



Plenary sitting

A8-0140/2019

1.3.2019

REPORT

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2017: performance, financial management and control
(2018/2210(DEC))

Committee on Budgetary Control

Rapporteur: Petri Sarvamaa

CONTENTS

	Page
1. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS	12
OPINION OF THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS	16
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE.....	21
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE	22

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 2017: performance, financial management and control (2018/2210(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 2017,
 - having regard to the Commission's report on the follow-up to the discharge for the 2016 financial year (COM(2018)0545),
 - having regard to the Court of Auditors' annual report¹ on the annual accounts of the agencies for the financial year 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012³, and in particular Article 70 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 Council⁴, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and also the opinions of the Committee on Employment and Social Affairs and the Committee on Civil Liberties, Justice and Home Affairs (A8-0140/2019),
- A. whereas this resolution contains, for each body within the meaning of Article 70 of Regulation (EU, Euratom) No 2018/1046, cross-cutting observations accompanying the discharge decisions in accordance with Article 110 of Commission Delegated Regulation (EU) No 1271/2013 and Section V of Annex V to Parliament's Rules of Procedure;

¹ OJ C 357, 4.10.2018, p.1.

² OJ L 298, 26.10.2012, p. 1.

³ OJ L 193, 30.7.2018, p. 1.

⁴ OJ L 328, 7.12.2013, p. 42.

- B. whereas the recommendations of the Interinstitutional Working Group (IIWG2) on resources of decentralised agencies were endorsed by the Conference of Presidents on 18 January 2018; recalls the 6 recommendations issued under its mandate, specifically in relation to the 5 % staff reduction target, treatment of new tasks, regular evaluation of agencies, sharing of services, evaluation of agencies with multiple locations, and fee-financed agencies;
- C. whereas in the context of the discharge procedure, the discharge authority stresses the importance of further strengthening the efficiency, effectiveness, economy and accountability of Union institutions, and of implementing the 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, decision making and programme implementation in areas of vital importance to European citizens, such as security, safety, health, research, economic affairs, environment, gender equality, energy, transport, freedom and justice; reiterates the importance of the tasks performed by the agencies and their direct impact on the daily lives of Union citizens; reiterates also the importance of the autonomy of the agencies, in particular of the regulatory agencies and those with the function of independent collection of information; recalls that the main reasons for establishing the agencies were for the purpose of operating Union systems, facilitating the implementation of the European Single Market and making independent technical or scientific assessments; welcomes in this regard the effective overall performance of the agencies, and the progress made in enhancing their visibility to European citizens;
 2. Notes with satisfaction that, according to the annual report of the European Court of Auditors' (the 'Court') on Union agencies for the financial year 2017 (the 'Court's report'), the Court issued an unqualified audit 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 revenue underlying the accounts for all agencies; observes that the Court issued an unqualified opinion on the legality and regularity of the payments underlying the accounts for all agencies, except for the European Asylum Support Office (EASO); points out with regret that for EASO's payments, the Court issued an adverse opinion;
 3. Notes that for the 32 decentralised Union agencies, the 2017 budgets amounted to around EUR 2,35 billion in commitment appropriations, representing an increase of approximately 13,36 % compared to 2016, and to EUR 2,24 billion in payment appropriations, showing an increase of 10,31 % in comparison to 2016; notes moreover that of the EUR 2,24 billion, some EUR 1,62 billion were financed from the general budget of the Union, representing 72,08 % of the agencies' total financing in 2017 (69,81 % in 2016); acknowledges furthermore that some EUR 627 million were financed by fees and charges and by direct contributions from participating countries;
 4. Recalls its request to streamline and accelerate the discharge procedure towards deciding on granting discharge in the year immediately following the year for which the discharge is granted, closing the procedure within the year following the accounting year in question; welcomes in this regard the positive efforts made and the good cooperation with the European Union Agencies Network (the 'Network') and the

individual agencies, and in particular the Court, which shows clear potential for streamlining and accelerating the procedure on their part; appreciates the progress made so far and invites all relevant actors to continue their efforts towards further advancing the procedure;

Main risks identified by the Court

5. Notes with satisfaction that according to its report, the Court considers the overall risk to the reliability of accounts to be low for all agencies, since the agencies' accounts are based on internationally accepted accounting standards, and considering the fact that only a few material errors arose in the past;
6. Notes that according to its report, the Court considers the overall risk to the legality and regularity of transactions underlying the agencies' accounts to be medium, varying from low to high for specific budget titles; notes that the risk for Title I (staff expenditure) is generally low, for Title II (administrative expenditure) the risk is considered to be medium, and for Title III (operational expenditure) the risk is considered to be low to high, depending on the agencies and the nature of their operational expenditure ; points out that risk sources usually derive from procurement and grant payments;
7. Observes that according to the Court's report the risk to sound financial management is medium and is mainly identified in the areas of information technology (IT) and public procurement; regrets that IT and public procurement remain areas prone to error;
8. Stresses that, from a broader perspective, the number of small agencies, each with their own administrative structures and procedures, constitutes a risk to administrative inefficiency and risks potential overlapping of incoherent methods, unless harmonisation is ensured and unless resources are shared efficiently;

Budget and financial management

9. Notes with satisfaction that according to the Court's report the number of observations on the legality and regularity of payments decreased to 8 in 2017, from 11 in 2016, which illustrates the agencies' continued efforts to comply with the Financial Regulation;
10. Calls on the Commission, the Network and the individual agencies to work together and provide constructive feedback throughout the negotiations for the post-2020 Multiannual Financial Framework, and to explore new sources of financing for the agencies in addition to the existing Union budget contributions; insists that future decisions on resources should not be made on a global basis, but rather should be linked to the tasks the agencies are entrusted to carry out based on legislation in force; stresses in this regard the importance of the agencies' thematic bundling and cooperation according to fields of policy;
11. Notes that the audited budgetary implementation reports of certain agencies differ from the level of detail provided by most other agencies, which demonstrates the need for clear guidelines on agencies' budget reporting; acknowledges the efforts made in order to ensure consistency in the presentation and reporting of accounts; observes discrepancies in certain information and documents disclosed by the agencies,

especially regarding staff related figures, including in reports on the establishment plan (posts filled in, or maximum posts authorised under the Union budget); points out that some agencies do not state clearly in their reports the budgetary performance indicators used, and that the agencies have not always computed the respective amounts and percentages coherently through using the same elements for calculation; calls on the Commission, the Network and the individual agencies to work on streamlined and harmonised indicators and report to the discharge authority on the measures taken in this regard; furthermore, calls on the Commission in the coming years to automatically provide the discharge authority with the official budget (in commitment appropriations and in payment appropriations) and staff figures (establishment plan, contract agents and seconded national experts as of 31 December of the year in question) of the 32 decentralised agencies;

12. Recalls the proposal from the Network in relation to the reporting of cancelled carry-overs exceeding 5 % of the total budget of the previous year; believes however that reporting the share of cancelled carry-overs over the total amount carried over from year N-2 to N-1 constitutes a more relevant indicator as regards the implementation of the budgetary principle of annuality; highlights that the level of carry-over cancellations is indicative of the extent to which the agencies have correctly anticipated their financial needs; invites the Court and the Commission to propose and define a consistent formula for the calculation of cancelled carry-overs and calls on the agencies to include this information in their respective Consolidated Annual Activity Reports for the coming financial years;
13. Stresses the need to establish clear definitions of acceptable carry-overs in order to streamline the Court's and the agencies' reporting on this issue, as well as to enable the discharge authority to distinguish the carry-overs indicating poor budgetary planning from carry-overs as a budgetary tool which support multiannual programmes as well as procurement planning;

Performance

14. Encourages the agencies and the Commission to apply the principle of performance-based budgeting, to consistently seek the most effective ways to provide added value, and to further explore possible improvements in efficiency in relation to resources management;
15. Notes with satisfaction that the Network was set up by the agencies as an inter-agency cooperative platform to enhance the agencies' visibility, to identify and promote possible improvements in efficiency and to add value; recognises the added-value of the Network in its cooperation with the Parliament and welcomes its efforts in coordinating, collecting and consolidating actions and information for the benefit of Union institutions; furthermore appreciates the guidance provided by the Network to the agencies in their efforts to optimise their capacity to plan, monitor and report on results, budget and resources used;
16. Notes with satisfaction that some agencies cooperate according to their thematic grouping, such as the Justice and Home Affairs agencies¹ and the European Supervisory

¹ European Border and Coast Guard Agency (Frontex), European Agency for the Operational Management of

Authorities¹; encourages other agencies also to increase cooperation with each other whenever possible, not only in establishing shared services and synergies, but in their common policy areas as well; welcomes the new aggregated format of the Court's report which presents the agencies according to the headings of the Multi-Annual Financial Framework and thus groups them by areas of policy;

17. Emphasizes to take into account the efficiency when (re)locating agencies in Member States; expresses its disappointment with the outcome in this respect of the IIWG on decentralised agencies, as no specific proposals were developed to merge or co-locate agencies concentrating on related policy fields; urges the Commission to submit without delay an evaluation of agencies with multiple locations, as recommended by the IIWG, as well as proposals for possible mergers, closures and/or transfers of tasks to the Commission, on the basis of a careful in-depth analysis and using clear and transparent criteria, as was envisaged in the IIWG's terms of reference but which was never properly examined owing to a lack of proposals to that effect from the Commission;
18. Regrets that, while the agencies increased their use of similar budget management and accounting systems, they continue to use a multitude of IT solutions in other key areas, such as human resources management and procurement and contract management; shares the Court's view that further harmonisation of IT solutions in these areas would enhance cost-efficiency, reduce internal control risks and strengthen IT governance;

Staff policy

19. Notes that the 32 decentralised agencies employed 7 324 officials, temporary agents, contract agents and seconded national experts in 2017 (6 941 in 2016), representing an increase of 5,52 % compared with the previous year;
20. Notes that in order to properly handle new tasks, seek constant efficiency gains, fill vacant positions quickly and effectively and enhance their ability to attract experts, the agencies should continuously monitor and assess their staffing levels and their needs in terms of additional human and financial resources, and make relevant requests where necessary to be able to carry out their tasks and responsibilities adequately;
21. Recalls that during the follow-up meeting of the IIWG2 that took place on 12 July 2018, the Commission presented a note on the evolution of the number of establishment plan posts in which it considered that the 5 % staff reduction has been reached; points out that this conclusion was supported by the Parliament;²
22. Notes that the Commission applied an additional annual 1 % levy during the five-year period 2014-2018 to create a "redeployment pool" from which it would allocate the

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)

¹ European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA), European Securities and Markets Authority (ESMA)

² letter from J. Arthuis to A. Tajani: Ref. D(2018)30134

posts to agencies with new tasks entrusted to them or which were in a start-up phase¹;

23. Observes that the decentralised agencies increased the use of contract staff to implement new tasks to partially compensate for the 5 % staff cut and for the levy for the creation of the redeployment pool; calls on the Network to develop a general policy to not replace permanent staff by more expensive external consultants;
24. Note the challenge of insufficient staff some of the agencies are facing, especially when new tasks are attributed without additional personnel envisaged for their implementation; regrets that the Commission has not taken into consideration the request of the affected agencies for increase of their staff which puts in risk their good performance;
25. Notes with concern the number of factors hindering the operational performance of certain agencies, such as difficulties in hiring qualified people at given grades, partly because of the low correction coefficient in certain Member States, and implementation of activities through grant processes which were lengthy and administratively demanding; calls on the Network and the individual agencies to consider relevant solutions and report to the discharge authority on progress made in this regard;
26. Calls on all agencies to disclose their level of staff turnover and to clearly indicate the positions, which are effectively occupied by 31 December of the relevant financial year, in order to ensure inter-agency comparability;
27. Regrets the gender imbalance in some agencies; calls on all agencies to constantly work on a balanced distribution on all levels of staff and report to the discharge authority on implemented measures and progress;
28. Notes with concern that most agencies do not publish their vacancy notices on the website of the European Personnel Selection Office (EPSO); understands however the agencies' concern regarding high translation costs; welcomes in this regard the inter-agency job board launched and maintained by the Network and invites the agencies to take full advantage of the platform; calls on EPSO also to promote the Network's job board on its general website for Union vacancy notices;
29. Encourages the Union agencies to consider adopting a fundamental rights strategy, including a reference to fundamental rights in a code of conduct that could define the duties of their staff and training for staff; setting up mechanisms ensuring that any violation of fundamental rights be detected and reported, and that risks of such violations be swiftly brought to the attention of the main bodies of the agency; establishing, whenever relevant, the position of a fundamental rights officer, reporting directly to the management board to ensure a certain degree of independence vis-a-vis other staff, in order to ensure that threats to fundamental rights are immediately addressed, and that a constant upgrading of the fundamental rights policy within the organisation takes place; developing a regular dialogue with civil society organisations and relevant international organisations on fundamental rights issues; making

¹ 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 Union contributions and staffing levels.

compliance with fundamental rights a central component of the terms of reference of the collaboration of the agency concerned with external actors, including in particular members of national administrations with whom they interact at operational level;

Procurement

30. Notes with concern that according to the Court's report shortcomings persist in the management of procurements, with 14 agencies showing weaknesses in this area, mostly relating to procurements of services; observes that the sources of these weaknesses include the lack of adequate balance between price and quality when awarding contracts, a non-optimal design of framework contracts, unjustified intermediary services and the use of framework contracts without enough detail; calls on the agencies to pay particular attention to the Court's comments and further improve their management of public procurement;
31. Welcomes the fact that the agencies increasingly 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, and which makes communication among agencies regarding procurement services more transparent and easier to manage;
32. Shares the Court's view regarding the use of similar tools and a single solution for the procurement of supplies or services (e-procurement) to achieve a more harmonised IT framework among agencies; calls on the Network to report to the discharge authority on progress made in this regard;

Prevention and management of conflicts of interests and transparency

33. Notes that 77 % of agencies had already set up and implemented internal rules or guidelines on whistleblowing and the other 23 % are in the process of adopting them; urges the remaining agencies to set up and implement internal rules on whistleblowing without further delay; calls on the Network to report to the discharge authority on the adoption and implementation of these measures;
34. Welcomes the fact that 29 agencies (94 %) have guidelines in place for granting public access to documents; calls on the remaining agencies who do not 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-document 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;
35. Notes that Declarations of Interest (DoI) of the management board members and senior management are in place in almost all agencies and that these are published by most of the agencies on their website, along with relevant CVs; calls on the Network to continue reporting to the discharge authority on this issue; stresses that management board members and senior management should submit declarations of interest instead of declarations of the absence of conflict of interests; reiterates that it is not for the members or management to declare themselves out of conflict of interest; recalls that a neutral body should assess the existence of conflict of interest;

36. Recalls that a number of agencies, in particular those issuing authorisations to third parties for bringing products on the market, are vulnerable if they do not have and implement clear and effective rules to prevent conflicts of interest; 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;
37. Calls on the agencies to implement a comprehensive and horizontal policy concerning the avoidance of conflicts of interest; and, to use the European Chemicals' Agency's (ECHA) Independence Policy as a best practice and an exemplary system of monitoring and preventing any conflicts of interest; recalls that in accordance with this Independence Policy annual declarations of interests of all staff and experts concerned are compulsory and should be updated if the situation changes, and anyone with a declared interest in an issue is excluded from the decision or opinion making on that matter; encourages, furthermore, the agencies to set up a Conflicts of Interest Advisory Committee;

Internal controls

38. Acknowledges the Court's comment on the need to strengthen the accounting officers' independence by making them directly responsible to the agencies' Directors and management boards in relation to 11 agencies; notes the Network's reply stating that there is no background or risk analysis to justify this comment; invites the Court and the Network to come to a common approach on the issue and to report to the discharge authority on developments in this regard;
39. Notes with satisfaction that a large majority of the agencies (28) do not present weaknesses in the implementation of their internal control standards concerning their business continuity plans; calls on the remaining agencies to improve their situation in order to mitigate any potential risks and to report to the discharge authority on the measures taken;

Other comments

40. Points out that on 29 March 2017 the United Kingdom (UK) notified the European Council of its decision to withdraw from the Union; notes with concern that, unlike most other agencies, five of the agencies did not carry out a comprehensive analysis of the likely impact of the UK's withdrawal on their organisation, operations and accounts;
41. Notes the agreement reached at the General Affairs Council of 20 November 2017 to move the European Medicines Agency (EMA) and the European Banking Authority (EBA) from London to Amsterdam and Paris respectively; notes with concern the potential impact of the United Kingdom's withdrawal from the Union on these agencies, in terms of future costs and loss of expertise, creating a risk to business continuity; notes moreover the possible impact on the revenue and activities of several non-London based agencies; calls on the agencies to prepare to mitigate any potential risks that may follow and report to the discharge authority on the implementation of such preparatory measures;
42. Notes with concern that some agencies continue to have dual operational and

administrative headquarters; considers it essential that dual headquarters not offering any operational added value should be done away with at the earliest opportunity;

43. Regrets that the new Financial Regulation¹ does not foresee a reduction of the administrative burden that continues to be borne by the decentralised agencies; notes that the audit of the decentralised agencies "remain under the full responsibility of the Court, which manages all administrative and procurement procedures required"; reiterates that the new audit approach involving private sector auditors has resulted in a significant increase in the administrative burden on the agencies, and that the time spent on procurement and administration of audit contracts has resulted in additional expenditure thus straining further the limited resources of the agencies; emphasises that it is necessary to resolve this issue; calls on the parties involved to provide solutions on the issue so as to significantly reduce the administrative burden;
44. Acknowledges that the external evaluations of the agencies are in general positive and the agencies have prepared action plans to follow up on 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 five decentralised agencies do not include such provision and the founding regulation of EMA requires an external evaluation only every ten years; calls on the Commission and on those agencies concerned to address this issue and report to the discharge authority on the measures taken;
45. Welcomes the revision of the founding regulations of the three tripartite agencies - the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the European Centre for the Development of Vocational Training (Cedefop) and the European Agency for Safety and Health at Work (EU-OSHA);
46. Recalls that the yearly exchange of views regarding 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 - especially in the context of the European Pillar of social Rights and the Europe 2020 strategy;

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47. 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).

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

25.1.2019

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 2017: performance, financial management and control (2018/2210(DEC))

Rapporteur for opinion: Marian Harkin

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. Welcomes the revision of the founding regulations of the three tripartite agencies - the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the European Centre for the Development of Vocational Training (Cedefop) and the European Agency for Safety and Health at Work (EU-OSHA);
2. Notes the results of the external evaluation on the four agencies working in the area of employment, social affairs and inclusion (Cedefop, Eurofound, EU-OSHA and European Training Foundation (ETF)); recognises the success of the agencies in implementing these recommendations across eight broad operational sectors;
3. Stresses the importance of ensuring adequate staff and financial resources allowing the agencies to implement its tasks;
4. Recalls that the yearly exchange of views regarding 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 - especially in the context of the European Pillar of social Rights and the Europe 2020 strategy;
5. Welcomes and encourages the cooperation amongst the agencies within and beyond the

framework of the EU Agencies Network (the 'Network') which facilitates the building of synergies, exchange of ideas and best practices in order to achieve a more balanced governance, improved efficiency, reduced costs and greater coherence between them;

6. Notes that most of the agencies publish vacancy notices on their own websites and on social media, but frequently not on the website of the European Personnel Selection Office (EPSO); encourages the agencies to publish their vacancy notices on the EPSO website which would increase transparency and publicity, bearing in mind the cost effectiveness;
7. Welcomes the fact that, according to the European Court of Auditors' recommendations, the number of observations on the legality and regularity of payments decreased, which illustrates the agencies' continued efforts to comply with the legal framework, particularly the provisions laid down by the Financial and Staff Regulations;
8. Urges the agencies to make the accounting officers independent from anyone having (sub-) delegation to authorise commitments and payments as the hierarchical position of an accounting officer within an agency can affect its independence;
9. Recognises the progress made by the agencies in harmonising information technology (IT) solutions in the areas of management and accounting systems; endorses the Court's recommendation to pursue increased use 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; recalls that the use of similar electronic tools to procure supplies or services (e-procurement) would be an important move to achieve a more harmonised IT framework among the agencies; encourages them to continue with further introducing and implementing e-invoicing and e-tendering.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	23.1.2019
Result of final vote	+: 42 -: 1 0: 2
Members present for the final vote	Laura Agea, Guillaume Balas, David Casa, Ole Christensen, Martina Dlabajová, Lampros Fountoulis, Arne Gericke, Marian Harkin, Czesław Hoc, Agnes Jongerius, Agnieszka Kozłowska-Rajewicz, Jean Lambert, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Thomas Mann, Miroslavs Mitrofanovs, Elisabeth Morin-Chartier, Emilian Pavel, João Pimenta Lopes, Georgi Pirinski, Marek Plura, Dennis Radtke, Terry Reintke, Robert Rochefort, Claude Rolin, Romana Tomc, Yana Toom, Ulrike Trebesius, Marita Ulvskog, Jana Žitňanská
Substitutes present for the final vote	Georges Bach, Amjad Bashir, Lynn Boylan, Mircea Diaconu, Eduard Kukan, Christelle Lechevalier, Paloma López Bermejo, António Marinho e Pinto, Alex Mayer, Csaba Sógor, Flavio Zanonato
Substitutes under Rule 200(2) present for the final vote	Angélique Delahaye, Monika Smolková

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

42	+
ALDE	Mircea Diaconu, Martina Dlabajová, Marian Harkin, António Marinho e Pinto, Robert Rochefort, Yana Toom
ECR	Amjad Bashir, Arne Gericke, Czesław Hoc, Ulrike Trebesius, Jana Žitňanská
GUE/NGL	Lynn Boylan, Paloma López Bermejo, João Pimenta Lopes
PPE	Georges Bach, David Casa, Angélique Delahaye, Agnieszka Kozłowska-Rajewicz, Eduard Kukan, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Thomas Mann, Elisabeth Morin-Chartier, Marek Plura, Dennis Radtke, Claude Rolin, Csaba Sógor, Romana Tomc
S&D	Guillaume Balas, Ole Christensen, Agnes Jongerius, Javi López, Alex Mayer, Emilian Pavel, Georgi Pirinski, Monika Smolková, Marita Ulvskog, Flavio Zanonato
VERTS/ALE	Jean Lambert, Mirosłav Mitrofanovs, Terry Reintke

1	-
NI	Lampros Fountoulis

2	0
EFDD	Laura Agea
ENF	Christelle Lechevalier

Key to symbols:

+ : in favour

- : against

0 : abstention

17.1.2019

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 2017: performance, financial management and control
(2018/2210(DEC))

Rapporteur for opinion: Romeo Franz

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 Court of Auditors' (the 'Court') conclusions that the final annual accounts of all agencies in the area of justice and home affairs present fairly, in all material respects, their financial position on 31 December 2017 and that their transactions are legal and regular;
2. Acknowledges, however, that for the European Asylum Support Office (EASO), the Court issued an adverse opinion regarding the legality and regularity of its payments due to material and systematic instances of non-compliance of payments with EASO's Financial Regulation and other applicable rules and provisions, mainly related to public procurement and recruitment procedures underlying payments; regrets that the combined error from non-compliant payments amounts to at least 7,7 million euros or 10,3 % of the EASO total payments made in 2017, which is a substantial increase on the error rate from 2016; notes the exponential deterioration of the human resource situation in EASO in 2017; regrets that EASO did not in 2017 have the administrative capacity to fill its high number of vacancies causing a significant risk to the continuation of its operations at the current scale; welcomes EASO's strong commitment to address its organisational and managerial weaknesses without delay; notes that the Parliament refused the discharge for the 2016 budget of EASO in October 2018;
3. Points out that for the European Border and Coast Guard (Frontex), the Court has

reported again in 2017 that proof of expenditures claimed by cooperating countries were often insufficient; welcomes the decision of Frontex to introduce a simplified cost reimbursement model to address this issue which has been recurring since 2014; notes as well in this context that the Court reported cancellations of budget appropriations carried over from previous years, which indicates a clear overestimation by public administrations of Member States and other cooperating countries of Frontex' budgetary needs in these years;

4. Takes note that the European Union Agency for Law Enforcement Training (CEPOL) remains the only agency in the area of justice and home affairs which has delegated its accounting functions to the Commission accounting officer on a contractual basis; encourages the other agencies to do the same as this will increase the effectiveness of the preparation of the accounts and ensure the reliability thereof;
5. Stresses that for the development and implementation of IT projects the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) had to apply an outsourcing model where some 90 % of the related work, such as the operational management of systems, was carried out by three contractors because it lacked the necessary human resources; acknowledges that IT projects are owned by and are under the control of the Agency but fears that a model under which the evolution and development activities for such sensitive IT systems is outsourced to such extent creates risks of over-reliance on contractors and over-dependency on them; highlights that the small number of staff in key operational units creates risks for the continuity of operations; welcomes the actions taken so far by eu-LISA in this respect and requests eu-LISA to take adequate long-term measures at both organisational and possibly technological/operational level to mitigate those risks in the long run to ensure the continuity of the Agency's operations and the functioning of the Schengen area; requests eu-LISA to ensure that the contractors are not bound by any laws of third countries that could bring them into conflict with the necessary confidentiality arrangements with eu-LISA;
6. Regrets that for eu-LISA, the European Union Agency for Fundamental Rights and CEPOL the Court also (in addition to EASO) observed weaknesses in public procurement, mostly relating to services, that put at risk the principle of value for money; notes that frequent shortcomings identified include lack of adequate balance between price and quality aspects for contract award criteria, a non-optimal design of framework contracts, the use of framework contracts that allowed the purchase of services for which specifications and/or price were not sufficiently detailed and the unjustified use of intermediary services; calls on these agencies to take the remedial actions to avoid similar issues in the future;
7. Regrets that different Justice and Home Affairs agencies only publish vacancy notices on their own website and in a limited number of languages; requests all the Justice and Home Affairs agencies to systematically publish all their vacancy notices on the website of the European Personnel Selection Office (EPSO) in all Union languages, in order to increase transparency for all Union citizens; acknowledges the additional costs relating to the translation of vacancy notes in all the official languages of the Union and invites the European Commission to consider measures aimed at reducing the financial burden for the translation of vacancy notices upon the agencies, including by establishing an ad

hoc framework agreement with the Translation Centre for the Bodies of the European Union (CdT).

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	10.1.2019
Result of final vote	+: 43 -: 3 0: 0
Members present for the final vote	Asim Ademov, Martina Anderson, Heinz K. Becker, Monika Beňová, Michał Boni, Caterina Chinnici, Rachida Dati, Frank Engel, Laura Ferrara, Romeo Franz, Kinga Gál, Ana Gomes, Nathalie Griesbeck, Sylvie Guillaume, Monika Hohlmeier, Sophia in 't Veld, Cécile Kashetu Kyenge, Monica Macovei, Roberta Metsola, Claude Moraes, Ivari Padar, Judith Sargentini, Birgit Sippel, Csaba Sógor, Helga Stevens, Traian Ungureanu, Bodil Valero, Marie-Christine Vergiat, Udo Voigt, Josef Weidenholzer, Kristina Winberg, Tomáš Zdechovský, Auke Zijlstra
Substitutes present for the final vote	Dennis de Jong, Anna Hedh, Lívia Járóka, Marek Jurek, Jean Lambert, Jeroen Lenaers, Andrejs Mamikins, Angelika Mlinar, Maite Pagazaurtundúa Ruiz, Christine Revault d'Allonnes Bonnefoy
Substitutes under Rule 200(2) present for the final vote	Norbert Erdős, Fernando Ruas, Adam Szejnfeld

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

43	+
ALDE	Nathalie Griesbeck, Sophia in 't Veld, Angelika Mlinar, Maite Pagazaurtundúa Ruiz
ECR	Marek Jurek, Monica Macovei, Helga Stevens
EFDD	Laura Ferrara
GUE/NGL	Martina Anderson, Dennis de Jong, Marie-Christine Vergiat
PPE	Asim Ademov, Heinz K. Becker, Michał Boni, Rachida Dati, Frank Engel, Norbert Erdős, Kinga Gál, Monika Hohlmeier, Livia Járóka, Jeroen Lenaers, Roberta Metsola, Fernando Ruas, Csaba Sógor, Adam Szejnfeld, Traian Ungureanu, Tomáš Zdechovský
S&D	Monika Beňová, Caterina Chinnici, Ana Gomes, Sylvie Guillaume, Anna Hedh, Cécile Kashetu Kyenge, Andrejs Mamikins, Claude Moraes, Ivari Padar, Christine Revault d'Allonnes Bonnefoy, Birgit Sippel, Josef Weidenholzer
VERTS/ALE	Romeo Franz, Jean Lambert, Judith Sargentini, Bodil Valero

3	-
ECR	Kristina Winberg
ENF	Auke Zijlstra
NI	Udo Voigt

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	20.2.2019
Result of final vote	+: 21 -: 0 0: 0
Members present for the final vote	Nedzhmi Ali, Inés Ayala Sender, Zigmantas Balčytis, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Ingeborg Gräßle, Jean-François Jalkh, Wolf Klinz, Monica Macovei, Georgi Pirinski, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan, Tomáš Zdechovský, Joachim Zeller
Substitutes present for the final vote	Karin Kadenbach
Substitutes under Rule 200(2) present for the final vote	Petra Kammerevert

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

21	+
ALDE	Nedzhmi Ali, Martina Dlabajová, Wolf Klinz
ECR	Monica Macovei
EFDD	Marco Valli
ENF	Jean-François Jalkh
GUE/NGL	Dennis de Jong
PPE	Tamás Deutsch, Ingeborg Gräßle, Marian-Jean Marinescu, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Tomáš Zdechovský
S&D	Inés Ayala Sender, Zigmantas Balčytis, Karin Kadenbach, Petra Kammerevert, Georgi Pirinski, Derek Vaughan
VERTS/ALE	Bart Staes

0	-

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention