

2016 discharge: European Asylum Support Office (EASO)

2017/2177(DEC) - 17/10/2017 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Asylum Support Office (EASO) for the year 2016, together with the Office'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 focused on the annual accounts of the European Asylum Support Office (**EASO**). As a reminder, its task is to support the development of the Common European Asylum System. It was established with the aim of enhancing practical cooperation on asylum matters and helping Member States fulfil their European and international obligations to give protection to people in need. EASO acts as a centre of expertise on asylum. It also provides support to Member States whose asylum and reception systems are under particular pressure.

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 Foundation, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2016;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Office's annual accounts present fairly, in all material respects, its financial position as at 31 December 2016 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.

Basis of the qualified opinion on the legality and regularity of payments underlying the accounts: the Court made material findings in relation to two out of five significant procurement procedures from 2016 for which payments were incurred during the year. This demonstrates a lack of rigour in the Office's procurement procedures. A procurement procedure for the provision of travel services did not comply with the principle of equal treatment. The contract was awarded to a tenderer who did not fulfil all selection criteria.

In February 2016, the Office directly awarded a framework contract (FWC) for interim services to support it in its response to the migration crisis for a period of 12 months amounting to EUR 3.6 million. The FWC was awarded to a single preselected economic operator without applying any of the procurement procedures laid down in the EU Financial Regulation. The award was therefore not in compliance with the relevant EU rules and associated 2016 payments, are irregular.

The Court noted, however, that except for the effects of the matters described above, the payments underlying the accounts for the year ended 31 December 2016 are legal and regular in all material respects.

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

The Court's observations:

- **budgetary management:** the Court noted that the level of committed appropriations for administrative expenditure carried over was high at EUR 2.5 million. The carry-overs mainly relate to IT infrastructure, translations and publications, business consultancy and Management Board meeting cost for which contracts were signed towards the end of 2016 and/or invoices were only issued in 2017.

The Office's replies:

- **qualified opinion:** the Office takes note of the Court's observation however, EASO made its decision based on the fact that the awarded company was the only one with the existing capacity to fulfil the contractual obligations.

EASO's actions were in the context of **extreme urgency** linked to the refugee crisis which was at its peak at the time, compounded by the necessity to implement the decisions of the Council regarding the emergency tasks entrusted to the Office and to compensate for the shortage of Member States' experts. The contractor chosen under these extreme circumstances was the same who was previously contracted by another EU agency located in Greece. EASO relied on the eligibility and financial capacity checks performed by that agency. The decision was documented and approved in an **exception request**.

In the meantime, EASO has launched a new open tender procedure to award a new framework contract.

Lastly, the Court of Auditors' report contains **a summary of the Office's key figures in 2016:**

- **Budget:** EUR 53 million.
- **Staff:** 125 including officials, temporary and contract staff and seconded national experts.