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REPORT

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2020: performance, financial management and control
(2021/2157(DEC))

Committee on Budgetary Control

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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 2020: performance, financial management and control (2021/2157(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 2020,
 - having regard to the Commission's report on the follow-up to the discharge for the 2019 financial year (COM(2021)0405),
 - having regard to the Court of Auditors' annual report on Union agencies for the financial year 2020, together with the agencies' replies¹,
 - 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 966/2012², and in particular Articles 68 and 70 thereof,
 - having regard to Articles 32 and 47 of 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,
 - 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 T FEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁴, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Employment and Social Affairs and the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0104/2022),
- A. whereas this resolution contains, for each body within the meaning of Article 70 of Regulation (EU, Euratom) 2018/1046, cross-cutting observations accompanying the

¹ OJ C 439, 29.10.2021, p. 3. ECA annual report on EU agencies for the 2020 financial year:
https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2020/agencies

² OJ L 193, 30.7.2018, p. 1.

³ OJ L 328, 7.12.2013, p. 42.

⁴ OJ L 122, 10.5.2019, p. 1.

discharge decisions in accordance with Article 262 of Regulation (EU, Euratom) 2018/1046 and Article 3 of Annex V to Parliament's Rules of Procedure;

- B. whereas this resolution also contains, for the Euratom Supply Agency, cross-cutting observations accompanying the discharge decision in accordance with Article 262 of Regulation (EU, Euratom) 2018/1046 and Article 3 of Annex V to Parliament's Rules of Procedure;
- C. whereas Union agencies should focus on missions that clearly add value to the Union and the organisation of such missions should be optimised to avoid overlaps in the best interests of the Union taxpayer;
 - 1. Welcomes the efforts made by the agencies to maintain their high standards of working and high-quality outputs, despite the limitations imposed by the COVID-19 pandemic;
 - 2. Emphasises that the pandemic has illustrated once more that agencies play a crucial role in Union policy, from monitoring infections across Member States, authorising vaccines and treatments, issuing guidance on adapting workplaces and protecting workers, to issuing recommendations for teleworking, online shopping and eHealth, to addressing volatility in the markets, resulting from the pandemic, under their supervision, showing great resilience, flexibility and adaptability;
 - 3. Notes that for the 32 decentralised Union agencies, the cumulative total for the 2020 budgets amounted to around EUR 3 040 million in commitment appropriations, representing an increase of approximately 6,55 % compared to 2019, and to EUR 2 888 million in payment appropriations, an increase of 19,59 % in comparison to 2019; notes moreover that of the EUR 2 888 million in payment appropriations, some EUR 2 253 million were financed from the general budget of the Union, representing 74,1 % of the agencies' total financing in 2020 (compared to 74,8 % in 2019); acknowledges furthermore that some EUR 786 million were financed by fees and charges and by direct contributions from participating countries (a decrease of 21,0 % compared to 2019);
 - 4. Welcomes the conclusion of the European Court of Auditors (the 'Court') in its annual report on Union agencies for the financial year 2020 (the 'Court's report') that overall, the Court's audit of the annual accounts of the agencies for the financial year ended 31 December 2020 and of the revenue underlying them confirmed the positive results reported in previous years; notes, however, that some improvements are needed in the area of payments underlying the accounts, according to the Court;

Main risks identified by the Court

- 5. Notes that, according to its report, the Court considers the overall risk to the reliability of agencies' accounts, as established by applying the accounting rules adopted by the Commission's accounting officer and based on international accounting standards, to be generally low, as was the case in 2019;
- 6. Notes that, according to its report, the Court considers the overall risk to the legality and regularity of revenue underlying the agencies' accounts to be low for most agencies, and to be medium for the partly self-financed agencies where specific regulations are

applicable to collection of fees and other revenue contributions, as was the case in 2019;

7. Notes that the Court considers the risk to the legality and regularity of payments underlying the agencies' accounts overall to be medium, varying from low to high for specific budget titles; notes that the Court considers the risk for Title I (Staff Expenditure) to be generally low, for Title II (Administrative Expenditure) to be medium, and for Title III (Operational Expenditure) to be low to high, depending on the agency in question and the nature of its operational expenditure; points out that the Court considers the risk as regards Title III similar to the risk of Title II, but since there are far higher amounts at stake under Title III, the impact is considered to be higher;
8. Notes that the Court considers the risk to sound financial management to be medium, that risk is primarily associated with public procurement procedures that did not ensure that the best possible value for money was achieved;
9. Notes that the Court considers the risk to budget management to be low, with the Court's audit showing high carry overs of committed appropriations, which were however justified according to the Court by the multiannual nature of operations or for reasons beyond the agencies' control;
10. Notes the Court's mention of an 'other risk' related to the COVID-19 pandemic that has affected the Court's work as travel restrictions prevented it from carrying out on-the-spot checks, obtaining original documents and interviewing auditees' staff face to face; notes with appreciation that the Court nevertheless carried out its work through desk reviews and remote interviewing of auditees; notes the Court's assessment that, despite an increased detection risk due to no on-the-spot checks, the evidence it obtained from its auditees still enabled the Court to complete its work and conclude on it; notes the Court's observation that the organisation of the work in the agencies had to overcome some COVID-19 related challenges too, which had implications on the Agencies' procurement procedures, on management and on the fulfilment of contracts, recruitment procedures, budget implementation and on internal controls; welcomes the specific observations of the Court in this regard;
11. Welcomes the fact that the Court has declared that in most cases the agencies have taken corrective actions to address previous years' audit observations and calls on the JHA agencies to continue their efforts to follow up on the Court's observations, in particular in the fields of internal control, public procurement procedures and budgetary management;

Budget and financial management

12. Notes with satisfaction that, according to the annual report of the Court, an unqualified audit opinion on the reliability of the accounts of all agencies was issued; 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 Union Agency for the Cooperation of Energy Regulators (ACER), European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) and the European Union Agency for Cybersecurity (ENISA);

13. Notes that, as regards the reliability of accounts, the Court issued an ‘emphasis of matter’ paragraph for the European Medicines Agency regarding the lease agreement for its previous premises in London that lasts until 2039 with no provision for early termination; notes from the Court’s report that the Agency has sub-let its previous premises under conditions consistent with the terms of the head lease with the outstanding rent, associated service charges and landlord insurance to be paid by the Agency up to the end of the lease estimated at EUR 377 million; notes that this is a considerable amount that potentially puts the Agency’s financial continuity at risk;
14. Notes that, as regards the legality and regularity of the revenue underlying agencies’ accounts, the Court issued two ‘other matter’ paragraphs for the European Securities’ and Markets Authority (ESMA), one related to the fees charged to credit rating agencies, and one related to the fees for Trade Repositories; notes that the Court observed, as regards credit rating agencies, that the fees charged are based on their revenue as a legal entity, but not as a group of related entities, creating a quasi-legitimate opportunity to avoid fees by transferring revenues from credit rating agencies under Union jurisdiction to their related entities outside the Union; notes that ESMA is addressing this risk, through publication of a consultation paper, that resulted in technical advice to the Commission on amending the ESMA founding Regulation to mitigate the identified risk; notes with regard to the fees to trade repositories that these are calculated by ESMA on the basis of each individual trade repository’s applicable turnover, as presented in their financial statements for which independent auditors give an opinion on whether or not they present a true and fair view; notes that the Court found that the number of trades reported to the Trade Repositories and the number of recorded outstanding trades on 31 December 2019, used as a basis for the calculation of the turnover for fees, were only subject to a limited review by independent auditors and that ESMA published a consultation paper in March 2021 that proposed to simplify the method used to determine turnover to address the identified issue;
15. Notes that, the Court issued an opinion verifying the legality and regularity of the payments underlying the Agencies’ accounts for all agencies, except for the Agency for the Cooperation of Energy Regulators (ACER), the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) and the European Union Agency for Cybersecurity (ENISA); notes that ACER’s qualified opinion was related to several specific contracts under a framework contract for IT services and that related payments in the financial year 2020 amounted to EUR 752 654 (3,7 % of the total payments available in 2020) and that ACER has undertaken steps to prevent the incorrect use of the framework contract; notes that the qualified opinion for eu-LISA primarily resulted from a contract for software, different from the software offered under the associated framework contract resulting in a deviation from the framework contract, with eu-LISA stating that this error has been remedied; notes that the qualified opinion for ENISA resulted from lack of a formal delegation to a staff member allowing the authorisation of payments and that ENISA has taken steps to make sure payments are only made with the required delegations in place;
16. Notes the Court’s observation related to the contributions from associated countries where different methods in the agreements for calculating contributions entail a risk of erroneous implementation of those contribution agreements; notes the Court’s invitation

to the agencies concerned to consult the Commission in order to assess whether they need to align with the Commission's contribution agreements and methods of calculation for the contributions of associated countries; stresses the need for horizontal guidance from the Commission to Union bodies on how to calculate contributions from third countries;

17. Notes the Court's observation of excessive levels of carry-overs, in particular for ACER, eu-LISA, the Euratom Supply Agency (ESA), the Fundamental Rights Agency (FRA) and the European Border and Coastguard Agency (Frontex), and the Court's recommendation that the agencies concerned should further improve their budget planning and implementation cycles;
18. Regrets that further weaknesses were observed by the Court regarding several agencies on a range of aspects, from management of fees to late payments, the disclosure of contributions received, and the calculation of the contribution by third countries to the agencies' budget;
19. Notes that the COVID-19 pandemic resulted in increased volatility in fees invoiced and collected for several fee-receiving agencies, affecting budgetary planning and financial stability resulting from significant drops in fee income in 2020; notes that this affected, in particular, the revenue of the European Chemicals Agency (ECHA) (EUR 7 million less in fee income compared to the amount that was budgeted) and the European Aviation Safety Authority (EASA) (EUR 3.2 million less in fee income compared to 2019);
20. Notes that the Court did not audit the 2020 accounts of the European Public Prosecutor's Office ('EPPO'), as EPPO only launched its operations on 1 June 2021;
21. Recalls the importance of establishing and maintaining an active dialogue between the Commission and the agencies over the allocation of appropriate resources and the design of the respective establishment plans, especially with regard to the grade at which posts are allocated.

Performance

22. Stresses the valuable role played by Union agencies in helping Union institutions to design and implement policies, especially for specific technical, scientific, operational or regulatory tasks; appreciates the importance of and the high-quality work performed by CEDEFOP, Eurofound, EU-OSHA, ETF and ELA, the agencies working in the area of employment, social affairs and inclusion; reiterates in this regard the need to ensure adequate human and financial resources allowing them to continue implementing their work programmes with a very high activity completion rate; stresses the importance and added value of each agency in their field of expertise and their autonomy;
23. Recalls that the European Labour Authority (ELA) was created in March 2018 and started its operation in October 2019; welcomes that ELA premises were inaugurated on 9 November 2021;
24. Points out that the ELA will help ensure that Union rules on labour mobility and social security coordination are enforced effectively and fairly, will assist national authorities in

cooperating to enforce these rules, and make it easier for citizens and businesses to benefit from the internal market;

25. Recalls that the ELA was not audited in 2020 because, according to ECA, it did not reach its financial autonomy;
26. Highlights the importance of making the ELA fully operational without undue delay and stresses the need to ensure sufficient financial resources in this regard;
27. Notes that, despite the conclusion of the Court that its audit findings for 2020 confirmed the positive results reported in previous years, as a result of the COVID-19 pandemic, 2020 was not just another year; notes with that in mind that the Court also concluded that, with respect to work programmes and activities, the COVID-19 pandemic triggered significant reprioritisation of resources and planned activities, with the most notable examples to be found in the policy area of Health (the European Centre for Disease prevention and Control (ECDC) and the European Medicines Agency (EMA)); notes that other areas were also affected, for example Frontex was unable to implement planned activities due to travel restrictions worldwide and fieldwork planned by the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for its 7th European Working Conditions Survey significantly changed, including the disruption of a trend analysis on working conditions spanning more than 20 years; notes that the agencies responded to those challenges through relevant actions and adaptations of work by accelerating digitalisation measures, better collaboration and improved exchange of information;
28. Notes the reply of the EU Agencies Network (EUAN) to the 2019 discharge observation on building trust with individual citizens; notes that, despite the heterogeneity of the Agencies' target audience, efforts have been made to increase interactions with citizens via the available outreach channels, such as social media and the press; notes that, facilitated by the EUAN, an ad hoc working group has been created to discuss the key features of a communication framework and to define strategic pillars; acknowledges that the financial and human resources available to pursue this are limited and commends the agencies for nevertheless making progress in this regard;
29. Notes from the study 'Cost of Non-EU Agencies Focusing on the Health and Safety Cluster of the EU Decentralised Agencies'⁵ that the seven Union agencies in the health and safety field demonstrated strong European added value and that this is widely recognised by Member States and other stakeholders including business stakeholders; notes, in particular, that the agencies in the health and safety cluster have played an important role in the Union's response to the COVID-19 pandemic; notes that the ECDC and the EMA have been directly involved in tackling challenges arising from the crisis, by monitoring epidemiological data and through the approval of vaccines, while other agencies produced guidance on reducing the risk of contracting the virus in particular sectors, such as the EASA's COVID-19 Aviation Health Safety Protocol, the European Food Safety Authority's (EFSA) statements on risk of contracting the COVID-19 virus through food, and the European Maritime Safety Agency's (EMSA)

⁵ Study on the 'Cost of Non-EU Agencies Focusing on the Health and Safety Cluster of the EU Decentralised Agencies', PE 699.399, October 2021
([http://www.refreg.ep.parl.union.eu/RegData/etudes/STUD/2021/699399/IPOL_STU\(2021\)699399_EN.pdf](http://www.refreg.ep.parl.union.eu/RegData/etudes/STUD/2021/699399/IPOL_STU(2021)699399_EN.pdf))

reports on the impact of the COVID-19 pandemic on shipping; notes that the COVID-19 pandemic highlighted the extent of collaboration between the Agencies;

30. Considers that greater attention should be paid to relevance and coherence, in particular in the context of overlapping areas of competence, when establishing future agencies; believes that clear rules should be put in place concerning the evolution and termination of agencies' missions;
31. Notes with satisfaction the continuing good cooperation between the agencies within the remit of the Commission's Directorate-General for Employment, Social Affairs and Inclusion, including regular mutual exchanges of information in the planning stage of their work programmes and keeping each other informed on developments and findings;
32. Believes that it is necessary to strengthen the role of the agencies as centres of expertise and to strengthen the digitalisation of those agencies and their interoperability in order to achieve a high level of transparency;
33. Reiterates the important role of the Union's justice and home affairs (JHA) agencies and of the European Data Protection Supervisor (EDPS), and the important support they provide to Union institutions, bodies, offices and agencies, and to the Member States in the areas of fundamental rights, security and justice by carrying out operational, analytical, managerial and monitoring tasks; reiterates, therefore, the need to ensure adequate financial and human resources to the JHA agencies and to the EDPS to enable them to fulfil their mandates in a fully transparent manner and in full compliance with fundamental rights;
34. Recalls that the yearly exchange of views in the EMPL committees regarding the annual work programmes and the multiannual strategies of the agencies is instrumental in ensuring that the programmes and strategies are aligned to the actual political priorities, especially in the context of the implementation of the principles enshrined in the European Pillar of Social Rights and contribute to the success of the Action Plan on the Implementation of the EPSR;
35. Welcomes, therefore, the deepened cooperation between the agencies within the framework of the European Union Agencies Network (EUAN) which is an important inter-agency cooperation platform to enhance agencies' visibility, identify and promote possible efficiency gains, add value and ensure efficient communication between the agencies and relevant stakeholders with a focus on sharing services, knowledge and expertise, and calls for regular consultations between all agencies coordinated by the EUAN;
36. Particularly appreciates and encourages the close collaboration among the agencies under the remit of the Committee on Employment and Social Affairs in order to ensure synergies, complementarity and sharing resources;

Staff policy

37. Notes that, in 2020, the 32 decentralised agencies reportedly employed a total of 9 001 members of staff, comprising officials, temporary agents, contract agents and seconded national experts (compared to 7 880 in 2019), representing a significant increase of

14,23 % compared to 2019;

38. Notes the judgment of the Court of 11 November 2021⁶ regarding the use of interim workers, addressing several questions concerning the application of Directive 2008/104/EC⁷ on temporary agency workers in Union agencies; calls on those agencies to intensify their efforts to reduce the number of temporary workers replacing members of staff;
39. Notes that the Court found an increase in weaknesses concerning human resources management, in particular relating to recruitment procedures where the Court identified different types of shortcomings in six of the 22 audited agencies, such as insufficient steps to verify entitlements to allowances for staff taking up duties as a temporary agents (EMSA), vacant managerial posts for an excessive period (EASO, EFSA), a failure to apply effective internal controls during the recruitment procedures (ACER), weaknesses in appointment of selection panels for recruitment procedures (EMA), and weaknesses in management of grades of new staff members (Frontex);
40. Notes from the Court's report that agencies experienced disruptions to recruitment and selection procedures due to lockdown measures and travel restrictions caused by the COVID-19 pandemic; notes however that the agencies showed resilience in this regard as from mid-April 2020, most agencies were able to restart and continue recruiting through online procedures for selection and remote induction procedures; notes the difficulties reported by agencies, such as connection issues during remote interviews, or the sudden unavailability of candidates, and the difficulty for candidates to demonstrate certain proficiencies online; further notes that the slow-down in recruitment created the risk of future bottle necks in human resources as a growing number of future members of staff will need adequate induction procedures, creation of personal files, training courses, and appraisals; calls on the agencies to keep the discharge authority informed about the rise of these risks and the mitigating actions taken; calls on the agencies to share their experience with other agencies in dealing with these risks;
41. Underlines the need to avoid digital overload and emphasises that staff should only work within working hours; welcomes the European Training Foundation's (ETF) new tools that were recently uploaded for the delivery of messages within working hours; calls on other agencies to follow the ETF's lead as good practice;
42. Notes with concern that, in 2020, there was no gender balance among staff, with an uneven gender distribution at senior management level with 74,6 % men and 25,4 % women, a gender distribution of 52,7 % men and 47,3 % women among the staff overall and 63,4 % men and 36,6 % women on the management boards of the agencies; reiterates the ambition of the agencies to align with the Commission to reach a gender balance of 50 % at all levels of its management by the end of 2024;
43. Notes, with regard to the follow-up observations on gender balance, that the agencies have no influence on the nomination of management board members or of the Executive

⁶ Judgment of the Court of 11 November 2021, *UAB „Manpower Lit“ v E.S. and Others*, C-948/19, ECLI:EU:C:2021:906.

⁷ Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

Director and therefore have no influence on the resulting gender balance; notes that several agencies reported that they would take measures to achieve better gender balance in senior management when posts became vacant; is concerned however that there was a lack of gender balance as regards senior management in 2020, and that these measures therefore do not seem to have had a positive impact; reiterates its call on the agencies to work on improving the gender balance in senior management;

44. Notes that the geographical balance of staff in Union agencies follows the population of the Member States, as a percentage of the EU27, slightly more closely than the geographical balance of staff at the Commission; notes an under-representation for eight Member States, an over-representation for seventeen Member States and an approximate balance for two Member States; regrets the lack of policies across agencies to improve diversity among its staff; calls on agencies, as well as the Network, to put forward plans to achieve this goal;
45. Notes that Union agencies have a crucial role in ensuring social dialogue within their own organisations and calls on the Commission to ensure funding to support Union agencies in securing social dialogue;
46. Calls for the development of a general policy to prevent the replacement of permanent staff in Agencies with more expensive external consultants, in order to guarantee high-quality working conditions, and to prevent knowledge and experience from being lost;
47. Calls for more support to staff members who move to the country where the agency is located; suggests in this context establishing a liaison person who ensures, among other things, the connection between the staff and local authorities;
48. Calls on the EUAN to establish clear rules with regard to the affiliation of members of staff with the national health care system; recommends that those rules explicitly state the extent and duration of the health insurance coverage;
49. Notes from the study ‘The Management Board of the Decentralised Agencies’⁸ that the management boards of the agencies have a key role in achieving good governance and performance, and that they have an essential responsibility with regard to appointing the agencies’ executive directors; notes the finding of the study that the diversity in the agencies’ governance arrangements is an expression of their differing mandates; notes that the study concluded that the management boards are overall effective and efficient in performing their role and that fundamental changes are not needed; takes note that the study reveals that some improvements can be made, such as increasing the number of meetings, shifting focus from administrative matters to issues with a more strategic character, reinforcing the representation of stakeholders and the working procedures of the agency;
50. Encourages the agencies to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and recruitment and integration of people with disabilities; underlines the important effect of turnover within

⁸ Study on ‘The Management Boards of the Decentralised Agencies’, PE 699.400, October 2021 ([http://www.refreg.ep.parl.union.eu/RegData/etudes/STUD/2021/699400/IPOL_STU\(2021\)699400_EN.pdf](http://www.refreg.ep.parl.union.eu/RegData/etudes/STUD/2021/699400/IPOL_STU(2021)699400_EN.pdf)).

the staff of the Union agencies, calls for the implementation of human and social policies to remedy it;

51. Is concerned about the large size of the boards of directors of certain agencies, making it difficult to take decisions and generating considerable administrative costs;
52. Calls on all JHA agencies to promote and ensure diversity in their recruitment policy; urges all JHA agencies to develop internal policies and practices to ensure inclusiveness and diversity, and to prevent any type of discrimination; invites the Court to systematically report on those issues in its future reports; urges all JHA agencies to implement a clear anti-harassment policy to prevent and firmly condemn harassment within their organisations; underlines the detrimental effect of a high staff turnover within some of the Union offices, bodies and agencies and calls for the implementation of human resources and social policies to remedy it; calls for the dependency on external recruitment to be addressed; notes the outcome of case C-948/19⁹ before the Court of Justice of the European Union;

Procurement

53. Notes the Court's recommendation that the agencies' implementation of the budget should be subject to effective and efficient internal controls and that these should include robust ex-ante controls aimed at preventing errors and irregularities before operations are authorised; notes that the Court recommended furthermore that, to achieve the best possible value for money under the Commission's framework contracts without a pricelist for acquiring software licences and IT services, the agencies should systematically carry out market research before signing any order forms with a detailed assessment of the products and services required, an analysis of the solutions available on the market, and a price estimate for the items in question;
54. Notes the Court's observation that nearly all of the observations on procurement procedures concerned irregular payments; notes the recommendation of the Court that the agencies concerned should further improve their public procurement procedures, ensuring full compliance with the applicable rules;
55. Welcomes the Court's observation that the agencies managed to keep their public procurement function running throughout the pandemic without an excessive use of direct awards without competition;
56. Welcomes the increased use of e-procurement tools by Union agencies and the important role they have played in ensuring business continuity for procurement under teleworking conditions; notes that the most common e-PRIOR modules used by agencies are e-tendering, e-submission and e-invoicing and that several agencies implemented these in the course of 2020;

Prevention and management of conflicts of interests, and transparency

57. Notes that most of the agencies request declarations of interest for their management

⁹ Judgment of the Court (Second Chamber) of 11 November 2021 in case C-948/19, *UAB „Manpower Lit“ v E.S. and Others*, ECLI:EU:C:2021:906.

board members and senior management and that they publish them on their website; notes that two Agencies, the European Centre for the Development of Vocational Training (CEDEFOP) and the European Agency for Safety and Health at Work (EU-OSHA), are reportedly still in the process of requesting and publishing the declaration on their website with a majority of declarations already available online;

58. Notes that most Agencies publish on their website the curriculum vitae (CV) of their management board members, management staff, external experts and in-house experts; notes that for ECDC, ECHA and the European Environment Agency (EEA), the CVs of their in-house experts are missing; notes that for the European Fisheries Control Agency (EFCA), their external experts are missing; notes that for Frontex, the European Union Agency for Railways (ERA) and the European Securities and Markets Authority (ESMA) the CVs of both their in-house and external experts are missing; reminds the agencies that it is important to increase transparency with regard to the backgrounds of the members of their management board, management staff and external and in-house experts;
59. Calls on all agencies to participate in the newly established interinstitutional agreement on a mandatory transparency register for interest representatives, signed by the Commission, the Council and Parliament;
60. Notes that the study 'The Management Board of the Decentralised Agencies' highlights the importance of managing actual and potential conflicts of interest and its relevance for the agencies' accountability, transparency and good governance; notes that some agencies have more sophisticated policies on conflicts of interest that distinguish between different types of interest, identify responsibilities for screening of declarations of interests and provide guidance on how to follow-up when a conflict arises; notes that the study recommends the development of a code of conduct for management boards, setting out principles, procedures and specific mechanisms to deal with conflicts of interest of members; further notes the suggestion to develop a code of good governance as an overarching framework for management boards' activities;
61. Notes that most of the agencies reported that they have not investigated and/or concluded cases of conflict of interests in 2020; notes that for Frontex there was one case reported which concluded that no conflict of interest existed; notes, however, that the European Anti-Fraud Office (OLAF) is still investigating this case; further notes that for the EMA six experts informed the Agency of their intention to become employees in a pharmaceutical company; notes that following their policy on prevention and management of conflicts of interest, EMA applied the necessary measures to mitigate the risk of any cases of potential conflicts of interest arising;
62. Notes that 13 agencies reported to have ongoing OLAF cases; further notes that the agencies reported to have 34 ongoing or closed harassment cases in 2020;
63. Calls on all JHA agencies to take measures to ensure full compliance with Union transparency rules as well as with fundamental rights and data protection standards; calls upon them to comply with financial regulations and high management standards; considers that the disclosure of meetings and interactions between JHA agencies and third parties would ensure enhanced transparency of JHA agencies, provided that this is

done in a manner that does not put operations at risk; encourages the JHA agencies to increase their efforts in this regard;

Internal control

64. Notes that the Court issued ‘other matter’ paragraphs for ACER and ENISA drawing attention to the fact that they did not adopt internal rules to address the continuity of delegations in cases where delegating or delegated authorising officers leave their post; calls on all agencies to pay attention to this particular issue in general, and more specifically when a new (executive) director takes charge of the agency; reiterates the Court’s recommendation that the agencies should adopt internal rules that provide a sound contribution to the management control systems, to transparency and accountability; points to the example of the EMA provided by the Court as a reference for these internal rules;
65. Notes the Court's recommendation that the agencies' implementation of the budget should be subject to effective and efficient internal controls which should include *ex ante* controls aimed at preventing errors and irregularities before operations are authorised;
66. Notes that at the end of 2020 all agencies reported that they had implemented the revised, COSO-based, internal control framework and that they had performed an annual assessment, with some of the agencies reporting that the assessment of the ICF was performed in the framework of the annual risk management exercise; acknowledges that there are similarities between the annual risk assessment and the assessment of the ICF; calls however on the agencies to perform annually a separate assessment of the ICF, to assess the integration of risk management into the internal control processes as part of that, and to report on the outcomes in the annual activity report; calls on all agencies to provide, as a minimum, the results of the assessment at component level, encourages the agencies however to report on a more detailed level such as per internal control principle;
67. Notes that in 2020, according to the Court’s report concerning follow-up of previous years’ observations, 71 observations were closed, 86 observations were still being implemented or outstanding, and four outstanding observations were deemed not to be under the agencies’ (sole) control, meaning that major decisions concerning these four observations need to be taken by the Court of Justice of the European Union, the Commission or the Member States; calls on the agencies to diligently implement the observations and further improve their internal control frameworks;

COVID-19 response and business continuity

68. Welcomes and echoes the Court’s observation that the agencies adapted well to the unprecedented situation caused by the COVID-19 pandemic; notes that the Court concluded this on the basis of a specific complementary review of how Union agencies have managed and organised their response to the COVID-19 crisis; welcomes this complementary analysis by the Court and calls on the Court to continue this practice whenever there are events that have the potential to severely impact the work of the Union agencies;

69. Notes that the Court's review focused on three main areas, namely the implementation of business continuity measures, decision-making capacity, day to day operations and recruitment procedures, and measures taken by the agencies to support the wellbeing and resilience of staff;
70. Welcomes the Court's observation that the agencies activated business continuity plans in good time to ensure the continuation of key governance processes and the wellbeing of staff; regrets, however, that four agencies, the European Asylum Support Office (EASO), the European Banking Authority (EBA), the European Institute for Gender Equality (EIGE) and the European GNSS Agency (now the European Space Agency) did not have an approved business continuity and disaster recovery plan in place at the outset of the pandemic, and that three agencies, EFCA, the Agency for support for the Body of European Regulators for Electronic Communications (BEREC Office) and the Translation Centre, did not activate their plans as their initial response measures did not require it; notes that the agencies deployed response activities such as the designation of specific teams tasked with leading the organisation and management of the COVID-19 response by coordinating meetings, initially held daily, and later two to three times per week or as necessary;
71. Is very concerned about the fact that some agencies, such as CEDEFOP, are not part of the crisis management team; stresses the importance of involving staff in crisis management; recommends, therefore, to start from the example of the ETF as good practice and giving employees the chance to flag issues and be in contact with management, especially during times of Covid-19-related teleworking;
72. Notes that all agencies had moved to extended teleworking arrangements, and instructed all staff whose presence at the office was not indispensable to work from home by 16 March 2020; notes that for most agencies, although they already had some remote working possibilities in place, had to scale-up existing ICT systems, with the Court's analysis showing that none of the agencies reported serious problems with respect to capacity (bandwidth), connectivity or data security; notes further that six agencies (ACER, BEREC, ECDC, ECHA, EFSA, and the European Insurance and Occupational Pensions Authority (EIOPA)) performed stress tests on their ICT systems before launch, giving further assurance on the functioning of ICT systems before the move to comprehensive teleworking;
73. Notes from the Court's report that for the agencies the main objective for the decision to move to comprehensive teleworking was to protect staff; welcomes the Court's observation that priority given to staff well-being was visible in numerous internal documents consulted, confirmed in the interviews with agencies' management, and the prominent role the Union Agencies Network's advisory group on new ways of working; notes the Court's observation that most agency staff members had generally coped well with the difficult situation caused by the pandemic; notes with concern that time-management statistics produced by the agencies showed that staff worked more hours than before to cope with the new tasks expected of them; and welcomes the measures taken by the agencies to support staff during that period;
74. Notes the Court's conclusion that key corporate functions continued to operate during the pandemic with, the management board meetings of all agencies, following the

cancellation of physical board meetings, replaced by written procedures or moved to a virtual format; notes that decision making processes, such as discussions and votes, continued, making sure that, among other things, budgets, amendments, and even appointments were still adopted and carried-out;

75. Notes the Court's conclusion that, although it is difficult to completely isolate the effect of the pandemic, the pandemic has affected all of the agencies' core business areas to a varying degree; notes the Court's general remark that the pandemic has accelerated the shift in working methods leading to budget savings in several areas, as all agencies' budgets for missions and travel-related costs have not been fully used, with the reduction for some agencies being close to 90 %, savings from delays or cancellations to recruitment procedures, pre-recruitment medical check-ups, in-person meetings, and training courses being held online, and a much-reduced need for canteen, cleaning, on-site utilities such as water and electricity, and security services;
76. Emphasises the importance of health protocols for all agencies, including internal health and safety committees, proper ventilation and pandemic security protocols, to be collectively discussed and implemented with staff.

Other comments

77. Welcomes the steps made by the agencies to disclose and publish the results of their work through various channels, including their websites and social media; encourages the agencies to continue this practice and to keep on engaging with the public to disseminate the results of their work;
78. Believes that an impact assessment should be carried out for each agency and that a review clause on the interest of the agency should be added systematically; calls on the agencies to continue developing and reviewing indicators in order to measure their performance on an annual basis and their impact on implementation of the Union policies; believes that financial resources should be allocated more flexibly based on need or urgency;
79. Welcomes the EUAN endorsement of its second multiannual strategy (2021-2027) in 2020;
80. Recalls that, from the financial year 2014 onwards, the audit of the accounts of the Union agencies by the Court was externalised to private sector audit firms, with the associated costs carried by the agencies, while all aspects of the outsourced external audits remained under the full responsibility of the Court; reiterates that involving private sector auditors resulted in a significant increase in the administrative burden on the agencies, both for time spent on the audit and procurement and administration of audit contracts, as well as additional expenditure;
81. Recalls that the associated costs were estimated to be EUR 447 000 in 2014, and EUR 424 000 in 2015 and the associated administrative burden was estimated to be 1.5 FTE for all agencies together; notes that the agencies for 2020 reported to have spent an estimated EUR 566 000 on associated costs for the audit of accounts (an increase of 33,4 % compared to 2015) and reported a comparable number of hours spent to deal with the additional administrative burden;

82. Notes that the Court piloted automated procedures in the area of the audit of the payments, salaries, procurements, budget, recruitments and the annual accounts of the EU's six executive agencies; notes that the Court also implemented five new automated procedures in the area of the audit of the accounts in particular automated checks and reconciliation of the information in the adopted financial statements with the underlying data in the general ledger and the trial balance ; notes the Court's statement that this is typically a low-risk audit task that needs to be performed in order to ensure that the subsequent tests are performed using the correct audit population; notes the considerable time-saving opportunities that will be available once more procedures are automated and used for more audit tasks; calls on the Court to expand these practices to all agencies, as precisely the audit of the accounts of the decentralised agencies is externalised to private sector audit firms and therefore the time saved will result in considerable cost-savings;
83. Notes that 30 agencies reported to participate in the EUAN Greening Initiative, aimed at reducing the footprint on the environment of the agencies' operations; notes that agencies reported to have mostly negotiated contracts with energy suppliers to provide energy from renewable sources, introducing paperless financial workflows, promoting, among staff, the use of environmentally friendly transport, implementing eTendering, eSubmission, eInvoicing, continuously improving waste management and modernisation of the IT equipment; encourages the agencies to continue with their efforts and to actively use the Union Agencies Network to share experience to and join forces to increase the results;
84. Calls on all JHA agencies to take into account sustainability in their overall business processes in order to improve the agencies' environmental performance and to report to the discharge authority on implemented measures and progress;
85. Notes that in 2020, as regards sustainability, all but one agency reported that it would work on increasing the sustainability of the organisation and that it would report on its results; notes that reporting on sustainability, when done by the agencies, is often done in the framework of the Annual Activity Report and that six agencies indicate that they have a separate report on this matter, under their Eco-Management and Audit Scheme (EMAS); notes that four agencies report to have adopted and implemented Green Public Procurement which provides them with criteria that facilitates the inclusion of green criteria in public tender documents;
86. Notes from the study on 'Locations of EU Decentralised Agencies'¹⁰ that the present choice of location for Union decentralised Agencies is primarily driven by political needs and predefined criteria; notes the observation from the report that the decision to select the seat of an agency should be part of the ordinary legislative procedure and include the eventual financial impact on the Union budget; further notes that the findings on this report indicate that location has one of the strongest repercussions on recruiting specialised staff; notes that it is suggested in the study to include in the proposal for the founding regulation of an agency, a method to estimate a correction coefficient closer to the real cost of living in the agency's location; notes from the report that better cooperation among agencies might reduce the negative impacts of

¹⁰ Study on 'Locations of the EU Decentralised Agencies', PE 700.320, November 2021
[http://www.refreg.ep.parl.union.eu/RegData/etudes/STUD/2021/700320/IPOL_STU\(2021\)700320_EN.pdf](http://www.refreg.ep.parl.union.eu/RegData/etudes/STUD/2021/700320/IPOL_STU(2021)700320_EN.pdf).

decentralisation and that it is suggested that the role of the Union Agencies Network should be formalised and expanded further to offer better representation in Brussels and to offer horizontal services such as the organisation of meetings, trainings or procurements of common interests; welcomes the fact that all agencies have ensured their business continuity in response to the COVID-19 pandemic by shifting to a hybrid environment; notes that the study suggests that the agencies' budgets for the coming years should continue to support the development of IT communication in order to facilitate on-line meetings and teleworking;

87. Calls on the agencies to continue to develop their synergies, increase cooperation and exchange of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);
88. Recalls the importance of increasing the digitalisation of the agencies in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the agencies to continue to be proactive in that regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
89. Welcomes the cooperation within the JHA Agencies Network; calls on the JHA agencies to continue to develop synergies, increase cooperation and exchange good practices between them with a view to improving efficiency;
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 - ◦
90. 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).

2.2.2022

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 2020: performance, financial management and control (2021/2157(DEC))

Rapporteur for opinion: Romana Tomc

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. Stresses the valuable role played by Union agencies in helping Union institutions to design and implement policies, especially for specific technical, scientific, operational or regulatory tasks; appreciates the high quality work performed by the agencies working in the area of employment, social affairs and inclusion; appreciates the importance of and the high quality work performed by CEDEFOP, Eurofound, EU-OSHA, ETF and ELA, the agencies working in the area of employment, social affairs and inclusion; reiterates in this regard the need to ensure adequate human and financial resources allowing them to continue implementing their work programmes with a very high activity completion rate; stresses the importance and added value of each agency in their field of expertise and their autonomy;
2. Notes that EU agencies have a crucial role in ensuring social dialogue within their own organisations and calls on the Commission to ensure funding supporting the EU agencies in securing social dialogue;
3. Welcomes the fact that in its Annual report on Union agencies for the financial year 2020, the Court of Auditors issued unqualified audit opinions on the reliability of all agencies' accounts; notes that the Court issued unqualified audit opinions on the legality and regularity of the revenue underlying all agencies' accounts; notes further that the Court issued unqualified audit opinions on the legality and regularity of the payments underlying the accounts of the agencies working in the area of employment, social affairs and inclusion;
4. Recalls that the yearly exchange of views in the EMPL committees regarding the annual work programmes and the multiannual strategies of the agencies is instrumental in ensuring that the programmes and strategies are aligned to the actual political priorities, especially in the context of the implementation of the principles enshrined in the European Pillar of Social Rights and contribute to the success of the Action Plan on the

Implementation of the EPSR;

5. Notes that, in its report for the 2019 financial audit, the Court for the first time also issued an overall assessment of the conditions put in place by the Union to enable the agencies to deliver its policies for the public good and recommended to the Commission to ensure the relevance, coherence and flexibility of the set-up of agencies, allocate resources in a more flexible manner, improvement of governance, accountability and better reporting on performance;
6. Welcomes, therefore, the deepened cooperation between the agencies within the framework of the European Union Agencies Network (EUAN) which is an important inter-agency cooperation platform to enhance agencies' visibility, identify and promote possible efficiency gains, add value and ensure efficient communication between the agencies and relevant stakeholders with a focus on sharing services, knowledge and expertise, and calls for regular consultations between all agencies coordinated by the EUAN;
7. Particularly appreciates and encourages the close collaboration among the agencies under the remit of the Committee on Employment and Social Affairs in order to ensure synergies, complementarity and sharing resources;
8. Calls to develop a general policy preventing to replace permanent staff in Agencies by more expensive external consultants, in order to guarantee quality working conditions, and to prevent knowledge and experience from being lost;
9. Welcomes the EUAN endorsement of its second multiannual strategy (2021-2027) in 2020;
10. Notes with concern that in 2020 only 35,8 % of members of the highest decision-making bodies of all Union agencies were women and regrets the fact that gender equality is absent in the multiannual strategy 2021-2027 for the EUAN;
11. Recalls that gender balance must be ensured within the Union agencies in accordance with the basic regulations establishing them; asks, therefore, that the Union agencies collect and present data on gender balance for all categories of management staff (from the lowest to the highest level);
12. Calls on the agencies and the EUAN to integrate gender equality in their strategies, to align the ambition of agencies with the aim of the Commission to reach a gender balance of 50 % at all levels of its management by the end of 2024 and to pursue gender mainstreaming in all fields;
13. Highlights that transparency and citizens' awareness of the existence of the agencies are essential for their democratic accountability;
14. Notes that shortcomings in public procurement procedures remain the main source of irregular payments; notes in particular that two observations regarding budget management and one regarding procurement procedures were made to Cedefop; notes that two observations regarding internal controls and one on procurement procedures were made to Eurofound; notes that one observation on internal controls was made to

ETF;

15. Encourages the agencies to further improve their public procurement procedures, ensuring full compliance with the applicable rules, the principles of transparency, proportionality, equal treatment and non-discrimination and best value for money procurements;
16. Notes that internal controls are the most error prone area; encourages the agencies to conduct effective and efficient internal controls, including ex-ante/ex-post controls, market research prior to any order form and the adoption of internal rules to provide a sound contribution to the management control systems, to transparency and accountability;
17. Welcomes that agencies activated business continuity plans in good time to ensure the continuation of key governance processes and the well-being of staff during the COVID-19 pandemic; expresses satisfaction that agencies rapidly adapted their work to the pandemic through accelerated digitalisation measures, collaborated better, and improved the way they exchanged information to remain operational; recommends regular surveys on staff satisfaction with and evaluation of teleworking arrangements;
18. Recalls that the European Labour Authority (ELA) was created in March 2018 and started its operation in October 2019; welcomes that ELA premises were inaugurated last 9 November 2021;
19. Points out that the ELA will help ensure that Union rules on labour mobility and social security coordination are enforced effectively and fairly, will assist national authorities in cooperating to enforce these rules, and make it easier for citizens and businesses to benefit from the internal market;
20. Recalls that ELA was not audited in 2020 because, according to ECA, it did not reach its financial autonomy;
21. Highlights the importance of making the ELA fully operational without undue delay and stresses the need to ensure sufficient financial resources in this regard;
22. Underlines the need to avoid digital overload and emphasizes that staff should only work within working hours; welcomes the (ETF) European Training Foundation's new tools that were recently uploaded for the delivery of messages within working hours; calls on other agencies to follow the European's Training foundation as a good practice;
23. Is very concerned about the fact that some agencies, such as CEDEFOP, are not part of the crisis management team; stresses the importance of involving staff in crisis management; recommends, therefore, to start from the example of the ETF as a good practice and giving employees the chance to flag up issues and be in contact with management, especially during times of Covid-19-related teleworking;
24. Calls for more support to staff members who move to the country where the agency is located; suggests in this context establishing a liaison person who ensures, among other things, the connection between the staff and local authorities;

25. Calls on the EUAN to establish clear rules on staff member affiliation to the national health care system; recommends that these explicitly state mention the extent and duration of coverage;
26. Emphasizes the importance of health protocols for all agencies, including internal health and safety committees, proper ventilation and pandemic security protocols, to be collectively discussed and implemented with staff.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	1.2.2022
Result of final vote	+: 47 -: 7 0: 0
Members present for the final vote	Atidzhe Alieva-Veli, Marc Angel, Dominique Bilde, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Sylvie Brunet, Jordi Cañas, David Casa, Ilan De Basso, Margarita de la Pisa Carrión, Özlem Demirel, Klára Dobrev, Jarosław Duda, Estrella Durá Ferrandis, Lucia Ďuriš Nicholsonová, Rosa Estaràs Ferragut, Nicolaus Fest, Loucas Fourlas, Cindy Franssen, Helmut Geuking, Elisabetta Gualmini, Alicia Homs Ginel, France Jamet, Agnes Jongerius, Radan Kanev, Ádám Kósa, Stelios Kympouropoulos, Katrin Langensiepen, Miriam Lexmann, Elena Lizzi, Giuseppe Milazzo, Dragoş Pîslaru, Manuel Pizarro, Dennis Radtke, Elżbieta Rafalska, Daniela Rondinelli, Mounir Satouri, Monica Semedo, Michal Šimečka, Beata Szydło, Eugen Tomac, Romana Tomc, Nikolaj Villumsen, Marianne Vind, Maria Walsh, Stefania Zambelli, Tatjana Ždanoka, Tomáš Zdechovský
Substitutes present for the final vote	Marc Botenga, Peter Lundgren, Eugenia Rodríguez Palop, Véronique Trillet-Lenoir, Kim Van Sparrentak

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

47	+
ECR	Giuseppe Milazzo, Elżbieta Rafalska, Beata Szydło
NI	Ádám Kósa, Daniela Rondinelli
PPE	David Casa, Jarosław Duda, Rosa Estaràs Ferragut, Loucas Fourlas, Cindy Franssen, Helmut Geuking, Radan Kanev, Stelios Kypourouopoulos, Miriam Lexmann, Dennis Radtke, Eugen Tomac, Romana Tomc, Maria Walsh, Tomáš Zdechovský
Renew	Atidzhe Alieva-Veli, Sylvie Brunet, Jordi Cañas, Lucia Ďuriš Nicholsonová, Dragoş Pîslaru, Monica Semedo, Michal Šimečka, Véronique Trillet-Lenoir
S&D	Marc Angel, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Ilan De Basso, Klára Dobrev, Estrella Durá Ferrandis, Elisabetta Gualmini, Alicia Homs Ginel, Agnes Jongerius, Manuel Pizarro, Marianne Vind
The Left	Marc Botenga, Özlem Demirel, Eugenia Rodríguez Palop, Nikolaj Villumsen
Verts/ALE	Katrin Langensiepen, Mounir Satouri, Kim Van Sparrentak, Tatjana Ždanoka

7	-
ECR	Peter Lundgren, Margarita de la Pisa Carrión
ID	Dominique Bilde, Nicolaus Fest, France Jamet, Elena Lizzi, Stefania Zambelli

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention

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 2020: performance, financial management and control (2021/2157(DEC))

Rapporteur for opinion: Ramona Strugariu

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. Reiterates the important role of the Union's justice and home affairs (JHA) agencies and of the European Data Protection Supervisor (EDPS), and the important support they provide to the Union institutions, bodies, offices and agencies, and to the Member States in the areas of fundamental rights, security and justice by carrying out operational, analytical, managerial and monitoring tasks; reiterates, therefore, the need to ensure adequate financial and human resources to the JHA agencies and EDPS to enable them to fulfil their mandates in a fully transparent manner and in full compliance with fundamental rights;
2. Welcomes the fact that the Court of Auditors (the 'Court') declared that, overall, the audit of the annual accounts of the agencies for the financial year 2020 and the revenue and payments underlying them confirmed the positive results reported in previous years and that the Court confirmed the legality and regularity of the annual accounts of all JHA agencies and the revenue underlying those accounts for the financial year 2020;
3. Highlights that the agencies should focus on missions and activities with clear European added value and that the organisation of such missions and activities should be optimised to avoid overlaps in the best interest of the Union taxpayers;
4. Notes the Court's recommendation that the agencies' implementation of the budget should be subject to effective and efficient internal controls which should include *ex ante* controls aimed at preventing errors and irregularities before operations are authorised;
5. Notes the Court's observation with regard to excessive levels of carry-overs, in particular for the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), the European

Union Agency for Fundamental Rights and the European Border and Coast Guard Agency (Frontex), and the recommendation that the agencies should further improve their budget planning and implementation cycles;

6. Notes that the Court did not audit the 2020 accounts of the European Public Prosecutor's Office ('EPPO'), as EPPO only launched its operations on 1 June 2021;
7. Notes that the Court found that the payments underlying the accounts were legal and regular for all agencies except for eu-LISA, for which a qualified opinion was issued because of two payments that were not compliant with the provisions of framework contracts entered into by eu-LISA, amounting in total to EUR 10 405 074 in 2020, representing 4,1 % of the total payment appropriations available to eu-LISA in 2020; acknowledges eu-LISA's reply that the largest irregular payment was connected to a specific contract and that the fact that it did not amend the relevant framework contract in time was a purely administrative matter; underlines that following the issuance of the Court observation, eu-LISA responded promptly, signing an amendment to that framework contract in order to rectify the initial omission;
8. Notes that the Court did not address 'other matters' with regard to JHA agencies, with the exception of the European Asylum Support Office (EASO) (now the European Union Agency for Asylum), for which the Court drew attention to the launch of an open procedure for the provision of temporary agency workers to support its headquarters and its operations in Malta which resulted in judicial proceedings against EASO before the General Court by the unsuccessful tenderer challenging the outcome of the procurement procedure;
9. Appreciates all the efforts made by the agencies to maintain the high standard of their outputs, despite limitations posed by the COVID-19 pandemic; notes with satisfaction the joint paper on the COVID-19 response by the JHA agencies which captures the agencies' individual and joint efforts to deal with the impact of the pandemic; welcomes the JHA agencies' responses to the COVID-19 pandemic which led to unprecedented challenges for all; notes the Court review of the COVID-19 responses by the agencies which focused on three main areas (implementation of business continuity measures, day to day operations and recruitment procedures, and measures taken to support the wellbeing of staff); welcomes, furthermore, the Court's finding that the agencies, including JHA agencies, adapted well to the COVID-19 unprecedented situation by activating business continuity plans in good time to ensure the continuation of key governance processes' and staff's well-being; notes, however, that EASO did not have an approved business continuity plan at the outset of the pandemic;
10. Welcomes the cooperation within the JHA Agencies Network; calls on the JHA agencies to continue to develop synergies, increase cooperation and exchange good practices between them with a view to improving efficiency;
11. Welcomes the fact that the Court has declared that in most cases the agencies have taken corrective actions to address previous years' audit observations and calls on the JHA agencies to continue their efforts to follow up on the Court's observations, in particular in the fields of internal control, public procurement procedures and budgetary management;

12. Stresses the importance of ensuring gender balance in the governing bodies of all the agencies; reiterates that there is a persisting significant gender imbalance on the management boards of several JHA agencies; regrets the lack of gender balance and diversity within the staff of some JHA agencies; notes that some agencies resorted to take measures to achieve gender balance in senior management when positions became vacant; underlines that the responsibility for nominating members to the management boards lies with authorities of the Member States and not with the agencies themselves; calls, therefore, on the agencies to remind the Member States proactively of the importance of gender balance and to work on reaching gender balance in senior management as well as at all levels of staff and to report to the discharge authority on implemented measures and on progress in that respect; calls on Member States to ensure gender balance when nominating members to the management boards;
13. Notes the judgment of the Court of 11 November 2021¹ as regards the use of interim workers, addressing several questions concerning the application of Directive 2008/104/EC² on temporary agency workers to Union agencies; calls on those agencies to intensify their efforts to reduce the number of interim workers replacing members of staff;
14. Calls on all JHA agencies to take measures to ensure full compliance with Union transparency rules as well as with fundamental rights and data protection standards; calls upon them to comply with financial regulations and high management standards; considers that the disclosure of meetings and interactions between JHA agencies and third parties would ensure enhanced transparency by JHA agencies, provided that this is done in a manner that does not put operations at risk; encourages the JHA agencies to step up efforts in this direction;
15. Recalls the need for horizontal guidance from the Commission to Union offices, bodies and agencies on how to calculate contributions from third countries consistently in order to increase accountability and transparency, as pointed out by the Court;
16. Calls on all JHA agencies to take into account sustainability in their overall business processes in order to improve the agencies' environmental performance and to report to the discharge authority on implemented measures and progress;
17. Calls on all the agencies to continue presenting and publishing the results of their work and activities to citizens in order to increase general knowledge about their existence;
18. Calls on all JHA agencies to promote and ensure diversity in its recruitment policy; urges all JHA agencies to develop internal policies and practices to ensure inclusiveness and diversity, and to prevent any type of discrimination; invites the Court to systematically report on those issues in its future reports; urges all JHA agencies to implement a clear anti-harassment policy to prevent and firmly condemn harassment within their organisations; underlines the detrimental effect of a high staff turnover within some of the Union offices, bodies and agencies and calls for the implementation

¹ Judgment of the Court of 11 November 2021, *UAB „Manpower Lit“ v E.S. and Others*, C-948/19, ECLI:EU:C:2021:906.

² Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

of human resources and social policies to remedy it; calls for the dependency on external recruitment to be addressed; notes the outcome of case C-948/19³ before the Court of Justice of the European Union;

19. Notes the Court's observation regarding an increase in weaknesses concerning human resources management, related in particular to recruitment procedures such as a vacant managerial post for an excessive period of time (EASO) and to the management of grades for new staff members (Frontex);
20. Recalls the importance of establishing and maintaining an active dialogue between the Commission and the agencies over the allocation of appropriate resources and the design of the respective establishment plans, especially with regards to the grade at which posts are allocated.

³ Judgment of the Court (Second Chamber) of 11 November 2021 in case C-948/19, *UAB „Manpower Lit“ v E.S. and Others*, ECLI:EU:C:2021:906.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	15.2.2022
Result of final vote	+: 58 -: 3 0: 7
Members present for the final vote	Magdalena Adamowicz, Abir Al-Sahlani, Konstantinos Arvanitis, Malik Azmani, Katarina Barley, Pietro Bartolo, Nicolas Bay, Vladimír Bilčík, Vasile Blaga, Ioan-Rareş Bogdan, Patrick Breyer, Saskia Bricmont, Joachim Stanisław Brudziński, Jorge Buxadé Villalba, Damien Carême, Caterina Chinnici, Clare Daly, Marcel de Graaff, Anna Júlia Donáth, Lena Düpont, Lucia Ďuriš Nicholsonová, Cornelia Ernst, Laura Ferrara, Nicolaus Fest, Jean-Paul Garraud, Maria Grapini, Sylvie Guillaume, Andrzej Halicki, Evin Incir, Sophia in 't Veld, Patryk Jaki, Marina Kaljurand, Assita Kanko, Fabienne Keller, Peter Kofod, Łukasz Kohut, Moritz Körner, Alice Kuhnke, Jeroen Lenaers, Juan Fernando López Aguilar, Lukas Mandl, Nuno Melo, Nadine Morano, Javier Moreno Sánchez, Emil Radev, Paulo Rangel, Karlo Ressler, Diana Riba i Giner, Ralf Seekatz, Birgit Sippel, Sara Skyttedal, Vincenzo Sofo, Martin Sonneborn, Tineke Strik, Ramona Strugariu, Annalisa Tardino, Tomas Tobé, Yana Toom, Milan Uhrík, Tom Vandendriessche, Bettina Vollath, Elissavet Vozemberg-Vrionidi, Jadwiga Wiśniewska, Elena Yoncheva, Javier Zarzalejos
Substitutes present for the final vote	Malin Björk, Tanja Fajon, Daniel Freund

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

58	+
ECR	Joachim Stanisław Brudziński, Jorge Buxadé Villalba, Patryk Jaki, Assita Kanko, Vincenzo Sofo, Jadwiga Wiśniewska
ID	Peter Kofod, Tom Vandendriessche
NI	Laura Ferrara, Martin Sonneborn
PPE	Magdalena Adamowicz, Vladimír Bilčík, Vasile Blaga, Ioan-Rareş Bogdan, Lena Düpont, Andrzej Halicki, Jeroen Lenaers, Lukas Mandl, Nuno Melo, Nadine Morano, Emil Radev, Paulo Rangel, Karlo Ressler, Ralf Seekatz, Sara Skyttedal, Tomas Tobé, Elissavet Vozemberg-Vrionidi, Javier Zarzalejos
Renew	Abir Al-Sahlani, Malik Azmani, Anna Júlia Donáth, Lucia Ďuriš Nicholsonová, Sophia in 't Veld, Fabienne Keller, Moritz Körner, Ramona Strugariu, Yana Toom
S&D	Katarina Barley, Pietro Bartolo, Caterina Chinnici, Tanja Fajon, Maria Grapini, Sylvie Guillaume, Evin Incir, Marina Kaljurand, Łukasz Kohut, Juan Fernando López Aguilar, Javier Moreno Sánchez, Birgit Sippel, Bettina Vollath, Elena Yoncheva
Verts/ALE	Patrick Breyer, Saskia Bricmont, Damien Carême, Daniel Freund, Alice Kuhnke, Diana Riba i Giner, Tineke Strik

3	-
ID	Nicolaus Fest, Marcel de Graaff
NI	Milan Uhrík

7	0
ID	Nicolas Bay, Jean-Paul Garraud, Annalisa Tardino
The Left	Konstantinos Arvanitis, Malin Björk, Clare Daly, Cornelia Ernst

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	31.3.2022
Result of final vote	+: 25 -: 3 0: 1
Members present for the final vote	Matteo Adinolfi, Gilles Boyer, Olivier Chastel, Caterina Chinnici, Lefteris Christoforou, Corina Crețu, José Manuel Fernandes, Raffaele Fitto, Luke Ming Flanagan, Isabel García Muñoz, Monika Hohlmeier, Jean-François Jalkh, Pierre Karleskind, Mislav Kolakušić, Joachim Kuhs, Ryszard Antoni Legutko, Claudiu Manda, Alin Mituța, Jan Olbrycht, Younous Omarjee, Markus Pieper, Michèle Rivasi, Petri Sarvamaa, Angelika Winzig, Lara Wolters, Tomáš Zdechovský
Substitutes present for the final vote	Bas Eickhout, Tsvetelina Penkova, Viola Von Cramon-Taubadel

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

25	+
ECR	Raffaele Fitto, Ryszard Antoni Legutko
PPE	Lefteris Christoforou, José Manuel Fernandes, Monika Hohlmeier, Jan Olbrycht, Markus Pieper, Petri Sarvamaa, Angelika Winzig, Tomáš Zdechovský
Renew	Gilles Boyer, Olivier Chastel, Pierre Karleskind, Alin Mituța
S&D	Caterina Chinnici, Corina Crețu, Isabel García Muñoz, Claudiu Manda, Tsvetelina Penkova, Lara Wolters
The Left	Luke Ming Flanagan, Younous Omarjee
Verts/ALE	Bas Eickhout, Michèle Rivasi, Viola Von Cramon-Taubadel

3	-
ID	Matteo Adinolfi, Jean-François Jalkh, Joachim Kuhs

1	0
NI	Mislav Kolakušić

Key to symbols:

+ : in favour

- : against

0 : abstention