



Plenary sitting

A8-0098/2016

7.4.2016

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 2014
(2015/2178(DEC))

Committee on Budgetary Control

Rapporteur: Derek Vaughan

CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	7
RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE.....	10

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 2014 (2015/2178(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 2014,
- 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 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0076/2016),
- 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 (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 460/2004⁴, and in 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 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 409, 9.12.2015, p. 223.

² OJ C 409, 9.12.2015, p. 223.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 165, 18.6.2013, p. 41.

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 Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0098/2016),
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 2014;
 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).

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 2014 (2015/2178(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 2014,
- 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 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0076/2016),
- 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 (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 460/2004⁴, and in 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 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

¹ OJ C 409, 9.12.2015, p. 223.

² OJ C 409, 9.12.2015, p. 223.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 165, 18.6.2013, p. 41.

⁵ OJ L 357, 31.12.2002, p. 72.

Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council¹, 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 (A8-0098/2016),
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 2014;
 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 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 2014 (2015/2178(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 2014,
 - 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 (A8-0098/2016),
- 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 2014 was EUR 9 708 297, representing an increase of 0,39 % compared to 2013;
- B. whereas the Union's contribution for the financial year 2013 to the Agency's budget amounted to EUR 8 820 666, representing an increase of 0,05 % compared to 2013;
- C. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the European Union Agency for Network and Information Security for the financial year 2014 (“the Court's report”), stated that it had obtained reasonable assurances that the Agency’s annual accounts were reliable and that the underlying transactions were legal and regular;

Budget and financial management

1. Notes that budget monitoring efforts during the financial year 2014 resulted in a high budget implementation rate of 100 % and that the payment appropriations execution rate was 85,61 %;

Commitments and carry-overs

2. Notes from the Court’s report that the total amount of committed appropriations carried over to 2015 amounted to EUR 1 332 421 (15 % of total appropriations); takes note that the carry-overs were EUR 612 981 (49 %) for Title II (administrative expenditure), representing a decrease of 10 % compared to the previous year; acknowledges that those carry-overs related to investments in IT infrastructure ordered as planned near the year-end for the Agency’s two offices;
3. Observes that an amount of EUR 717 927 was carried forward from the financial year 2013; notes that EUR 49 460 (6,89 %) of the 2013 carry-forwards were cancelled;

Transfers

4. 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

5. Notes from the Agency's Annual Activity Report that, at the end of 2014, 62 statutory staff were employed; notes furthermore that during 2014, three staff left the Agency, ten vacancy notices were published and seven staff were recruited;
6. Observes that the Agency experiences challenges in attracting and holding suitably qualified staff to support its activities, mainly due to the location of its office in Crete, where international education is a challenging factor; acknowledges that the Agency concluded a service level agreement with each of the private schools being used by the children of the staff in the Athens office, as no European schools are based there; notes furthermore that a new mandate and service agreement was concluded between the Commission and the Agency which provides the detail of the funding for European schools used by the children of Agency's staff;
7. Notes that, according to the Agency's Annual Activity Report, the Agency conducted a job-screening exercise using the common methodology adopted for the Agencies for the first time in 2014; notes furthermore that according to that exercise, 68 % of the Agency's staff were in the operational functions category, 22 % of staff were in the administrative support and coordination category and 10 % of staff were employed in relation to neutral functions;

Internal audit

8. Takes note that at the beginning of 2014, the Agency had 25 open recommendations from previous reports of the Commission's Internal Audit Service (IAS); acknowledges that 24 recommendations were closed during 2014 as confirmed by the IAS in its "on-the-spot" visit to the Agency in November 2014; notes that one remaining open recommendation was closed in 2015, after the tool for e-workflows had been implemented;

Other comments

9. Acknowledges that the Agency adopted internal policies in order to improve cost-effectiveness and the environmental friendliness of its facilities; notes that an important step towards satisfying both requirements was the adoption of a "paperless" platform serving as workflow and storage of internal documents; notes with satisfaction that the Agency has practically eliminated all paper-based workflows, including financial transactions and human resources files and documents, and has replaced them with electronic documents and workflows in an effort to achieve a paperless office environment; acknowledges that this tool was successfully introduced in January 2015;
10. States that the annual reports of the Agency could play an important role in compliance regarding transparency, accountability and integrity; calls on the Agency to include a standard chapter on those components in its annual report;
11. Acknowledges, as a follow up from the 2013 discharge of the Agency, 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 by the constant late payment of rent, which continued in 2014 and 2015 and which presents significant reputational, financial and business-continuity risks for the Agency; notes with concern that in 2015, the payment of the instalment for the first six months of the year was made on 27 August 2015 and only after the Agency received a warning that litigation would be launched by the landlord of the Athens office; urges the Commission, the Agency and the Greek authorities to find a solution for this issue in order to reduce significantly the risks to which the Agency is exposed;

◦

◦ ◦

12. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]¹ [on the performance, financial management and control of the agencies].).

¹ Texts adopted of that date, P[8_TA(-PROV)(2016)0000].

RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

Date adopted	4.4.2016
Result of final vote	+: 15 -: 4 0: 0
Members present for the final vote	Louis Aliot, Inés Ayala Sender, Dennis de Jong, Martina Dlabajová, Ingeborg Gräßle, Verónica Lope Fontagné, Monica Macovei, Dan Nica, Gilles Pargneaux, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Tomáš Zdechovský
Substitutes present for the final vote	Marian-Jean Marinescu
Substitutes under Rule 200(2) present for the final vote	Bodil Valero