

(2003/C 242 E/036)

**WRITTEN QUESTION E-3003/02**  
**by Erik Meijer (GUE/NGL) to the Commission**

(23 October 2002)

*Subject:* The quality, effectiveness and costs of the bookkeeping systems used by the European Commission

1. Does the Commission still have a contract with the German software enterprise SAP to provide the software for the bookkeeping system?
2. Has your current bookkeeping system been developed by two different companies on the basis of different and non-compatible principles, especially concerning double entry? Why?
3. Did SAP provide maintenance and training, and is it still continuing to do so?
4. Is there any supplier of the software needed other than SAP?
5. Do you apply one single system of invoices or different systems?
6. Was the system SI 2 developed by accountants or by others?
7. Who will decide what computer system should be implemented?
8. Are systems developed to conform to computers or vice versa?
9. What was the cost of developing SI 2 instead of using the original SAP / R3, especially developed for you, for all purposes?
10. How many SAP licences will be used by the Commission in the near future? Is this more or less than you use today?
11. How many licences would be needed to deploy the system SAP / R3 to the whole European Commission for all purposes if you use it as the only and sole system?
12. What would be the investment needed for those licences if the Commission does what is meant in question 11?
13. How do you try to limit the continual costs of buying and renewing systems?
14. How do you try to achieve the most transparent and integrated results from your present bookkeeping system?

**Answer given by Mrs Schreyer on behalf of the Commission**

(31 January 2003)

1. and 3. Following an invitation to tender (open procedure) published in the Official Journal<sup>(1)</sup>, a framework contract was concluded with the company SAP.

A new framework contract was concluded with SAP in July 2000, under the negotiated procedure, for a six-year period.

The contract covers:

- purchase of licences for using the software,
- software maintenance and support,
- provision of services for the purpose of analysing needs and ensuring that they are met by the application, training and technical assistance for installing new versions, and monitoring operation of the system.

2. The architecture of the Commission's financial systems is based on two interfaced components — SAP R/3 (the official accounting system) and Si2 (the tool used by the spending departments to register their transactions). The version of SAP R/3 used by the Commission was developed on its behalf by the firm SAP while Si2 was developed in-house by the Commission and specifically designed to link with SAP R/3. Both systems reflect the rules and principles governing the Commission's activities.

Si2 was designed as a standard tool to enable the spending departments to register and approve their transactions before transfer into the official accounting system R/3, where the accounting treatment takes place. Budgetary accounting in SAP R/3 is on a single-entry basis, while the general ledger in R/3 is a double-entry accounting system.

4. The Commission uses other Budget Directorate-General and Informatics Directorate framework contracts for sourcing IT services (applications development, system administrators, user support, etc.) in the SAP field and for the other technologies used within the Commission.

The Commission also uses SWIFT software (SWIFT-Alliance) to supplement SAP for issuing payments via the SWIFT interbank network.

5. All payments (including payments of invoices) are processed via Sincom2.

6. The Sincom2 project leader was also the Head of the Accounting Unit, so that Si2 was developed with the needs of accountants in mind.

7. First of all, the Accountant will fix the accounting rules which will be put in place. Based on these rules and the requirements specified by other users of the system, the project team will make a proposal to the Commission on the actual system to be implemented to respect these rules and requirements.

8. The financial and accounting rules under which the Commission must operate are set out in the Financial Regulation and the implementing rules. These rules must be respected within the computerised systems which are put in place. As regards accounting standards and principles, these are fixed by the Accountant and are taken into account in systems design.

9. The costs of developing Si2 are as follows:

- initial development cost (1994-1997): EUR 1 500 000;
- annual development cost: EUR 250 000;
- annual maintenance cost: EUR 370 000.

These costs are unaffected by the number of users (currently 4 000).

10. According to the results of the project on modernising the accounting system and the decisions to be taken on the financial information systems architecture, the number of users of SAP could vary significantly in future.

11. In theory, all Commission staff if 'for all purposes' means replacing all existing IT applications. If the system were used for financial management and bookkeeping, around 4 000 licences would be necessary.

12. The price of SAP licences (framework contract BUDG/2000/01) varies between some EUR 1 400 (consultation only) and EUR 2 500 according to user type and user profile.

This amount is payable in the first year, after which a 17 % maintenance fee is due annually.

A discount is granted according to the size of each order.

The following costs have to be added to the price of the licences:

- reorganisation and business re-engineering for adapting all the procedures in line with the possibilities offered by the standard package,
- conversion of data for all systems,
- provision of training, documentation and user assistance,
- technical infrastructure and servers at the Computer Centre.

13. The Commission seeks to obtain the best value for money when procuring systems. This forms part of the negotiations over the price and specifications of new systems. Systems are also designed to be adaptable – that is to say that they can be modified to meet changed requirements without undue cost. It is not true to say that there is a 'continual' buying and renewing of systems. Sincom1 needed to be replaced because the system was not year 2000 compliant, one of the software packages used (Millennium) was no longer supported by the supplier, accounting for receipts was not managed by Sincom1, and the system was composed of five different modules from different suppliers and using different technology. Sincom2 replaced Sincom1 from 1997.

The Commission now envisages the development by 2005 of an integrated accounting system to support the move towards accrual accounting.

14. The budgetary accounts provide a transparent presentation to the budgetary authority comparing the voted budget with the implemented expenditures and collected revenues each week. So, this will also be an important information tool in the future. The integrated accrual accounting system is being set up and will improve the reporting on the financial situation. For this reform the steps and decisions are outlined in the recent communication of the Commission on the modernisation of the accounting system which has been sent to the Parliament.

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(<sup>1</sup>) OJ C 54, 22.2.1994.

(2003/C 242 E/037)

**WRITTEN QUESTION E-3029/02**

**by Concepció Ferrer (PPE-DE) to the Commission**

(23 October 2002)

*Subject:* Persecution of Catholics in Russia

The Moscow Patriarchy's Foreign Relations Department has accused the Roman Catholic church of proselytising and has decided to deny it the right to preach the gospel in the lands under the Patriarchy's dominion.

Does the Commission know any more about this decision, which constitutes a blatant attack on freedom of thought and belief?

Is the Commission intending to take any action vis-à-vis the Russian authorities with a view to ensuring that Russia upholds the above freedom?

**Answer given by Mr Patten on behalf of the Commission**

(28 November 2002)

The Commission refers to the answer it gave to Oral question H-688/02 by Mr Gil-Robles Gil-Delgado during question time at Parliament's October 2002 session (<sup>1</sup>).

The Commission is not aware of any such decision by the department of external relations of the Moscow Patriarchate. Nevertheless, the Commission is fully conscious of the present difficult situation facing Catholic and other religious groups in the Russian Federation.