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DRAFT REPORT

on discharge in respect of the implementation of the budget of the European
Institute for Gender Equality for the financial year 2016
(2017/2170(DEC))

Committee on Budgetary Control

Rapporteur: Bart Staes

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2016 (2017/2170(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2016,
- having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2016, together with the Institute's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2018 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2016 (00000/2018 – C8-0000/2018),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 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 Equality⁴, and in particular Article 15 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV 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 (A8-0000/2018),

¹ OJ C 417, 6.12.2017, p. 120.

² OJ C 417, 6.12.2017, p. 120.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 403, 30.12.2006, p. 9.

⁵ OJ L 328, 7.12.2013, p. 42.

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 2016 / Postpones its decision on granting the Director of the European Institute for Gender Equality discharge in respect of the implementation of the Institute's budget for the financial year 2016;
2. Sets out its observations in the resolution below;
3. Instructs its President to forward this decision, and the resolution forming 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. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Institute for Gender Equality for the financial year 2016
(2017/2170(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2016,
- having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2016, together with the Institute's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2018 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2016 (00000/2018 – C8-0000/2018),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 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 Equality⁴, and in particular Article 15 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV 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 (A8-0000/2018),

¹ OJ C 417, 6.12.2017, p. 120.

² OJ C 417, 6.12.2017, p. 120.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 403, 30.12.2006, p. 9.

⁵ OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Institute for Gender Equality for the financial year 2016 / Postpones the closure of the accounts of the European Institute for Gender Equality for the financial year 2016;
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).

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2016
(2017/2170(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2016,
 - having regard to Rule 94 of and Annex IV 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 (A8-0000/2018),
- A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;
- B. whereas, according to its statement of revenue and expenditure¹, the final budget of the European Institute for Gender Equality (“the Institute”) for the financial year 2016 was EUR 7 628 000, representing a decrease of 3,15 % compared to 2015; whereas the budget of the Institute derives mainly from the Union budget;
- C. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the European Institute for Gender Equality for the financial year 2016 (“the Court’s report”), has stated that it has obtained reasonable assurances that the Institute’s annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts in the financial year 2016 resulted in a high budget implementation rate of 98,42 %, indicating that commitments were made in a timely manner and representing a slight decrease of 0,13 % compared to 2015; notes moreover that the payment appropriations execution rate was 72,83 %, representing an increase of 5,19 % compared to the previous year;

Commitment and carry-overs

2. Notes that, according to the Court’s report, the level of committed appropriations carried over remained high for Title III (operational expenditure) at EUR 1 700 000, i.e. 51 % (compared to EUR 2 200 000 in 2015, i.e. 60 %), mainly in relation to studies going beyond the year end; notes that the Institute may consider introducing differentiated budget appropriations to better reflect the multiannual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments; notes that the Institute will carry out a feasibility analysis as to whether it

¹ OJ C 113, 30.03.2016, p.126.

will take a future decision on introducing differentiated appropriations;

3. Points out that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Institute and communicated to the Court;

Procurement

4. Points out that, according to the Court's report, the Institute launched an open call for tender for a framework contract on the maintenance and update of its gender statistics tools and resources for a maximum amount of EUR 1 600 000 in 2016; highlights moreover that the call was split into two lots without indicating the respective amounts per lot; highlights that, following a question from one tenderer, the Institute clarified on its website that the maximum amount per lot was estimated at EUR 800 000; observes from the Institute's reply that it was an administrative error due to which the amount specified was not amended accordingly and that it had no budget implication; notes furthermore that, according to the Court's report, price competition in the call for tender was based on daily rates only and not also on the time needed to complete the tasks, which did not allow the Institute to identify and choose the most economically advantageous offers and did not ensure the best value for money; notes from the Institute's reply that it has amended the relevant templates of technical specifications and will mitigate the risk by putting a maximum number of working days in future requests for specific services;

Staff policy

5. Notes that the Institute's establishment plan occupancy rate at the end of 2016 was 96 %; observes that, according to the establishment plan, 27 posts (out of 28 authorised under the Union budget) were occupied on 31 December 2016, compared to 28 posts in 2015;
6. Regrets that, having regard to the number of all posts occupied on 31 December 2016, gender balance has not been achieved since the ratio is 72 % female to 28 % male;
7. Notes that the screening exercise showed that 76,3 % of all staff work with operational tasks, 14,8 % deliver an administrative support function and 8,9 % perform a neutral function;
8. Stresses that work-life balance should be part of the Institute's staff policy; stresses that the budget spent on well-being activities amounted to EUR 36 437, corresponding to 2,25 days per staff; observes that the average number of sick days per staff in 2016 was 2,17 days in the case of those not justified by a medical certificate and 8,23 days in the case of those supported by a medical certificate;
9. Recalls that the Institute adopted a decision concerning psychological and sexual harassment in June 2012; supports the training sessions organised to increase the awareness of staff and suggests that the Institute regularly organise training and information sessions on the matter;

10. Notes that there was one article 90 procedure open regarding the termination of a contract;

Prevention and management of conflicts of interests, transparency and democracy

11. Notes with concern that in 2016 the Institute registered six exceptions with financial and procedural deviation, compared to three in the previous year;
12. Notes with satisfaction that in 2016 no fraud cases were detected;
13. Welcomes the fraud prevention training that was given to all staff on 2 March 2016 and provided by the head of administration and the accounting officer after they had received the necessary training from the European Anti-Fraud Office (OLAF); observes that ethics and integrity training was given to all staff on 28 September 2016;
14. Supports the nomination of two members of staff to act as whistleblowing policy contact persons for the Institute by Director's Decision No 117 of 22 June 2016;

Performance-based budgeting

15. Welcomes the following three main achievements and successes identified by the Institute in 2016:
 - the production of evidence on the economic benefits of gender equality for economic growth and increased employment;
 - the development and launch of an online tool to facilitate gender equality within research-performing organisations (GEAR);
 - the development of unified definitions for the Member States on forms of gender-based violence and the production of a glossary and thesaurus of terms;
16. Regrets, however, that the Institute does not carry out ex ante assessments of the options available to achieve objectives;

Internal audit

17. Acknowledges that in 2016 96 % of the Internal Audit Service's (IAS) recommendations (49 out of 51) were implemented (compared to 90 %, or 46 out of 51 in 2015), including its recommendations on 'Procurement supporting operational processes in EIGE', the IAS Strategic Internal Audit Plan 2015–2017, the IAS audit on human resources management in the Institute, the IAS audit on budget/budget execution, and the IAS limited review of the implementation of Internal Control Standards (ICS);

Internal Controls

18. Observes that the Institute has adopted a set of ICS, based on identified good practice in other Union agencies, aimed at ensuring the achievement of policy and operational objectives;

Other comments

19. Notes with satisfaction that the Institute worked closely throughout 2016 with its sister agencies, the regular dialogue with the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the European Union Agency for Fundamental Rights (FRA) and the European Agency for Safety and Health at Work (EU-OSHA); notes moreover that the Institute discussed synergies and presented its work to other agencies such as the European Asylum Support Office (EASO) and the European Chemicals Agency (ECHA); highlights, as an example of synergies, the Institute's participation in the Fundamental Rights Forum organised by the FRA, which provided an opportunity to reach out to other important policy stakeholders;
20. Notes that, according to the Court's report, the Institute published its external evaluation in January 2016 with the conclusion that the Institute's activities were consistent with its mandate and that its administration scores relatively well in terms of governance and efficiency; notes moreover that the evaluation included several recommendations to improve the Institute's operations, for instance by setting clearer priorities, better targeting its outputs, developing synergies with relevant external actors and also by strengthening the role of its management board and clarifying the role of the Experts' Forum; observes that the Institute has started to implement an action plan addressing the recommendations; calls on the Institute to report to the discharge authority on the implementation of this action plan;

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21. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 2018¹ on the performance, financial management and control of the agencies.

¹ Texts adopted of that date, P8_TA-PROV(2018)0000.