2014 discharge: European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA)

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The Committee on Budgetary Control adopted the report by Derek VAUGHAN (S&D, UK) on discharge in respect of the implementation of the budget of the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) for the financial year 2014.

The parliamentary committee calls on the European Parliament to grant the Agency's Executive Director discharge in respect of the implementation of the Agency's budget for the financial year 2014.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2014, Members call on 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 note the Agency's final budget for the financial year 2014 was EUR 59 380 000, representing a decrease of 3.2% compared to the year 2013. The entire budget of the Agency derives from the Union budget.
- **Emphasis of matter:** Members note 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 note that the systems were transferred from the Commission to the Agency in May 2013 by way of a non-exchange transaction. They take note that in the absence of reliable and complete information in respect of the total development cost of those systems, the value of the systems was recorded in the Agency's accounts at their net book values as per the Commission's books and updated at year-end. They acknowledges the Agency's comment that as long as the book value of the assets transferred by the Commission to the Agency was established in line with the Commission's internal accounting rules, **there was no action that the Agency had to or could have performed** in this respect. They also acknowledge that the value of transferred assets is expected to become **immaterial in the year 2015** due to the yearly application of depreciation of asset value and that as such, for future discharges, this comment will no longer be relevant.
- **Commitments and carryovers:** Members note that the committed appropriations carried over to 2015 were high for administrative expenditure at EUR 15 million (87 %). They acknowledge that these carry-overs mainly resulted from **delayed procurements** for the extension and refurbishment of the Agency's site in Strasbourg. The carry-overs for operational expenditure were high at EUR 24.5 million (85 %) and mainly related to multi-annual contracts for the maintenance of the Agency' s IT systems. They therefore call on the Agency to reduce the high level of carry-overs as it is **at odds with the principle of annuality**.

Members also made a series of observations regarding the Agency's budget and financial management, prevention and management of conflicts of interest, as well as on contract award, recruitment and internal audit and control procedures.

Members note that the negotiations between the Agency and France were successfully concluded and that the **seat agreement** was signed for the Agency's operational site in Strasbourg. They are also pleased that the negotiations between the Agency and Estonia were successfully concluded and the seat agreement was signed at the end of 2014.

Lastly, Members call for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with **better public access to documents and more stringent rules on conflicts of interest,** the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries.