

Discharge 2010: European Institute for Gender Equality

1. European Parliament decision of 10 May 2012 on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2010 (C7-0351/2011 – 2011/2264(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2010,
 - having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2010, together with the Institute's replies¹,
 - having regard to the Council's recommendation of 21 February 2012 (06083/2012 – C7-0051/2012),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality³, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁴, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A7-0132/2012),
1. Grants the Director of the European Institute for Gender Equality discharge in respect of the implementation of the Institute's budget for the financial year 2010;
 2. Sets out its observations in the resolution below;

¹ OJ C 366, 15.12.2011, p. 173.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 403, 30.12.2006, p. 9.

⁴ OJ L 357, 31.12.2002, p. 72.

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Institute for Gender Equality, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

2. European Parliament decision of 10 May 2012 on the closure of the accounts of the European Institute for Gender Equality for the financial year 2010 (C7-0351/2011 – 2011/2264(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2010,
 - having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2010, together with the Institute's replies¹,
 - having regard to the Council's recommendation of 21 February 2012 (06083/2012 – C7-0051/2012),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality³, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁴, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A7-0132/2012),
1. Approves the closure of the accounts of the European Institute for Gender Equality for the financial year 2010;
 2. Instructs its President to forward this Decision to the Director of the European Institute for Gender Equality, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

¹ OJ C 366, 15.12.2011, p. 173.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 403, 30.12.2006, p. 9.

⁴ OJ L 357, 31.12.2002, p. 72.

3. European Parliament resolution of 10 May 2012 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2010 (C7-0351/2011 – 2011/2264(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2010,
 - having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2010, together with the Institute's replies¹,
 - having regard to the Council's recommendation of 21 February 2012 (06083/2012 – C7-0051/2012),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality³, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002⁴, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A7-0132/2012),
- A. whereas the European Institute for Gender Equality ("the Institute") was established on the basis of Regulation (EC) No 1922/2006 and gained its independence on 15 June 2010,
- B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the annual accounts of the Institute for the financial year 2010 are reliable and that the underlying transactions are legal and regular,
- C. whereas the overall budget of the Institute for the financial year 2010 was EUR 6 500 000; whereas the budget of the Institute is entirely financed by the Union's contribution,

¹ OJ C 366, 15.12.2011, p. 173.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 403, 30.12.2006, p. 9.

⁴ OJ L 357, 31.12.2002, p. 72.

1. Welcomes the Court of Auditors' first report on the annual accounts of the Institute, for the financial year 2010;

Budgetary and financial management

2. Notes that the Institute was granted administrative and financial autonomy on 15 June 2010;
3. Believes that a merger of the Institute and the European Union Agency for Fundamental Rights should be considered in order to avoid duplication and reduce overhead costs;
4. Ascertains from the Annual Activity Report (AAR) of the Institute that from 1 January to 15 June 2010 the Directorate General for Employment, Social Affairs and Inclusion (DG EMPL), the Institute's parent DG, held financial management responsibility on its behalf, in particular for staff and administrative expenditure, and that over that period, DG EMPL made payments in a total amount of EUR 846 876,91;
5. Acknowledges from the AAR that within the limited period between six months after adoption of the Annual Work Programme 2010 and gaining administrative and financial independence, the Institute had a budget execution rate of 65 % in terms of committed appropriations and 26 % in terms of paid appropriations; invites the Institute to take immediate steps to ensure a satisfactory budget execution rate in the future;
6. Notes from the AAR of the Institute that upon revision of its draft budget for the financial year 2010, the Management Board highlighted two budgetary imbalances amounting to an aggregate imbalance of EUR 415 000:
 - a budgetary imbalance of EUR 195 000 under Title II, which was related to the under-expenditure in rental costs as the Lithuanian Government covered the rental costs for the Institute's premises in Lithuania for its first two years of activity;
 - a budgetary imbalance of EUR 220 000 under Title III due to the expected under-expenditure in operations-related expenditure;

notes that in October 2010 the Management Board agreed not to allocate these frozen funds to the Institute; calls on the Institute to inform the discharge authority of the action taken in respect of those frozen funds;

Accounting

7. Establishes that in 2010 the Institute defined the responsibilities of financial actors for staff members and developed financial circuits for commitments; notes, moreover, that the Institute nominated all financial actors defining their roles and responsibilities by the end of 2010;
8. Notes from the AAR of the Institute that its Director delegated the power of Authorising Officer to the Head of Administration for a maximum amount of EUR 500 000 for Title I and II, and limited to one year for Title III; also takes note that a backup for the Accounting Officer was appointed;
9. Ascertains from the AAR that, by the end of 2010, procedures were in place and being implemented for the following administrative areas: missions, complaints management, procurement Q&A, VAT, quality accounting, bank reconciliation, payment run,

commitments and payments, and that a telecom policy and document registration framework were developed and implemented;

Public procurement

10. Observes that in 2010, 63 procurements were carried out and contracts for the procured services were signed; notes that the total contracted amount was EUR 1 974 626;
11. Establishes from the AAR that two major difficulties occurred in the procurement process:
 - the time span available for implementing a procurement procedure was extremely tight and put the execution of planned studies and the relevant budget at risk;
 - the lack of qualified support for the Operations Unit, where the majority of staff had little or no knowledge of public procurement procedures;

as a result, these complications created certain delays and a number of procurement procedures had to be cancelled which, as a result, caused the major part of the budgetary commitment to be carried forward to 2011; calls, therefore, on the Institute to improve the situation and inform the discharge authority of the action taken;

12. Notes in addition that 85 % of procured contracts, EUR 1 628 122, were related to services that supported operational activities, and that the remaining amount EUR 292 504 (15 %) were for procured goods and services which supported administrative activities;

Human resources

13. Takes note from its AAR that the Institute recruited 23 Temporary Agents and 6 Contract Agents, and reached 92,3 % of its Establishment Plan target;
14. Underlines the need to fill all vacancies which are necessary for the effective functioning of the Institute and the fulfilment of its stated goals;

Performance

15. Notes that, according to Article 20 of the Institute's founding Regulation (EC) No 1922/2006, the Institute should have commissioned an independent external evaluation of its achievements by 18 January 2010; acknowledges from the AAR that the Management Board postponed the *ex-post* evaluation given that the Institute was not operational as of 19 January 2010, but decided to commission an *ex-ante* evaluation in 2010 and a mid-term evaluation by 2013; asks the Institute to immediately communicate the results of that *ex-ante* evaluation to the discharge authority;
16. Acknowledges that the Institute, supported by DG EMPL, launched in December 2010 specifications for the "Second Ex-ante Evaluation of EIGE Focusing on the Institute's Specific Objectives and Operations";
17. Calls on the Institute to inform the discharge authority of the execution of those evaluations and on their respective conclusions;
18. Reminds the Court of Auditors that the work of the Institute is of utmost importance for the promotion of gender equality in the Union; notes, therefore, that future reports should reveal

in detail whether the Institute's activity is hindered by difficulties at any stage of the budgetary procedure;

19. Points out that, at a time of economic crisis and austerity, it is vital that the Institute offers best value for money without jeopardising the successful fulfilment of its important remit;

Location

20. Notes from the AAR of the Institute that on 1 March 2010 the Institute's staff was relocated from its temporary premises in Brussels to its permanent seat in Vilnius, Lithuania;

Internal audit

21. Is informed by the Institute that the first Internal Audit Service audit will be performed during 2012;
22. Ascertains from its AAR that OLAF visited the Institute and provided a first training session for staff on audit principles and internal control standards in November 2010; acknowledges, moreover, that a cooperation agreement between OLAF and the Institute was prepared in 2010 and adopted by the Institute's Management Board on 26 January 2011;

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23. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2012¹ on the performance, financial management and control of the agencies.

¹ Texts adopted, P7_TA(2012)0164.