

2017 discharge: European Union Agency for Fundamental Rights (FRA)

2018/2180(DEC) - 18/09/2018

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Fundamental Rights Agency for the financial year 2017, together with the Agency's replies.

CONTENT: the Court of Auditors carried out the audit on the annual accounts of the European Fundamental Rights Agency (FRA).

In brief, the objective of the Agency is to provide the relevant authorities of the Union and its Member States with assistance and expertise when implementing Union law relating to fundamental rights.

Statement of assurance and reliability of the accounts

The Court considered that:

- the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2017 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;

- the transactions underlying the annual accounts for the year ended 31 December 2017 are legal and regular in all material respects.

The report also makes 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

Procurement

The Agency encountered some difficulties in procuring studies due to unrealistic market estimation. At least three open calls for tenders were unsuccessful because the Agency only received offers, with the required quality, which significantly exceeded the defined maximum contract value. The Agency finally awarded these contracts through another procedure after having revised the tender specifications. This led to additional administrative expense to the Agency and affected the timing of operations.

Financial management

Agencies should introduce a single solution for the electronic exchange and storage of information with third parties participating in public procurement procedures (e-procurement). As the same requirement exists for all EU Institutions, the Commission is developing a comprehensive IT solution covering all phases of public procurement procedures. The Commission launched tools for electronic invoicing (e-invoicing), for the electronic publication of documents related to contract notices (e-tendering) and for the electronic submission of tenders (e-submission). By the end of 2017, the Agency had introduced e-invoicing for certain procedures, but not e-tendering and e-submission.

The Agency's replies

Procurement

All of the studies concerned were launched as open calls for tender and so were open to all economic operators. The types of large studies undertaken by the FRA are fairly unique in the EU, given both the subject matter and the need for them to be undertaken across all EU Member States. However, when launching such calls for tender in future, the Agency will consider conducting more specific market research and revising the technical requirements. They request addition funds in this area.

Financial management

E-tendering and e-submission is compulsory as from 1 January 2019. In 2018, the Agency started the process of introducing such systems and these will be available by the stated deadline.

Lastly, the Court of Auditors' report contains a summary of the Agency's activities in 2017:

Budget

EUR 23 million (in payment appropriations).

Staff

108 including officials, temporary and contract staff and seconded national experts.