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DRAFT REPORT

on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2013
(2014/2110(DEC))

Committee on Budgetary Control

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2013 (2014/2110(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Union Agency for Network and Information Security for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Network and Information Security for the financial year 2013, together with the Agency's replies¹,
- 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- 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 Communities³,
- 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 1605/2002⁴, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing the European Network and Information Security Agency⁵,
- having regard to Regulation (EU) No 526/2013 of the European Parliament and of the Council of 21 May 2013 concerning the European Union Agency for Network and Information Security (ENISA) and repealing Regulation (EC) No 460/2004⁶, and in

1 OJ C 442, 10.12.2014, p. 217.

2 OJ C 442, 10.12.2014, p. 217.

3 OJ L 248, 16.9.2002, p. 1.

4 OJ L 298, 26.10.2012, p. 1.

5 OJ L 77, 13.3.2004, p. 1.

6 OJ L 165, 18.6.2013, p. 41.

particular Article 21 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 Communities¹,
 - 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 Council², and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0000/2015),
1. Grants the Executive Director of the European Union Agency for Network and Information Security discharge in respect of the implementation of the Agency's budget for the financial year 2013 / Postpones its decision on granting the Executive Director of the European Union Agency for Network and Information Security discharge in respect of the implementation of the Agency's budget for the financial year 2013;
 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 Executive Director of the European Union Agency for Network and Information Security, 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).

¹ OJ L 357, 31.12.2002, p. 72.

² OJ L 328, 7.12.2013, p. 42.

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the European Union Agency for Network and Information Security for the financial year 2013 (2014/2110(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Union Agency for Network and Information Security for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Network and Information Security for the financial year 2013, together with the Agency's replies¹,
- 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- 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 Communities³,
- 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 1605/2002⁴, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing the European Network and Information Security Agency⁵,
- having regard to Regulation (EU) No 526/2013 of the European Parliament and of the Council of 21 May 2013 concerning the European Union Agency for Network and Information Security (ENISA) and repealing Regulation (EC) No 460/2004⁶, and in

1 OJ C 442, 10.12.2014, p. 217.

2 OJ C 442, 10.12.2014, p. 217.

3 OJ L 248, 16.9.2002, p. 1.

4 OJ L 298, 26.10.2012, p. 1.

5 OJ L 77, 13.3.2004, p. 1.

6 OJ L 165, 18.6.2013, p. 41.

particular Article 21 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 Communities¹,
 - 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 Council², and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0000/2015),
1. Notes that the final annual accounts of the European Union Agency for Network and Information Security are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Union Agency for Network and Information Security for the financial year 2013 / Postpones the closure of the accounts of the European Union Agency for Network and Information Security for the financial year 2013;
 3. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Network and Information Security, 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 L 357, 31.12.2002, p. 72.

² OJ L 328, 7.12.2013, p. 42.

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 Union Agency for Network and Information Security for the financial year 2013 (2014/2110(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2013,
 - having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0000/2015),
- A. whereas, according to its financial statements, the final budget of the European Union Agency for Network and Information Security (“the Agency”) for the financial year 2013 was EUR 9 670 185, representing an increase of 18,53 % compared to 2012,
- B. whereas the Union's contribution for the financial year 2013 to the Agency's budget amounted to EUR 9 030 000, representing an increase of 10,69 % compared to 2012,
- C. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the the European Union Agency for Network and Information Security for the financial year 2013 (“the Court's report”), has stated that it has obtained reasonable assurances that the Agency’s annual accounts are reliable and that the underlying transactions are legal and regular,
- D. whereas the Agency's main task is to enhance the Union’s capability to prevent and respond to network and information security problems by building on national and Union efforts,

Follow-up of the 2012 discharge

1. Notes from the Court’s report that regarding one comment made in the Court's 2011 report and marked as "Ongoing" in the Court's 2012 report, corrective actions were taken and the comment is marked in the Court's 2013 report as "Completed"; notes furthermore that the comment made in the Court's 2012 report is marked in the Court's 2013 report as "Ongoing";
2. Acknowledges from the Agency that:
 - the information on the impact of its activities on Union citizens is provided on the Agency's website through the yearly publication of strategic documents including the Annual Report, as well as new communication channels such as social media;
 - it performed a comprehensive physical inventory count in 2013; notes that the results of

the inventory count were reported within the Annual Accounts of 2013 and that the corresponding comment of the Court marked the action as “Ongoing” because the declassification procedure for the items out of use was still pending at the time of the Court’s audit;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 94,41 % and that the payment appropriations execution rate was 86,46 %; points out that in November 2013, additional funds were approved by the Commission for the financing of the Agency's new office in Athens; notes that in this context, a total of EUR 500 000 was not committed at year-end and was carried over, following a decision by the Management Board;
4. Acknowledges that during 2013, the Agency's operational staff were relocated to Athens, while its administrative staff remained in Heraklion; agrees with the Court's opinion that administrative costs could be reduced if all the Agency's staff were to be centralised in one location;

Commitments and carry-overs

5. Notes that the total amount of committed appropriations carried over was EUR 1 200 000, representing 13,5 % of total appropriations; is concerned that out of this amount, EUR 800 000 are Title II carry-overs, representing 59 % of Title II total appropriations; acknowledges that the EUR 500 000 referred to in paragraph 3 as well as an additional EUR 300 000 carried over for the financing of furniture and network equipment for the new office in Athens, explain the high level of carry-overs for Title II;

Transfers

6. Notes with satisfaction that according to the Agency's Annual Report, as well as the Court’s audit findings, the level and nature of transfers in 2013 have remained within the limits of the financial rules;

Procurement and recruitment procedures

7. Notes that for the year 2013, neither sampled transactions nor other audit findings have led to any comments on the Agency’s procurement procedures in the Court’s report;
8. Notes that the Court made no comments in its report as regards the Agency’s recruitment procedures;

Prevention and management of conflicts of interests and transparency

9. Acknowledges that the Agency’s Management Board approved and signed the decision on practical arrangements for implementing transparency and confidentiality rules in October 2013;
10. Acknowledges from the Agency that the declarations of interests and the declarations of

commitments of the members of the Management Board have been made publicly available; observes that the curricula vitae of the Management Board have not been made public; calls on the Agency to remedy this issue and to notify the discharge authority on the results of remedial actions;

Comments on internal controls

11. Acknowledges from the Agency that in September 2013 the Internal Control Coordinator role (ICC) was fully deployed and addressed as a priority the implementation and subsequent closure of several recommendations made by the Commission's Internal Audit Service (IAS);

Internal audit

12. Takes note that during 2012, a risk assessment exercise was conducted by the IAS in order to determine the audit priorities for the following three years; notes that the IAS submitted its final strategic audit plan of 2013-2015 for the Agency on 3 December 2012;
13. Acknowledges that the IAS performed a desk review audit on "Project Management in Operations" during 2013, which resulted in a total of five recommendations; notes that four of these recommendations have already been closed while the fifth one is to be reviewed by the IAS;
14. Notes that no critical recommendations from previous IAS reports were open as of 31 December 2013; notes furthermore that the only "Very Important" rated recommendation open at the year-end has been implemented and was awaiting to be reviewed by the IAS; points out that this recommendation relates to the application of ex post controls; calls on the Agency to inform the discharge authority when the ex post controls are validated by the IAS;

Other comments

15. Acknowledges that according to the lease agreement between the Greek authorities, the Agency and the landlord, rent for the offices in Athens is paid by the Greek authorities; is concerned that rent is constantly paid late, with a delay of several months, which presents business continuity and financial risks for the Agency; takes note that the Agency has commenced discussions with the interested parties in this regard; notes furthermore that to date, the landlord has accepted the delays attributed to procedures of the Greek Government without imposing any penalty on the Agency; calls on the Agency to continue its efforts in order to mitigate the risks brought by this situation;

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16. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 2015¹ on the performance, financial management and control of the agencies.

¹ Texts adopted of that date, P8_TA-PROV(2015)0000