

2012 Agency Discharge

WRITTEN QUESTIONS TO THE AGENCIES

Hearing on 20-21 January 2013

I. QUESTIONS TO BE ANSWERED BY ALL OF THE AGENCIES AND/OR BY THE AGENCIES' NETWORK

Management and Prevention of Conflict of Interest:

1. In its 2011 Report on discharge in respect of the implementation of the budget of the European Union agencies, the European Parliament insisted on the fact that all agencies should develop and implement comprehensive independence policies and procedures, inter alia establishing a breach of trust mechanism and clear sanctions or changing those already in place on the basis of lessons learned and recommendations of Special Report No 15/2012. All decentralised agencies have been called on to report to the discharge authority on this matter by the end of 2013.

For each of the decentralised Agency, which actions have been implemented following the aforementioned recommendation of the European Parliament?

Weaknesses in recruitment procedures:

2. Out of the 31 decentralised Agencies, 14 experienced weaknesses in terms of recruitment procedures in 2012. However recruitment procedures issues are regularly reported by the European Court of Auditors in its annual reports. For instance, in 2011 22 Agencies needed to improve transparency in this area.

Given that weaknesses in recruitment procedures are recurring and largely shared by the decentralised Agencies, which guidelines/horizontal measures have been developed in order to address the issue?

Internal Audit Service Reports:

3. Since the 2010 discharge procedure, the decentralised Agencies have shared with the discharge authority their audit report carried out by the Internal Audit Service of the European Commission.
 - a) Can each of the Agencies confirm that their 2012 IAS report has been sent to the discharge authority?
 - b) For the Agencies that have not sent it yet, when will the 2012 IAS report be available to the discharge authority?

Horizontal Questions:

4. How many interims are employed by each Agency?

What is the average duration of employment of interims for the respective Agency broken down by each Agency (calculated with the date of the first contract with the respective interim, i.e. not counting interruptions of employment)?

5. How has the Agency Network together with the European Court of Auditors implemented or intends to implement paragraph 19 of Parliament's discharge report '*2011 discharge: performance, financial management and control of EU agencies*' (P7_TA(2013)0134) adopted on 17/04/2013 in plenary? (Permanent benchmarking and ranking process as follow-up to the Court's report on benchmarking)
6. Which steps have been undertaken by the Agencies and the Agency Network to implement paragraph 22 and 23 of Parliament's discharge report '*2011 discharge: performance, financial management and control of EU agencies*' (P7_TA(2013)0134) adopted on 17/04/2013 in plenary? (Comparative data on Agencies digitally available – data ware house on Agencies)
7. Can all Agencies provide Parliament with the information that Parliament requested the Agencies to Annex to its Annual Activity Report in paragraph 28 of Parliament's discharge report '*2011 discharge: performance, financial management and control of EU agencies*' (P7_TA(2013)0134) adopted on 17/04/2013 in plenary? (Information on leave and flexitime annexed to Annual Activity Report)
8. Can each Agency provide Parliament with an electronic table (.csv or Excel-format) recording all missions undertaken by the Director of the respective Agency in the year 2012 including information about the duration of days of each mission and the total costs incurred to the Agency for each mission?
9. How will the Agencies account for the confirmation of Council's refusal to increase salaries for the year 2011? How many reserves are set free per Agency and have to be repaid to the Commission?

Education Grants (questions to ACER, EBA and EMA):

10. Three decentralised Agencies (ACER, EBA and EMA) provide special grants to staff members whose children attend primary or secondary school. Those grants come in addition to the usual education allowances in order to cover school fees, which are higher due to the absence of a European School in London and in Slovenia. The European Court of Auditors reported however

that the grants are irregular given that they are not covered by the Staff Regulation.

- a) When have ACER, EBA and EMA started to implement the special grants mechanism?
 - b) In view of the European Court of Auditors' comment, how will ACER, EBA and EMA handle the issue of school fees for staff members' children attending primary or secondary school in the future?
11. In their replies to the European Court of Auditors' annual report, ACER and EMA have provided details regarding the maximum level of additional support for school fees granted to eligible staff members. In addition EMA notified that the payment is made directly to the school and not to the staff members.
- a) Which procedures have been put in place by EBA regarding the maximum level of grants provided to eligible staff members?
 - b) Which payment procedures have ACER and EBA been put in place? In the eventuality that payment is made directly to the staff members which measures have been implemented in order to ensure that the level of additional support provided reflects the amount of school fees required?

II. QUESTIONS TO BE ANSWERED BY INDIVIDUAL AGENCIES

ACER:

12. In 2012 23.000 EUR of top up allowances for higher school fees were covered by the Agency. Has the Commission granted the Agency to deviate in this regard from the staff regulation according to Article 110 of the staff regulation?

BEREC:

13. Has the Office's accounting system been validated by the Accounting Officer?
14. Why were 61.500 EUR carried forward irregularly? On which legal basis were they carried forward?
15. According to BEREC-Office's replies to the findings of the European Court of Auditors "a comprehensive policy has been prepared" in regard to the use of purchased mobile phones and was adopted in 2013.
- a. Can the BEREC-Office provide Parliament with that policy?
 - b. How many mobile phones have been purchased? At what cost?
 - c. How many mobile phones does the Office own right now?
 - d. Was a contract with a telecommunication service provider signed for the use of those mobile phones?
 - e. What is the monthly expenditure for this contract?
 - f. How many mobile phones have been assigned on a case by case situation by the responsible line manager to staff members?
 - g. How many mobile phones are used by staff as of 1st October 2013?
 - h. What has been done with the remaining, unused mobile phones?

[CDT]

CEDEFOP:

16. Staff costs claimed by grant beneficiaries are not always subject to ex ante verifications. Moreover ex post verifications on this matter are scarce, the last time being in 2009. The Centre committed to introduce detailed checks of personnel costs and time sheets for 3 randomly selected cases out of the 26 to 29 grant payments.

- a) How come that since 2009 no ex post verification of staff costs claimed by grant beneficiaries took place?
 - b) The Centre will only introduce detailed checks of personnel costs and time sheets for 10.3% to 11.5% of the grant payments. For which reasons have the Centre limited the scope of its check to 3 cases?
 - c) How will the Centre ensure that those 3 cases will be sufficiently representative of the others?
 - d) Which is the exact total number of grant payments made by the Centre for the financial year 2012?
17. Two recruitment procedures for the post of the Centre's future Director had been launched in 2010 and 2011 and both of them were declared unsuccessful. A third recruitment procedure was launched at the end of 2012 and is still on-going. Can the Authority explain in detail why this recruitment procedure is still on-going and why these two previous procedures were declared unsuccessful?
18. Could the Authority explain why the threshold scores for being included in the list of suitable candidates were set after the screening of candidates?

CEPOL:

19. As in the previous year, a high level of carry-over is reported for 2012 and the carry-over is irregular. Also, the committed appropriations carried over from 2011 were cancelled in 2012. What further measures does the College intend to take in order to reduce the carry-over to an acceptable level?

EASA:

20. Can the Agency provide Parliament with an electronic list (.csv or Excel-file) of procurement procedures undertaken by the Agency including information about the beneficiaries, the procedure applied and the amount concerned?
21. The European Parliament requested EASA to introduce in their respective annual activity reports a special section describing the actions taken to prevent and manage conflicts of interest, which shall at least include (i) the number of conflicts of interest cases verified, (ii) the number of revolving door cases, (iii) the measures taken in each category of cases, (iv) the number of breach of trust procedures launched and their outcomes, and the sanctions applied. The Agency's Annual General Report 2012 does not include the special section is missing.
- a. Can the Agency provide the following information for 2012:

- i. How many cases of conflicts of interest have been verified?
 - ii. How many cases of revolving door occurred?
 - iii. Which were the measures taken in each category of cases?
 - iv. How many breaches of trust procedures have been launched and which were their outcomes?
 - v. Which were the sanctions applied?
- b. Why was the special section not included in the Annual General Report 2012?

22. Why do the EU's agencies, notably European Aviation Safety Agency, continue to have such high administration costs?

How can the agencies justify to European taxpayers such a situation especially when some agencies have seen large increases in revenue from the fees charged to outside businesses for their services?

How many of the posts included under Budget Title I are related to the agency's administrative activities? What is the total cost of employing these administrative staff?

EBA:

23. In 2012 76.000 EUR of top up allowances for education contribution fees were covered by the Agency. Has the Commission granted the Agency to deviate in this regard from the staff regulation according to Article 110 of the staff regulation?

24. Until December 2013 the EBA has outsourced core IT application systems to the Banque de France.

- a. Which risks has the Agency identified in regard to this outsourcing?
- b. What measures has the Agency undertaken to safeguard its supervision and control over its IT system?

[ECDC]

ECHA:

25. Have the 306 items been found in the meantime? What was the book value of those 306 items?
26. The European Parliament requested ECHA to introduce in their respective annual activity reports a special section describing the actions taken to prevent and manage conflicts of interest, which shall at least include (i) the number of conflicts of interest cases verified, (ii) the number of revolving door cases, (iii) the measures taken in each category of cases, (iv) the number of breach of trust procedures launched and their outcomes, and the sanctions applied. The Agency's Annual Report 2012 does not include the special section is missing.
- a. Can the Agency provide the following information for 2012:
 - i. How many cases of conflicts of interest have been verified?
 - ii. How many cases of revolving door occurred?
 - iii. Which were the measures taken in each category of cases?
 - iv. How many breaches of trust procedures have been launched and which were their outcomes?
 - v. Which were the sanctions applied?
 - b. Why was the special section not included in the Annual Report 2012?
27. Physical inventory results show serious weaknesses in the safeguarding and tracking of fixed assets. In addition, 306 items could not be found, of which 93 laptops and 29 computers. What is the state of play concerning the follow up of these critical remarks made by the ECA in its report on annual accounts for financial year 2012?

EEA:

28. Articles 7 and 8 in the EP resolution on the 2011 discharge (2012/2187(DEC)) noted that the Agency had begun to implement ECA recommendations on improving transparency. Has the agency managed to implement the recommendations in full?
29. The agency does not usually obtain any documents from beneficiaries to substantiate the eligibility for grants. In its response to the ECA, the agency stated that an action plan has been drawn up to ensure reasonable

assurance. What is the state of play for this action plan and does the agency intend to reinforce the procedure further?

[EFCA]

EFSA:

30. Experts currently employed by industry are excluded from becoming members in EFSA's scientific panels and committees or working groups that deal with the same topic as the declared interest. This narrow interpretation of conflicts of interest is used on the grounds that tighter demands lead to the amount of experts available to the agency to be insufficient. Can the agency explain how they justify this argument?
31. EFSA scheduled an evaluation of its independence policy by the end of 2013 and committed in the framework of the 2010 discharge to consider to:
 - a. Publish the outcomes of the breach of trust procedures, including the outcomes of the procedure verifying the integrity of the scientific review,
 - b. Broaden and reinforce the mandate of its Committee on Conflict of Interests, for instance with a similar mandate to the Committee for Ethical Standards and Prevention of Conflict of Interest of the French Agency for Food, Environmental and Occupational Health & Safety (ANSES).
 - i. Is the review of EFSA's independence policy completed and which are the outcomes and recommendations of the review?
 - ii. Was the review of EFSA's independence policy outsourced? If so, which was the external auditor?
 - iii. If the review is not yet finalised, when will it be?

[EIGE]

EIOPA:

32. Could the Agency give more details on the contracts regarding the financial database divided in four lots that were awarded to two companies directly?
33. The carry-over of committed appropriations to 2013 was very high for title III (operational expenditures) at 79% of total appropriations. What measures has the Agency taken or what further measures does the Agency intend to take in

order to ensure that the budgetary principle of annuality is respected, especially for title III?

EIT:

34. Can the EIT provide Parliament with more details on the purpose of the pre-financings (transactions) for grants amounting to 11.3 million Euro (2010 activities) and 48,6 million Euro (2011 activities) for which the court expressed a qualified opinion?
35. How many funds were recovered by the Institute due to irregular payments related to grants for activities in 2011 (48.6 million Euro)?
36. How many funds were recovered by the Institute due to irregular payments related to grants for activities in 2010 (11.3 million Euro)?
37. Since the Court cannot provide Parliament with a reasonable assurance as to the legality and regularity of the transactions related to grants in the year 2010 (11.3 million Euro), what is the Institutes plan to provide Parliament with the adequate assurance?
38. The Court of Auditors found that there was no link between the approved funds and the activities to be implemented for the grant agreements signed in 2010 and 2011 (59.9 million Euro), grant agreements did not set individual thresholds for specific cost categories and did not include rules for the procurement of goods and services.
39. Could the Institute provide Parliament with a tabular list of the signed grant agreements in 2011 and 2012 with the name of the recipient, his address, the amount paid out, the purpose of the grant agreement and the responsible official in charge for the grant agreement?
40. What consequences has the Director drawn from this situation?
41. The Internal Auditor in charge for the year 2012 of the Institute has left the Agency.
 - a. What were the reasons for his departure?
 - b. When was the post filled again?
 - c. Can the Institute provide Parliament with all the Internal Audit reports from the year 2012?
42. In 2011 it was found that grant agreements were systematically signed after most of the activities had already been implemented. What has the Institute

done in order to ensure that this practice has not continued in 2012, and what is the status of reporting about the corrective action?

43. Final results on the ex post verifications on 2010 grant agreements were expected to be received in October 2013. Has the Institute received the results, and if so, what is the current situation regarding corrective measures?

EMA:

44. Could the Agency provide more details on the cascading framework contracts with budgetary commitments of 13.475.000 EUR observed by the Court?
45. In 2012 389.000 EUR of top up allowances for education contribution fees were covered by the Agency. Has the Commission granted the Agency to deviate in this regard from the staff regulation according to Article 110 of the staff regulation?
46. In the framework of the 2011 discharge, EMA informed the discharge authority that in March 2013 it would present to the Management Board a proposal for a new payment system regarding the remuneration for services provided by Member States authorities.

Which is the current state-of-play regarding the new payment system and the Management Board's position?

47. The European Parliament requested EMA to introduce in their respective annual activity reports a special section describing the actions taken to prevent and manage conflicts of interest, which shall at least include (i) the number of conflicts of interest cases verified, (ii) the number of revolving door cases, (iii) the measures taken in each category of cases, (iv) the number of breach of trust procedures launched and their outcomes, and the sanctions applied. Although the Annual Report 2012 put a strong emphasis on the changes implemented with regards to the prevention and management of conflict of interest, the special section is missing.

- a. Can the Agency provide the following information for 2012:
- i. How many cases of conflicts of interest have been verified?
 - ii. How many cases of revolving door occurred?
 - iii. Which were the measures taken in each category of cases?
 - iv. How many breaches of trust procedures have been launched and which were their outcomes?
 - v. Which were the sanctions applied?

- b. Why was the special section not included in the Annual Report 2012?

EMCDDA:

48. Has the Agency found a solution for the unused office space for which it bears annual costs of about 200.000 EUR? Could the Agency elaborate on the costs and the efforts it made to find a solution for this office space?
49. Have the Business Continuity and Disaster Recovery Plans been adopted at the end of first semester of 2013 as expected?
50. Can the Agency provide an update on the situation related to the unused office space in its former building and in the new Headquarters?

EMSA:

51. Could the Agency elaborate on the 0.8 million EUR commitment that was not related to an existing legal commitment?
52. What is the book value of the internally generated intangible assets? How are they valued?

ENISA:

53. The Agency launched a physical inventory in late April 2013 in its Heraklion and Athens offices.
- a) Is the physical inventory completed?
- b) Are all equipment purchased accounted for and included in the register?

ERA:

54. How much family allowance and/or other financial benefits been paid out wrongly due to mistakes in the calculations?
55. The Internal Auditor in charge for the year 2012 left the Agency following the suppression of the Internal Audit Capability in favour of an Internal Control Coordinator.
- a. What were the reasons for the suppression of the Internal Audit Capability in favour of an Internal Control Coordinator?
- b. Was the post of Internal Control Coordinator filled before autumn as expected by the Agency?

- c. Can the Agency provide the discharge authority with all the Internal Audit reports from the year 2012?

56. The European Court of Auditors reported that the Agency does not comply with its Internal Control Standard regarding business continuity.

Have the Business Continuity and Disaster Recovery Plans been adopted?

57. Why do the EU's agencies, notably European Railways Agency, have such high administration costs as a percentage of total funds available to the agencies?

How can the agency justify having two headquarters to European taxpayers in light of the current economic climate?

ESMA:

58. Has the Accounting System yet been validated by the Accounting Officer?

59. Has the Accounting Officer validated the accounting system?

60. At the end of 2012, the Agency implemented 19 of the 20 planned activities on internal control. Which was the activity not implemented at the time and is this activity completed at present?

[ETF]

EU-OSHA:

61. When does the Agency expect to conclude a seat agreement with Spain?

EURATOM:

62. What is the purpose of the 104.000 EUR that the Agency owns?

[EUROFOUND]

EUROJUST:

63. Could the Agencies give more details on the framework contract for security services?

64. Following its 2011 comments, the European Court of Auditors notes in its 2012 audit report that certain corrective actions related to the Implementing Rules of the Staff Regulations are still on-going.

- a. Have the all Implementing Rules of the Staff Regulations been adopted?
- b. In the eventuality that this is not the case:
 - i. Which Implementing Rules remain to be adopted?
 - ii. Why has their adoption been delayed?
 - iii. Which is the calendar for adoption?

EUROPOL:

65. Following its 2011 comments, the European Court of Auditors notes in its 2012 audit report that certain corrective actions are still on-going.

- a) Has the physical verification and recording of assets before and after the move to the new headquarters been finalised?
- b) Have the Office's Implementing Rules been adopted?
- c) Has the Accounting Officer validated the accounting system? Are the processes related to year-end closing and to the establishment of staff's financial rights covered?

[FRA]

FRONTEX:

- 66. Could the Institute provide Parliament with a tabular list of the signed grant agreements in 2011 and 2012 with the name of the recipient, his address, the amount paid out, the purpose of the grant agreement and the responsible official in charge for the grant agreement?
- 67. What consequences has the Director drawn from the situation that the Court cannot give reasonable assurance on the legality and regularity of the audited 2012 grant transactions?
- 68. Has a complete physical inventory been established in the meanwhile, including written off tangible assets?
- 69. Can the Agency present in further details the measures adopted in order to strengthen the ex-ante framework?

70. The Agency's 2012 budget amounted to 89,6 million euro of which 21,8 million euro (25 % of committed appropriations) were carried over to 2013. Carry-overs related to title III (operational expenditure) amounted to 19,6 million euro. Such a high level of carry-overs is excessive and at odds with the budgetary principle of annuality. What measures has the Agency taken or what further measures does the Agency intend to take in order to ensure that the budgetary principle of annuality is respected, especially for title III?
71. The agency policy is to not ask for adequate supporting documentation for reimbursing costs due to the public nature of the bodies benefiting from the reimbursements. Simultaneously, the ECA could not verify any of the 2012 transactions regarding expenditure on grants. For reasons of transparency, and in light of the Court's comments, is the agency looking to develop this policy to include submitting the supporting documents for review?
72. The agency undertook measures to implement a risk based ex ante control system in June 2013. Does the agency intend to strengthen the control framework further to ensure the legality of payments?
73. The physical inventory was found to be incomplete and no procedure to dispose physically of fixed assets was found to be in place. The agency intended to implement changes in order to improve these matters in the summer of 2013. Have these changes been implemented to the extent that the problem will be addressed?

[GNSS]

EASO:

74. Has the physical inventory been performed and the internal control standards fully implemented, as promised by the Office in response to ECA comments?
75. Has the Office been successful in decreasing significantly the amount of payments made after Financial Regulation deadlines from the reported 20% in 2012?