Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2019: performance, financial management and control

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The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, RO) on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2019: performance, financial management and control.

Members emphasised that the agencies have significant influence on policy- and decision-making, and programme preparation and implementation in areas of vital importance to Union citizens' daily lives, such as health, safety, security, freedom and justice.

The committee noted with satisfaction that the Court of Auditors issued an unqualified audit opinion on the reliability of the accounts of all agencies as well as on the legality and regularity of the revenue underlying the accounts for all agencies. On the other hand, a qualified opinion was issued for the European Union Agency for the Cooperation of Energy Regulators (ACER) and the European Asylum Support Office (EASO) regarding the legality and regularity of the payments.

Budgetary level

The report noted that for the 32 decentralised Union agencies, the cumulative total for the 2019 budgets amounted to around EUR 2 854 000 000 in commitment appropriations, representing an increase of approximately 10.29 % compared to 2018, and to EUR 2 570 000 000 in payment appropriations, an increase of 8.88 % in comparison to 2018.

It noted moreover that of the EUR 2 570 000 000 in payment appropriations, some EUR 1 920 000 000 were financed from the general budget of the Union, representing 74.75 % of the agencies' total financing in 2019 (72.16 % in 2018). Some EUR 649 000 000 were financed by fees and charges and by direct contributions from participating countries (a decrease of 1.22 % compared to 2018).

Expressing concern over the very high level of carry-overs in some agencies, which could indicate various weaknesses, including weak budgetary planning, which is in contradiction to the budgetary principle of annuality, Members highlighted the urgent need for all agencies to improve their planning capacities. They consider that greater attention should be paid to relevance and coherence, particularly in the context of overlapping areas of competence, when setting up future agencies. Resources should be allocated more flexibly based on need or urgency.

Common Approach

Members regretted that the founding regulations of several agencies have not yet been aligned with the Common Approach. They called on the agencies to continue to develop their synergies, increase cooperation and exchange of best practice with other Union agencies with a view to improve efficiency (human resources, building management, IT services and security).

Staff policy

The report noted that the 32 decentralised agencies employed a total of 7 880 members of staff, comprising officials, temporary agents, contract agents and seconded national experts, in 2019 (compared to 7 626 in 2018), representing a significant increase of 3.33 % compared with the previous year. Members expressed concern that the vast majority of agencies there is a lack of gender balance among staff in the overall management.

Moreover, weaknesses were identified in agencies' recruitment procedures concerning the management of potential conflicts of interests (one agency), the application of the principle of equal treatment or transparency (three agencies) and keeping a proper audit trail of the procedure (one agency).

Procurement

The report stressed the fact that public procurement continues to be the main area prone to error in relation to all Union decentralised agencies. It called therefore on the affected JHA agencies, i.e. Europol and CEPOL to improve their public procurement procedures.

Internal controls and transparency

Members noted with concern that it remains the case that not all agencies have published on their websites the CVs and declarations of interest for members of the management boards, executive leadership and seconded experts.

They called on all agencies to participate in the interinstitutional agreement on the transparency register for interest representatives under negotiation between the Commission, the Council and Parliament.

At the end of 2019, most agencies reported that they had implemented the revised internal control framework and that they had performed an annual assessment.

Other comments

Lastly, the report highlighted that the agencies previously based in London (the European Banking Authority (EBA) and the European Medicines Agency (EMA)) were relocated from the United Kingdom in 2019 and that their accounts include provisions for the related removal costs.