2017 discharge: European Asylum Support Office (EASO)

2018/2208(DEC) - 01/03/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2017.

The committee called on the European Parliament to postpone its decision on granting the Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Office' s budget for the financial year 2017.

At the same time, it called for the closure of the accounts of the European Asylum Support Office for the financial year 2017 to be postponed.

Adverse opinion

The Court issued a basis for an adverse opinion on the legality and regularity of the payments underlying the accounts meaning that the payment underlying the accounts for the year ended 31 December 2017 are materially affected by error.

Members recalled that the European Parliament decision of 24 October 2018 refusing to grant the Office's Executive Director discharge for the financial year 2016. They welcomed in this regard the corrective measures taken in the meantime by the Office's Management Board and the new ad interim Executive Director. However, the budget for the financial year 2017 was implemented under the supervision of the Office's previous management.

Irregularities discovered by OLAF regard the breach of procurement procedures, misappropriation of EU funds, mismanagement, abuse of position in human resources issues, breaches of data protection rules, harassment and inappropriate behaviour towards staff members.

The report acknowledged the major risks inherent to the nature of the Office's activities and extraordinary operational challenges caused by the migration influx in 2015, 2016 and 2017. Members regretted however that those risks were not mitigated by a solid governance structure and effective controls.

Members regretted to note the material and systematic instances of non-compliance of payments with the Office's Financial Regulation and other applicable rules and provisions, mainly related to public procurement and recruitment procedures underlying payments.

Office's financial statement

The final budget of the EASO for the financial year 2017 was EUR 86 795 482, representing an increase of 32.78 % compared to 2016 which was related to the new additional tasks expanding the Office's mandate. EUR 75 376 000 of the Office's budget derives from the Union budget, the remaining part being contributions from associate countries and other income.

Budget and financial management

Budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 96.88 %, representing a decrease of 2.25 % compared to 2016. Payment appropriations execution rate was 92.03 %, representing an increase of 5.79 % compared to 2016. The Office implemented 29% of the associate countries' contributions and 96% of grants for operational expenditure. Members called on the Office to implement this amount fully.

The cancellations of carry-overs from 2016 to 2017 amounted to EUR 341 190, representing 11.68 % of the total amount carried over, showing an increase of 0.82 % in comparison to 2016.

Members also made a series of observations regarding performance, staff policy, procurement, conflicts of interest and internal controls.

In particular, they noted that:

- on 31 December 2017, the establishment plan was only 80.65 % filled, with 125 temporary agents appointed out of 155 temporary agents authorised under the budget of the Union;

- the human resources situation at the Office has deteriorated exponentially: for the Office's management, 4 out of 10 head of unit posts and 18 out of 27 head of sector posts were vacant;

- the Court found serious weaknesses in four of the fourteen recruitment procedures audited;

- the Office did not publish its Annual Activity Report for 2017 by the deadline of 1 July 2018. The Report was finally adopted by the board on 10 January 2019;

- the Office is one of the few multi-location Union agencies. Members are concerned that the Office entered into lease contracts in several locations without having carried out an adequate local market analysis;

- the new ad interim Executive Director took office on 6 June 2018. Members acknowledged the new management's commitment to ambitious reforms. They regretted that no one recognised the appalling behaviours of the former Executive Director over several years. The Commission is called on to propose an early reaction mechanism to those kinds of misbehaviours.