2021 discharge: General Budget of the European Union Agencies

2022/2134(DEC) - 10/05/2023 - Text adopted by Parliament, single reading

The European Parliament adopted, by 556 votes to 72 with 4 abstentions, a resolution on the discharge for the implementation of the budget of the European Union agencies for the financial year 2021: performance, financial management and control. The resolution 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.

Main risks identified by the Court of Auditors

According to the Court's report, the **overall risk** to the reliability of the agencies' accounts is generally **low** . The Court reports that the overall risk to the legality and regularity of the payments underlying the agencies' accounts is considered to be medium, although the risk varies from low to high from one budget title to another. It also reported a medium risk for sound financial management.

Parliament is pleased to note that, despite the risk associated with the COVID-19 pandemic, the Court nevertheless carried out its work by means of documentary checks and remote interviews with staff at the audited entities. It welcomed the Court's statement that, in most cases, the agencies had taken corrective action in response to audit observations made in previous years.

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 resolution noted 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.

Parliament noted that the Court delivered an **unqualified audit opinion** on the reliability of the accounts was issued 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 of excessive levels of carry-overs, and numerous payment delays for ten agencies, with weaknesses in particular for the European Union Agency for the Cooperation of Energy Regulators (ACER), eu-LISA and the European Union Agency for Fundamental Rights (FRA), as well as the Court's recommendation that the agencies concerned should further improve their budget 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. They appreciated 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 reiterated the need to equip the agencies (in particular the EU agencies responsible for justice and home affairs) at a level commensurate to the assigned tasks, with a sufficient number of staff, employed in a stable manner and having sufficient material resources.

EU agencies should focus on tasks with clear European added value and the organisation of these tasks should be optimised to avoid duplication, in the interests of EU taxpayers. 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.

In 2021, the EU agencies network created a working group dedicated to issues in the area of diversity and inclusion for all ages.

Public procurement

The report noted with concern that the Court found 34 weaknesses in public procurement in 2021 (compared with 18 in 2020) and that the number of agencies affected is increasing, with 19 agencies affected in 2021 (compared with 9 in 2020). The increased use of online procurement tools by EU agencies is welcomed.

Prevention and management of conflicts of interest and transparency

Members noted that, with the exception of one agency, all the agencies have put in place a policy for preventing and managing conflicts of interest. They deplored the ineffective and inadequate monitoring of compliance with requirements and restrictions on ‘revolving doors’ by current and former agency staff. They stressed the need to introduce or regularly update systematic rules on transparency, incompatibilities, conflicts of interest and situations of 'revolving doors', illegal lobbying and strategies to combat fraud. All the agencies have implemented a whistleblowing policy.

Parliament stressed the need for effective management and control systems to avoid potential conflicts of interest.

2021 has been a key year for most agencies in terms of the various measures taken to strengthen agencies' cybersecurity and the protection of digital documents in their possession. However, these measures are not harmonised between agencies.

Members reiterated the importance of improving the digitalisation of the agencies' internal operations and management, including speeding up the digitalisation of procedures. They regretted that shortcomings in the use of standardised IT tools (for e-procurement and for the preparation of accounts and financial

reports) represent major obstacles preventing the Court from extending the use of digital audit techniques to other areas and to all agencies.