Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014: performance, financial management and control

2015/2205(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 519 votes to 118 with 3 abstentions, a resolution on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014: performance, financial management and control.

Parliament reiterated the importance of the tasks performed by agencies, in particular of the regulatory agencies and those with the function of independent information collection. It noted from the 2014 annual audits that the agencies' 2014 budget amounted to some EUR 1.9 billion, representing a decrease of about 5% compared to 2013 and about 1.4% of the Union's general budget. It pointed out that approximately 63 % (EUR 1.2 billion) comes from Union funding, whereas the rest is income from fees or other sources.

Common approach and Commission's roadmap: while recalling that in July 2012, Parliament, the Council and the Commission adopted a common approach on decentralised agencies, Members acknowledged the Commission's progress report on the implementation of the Common Approach as well as the efforts made jointly by the Commission and the decentralised agencies, which resulted in demonstrable progress. This will ensure more balanced governance, improved efficiency and accountability and greater coherence.

Budget and financial management: Parliament recalled the need to apply the principle of annuality and that that an elevated level of **carry-overs of committed appropriations** remains the most frequent issue of the budgetary and financial management affecting agencies.

It noted with satisfaction that the final accounts of all decentralised agencies present fairly, in all material respects, their financial position as at 31 December 2014 and the results of their operations and their cash flows for the year then ended, in accordance with the provisions of the applicable financial regulations and the accounting rules adopted by the Commission. For all decentralised agencies, the transactions underlying the annual accounts for the year ended 31 December 2014 were legal and regular in all material respects. It is concerned that certain agencies are partly financed by fees paid by industry, when these financial ties may affect their independence.

Cooperation among agencies: Parliament acknowledged that 93% of the agencies stated that they share services with other agencies and institutions and that 75% of the agencies have cooperation agreements, working arrangements and memoranda of understanding for cooperation with other agencies, institutions and Member States. The perspective of this approach is to result in cost savings and increased efficiency of agencies. It suggested locating any new agencies that may become necessary in close proximity to other agencies so that they may share services more easily.

It also acknowledged the benefits not only for agencies but also for the Commission to create synergies and pool procurement procedures within the framework of the Common Approach.

Human resources management: Parliament welcomed the fact that most agencies have already met or exceeded the 5% reduction based on their respective establishment plans. Parliament the Commission

applied an additional levy of 5 % of staff to the agencies in order to create a redeployment pool from which it would allocate the posts to the agencies with new tasks entrusted to them or in a start-up phase. It called upon the Commission to run a SWOT analysis on the agencies' mandates and annual work programmes in order to come to an informed decision on which Agencies need more staff and which do not.

It recalled its position on the budgetary procedure according to which, staff financed by fees paid by industry, and consequently not financed by the Union budget, **should not be affected by the 1% yearly cut applied by the Union**. It urged the Commission to treat the agencies financed primarily by the Union budget as a separate case and to put forward a specific framework for agencies financed mainly by industry, which should be in proportion to the services provided by the agency concerned.

Conflicts of interest and transparency: Parliament acknowledged that over 80% of all decentralised agencies have an anti-fraud strategy in place. It noted that the agencies have introduced a number of concrete measures and tools to address adequately the risks of actual and perceived conflicts of interest and to consider a strategy on how to get closer to Union citizens. Members called for an overall improvement in the prevention of, and the fight against, corruption in the public sector, and especially within the EU institutions and agencies, 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.

In this regard, Members noted with concern that some agencies are yet to adopt whistle-blowing guidelines and demands that all those Union institutions and agencies that have not yet done so urgently adopt them. They also called on the institutions and agencies to pay special attention to the **protection of whistleblowers** in the context of the soon-to-be-adopted Directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.

Parliament took note that 52% of the agencies use expert groups, scientific panels and committees and almost all of them take into account concerns raised by the European Ombudsman´s own-initiative inquiry (OI/6/2014/NF) opened on 12 May 2014 into their staffing policies for these groups.

It requested that all Union institutions and agencies implement Article 16 of the Staff Regulations by publishing, on an annual basis, information about senior officials who have left the service, as well as a **list of conflicts of interest**. It further requested that all Union institutions and agencies assess the compatibility of post-EU employment or the situation whereby civil servants and former Members of the European Parliament move from the public to the private sector (the 'revolving door' issue) and the possibility of a conflict of interest. To underline the need to enhance integrity and improve the ethical framework, Parliament recommended better implementation of codes of conduct and ethical principles, so as to reinforce a common and effective culture of integrity for all Union institutions and agencies. In addition, it called for those Union institutions and agencies which have introduced codes of conduct, including the European Parliament, to step up their implementation measures, such as checks on declarations of financial interests.

Parliament made a series of general recommendations on improving the performance of the agencies in order to make their operations more effective, as well as more visible, particularly on-line. Overall, it called on the agencies to further strengthen their efforts and to improve their communication policies to expand their visibility through different social media tools.

In parallel, Parliament recalled that the Court of Auditors that the Parliament, the Council and the Commission agreed in paragraph 54 of the Common Approach that all aspects of outsourced external audits "remain under the full responsibility of the [Court], which manages all administrative and

procurement procedures required". It called on the Commission to confirm urgently that the Common Approach still applies. It deeply regretted that the new audit approach involving private sector auditors resulted in an 85 % increase in administrative burden on the agencies, equating to more than 13 000 additional hours or an average of 3.5 full time equivalents (FTEs) compared with the previous audit managed by the Court of Auditors. It called on the Court of Auditors to provide better guidance to private auditors so as significantly to reduce the augmented administrative burden.

Lastly, Parliament highlighted the need for agencies to adopt headquarter agreements and to improve their procedures and practices in matters of procurement and preservation of their financial interests.