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REPORT

on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2012
(C7-0324/2013 – 2013/2236(DEC))

Committee on Budgetary Control

Rapporteur: Petri Sarvamaa

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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 2012 (C7-0324/2013 – 2013/2236(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2012,
- having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2012, together with the Institute's replies¹,
- having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),
- 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 (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 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 Communities⁵,
- 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 Council⁶, and in particular Article 108 thereof,

¹ OJ C 365, 13.12.2013, p. 127.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 403, 30.12.2006, p. 9.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- 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 (A7-0230/2014),
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 2012;
 2. Sets out its observations in the resolution below;
 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. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the European Institute for Gender Equality for the financial year 2012 (C7-0324/2013 – 2013/2236(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2012,
- having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2012, together with the Institute's replies¹,
- having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),
- 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 (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 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 Communities⁵,
- 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 Council⁶, and in particular Article 108 thereof,

¹ OJ C 365, 13.12.2013, p. 127.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 403, 30.12.2006, p. 9.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- 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 (A7-0230/2014),
1. Approves the closure of the accounts of the European Institute for Gender Equality for the financial year 2012;
 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 its Decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2012
(C7-0324/2013 – 2013/2236(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2012,
- having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2012, together with the Institute's replies¹,
- having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),
- 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 (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 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 Communities⁵,
- 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 Council⁶,

¹ OJ C 365, 13.12.2013, p. 127.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 403, 30.12.2006, p. 9.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

and in particular Article 108 thereof,

- having regard to its previous discharge decisions and resolutions,
 - 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 (A7-0230/2014),
- A. whereas according to its financial statements, the final budget of the European Institute for Gender Equality (“the Institute”) for the financial year 2012 was EUR 7 741 800, representing an increase of 2,81 % compared to 2011; whereas the Institute's entire budget derives from the Union budget,
- B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Institute's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

Follow-up of 2011 discharge

1. Acknowledges from the Institute that it had adopted a number of short-term and long-term measures with the aim of improving budget planning and implementation, as well as ensuring a satisfactory budget implementation rate; notes that the Institute has also carried out a physical inventory and changed the process of the estimation of the accrued charges and that the Court of Auditors considers those actions 'completed';

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 95,56 % and that the payment appropriations execution rate was 63,95%;
3. Acknowledges from the Institute that in the third quarter of 2014, it plans to create budget monitoring guidelines, including control functions and deviations, in order to ensure adequate monitoring and reporting of the budget implementation; calls on the Institute to inform the discharge authority of the state of play of this action;
4. Calls on the Institute to take into consideration in its annual work programme, when planning payment requirements and budgetary priorities, the activities set out in the cooperation plan it has agreed with the Committee on Women's Rights and Gender Equality;

Commitments and carryovers

5. Notes that the Institute has reduced the overall level of carry-overs of committed appropriations from 50 % in 2011 to 32 % in 2012; points out that the carry-overs to 2013 amount to EUR 2 500 000 and mainly concern title II (administrative expenditure),

amounting to EUR 300 000, and title III (operational expenditure), amounting to EUR 2 100 000, representing 23 % and 59 % of the corresponding committed appropriations; acknowledges that carry-overs for title II mainly relate to commitments made at the end of 2012 in connection with the move to a new premises, which took place in January 2013, while carry-overs for title III mainly relate to procurement procedures that were concluded late in 2012; notes, furthermore, that 7 % of committed appropriations carried over from 2011 to 2012 had not been used and had to be cancelled;

Transfers

6. Notes with satisfaction that according to the annual activity report, as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Institute for its good budgetary planning;

Procurement and recruitment procedures

7. Calls on the Institute to address the shortcomings identified by the Court of Auditors in the Institute's documentation of recruitment procedures; notes in particular that there was no evidence that questions for written tests and interviews, as well as their respective weightings, were prepared before the examination of the applications;
8. Notes with concern that the Institute does not have a formalised procurement planning and monitoring procedure; notes in particular that its annual work programme does not include a procurement schedule linked to the planned activities that would define the optimal scope and timing of procurements;
9. Acknowledges from the Institute that, in order to improve the planning and monitoring of the procurement, it is currently developing a monitoring tool to follow up the expected dates of each step of the annual procurement proceedings; calls on the Institute to inform the discharge authority when this tool is fully implemented and, up until then, to keep it informed of the state of play regarding its development and implementation;

Prevention and management of conflicts of interests and transparency

10. Acknowledges that the Institute's conflict of interests policy was presented to the Commission for consultation on 12 November 2013; calls on the Institute to inform the discharge authority of the results of that consultation and of the final adoption of its conflict of interests policy;
11. Observes that the CVs and declarations of interests of the members of the Management Board, the Executive Director and senior management are not publicly available; calls on the Institute to remedy the situation as a matter of urgency;

Internal audit

12. Acknowledges from the Institute that in 2012, the Commission's Internal Audit Service

(IAS) carried out audit work in accordance with the Institute's strategic audit plan; notes that this work included an audit on budget execution, which identified good practices, but also led to four very important recommendations; takes note of the Institute's action plan to address the risks and notes that the IAS considered this to be adequate; notes that no critical recommendations were open as of 31 December 2012; expresses concern, however, that the implementation of two very important recommendations from 2011 has been delayed;

Performance

13. Requests that the Institute communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;
14. Stresses the progress made by the Institute as regards the completion of its establishment plan, which contributes to its effective functioning;
15. Notes the main findings of the Institute's activity report and points out that in 2012, inter alia, the Institute produced two reports for the Presidencies, focusing on “gender equality - climate change” and “violence against women - victims support”, finalised the construction of the Gender Equality Index, launched seven studies and developed an online database of gender training resources;

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16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of ... 2014¹ on the performance, financial management and control of the agencies.

¹ Texts adopted, P7_TA-PROV(2014)...

12.2.2014

OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2012
(2013/2236(DEC))

Rapporteur: Barbara Matera

SUGGESTIONS

The Committee on Women's Rights and Gender Equality calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Recalls the important role of the European Institute for Gender Equality (EIGE) in promoting gender equality including gender mainstreaming in all Union policies and the resulting national policies; underlines that the objectives and tasks of the Institute require that a separate dedicated entity is maintained within the institutional framework of the Union;
2. Draws attention to the Court of Auditors' confirmation that the Institute's annual accounts showing a budget of EUR 7 700 000, in all material respects, fairly present its financial position as of 31 December 2012 and that the Institute's operations and cash flows for the financial year 2012 are in accordance with the provisions of its Financial Regulation;
3. Expresses its satisfaction that the Court of Auditors has declared the transactions underlying the Institute's annual accounts for the financial year 2012 to be, in all material respects, legal and regular;
4. Notes the comment of the Court of Auditors about the reduction in the carryover from 50 % in 2011 to 32 % of total commitments in 2012; underlines the significant progress made in the reduction of the carryover and calls on the Institute to continue its efforts to progressively reduce it;
5. Notes the comment of the Court of Auditors that the Institute does not have a formalised procurement planning and monitoring procedure and that its annual work programme

does not include a procurement schedule linked to the planned activities; notes however that only 7 % of committed appropriations carried over to 2012 have not been used and had to be cancelled; underlines in this respect the Institute's commitment to improve procurement planning and monitoring by creating a monitoring tool and budget monitoring guidelines; calls, therefore, on the Institute to develop and implement formalised procurement and monitoring procedures, and to incorporate a timetable for procurement into the annual work plan;

6. Notes the comment of the Court of Auditors about identified shortcomings in the documentation of recruitment procedures; notes in this regard the Institute's actions to update the recruitment guidelines in order to find solutions to these identified shortcomings;
7. Calls on the Institute to update its guidelines on recruitment in order to eliminate the shortcomings identified by the Court of Auditors, and to find satisfactory solutions to the problems that have arisen in this connection;
8. Points out the progress registered by the Institute as regards the completion of its establishment plan, which contributes to the effective functioning of the Institute;
9. Notes the main findings of the Institute's activity report and points out that in 2012, among others, the Institute has produced two reports for the Presidencies, focusing on “gender equality –climate change” and “violence against women-victims support”, finalised the construction of Gender Equality Index, launched 7 studies and developed an online database of gender training resources;
10. Calls on the Institute to take into consideration in its annual work programme, when planning payment requirements and budgetary priorities, the activities foreseen in the cooperation plan between the Committee on Women's Rights and Gender Equality and the Institute;
11. Is of the opinion, on the basis of the data available now, that discharge can be granted to the Director of the European Institute for Gender Equality in respect of the implementation of the Institute's budget for the financial year 2012.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	12.2.2014
Result of final vote	+: 18 -: 1 0: 0
Members present for the final vote	Regina Bastos, Marije Cornelissen, Edite Estrela, Iratxe García Pérez, Mikael Gustafsson, Mary Honeyball, Astrid Lulling, Elisabeth Morin-Chartier, Norica Nicolai, Siiri Oviir, Antonia Parvanova, Marina Yannakoudakis, Anna Záborská
Substitute(s) present for the final vote	Izaskun Bilbao Barandica, Nicole Kiil-Nielsen, Katarína Neveďalová, Doris Pack, Antigoni Papadopoulou, Rui Tavares, Angelika Werthmann

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	17.3.2014
Result of final vote	+: 14 -: 1 0: 2
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Zuzana Brzobohatá, Martin Ehrenhauser, Jens Geier, Gerben-Jan Gerbrandy, Ingeborg Gräßle, Rina Ronja Kari, Monica Luisa Macovei, Jan Mulder, Eva Ortiz Vilella, Paul Rübig, Petri Sarvamaa, Bart Staes, Georgios Stavrakakis, Derek Vaughan
Substitute(s) present for the final vote	Amelia Andersdotter, Markus Pieper
Substitute(s) under Rule 187(2) present for the final vote	Thomas Ulmer