DRAFT OPINION

of the Committee on Civil Liberties, Justice and Home Affairs

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2018: performance, financial management and control (2019/2098(DEC))

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SUGGESTIONS

The Committee on Civil Liberties, Justice and Home Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Expresses its overall satisfaction with the work of the eight decentralised agencies (CEPOL, EASO, EMCDDA, eu-LISA, Eurojust, Europol, FRA, FRONTEX) falling within its remit, which carry out operational, analytical or managerial tasks and thereby support the Union institutions as well as Member States in implementing policies in the area of Justice and Home Affairs (JHA), and the way their budgets are implemented;

2. Welcomes the fact that the Court of Auditors (the ‘Court’) has certified the legality and regularity of the annual accounts of all JHA agencies and the revenue underlying these accounts for the year which ended on 31 December 2018;

3. Takes note that the Court found that the payments underlying the accounts were legal and regular for all agencies except for EASO, for which a qualified opinion was issued due to irregularities on public procurement procedures and related payments; notes that corrective actions launched by EASO in response to the Court’s findings for the year 2017 regarding its governance and internal control arrangements were still ongoing at the end of 2018; highlights especially that the majority of vacancies opened in 2017 were still not filled at the end of 2018; notes that the Court has identified a horizontal trend across agencies in the use of external staff hired in IT consultancy roles; calls for this dependency on external recruitment in this important area to be addressed; deprecates that the legality and regularity of payments only slowly improved in 2018 due to the lack of proper management attention; regrets that a major procurement procedure (EUR 50 million) carried out by EASO in 2018 was again irregular due to major procedural weaknesses; acknowledges that the new Executive Director has already taken actions to improve the management of EASO and shows strong commitment to address the organisational flaws within EASO as a matter of priority;

4. Deplores the lack of ‘emphasis on the matter’ with regard to JHA agencies, with the exception of FRONTEX; notes that FRONTEX reimbursed EUR 60 million of equipment-related expenditure without proper ex ante controls; stresses that ex ante controls are rendered ineffective if expenses are reimbursed without prior verification of whether the expenses are justified; notes as well that FRONTEX did not carry out ex post verifications to compensate the weakness of its ex ante procedure; considers this proceeding problematic, particularly in light of its significant budget increase in the coming years; urges FRONTEX to revisit its financing scheme for equipment-related expenditure and to significantly strengthen its internal controls to ensure that reimbursements are granted for expenses actually incurred;

5. Notes that public procurement remains the main error prone area for all EU decentralised agencies, including those in the JHA area; highlights in particular the illegitimate expansion of contract duration, financial inconsistencies between framework and specific contracts, over-dependency on specific contractors, and non-justified use of negotiated procurement procedures; stresses that, because the agencies rely on public funding, any public procurement management weakness is ultimately
detrimental to their efficiency and the achievement of their objectives; calls therefore on the affected JHA agencies, i.e. CEPOL, EASO, EMCDDA, eu-LISA, Eurojust, Europol, and FRONTEX, to improve their public procurement procedures with a view to comply with applicable rules and thereby achieve the most economically advantageous purchases, while respecting the principles of transparency, proportionality, equal treatment and non-discrimination.