2013 discharge: European Network and Information Security Agency (ENISA)

2014/2110(DEC) - 16/09/2014 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Network and Information Security Agency (ENISA) for the year 2013, together with the Agency's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Network and Information Security Agency (ENISA).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2013;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **budgetary management**: the overall level of committed appropriations was 94 %, which is explained mainly by the fact that additional funds requested from the Commission to finance the refurbishment of the new office in Athens were only approved in November 2013. In this context, an amount of EUR 500 000 that was not yet committed at year-end was carried over following a Management Board decision. In total, non-committed and committed appropriations carried over to 2014 amounted to EUR 1.2 million (or 13.5% of total appropriations);
- **double headquarters**: operational staff of ENISA were relocated to Athens in 2013 while administrative staff remain in Heraklion. The administrative costs could be reduced if all staff were centralised in one location. According to the lease agreement between the Greek authorities, the Agency and the landlord, rent for the offices in Athens is paid by the Greek authorities. This rent is constantly paid with a delay of several months which is a business continuity and financial risk to the Agency.

The Agency's reply:

- **budgetary management**: the Agency noted that the EUR 500 000 carried over at year end were committed in 2014 at a rate of 99.78%;
- **double headquarters**: the Agency noted that the creation of an additional office based in Athens was a political compromise reached among the European Parliament, the Commission and the government of the host country, in order to increase the operational efficiency of the Agency and in particular of the work of the Core Operations Department. This decision was beyond the influence of ENISA. The Agency agreed with the comment and notes that it continuously communicates the problems and the risks involved to the partner DG CNECT and various authorities of the Greek Government in order to ensure that the issues pertaining to the payment of the subsidy from the Greek Government are overcome. The Agency continues to exercise and explore all possible remedies arising from the late payments from the Greek Government. To date the Agency has been able to mitigate any risks arising from the late payments.

Lastly, the Court of Auditors' report contains a summary of the **Agency's activities in 2013**. This is focused on the following:

Budget: EUR 9.7 million of which the Union subsidy is 93%.

Activities:

- **threat evaluation and opportunities**: the objective of this work stream was to identify the most important evolving threats that are relevant to critical infrastructure and trust services. This was done by monitoring publicly available sources that publish threat-related data and by making a regular assessment of this data. Based on the analysis done, ENISA has proposed good practices and guidelines for mitigating these risks;
- **improving Pan-European Protecting Critical Information Infrastructures** (CIIP) by facilitating cooperation and coordination among Member States, ENISA has continued in this work stream to support all of these stakeholders in developing sound and implementable preparedness, response and recovery strategies, policies and measures to meet the challenges of a continuously evolving threat environment;
- **support CERT** (Computer Emergency Response Team) enabling communities to improve network and information security (NIS).