2022 discharge: European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)

2023/2165(DEC) - 11/04/2024 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the European Agency for the Management of Large-scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2022 and to approve the closure of the accounts for that year.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the Agency's annual accounts for the financial year 2022 were reliable and that the underlying transactions were legal and regular, Parliament adopted, by 566 votes to 23 with 7 abstentions, a resolution containing a series of recommendations which form an integral part of the discharge decision and which complement the general recommendations set out in the resolution on the performance, financial management and control of EU agencies.

Qualified opinion

The Court identified a total amount of payments of EUR 17.8 million made in 2022 of which EUR 10.9 million linked to three specific contracts was found to be irregular and EUR 6.8 million was considered not to be compliant with the provisions of the associated framework contracts, representing in total 4.80 % of the payment appropriations available in 2022, thereby exceeding the materiality threshold set for the audit and resulting in a qualified opinion with respect to the legality and regularity of payments underlying the accounts. Except for those non-compliant payments, the Court concludes that the underlying transactions as regards payments for the year ended 31 December 2022 are legal and regular in all material respects.

Agency’s financial statements

The Agency's final budget for the financial year 2022 was **EUR 351 630 151**, representing an increase of 62.41 % compared to 2021. The increase in the budget of the Agency for 2022 is mainly justified by the Agency’s additional tasks related to the management of new large-scale IT systems and the interoperability of IT systems.

Budgetary and financial management

Budget-monitoring efforts during the financial year 2022 resulted in a budget implementation rate of 91.13 % in commitment appropriations, which represents a decrease of 8.87 % compared to 2021. The payment appropriations execution rate was 86.71 %, representing a decrease of 7.94 % compared to 2021.

Once again, concerns were expressed about the excessive amount of carry-overs which is indicative of various structural issues that affect compliance with the Agency’s financial rules. Moreover, budgetary planning should be improved.

Other comments

Parliament also made a series of observations concerning performance, staff policy and public procurement.

In particular, it noted that:

- its annual work programme for 2022 included 135 activities, with 90 activities delivered (67 %), 16 ongoing (12 %), 20 ongoing and delayed (15 %), and 9 postponed (7 %);

- the Agency delivered 48 trainings activities that reached over 3 000 participants, upgraded its e-learning platform and finalised its Member States training roadmap and the associated action plan;

- on 31 December 2022, the establishment plan was 89.3 % implemented, with 192 temporary agents (193 in 2021) appointed out of the 215 temporary agents authorised under the Union budget (compared to 213 authorised posts in 2021);

- 2022 was the third year in a row for which the Court issued a qualified opinion regarding the Agency’s procurement and contract management area, with elevated costs borne by the Agency, due to irregularities, delayed and inadequate tender procedures and lack of diligence displayed by the Agency with regard to procurement rule;

- the Agency’s annual self-assessment of its internal control system in 2022 resulting in 81 % of the Agency’s internal control monitoring criteria being achieved or partially achieved, although some improvements are needed with regard to e.g. enforcement of accountability, ex ante controls and contract management;

- efforts are needed to reduce weaknesses in the area of control activities in order to mitigate risks related to the achievement of policies and operational and internal control objectives;

- the Agency requested the European Anti-Fraud Office (OLAF) to assess two cases of alleged fraud in recruitment procedures and one case of the possible existence of fraudulent activities on the part of a member of staff;

- the Agency substantially increased the level of monitoring of the corporate IT systems connected to the internet due to the increased cyber threat level derived from the Russia's illegal war of aggression against Ukraine.