2016 discharge: European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)

2017/2178(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 Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) for the year 2016, together with the Agency'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 Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (**eu-LISA**). As a reminder, the core mission of this Agency is to fulfil the operational management tasks for the Second Generation Schengen Information System (SIS II), the Visa Information System (VIS) and Eurodac.

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 Agency'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: the Court considers that the transactions underlying the annual 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 Agency, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **budgetary management**: appropriations carried over under administrative expenditure are high with EUR 5 million. They mainly concern building maintenance and consultancy services to be delivered in 2017. Such high level of carry-overs to cover next year's activities is in contradiction with the budgetary principle of annuality.

The Agency's replies:

- **budgetary management**: according to the Agency, the carry-overs are constantly revised and planned with the objective of reducing them over time to the strictly necessary and only when the operation is justified.

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

- **Budget**: EUR 82.3 million in payment appropriations.
- **Staff**: 144 including officials, temporary and contract staff and seconded national experts.