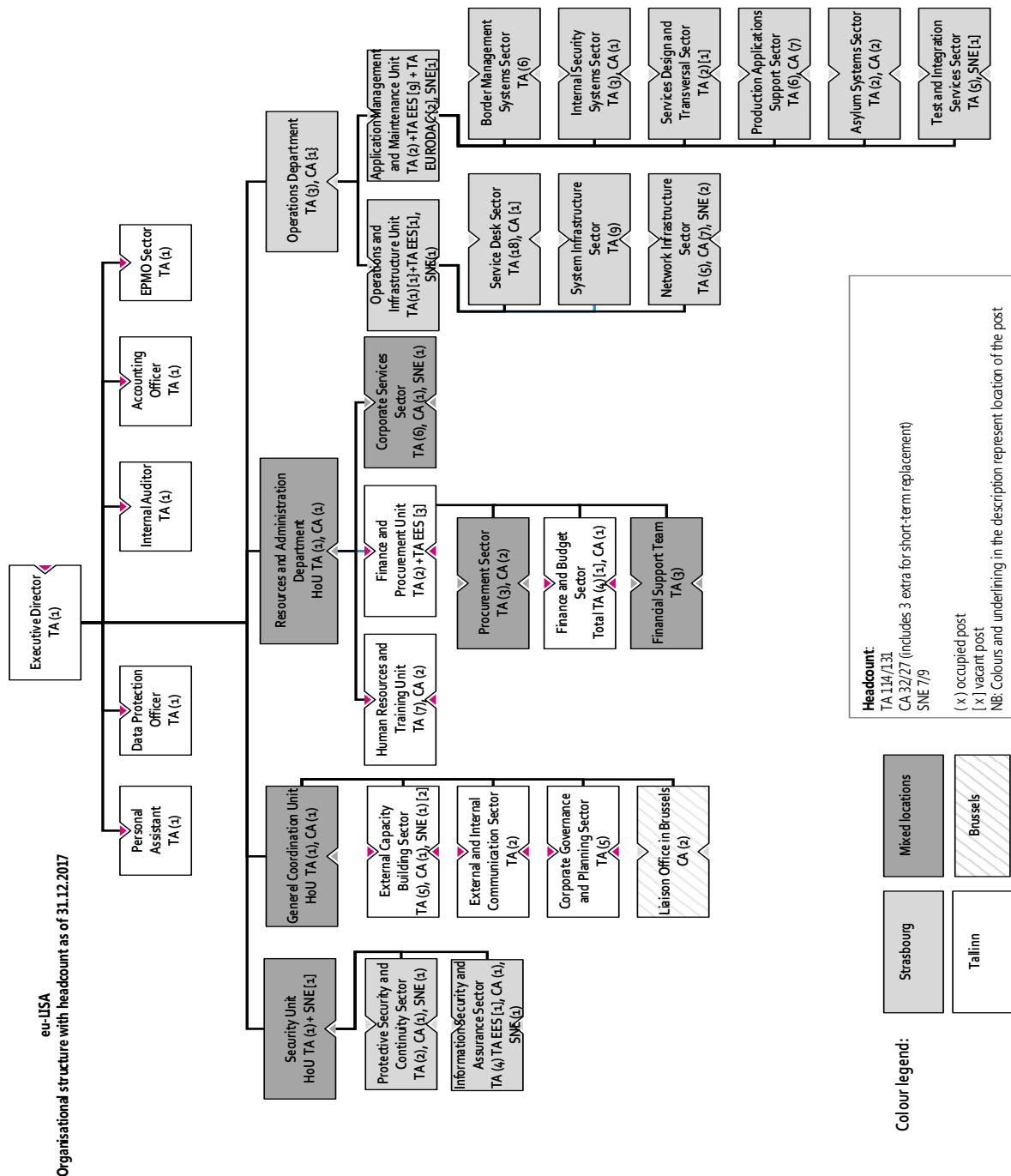
Budgetary transfers in 2017					
Budgetary transfer No	Reference	Date	Budget line	Commitment appropriation	Payment appropriation
			A01130 Insurance against sickness	-39,397.82	-39,397.82
			A01131 Insurance against accidents occupational disease	-20,551.07	-20,551.07
			A01132 Unemployment insurance	-23,282.00	-23,282.00
			A01140 Birth and Death Allowances	-1,010.14	-1,010.14
			A01141 Travel Expenses for Annual Leave	-20,946.49	-20,946.49
			A01144 Other Allowances	-6,063.82	-6,063.82
			A01181 Travel expenses (taking up duties)	-2,508.21	-2,508.21
			A01182 Installation and reassignment allowance	-9,562.86	-9,562.86
			A01183 Removal Expenses	-6.96	-6.96
			A01184 Daily subsistence allowance	-25,703.82	-25,703.82
			A01190 Weightings	-8,002.38	-8,002.38
			A01201 Other Expenses	-1,230.00	-1,230.00
			A01301 Mission Expenses	21,000.00	21,000.00
			A01402 European school	-93,940.00	-93,940.00
			A01403 Social activities	-12,727.00	-12,727.00
			A01500 Training for Staff	-262.97	-262.97
			A02000 Expenditure for premises EE	-36,074.94	-36,074.94
			A02010 Expenditure for premises FR	-96,639.85	-96,639.85
			A02030 Expenditure for premises BRUX	-15,340.20	-15,340.20
			A02100 Corporate IT & Telecom	-20,401.98	-20,401.98
			A02200 Other Technical Equipment and Installation	-11,475.38	-11,475.38
			A02210 Furniture and Office Equipment	-203,859.88	-203,859.88
			A02220 Documentation and Library Expenditure	-6,893.00	-6,893.00
			A02300 Office Supplies	-144.54	-144.54
			A02330 Other Running Costs	-10,416.21	-10,416.21
			A02331 HR fees and charges	312,831.42	312,831.42
			A02400 Postage	-3,614.19	-3,614.19
			A02500 MB Meetings	-10,233.69	-10,233.69
			A02510 Other meetings	-33,330.31	-33,330.31
			A02600 Information and Publications	-112,564.23	-112,564.23
			A02700 External Support Services	13,355.99	13,355.99
			A02800 Corporate Security	-22,792.20	-22,792.20
			B03000 Shared System Infrastructure (CORE Systems)	0.00	675,900.00
			B03001 System security and business continuity	0.00	-135,033.72
			B03100 SIS II MWO	0.00	-1,167,212.48
			B03200 VIS-BMS MWO	714,091.63	1,178,755.95
			B03300 Eurodac MWO	0.00	886,953.83
			B03600 Ext Supp Services directly related to CORE Systems	0.00	-242,784.29
			B03710 Advisory groups	0.00	-280,718.96
			B03730 Other meetings and missions	0.00	-13,490.04
			B03800 Training directly related to operations	0.00	-48,977.62
			B03810 Training for Member States	0.00	-139,301.04
11	LIS.1370	20/12/2017	A01200 Travel Expenses	-35,672.52	-35,672.52
			A01201 Other Expenses	-8,452.40	-8,452.40
			A02100 Corporate IT & Telecom	-55.84	-55.84
			A02300 Office Supplies	-12,087.41	-12,087.41
			A02330 Other Running Costs	14,800.00	14,800.00
			A02600 Information and Publications	5,192.64	5,192.64
			A02700 External Support Services	-5,567.15	-5,567.15
			A02800 Corporate Security	-2,282.24	-2,282.24

Budgetary transfers in 2017					
Budgetary transfer No	Reference	Date	Budget line	Commitment appropriation	Payment appropriation
			Bo3000 Shared System Infrastructure (CORE Systems)	-482,057.00	-16,464.12
			Bo3001 System security and business continuity	-52,133.81	-17,310.00
			Bo3100 SIS II MWO	-56,767.78	-99,028.97
			Bo3200 VIS-BMS MWO	1,426,913.70	240,266.51
			Bo3300 Eurodac MWO	0.00	-84,111.08
			Bo3600 Ext Supp Services directly related to CORE Systems	-527,585.20	-4,820.00
			Bo3710 Advisory groups	-222,461.91	25,762.53
			Bo3730 Other meetings and missions	0.00	-169.95
			Bo3800 Training directly related to operations	-887.02	0.00
			Bo3810 Training for Member States	-40,896.06	0.00
	LIS.1372	20/12/2017	Bo3200 VIS-BMS MWO	10,022.30	10,022.30
			Bo3810 Training for Member States	-10,022.30	-10,022.30

## Annex III. Organisational chart

In 2017, the total number of posts at eu-LISA consisted of 167 full-time staff members: 131 TAs, 27 CAs and 9 SNEs. By the end of the year, the Agency recruited 32 CAs due to the emerging business needs that were not foreseen at the time of planning the human resources for 2017.

The organisational chart shows the situation on 31 December 2017, presenting the departments, units and sectors, as well as the individual posts subordinate to the Executive Director of eu-LISA, with the headcount.



## Annex IV. Establishment Plan

### The Establishment Plan 2017 of eu-LISA

The Establishment Plan 2017 consisted of 131 posts of Temporary Agents.

Category and grade	Establishment Plan authorised under the Union budget 2017	
	Officials	TAs
AD 16	0	0
AD 15	0	1
AD 14	0	1
AD 13	0	2
AD 12	0	3
AD 11	0	4
AD 10	0	6
AD 9	0	10
AD 8	0	17
AD 7	0	17
AD 6	0	13
AD 5	0	14
<b>Total AD</b>	0	<b>88</b>
AST 11	0	0
AST 10	0	0
AST 9	0	1
AST 8	0	2
AST 7	0	3
AST 6	0	8
AST 5	0	12
AST 4	0	14
AST 3	0	3
AST 2	0	0
AST 1	0	0
<b>Total AST</b>	0	<b>43</b>
<b>TOTAL</b>	0	<b>131</b>

### Information on the entry level for each type of post: indicative table

The table below presents the levels at which the key functions listed by the European Commission are represented in eu-LISA. The job titles used in the Agency are listed in case of differences between the Commission's and the Agency's terminology. It should be noted that the entry grades that are higher than the ones mentioned in Article 53 of the Conditions of Employment of Other Servants of the European Union is due to the recruitments organised during the start-up phase of the Agency, when the higher grades were allocated in the Establishment Plan of eu-LISA.

<b>Key functions</b> (examples — terminology should be adjusted to each Agency's job titles)	<b>Type of contract</b> (official, TA or CA)	<b>Function group (FG), grade of recruitment</b> (or bottom of the brackets if published in brackets)	<b>Indication of whether the function is dedicated to administrative support or operations</b> (subject to definitions used in screening methodology)
Head of Department — level 2	TA	AD 12	Administration/operations
Head of Unit — level 3	TA	AD 9, AD 10	Administration/operations
Head of Sector — level 4	TA, CA	AD 5, AD 7, AD 8, AD 9, AD 10, FG IV	Administration/operations
Senior Officer	TA	AD 8, AD 9	Administration/operations
Officer	TA, CA	AD 6, AD 7, AD 8, FG IV	Administration/operations
Junior Officer	TA, CA	AD 5, FG IV	Administration/operations
Senior Assistant	n/a	n/a	n/a
Junior Assistant	TA, CA	AST 2, AST 3, FG III	Administration/operations
Head of Resources and Administration Department	TA	AD 12	Administration
Head of Human Resources and Training Unit	TA	AD 9	Administration
Head of Finance and Procurement Unit	TA	AD 10	Neutral
Head of IT	N/A	N/A	N/A
Secretary <sup>a</sup> /Assistant	TA, CA	AST 3, FG III	Administration/operations
Mail Clerk	N/A	N/A	N/A
Webmaster -Editor	N/A	N/A	N/A
Data Protection Officer	TA	AD 10	Administration
Accounting Officer	TA	AD 9	Neutral
Internal Auditor	TA	AD 9	Administration/neutral
Personal Assistant to the Executive Director	TA	AST 5 <sup>b</sup>	Administration

<sup>a</sup>The Establishment Plan of eu-LISA does not include posts for secretaries or clerical functions. With the entry into force of the new Staff Regulations on 1 January 2014, eu-LISA decided to keep the grades approved in the Establishment Plan and to augment the tasks of the staff hired at grades AST 2 and AST 3 for the assistants in a particular field (HR, IT etc.) or the Administrative Assistants. At the same time, when necessary, the external service providers (intra muros) perform the secretarial work.

<sup>b</sup>This entry grade was established at the creation of the Agency in 2012.

### Benchmarking against previous year's results

The indicative table was provided by the European Commission. The final table is to be added based on the recommendation of the working group on benchmarking methodology.

At the end of 2017, eu-LISA conducted its fourth benchmarking exercise, in accordance with the methodology agreed by the Heads of Administration of the European Agencies<sup>35</sup>. The screening was applied to all the eu-LISA posts. The results of this screening are presented in the tables below.

**Table 1. Results of the eu-LISA benchmarking exercise in 2017 — staff members**

<i>Job type (sub)category</i>	<b>2016 (%)</b>	<b>2017 (%)</b>
<b><i>Administrative support and coordination</i></b>	<b>15.91</b>	<b>17</b>
<i>Administrative support</i>	12.50	13
<i>Coordination</i>	3.41	3
<b><i>Operational</i></b>	<b>73.28</b>	<b>72</b>
<i>General operational</i>	60.74	58
<i>Programme management</i>	4.53	6
<i>Top-level operational coordination</i>	8.01	8
<i>Evaluation and impact assessment</i>	0.00	0
<b><i>Neutral</i></b>	<b>10.81</b>	<b>11</b>
<i>Finance</i>	10.81	11
<i>Control</i>	n/a	n/a

In 2017, the Agency also screened the posts occupied by the external service providers (the intra muros personnel), with the following comparative results.

**Table 2. Results of the eu-LISA benchmarking exercise in 2017 — external service (intra muros)**

<i>Job type (sub)category</i>	<b>2016(%)</b>	<b>2017 (%)</b>
<b><i>Administrative support and coordination</i></b>	<b>56.80</b>	<b>46.42</b>
<i>Administrative support</i>	54.00	44.33
<i>Coordination</i>	2.80	2.09
<b><i>Operational</i></b>	<b>39.20</b>	<b>47.16</b>
<i>General operational</i>	31.60	37.01
<i>Programme management</i>	5.60	7.16
<i>Top-level operational coordination</i>	2.00	1.49
<i>Evaluation and impact assessment</i>	n/a	1.49
<b><i>Neutral</i></b>	<b>4.00</b>	<b>6.42</b>
<i>Finance</i>	4.00	6.42
<i>Control</i>	n/a	n/a

<sup>35</sup> Methodology for Agencies Job Screening annexed to the Note from the Meeting of the Heads of Agency of 16-17 October 2014.



## **Annex V. Human and financial resources by activity**

In accordance with our action plan following the evaluation of the Agency, activity-based budgeting will be introduced by the end of 2019.

In 2017, 83 % of full-time equivalents (FTEs) were used for operational and related procurement activities (EUR 127.7 million) and 17 % of FTEs were used for horizontal activities (general coordination and administrative support).

## Annex VI. List of trainings delivered to Member States

The full list of system training courses that were delivered to Member States throughout the year 2017:

- Workshop: Eurodac Quality and Recast;
- Webinar: Schengen Evaluation (DK);
- Webinar: The Outcome of the SIS Architect Study;
- Webinar: Schengen Evaluation (IS);
- Webinar: DCC;
- SIS II Newcomer Training: HR (field visit);
- SIRENE Officers — Level 1 (with CEPOL);
- two training sessions on VIS: Operational Training for Intermediates — Incident Management/Standard Requests (L2);
- Schengen Evaluation — SIS II and SIRENE (with CEPOL);
- two training sessions on SIS II: Operational Training for Intermediates — Incident Management/Standard Requests (L2);
- Organised Crime Facilitating Illegal Immigration (with CEPOL);
- Eurodac: Operational Training for Intermediates — Incident Management/Standard Requests (L2);
- Webinar: Schengen Evaluation (SE);
- Eurodac/SIS II: Combatting Facilitation of Illegal Immigration;
- Webinar: Schengen Evaluation (PT);
- Webinars: Schengen Evaluation (HR);
- SIS II Newcomer Training Programme for IE;
- Train the Trainers — SIS II, VIS, Eurodac (with CEPOL);
- Eurodac: Operational Training for Intermediates (L2);
- VIS Data Quality;
- SIS II Operational Training — Entry Level (L1);
- Classroom course: Technical use of VIS — TTT;
- Webinar: Schengen Evaluation (ES);
- Webinar: Schengen Evaluation (NO);
- Training session on SIS II: Operational Training — Intermediate Level (L2);
- Training session on SIS II: AFIS for Member States — Technical Focus;
- Training session SIS II for SIRENE (with CEPOL);
- Webinar: Schengen Evaluation (UK);
- Training session on VIS: Operational Training — Entry Level (L1);
- Webinar: VIS/BMS Basic;
- Webinar: DCC Explained;
- Webinar: Switch-over and Switch-back;
- SIRENE Officers — Level 2 (with CEPOL);
- Webinar: Concept of National Copy Explained;
- Training session on SIS II: Operational Training — Advanced Level (L3);
- Training session on SIS II: AFIS for Member States — Management Focus;
- Classroom course: Technical use of Eurodac — TTT;
- in addition to planned training, VIS Newcomer training sessions for Bulgaria (BG) and Romania (RO).

## Annex VII. Specific annex related to Part II

### External evaluation as per Article 31 of the Establishing Regulation

#### Independent external evaluation of the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA)

By the European Commission and Ernst & Young

Executive Summaries

March 2016

#### 1. Executive summary (EN)

The 2015 External Evaluation (the Evaluation) of the European Agency for the operational management of large scale IT systems in the area of freedom, security and justice (eu-LISA) falls in a period when the European area of security, freedom and justice faces an influx in migratory flows and an increase in the number of asylum applications. As EU Member States attempt to manage these migratory flows, in collaboration with the European Commission, the need to ensure the smooth functioning of the three large-scale IT systems supporting their work in the Home Affairs area (the second generation Schengen Information System (SIS II), the Visa Information System (VIS) and the Eurodac system) is high on the agenda.

The Evaluation has demonstrated that the Agency effectively fulfils its tasks. By being entrusted by the EU legislator with the management of the three systems, the Agency has been able to pool resources and ensure synergies and a more consistent approach. The Agency also contributes therefore to a more coordinated, effective and coherent IT environment. Nevertheless some ways of improvement were identified in order for the Agency to improve its operational management. Moreover, after three years of the establishment of the Agency, the evaluation team has identified the possible need for revision of or extension of the tasks entrusted to eu-LISA in the Establishing Regulation and other relevant legal instruments. This would enable the adaptation of the Agency's current mandate in order to ensure that it meets current challenges at EU level.

The Evaluation's **main conclusions** over the four analysis axis are the following

#### 1.1. Effectiveness

The aim of this criterion was to assess the extent to which eu-LISA achieved its objectives, as described in the intervention logic.

##### ***Q1.1. To what extent has eu-LISA been effective in ensuring the operational management, technical development, and security of large-scale IT systems in the JHA area entrusted to it, and their improvement?***

The Evaluation found that the Agency had, overall, achieved its objective of effectively ensuring the operational management of the three IT systems entrusted to it. The Evaluation found that the Agency successfully fulfilled the tasks stemming from the Agency's Establishing Regulation, the Service Level Agreements (SLAs) in place, correctly implemented the evolutions to the systems, and met the requirements stemming from security, data protection and industry best practices. The Agency also established the appropriate capacities and an organisational framework to cope with tasks related to the evolution of the systems under its responsibility (ITIL v3, PRINCE 2, ISO 2700x). The Evaluation also identified ways of improvement, among the most important:

- With regard to the implementation of ITILv3 best practices, while the Agency made commendable progress in this

regard (e.g. establishment of appropriate project management tools for projects such as VIS Evolutions, Testa-NG), work remains to be done. For instance, the Evaluation identified the need to strengthen the monitoring of implemented IT processes performance and to extend the scope of performance indicators, which are currently limited to business performance.

- The Evaluation noted a risk to business continuity linked to the absence of a unique and transversal Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP) covering all three systems (e.g. personnel, facilities, resources, etc.), which was identified by the Agency and was being addressed through an ongoing project during the evaluation period.
- Concerning capacity management, the Evaluation identified the need (e.g. VIS Evolution Case Study) for the Agency to establish and formalise a review process allowing for a regular review of the systems' capacity needs with Member States, based on the statistics generated from the systems and a prospective exercise.
- Regarding IT security, the Evaluation identified the need to implement a cross-functional architecture management function, in charge of the validation of infrastructure choices, the application technology selection and the implementation at a transverse level and not by system. There is a need for a common strategy and roadmap for improving the integration of secured architecture principles into all three systems in order to reduce security related risks.
- Regarding data protection, the Evaluation identified the need to ensure that appropriate data protection clauses are included in the agreements entered into with external contractors. Moreover, the Evaluation identified the concerns existing regarding the production of data quality and data analysis reports. The extent to which the Agency can access the databases to produce these reports is currently unclear since the current legal framework does not provide for an explicit mandate, especially regarding the establishment of data analysis reports (i.e. the production of reports regarding the analysis of the data included in the systems by Member States). The Evaluation therefore identified the need to further clarify this issue in a future evolution/reform of the current legal framework.
- Concerning eu-LISA's obligations as regards production of documents and reports, the Agency should enforce the quality control of the documents/reports delivered.

***Q1.2a. To what extent has eu-LISA been effective in undertaking monitoring of research?***

The monitoring of research activities undertaken by the Agency were assessed as pertinent and necessary to the effective and efficient functioning of the Agency and development of the systems. No clear examples of impact could be identified due to the low level of maturity of this activity. The Agency identified the importance of monitoring of research and acknowledged in its 2015 Work Programme that greater effort should be made to feed the results of the activity in the operational management of the systems.

The Evaluation also found that efforts need to be made to ensure that synergies are created with other entities in this area, including the European Commission.

***Q1.2b. To what extent has eu-LISA been effective in providing training?***

Since its establishment, the Agency made commendable efforts to develop robust training activities in line with the needs of national authorities, both technical and practical. Elaboration of the training strategy is done annually via National Contact Points on training that consists of Member State representatives.

The evaluation found that further alignment with technical needs was necessary, particularly in terms of improving the technical content of the training. This could in part be due to passive participation of relevant stakeholders (e.g. Advisory Group and NCP members) in the elaboration of the training strategy, despite the Agency's efforts to keep them engaged.

***Q1.2c. To what extent has eu-LISA been effective in its tasks particular to Eurodac relating to transmission, collection and comparison of data, access to and correction or erasure of data?***

The Agency was effective in its tasks particular to Eurodac, with processes and procedures put in place since the Agency took up its operational tasks in December 2012 to control the effective transmission of data and to control the comparability of fingerprints sent by the Member States.

***Q1.3 To what extent has eu-LISA been capable to respond to the new tasks entrusted to it?***

The Agency demonstrated its capabilities in responding to new tasks entrusted to it. With regard to DubliNet and VISION, the Agency successfully ensured the effective integration and management of operational tasks. While the Agency was successful, no formal reporting currently exists regarding the impact on the Agency's resources for assuming these tasks, which should be assessed in the future.

Concerning the Smart Borders pilot project, the Agency was effective, in implementing the technical aspects relating to the Smart Borders pilot and assisting the Member States in the execution of tests. Issues arose with regard to financial management in relation to the issuance of grants to Member States under the pilot project. The Agency staff should be trained on financial management and EU grants management.

The Evaluation found that the Agency should be provided additional resources if it is entrusted with the development and operational management of the new Entry/Exit System or of any other large-scale IT system.

***Q1.4 To what extent has eu-LISA been successful in establishing partnerships and looking for synergies with other EU agencies and in building strong and trustful relations with its stakeholders when operating and maintaining the systems under its mandate?***

Since its establishment, the Agency developed cooperative and effective relationships with other JHA agencies. It has thus far signed three cooperation agreements or working arrangement documents formalising cooperation with other EU agencies (CEPOL, FRONTEX, EASO). This cooperation was considered as successful in the Evaluation with synergies assisting in the fulfilment of eu-LISA's tasks (i.e. cooperation with FRONTEX on the Smart Borders pilot project). Despite this cooperation, the Agency Establishing Regulation provides a limited mandate with regard to such cooperation. As a result, when developing cooperation with other JHA agencies within the framework of mandate, eu-LISA should make all necessary efforts to ensure a continuous level of priority and service to its core business.

## ***1.2. Efficiency***

The aim of this criterion was to assess the costs (financial, human resources, time, expertise) directly incurred by the Agency to achieve the results and the way they are allocated and managed.

***Q2.1. To what extent has eu-LISA been efficient in implementing the tasks set out in its mandate as laid down in the Agency's Establishing Regulation?***

Since its establishment, the Agency undertook significant work in aligning its functions, operations and internal processes with the management of an IT framework. eu-LISA notably introduced changes to the operational department in order to identify and introduce operational synergies. Due to the limitations faced by the Agency in resources, the Evaluation found that there is a need for a full review of the allocation of resources for core and non-core tasks, to be performed by the Agency, in order to ascertain whether the allocation is proportionate to the aims to be achieved and whether some reallocation could occur. The Evaluation also found (e.g. case study on Eurodac Recast) that there was a need to put appropriate controls in place to ensure that sufficient staff resources are available for project management based on project needs.

***Q2.1a. To what extent did external factors influence the efficiency of the Agency?***

While the Evaluation found that the Agency faced some issues resulting from external factors (recruitment in Tallinn, lack of synergies in procurement for systems due to the Agency being tied to existing contracts in place), it is expected that these problems would continue to be resolved over time, with procurement and contracting arrangements eventually falling into line with the Agency's approach (i.e. entering into contracts covering all three systems).

***Q2.1b. To what extent are the internal and external mechanisms for monitoring, reporting and evaluating eu-LISA adequate for ensuring accountability and appropriate assessment of the overall performance of eu-LISA?***

The evaluators identified a need for the Agency to improve the quality of its reporting in order to ensure transparency of the Agency's overall performance, with issues currently identified regarding the accountability and transparency of the Agency's activities in its reports (e.g. difficulties in identifying links between the work planned in the Work Programme and that actually undertaken in the Annual Activity Report).

***Q2.2. Were the annual budgets of the Agency implemented in an efficient way and in view on achieving results?***

With regard to the budget execution for recent years, the Evaluation found a low execution level of the yearly commitment appropriations related to Title 3 (operational expenditures). This points to a need for the Agency to reinforce planning capacities allowing the elaboration of a more detailed multi-annual planning (activities and related financial estimates) and a close follow up of the implementation process.

***Q2.3a. To what extent are eu-LISA's organisational solutions, HR and procedures adequate to carry out the work entrusted to it and to the actual workload?***

Due to the limitations that exist to internal flexibility, the evaluation underlined that anticipating evolutions in the Agency's workload and the addition of new tasks were crucial in order to allow sufficient time to adapt existing and deploy additional resources. Despite this, it can already be underlined that should eu-LISA be entrusted with the development of the new Entry Exit System (or of any other large-scale IT system), the current level of resources as well as the required profiles need to be adapted accordingly since eu-LISA was initially staffed for operating three systems but not for developing new ones.

***Q2.3b. Is the planning cycle of the Agency (Annual Work Programme and budget) in line with the objective of achieving efficient results?***

The Evaluation found that the process to prepare the Annual Work Programme is adequate though a lack of foresight exists due to the current lack of a multi-annual work programme. Some improvements should be made such as involving the stakeholders earlier in the process and strengthening its alignment with the budget and the multi-annual work programme. For that purpose, eu-LISA should swiftly adopt a detailed multi-annual work programme as foreseen in the Establishing Regulation in order to ensure effective planning for the Agency.

***Q2.3c. To what extent has eu-LISA succeeded in building up the in-house capacities for handling various tasks entrusted to it?***

Whilst the organisational set-up and internal processes are still evolving, the Evaluation found that these are properly structured and described. The Agency has been able to identify solutions in order to carry out the assigned tasks. This was particularly observed through the project Case Studies (e.g. Smart Borders pilot project, Common Shared Services Studies). Regarding the new tasks, the Agency has dealt with these new tasks efficiently through the internal reallocation of staff.

Regarding subcontracting, the Evaluation found that there is a need for a formal and transverse sourcing strategy

as well as for internal staff to ensure close management of the work executed by external contractors.

***Q2.4. Do eu-LISA's processes and procedures successfully contribute to the efficiency of its operations?***

The Agency has undertaken commendable efforts to set up the appropriate policies, processes and procedures allowing it to govern, structure and organise its operations and deliver the required level of service. This was seen, for example, through the implementation of the project on Common Share Service Studies.

The Evaluation found a need for implementing a quality management system aiming at updating and reviewing all processes, policies and procedures on a regular basis. In the case studies undertaken for the Evaluation, the need was also identified regarding the need to ensure availability of documentation dealing with the management of exceptions and the organisational chart (VIS Evolutions).

***Q2.5. To what extent has eu-LISA's governance, organisational structure, locations as created by the Agency Establishing Regulation, been conducive to its efficiency and to achieving economies of scale?***

No major changes appear to be required to the current governance system. There remains room for improvement in the active participation of Advisory Group members in providing expertise to the Agency on the operational management of the three IT systems. The Management Board functions efficiently with no major changes required to current practice. Nevertheless, the current use of the written procedure in some instances may not ensure adequate consideration of issues. Moreover, the Evaluation found (i.e. Case Study on Common Shared Service Studies) that the Agency could potentially increase its level of communication on progress relating to projects. With regard to the multi-site locations, the Evaluation found that geographical dispersal of eu-LISA has an impact on the efficient implementation of eu-LISA's tasks and responsibilities by generating additional costs that would not have been incurred had the Agency been established on just two sites (technical and back-up). Whilst direct and indirect costs exist, these are considered as proportionate to the technical and political reasoning associated with the creation of multi-sites prior to the Agency's establishment and which continue to be relevant (as outlined in detail in Section 4.9.3).

***1.3. Coherence***

The aim of this criterion was to examine the extent to which eu-LISA cooperation activities are articulated in an effective way with those of stakeholders including Member States and associated countries, the European Commission, the other EU institutions and EU bodies to ensure complementarity and avoid duplication of efforts. The evaluation also assessed the alignment of strategies, the coherence of cooperation activities, the risks of overlaps, the procedures in place to ensure that eu-LISA's cooperation activities are coherent with the policies and activities of its stakeholders and the perception of stakeholders on the quality of the latter.

***Q3.1. To what extent is eu-LISA acting in cooperation with the European Commission and other EU bodies, to ensure complementarity and avoid duplication of efforts?***

The Agency Establishing Regulation and the Memorandum of Understanding between the Agency and the Commission provide a robust framework for effective cooperation which is considered to be satisfactory overall. The Commission provided adequate support to the Agency during its establishment until it took over its tasks on 1 December 2012 and in the transition period, until the Agency reached budgetary independence on 22 May 2013. The cooperation established with the other EU institutions is considered to be beneficial to ensure complementarity in the implementation of EU policy and strategy, provided the cooperation remains within its mandate. The relationships developed with the private sector through the organisation of industry-related events have created a useful platform for discussion on future needs and opportunities in relation to IT development. The following ways of improvements were identified:

- The coherence regarding the management of the communication infrastructure between the Agency and the Commission could be improved by transferring the Commission's tasks (implementation of the budget, acquisition and renewal and contractual matters) to the Agency. The Agency has the competence and capacities to cope with these tasks, which could lead to better efficiency as well.
- In addition, a risk of duplication was identified in relation to the Agency's mandate relating to the monitoring of research concerning the operational management of the systems which should be aligned with the Commission's research work in this area and coordinated with the Commission in accordance with Article 15 of the MoU. An example can be demonstrated in relation to the research monitoring activities concerning biometric identifiers. Whilst the Agency has developed a report in this regard in 2015 due to its links with the systems it manages, concrete research activities have already been developed in the areas of biometrics under the framework of Horizon 2020 and other research programmes.
- The Evaluation considers that the Agency could continue to develop external cooperation activities (with other EU agencies) provided that they comply with the mandate of the Agency and the core activities are not impacted in terms of quality of service, promptness in the response, reporting etc.

***Q3.2. To what extent is eu-LISA acting in cooperation with the Member States and associated countries to ensure complementarity and avoid duplication of efforts?***

The Evaluation found that the Agency has been successful, overall, in respecting the clear allocation of roles and responsibilities at EU and national level concerning its core business of managing large-scale IT systems. This stems from the clear division in the legal framework of the Agency, as provided in the Agency Establishing Regulation. Whilst no duplication of efforts was identified, further complementarity could exist in relation to the increased interaction of Advisory Group members as well as increased involvement of the Agency in analysing Member State statistics.

***Q3.3. To what extent are eu-LISA activities coherent with the strategy documents adopted in the policy field?***

The Evaluation found that activities of eu-LISA are generally well-aligned with the relevant JHA policy frameworks and strategies. The coherence of the Agency's activities was confirmed through its own strategy for 2014-2020. Due to the low level of maturity of this strategy, the Evaluation cannot judge its impact though the alignment with JHA policies is expected to continue as the strategy develops over the coming years. This should also be demonstrated by the alignment of eu-LISA strategy with the first multi-annual work programme which is not finalised.

***Q3.4. Are the procedures put in place effective to ensure that eu-LISA's cooperation activities are coherent with the policies and activities of its stakeholders?***

The Evaluation found that the Agency has developed a coherent cooperation strategy for engaging with different stakeholders in a structured way through the adoption of its Stakeholder Management Strategy. Despite this, no clear mechanisms were identified at Agency level to ensure the alignment of eu-LISA cooperation activities with the policies and activities of its stakeholders. Whilst the Agency has undertaken cooperation activities within the JHA area with EU institutions and other JHA agencies, greater efforts need to be made by the Agency to ensure the coherence between these activities and the mandate of the Agency including ensuring greater coordination with the Member States in the Management Board and with Commission in this regard.

***1.4. Relevance & added value***

The aim of this criterion was to examine the extent to which the creation of the Agency brought benefits in comparison with the previous operational arrangements in terms of efficiency and effectiveness.

***Q4.1. What have been the benefits of acting at Agency level from an operational and strategic perspective?***



The establishment of a single management authority to assume operational management of the three IT systems inherently creates a high level of added value, to the extent that the Agency effectively and efficiently carries out its tasks. The ultimate added value of eu-LISA is thus logically highly dependent on its ability to fulfil its core tasks in an efficient and effective manner. The key elements underlying eu-LISA's added value are the pooling of expertise, harnessing of synergies by bringing systems 'under one roof' and the creation of a more flexible operational framework.

***Q4.2. To what extent has eu-LISA been more effective in achieving its results compared to other past, existing or alternative national or EU level arrangements?***

By undertaking a comparison of the costs relating to Eurodac (i.e. the only system for which such a comparison could be carried out), pre- and post-establishment of the Agency, the Evaluation did not identify economy deriving from the creation of the Agency, with costs appearing to be higher. While the difference in costs can be explained in some instances by the tasks associated with the systems (i.e. training, Advisory Group meetings), an overall comparative assessment of the costs cannot be undertaken due to the differences in recording of costs (e.g. for Central Unit and Back-Up Central Unit, quality assurance, hardware and software). The comparison of operational costs identified the need for the Agency to ensure clear recording of costs per system in the future in order to be able to ascertain whether gains in efficiency have been achieved.

***Q4.3. To what extent has eu-LISA strengthened the involvement of Member States in the operational management and evolution of the systems entrusted under its mandate?***

Overall, the Evaluation noted positive feedback concerning the level of involvement and communication with national level stakeholders. The Agency's governance contributes to the quality of communication and involvement of national authorities, ensuring that a platform is provided to Member States to be involved in the Agency and to ensure that their needs are taken into account.

Whilst the Advisory Groups are a relevant and valuable forum for Member State involvement, the Evaluation found that the wealth of expertise within these groups could be better exploited in order to enhance the quality of dialogue with national authorities. This could occur through the establishment of guidelines for the Advisory Groups and the setting out of annual key objectives of the Advisory Groups.

## Annex VIII. Specific annex related to Part III

### Identified risks

As an outcome of the 2016/2017 risk assessment efforts, the following table shows the ranking of the top four corporate risks for eu-LISA.

Ranking	Title
Risk 1	The potential project pitfalls of the Strasbourg site extension might endanger desired outcomes
Risk 2	Lack of sufficient statutory staff might negatively affects the Agency in achieving its assigned tasks or even may leads to non-compliance events
Risk 3	Lack of 24/7 support for Corporate Services endangering 24/7 availability of corporate services
Risk 4	Smart Borders delegation agreement eligibility <sup>36</sup>

### Internal Control Standards

Number	Title	Summary of major actions undertaken towards compliance in 2017	Implementation status as of year-end (Full/In Progress)	Summary of major actions carried forward/planned in 2018
ICS 1	Mission	Mission statements have been updated where required and communicated within the organisation	Full	A full update exercise with regard to the Agency's and entities' mission statements will be carried out following the outcomes of the 2017 Quality Management Exercise at enterprise level
ICS 2	Ethical and Organisational Values	Regular staff awareness sessions for following the elements of the ethical framework have been organised. Efforts have been made to update the ethical framework	In Progress	Whistleblowing procedure will be fully implemented, staff will recognise the ethical framework formally, an Ethical Advisor will be appointed, and a survey to measure staff awareness in the area of the ethical framework will be put in place
ICS 3	Staff Allocation and Mobility	Contributions of managers to align staff planning to eu-LISA's objectives and priorities have been given, and an internal vacancy mechanism for recruitment is applied to provide a mobility opportunity with the Agency	In Progress	The competency framework is to be further established, including information on job families skills according to at least job description and activities performed at eu-LISA
ICS 4	Staff Evaluation and Development	Annual appraisal exercise 2017 finalised (including recording training needs of staff)	Full	Annual appraisal exercise 2018 is to be undertaken
ICS 5	Objectives and Performance	The eu-LISA Programming Document (formerly Annual Work Programme) has been	Full	Also in 2018, the Agency aims to provide the planning documents in accordance

<sup>36</sup> The official notification to ED, dated 10 August 2017, from DG HOME E1. confirmed acceptance of the final report prepared by eu-LISA on SB operations.

Number	Title	Summary of major actions undertaken towards compliance in 2017	Implementation status as of year-end (Full/In Progress)	Summary of major actions carried forward/planned in 2018
	Indicators	developed at the Agency in accordance with applicable guidance and based on a dialogue between top managers, middle managers and staff, in order to ensure it is understood and owned. The Annual Activity Report has been provided, including all details required, to eu-LISA's stakeholders. The Agency maintained the corporate key performance indicators, having them agreed with the Management Board		with the Establishing Regulation, best practices and stakeholders' needs in time, scope and quality
ICS 6	Risk Management Process	Corporate risk management framework applied and 2017 risk management exercise concluded	Full	2018 corporate risk management exercise is to be carried out
ICS 7	Operational Structure	The operational structure of the Agency has been amended accordingly where required, e.g. by reallocation of tasks amongst entities or by introduction of sectors as entities below the units. A sourcing strategy has been completed followed by a corporate IT strategy. The Executive Director's decision on delegation of authority has been revised when necessary	In Progress	The sensitive function assessment will be completed, as well as the sourcing and corporate IT strategy will be further implemented
ICS 8	Processes and Procedures	An activity to update the Corporate Service Catalogue according to new/changed services and/or business needs has been initiated. The Data Protection Officer reviews processes and procedures annually according to the annual data protection charter/plan to ensure that data protection is applied accordingly. A fully established register of exceptions/deviations and related processes is maintained	In Progress	The activity to update the Corporate Service Catalogue will be continued in 2018. Wherever possible, the Agency will further support business processes by implementing automation and IT features
ICS 9	Management Supervision	Entities (departments, units, sectors) implemented the PD in a structured way following a consistent process. A	Full	As per minimum requirements set and if required, the Executive Director will inform of any

Number	Title	Summary of major actions undertaken towards compliance in 2017	Implementation status as of year-end (Full/In Progress)	Summary of major actions carried forward/planned in 2018
		dedicated reporting process is in place to measure progress achieved. The exchange with OLAF was established according to requirements set		potentially significant issues related to internal control and audit and OLAF investigations as well as material budgetary and financial issues that might have an impact on his position in the Agency or on the sound management of appropriations or which could hamper the attainment of the objectives set
ICS 10	Business Continuity	A business continuity plan for the Agency has been implemented, as well as continuous reporting on business continuity matters at management level is ensured. The annual revision process of business continuity plans for the large-scale IT systems has been performed and sufficiently documented. Annual training on appropriate behaviour if the business continuity plan is invoked was carried out	Full	Documentation on business continuity for the Agency is further revised and updated if necessary, and the applicable revision process of the business continuity plans for the large-scale IT systems will be carried out
ICS 11	Document Management	Instructions and training to staff entering the Agency on document and filing management is provided, and a filing plan and archiving policy are in place	Full	Electronic document management system will be implemented
ICS 12	Information and Communication	Internal and external communication strategies and action plans were updated if required; a satisfaction survey was carried out for this purpose. Copyright provisions are respected in all external communication efforts and sufficiently documented. Internal communication strategy and annual action plan have been implemented. An IT Security Plan has been created by the Security Sector, approved and maintained according to the requirements. Meetings with staff were arranged at least on quarterly basis by the	Full	Internal newsletters will be further maintained and developed according to staff needs. Generally, internal and external communication strategies and efforts will be amended in accordance with business needs and applicable regulations. Meetings with staff will be maintained on a quarterly basis by the Executive Director to announce relevant issues

Number	Title	Summary of major actions undertaken towards compliance in 2017	Implementation status as of year-end (Full/In Progress)	Summary of major actions carried forward/planned in 2018
		Executive Director to announce relevant issues		
ICS 13	Accounting and Financial Reporting	ICS Manual for the control of accounting data is in place	Full	ICS Manual for the control of accounting data will be updated if required. Authorising Officers will follow dedicated training to provide them with up-to-date knowledge on relevant regulations and processes
ICS 14	Evaluation of Activities	Agency Evaluation based on Article 31 of the Establishing Regulation has been concluded	Full	An action plan based on the Article 31 evaluation will be implemented. In addition, the Agency has built up capacity to perform ex ante evaluations on decided activities
ICS 15	Assessment of Internal Control Systems	Awareness on the ICS framework including mechanisms for reporting control weaknesses and handling of exceptions/non-compliance events has been given to staff. A survey/self-assessment exercise has been carried out amongst managers on the effectiveness of eu-LISA's internal control systems, and the results are presented in the CAAR	Full	Awareness on the ICS framework including mechanisms for reporting control weaknesses and handling of exceptions/non-compliance events will be given to staff. A survey/self-assessment exercise will be carried out amongst managers on the effectiveness of eu-LISA's internal control systems, and the results will be presented in the CAAR
ICS 16	Internal Audit Capability	The Internal Audit Capacity was operating and coordinating its work with the Internal Audit Service. Annual audit work plan and annual internal audit report were in place	Full	The Internal Audit Capacity will continue to operate and coordinate its work with IAS. Annual audit work plan and annual internal audit report will be created. The introduction of a quality assurance and improvement programme for internal auditing will be carried out in accordance with its roadmap

## Annex IX. Draft financial accounts

**TABLE 1 : BALANCE SHEET LISA**

BALANCE SHEET	2017	2016
A.I. NON CURRENT ASSETS	57,262,022.00	51,397,448.29
A.I.1. Intangible Assets	29,788,751.00	35,733,407.00
A.I.2. Property, Plant and Equipment	27,473,271.00	15,664,041.29
A.II. CURRENT ASSETS	23,304,872.18	35,979,699.46
A.II.2. Current Pre-Financing	6,536,474.28	16,740,739.99
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	16,768,397.90	19,238,959.47
A.II.6. Cash and Cash Equivalents	-	-
<b>ASSETS</b>	<b>80,566,894.18</b>	<b>87,377,147.75</b>
P.II. CURRENT LIABILITIES	(71,479,266.67)	(20,094,245.34)
P.II.4. Current Payables	(71,479,078.79)	(9,677,069.01)
P.II.5. Current Accrued Charges & Defrd Income	(187.88)	(10,417,176.33)
<b>LIABILITIES</b>	<b>(71,479,266.67)</b>	<b>(20,094,245.34)</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>9,087,627.51</b>	<b>67,282,902.41</b>
P.III.2. Accumulated Surplus/Deficit	(67,282,902.41)	(42,213,389.17)
Non-allocated central (surplus)/deficit*	58,195,274.90	(25,069,513.24)
<b>TOTAL</b>	<b>0</b>	<b>0</b>

### Explanatory Notes (facultative):

The 2017 figures included in Tables 1 and 2 are provisional, since they are, at this date, still under preparation. Year-end cut-off/deferral data is not yet accounted for, nor is the balancing/operational subsidy clearance that is still appearing as part of P.II.4. Current Payables. Once the preliminary and later the final accounts are prepared, they are still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

**TABLE 2 : STATEMENT OF FINANCIAL PERFORMANCE LISA**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2017</b>	<b>2016</b>
<b>II.1 REVENUES</b>	<b>(4,637,441.28)</b>	<b>(86,529,816.63)</b>
II.1.1. NON-EXCHANGE REVENUES	(4,621,210.00)	(86,465,167.04)
II.1.1.6. OTHER NON-EXCHANGE REVENUES	(4,621,210.00)	(86,465,167.04)
II.1.2. EXCHANGE REVENUES	(16,231.28)	(64,649.59)
II.1.2.2. OTHER EXCHANGE REVENUE	(16,231.28)	(64,649.59)
<b>II.2. EXPENSES</b>	<b>62,832,716.18</b>	<b>61,460,303.39</b>
II.2. EXPENSES	62,832,716.18	61,460,303.39
II.2.10. OTHER EXPENSES	27,086,372.97	22,783,533.89
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	21,499,815.01	25,758,178.45
II.2.6. STAFF AND PENSION COSTS	14,245,567.99	12,917,051.73
II.2.8. FINANCE COSTS	960.21	1,539.32
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>58,195,274.90</b>	<b>(25,069,513.24)</b>

## Explanatory Notes (facultative):

The 2017 figures included in Tables 1 and 2 are provisional, since they are, at this date, still under preparation. Year-end cut-off/deferral data is not yet accounted for, nor is the balancing/operational subsidy clearance, which will improve the revenue side substantially. Once the preliminary and later the final accounts are prepared, they are still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

## eu-LISA BUDGET OUTTURN ACCOUNT FOR THE FINANCIAL YEAR 2017

As of 17/01/2018

		2017	2016
<b>REVENUE</b>			
Balancing Commission subsidy	+	67,734,200.00	94,083,000.00
Contribution from associated countries	+	2,421,985.00	2,291,582.00
Smart borders	+	0.00	21,722.89
Miscellaneous revenue	+	124,488.30	127,868.39
<b>TOTAL REVENUE (a)</b>		<b>70,280,673.30</b>	<b>96,524,173.28</b>
<b>EXPENDITURE</b>			
Title I: Staff			
Payments	-	15,681,259.13	13,783,629.98
Appropriations carried over	-	438,817.51	415,692.33
Title II: Administrative Expenses			
Payments	-	4,360,379.47	2,920,317.57
Appropriations carried over	-	5,337,123.93	5,073,039.03
Title III: Operating Expenditure			
Payments	-	42,628,927.38	57,822,830.64
Appropriations carried over	-	4,220,018.74	2,973,476.03
<b>TOTAL EXPENDITURE (b)</b>		<b>72,666,526.16</b>	<b>82,988,985.58</b>
<b>OUTTURN FOR THE FINANCIAL YEAR (a-b)</b>		<b>-2,385,852.86</b>	<b>13,535,187.70</b>
Cancellation of unused payment appropriations carried over from previous year	+	658,329.64	474,015.04
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	3,068,766.62	2,460,299.06
Exchange differences for the year (gain +/- loss -)	+/-	247.56	-206.05
<b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>		<b>1,341,490.96</b>	<b>16,469,295.75</b>
Balance year N-1	+/-	8,817,114.82	-7,652,180.93
Positive balance from year N-1 reimbursed in year N to the Commission	-	-8,817,114.82	
<b>Result used for determining amounts in general accounting</b>		<b>1,341,490.96</b>	<b>8,817,114.82</b>
<b>Commission subsidy - agency registers accrued revenue and Commission accrued expense</b>		<b>66,392,709.04</b>	
<b>Pre-financing remaining open to be reimbursed by agency to Commission in year N+1</b>		<b>1,341,490.96</b>	

Remark: The data presented in the Budget Outturn Account above are still subject to confirmation by the Directorate-General for Migration and Home Affairs. Once approved, the 'Commission subsidy — Agency registers accrued revenue and the Commission accrued expense' cell content will be added to the P&L as revenue.



## Annex X. Annual activities and indicators

#	REF	2017 Work Programme required annual output	Specific work programme activities for 2017	Specific annual objective achieved? (yes/no/ongoing)	If not achieved or ongoing, brief explanation of why	Performance Indicator (PI)	PI annual target achieved? (on track/achieved/overachieved/behind)	If behind, brief explanation of why
1	2.1.3.	The MSs receive a reliable service from the Eurodac system	Operational management of Eurodac	Yes	n/a	Conformity to the Eurodac SLA	Achieved	n/a
2	2.1.4.	The MSs receive a reliable service from the VIS	Operational management of VIS	Yes	n/a	Conformity to the VIS SLA	Achieved	n/a
3	2.1.5.	The MSs receive a reliable service from the BMS	Operational management of BMS	Yes	n/a	Conformity to the BMS SLA	Achieved	n/a
4	2.1.6.	The MSs receive a reliable service from SIS II	Operational management of SIS II	Yes	n/a	Conformity to the SIS II SLA	Achieved	n/a
5	2.1.7.	Knowledge transfer and set-up for the new contractor	Operational management of SIS II (transition to the new SIS II MWO)	Ongoing	SIS II tender phase 1 delivered. SIS II tender phase 2 ongoing. Delays in SIS II MWO activities, including AFIS recommend to delay the transition by 3 months	Conformity to the SIS II SLA after the transition.	On track	n/a
6	2.1.8.	MSs are provided with full support of their use of SIS II	Carrying out SIS II test services for Member States	Yes	n/a	Percentage of test case scenarios passed 100 % at the end of the test phase	Achieved	n/a
7	2.1.9.	MSs are provided with full support of their use of the Eurodac system	Carrying out Eurodac test services for Member States	Yes	n/a	Percentage of test case scenarios passed 100 % at the end of the test phase	Achieved	n/a
8	2.1.10.	MSs are provided with full support of their use of the VIS/BMS	Carrying out VIS/BMS test services	Yes	n/a	Percentage of test case scenarios passed	Achieved	n/a
9	2.1.11.	Optimise the systems architecture where suitable, increasing reusability: - Improve planning, contract management and operational budgetary activities - Give operational support for increasing capabilities and information sharing (training, annual reporting for systems) - Improve reporting capabilities	Enhance intake, the deliveries and the capabilities of operations by alignment of the service changes	Ongoing	Due to change of MWO on Eurodac and SIS II, the release plans for 2018 cannot be completed yet. VIS release plan will be available and shared with Member States in Q1 2018	Release plans available. Change Management register available. Refined scripts and tools delivered and used to produce the requested statistics. Multi-annual roadmaps agreed with the stakeholders	Ongoing	Due to change of MWO on Eurodac and SIS II, the release plans for 2018 cannot be completed yet. VIS release plan will be available and shared with Member States in Q1 2018

#	REF	2017 Work Programme required annual output	Specific work programme activities for 2017	Specific annual objective achieved? (yes/no/ongoing)	If not achieved or ongoing, brief explanation of why	Performance Indicator (PI)	PI annual target achieved? (on track/achieved/overachieved/behind)	If behind, brief explanation of why
10	2.1.15.	Well evolved budget line for the funding of 'unplanned changes'	Management of unplanned changes to the CBS	Yes	n/a	Any 'short-notice' activities encountered have been managed without the need of a supplementary budget for fast-response actions	Achieved	n/a
11	2.1.16.	Basic evolution on capacity and performance to have SIS II system aligned to increased capacity demand	Finalisation of the project to increase SIS II's capacity/performance system/fine-tune functionalities	n/a	Moved from PD2017 to PD2018, decision No 91/2017 of 14/09/2017 <sup>37</sup>	Adherence to the required quality, budget, time and scope	n/a	Moved from PD2017 to PD2018, decision No 91/2017 of 14/09/2017
12	2.1.17.	SIS II better satisfies the needs of the stakeholders	SIS II central system aligned to new/changed user demand (continuation from 2016)	Yes	n/a	Time and scope of the delivery	Achieved	n/a
13	2.1.18.	Extended capabilities of SIS II	Delivery of the AFIS solution for SIS II (continuation from 2016)	Ongoing	n/a	Adherence to the required quality, budget, time and scope related to AFIS	On track	n/a
14	2.1.19.	The study will clearly identify the most interesting options for interoperability with other systems at EU level	Study on SIS II interoperability with other large-scale IT systems	n/a	HLEG report was finalised at the beginning of May 2017. In relation to eu-LISA resources already involved in different interoperability initiatives and considering the two proposals tabled by the Commission on interoperability under preparation, no resource has been assigned for the time being to start this activity	Activities performed in accordance with the terms of reference. Study report delivered and satisfying the agreed level of quality. Document supporting the activities delivered in accordance with the level of quality defined in the terms of reference	n/a	HLEG report was finalised at the beginning of May 2017. In relation to eu-LISA resources already involved in different interoperability initiatives and considering the two proposals tabled by the Commission on interoperability under preparation, no resource has been assigned for the time being to start this activity
15	2.1.20.	VIS and BMS are improved and upgraded to adapt to business needs and legislative changes	Tuning of BMS transactional throughput	Yes	The Impact Assessment Report was delivered, verified and accepted. The specific contract for implementation was signed in December 2017	Adherence to the required quality, budget, time and scope	On track	n/a

<sup>37</sup> Amendment of eu-LISA's 2016-110 REV 2 Single Programming Document 2017 (including the annual work programme), in particular transferring the implementation of activity 2.1.16. 'Finalisation of the project to increase the SIS II capacity/performance system/fine-tune functionalities' from 2017 to 2018 and reallocating the resources envisaged for this activity in 2017.

#	REF	2017 Work Programme required annual output	Specific work programme activities for 2017	Specific annual objective achieved? (yes/no/ongoing)	If not achieved or ongoing, brief explanation of why	Performance Indicator (PI)	PI annual target achieved? (on track/achieved/overachieved/behind)	If behind, brief explanation of why
16	2.1.21.	VIS and BMS are improved and upgraded to adapt to business needs and legislative changes	Tuning of VIS transactional throughput	Yes	The Impact Assessment Report was delivered, verified and accepted. The specific contract for implementation was signed in December 2017	Adherence to the required quality, budget, time and scope	On track	n/a
17	2.1.11.	VIS and BMS are improved and upgraded to adapt to business needs and legislative changes	BMS database increase	Yes	The Impact Assessment Report was delivered, verified and accepted. The specific contract for implementation was signed in December 2017	Adherence to the required quality, budget, time and scope	On track	n/a
18	2.1.23.	VIS and BMS are improved and upgraded to adapt to business needs and legislative changes	Implementation of VIS/BMS end-to-end testing platform	Partially	Two Impact Assessment Reports were drafted and validated, one for the enhanced VIS and BMS background databases and one for the implementation of standardised end-to-end testing tools and the migration of an initial set of existing test cases. The detailed design of the technical solution has been delivered, reviewed and accepted. Two VIS background databases were generated for VIS; the remaining VIS and BMS ones are under development. Test design documents and user manuals were delivered	Adherence to the required quality, budget, time and scope	On track	n/a
19	1 <sup>38</sup>	The increase in the capacity of VIS is aligned with the business needs and the completion of VIS rollout	VIS database increase	Ongoing	Significant improvement in traceability between design documentation and supplies installation process was required in order to secure the next steps of implementation	Adherence to the required quality, budget, time and scope	Behind	The design and early technical pieces of documentation required a complementary content and quality improvement to secure the next steps of technical implementation

<sup>38</sup> Activities 1-5 are from the Annual Work Programme 2016, implementation of which continued in 2017.

#	REF	2017 Work Programme required annual output	Specific work programme activities for 2017	Specific annual objective achieved? (yes/no/ongoing)	If not achieved or ongoing, brief explanation of why	Performance Indicator (PI)	PI annual target achieved? (on track/achieved/overachieved/behind)	If behind, brief explanation of why
					and qualification. eu-LISA had to invest additional effort in order to guide the contractor towards an improved organisation			
20	2	Successful handover between MWO contractors; new MWO contractor is able to take over responsibilities from the incumbent	Takeover and handover between MWO contractors for VIS and BMS	Yes	n/a	Adherence to the required quality, budget, time and scope	Achieved	n/a
21	3	Full compliance of VIS with the legal basis; further enhancement of VIS functionality to support the Schengen Consultation/Notification procedures	Visa Code Plus	Yes	n/a	Conformity with the legal base; conformity with the agreed milestones indicated in the project plan	Achieved	n/a
22	4	Overall evaluation of the VIS based on Article 50 of the VIS Regulation (767/2008) and Article 57(3) of Regulation 810/2009 (the Visa Code). In October 2016, the Commission invited eu-LISA to provide an assessment of the technical, and financial implications of some of the developments. eu-LISA's assessment will serve as the basis for the legal, technical and financial justification of the proposal	VIS Recast Impact Assessment	Yes	n/a	Delivery of the VIS Recast Impact Assessment within the deadline	Achieved	n/a
23	5	Europol, in a letter to eu-LISA, expressed its intention to connect to VIS by Q1 2018. Bulgaria's and Romania's passive access to VIS is addressed in the Council; a decision is expected by Q2 2017	EPOL Impact Assessment BG/RO passive access to VIS Impact Assessment	Ongoing	The activity 'VIS new users integration: Europol' is planned for 2018	Assess the impact of the integration of EPOL and BG/RO in VIS (activity for second half of 2017)	On track	The activity 'VIS new users integration: Europol' is planned for 2018
24	2.1.25.	Improved work of the Eurodac system	Implementation of Eurodac evolutions (capacity upgrade)	Yes	n/a	Capacity reserve on the yearly forecast	Achieved	n/a

#	REF	2017 Work Programme required annual output	Specific work programme activities for 2017	Specific annual objective achieved? (yes/no/ongoing)	If not achieved or ongoing, brief explanation of why	Performance Indicator (PI)	PI annual target achieved? (on track/achieved/overachieved/behind)	If behind, brief explanation of why
25	2.1.26.	Eurodac in line with the new legal provisions. Eurodac sized properly to cope with the new legal provisions	Eurodac Reform — functional changes and capacity upgrade (to be executed on condition that the relevant legislation is adopted)	Not yet applicable	Subject to approval of new legal basis (Eurodac Recast)	Adherence to the required project scope, budget and time	Not yet applicable	Subject to approval of new legal basis (Eurodac Recast)
26	2.1.27.	New system in operation	Development of new system for the Dublin Allocation mechanism (to be executed on condition that the Dublin IV proposal is adopted)	Not yet applicable	Subject to approval of new legal basis (Eurodac Recast)	Adherence to the required project scope, budget and time	Not yet applicable	Subject to approval of new legal basis (Eurodac Recast)
27	2.1.28.	eu-LISA assumes full operational responsibility for DubliNet — support model aligned with the other systems	DubliNet Integration — operational management (to be executed on condition that the Eurodac Recast proposal is adopted)	Not yet applicable	Subject to approval of new legal basis (Eurodac Recast)	Set up and adherence to the DubliNet operational service level agreement indicators	Not yet applicable	Subject to approval of new legal basis (Eurodac Recast)
28	2.1.32.	Facilitation of border controls within the domain of all Schengen states, including the mostly automated processing of personal information in compliance with all relevant EU regulations <sup>39</sup>	Development of the EES	n/a	Substantial preparations were made by eu-LISA during 2017, by setting up a dedicated internal project team to undertake all the preparatory work possible on drafting technical specifications, recruiting the necessary specialist staff and initiating all procurement-related activities. Entry/Exit System entered into force as of 29 December 2017	Percentage of project deliverables achieved as per agreed planning	n/a	Substantial preparations were made by eu-LISA during 2017, by setting up a dedicated internal project team to undertake all the preparatory work possible on drafting technical specifications, recruiting the necessary specialist staff and initiating all procurement-related activities. Entry/Exit System entered into force as of 29 December 2017
29	2.1.33.	Develop and test (with scrambled data) the VIS-BMS Data Warehouse Extract-Transform-Load (ETL) software, the datamarts, the mandatory	Data Warehouse implementation to improve automated reporting and statistics generation	Ongoing (contractual matter)	Draft study performed, finalisation ongoing. Results were communicated to the Commission	Average percentage of information available to the user for decision-making process. Average percentage of time for information retrieval.	On track	Draft study performed, finalisation ongoing. Results were communicated to the Commission

<sup>39</sup> Preparatory work for EES implementation proceeded as planned. Recruitment reserve lists have been prepared. First phase of procurement procedure has been initiated. Work on detailed technical specifications of EES proceeded as planned. The Agency provided substantial support to the Commission in the preparation of the draft Implementing Acts as per Article 33 of the EES Regulation.

#	REF	2017 Work Programme required annual output	Specific work programme activities for 2017	Specific annual objective achieved? (yes/no/ongoing)	If not achieved or ongoing, brief explanation of why	Performance Indicator (PI)	PI annual target achieved? (on track/achieved/overachieved/behind)	If behind, brief explanation of why
		legal reports and the self-service data analysis tool				Number of improved business processes		
30	2.2.8.	Well-developed ability to manage the entrusted projects and programs within the agency's portfolio through which the agency will further become an acknowledged EU ICT centre of excellence and service provider	Project Portfolio Management-processes streamlined for efficient delivery. Further evolution of the MSP platform with integrated planning, resource allocation and dependencies across projects	Ongoing	Pilot of the MSP platform was conducted in Q4 2017, along with a hands-on exercise for preparing the migration of all projects in Q1 2018	Percentage of migrated projects/programs into MSP platform	Behind	Starting the migration of projects to MSP was delayed by technical issues
31	2.1.1.	The MSs receive a reliable service from the CBS	Assure uninterrupted and high-quality operation of the CBS	Yes	n/a	Conformity to the SLA	Achieved	n/a
32	2.1.2.	The MSs receive a reliable service from the CBS	Level 2 management of the IT infrastructure of the CBS	Yes	n/a	Conformity to the SLAs	Achieved	n/a
33	2.1.12.	Shared backup infrastructure for core business systems available	Implementation of the second phase of shared backup services (after completion of phase 1 in 2016)	Ongoing	The implementation and integration of common backup infrastructure services are behind schedule due to the delay to preparatory activities, already started in 2016, which were not fully implemented due to technical difficulties, and on which the activity is dependent	Ratio between the remaining backup services to the actual implemented backup services	Behind	Calibrated backup infrastructure for accommodating core business systems backup needs has been delivered. Purchasing of the software licences, needed for the common backup infrastructure operation, is delayed, as the Common Shared Infrastructure implementation has been delayed due to budgetary constraints
34	2.1.13.	Shared backup infrastructure for core business systems available	Implementation of the second phase of shared services (after completion of phase 1 in 2016)	Ongoing	Implementation of prerequisite activities is ongoing. Work with the contractor is still ongoing, since there were blocking situations with the different vendors supporting the equipment under maintenance	Ratio between the remaining shared services to the actual implemented backup services	On track	n/a
35	2.1.14.	The MSs receive a reliable service from the CBS	Operate, manage and maintain the backup data centre and backup operational site in Sankt Johann im Pongau, Austria	Yes	n/a	Number of problems with eu-LISA's BCU infrastructure that interrupt the service of the CBS to MSs	Achieved	n/a
36	2.1.24.	Improved work of the Eurodac system	Implementation of Eurodac evolutions (network migration)	n/a	n/a	Compliance with the timeline for implementation	n/a	Implementation postponed due to dependent on the unified network study

#	REF	2017 Work Programme required annual output	Specific work programme activities for 2017	Specific annual objective achieved? (yes/no/ongoing)	If not achieved or ongoing, brief explanation of why	Performance Indicator (PI)	PI annual target achieved? (on track/achieved/overachieved/behind)	If behind, brief explanation of why
								to be implemented by eu-LISA in 2017 (see activity 2.1.30.)
37	2.1.29.	Second encryption layer is implemented in TESTA-ng VIS network. VIS and SIS II Mail services support is arranged and transferred from sTESTA provider	TESTA-ng VIS second layer encryption implementation	Ongoing	A pilot has been completed, but the roll-out in Production Platform (PRD) and Pre-Production Environment (PPE) could not start due to delays in the pilot phase. VIS and SIS II Mail systems support arranged successfully	Delivery date of the second encryption layer in VIS Pre-Production and Production networks. Continuity of the VIS and SIS II Mail systems support	Behind	Only the roll-out of the VIS second encryption layer in PRD and PPE is behind the originally planned schedule. All other activities (VIS second encryption layer pilot, VIS and SIS II Mail systems support) are achieved
38	2.1.30.	Provide the management of the Agency with understanding of the possible improvements and possible changes in regulation	Conducting unified network study	Ongoing	Project activities are delayed by the Commission's unexpected request to add an additional legal impact assessment of the network unification as a prerequisite to start the drafting of the study itself. The related Specific Contract has been signed and the contractor has agreed to deliver the study by the end of August 2018	Delivery of the results of the network study	Behind	Project activities are delayed by the Commission's unexpected request to add an additional legal impact assessment of the network unification as a prerequisite to start the drafting of the study itself. The related Specific Contract has been signed and the contractor has agreed to deliver the study by the end of August 2018
39	2.1.31.	Proper execution of the network-related tests without interference with the application tests in the pre-production environment	Establishing the technical design and implementation of the core business systems network test platform	Ongoing	The arrangement of the contracts took longer than expected due to lack of resources and the need to arrange the contracts in line with the split of responsibilities for communication infrastructure between the Commission and eu-LISA	Date of delivery of test environment	Behind	Due to the delay in signing contracts, the work on the technical design is not complete yet and therefore the core part implementation is delayed as well
40	2.2.1.	The implementation of the project will allow eu-LISA to: (a) measure and evaluate the real performance of the communication infrastructure; (b) independently validate the fulfilment of SLAs declared by the contractor;	Introduction of Advanced Network Statistics (study and test stage)	Ongoing	The arrangement of the contracts took longer than expected due to lack of resources and the need to arrange the contracts in line with the split of responsibilities for communication infrastructure between the Commission and eu-LISA	- Delivery date of the study. - Start date of the test stage	Behind	The arrangement of the contracts took longer than expected due to lack of resources and the need to arrange the contracts in line with the split of responsibilities for communication infrastructure between the Commission and eu-LISA

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		(c) assess the communication infrastructure performance and take the necessary decisions (bandwidth increase/decrease) etc. the communication infrastructure; (d) troubleshoot issues and problems with the communication infrastructure more quickly by being able to compare current and historical data; (e) proactively react to bottlenecks in the communication infrastructure						
41	2.2.2.	Possibility of making decisions based on consistent and reliable data in the eu-LISA integrated ITSM tool	Advanced reporting tool (study and validation)	Ongoing	The study has been initiated with the contractor, based on eu-LISA's requirements	Delivery date of the study	On track	n/a
42	2.2.5.	Assessment of maturity level of eu-LISA process and service model	Definition and implementation of a maturity assessment model for the Agency	On hold	The initiation of the project is on hold due to the lack of resources as well as additional clarification needed about the dependencies with CAF	Delivery date of the study	n/a	n/a
43	2.2.7.	Continuous application of ITIL best practice, guaranteeing a stable trend of improved service delivery and increased customer satisfaction	Continuous improvement of eu-LISA process and service model based on ITIL best practice and the integrated ITSM tool	Ongoing	Kick-off meeting organised and project plan for phase 2 processes ready	Internal processes kept up to date, with significant capacity to deal with growth. KPI for ITSM tool usage	On track	n/a
44	2.1.35.	Information about technical and operational use of the core business systems is delivered in accordance with legal basis	Production of technical, operational and statistical reports	Ongoing	Ongoing only for the VIS biannual technical report, for which there is a delay due to a request by the chair of the AG for development of an automated script for statistics generation. eu-LISA is developing the script for use by MSs; implying such a delay on account of the time required for this.	- Production of technical, operational and statistical reports. - Defined reports on the large-scale systems produced and delivered in accordance with the legal basis	Behind	As per previous explanation, the exercise for VIS was launched with some delays, but the preparation of the biannual report is proceeding



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					All other technical, operational and statistical reports were delivered in accordance with the legal basis			
45	2.1.36.	Improved capabilities of the relevant stakeholders through the implementation of the Annual Training Action Plan	Implementation of activities as listed in the Annual Training Action Plan for Member States	Yes	n/a	Satisfaction of the stakeholders with the training provided Number of training courses provided compared with the courses planned	Achieved	n/a
46	2.2.9.	The Agency maintains a high level of awareness of the technological developments in the sector	Implementation of activities as listed in the Annual Research and Monitoring of Technology Roadmap	Ongoing	Due to limited resources (planned support to R&D function could not be provided) and competing demands (EES, interoperability), the completion of the second planned report was not possible; instead it was replaced with contributions to the different groups/projects in which the R&D Officer participated using material derived from research monitoring (e.g. architecture papers submitted to the HLEG, drafting of biometric-focused EES implementing acts). All other aspects of the roadmap were fully implemented	Conformity of the activities performed to monitor the technology in 2017 to Annual Research and Monitoring of Technology Roadmap	Behind	Due to other work ongoing throughout the year, focus on drafting of research reports could only be achieved late in the year, leading to the postponed publication of the second planned report. All other activities planned have been achieved: 1. An industry event took place in Strasbourg on 8 June. 2. Actions as defined within the Agency Action Plan on Data Quality roadmap were implemented and MSs updated at the DAPIX WP in December 2017. 3. Input was provided to the interoperability file and to the work of the High Level Expert Group on Information Systems and Interoperability. 4. A panel discussion at the European Police Congress on 21-22 February 2017 was organised and delivered. 5. Presentations were delivered at the Passenger Terminal Expo conference, BIOSIG 2017, the EAB Research Projects Conference, etc. 6. The annual conference was successfully delivered, with high-quality content
47	2.3.1.	The relations with the stakeholders are managed in a reasonable and structured way	Implementation of activities as listed in the Stakeholder Management Action Plan	Yes	n/a	Stakeholder overall satisfaction rate	Achieved	n/a

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		through the Annual Stakeholder Engagement Plan						
48	2.3.2.	Member States are provided with continuous support for Schengen Evaluation	Planning and coordination of the Agency's participation as an observer in the Schengen Evaluation missions	Yes	n/a	Ensuring participation of eu-LISA staff in Schengen Evaluation missions as requested	Achieved	n/a
49	2.3.3.	Maintaining partnerships with EU agencies and other relevant bodies	Conclude and implement Working Arrangements and Annual Cooperation Plans in relevant subject matter areas with EU agencies and other relevant stakeholders as applicable	Yes	n/a	Implementation of Working Arrangements with CEPOL, Frontex, EASO, Europol, Eurojust, FRA and ENISA	On track	n/a
50	2.4.2.	The Corporate Governance Model, consisting of Risk Management, Internal Control Management and Quality Management, is implemented and operated at the Agency in accordance with its definitions and requirements	Review of Corporate Governance Model	n/a	Activity discontinued for 2017 because of expected changes in the governance model stemming from the new regulation. Activity will be taken up again in 2018, after the new regulation is in place	The proposal for amendment is provided in due time	n/a	Activity discontinued for 2017 because of expected changes in the governance model stemming from the new regulation. Activity will be taken up again in 2018, after the new regulation is in place
51	2.4.3.	The Corporate Governance Model, consisting of Risk Management, Internal Control Management and Quality Management, is implemented and operated at the Agency in accordance with its definitions and requirements	Implementation of a tailored quality management system according to eu-LISA needs	Ongoing	Self-assessment report along with quality improvement plan is provided in accordance with defined scope, quality and time	A Quality Management System is implemented in the required time and scope	On track	n/a
52	2.4.4.	The Management Board performs its duties effectively	Timely administrative support for the Management Board	Yes	n/a	Meetings delivered as planned. Stakeholder overall satisfaction rate	Achieved	n/a
53	2.4.5.	The Advisory Groups perform their duties effectively	Timely administrative support for the Advisory Groups	Yes	n/a	Meetings delivered as planned. Stakeholder overall satisfaction rate	Achieved	n/a
54	2.4.6.	All regulatory and required planning and reporting documents are produced	Annual planning and reporting	Yes	n/a	Compliance with deadlines for production of reports and plans/programmes maintaining the required quality	Achieved	n/a

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55	2.4.7.	Agency planning adapts better to environmental changes, resulting in activities better designed to fit stakeholders' needs	Review of eu-LISA's long-term strategy	Yes	n/a	Approval of the updated long-term strategy by the Management Board	Achieved	n/a
56	2.4.27.	The internal communications are managed in a reasonable and sustainable way to support the corporate culture of eu-LISA	Implementation of activities as listed in the Annual Internal Communication Action Plan	Yes	n/a	Conformity of the activities performed in 2017 to the Annual Internal Communication Action Plan	Overachieved	n/a
57	2.4.30.	The external communications are managed in a reasonable and sustainable way to support the positive image of eu-LISA	Implementation of activities as listed in the External Communication Action Plan	Yes	n/a	Conformity of the external communication measures (participation rate, satisfaction rate, reach) and activities (active and reactive) performed and assessed in compliance with the set quarterly milestones of the 2017 Annual External Communication Action Plan	Achieved	n/a
58	2.4.29.	Continue to promote the Agency and maintain its positive image	Deliver effective and efficient event management of eu-LISA's annual conference for stakeholders on 2017 key topics	Yes	n/a	Participation in the event by relevant stakeholders is achieved. Survey on satisfaction with the conference's organisation is implemented	Overachieved	The overall satisfaction rate with the conference organisation was 95 % (target 70 %) and the participation rate was 100 % of the relevant stakeholders (target 70 %)
59	2.4.18.	Individual and team commitment to the Agency consistently aligned through the provision of knowledge-sharing, development and training opportunities	Payroll and entitlements administration processing	Yes	n/a	Accurate monthly salary is paid to staff by 15th day of each month	Achieved	n/a
60	2.4.19.	Individual and team commitment to the Agency consistently aligned through the provision of knowledge-sharing, development and training opportunities	Leave and work time management	Yes	n/a	Leave and work time management is carried out in accordance with Staff Regulations and eu-LISA decisions	Achieved	n/a
61	2.4.20.	Individual and team commitment to the Agency consistently aligned through the provision of knowledge-sharing,	Recruitment and replacement of staff	Yes	n/a	Staff replacements done within 5 months from the date of publishing a vacancy notice	Behind	Some posts were not replaced within 5 months due to: recruitment planning, replacement of managerial posts takes more time, limited number of resources

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		development and training opportunities						available to participate in Selection Committee. A more reasonable time for staff replacement would be around 7 months
62	2.4.21.	Individual and team commitment to the Agency consistently aligned through the provision of knowledge-sharing, development and training opportunities	Appraisal, reclassification and work contracts extension of staff	Yes	n/a	Process to be completed in accordance with eu-LISA implementing rules	Achieved	n/a
63	2.4.22.	Individual and team commitment to the Agency consistently aligned through the provision of knowledge-sharing, development and training opportunities	360-degree evaluation implementation in the Agency	No	Taking into account DG HR's opinion that such evaluation can be done only on a voluntary basis and cannot be used for annual appraisal, the 360-degree evaluation was not performed. Therefore, the Agency initiated a sufficient and comprehensive staff engagement survey, which covered extensively some parts related to 360-degree evaluation	360-degree evaluations performed for at least 17 eu-LISA staff members (managers, persons with partial managerial responsibilities and potential successors to these functions) and linkages to coaching provided	n/a	Taking into account DG HR's opinion that such evaluation can be done only on voluntary basis and cannot be used for annual appraisal, the 360-degree evaluation was not performed. Therefore, the Agency initiated a sufficient and comprehensive staff engagement survey, which covered extensively some of the parts related to 360-degree evaluation
64	2.4.23.	Individual and team commitment to the Agency consistently aligned through the provision of knowledge-sharing, development and training opportunities	Development of a Health and Safety policy document and implementation of a related horizontal activities roadmap	Ongoing	The development of the policy took longer than planned due to the scope of the work being larger than initially foreseen. The implementation will continue in the coming years	At least 90 % of the roadmap activities for 2017 are implemented by the Agency	On track	The roadmap foresees the activities going beyond the end of 2017. All activities planned for 2017 have been achieved. However, they constitute less than 80 % of all activities included in the roadmap
65	2.4.24.	Individual and team commitment to the Agency consistently aligned through the provision of knowledge-sharing, development and training opportunities	Learning and development of technical skills for the management of IT systems	Yes	n/a	80 % general satisfaction; 90 % of needs identified through the implementation of the competency framework in the area of management of the IT systems covered	Achieved	n/a
66	2.4.25.	Individual and team commitment to the Agency consistently aligned through the provision of knowledge-sharing,	Learning and development for soft, administrative and managerial skills	Yes	n/a	80 % general satisfaction; 90 % of staff members attending at least one learning and development activity	Achieved	n/a

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		development and training opportunities						
67	2.4.26.	Knowledge management system in place	Creation of eu-LISA e-library	Yes	n/a	At least 75 % of the training materials received during the external training financed by eu-LISA are included in the library	Achieved	n/a
68	2.4.11.	Improved working conditions for staff	Establishment of corporate and other services in the new building in Tallinn	No longer applicable in 2017	In view of extra requirements, the technical design phase completion finished later than the originally planned date, thus postponing the fulfilment of new HQ requirements by 6 months (to July 2018)	Conformity to OIB (Office for Infrastructures and Logistics in Brussels) standards	No longer applicable in 2017	In view of extra requirements, the technical design phase completion finished later than the originally planned date, thus postponing the fulfilment of new HQ requirements by 6 months (to July 2018)
69	2.4.12.	Improved working conditions for staff	Relocation from old to new premises in Tallinn	No longer applicable in 2017	In view of extra requirements, the technical design phase completion finished later than the originally planned date, thus postponing the fulfilment of new HQ requirements by 6 months (to July 2018)	Carrying out the removal and takeover on schedule and within scope	No longer applicable in 2017	In view of extra requirements, the technical design phase completion finished later than the originally planned date, thus postponing the fulfilment of new HQ requirements by 6 months (to July 2018)
70	2.4.13.	Improved working conditions for staff	Relocation from old to new premises in Strasbourg	Ongoing	Relocation completed except for shift workers (planned for Q2 2018) and MWO contractors (to be kept provisionally in modular buildings)	Carrying out the removal and takeover on schedule and within scope	Behind	Last phase of construction project is behind schedule and the Agency's growth requires additional office space to be built. One building to be kept, currently already requiring a solution to be found for >40 MWO contractors. No operational consequences so far. Litigation process is under assessment
71	2.4.14.	Provide services in the field of corporate IT management	Further development of intranet and extranet platforms	Yes	n/a	Percentage of the AG and MB representatives who use the tool at least once a month	Achieved	n/a
72	2.4.15.	Provide services in the field of corporate IT management	Improvement of the network, system and security architecture of the Agency for corporate use	Yes	n/a	Number of upgrades/releases per year	Achieved	n/a
73	2.4.16.	Provide services in the field of corporate IT management	Providing and enhancing corporate IT services as well as the required maintenance to facilitate and support eu-LISA staff	Yes	n/a	Conformity of response time to the SLA (based on SLA signed in 2016)	Achieved	n/a

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74	2.4.17.	The Agency will improve its efficiency in business processes	Further implementation of electronic document management system	Yes	n/a	Downtime of the document management system	Achieved	n/a
75	2.4.1.	High-quality and timely services to the organisation in budgetary, procurement and financial services in support of the Agency are provided throughout the year. Processes are re-engineered to improve efficiency and effectiveness, wherever possible through dematerialisation	Execution of the Procurement and Acquisition Plan	Yes	n/a	Delay (in calendar days) from planned date of signature of major contracts relating to Title 3 of the Agency budget, against the dates in the Procurement and Acquisition Plan	Achieved	n/a
76	2.4.8.		Transfer paper-based workflows to electronic workflows based on corporate IT infrastructure	Yes	n/a	Financial (for commitments and payments) operational circuits (routing slips and checklists) are available and operated on corporate IT infrastructure	Achieved	n/a
77	2.4.9.		Improve budgetary planning and implementation accuracy in the 2017 budget	Ongoing	The ABB methodology to calculate Associated Countries' contributions, recovered from Title 1 and Title 2, is planned for 2018	Budgetary planning accuracy in 2017 budget. Budget execution (Commitment and Payment appropriations — C1 credits) calculated annually	On track	n/a
78	2.4.10.	High-quality and timely services to the organisation in budgetary, procurement and financial services in support of the Agency are provided throughout the year. Processes are re-engineered to improve efficiency and effectiveness, wherever possible through dematerialisation and adoption of e-tools	Timely delivery of services related to budgetary, procurement and financial management	Yes/ongoing	e-tools for Procurement: Definition of the requirements to join the Tenders Electronic Daily system in collaboration with the Directorate-General for Informatics and the Publications Office are ongoing. e-Submission system to be used in 2018. The Contract Monitoring Application has been finalised and is available for use	No major disruption of services attributable to internal organisational issues	On track	n/a
79	2.1.34.	Strengthen and develop the Agency's cyber security framework for its systems and communication networks	Implementation of Security Information and Event Management (SIEM) on the Core Business Systems	Ongoing	Due to budgetary limitations, the implementation is done in phases. In 2017, a partial acquisition of the necessary hardware was procured to support the SIEM solution. Work will continue in 2018	Conformity of the implementation of SIEM to the time schedule	Behind	Due to budgetary limitations, the implementation is done in phases. In 2017, a partial acquisition of the necessary hardware was procured to support the SIEM solution. Work will continue in 2018

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80	2.1.37.	Security and continuity is managed in eu-LISA in a comprehensive and systematic way, in accordance with international and EU standards	Operate and improve the Security & Continuity Management System Framework	Ongoing	The Business Continuity Policy was adopted; the remaining rules and procedures are under development. The Business Impact Analysis (BIA) Report will be submitted in 2018 in the form of a gap assessment. The necessary preparation for that has finished in time (the questionnaire is with the MSs). The AGs agreed not to amend the BCPs, though important decisions were agreed.	Capability Maturity Model level of Security & Continuity Management System self-assessment	On track	n/a
81	2.1.38.	Protect agency personnel, property and information by creating a safe, secure and assured working environment	Implementation of an EU-Restricted information exchange system	No	Commission Directorate for Human Resources and Security decided in Q2 to give access to the Restreint UE (RUE) platform to EU agencies and in consequence we buy the solution as a service from the Commission. To be continued in 2018	Conformity to the time schedule	Behind	Commission Directorate Security decided in Q2 to give access to the RUE platform to EU agencies and in consequence, we buy the solution as a service from the Commission. To be continued in 2018
82	2.1.39.	Protect agency personnel, property and information by creating a safe, secure and assured working environment	Providing physical security to eu-LISA	Yes	n/a	Ensuring site security for personnel, property and information by having a guard service operating	Behind	New contracts procurement procedures are (at the time of writing this report) pending an executive decision. The old contracts have been extended until July 2018
83	2.1.40.	The CBS will continue to serve even in a case of a disaster	Implementation of centralised business continuity management platform software	Ongoing	The solution is in the final phase of configuration. A workshop with the service provider is planned to take place in the first weeks of 2018. Rules and procedures are under development	Business continuity management platform conformity with business requirements. Conformity to the time schedule	On track	n/a
84	2.1.41.	Strengthen and develop the Agency's cyber security framework for its systems and communication networks	Implementation of Technical Security Control Architecture Roadmap	Ongoing	Due to (1) budgetary limitations, the implementation is done in phases. This phase included procurement of hardware,	Conformity of the Technical Controls to the roadmap	Behind	Due to (1) budgetary limitations, the implementation is done in phases. This phase included procurement of hardware, software and maintenance

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					software and maintenance services and (2) late delivery of CBS project. Work will continue in 2018			services and (2) late delivery of CBS project. Work will continue in 2018
85	2.1.42.	Strategic guidance on improvements to the current business continuity and disaster recovery measures	Full business continuity and disaster recovery exercise	Yes	n/a	Conformity to the decided scope and time schedule	On track	n/a
86	2.4.27.	Governing bodies of the Agency receive timely and sufficient independent assurance	Implementation of activities as listed in the Annual Internal Audit Plan	Yes	However, the audit on Asset Management has been delayed to Q1 2018 because of overlapping engagements and insufficient IAC staffing. In addition, the IAC answered an urgent request of the ED to facilitate the drafting of the rules on the prevention and management of conflict of interest	At least 80 % of audit engagements are carried out as approved in the Internal Audit Plan	Achieved	n/a
87	2.4.28.		Certification of IAC's activity	Yes	n/a	Delivery of an Independent Quality Assurance Opinion with no critical findings, and provision of a dedicated Action Plan by the end of Q4	Achieved	n/a
88	2.2.3.	Staff complies with the data protection requirements	Carrying out several data protection awareness sessions	Yes	n/a	Number of sessions carried out	Overachieved	n/a
89	2.2.4.	Establishment of an efficient public notification procedure and privacy notices	Monitoring closely the notification of processing operations	Ongoing	n/a	The inventory of processing operations	Achieved	n/a
90	2.2.6.	eu-LISA's establishment as a leading agency in terms of data protection	Hosting the DPO Network meeting	Yes	n/a	Meeting to be held in Q2	Overachieved	n/a



## Annex XI. Report on public access to documents<sup>40</sup>

During 2017, two requests to access documents and one confirmatory application were received by the Agency. One of them referred to the rental agreements signed by eu-LISA. The replies included three different documents for three locations (Estonia, Belgium and Austria). In compliance with the rules on access to documents, the Agency sought, in letters dated 19 July 2017, agreement by the (third) parties involved on the disclosure of the request documents (rental agreements). Since the request was notified to the Agency whilst the relocation to the new buildings in Strasbourg was being completed, the Agency interpreted the request as referring only to the existing rental agreements.

On 25 July 2017, the Austrian authorities replied that the requested document would not be disclosed because 'a disclosure of the contract to third parties and a possible publication of its details could lead to a damage of the military security of the Republic of Austria'. Therefore, the disclosure of the agreement signed between the Agency and the Republic of Austria was not granted by virtue of Article 4.1.a of the Regulation 1049/2001 (Military Matters).

On the same day (25 July 2017), the Belgian party to the contract agreed to transmit the lease agreement and omit Annex 5 (Lessor's list of contact people) in order to protect the privacy of the contact persons listed in the mentioned agreement. Therefore, access to the rental agreement was granted with the exception of only its Annex 5 (partial access granted).

On 1 August 2017, the party to the contract for the agreement in Estonia stated that it did not oppose the disclosure of the agreement and allowed eu-LISA to decide whether to disclose the document fully or partially. The Agency decided to grant full access to the agreement regarding the temporary premises in Tallinn.

Furthermore, on 27 March 2017, the Agency received an application to access documents about a procurement procedure. The request was refused, with a reasoned decision signed on 12 April 2017, due to the need by the Agency to protect its ongoing decision making and the need to protect the privacy and the commercial interests of the third parties involved.

On 4 May 2017, a confirmatory application was lodged at eu-LISA by the same applicant on the same subject.

On 31 May 2017, the Agency refused to grant disclosure, with a reasoned decision. The reason for the refusal was again the need for the Agency to protect its ongoing decision-making and the need to protect the privacy and commercial interests of the third parties involved.

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<sup>40</sup> According to Article 17 of the MB Decision of 28 June 2012, which reflects the wording of Article 17 of Regulation (EC) 1049/2001 on access to documents, a report on access to documents shall be annexed by eu-LISA to the Agency's annual report. The report shall include the number of cases in which the institution refused to grant access to documents and the reason for such refusals.