2013 discharge: European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA)

2014/2128(DEC) - 30/03/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) on discharge in respect of the implementation of the budget of the European Agency for the perational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (EU-LISA) for the financial year 2013.

It called on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of the Agency's budget for the financial year 2013.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Agency for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Members called on the Parliament to approve the closure of the Agency's accounts. They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies.

- **Agency's financial statements**: Members noted that the final budget of the Agency for the financial year 2013 was EUR 61 345 072. The entire budget of the Agency derives from the Union budget.
- **Carry-overs**: Members stated that according to Regulation (EU) No 1077/2011, the Commission was responsible for the Agency's establishment and initial operation until it was granted financial autonomy. They noted with concern delays in the completion of the Agency's accounting system. The budget implementation rates were 96% for commitment appropriations and 67% for payment appropriations. They also noted that **countries associated** with the implementation, application and development of the Schengen acquis and EURODAC-related measures must make a contribution to the Agency's budget. Although Schengen-associated countries were using the systems managed by the Agency in 2013, the Commission's negotiations were still ongoing. Members noted that the budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 98.95% and that the payment appropriations execution rate was **28.94% with a high level of committed appropriations carried forward to 2014** due to the fact that the Agency has a number of multiannual contracts related to its core activities.

Members also made a series of observations on procurement procedures, recruitment, prevention and management of conflicts of interest as well as internal controls and audits.

As regards the **reliability of the accounts**, Members noted with concern that the Court's report emphasises the issues related to the valuation of the SIS II, VIS and EURODAC systems in the Agency's accounts. They recalled that the operational management of those systems is the Agency's core task and that the systems were transferred from the Commission to the Agency in May 2013 by way of a non-exchange transaction.

Moreover, Members recalled that, **given its seat is located in Tallinn while its operational activities are carried out in Strasbourg**, management effectiveness would increase and administrative costs would be reduced if all staff were centralised in one location. They also recalled that at the time of the Court's audit, negotiations were ongoing between the Agency and the host Member State. The Agency should inform the discharge authority about the state of play of the negotiations. It called on the Commission to include the advantages and disadvantages of having three different locations in its evaluation report and reflections on practical arrangements and costs with regard to a potential **centralisation of its activities**.