2021 discharge: General Budget of the European Union Agencies

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The Committee on Budgetary Control adopted the report by Olivier CHASTEL (Renew Europe, BE) on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2021: performance, financial management and control.

This report includes, for the EU agencies, the cross-cutting observations accompanying the discharge decisions.

Members welcomed the agencies' efforts to maintain high standards of work and high-quality outputs despite the limitations imposed by the COVID-19 pandemic. They stressed that the pandemic has demonstrated that agencies play a key role in EU policy, controlling the number of infections across Member States, authorising vaccines and treatments, issuing guidelines on workplace adaptation and worker protection, publishing recommendations on teleworking, online shopping and e-health services.

Main risks identified by the Court of Auditors

According to the Court’s report, the overall risk to the legality and regularity of revenue underlying the agencies’ accounts to be low for most agencies, and to be medium for the partly self-financed agencies where specific regulations are applicable to collection of fees and other revenue contributions, as was the case in 2020. The Court reported a low risk to budgetary management, as the Court's audit showed high carry-overs of committed appropriations, which were however justified.

The report notes the Court’s mention of an ‘other risk’ related to the COVID-19 pandemic that has affected the Court’s work as travel restrictions prevented it from carrying out on-the-spot checks, obtaining original documents and interviewing auditees’ staff in person.

Budgetary and financial management

The cumulative total of the 2021 budgets for the 33 decentralised Union agencies amounted to around EUR 3 206 million in commitment appropriations, representing an increase of approximately 5% compared to 2020, and amounted to EUR 3 090 million in payment appropriations, an increase of 6.88% compared to 2020. Of the EUR 3 090 million in payment appropriations, approximately EUR 2 477 million were financed from the general budget of the Union, representing 77.27% of the agencies’ total financing in 2021 (compared to 72.83% in 2020). Approximately EUR 728 million were financed by fees and charges and by direct contributions from participating countries (a decrease of 12.15% compared to 2020).

The report notes with concern that the final budgets of some agencies have been frozen in nominal terms for 6 years and, due to accumulated inflation, the real purchasing power of the budget decreases.

Members note with satisfaction that, according to the Court's annual report, **an unqualified audit opinion on the reliability of the accounts was issued** for all agencies. They also note that the Court issued an unqualified opinion on the legality and regularity of the payments underlying the accounts for all agencies except for the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA).

Members also noted the Court's observation on excessive levels of carry-over, in particular for ACER, eu-LISA, the Euratom Supply Agency (ESA), the European Union Agency for Fundamental Rights (FRA) and the Court's recommendation that the agencies concerned should further improve their budgetary planning and implementation cycles.

Performance

Members note the achievements and successes of all agencies in 2021, the second year of the COVID-19 pandemic with particular challenges for the agencies operating in justice and home affairs, transport, and medical related areas. The report appreciates the high-quality expertise and work performed by CEDEFOP, Eurofound, EU-OSHA, ETF and ELA, the agencies working in the area of employment, social affairs and inclusion and reiterates the need to equip the agencies at a level commensurate to the assigned tasks, with a sufficient number of staff, employed in a stable manner and having sufficient material resources.

Agencies should continue developing synergies as well as cooperation and exchange of good practices with other Union agencies with a view to improving efficiency, in particular in the context of inflationary strains.

Staff policy

In 2021, the 33 decentralised agencies reported employing 9 631 members of staff, representing an increase of 7% compared to 2020. Burnout cases (in total 23) were registered in 5 agencies and overtime was taken by some employees in 13 agencies in 2021.

Recurrent shortcomings concern several agencies regarding the use of external staff and interim workers. The report notes an improved gender balance in 2021, compared to 2020, at the level of senior management, with 68% men and 32% women and for staff overall with 50.26% men and 49.73% women. The geographical balance of staff should be improved.

Procurement

The report notes with concern that the Court observed 34 weaknesses in public procurement in 2021 (compared to 18 in 2020) and that the number of agencies concerned is increasing with 19 agencies concerned in 2021 (compared to 9 agencies in 2020). The increased use of e-procurement tools by Union agencies is welcomed.

Prevention and management of conflicts of interests, and transparency

Members note that, with the exception of one agency, all agencies have a policy for prevention and management of conflicts of interest in place. They insist on the need to put in place or regularly update systematic sets of rules on transparency, incompatibilities, conflicts of interest and ‘revolving door’ situations, and illegal lobbying, as well as anti-fraud Strategies. 2021 was a key year for most agencies regarding various measures taken in order to strengthen the agencies’ cybersecurity and protection of the digital records in their possession. However, those measures are not harmonised across agencies.

Lastly, most agencies made further progress with regard to digitalisation and optimisation of their workflows and procedures, in particular in the fields of HR, financial and procurement procedures.