



Plenary sitting

A9-0011/2019

30.9.2019

SECOND REPORT

on discharge in respect of the implementation of the budget of the European
Asylum Support Office for the financial year 2017
(2018/2208(DEC))

Committee on Budgetary Control

Rapporteur: Petri Sarvamaa

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2017
(2018/2208(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2017,
- having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2017, together with the Office's reply¹,
- 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 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0098/2019),
- having regard to its decision of 26 March 2019³ postponing the discharge decision for the financial year 2017, and the replies from the Executive Director of the European Asylum Support Office,
- 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 1605/2002⁴, 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 966/2012⁵, and in particular Article 70 thereof,
- having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office⁶, in particular

¹ OJ C 434, 30.11.2018, p. 116.

² OJ C 434, 30.11.2018, p. 116.

³ Texts adopted, P8_TA(2019)0261.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 193, 30.7.2018, p. 1.

⁶ OJ L 132, 29.5.2010, p. 11.

Article 36 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 Council⁷, and in particular Article 108 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁸, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the second report of the Committee on Budgetary Control (A9-0011/2019).
1. Refuses to grant the Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Office's budget for the financial year 2017;
 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 Asylum Support Office, 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).

⁷ OJ L 328, 7.12.2013, p. 42.

⁸ OJ L 122, 10.5.2019, p. 1.

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Asylum Support Office for the financial year 2017
(2018/2208(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2017,
- having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2017, together with the Office's reply¹,
- 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 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0098/2019),
- having regard to its decision of 26 March 2019³ postponing the discharge decision for the financial year 2017, and the replies from the Executive Director of the European Asylum Support Office,
- 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 1605/2002⁴, 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 966/2012⁵, and in particular Article 70 thereof,
- having regard to Regulation (EU) No 439/2010 of the European Parliament and of the

¹ OJ C 434, 30.11.2018, p. 116.

² OJ C 434, 30.11.2018, 30.11.2018, p. 116.

³ Texts adopted, P8_TA(2019)0261.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 193, 30.7.2018, p. 1.

Council of 19 May 2010 establishing a European Asylum Support Office⁶, in particular Article 36 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 Council⁷, and in particular Article 108 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁸, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the second report of the Committee on Budgetary Control (A9-0011/2019).
1. Points out that a proposal to close the accounts of the European Asylum Support Office for the financial year 2017 shall be submitted at a subsequent part-session;
 2. Instructs its President to forward this decision to the Executive Director of the European Asylum Support Office, 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).

⁶ OJ L 132, 29.5.2010, p. 11.

⁷ OJ L 328, 7.12.2013, p. 42.

⁸ OJ L 122, 10.5.2019, p. 1.

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with observations forming an integral part of the decision on discharge for implementation of the budget for the European Asylum Support Office for the financial year 2017
(2018/2208(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2017,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the second report of the Committee on Budgetary Control (A9-0011/2019).
- A. whereas all Union decentralised agencies ought to be transparent and fully accountable to the citizens of the Union for the funds entrusted to them as Union bodies;
- B. whereas Parliament's role in respect of the budget discharge is specified in the Treaty on the Functioning of the European Union, in the Financial Regulation and in the Framework Financial Regulation;
1. Underlines the importance of acting responsibly and transparently in the implementation of the Union budget;
 2. Recalls the role of Parliament within the discharge procedure, as governed by the Treaty on the Functioning of the European Union, the Financial Regulation and its rules of procedure;

Basis for an adverse opinion on the legality and regularity of the payments underlying the accounts for the financial year 2017

3. Recalls that, according to the report of the Court of Auditors (the “Court”), the material and systematic instances of non-compliance of payments with the EASO Financial Regulation and other applicable rules and provisions mainly relate to public procurement and recruitment procedures underlying payments; regrets, furthermore, that the systematic nature of non-compliances demonstrates an inadequate internal control system; deeply regrets that the combined error from non-compliant payments amounts to at least EUR 7,7 million or 10,3 % of the total payments made by the European Asylum Support Office (the “Office”) in 2017;

The outcome of the investigation of the European Anti-Fraud Office (OLAF)

4. Deplores the findings of OLAF as regards irregularities surrounding the breach of procurement procedures, misappropriation of Union funds, mismanagement, abuse of position in human resources issues, breaches of data protection rules, harassment and inappropriate behaviour towards staff in 2017; reiterates its call on the Office to report

to the discharge authority on the follow-up of the measures proposed by OLAF; understands the Office's request to report in more detail in the appropriate setting due to confidentiality and data protection issues;

5. Welcomes the decision of the Office's Management Board of 6 June 2018 to release the Executive Director from his duties with immediate effect; emphasises, however, that the budget for the 2017 financial year was implemented under the supervision of the Office's previous management; highlights that this report concerns the discharge procedure for the 2017 financial year; welcomes the designation of an ad interim Executive Director on 6 June 2018 and the appointment of a new Executive Director on 16 June 2019; recognises the commitment of the new Executive Director to deliver significant reforms ensuring solid governance; appreciates the positive message and intention for future close cooperation expressed by the new Executive Director in the public hearing of 4 September 2019 ;

Follow-up to the 2016 discharge and to the 2017 first discharge report

6. Recalls European Parliament reasoned decision of 24 October 2018¹ refusing to grant the Office's Executive Director discharge for the 2016 financial year; recalls that on 26 March 2019 the European Parliament decided to postpone the decision on the 2017 discharge of the Office;
7. Welcomes the follow-up report by the Office on the observations of Parliament for the 2017 financial year, in particular corrective measures taken by the Office's Management Board, the ad interim Executive Director and the new Executive Director in order to improve the governance structure and efficiency of the Office, restore transparency and build trust; supports and appreciates the measures outlined by the 2019 EASO Governance Action Plan; urges the Office to regularly and publicly report to the discharge authority on the implementation of that Action Plan;
8. Acknowledges the efforts and appreciates the progress made on the implementation of internal control systems, including controls on procurement and expenditure operations; supports the decision to reduce and rapidly end outsourcing legal counselling by the establishment of an internal legal service; supports the Court's observations on the need for further corrective actions;
9. Notes with satisfaction the implementation of two thirds of the corrective actions by the Office regarding procurement procedures, in particular regarding the payments under irregular procurement processes, and the completion of new open procedures, which were audited by the Court without raising any comments;
10. Welcomes the ambitious recruitment plan put in place and its positive impact on the filling of vacant managerial and other positions; notes with satisfaction the implementation of new measures aimed at preventing harassment, increasing staff well-being and reducing turnover; urges the Office to quickly finalise the recruitments in full compliance with the relevant legal procedures and to provide a regular follow up on the

¹ OJ L 331, 28.12.2018, p. 213.

results achieved;

11. Notes with satisfaction that most members of the Management Board have published their declarations of interest and curricula vitae on the Office website; calls on those outstanding members to publish their CVs as quickly as possible; welcomes the commitment of the new leadership to raise awareness, prevent, identify and address any potential situations of conflict of interest; calls on the office to develop and implement in this sense a comprehensive strategy outlining it in their next Governance Action Plan and to report to the discharge authority on the results achieved;
12. Notes with satisfaction the measures intended by the new Office leadership to encourage and protect whistleblowers; recalls that a safe environment for whistleblowers is a key element for preventing, exposing and addressing irregular and unlawful practices; expects a rapid adoption of internal rules and guidelines concerning whistleblowing and revolving doors and calls on the Office to further report on the results achieved;

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13. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019² on the performance, financial management and control of the agencies.

² Texts adopted, P8_TA-PROV(2019)0254.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	25.9.2019
Result of final vote	+ : 21 - : 0 0 : 6
Members present for the final vote	Matteo Adinolfi, Olivier Chastel, Caterina Chinnici, Lefteris Christoforou, Corina Crețu, Tamás Deutsch, Raffaele Fitto, Daniel Freund, Isabel García Muñoz, Cristian Ghinea, Michael Heaver, Monika Hohlmeier, Joachim Kuhs, Claudiu Manda, Tsvetelina Penkova, Markus Pieper, Sabrina Pignedoli, Petri Sarvamaa, Angelika Winzig, Lara Wolters, Tomáš Zdechovský
Substitutes present for the final vote	Katalin Cseh, Derk Jan Eppink, Mikuláš Peksa, Ramona Strugariu, Viola Von Cramon-Taubadel, Lucia Vuolo

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

21	+
ECR	Derk Jan Eppink, Raffaele Fitto
ID	Matteo Adinolfi, Joachim Kuhs, Lucia Vuolo
NI	Michael Heaver, Sabrina Pignedoli
PPE	Lefteris Christoforou, Tamás Deutsch, Monika Hohlmeier, Markus Pieper, Petri Sarvamaa, Angelika Winzig, Tomáš Zdechovský
RENEW	Olivier Chastel, Katalin Cseh, Cristian Ghinea, Ramona Strugariu
VERTS/ALE	Daniel Freund, Mikuláš Peksa, Viola Von Cramon-Taubadel

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S&D	Caterina Chinnici, Corina Crețu, Isabel García Muñoz, Claudiu Manda, Tsvetelina Penkova, Lara Wolters

Key to symbols:

+ : in favour

- : against

0 : abstention