# 2016 discharge: European Institute for Gender Equality (EIGE)

2017/2170(DEC) - 19/09/2017 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the year 2016, together with the Institute'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 Institute for Gender Equality (**EIGE**). To recall, the Institute's task is to collect, analyse and disseminate information as regards gender equality and to develop, analyse, evaluate and disseminate methodological tools in order to support the integration of gender equality into all Union policies and the resulting national policies.

**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 2016, and
- the legality and regularity of the transactions underlying those accounts.

**Opinion on the reliability of the accounts**: in the Court's opinion, the Institute'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.

**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 2016 are legal and regular in all material respects.

The report made a series of observations on the budgetary and financial management of EIGE, 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 carried over remained high for operational expenditure at EUR 1.7 million, mainly in relation to studies going beyond the year end. The Institute may consider introducing differentiated budget appropriations to better reflect the multi annual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments;
- **internal controls**: the Court highlighted that in 2016 the Institute launched an open call for tender for a framework contract on the maintenance and update of its gender statistics tools and resources for a maximum amount of EUR 1.6 million. The call was split into two lots without indicating the respective amounts per lot. Following a question from one tenderer, the Institute clarified on its website that the maximum amount per lot was estimated at EUR 800 000. However, two separate

framework contracts were signed with the same tenderer for a maximum amount of EUR 1.6 million per lot and an option to further increase the amounts by up to 50 % per lot, allowing the Institute to sign specific contracts over the maximum duration of the FWC (four years) for up to EUR 4.8 million or three times the amount announced in the contract notice. In reaction to the audit, the Institute signed amendments to both FWC, reducing the maximum amounts to EUR 800 000 each (with a potential increase by maximum 50 %).

**The Institute's replies**:

- **budgetary management**: the Institute stated that the level of carry-overs remained at the given level due to significant challenges imposed on five projects, which caused them to be carried forward to 2017. EIGE considers the fact that despite all the challenges caused by 'force majeure' factors, that impacted negatively on the implementation of EIGE's budget, EIGE managed to decrease the operational (C1) carry-overs down by more than 9 % is a good achievement worth mentioning. Regarding differentiated appropriations, it is important to note that in the past EIGE was discouraged from introducing this approach because of the annuality principle of the budget, despite that it will carry out a feasibility analysis to develop a solid basis for taking a future decision on introducing or not differentiated appropriations;
- **internal controls**: the Institute takes note of the Court's comment on the matter which was caused by an administrative error due to which the amount specified in the framework contract for each lot was not amended accordingly. The signed framework contracts have no budget implication, both lots have been awarded to the same contractor and the candidates were duly informed during the tendering phase.

Lastly, the Court of Auditors' report also contained a summary of the **Institute's key figures in 2016**:

- **Budget**: EUR 7.8 million.
- **Staff**: 45 including officials, temporary and contract staff and seconded national experts.