



Plenary sitting

A8-0115/2018

26.3.2018

REPORT

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2016: performance, financial management and control
(2017/2179(DEC))

Committee on Budgetary Control

Rapporteur: Bart Staes

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1. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2016: performance, financial management and control (2017/2179(DEC))

The European Parliament,

- having regard to its decisions on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2016,
 - having regard to the Commission's report on the follow-up to the discharge for the 2015 financial year (COM(2017)0379),
 - having regard to the Court of Auditors' specific annual reports¹ on the annual accounts of the decentralised agencies for the financial year 2016,
 - having regard to the report of the European Court of Auditors on the rapid case review on the implementation of the 5 % reduction of staff posts published on 21 December 2017,
 - 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 1605/2002², and in particular Article 208 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 Council³, and in particular Article 110 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 opinions of the Committee on Employment and Social Affairs and the Committee on Civil Liberties, Justice and Home Affairs (A8-0115/2018),
- A. whereas this resolution contains, for each body within the meaning of Article 208 of Regulation (EU, Euratom) No 966/2012, cross-cutting observations accompanying the discharge decisions in accordance with Article 110 of Commission Delegated Regulation (EU) No 1271/2013 and Article 3 of Annex IV to Parliament's Rules of Procedure;
- B. 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

¹ OJ C 417, 6.12.2016.

² OJ L 298, 26.10.2012, p. 1.

³ OJ L 328, 7.12.2013, p. 42.

concept of performance-based budgeting and good governance of human resources;

1. Emphasises that the agencies are highly visible in the Member States and have significant influence on policy and decision making and programme implementation in areas of vital importance to European citizens, such as health, safety, security, freedom and justice, research and industrial development, economic and monetary affairs, employment and social progress; reiterates the importance of the tasks performed by agencies and their direct impact on the daily lives of European citizens; reiterates also the importance of the autonomy of the agencies, in particular of the regulatory agencies and those with the function of independent information collection; whilst recognising that stakeholders have found their way to the agencies, it is concerned that in general the visibility of agencies for European citizens is still limited, whereas a high level of visibility is required for their accountability and independence;
2. Recalls that the main reasons for establishing agencies was for the purpose of making independent technical or scientific assessments, which make clear and effective rules to prevent conflicts of interest indispensable, operating Union systems and facilitating the implementation of the Single Market; calls on all agencies to participate in the inter-institutional agreement on the transparency register that is currently subject of negotiations between the Commission, the Council and the Parliament;
3. Notes that, according to the Court of Auditors' summary of results of the Court's 2016 annual audits of the Union agencies and other bodies ("the Court's summary"), the agencies' 2016 budget amounted to some EUR 3,4 billion, representing an increase of about 21,42 % compared to 2015 and about 2,4 % (compared to: 2 % in 2015) of the Union's general budget; points out that the increase is mainly related to agencies working on matters related to industry, research and energy (additional EUR 358 000 000) and civil liberties, justice and home affairs (additional EUR 174 000 000); notes moreover that of the EUR 3,4 billion budget, some EUR 2,4 billion were financed by the Union general budget, whereas some EUR 1 billion were financed by fees and also by direct contributions from Member States, the European Free Trade Association countries and other sources;
4. Calls on the Commission to work in close cooperation with the agencies Network and the individual agencies when preparing its proposal for the post-2020 Multiannual Financial Framework and examining alternative sources of financing for the Union's decentralised agencies;
5. Emphasises that the Interinstitutional Working Group on decentralised agencies examined, in particular, the pilot case of the European Aviation Safety Agency (EASA) for fee-financed agencies; states that even if agencies are fully fee-funded, they are still fully accountable to the discharge authority considering the reputational risks involved; expresses, moreover, its concerns with the quality indicators used in the EASA pilot, as these are heavily focusing on customer satisfaction and less on air safety;
6. Notes that the agencies employ 10 364 permanent, temporary, contract or seconded staff (compared to 9 848 in 2015), representing an increase of 5,24 % compared with the previous year mainly due to the new tasks assigned; points out that the number of staff increased the most in agencies dealing with matters related to industry, research and energy (110), civil liberties, justice and home affairs (177) and economic and monetary

affairs (85);

7. Notes that the Court, according to its summary, issued an unqualified opinion on the reliability of the accounts of all agencies; notes in addition that the Court issued an unqualified opinion on the legality and regularity of the transactions underlying the accounts for all agencies, except for the European Asylum Support Office (EASO);
8. Is of the opinion that the discharge procedure needs to be streamlined and accelerated towards n+1; calls therefore on the agencies and the Court to follow the good example set by the private sector and proposes to set the deadline for the publication of the agencies' final accounts, annual activity reports and reports on budgetary and financial management on 31 March as well as advance the publication of the Court's annual reports on agencies for 1 July at the very latest, in order to simplify and speed up the process, thereby closing the discharge procedure within the year following the accounting year in question;

Common Approach and Commission's roadmap

9. Recognises the implementation by the Union agencies of the Common Approach and its roadmap;
10. Welcomes the contribution provided by the Union Agency's Network ("the Network") in coordinating, collecting and consolidating actions and information for the benefit of the Union Institutions, including the Parliament; notes that its coordination tasks include the annual discharge and budget procedures, the implementation of the Commission's roadmap stemming from the Common Approach and related policy initiatives, and the review and implementation of Financial and Staff Regulations;
11. Believes that the Network provides for concrete added value in the relations between the Union Institutions and the decentralised agencies; considers that it would be an asset to support the management of the Network's Shared Support Office in Brussels; strongly supports its request for one temporary agent post, whose cost would be shared amongst the agencies in the European Food Safety Authority (EFSA) 2019 budget request, especially if the competences of the Network are clarified and, whilst respecting the autonomy of the agencies, are strengthened, whenever possible; encourages the Commission to include the extra post in its proposal for the 2019 budget;
12. Observes that the Network, via the Performance Development sub-Network (PDN), prepared in 2016 the agencies' performance framework document, which describes the tools in place, including the use of indicators with a particular focus on the planning, measurement and reporting of efficiency; welcomes the fact that the PDN is currently working, together with the Commission, on the development of a maturity model for performance-based budgeting to guide each agency in its efforts to optimise its capabilities to plan, monitor and report on results and budget and resources used; notes room for improvement in some agencies' use of outcome and impact indicators in their key performance indicators; calls on the Network to report to the discharge authority on the measures adopted and their implementation;

Budget and financial management

13. Recalls that the principle of annuality is one of the three basic accounting principles, together with unity and balance, which are indispensable to ensuring the efficient implementation of the Union budget; notes that, according to the Court's summary, despite a considerable decrease, a high level of carry-overs of committed appropriations remains the most frequent issue in budgetary and financial management, affecting 23 agencies, compared to 32 in 2015¹;
14. Notes that carry-overs may often be 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;
15. Acknowledges the Network's proposal on reporting of cancelled carry-overs exceeding 5 % of the total budget; notes however that, in order to evaluate budgetary planning and implementation, the agencies could additionally report on the levels of planned carry-overs and the reasons behind them; encourages the agencies to include this information in their respective consolidated annual activity reports;
16. Highlights that the level of carry-over cancellations is indicative of the budget planning capacity and the extent to which the agencies have correctly anticipated their financial needs and is often a better indicator of good budgetary planning than the mere level of carry-overs;
17. Stresses, therefore, the immediate need to establish clear definitions of acceptable carry-overs in order to streamline the Court's reporting on this issue, as well as to enable the discharge authority to distinguish between the carry-overs indicating poor budgetary planning, and the carry-overs as a budgetary tool which support multiannual programmes as well as procurement planning; believes that the Court's suggestion to use differentiated appropriations would allow more transparency as regards what constitutes a justified carry-over;
18. Points out that the tasks and budgets of the European Border and Coast Guard (Frontex) and EASO increased significantly in 2016; recognises that these agencies were confronted with administrative and operational challenges and high expectations without much time to adapt their systems and procedures and to hire the necessary staff; notes that as a result they faced problems in absorbing additional Union funds granted during the budgetary year, leading to considerable cancellations and carry-overs as well as difficulties in complying with budgetary and financial rules;
19. Invites the Commission, the Court and the Network to discuss and to propose possible solutions for this issue, in order to streamline, in particular, financial management in the areas of multiannual programming and procurement;
20. Notes with concern that the audited budgetary implementation reports of certain agencies differ from the level of detail provided by most other agencies, which hampers readability and comparability, and which demonstrates the need for clear guidelines on the agencies' budget reporting; acknowledges the efforts made in order to ensure

¹ ECA summary, p. 18

consistency on the presentation and reporting of accounts; stresses the importance of more standardised and comparable reporting to simplify and rationalise the discharge procedure and to facilitate the discharge authority's work; calls furthermore on the Network and the individual agencies to continue working on streamlined indicators and report the measures taken to the discharge authority;

21. Notes with concern that public procurement still remains an error-prone area; expresses its dissatisfaction with EASO, the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), the European Agency for the operational management of large-scale IT Systems in the area of freedom, security and justice (eu-LISA), the European Medicines Agency (EMA) and the Body of European Regulators for Electronic Communications (BEREC), which did not fully comply with the public procurement principles and rules laid down in the Financial Regulation; calls on the agencies to pay particular attention to the Court's comments on public procurement;
22. Notes with satisfaction that the majority of the agencies (27 out of 31) have a business continuity plan in place; considers that all agencies should have such a plan in place; calls on the Network to report to the discharge authority on the evolution of that situation;

Cooperation among agencies and with other institutions – shared services and synergies

23. Notes with satisfaction that some agencies already cooperate according to their thematic grouping, such as the justice and home affairs agencies¹ and the European supervisory authorities²; encourages other agencies which have not already started, to cooperate further with other agencies within the same thematic grouping whenever possible, not only in establishing shared services and synergies, but in their common policy areas as well; emphasises that there are two locations for the Railways Agency, four agencies on social policies and six agencies on Justice and Home Affairs issues; expresses its disappointment with the outcome so far in this respect of the Inter-Institutional Working Group on decentralised agencies, as no specific proposals were developed to merge or co-locate agencies concentrating on related policy fields; calls upon the Commission to prepare a survey of possible steps in this direction; encourages the Court to consider presenting landscape reviews of the agencies' common policy areas;
24. Notes that some agencies continue to have dual headquarters and multiple operational centres and offices; considers that all dual and multiple seats which do not offer any operational added value should be done away with at the earliest opportunity; expects the Commission's evaluation in this regard, which should focus on added value and the costs incurred;
25. Highlights the benefits of sharing services, which enable consistent application of administrative implementing rules and procedures that concern human resources and

¹ European Border and Coast Guard Agency (Frontex), European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), European Asylum Support Office (EASO), European Institute for Gender Equality (EIGE), European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), European Police College (CEPOL), European Police Office (Europol), European Union Agency for Fundamental Rights (FRA), The European Union's Judicial Cooperation Unit (Eurojust)

² European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA), European Securities and Markets Authority (ESMA)

finance issues, as well as the potential efficiency and cost-effectiveness gains of sharing services between the agencies, in particular when considering the budget and staff reductions that the agencies are facing; notes that seeking synergies amongst agencies could alleviate administrative burden especially on smaller agencies;

26. Acknowledges furthermore that the European Union Intellectual Property Office and the European Fisheries Control Agency signed a “proof of concept” pilot project on the provision of disaster recovery services; notes that it has allowed for the provision of these services with savings estimated at more than 65 % of the estimated costs on the basis of market prices; observes that the project has been extended to the Agency for Cooperation of Energy Regulators in the first half of 2017, and a number of other agencies are studying the possibility of joining later in 2017 or 2018; calls on the Network to report to the discharge authority on further developments regarding this project;
27. Welcomes the fact that the agencies started to use the Joint Procurement Portal - the central register of joint procurement opportunities - hosted by the agencies’ extranet, which includes functionalities such as document sharing and forum discussions which makes communication among agencies regarding procurement services more transparent and easier to manage;
28. Welcomes the achieved results in the field of savings and improved efficiency due to the use of the joint services through five large interagency joint procurements within the past two years, three under the leadership of EFSA, namely cloud services, audit services and professional network services; one under the leadership of the European Training Foundation (ETF), namely survey services; and one under the leadership of the European Foundation for the Improvement of Living and Working Conditions, namely evaluation and feedback services; points out that these five joint procurements had high participation rates, ranging from 8 to 30 agencies; welcomes the savings achieved, which are estimated to be EUR 6 700 000 for cloud services, EUR 970 000 for audit services, EUR 1 490 000 for professional network services, EUR 400 000 for survey services and EUR 1 160 000 for evaluation and feedback services; calls on the network and individual agencies to continue working together and further improve a list of joint goods and services which could be included in joint procurement procedures;
29. Recognises the progress made by the agencies in harmonising IT solutions to budget management and accounting systems; endorses the Court's recommendation to pursue a higher degree of IT solutions in key areas such as human resources management and procurement or contract management to reduce internal control risks and strengthen IT governance;

Human resources management

30. Recalls that paragraph 27 of the inter-institutional agreement¹ calls for a progressive reduction of staff by 5 % in all institutions, bodies and agencies to be effected between 2013 and 2017; notes that the decentralised agencies, following the Commission’s

¹ Interinstitutional agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

timetable¹, started the reduction one year later and plan to finish by 2018; welcomes the fact that most agencies have already met or exceeded the 5 % reduction; notes that, according to the Court's rapid case review on the implementation of the 5 % reduction of staff posts, the decentralised agencies already reduced their number of establishment plan posts by a total of 279 in the period 2013-2017 against a target of 303 posts by 2018; points out that a horizontal target has not proven to be the most suitable solution for the decentralised agencies, as their tasks and operational needs differ significantly;

31. Notes that the Commission applied an additional annual 1 % levy during the five-year period 2014-2018 to create a "redeployment pool", consisting of 218 posts in the period 2013-2017, from which it would allocate the posts to the agencies with new tasks entrusted to them or in a start-up phase²; notes that most new posts were granted to the European Border and Coast Guard Agency (Frontex), the European Police Office (Europol), EASO and the European Aviation Safety Agency (EASA);
32. Is concerned that with the additional staff reduction, fulfilment of the agencies' mandates and annual work programmes are proving increasingly difficult to deliver, particularly for the agencies classified by the Commission as "cruising speed agencies"; calls on the Commission and the budgetary authority to look into other options in order not to hinder the agencies' ability to fulfil their mandate; recommends that the budgetary authorities authorise additional resources to agencies that are entrusted by the legislators to carry out new tasks; calls moreover on the Commission to recognise the savings the Network and the individual agencies achieved by using joint procurement procedures, by increasing efficiency and human resources management, as well as to allow, where needed, for the staff reduction targets to adapt accordingly;
33. Observes that decentralised agencies increased the use of contract staff by 718 full-time equivalents to implement new tasks, in partial compensation for the 5 % staff cut and the levy for the creation of the redeployment pool; notes that this mostly concerns Frontex, Europol, EASO and EASA, the European Union Agency for Network and Information Security (ENISA) and the European Global Navigation Satellite Systems Agency (GSA); is of the opinion that contract staff should be used mainly as a temporary measure in agencies with the greatest demand for new staff due to an increase in workload; calls on the Commission to deliberate again on its plans for a further 1 % annual staff reduction;
34. Is concerned by a number of factors hindering the operational performance of agencies, such as establishment plan cuts, limited human resources, difficulties in recruiting qualified people at given grades, a low correction coefficient in certain countries and the implementation of activities through a lengthy and administratively demanding grant process; notes from the Network that the low correction coefficient for some countries results in the systematic use of higher grading in order to attract and retain suitable personnel; calls on the Commission to work on the revision of the formula used to

¹ For decentralised agencies, the Commission's communication COM(2013) 519 of 10 July 2013 applied the 5 % staff reduction target to the decentralised agencies over a 5 year period (2014-2018, with the reference year 2013).

² Following the terminology used by the Commission to classify decentralised agencies as "start-up phase", "new tasks" or "cruising speed" reflecting their stage of development and the growth of their EU contributions and staffing levels.

calculate the correction coefficient in order to find a more effective balance between a tempting salary and a low cost of living;

35. Observes significant differences in the rates of absence from work due to staff sick leave between agencies; is of the opinion that measures promoting health and safety in the work-place, regular medical checks and staff well-being activities form a preventive health policy that, when fully implemented, increases job satisfaction and allows for a much higher savings than the initial investment;

Conflicts of interest and transparency

36. Expresses concern that only 22 agencies (71 %) have adopted internal rules and guidelines on whistleblowing and reporting irregularities in accordance with the provisions of the Staff Regulations; notes that the remaining nine agencies foresee adoption of the relevant rules and guidelines; calls on the Network to report to the discharge authority on the adoption and implementation of these measures per individual agency;
37. Regrets that internal whistleblowing procedures have not yet been implemented as justice and home affairs agencies were waiting for guidance or input from the Commission; understands that, as an interim measure, some of the agencies have been pro-active by including general whistleblowing principles in their code of conducts and which are easily accessible on their website; urges the Commission to ensure the swift adoption of its guidelines on whistleblowing that will consequently be immediately adopted and effectively implemented by Union agencies, including the European Union's Judicial Cooperation Unit (Eurojust), CEPOL, EASO and eu-LISA, in the form of clear internal rules on the protection of whistleblowers;
38. Notes that the declarations of interest of management board members, management staff and in-house experts were published by 29 agencies (94 %) on their websites; calls on the remaining agencies who have not yet done so to publish them without further delay; welcomes the fact that medium-sized agencies and those more likely to face a conflict of interest due to their field of work perform reviews of the declarations of interest upon their submission, on an annual basis or even more frequently;
39. Welcomes the fact that 26 agencies (84 %) have guidelines in place for granting public access to documents; calls on the remaining agencies who do not yet have such guidelines to adopt them without further delay; approves the development of internal systems in place to handle the requests, including specially trained access-to-documents teams dedicated to handling the incoming requests in agencies facing a higher frequency and complexity of requests; calls on the Network to develop common guidelines for applying public access to documents to be implemented by the agencies, especially as regards intellectual property rights;
40. Points out that one of the main achievements of the Network in the fight against fraud and corruption in 2016 was the establishment of an Anti-Fraud Working Group of the Inter-Agency Legal Network, with the aim to enhance harmonised and standardised approaches for anti-fraud strategies among the agencies; welcomes the development of a strong anti-fraud culture within agencies; calls on the Network to report to the discharge authority on the work of this working group;

41. Welcomes the cooperation between agencies and the European Anti-Fraud Office (OLAF) in the sphere of prevention, especially when adopting their anti-fraud strategies, by aligning them with the methodology described in the guidance document provided by OLAF; encourages all the agencies to adopt OLAF's guidelines for agencies' anti-fraud strategies;
42. Urges in particular Eurojust, EASO and eu-LISA to step up their efforts to adopt guidelines for an efficient policy on the prevention and management of conflicts of interest without delay, to the benefit of transparency and so that there is also a more coherent approach to public declarations concerning conflicts of interest;

Communication and visibility

43. Notes that the agencies are actively promoting their work through various channels but reiterates its call for more visibility in Member States by developing a comprehensive plan to reach more European citizens, in particular by regularly updating their websites to provide information and promote the work they have delivered; notes in addition that social media is increasingly becoming a standard communication tool for the agencies; observes that open days, targeted campaigns and videos explaining the core work of agencies are some of the activities used in educating citizens and providing them with opportunities to learn more about the work of the agencies and the Union institutions; acknowledges that the general or specialised media relations activities are regularly measured through different indicators, as well as that each agency has its communication plan with specific activities tailored for its needs;
44. Notes that the agencies organised workshops and trainings on themes such as crisis communication, human rights and values, video production, working with journalists, internal communications, data visualisation and web technology to enhance their communications capacity and to stimulate the sharing of information about agencies' roles and functions with citizens; welcomes the PDN's activity and presence on various relevant social media platforms and successful joint (inter-agency) campaigns;

Other comments

45. Notes that in its opinion No 1/2017 on the revision of the Financial Regulation, the Court proposed to update the arrangement for the audit of the decentralised agencies; regrets that the legislative proposal does not foresee any reduction of the excessive administrative burden that continues to be borne by the decentralised agencies; notes that the audit of the decentralised agencies "remains under the full responsibility of the Court, which manages all administrative and procurement procedures required"; reiterates moreover that the new audit approach involving private sector auditors has resulted in a significant increase of the administrative burden on the agencies, as well as that the time spent on procurement and administration of audit contracts created additional expenditure, thus straining further the diminishing resources of the agencies; emphasises that it is imperative to resolve this issue in accordance with the Common Approach, within the context of the current revision of the Financial Regulation and the subsequent revision of the Framework Financial Regulation; calls on all parties involved in these revisions to provide clarity on this issue as a matter of urgency so as to significantly reduce the excessive administrative burden;

46. Notes that, according to the Court's summary, the external evaluations of the agencies are in general positive and agencies prepared action plans to follow up issues raised in the evaluation reports; notes that while most agencies' founding regulations provide for an external evaluation to be carried out periodically (usually every four to six years), the founding regulations of six decentralised agencies - BEREC Office, EASO, eu-LISA, ETF, ENISA and European Institute for Gender Equality - do not include such a provision and the founding regulation of the EMA requires an external evaluation only every ten years; is of the opinion that this issue should be addressed;
47. Notes the agreement reached at the General Affairs Council of 20 November 2017 to move EMA and the European Banking Authority (EBA) from London to Amsterdam and Paris respectively; is aware of the potential impact of the United Kingdom's departure from the Union on them, in terms of future costs and loss of expertise, causing a risk to business continuity; notes moreover the possible impact on the revenue and activities of several non-London based agencies, in particular EASA, the European Chemicals Agency, the European Insurance and Occupational Pensions Authority, the European Securities and Markets Authority and GSA; calls on the Commission to keep the individual agencies and the Network fully informed of the Brexit negotiation process and the future preparations to minimise any negative impact that may occur;
48. Notes the ongoing revision of the founding regulations of the three tripartite agencies (European Centre for the Development of Vocational Training (Cedefop), European Foundation for the Improvement of Living and Working Conditions (Eurofound) and European Agency for Safety and Health at Work (EU-OSHA)); recalls the importance of preserving the tripartite nature of the agencies in order to ensure the active participation of national authorities, European employers' organisations and European workers' organisations in their governance and functioning; recalls that staffing cuts were implemented with great difficulty and reiterates its opposition to further cuts which would limit the agencies' ability to carry out their mandates;
49. Notes the ongoing external evaluation of the four agencies working in the area of employment, social affairs and inclusion (Cedefop, Eurofound, EU-OSHA and European Training Foundation (ETF));
50. Recalls that discussion of the draft annual work programmes and the multiannual strategies of the agencies in the committees responsible helps to ensure that the programmes and strategies reflect political priorities;
51. Acknowledges the efforts of the agencies to balance their multiannual strategies to reflect the political priorities and goals represented by the Europe 2020 strategy;
52. Points out that eu-LISA and EASO are the only justice and home affairs agencies for which there are no obligations to conduct regular external audits in their founding regulations; calls on the co-legislators to evaluate options to address this important issue when revising their founding regulations;

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53. Instructs its President to forward this resolution to the agencies subject to this discharge procedure, 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).

24.1.2018

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2016: performance, financial management and control (2017/2179(DEC))

Rapporteur: Claude Rolin

SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes the ongoing revision of the founding regulations of the three tripartite Agencies (European Centre for the Development of Vocational Training (Cedefop), European Foundation for the Improvement of Living and Working Conditions (Eurofound) and European Agency for Safety and Health at Work (EU-OSHA)); recalls the importance of preserving the tripartite nature of the agencies in order to ensure the active participation of national authorities, European employers' organisations and European workers' organisations in their governance and functioning; recalls that staffing cuts were implemented with great difficulty and reiterates its opposition to further cuts which would limit the agencies' ability to carry out their mandates;
2. Notes the ongoing external evaluation of the four Agencies working in the area of employment, social affairs and inclusion (Cedefop, Eurofound, EU-OSHA and European Training Foundation (ETF));
3. Recalls that the discussion about the draft annual work programmes and the multiannual strategies of the agencies in the committees responsible helps to ensure that the programmes and strategies reflect the actual political priorities;
4. Welcomes the cooperation among the Agencies within and beyond the framework of the EU Agencies Performance Development Network, allowing to build synergies and to exchange ideas and best practices and aiming to achieve more balanced governance, improved efficiency, reduced costs and greater coherence between them;

5. Recognises the progress made by the agencies in harmonising IT solutions to budget management and accounting systems; endorses the Court's recommendation to pursue a higher degree of IT solutions in key areas such as human resources management and procurement or contract management to reduce internal control risks and strengthen IT governance;
6. Welcomes the continued cooperation between the ETF and the Cedefop as well as the cooperation between the Eurofound and Cedefop, within the framework of a collaboration agreement renewed in 2016;
7. Acknowledges the efforts of the agencies to balance their multiannual strategies to reflect the political priorities and goals represented by the Europe 2020 strategy.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	23.1.2018
Result of final vote	+: 39 -: 6 0: 4
Members present for the final vote	Guillaume Balas, Vilija Blinkevičiūtė, Enrique Calvet Chambon, David Casa, Ole Christensen, Michael Detjen, Martina Dlabajová, Lampros Fountoulis, Arne Gericke, Marian Harkin, Czesław Hoc, Agnes Jongerius, Rina Ronja Kari, Jan Keller, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Jean Lambert, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Thomas Mann, Dominique Martin, Anthea McIntyre, Joëlle Mélin, Elisabeth Morin-Chartier, João Pimenta Lopes, Georgi Pirinski, Marek Plura, Terry Reintke, Claude Rolin, Siôn Simon, Romana Tomc, Ulrike Trebesius, Marita Ulvskog, Tatjana Ždanoka
Substitutes present for the final vote	Maria Arena, Georges Bach, Lynn Boylan, Rosa D'Amato, Tania González Peñas, Krzysztof Hetman, Paloma López Bermejo, António Marinho e Pinto, Edouard Martin, Ivari Padar, Flavio Zanonato
Substitutes under Rule 200(2) present for the final vote	Geoffroy Didier, Morten Messerschmidt

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

39	+
ALDE	Enrique Calvet Chambon, Martina Dlabajová, Marian Harkin, António Marinho e Pinto
GUE/NGL	Lynn Boylan, Tania González Peñas, Rina Ronja Kari, Paloma López Bermejo
PPE	Georges Bach, David Casa, Geoffroy Didier, Krzysztof Hetman, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Thomas Mann, Elisabeth Morin-Chartier, Marek Plura, Claude Rolin, Romana Tomc
S&D	Maria Arena, Guillaume Balas, Vilija Blinkevičiūtė, Ole Christensen, Michael Detjen, Agnes Jongerius, Jan Keller, Javi López, Edouard Martin, Ivari Padar, Georgi Pirinski, Siôn Simon, Marita Ulvskog, Flavio Zanonato
VERTS/ALE	Jean Lambert, Terry Reintke, Tatjana Ždanoka

6	-
ECR	Arne Gericke, Czesław Hoc, Anthea McIntyre, Morten Messerschmidt, Ulrike Trebesius
NI	Lampros Fountoulis

4	0
EFDD	Rosa D'Amato
ENF	Dominique Martin, Joëlle Mélin
GUE/NGL	João Pimenta Lopes

Key to symbols:

+ : in favour

- : against

0 : abstention

7.2.2018

OPINION OF THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2016: performance, financial management and control (2017/2179(DEC))

Rapporteur: Kostas Chrysogonos

SUGGESTIONS

The Committee on Civil Liberties, Justice and Home Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Welcomes the Courts of Auditor's (the 'Court') conclusions that the final annual accounts of all agencies in the area of justice and home affairs (JHA agencies) present fairly their financial position on 31 December 2016 and that their transactions are legal and regular; notes, however, that in the case of the European Asylum Support Office (EASO) the Court issued a qualified opinion due non-compliance with public procurement principles as the percentage of irregular payments exceeded (2,9 %) its expenditure budget;
2. Regrets that the legality of underlying European Data Protection Supervisor's (EDPS) transactions was not examined by the Court, as no EDPS transaction was selected for audit as part of a random sample from administrative expenditure, as a whole, covering all institutions and bodies;
3. Points out that the tasks and budgets of the European Border and Coast Guard (Frontex) and EASO increased significantly throughout 2016; recognises that these agencies were confronted with administrative and operational challenges and high expectations without much time to adapt systems and procedures and to hire the necessary staff; notes that as a result they faced problems the absorbing additional Union funds granted during the budgetary year leading to considerable cancellations and/or carry-overs as well as difficulties to comply to budgetary and financial rules;

4. Regrets that two JHA agencies, Frontex and the European Union Agency for Law Enforcement Training (CEPOL), experienced difficulties in finding suitable candidates with the required profile, which is possibly related to the salary correction coefficient applied for the hosting country (66,7 % for Poland, and 69 % for Hungary); notes that the number of staff recruited from the host Member State was disproportionately higher than the number of staff from other Member States; points out that the high turnover of staff can put at risk the achievement of objectives set in EASO's annual and multi-annual work programmes; notes EASO's ongoing efforts to address deficiencies with regard to high staff turnover; believes that, should there be continuing recruitment problems, this issue should be examined further with a view to addressing specific barriers;
5. Acknowledges that EASO, European Agency for the operational management of large-scale IT Systems in the area of freedom, security and justice (eu-LISA) and to a much lesser extend European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) did not fully comply with public procurement principles and rules laid down by the Financial Regulation; notes that for eu-LISA, Frontex and EMCDDA the Court also identified weaknesses in monitoring contract implementations; highlights also the very significant weaknesses of EASO Internal Controls; welcomes however the commitment of these three agencies to improve themselves and take the necessary corrective measures;
6. Points out that eu-LISA and EASO are the only JHA agencies for which there are no obligations to conduct regular external audits in their founding regulations; calls on the co-legislators to evaluate options to address this important issue when revising their founding regulations;
7. Regrets that internal whistleblowing procedures have not yet been implemented as JHA agencies were waiting for guidance or input from the Commission; understands that, as an interim measure, some of the agencies have been pro-active by including general whistleblowing principles in their code of conducts and which are easily accessible on their website; urges the Commission to ensure the swift adoption of its guidelines on whistleblowing that will consequently be immediately adopted and effectively implemented by Union agencies, including the European Union's Judicial Cooperation Unit (Eurojust), CEPOL, EASO and eu-LISA, in the form of clear internal rules on the protection of whistleblowers;
8. Urges in particular Eurojust, EASO and eu-LISA to step up their efforts for adopting without delay guidelines for an efficient policy on the prevention and management of conflicts of interest to the benefit of transparency so that there is also a more coherent approach to public declarations concerning conflict of interest.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	1.2.2018
Result of final vote	+: 45 -: 5 0: 1
Members present for the final vote	Asim Ademov, Heinz K. Becker, Malin Björk, Michał Boni, Caterina Chinnici, Frank Engel, Cornelia Ernst, Raymond Finch, Lorenzo Fontana, Kinga Gál, Ana Gomes, Nathalie Griesbeck, Sylvie Guillaume, Monika Hohlmeier, Brice Hortefeux, Filiz Hyusmenova, Sophia in 't Veld, Dietmar Köster, Barbara Kudrycka, Cécile Kashetu Kyenge, Juan Fernando López Aguilar, Roberta Metsola, Claude Moraes, Péter Niedermüller, Ivari Padar, Soraya Post, Judith Sargentini, Birgit Sippel, Branislav Škripek, Csaba Sógor, Sergei Stanishev, Helga Stevens, Traian Ungureanu, Marie-Christine Vergiat, Udo Voigt, Josef Weidenholzer, Kristina Winberg, Tomáš Zdechovský, Auke Zijlstra
Substitutes present for the final vote	Kostas Chrysogonos, Carlos Coelho, Maria Grapini, Teresa Jiménez-Becerril Barrio, Andrejs Mamikins, Angelika Mlinar, Maite Pagazaurtundúa Ruiz, Jaromír Štětina
Substitutes under Rule 200(2) present for the final vote	Georges Bach, Jonathan Bullock, Julia Reda, Francis Zammit Dimech

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

45	+
ALDE	Nathalie Griesbeck, Filiz Hyusmenova, Sophia in 't Veld, Angelika Mlinar, Maite Pagazaurtundúa Ruiz
ECR	Branislav Škripek, Helga Stevens
GUE/NGL	Malin Björk, Kostas Chrysogonos, Cornelia Ernst, Marie-Christine Vergiat
PPE	Asim Ademov, Georges Bach, Heinz K. Becker, Michał Boni, Carlos Coelho, Frank Engel, Kinga Gál, Monika Hohlmeier, Brice Hortefeux, Teresa Jiménez-Becerril Barrio, Barbara Kudrycka, Roberta Metsola, Csaba Sógor, Jaromír Štětina, Traian Ungureanu, Francis Zammit Dimech, Tomáš Zdechovský
S&D	Caterina Chinnici, Ana Gomes, Maria Grapini, Sylvie Guillaume, Dietmar Köster, Cécile Kashetu Kyenge, Juan Fernando López Aguilar, Andrejs Mamikins, Claude Moraes, Péter Niedermüller, Ivari Padar, Soraya Post, Birgit Sippel, Sergei Stanishev, Josef Weidenholzer
VERTS/ALE	Julia Reda, Judith Sargentini

5	-
EFDD	Jonathan Bullock, Raymond Finch
ENF	Lorenzo Fontana, Auke Zijlstra
NI	Udo Voigt

1	0
EFDD	Kristina Winberg

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	20.3.2018	
Result of final vote	+: 18	–: 3
	0: 0	
Members present for the final vote	Zigmantas Balčytis, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Raffaele Fitto, Ingeborg Gräßle, Cătălin Sorin Ivan, Jean-François Jalkh, Wolf Klinz, Notis Marias, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Indrek Tarand, Marco Valli, Derek Vaughan	
Substitutes present for the final vote	Brian Hayes, Karin Kadenbach, Julia Pitera, Miroslav Poche	

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

18	+
ALDE	Martina Dlabajová, Wolf Klinz
ECR	Raffaele Fitto
GUE/NGL	Dennis de Jong
PPE	Tamás Deutsch, Ingeborg Gräßle, Brian Hayes, Julia Pitera, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt
S&D	Zigmantas Balčytis, Cătălin Sorin Ivan, Karin Kadenbach, Miroslav Poche, Derek Vaughan
VERTS/ALE	Bart Staes, Indrek Tarand

3	-
ECR	Notis Marias
EFDD	Marco Valli
ENF	Jean-François Jalkh

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention