2021 discharge: General budget of the EU - Court of Auditors

2022/2085(DEC) - 10/05/2023 - Text adopted by Parliament, single reading

The European Parliament decided by 621 votes to 7, with 3 abstentions, to **grant discharge** to the Secretary-General of the Court of Auditors in respect of the implementation of the Court of Auditor's budget for the financial year 2021.

In its resolution, adopted by 626 votes to 8 with 4 abstentions, Parliament made the following observations:

Budgetary and financial management

The final budget of the Court for 2021 was **EUR 153 721 727**, which is a slight increase of 0.97 % compared to the budget of EUR 152 237 000 in 2020, mainly due to salary adaptations. Members noted a **high budget implementation** of 96.65 %, compared to 95.70 % in 2020, and that payments represented 94.45 % of total commitments, compared to 94.12 % in 2020. The appropriations carried over to 2021 amounted to EUR 8 242 668 which represented 5.55 % of total commitments, compared to EUR 8 565 175 and 5.88 % in 2020.

In 2021, the COVID-19 pandemic had an impact on the Court's activity, and as a result, the use of appropriations for certain budget lines was reduced, while for others the health crisis required additional expenditure.

Internal management, performance and internal control

Members recalled the Court's strategy for the 2021-2025 period and underlined that the Court has stepped up its efforts to in making the best use of modern technology and new techniques in audit in order to deliver more and better information for the accountability process. In 2021, a total of 1 156 days of audit fieldwork were carried out on the ground, compared to 1 817 in 2020 and 6 109 in 2019.

Parliament appreciated the Court's approach with regard to basing its strategy on its analysis of trends, its assessment of risks and the priorities of the institutional stakeholders and auditees. It believes that the **dialogue between the Court and Parliament** to identify topics of interest and priorities should be streamlined and coordinated.

The Court is encouraged to enhance its contribution to counter fraud in respect of the Union budget and to engage in the continuous development of its audit approach and methodology in the light of the changes linked to the next multiannual financial framework, the Recovery and Resilience Facility and Next Generation EU.

Human resources, equality and staff well-being

At the end of 2021, the Court had 853 permanent and temporary posts (as in previous years) out of which 527 were in audit chambers, including 104 posts in members' offices, and that it further employed 92 contractual agents and 25 seconded national experts, compared to 83 and 15 respectively in 2020.

On 31 December 2021, the occupation rate at the Court was 97.3 % (23 of the 853 permanent and temporary posts at the Court were vacant and open for recruitment) in comparison to 97.2% at the end of

2020. Members appreciate the continued efforts to maintain intensive recruitment, which, in 2021, resulted in 80 new employees being recruited.

Gender balance across staff is well pursued and achieved, with 50.76 % of officials and 60.82 % of temporary agents being women. Members deplored the **lack of gender balance in the College of Members** of the Court. The Court should analyse its overall composition in order to inform the Council and the Member States concerned, so that gender balance is taken into account in the nomination decision.

The resolution noted that geographical balance still has not been reached within the staff of the Court, which reflects the Court difficulties in attracting people to work (and live) in Luxembourg due to, among other things, the high cost of living. The Court's well-being programme 'Back at the office', embracing mental, physical and social support, tailored to the peculiarities of a hybrid work-life, with the aim of preventing burnout and enhancing resilience is welcomed.

Parliament renewed its request, made every year since the 2017 discharge, to extend the attendance register to include working days, missions, periods of leave and justified absences in order to draw up an accurate record of the work carried out by members.

Ethical framework and transparency

Members believe that the Court's role and importance as the EU's independent external auditor and guardian of its finances requires the discharge authority to apply a very strict set of evaluation criteria and the Court to commit itself to the highest possible standards. Whilst the amended Code of Conduct for Members and former Members of the Court explicitly sets out the requirement to submit an annual declaration of interests, the Court should strengthen the current system to ensure that its Members adhere to the highest standards of ethical conduct and the relevant ethical values and principles.

In 2021, the Court began the process of updating its ethical framework for staff, which should be followed by an update of the whistleblowing rules. The resolution called for an end to the use of external companies that continue to operate in Russia.

Parliament also commented on the digital transition, cyber security and data protection, buildings and security, environment and sustainability, inter-institutional cooperation and communication.

The resolution highlighted in particular:

- the Court's efforts to adapt to changing working conditions, drive the digital transformation of audit and upgrade technology and practices across the organisation to continue to provide an effective public audit service in the Union. The total IT budget for 2021 was EUR 9 141 000 compared to EUR 10 093 000 in 2020 and EUR 8 085 000 in 2019;

- the publication in 2021 of the Court's first sustainability report, following the identification of sustainability as a cross-cutting theme in the Court's 2021-2025 strategy;

- the signing of a new tripartite agreement between the Court, the Commission and the European Investment Bank (EIB) and the signing of a working arrangement with the European Public Prosecutor's Office, which establishes a structured framework for cooperation and enables the Court to transfer cases directly to the European Public Prosecutor's Office;

- the publication in 2021 of the Communication Plan on Diversity and Inclusion, which contains information on the Court's communication objectives, target audience, stakeholders, messages, channels and monitoring. The Court is invited to intensify its communication efforts to strengthen its connection with citizens by being more transparent in its activities, intensifying the use of digital technologies.