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) - 26/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) 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 2016.

The committee called 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 2016.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2016 were reliable and that the underlying transactions were legal and regular, Members called 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 noted that the final budget of the Agency for the financial year 2016 was EUR 82 267 949, representing an increase of 21.77 % compared to the year 2015, entirely derived from the Union budget.
- **Comments on the legality and regularity of transactions**: Members condemned the fact that the Agency received and accepted supplies amounting to EUR 2.8 million without having budget and legal commitments (contracts) in place. They called on the Agency to significantly improve budget planning and budget implementation.
- **Budget and financial management**: Members noted that budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 97.9 % and that the payment appropriations execution rate was 97.6 %. Members noted that the Agency signed a construction contract for its premises in Strasbourg with a value of EUR 21.5 million in June 2015.
- **Commitments and carry-overs**: Members noted that the committed appropriations for administrative expenditure carried over amounted to EUR 5 million (63 % of committed appropriations), compared to EUR 9 million (50 %) in 2015. These concerned mainly building maintenance and consultancy services to be delivered in 2017. These carry-overs may be justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding procurement and staff policy, internal audits and the prevention and management of conflicts of interests.

Members expressed concern as to the potential risk for the competitiveness of the **EUR 194 million framework contract award procedure** for the further development and maintenance of the Visa Information System and the Biometrics Matching System (BMS) for a maximum period of six years.

Lastly, Members noted that a level of information exchange between the Agency and the Commission that would allow thorough preparation for activities **after Brexit** has not been completely arranged as some

legal aspects, such as access to the systems managed by the Agency and use of data entered by the United Kingdom into them after Brexit, need further elaboration. The Commission is called on to help the Agency with solutions as soon as the negotiation process with the United Kingdom provides them with enough information.