

# **2017 discharge: European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)**

2018/2209(DEC) - 18/09/2018 - 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 for the year 2017, together with the Agency's reply.

**CONTENT:** the Court of Auditors carried out the audit 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).

In brief, 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 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***

### ***Financial management and performance***

EU-LISA currently manages three separate, non-integrated large-scale IT systems (SIS II, VIS and Eurodac) all dealing with data in the Union's policy area of freedom, security and justice. Such approach may prevent the Agency from realizing economies of scale and synergies between the different systems. Current considerations to extend the Agency's mandate to the management of several additional IT systems in coming years make this matter even more acute. The Agency should, in consultation with the Commission and Member States, prepare a detailed cost-benefit analysis to support a discussion on the future development strategy for the systems.

The Court stated that the project for the construction of a new building on the Strasbourg site suffered considerable delays.

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 and e-tendering for certain procedures, but not e-submission.

### ***Budgetary management***

The Agency entered into global commitments for a total amount of EUR 69.9 million, to cover future expenditure related to new tasks and IT systems which were initially foreseen to be entrusted to the Agency in 2017 but for which the legal basis was not yet adopted by year-end (Eurodac recast and Dublin allocation system) or only shortly before (Entry/Exit system Regulation adopted on 30 November 2017). The corresponding payment appropriations were reduced by two amending budgets by EUR 85.6 million, from EUR 153.3 million in the initial voted budget to EUR 67.7 million in the final adopted budget.

### ***The Agency's replies***

#### ***Financial management and performance***

In December 2017, the Commission put forward two proposals for a Regulation establishing a framework for interoperability between EU information systems (in the borders and visa areas as well as in the police and judicial cooperation, asylum and migration areas). Moreover, revision of mandate of the Agency (in the final stages to be adopted) establishes the responsibility for the development of interoperability actions subject to the adoption of the relevant legislative proposals.

The Agency confirmed the delay in the implementation of construction project in Strasbourg.

As regards e-submission, technical issues in the platform managed by EC-DG DIGIT prevented the use of the tool; as other agencies, the Agency was therefore not in a position to reliably deploy the platform in 2017. Once the platform becomes stable, the Agency intends to use it in its procurement activities.

### ***Budgetary management***

The Agency stated that the scenario and associated risks relating to the future expenditure of new tasks and IT systems were identified already in 2016, and reflected in the Agency's estimates of revenue and expenditure 2017. Throughout the year, the Management Board was regularly kept informed on the risk and constraints of adopting large global commitments due to the delays in the adoption of the legal basis of the new tasks.

Lastly, the Court of Auditors' report contained a summary of the Agency's key figures in 2017:

#### ***Budget***

EUR 79 million in payment appropriations.

#### ***Staff***

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