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REPORT

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section V – Court of Auditors (2022/2085(DEC))

Committee on Budgetary Control

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section V – Court of Auditors (2022/2085(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2021¹,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022)0323 – C9-0231/2022)²,
 - having regard to the Court of Auditors' annual report to the discharge authority on internal audits carried out in 2021,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2021, together with the institutions' replies³,
 - having regard to the statement of assurance⁴ 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 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Articles 59, 118, 260, 261 and 262 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0081/2023),
1. Grants the Secretary-General of the Court of Auditors discharge in respect of the implementation of the budget of the Court of Auditors for the financial year 2021;
 2. Sets out its observations in the resolution below;

¹ OJ L 93, 17.03.2021.

² OJ C 399, 17.10.2022, p. 1.

³ OJ C 391, 12.10.2022, p. 6.

⁴ OJ C 399, 17.10.2022, p. 240.

⁵ OJ L 193, 30.7.2018, p. 1.

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section V – Court of Auditors (2022/2085(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section V – Court of Auditors,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0081/2023),
- A. Whereas the Court of Auditors (the ‘Court’) is the Union’s external auditor, entrusted, through independent, professional and impactful audit work, to assess the economy, effectiveness, efficiency, legality and regularity of Union action in order to improve accountability, transparency and financial management, and thereby enhance citizens’ trust and respond effectively to current and future challenges facing the Union;
- B. whereas, without prejudice to the provisions of Article 287 and 319 of the Treaty on the Functioning of the European Union (TFEU), since the close of the financial year 1987 the Court has had its revenue and expenditure accounts audited by an independent external auditor every year and, since the report on the financial year 1992, the external auditor’s reports have been published in the *Official Journal of the European Union*;
- C. whereas management accountability towards the budgetary authorities is provided via the annual activity report of the Secretary-General of the Court, the purpose of which, in accordance with Article 74(9) of the Financial Regulation, is to provide information about the management of resources, including the systems, and about the efficiency and effectiveness of the Court’s internal control systems
- D. Whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;
- E. Whereas, by functioning in a transparent and independent way, the Court contributes to democratic oversight, public debate and the soundness of the financial management of the Union;
- F. Whereas the Court has taken the position according to which, to assess Union governance, its accountability and transparency, and the quality and reliability of the information and data reported on the implementation of Union policies, the best solution would be for the Court to be mandated to audit all Union institutions, bodies, offices and agencies set up by or under the Treaties and all intergovernmental structures of key

relevance to the functioning of the Union; whereas the Court therefore would welcome any initiative that would entrust the Court with a broader mandate;

1. Notes that the budget of the Court falls under MFF heading 7, 'European public administration', which amounted to a total of EUR 10,7 billion in 2021 (representing 5,9 % of Union spending); notes that the Court's budget represents around 1,5 % of the total Union spending on administration, less than 0,1 % of total Union spending;
2. Notes that the Court mentions that its work carried out over many years indicates that MFF heading 7 concerns overall low-risk spending;
3. Is aware that the annual accounts of the Court are audited by an independent external auditor in order to apply the same principles of transparency and accountability that the Court applies to its auditees; notes with satisfaction that the external auditor did not report any specific issue based on its audit of the Court;

Budgetary and financial management

4. Notes that the final budget of the Court for 2021 was EUR 153 721 727, which is a slight increase of 0,97 % compared to the budget of EUR 152 237 000 in 2020, mainly due to salary adaptations;
5. Observes the high budget implementation of 96,65 %, compared to 95,70 % in 2020, and that payments represented 94,45 % of total commitments, compared to 94,12 % in 2020; underlines that the average payment time in 2021 was 10,7 days and the share of electronic invoices was 19 %, compared to 11% in 2020;
6. Remarks that the appropriations carried over to 2021 amounted to EUR 8 242 668 which represented 5,55 % of total commitments, compared to EUR 8 565 175 and 5,88 % in 2020; observes that the automatic carryover of appropriations from 2020 to 2021 gave rise to a utilisation rate of 91,70 % in 2021, compared to 92,24 % in 2020;
7. Notes that, in 2021, the COVID-19 pandemic had an impact on the Court's activity, and as a result, the use of appropriations for certain budget lines was reduced, while for others the health crisis required additional expenditure; notes that, accordingly, in the course of 2021, the Court made 30 budget transfers representing a total of EUR 4 397 588 with the objective of reallocating funds to finance specific needs;
8. Observes that the additional expenditure in 2021 compared to 2020 was related to fitting-out of premises (+294,55 %), security (+167,55 %), IT (+12,34 %) and technical equipment and installation (+31,85 %), whereas the savings were made on a reduction in spending on missions (-48,83 %), publications (-41,29 %), joint interpreting and conference service (-61,54 %) and the legal service (-75 %); stresses that the rate of utilisation for staff missions appropriations in 2021 was 25,03 % of final appropriations, compared to 23,94 % in 2020, as a result of the COVID-19 pandemic preventing auditors from travelling; reminds the Court to take every possible measure to ensure that mission appropriations are used in strict compliance with the principles of economy, efficiency and effectiveness;

Internal management, performance and internal control

9. Recalls the Court's strategy for the 2021-2025 period and underlines that the Court has stepped up its efforts to in making the best use of modern technology and new techniques in audit in order to deliver more and better information for the accountability process; welcomes the Court's ability to carry out audit fieldwork, despite the travel restrictions and the public health measures that had a strong impact on their on-the-spot audits, and the increased use of remote auditing that allowed for meaningful interaction with stakeholders and a timely delivery of results; points out Parliament's interest in an effective and timely monitoring of the implementation of the Court's strategy for the 2021-2025 period in order to guarantee consistency with the highest standards of transparency and accountability and to provide an effective public audit service in the Union; believes that such monitoring requires the design of performance indicators and the definition of milestones and measurable outcomes when developing the action plans referred to in the strategy and carrying out periodic reporting of the progress made in implementing the strategy, including mid-term and peer reviews;
10. Observes that, in 2021, a total of 1 156 days of audit fieldwork were carried out on the ground, compared to 1 817 in 2020 and 6 109 in 2019; remarks that the volume of the main deliverables has remained unchanged or in some cases improved when compared to previous years, for example the Court issued 256 recommendations in 2021 compared to 189 in 2020, it presented 7 annual reports in 2021, which is the same as 2020, and presented 27 special reports compared to 26 in 2020, while the opinions decreased to 2 in 2021 from 11 in 2020 and the reviews decreased to 5 in 2021 from 6 in 2020;
11. Welcomes the internal reflection process launched to identify improvements in order to achieve the target of no more than 13 months duration for the preparation and drafting of special reports by better defining or reducing the audit scope, by intensifying the monitoring of the audit progress, by reducing the duration of internal review procedures without affecting the level of quality, and by shortening or abolishing notification and circulation periods wherever possible;
12. Observes that, in July 2021, the Court adopted its development plan for the 2021-2025 period aimed at making better use of technology and data in audit, focusing on the increased use of data and setting objectives for that period with respect to the use of technology in support of audit objectives of the Court; welcomes the creation of the Data and Technology for Audit - DATA team, comprised of experts, data scientists and IT auditors, with the aim of supporting audit teams and being responsible for driving the digitalisation of the Court's audit work; endorses the significant efforts made by the Court to improve its IT capacity in order to perform advanced data analytics;
13. Appreciates the Court's approach with regard to basing its strategy on its analysis of trends, its assessment of risks and the priorities of the institutional stakeholders and auditees; believes that the dialogue between the Court and Parliament to identify topics of interest and priorities should be streamlined and coordinated to guarantee consistency and adequate coverage of the agreed major issues while avoiding duplication or overlapping; is aware that the Court establishes its work programme completely independently, although it uses input from Parliament, provided through Parliament's Conference of Committee Chairs; believes that the Court's work programme should be designed to provide a more effective analysis specifically in relation to some priorities identified in order to give it more flexibility regarding the important workload on the

Recovery and Resilience Facility (RRF) in the future; recalls that the Court's resources should not be used to multiply special reports but to focus more on the preparation of special reports linked to the current European situation and challenges such as RRF, Next Generation EU (NGEU), the fight against the COVID-19 pandemic and customs management;

14. Acknowledges that the Court has carried out a needs assessment analysis and has requested an increase in the number of audit posts for 2023, while filling the additional 20 posts that it received in the 2022 establishment plan to focus on the NGEU; recognises that the NGEU will lead to an additional workload for the Court and that the Court has expressed its intention to focus, in particular, on the RRF; deeply regrets that the budgetary control provisions foreseen by the Council in the RRF do not provide sufficient auditing prerogatives to the Court with respect to Member States' spending;
15. Believes that the Court's work should provide a more effective analysis of the other Union institutions, as they are a relevant part of the discharge procedure; is of the opinion that audit of the heading 'European public administration', while it is considered as a low-risk expenditure and has not resulted so far in an error above the materiality threshold, would provide more relevant information to the discharge authority than is currently the case if it was carried out with a different approach, which would not necessarily entail a separate assessment every year for each institution;
16. Acknowledges that the changes related to the next multiannual financial framework, the RRF and the NGEU involve the financing and use of the Union budget, including new forms of own resources, with a meaningful shift from compliance-based eligibility rules to performance-based aspects for many policy areas; understands that the Court will engage in a continuous development of its audit approach and methodology to provide strong assurances also in that changing scenario;
17. Encourages the Court to enhance its contribution to counter fraud in respect of the Union budget, not only by identifying and reporting the weaknesses that make programmes financed by the Union prone to fraud, but also by taking into consideration the current ongoing debate amongst the actors that are part of the Union's anti-fraud architecture and by intensifying the audit work in cooperation with the bodies in charge of fraud detection, regularly assessing the activities of such bodies and providing the discharge authority with feedback that is relevant to its analysis;
18. Praises the Court's strategy to commit to the formulation of recommendations on cost-effectiveness to contribute to de-bureaucratisation; points out that the Court's recommendations on increasing the efficiency of procedures, using best practices, improving coordination, establishing standard processes, preventing gold plating, and simplifying and digitalising, in particular, serve that goal;
19. Highlights that, in 2021, the Court recommended developing analysis and coordination capacity at Union level to better coordinate risk assessments and developing and maintaining Union-wide risk databases for use by the Member States; highlights the important Court endorsement of the efforts made in order to pursue effective data-mining capabilities to carry out data analysis at Union level and to identify Union-relevant risks; endorses the Court's support to the Member States to enhance efficiency and effectiveness of public administrations by identifying regulatory and administrative

barriers and improving the information exchange framework between the Union and Member States; calls on the Court to set the requirements necessary for easy and interoperable collection, processing and storing of data necessary for the auditing of Member States' use of public spending;

20. Calls on the Court to continue its efforts in addressing green tagging in the RRF and to assess the RRF in terms of its alignment and contribution to the European Green Deal objectives on climate action and notes that such efforts recently included the provision of special reports and opinions on the 'do no significant harm' principle and on the application of the EU taxonomy; calls on the Court to include specific tasks to assess the contribution and impacts of the digitalisation targets in the RRF to the Union's digital strategy and digital transformation; is concerned by the fact that it was not until 21 February 2023 that the Commission defined a clear methodology for quantifying the financial impact of the lack of satisfactory fulfilment of one or several milestones underlying payments;

Human resources, equality and staff well-being

21. Notes that, at the end of 2021, the Court had 853 permanent and temporary posts (as in previous years) out of which 527 were in audit chambers, including 104 posts in members' offices, and that it further employed 92 contractual agents and 25 seconded national experts, compared to 83 and 15 respectively in 2020;
22. Observes that the Court total full time equivalent in 2021 was 955, out of which 749 (corresponding to 79 %) were deployed to carry out audit tasks;
23. Notes that, in 2021, significant actions were launched to provide resources for auditing the NGEU, in particular an internal call for expressions of interest, launched in September 2021 and a call for seconded national experts, published in October 2021, and that the selection for the reserve list from which to recruit 20 additional temporary posts has been finalised with the process to actually recruit those 20 additional temporary posts expected to be fully finalised during the first quarter of 2023;
24. Observes that, on 31 December 2021, the occupation rate at the Court was 97,3 % (23 of the 853 permanent and temporary posts at the Court were vacant and open for recruitment) in comparison to 97,2% at the end of 2020; appreciates the continued efforts to maintain intensive recruitment, which, in 2021, resulted in 80 new employees being recruited, comprising of 16 officials, 21 temporary agents, 30 contractual agents and 13 seconded national experts;
25. Notes that gender balance across staff is well pursued and achieved, with 50,76 % of officials and 60,82 % of temporary agents being women, and close to these levels for contractual staff (47,83 % women) and seconded national experts (48 % women); appreciates the positive situation with respect to gender distribution across management positions, with women holding 13 out of 28 posts as head of cabinet and 4 out of 10 posts as director, while noting that, with respect to principal managers, balance has still not been reached with 18 out of 50 posts occupied by women;
26. Regrets the lack of gender balance with respect to the college of members of the Court; points out that gender equality is enshrined as one of the core values of the Union in Article 2 of the Treaty on European Union; highlights that gender equality should not

only play a role in all the Union's policies, but also in the internal organisation of its institutions; considers it unacceptable that in the Court's history, out of 116 members, only 16 have been women; acknowledges, however, that the current college is closer to achieve gender balance, as out of 27 members, 10 are women;

27. Understands that it is challenging to achieve gender balance because nomination is solely the responsibility of Member States, and notes with regret that 13 Member States have never sent a woman to the Court; nevertheless calls on the Court to analyse its overall composition in order to inform the Council and the Member States involved, so that gender balance is taken into consideration in the nomination decision; reiterates its call for reaching gender balance and encourages the national authorities to present candidates of different genders, with the aim of achieving something close to gender balance among the members of the Court;
28. Regrets that the Council repeatedly proceeds to nominate members of the Court whose nominations have been rejected by Parliament; underlines that Parliament's assessment of the suitability of candidates for the Court should be considered binding;
29. Welcomes the adoption, in 2021, of a new diversity & inclusion strategy and of a diversity and inclusion policy and action plan, both for the 2021-2025 period, observes that the new policy includes a performance assessment criterion for managers on their ability to cultivate inclusive management and promote diversity and inclusion and work-life balance; praises the first time designation, in 2021, of a member of the Court as a disabilities ambassador and the organisation under his sponsorship of the disabilities awareness week to promote an inclusive culture;
30. Welcomes the comprehensive set of performance indicators and targets adopted in order to monitor the Court's diversity and inclusion initiatives and the surveys on equal opportunities and on staff engagement; notes that the latter indicated a positive perception by the majority of staff with respect to empowerment, support and trust;
31. Welcomes the Court's signature, on 14 October 2021, of the Diversity Charter Lëtzebuerg, a national commitment text presented to any organisation in Luxembourg wishing to commit to diversity promotion and management through concrete actions;
32. Notes that geographical balance still have not been reached within the staff of the Court, which reflects the Court difficulties in attracting people to work (and live) in Luxembourg due to, among other things, the high cost of living; appreciates that the Court has started to promote calls for expressions of interest in digital newspapers and job sites in Member States that are underrepresented at the Court and via contact with the relevant cabinets of the Court for the Member States targeted; notes also the Court's proactive approach in raising the issue of non-competitive salaries with the aim of finding solutions; encourages the Court to reach out to national authorities via the permanent representations of the Member States to the Union, to use social media more intensively to publicise its recruitment procedures and to participate in career fairs and similar events in underrepresented Member States to promote the Court as an employer; endorses its participation in the European Academia network initiative as a tool in attracting talent to the Union institutions based in Luxembourg through common projects targeting universities;
33. Notes that seven burnout cases were reported to the medical officer of the Court in

2021, a number the Court considers to be very high and to be a result of the exceptional working and living conditions imposed during the COVID-19 pandemic; notes that the Court has undertaken a survey to understand how the COVID-19 pandemic has affected staff and launched a communication campaign aiming to promote a healthy work-life balance; appreciates, amongst the many initiatives, the extended psychological support for staff members;

34. Welcomes the Court well-being programme ‘Back at the office’, embracing mental, physical and social support, tailored to the peculiarities of a hybrid work-life, with the aim of preventing burnout and enhancing resilience; appreciates the Court’s endorsement of the right to disconnect by the introduction of the ‘connection bandwidth’ outside of which staff are not expected to work or be reachable unless in cases of emergency or where such contact is agreed prior to its occurrence;
35. Notes that the Court’s staff policy includes an anti-harassment mechanism consisting of a support network that coordinates confidential counsellors, the medical officer, line managers, the mediation service and the human resources department; reiterates its call on the Court to further work on improving the harassment complaints reporting tool and the internal ethical framework; is aware that the Court adopted its latest anti-harassment policy in 2017; encourages the Court to update that policy, the revision of which was launched in 2021, with a view to focusing more on prevention, awareness-raising and coordination of the various figures involved in providing support and to establish a clearer reporting procedure and communication approach;
36. Notes the decision on hybrid working that was adopted in November 2021 and that the working conditions include working intervals and flexitime; observes that teleworking is subject to a limit of 10 working days per month;
37. Recalls the experience learnt from the irregularities committed by Karel Pinxten, when he was Member of the Court, with respect to whom no action could be undertaken to comprehensively remedy the financial and reputational prejudice suffered by the Court and the Union as a whole, because no legal basis exists to recover his salary for days of absence in the course of missions outside the performance of his duties and for other unjustified absences; stresses that, as indicated by the Court of Justice in its judgement of 30 September 2021¹, the vagueness of the internal rules worked in favour of his misbehaviour, which was also allowed by the shortcomings of the controls put in place; acknowledges the actions undertaken by the Court in this matter, by cooperating with the European Anti-Fraud Office (OLAF), waiving immunities and bringing the procedure under Article 286(6) TFEU to a successful conclusion; underlines that the Court should do everything that is in its power to prevent similar cases from arising in the future and for this reason is committed to supporting and working with the Court as it makes the necessary adjustments to its internal rules; notes that the Court should act as the guardian of the Union’s finances and that it should apply the highest ethical standards in particular with regard to the persons holding high office with Union institutions;
38. Notes that, until 2020, the establishment of a register of attendance covered only the few physical meetings of the college of members of the Court, despite the requirements

¹ Judgment of the Court (Full Court) of 30 September 2021, *European Court of Auditors v Karel Pinxten*, C-130/19, ECLI:EU:C:2021:782.

expressed by Parliament; notes that by the Court's Decision No 21-2021, the participation of the members at other meetings is to be recorded in the attendance register also and reiterates the request made each year since the 2017 discharge that the register of attendance be extended to cover working days, missions, periods of leave and justified absences in order to represent an accurate mapping of the work carried out by the members and as a tool to proactively prevent potential cases of absenteeism; points out that the members of the Court have an obligation to fully devote themselves to the fulfilment of their mandate; acknowledges that the members' attendance register for 2021 was made available to the members of Parliament's Committee on Budgetary Control in January 2022; reiterates its request to receive annual updates of the register of attendance so that it can be considered during the discharge procedure

39. Notes with satisfaction that, following Parliament's recommendation, the Court's amended code of conduct for its current and former members, published on 2 May 2022, includes a new Article 10(1), which stipulates that 'Members of the Court shall devote themselves to the fulfilment of their mandate. They shall reside at the place where the Court has its seat'; deems this revised provision to be in line with the interpretation expressed by Parliament, the principle of sound financial management and the ethical standards expected of the Court; notes that currently all members of the Court have their primary residence in Luxembourg;
40. Notes that the installation allowance for a member of the Court is granted on the condition that the member of the Court provides evidence that a change in the place of residence was necessary in order to take up duties to be able to adhere to the principle set out in Article 20 of the Staff Regulations; understands that the management of all financial rights of staff and members of the Court, including the installation allowance, has been delegated to the Paymaster Office of the Commission (PMO), which requests and verifies the validity of the necessary supporting documents; notes that, upon the Court's request, in 2021, the PMO carried out an *ex post* control of the installation allowance and reported the results to the Court, indicating that no irregularity had occurred in 2021;
41. Notes the set of rules and the terms of use recently adopted by the Court to govern the private use of the car fleet; understands that members of the Court are now obliged to cover the actual costs incurred for the use of a car unrelated to a mission and to cover other journeys in connection with the performance of duties when not covered by the standard number of kilometres allocated for that kind of use; is concerned that the new system introduced by that decision is confusing and does not demonstrate its alleged administrative efficiency; reiterates its opinion expressed in the previous discharge resolutions that the use of the car fleet should be limited to the performance of the Members' duties; notes that different rules exist for the use of official cars in the Union institutions without any apparent justification; calls on the Commission to suggest common rules for the use of official cars for all Union institutions;
42. Maintains that missions are essential to fulfil the role of the Court and to allow its members to act as ambassadors of the Court in their respective home countries; welcomes that the Court publishes information on the missions carried out by its members on its website but insists that not keeping information on missions carried out in previous years on its website for more than a very limited time is contrary to the standards of transparency and accountability expected of the Court; likewise reiterates

its call for transparency in relation to the purposes and costs of the missions of the Court and asks the Court to report to the discharge authority about cases where *ex ante* and *ex post* controls have detected irregularities; rejects the Court's assessment and decision not to join the Union Transparency Register and encourages the Court to reflect again on the matter, reiterating its strong call for the Court to join the Union Transparency Register which will not pose any obstacle to the full independence of the Court;;

43. Welcomes the decision to publish the Members' missions beyond the current year, but recalls the importance of also publishing the Member's agenda in its totality, including public and professional engagements;
44. Calls on the Court to make sure that current rules are able to prevent any possible misuse of mission orders which may call into question the integrity, independence and objectivity of its members; in particular asks that the tasks and responsibilities of a member while on mission are clearly specified so as to avoid any form of potential misconduct;
45. Draws the attention of the Court to the 2021 recommendation of the Court's internal audit service (IAS), to ensure that the PMO performs effective checks on mission expenditure, notably by applying the Court's mission guide correctly, and to facilitate the implementation of the new decisions on the management and use of the car fleet, the rules on representation expenses, the rules on professional training and the code of conduct for the current and former members of the Court, notably by providing further guidance to all actors involved;
46. Observes that, in 2021, the Court recruited 55 trainees, and that all received a monthly allowance, except one who was not eligible because that trainee participated in the framework of a University programme; calls on the Court to take the appropriate steps to ensure that all its trainees receive a decent remuneration;

Ethical framework and transparency

47. Welcomes the ongoing reform process by which the Court is following the recommendations included in previous discharge resolutions, focused on some aspects of financial management, transparency and ethical conduct;
48. Believes that the role and importance of the Court, as the Union's independent external auditor and guardian of its finances, imposes a set of very strict assessment criteria on the discharge authority and imposes on the Court the commitment to live up to the highest possible standards; emphasises in that regard, as done in the previous discharge resolutions, that supreme audit institutions like the Court are held to high standards and, therefore, must act as model organisations and inspire confidence and credibility, and that the leadership must set the tone by its actions towards such accomplishment; welcomes, in this regard, the election by its members of the current president of the Court, who gives the additional guarantees of having remarkable experience in the Union institutions and in matters relating to the audit of the management of the Union's financial resources;
49. Notes, concerning the Court's ethics committee and the procedure for its appointment, that the Court's internal procedures foresee that it is the prerogative of the Court's president to propose candidates to the college of member of the Court; observes that the

college's decision to nominate members to the ethics committee is taken by a majority; highlights, moreover, that, according to Article 285 TFEU, the members of the Court are completely independent and that the ethics committee therefore has to be completely independent as well; reiterates its calls on the Court to reconsider the rules for appointment and composition of the ethics committee; once again asks the Court's ethics committee to report on the main findings of the internal audit report on ethics, already requested in connection with the discharges for 2020 and 2019;

50. Reiterates that while the amended code of conduct for current and former members of the Court explicitly sets the obligation to submit an annual declaration of interests, the Court should reinforce the current system to ensure that its members comply with the highest standards of ethical conduct and the ethical values and principles that must be observed, such as integrity, independence, objectivity, professional behaviour, dignity, commitment and loyalty;
51. Notes that the supporting structure for ethical advice consists of an ethics committee, ethics advisers, a transparency portal and a training team, entrusted with the development of a training programme consisting of an ethics course, conferences and workshops and focused on raising awareness and on providing specific training to the confidential counsellors on topics related to harassment; observes that 131 participants attended the training sessions devoted to ethics, which are mandatory for newcomers, as well as those on equal opportunities and anti-harassment, and are complemented by dedicated sessions for managers, ethical advisors and confidential counsellors;
52. Is aware that, in 2021, the Court started the process of updating its ethical framework for staff; acknowledges that the evaluation of the Court's ethical framework was carried out by an external consultant whose recommendations, issued in 2022, were based on a staff survey, a workshop with staff, interviews with managers and a document review; understands that the first action following the analysis is to update the Court's ethical guidelines, to be followed by updating the rules on whistleblowing;
53. Welcomes the update of the code of conduct for current and former members of the Court which follows up on Parliament's observations in the previous discharge; stresses that, building on Parliament's recommendations, the code of conduct introduces the obligation for members to reside at the place where the seat of the Court is located, regulates the contractual relations between members and staff of the Court, and limits the possibilities for members' involvement in politics; welcomes in particular that the new Article 12 (2) explicitly forbids members from holding honorary non-remunerated offices in political organisations, hence guaranteeing the full independence of its members;
54. Observes that, concerning the anti-fraud policy, the IAS concluded in 2021 that there is no document consolidating the Court's anti-fraud policy and that there is no Court-wide anti-fraud strategy;
55. Points out that, on the internal controls used to prevent and detect internal fraud, the IAS has deemed that a more structured approach is needed regarding their documentation, their link with the risk assessments and the resources dedicated to fraud risk management and its effectiveness; calls on the Court to act upon the recommendation made by the IAS and to provide a clearer message on the Court's role

in combating fraud;

56. Calls for an end to the use of external companies that, according to Yale University's ranking², continue to operate in Russia;

Digitalisation, cybersecurity and data protection

57. Observes that the total IT budget for 2021 was EUR 9 141 000 including transfers, compared to an IT budget of EUR 10 093 000 in 2020 and of EUR 8 085 000 in 2019; points out that in both 2020 and 2021 increases were justified, respectively for the five years' replacement of the Court's IT storage and for the investments made to adapt the Court to hybrid work;
58. Agrees that the digital transformation is a transversal process across the whole organisation that has materialised in several initiatives in 2021, including the development of technologies providing a hybrid user experience, an upgrade of the data storage system of the Court, the migration of the disaster recovery centre and the reinforcement of the security of IT systems;
59. Acknowledges the efforts made by the Court, also in 2021, to adapt to changing working conditions, fostering a digital transformation of auditing and an upgrade of technology and practices across the organisation to continue providing an effective public audit service in the Union; is aware that further progress in this direction requires accessible data made available in the required format by the Commission or the Member States; calls on the Commission to encourage the Member States to work towards more interoperability;
60. Understands that, also in 2021, in consideration of the limitations imposed by the COVID-19 pandemic, the whole audit lifecycle was largely performed digitally, covering audit preparation, evidence gathering and adversarial procedures, and that missions to Member States were replaced by video calls that included remote interpretation where needed;
61. Appreciates the important milestones that have marked the digital scene of the Court in 2021, such as the introduction of a robotic process for automation services, introduced to reduce repetitive low-value work for audit teams, the automation of the audit of the executive agencies, as part of the regular audit process, and the implementation of a brand new cloud-based translation management system;
62. Welcomes the completed implementation of the cybersecurity plan for the 2018-2021 period and the adoption of a new cybersecurity plan for the next three years (2022-2024), which envisages a gradual move to a zero trust architecture in line with the provisions set out in the proposal for a Regulation of the European Parliament and of the Council laying down measures for a high common level of cybersecurity across the institutions, bodies, offices and agencies of the Union; notes that no relevant successful cyber-attack against the Court was detected in 2021 and appreciates the importance of the cooperation of the Court with the Computer Emergency Response Team for the EU Institutions, bodies and agencies (CERT-EU); invites the Court to maintain a high level of attention on cyber-threats and information security, especially because the number of

² <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

serious cyber-attacks increased considerably in recent years, making all Union institutions attractive targets for potential attackers; encourages the Court to carry out regular risk assessments of its IT infrastructure;

63. Notes that, in 2021, the Court co-hosted the kick-off event for European Cybersecurity Month and that the Court's diversity and inclusion officer coordinated one of the main sessions for the kick-off event about women in cybersecurity, at which a diverse group of women from different backgrounds exchanged views on women's motivation to join the field of cybersecurity and technology;
64. Notes that, in 2021, the reinforcement of budget lines was decided for investment in equipment and services mainly related to hybrid working and digitalisation, and that additional appropriations were also used to strengthen the Court's cyber-defence capabilities, invest in a new translation management system and a new stakeholder management system, and implement the Union's electronic signature solution;
65. Welcomes the decision to implement free open-source software as key components of the Court, such as Linux as the operating system for several IT infrastructure servers, the open-source software Belenios for a secret ballot voting system and the open-source software Nagios for the Court's IT operations teams; observes that Courts uses the open-source software NextCloud for exchanging documentation with auditees in the framework of the ECAFiles system that operates under the highest security and personal data protection standards;
66. Welcomes the implementation of data-processing agreements whenever data is processed by third parties and the Court, as controller, is to ensure compliance with Article 29 of Regulation (EU) 2018/1725³ and maintain full control over processing operations; notes the systematic consultation of the Court data protection officer on matters related to data processing and technical and organisational measures;

Buildings and security

67. Appreciates the Court's approach to consult staff and representatives before deciding on initiatives in the area of building renovation; encourages the Court to take into account in such initiatives the needs of people with disabilities as well as physical and digital accessibility;
68. Notes that the work on the renovation of the K2 building progresses according to the planned agenda, that the 4th and 5th floors were delivered at the end of December 2021 and are fully operational, that work on the 2nd and 3rd floors is advanced as well as the replacement of the heating, air-conditioning and ventilation machines; observes that, following the incidents of falling glazing elements in 2019 from the K1 façade and the transfer of adequate budget, the Court's administrative committee decided on the installation of protection films on the fixed glazing elements, something that is 90 % complete;

³ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

Environment and sustainability

69. Welcomes the publication , in 2021, of the Court’s first sustainability report, drafted in accordance with the Global Reporting Initiative standards, which follows the establishment of sustainability as a cross-cutting issue in the Court’s strategy for the 2021-2025 period;
70. Invites the Court to adopt a structured mobility plan encompassing carpooling, bicycle parking spaces and electric battery chargers and to explore the possibility of calculating a carbon budget for the cost of missions, so that the means of transport is chosen on the basis of impact as well as costs; praises the Court for the installation of charging points for electrical and hybrid cars in its premises;
71. Stresses that the total energy consumption fell by 24 % between 2014 and 2021, but that it increased by 0,8 % between 2020 and 2021 due to overconsumption caused by the prolonged use of ventilation systems in the context of the preventive measures related to the COVID-19 pandemic; calls on the Court to ensure the installation of solar panels on the roofs of its premises;
72. Is aware that the 2021 annual assessment of the Court’s greenhouse gas emissions, which monitors its efforts to reduce its carbon footprint, indicates that total emissions amounted to 7 578 tCO₂eq, compared to 10 699 tCO₂eq in 2014 (the baseline) and remarks that this constitutes a reduction of 3 121 tCO₂eq of greenhouse gas emissions over that period;
73. Points out that waste generation was reduced by 62 % from 2019 to 2021 and by 18,7 % from 2020 to 2021, that in 2021 the recycling rate reached 59 % and the sorting rate 82 %, and that the rain water collection system, with a total storage capacity of 95 m³ and used mainly for garden maintenance, contributed to reducing the overall water consumption;
74. Remarks that the Court is the co-leader of the project group on ‘Preparing for future risks and climate crisis: time for audit to take a long-term view?’, as well as member of Inspiring More Sustainability (IMS) Luxembourg, a network of companies and organisations established in Luxembourg that have an engagement towards corporate social responsibility;
75. Appreciates the progress made in the reduction of paper consumption and encourages the Court to build further on the experiences gained during the COVID-19 pandemic to reduce paper consumption;

Interinstitutional cooperation

76. Believes that the mission of the Court imposes intensification of the coordination with Parliament and with the Council, constructive relationship with the Commission in its role of main auditee and closer exchanges with the Member States, both with governments, in particular in consideration of their essential role in the protection of the financial interests of the Union, and with national parliaments and other supreme audit institutions;
77. Notes the signature of a new tripartite agreement between the Court, the Commission

and the European Investment Bank (EIB) in November 2021; welcomes that that agreement allows for greater access to and improved streamlining of audited EIB documents but still regrets the fact that the agreement does not offer the extensive solution which Parliament has called for; is aware that the Court does not have a mandate to audit operations that exclusively use the EIB's own funds; reiterates that the Court is expected to have full access to all information related to EIB operations intended solely for the implementation of Union policies; agrees with the Court on the opportunity for future Union legal acts conferring a mandate on the EIB to implement Union policies to integrate a comprehensive and clear mandate empowering the Court, in line with the Treaties, to audit performance aspects of all the activities carried out based on such legal acts and to have full access to any document it considers necessary for that purpose; invites the Commission to obtain the Court's opinion prior to proposing such legal acts;

78. Notes the signature of a memorandum of understanding between the Court and the European Stability Mechanism (ESM) with respect to auditors of the Court carrying out short-term assignments to support the work of the ESM's board of auditors as subject matter experts;
79. Welcomes the signature of a working arrangement with the European Public Prosecutor's Office (EPPO), which provides a structured framework for cooperation and allows the Court to transfer cases directly to the EPPO; appreciates the intense dialogue with OLAF which, in 2021, resulted in the swift opening of investigations in six cases following the Court's transmission of relevant information; stresses the importance of a stronger cooperation between the Court, EPPO, OLAF and the European Ombudsman in order to avoid the duplication of investigations and emphasises the need to discuss areas of mutual interest;
80. Observes that the Court is an active member of the International Organisation of Supreme Audit Institutions (INTOSAI) and one of the 30 founding members of the European Organisation of Supreme Audit Institutions (EUROSAI), which is the European regional arm of INTOSAI; remarks that the Court cooperates with other supreme audit institutions and international audit organisations both bilaterally, with the supreme audit institutions of the 27 Member States, and multilaterally, within the framework of the Contact Committee of the Supreme Audit Institutions of the European Union, and that the Court also supports the supreme audit institutions of Union candidate and potential candidate countries; appreciates that the Court is one of the 25 members of the Global Audit Leadership Forum the aims of which are to enhance the audit activities of member supreme audit institutions, address global and strategic issues, and contribute to the INTOSAI community;
81. Notes that the Court fosters inter-institutional cooperation, and that it uses service level agreements to optimise the use of resources and make savings while benefitting from partners' specific expertise; observes that amongst the service level agreements there is one with the PMO covering the management of pensions, missions, financial rights and payroll, one regarding the provision of human resource services, and others relating to interpretation, translation and publication; remarks that, by way of amendments, the scope of service level agreements can be extended, and that this was the case in 2021 for the provision of human resource security clearance services following the adoption of Decision No 41/2021 of the Court of Auditors on the security rules for protecting EU

classified information (EUCI)⁴;

82. Appreciates that the Court is a member of the Bridge Forum Dialogue, a Luxembourg-based forum that aims to stimulate discussion on questions concerning Europe and brings together supranational institutions and agencies, national institutions, civil society and the academic world.

Communication

83. In 2021, the budget assigned to communication and promotional activities amounted to EUR 205 000, as EUR 70 000 out of the initial budget of EUR 275 000 was transferred to other budget lines during the year; observes the consumption rate of 73,9 % (EUR 151 562);
84. Welcomes the publication, in July 2021, by the Contact Committee of the Supreme Audit Institutions of the European Union of the Audit compendium on the response to COVID-19, which provides information on the impact of and the response to the pandemic at national and supranational level, and the launch of a new COVID-19 section on the website of the Contact Committee to facilitate more timely and continuous information on relevant audit work performed by Union supreme audit institutions;
85. Appreciates the publication, in 2021, of the diversity and inclusion communication plan, which contains information on the Court's communication objectives, target audience, stakeholders, messages, channels and monitoring;
86. Encourages the Court to engage with the European Data Protection Supervisor with a view to utilising the two open-source social media platforms, EU Voice and EU Video, that were launched as a public pilot project to promote the use of free and open-source social networks; further encourages the Court to use decentralised social network alternatives to very large online platforms, such as the Mastodon platform;
87. Reiterates its call to the Court to increase its communication efforts in order to strengthen its link with citizens by endorsing greater transparency in its operations, by intensifying the use of digital technologies and by pursuing a communication strategy that allows the correct perception and understanding of the Court's role and of the way it fits in the Union's vision and improves the visibility of the Court in the various Member States.

⁴ OJ L 256, 19.7.2021, p. 106.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	28.2.2023
Result of final vote	+: 28 -: 0 0: 0
Members present for the final vote	Matteo Adinolfi, Gilles Boyer, Olivier Chastel, Caterina Chinnici, Corina Crețu, Ryszard Czarnecki, José Manuel Fernandes, Luke Ming Flanagan, Daniel Freund, Isabel García Muñoz, Monika Hohlmeier, Jean-François Jalkh, Mislav Kolakušić, Joachim Kuhs, Alin Mituța, Jan Olbrycht, Markus Pieper, Michèle Rivasi, Sándor Rónai, Petri Sarvamaa, Eleni Stavrou, Angelika Winzig, Lara Wolters, Tomáš Zdechovský
Substitutes present for the final vote	Eider Gardiazabal Rubial, Elżbieta Rafalska
Substitutes under Rule 209(7) present for the final vote	Fabienne Keller, Katrin Langensiepen

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

28	+
ECR	Ryszard Czarnecki, Elżbieta Rafalska
ID	Matteo Adinolfi, Jean-François Jalkh, Joachim Kuhs
NI	Mislav Kolakušić
PPE	José Manuel Fernandes, Monika Hohlmeier, Jan Olbrycht, Markus Pieper, Petri Sarvamaa, Eleni Stavrou, Angelika Winzig, Tomáš Zdechovský
Renew	Gilles Boyer, Olivier Chastel, Fabienne Keller, Alin Mituța
S&D	Caterina Chinnici, Corina Crețu, Isabel García Muñoz, Eider Gardiazabal Rubial, Sándor Rónai, Lara Wolters
The Left	Luke Ming Flanagan
Verts/ALE	Daniel Freund, Katrin Langensiepen, Michèle Rivasi

0	-

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention