Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2012: performance, financial management and control

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The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI)

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2012: performance, financial management and control.

Members acknowledged the role of the agencies in supporting Union policies from their initial phase to their implementation. They called for the **broader use of this expertise and capacity in the relevant stages of the European Semester policy process**. However, the committee believed that for efficient operation of the agencies and in order to make the most of their resources, they must **seek synergies, exchange best practices and share services**. Furthermore, the access to services provided by the Commission could be further improved.

The common approach: Members recalled that in July 2012, Parliament, the Council and the Commission adopted a Common Approach on decentralised agencies and they called in this regard for prompt solutions of any on-going issues related to **agency headquarters** in order to ensure undisturbed operation. They regretted that Member States had failed to conclude headquarters agreements with 10 agencies on their territory, including three in France and one each in Estonia, Ireland, Luxembourg, Poland, Spain and the United Kingdom. They expressed concern that this may have serious implications for the staff of the agencies and called on the Member States concerned to conclude such agreements before the start of the next budget discharge procedure.

The committee welcomed the **Commission's Roadmap** on the follow-up to the Common Approach on EU decentralised agencies and invited all involved parties to take on board the ideas expressed in it. Members supported the main objectives as set out in the Roadmap, and called on the Commission to continue its efforts and to report on its progress on an annual basis, inter alia, to report on the progress as regards completion of actions, the implementation of the completed actions and their outcomes and effectiveness. They stressed that in line with the Roadmap the agencies had a responsibility to ensure that their websites mention that they were agencies of the Union.

Democratic accountability: the report recalled that agencies were independent and that the Commission could give agencies guidance through the development of guidelines. Members were of the opinion, however, that it was up to the agencies to decide on the follow-up and believed that **the only institution that could politically discuss the agencies was Parliament**. Accordingly, the reporting system to the discharge authority was of utmost importance and should be strengthened to improve transparency on the activities of the agencies.

Members also called for:

- strengthening the democratic accountability of the agencies;
- emphasis to be placed on their efficiency on the results obtained;

- enhancing the reporting on social accountability of the agencies, which would lead to the increased visibility of the agencies' activities for the general public.

They also stressed the importance of parliamentary scrutiny of **draft annual work programmes** of the agencies before the final work programmes were adopted.

Common issues as regards budgetary and financial management: the report noted with concern that there were a number of problems identified by the Court of Auditors which affected several agencies, in particular as regards:

- weaknesses in budgetary planning;
- potential conflicts of interest;
- procurement and contract management;
- lack of transparency or rigour in recruitments;
- carryovers which are not supported by commitments or are excessively high;
- weaknesses in verification of grant transactions.

Possibilities of closer cooperation and of merging certain agencies: Members acknowledged that the results of a survey conducted by agencies about services shared between them show that they already cooperate and that awareness-raising could help develop those good practices further. They welcomed the good example set by, for instance, the European Maritime Safety Agency (based in Lisbon) which shared its Internal Audit Capability with the European Fisheries Control Agency (based in Vigo), whereas European Railway Agency (based in Valenciennes) was preparing an agreement for sharing the services of the Accounting Officer with the European Securities and Markets Authority (based in Paris). Members recalled that the Commission's proposal for a European agency for law enforcement and training proposing to merge the European Police College (CEPOL) with Europol could have allowed for administrative costs savings (in particular staff posts) which could have been redeployed. They noted, however, that the Commission proposal assured neither the Parliament nor the Council of a merger or relocation of CEPOL to the Hague.

They welcomed the Commission's intention to merge agencies where appropriate and its willingness to continue its assessment of the possibilities to merge some of the existing agencies.

Other recommendations: Members made a series of technical recommendations on:

- the management of budgetary resources stressing the need to respect the principle of annuality and regretting that there is little evidence to justify the creation of a reserve fund for partially self-financed agencies;
- the performance by requesting the Court of Auditors to provide an evaluation on the performance and the results of the agencies in time for the review in 2016 of the multiannual financial framework;
- the importance of the agencies' independence. Members regretted that this is currently this is not always the case;
- conflicts of interest by asking the Agencies to apply the Commission's guidelines on the matter and calling on them to publish on their website, before the 1 December 2014 at the latest, their policy and/or arrangements on the prevention and management of conflict of interest;
- the internal control systems and internal audits to strengthen their impact;

- recruitment procedures in order to improve the rules:
- the European Supervisory Authorities (ESAs) to ensure that they are fully financed by the EU budget;
- promoting gender equality to ensure that women and men are properly represented on the agencies' governing bodies;
- IT systems in order to make them more efficient.