Basic information

2012/2214(DEC) DEC - Discharge procedure	Procedure completed
2011 discharge: performance, financial management and control of EU agencies **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	GERBRANDY Gerben-Jan (ALDE)	29/02/2012
	Shadow rapporteur SARVAMAA Petri (PPE) AYALA SENDER Inés (S&D) STAES Bart (Verts/ALE) BRADBOURN Philip (ECR) SØNDERGAARD Søren Bo (GUE/NGL) ANDREASEN Marta (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
DEVE Development	The committee decided not to give an opinion.	
INTA International Trade	The committee decided not to give an opinion.	
BUDG Budgets	The committee decided not to give an opinion.	
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	

EMPL Employment and Social Affairs	BERÈS Pervenche (S&D)	26/10/2012
ENVI Environment, Climate and Food Safety	HAUG Jutta (S&D)	06/11/2012
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	
TRAN Transport and Tourism	The committee decided not to give an opinion.	
REGI Regional Development	The committee decided not to give an opinion.	
AGRI Agriculture and Rural Development	The committee decided not to give an opinion.	
PECH Fisheries	The committee decided not to give an opinion.	
CULT Culture and Education	The committee decided not to give an opinion.	
JURI Legal Affairs	The committee decided not to give an opinion.	
LIBE Civil Liberties, Justice and Home Affairs	PAPANIKOLAOU Georgios (PPE)	10/12/2012
AFCO Constitutional Affairs	The committee decided not to give an opinion.	
FEMM Women's Rights and Gender Equality	The committee decided not to give an opinion.	
PETI Petitions	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
19/03/2013	Vote in committee		
25/03/2013	Committee report tabled for plenary	A7-0118/2013	Summary
16/04/2013	Debate in Parliament		
17/04/2013	Decision by Parliament	T7-0134/2013	Summary
17/04/2013	Results of vote in Parliament		
17/04/2013	End of procedure in Parliament		

Technical information

Procedure reference	2012/2214(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/10823

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE497.825	28/01/2013	
Committee opinion	ENVI	PE500.746	28/01/2013	
Committee opinion	EMPL	PE502.000	22/02/2013	
Amendments tabled in committee		PE497.863	27/02/2013	
Committee opinion	LIBE	PE500.658	01/03/2013	
Committee report tabled for plenary, single reading		A7-0118/2013	25/03/2013	Summary
Text adopted by Parliament, single reading		T7-0134/2013	17/04/2013	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

2011 discharge: performance, financial management and control of EU agencies

2012/2214(DEC) - 25/03/2013 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2011: performance, financial management and control.

Although Members stress the importance of the tasks performed by the agencies, they consider that their performance should be improved, by enhanced monitoring. To this effect, they call on all the institutions to cooperate to monitor the regularity and sound financial management of the agencies, at all levels.

They believe that, for the agencies to operate as efficiently as possible and to make the most of their resources, they **must seek synergies, exchange best practices and share services on the basis of geographical proximity or relevance**. They consider that access to services provided by the Commission should also be improved, expanded and facilitated (in particularly, IT services).

Members also call for a **simplification of the financial rules applicable to the Agencies** which would allow the agencies' administrative staff costs to be reduced.

Members regret:

- **carryovers** which are not supported by commitments or which appear excessively high,
- lack of transparency or rigour in **recruitments**,
- **procurement and contract management**, and
- **potential conflicts of interest**, including at management board level.

Members emphasise, moreover, that the agencies have for some time been calling for greater flexibility in the rules applicable to them under the Financial Regulation because many of those rules are disproportionate and ill-suited (in particular to the smaller Agencies).

Budget and financial management: Members reiterate that the **principle of annuality** is one of the three basic accounting principles (unity, annuality and balance) indispensable to ensure an efficient implementation of the Union budget. However, they note that decentralised agencies do not always fully comply with this principle.

They return to the **persistent problem of carryovers** and consider that better internal planning and general revenue forecasting would help alleviate this problem. Although sound financial management is central, Members consider that the current financial rules do not resolve the problem of agencies whose funding is based on charges. Reforms are called for in this area.

They also highlight the inconsistencies in the audit and control procedures, which are often very unevenly distributed and may create difficulties for them. Better coordination of the various audits is necessary, therefore.

Human resources and recruitment policy: Members call for greater rigour in the Agencies' human resources policy by means of a global programming approach to human resources which tallies with their budgetary and administrative capacities. They also call for greater flexibility in the way in which staff undertake their tasks.

Conflicts of interest and transparency: Members recall the conclusions of the Court of Auditors' Special Report No 15/2012 on Management of Conflict of Interest in selected EU Agencies: the European Aviation Safety Agency (EASA), European Chemicals Agency (ECHA), European Food Safety Agency (EFSA) and European Medicines Agency (EMA). Members recall that the purpose of the Court of Auditors' audit was to give an answer to two questions: (i) were adequate policies and procedures in place, and (ii) were those policies and procedures adequately implemented. None of the four selected Agencies had adequately managed conflict of interest situations. They therefore call on the Agencies to prepare and implement comprehensive independence policies and procedures by, among other things, establishing **a breach of trust mechanism and clear sanctions** to be deployed in the event of a conflict of interest (or changing those already in place), on the basis of lessons learned and the recommendations of the Special Report. Agencies should deal with this matter before the end of 2013.

Members welcome the European Ombudsman's decision to conduct an own initiative inquiry into cases of 'revolving door-type' conflicts of interest in several cases recently reported at the Commission. They welcome the Commission's foreseen action on conflicts of interest and, in particular, its intention to come up with guidelines for a coherent policy on the prevention and management of conflicts of interest for members of the management boards and directors, experts in scientific committees, and members of boards of appeal. They also await the Commission's defining of transparent and objectively verifiable criteria for the impartiality and independence of those responsible for appointing staff. Members stress, however, that the **proliferation of codes of conduct and ethical guidelines can not themselves rule out conflicts of interest**. Above all, there is a need for a general culture of honesty, integrity and .transparency by making available on the Agencies' websites the list of their management boards' members, management staff and external and in-house experts, together with their respective declarations of interests and curriculum vitae, as well as information on their financial interests.

Other matters: Members welcome the **Roadmap** on the follow-up to the Common Approach on EU decentralised agencies ("the Roadmap"), adopted by the Commission in December 2012, and invite all involved parties to take on board the ideas expressed thereon, in particular in the context of the ongoing negotiations on the multiannual financial framework (MFF). They consider, however, that although this Roadmap is a good starting point, a more proactive and forward looking approach is required to improve the Agencies':

- governance, in particular by defining more clearly the roles of the management board and the executive director;

- **independence**;
- transparency and **accountability**.

Members also look at the **possibilities of closer cooperation and of merging certain agencies:** (i) the European Police College and EUROPOL and (ii) the European Training Foundation, CEDEFOP, the European Foundation for Living and Working Conditions and the European Agency for Safety and Health at Work.

They also stress the need to ensure that newly-formed agencies (e.g. the Agency for the Cooperation of Energy Regulators, the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), all founded in 2011) benefit from best practices of older and more experienced ones and for the latter to exchange their experiences. In passing, they note that the provisions of the Financial Regulation are not completely adapted to the European Supervisory Authorities' financing scheme as 55% -60% of their budget is financed by contributions from Member States and the EFTA countries. In Members' view, it is vital to find appropriate mechanisms to guarantee the security and financial stability of the ESAs, which are exposed to specific risks on account of the mixed nature of their funding.

Members also call for improvements in regard to **gender equality** ensuring that women and men are properly represented on the agencies' governing bodies.

Lastly, Members commend the good cooperation with the responsible committee from the side of the **Union Agencies Network**, a forum for coordination, information exchange and agreement of common positions on issues of common interest for agencies. They encourage the strengthening of the Network and expect it to support the changes requested by Parliament, in its previous discharge reports, for improved management and transparency and for anti-conflict of interest measures, as well as in regard to other issues mentioned in the context of this motion for resolution.

2011 discharge: performance, financial management and control of EU agencies

2012/2214(DEC) - 17/04/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2011: performance, financial management and control.

It stresses the importance of the tasks performed by the agencies and their direct impact on the daily life of citizens, in particular as regards the quality of medicines, food safety, aviation security and the control of outbreaks of infectious diseases. In this context, it emphasises the utmost importance of the **autonomy of the agencies**, in particular of the regulatory ones and of those in charge of collecting independent information.

Parliament recalls that the main purpose of establishing decentralised agencies was to be able to provide independent technical and scientific assessments.

Members believe that, for the agencies to operate as efficiently as possible and to make the most of their resources, they **must seek synergies, exchange best practices and share services on the basis of geographical proximity or relevance**. They consider that access to services provided by the Commission should also be improved, expanded and facilitated (in particularly, IT services).

Parliament also calls for a **simplification of the financial rules applicable to the Agencies** which would allow the agencies' administrative staff costs to be reduced.

It regrets, however,:

- **carryovers** which are not supported by commitments or which appear excessively high,
- lack of transparency or rigour in **recruitments**,
- **procurement and contract management**, and
- **potential conflicts of interest**, including at management board level.

Members emphasise, moreover, that the agencies have for some time been calling for greater flexibility in the rules applicable to them under the Financial Regulation because many of those rules are disproportionate and ill-suited (in particular to the smaller Agencies).

Budget and financial management: Parliament reiterates that the **principle of annuality** is one of the three basic accounting principles (unity, annuality and balance) indispensable to ensure an efficient implementation of the Union budget. However, it notes that decentralised agencies do not always fully comply with this principle.

It returns to the **persistent problem of carryovers** and considers that better internal planning and general revenue forecasting would help alleviate this problem. Although sound financial management is central, Members consider that the current financial rules do not resolve the problem of agencies whose funding is based on charges. Reforms are called for in this area. In this respect, Parliament points out that the Financial Regulation is not suited either to agencies which generate surpluses, and stresses that it is essential to consider, as part of the revision, ways of resolving this problem, e.g. by creating a **limited reserve fund**.

Members also highlight the inconsistencies in the audit and control procedures, which are often very unevenly distributed and may create difficulties for them. Better coordination of the various audits is necessary, therefore.

Human resources and recruitment policy: Parliament calls for greater rigour in the Agencies' human resources policy by means of a global programming approach to human resources which tallies with their budgetary and administrative capacities. It also calls for greater flexibility in the way in which staff undertake their tasks. In an amendment adopted in plenary, Parliament expresses its concern at the fact that the procedures for recruiting staff to the agencies have posed a **regular problem ever since the agencies were created**, while the Court of Auditors in its audits concerning the financial year 2011 detected problems or weaknesses in this area in all but two of the agencies.

Conflicts of interest and transparency: Parliament recalls the conclusions of the Court of Auditors' Special Report No 15/2012 on Management of Conflict of Interest in selected EU Agencies: the European Aviation Safety Agency (EASA), European Chemicals Agency (ECHA), European Food Safety Agency (EFSA) and European Medicines Agency (EMA). Members recall that the purpose of the Court of Auditors' audit was to give an answer to two questions: (i) were adequate policies and procedures in place, and (ii) were those policies and procedures adequately implemented. None of the four selected Agencies had adequately managed conflict of interest situations.

Furthermore, Parliament notes that the Court based its work on the definition of conflict of interest as provided for in the OECD guidelines, and that the reference framework for minimum requirements adopted by the Court was also derived from those guidelines. It stresses however that, although the OECD guidelines offer an international benchmark on this matter, they basically relate to conflicts of interests in the framework of public sector employees and cannot, therefore, provide an adequate basis for an effective response in the case of potential conflicts of interests among the governing bodies and other bodies involved in the agencies' work, such as management boards and expert panels. It nevertheless recognises **the value of the OECD's toolkit, and especially the checklist for gifts and benefits**, etc., as well as the recommendations made concerning penalties, the need to check the completeness and content of statements of interests and the requirement to harness expertise and identify potential conflicts of interest.

They therefore call on the Agencies to prepare and implement comprehensive independence policies and procedures by, among other things, establishing **a breach of trust mechanism and clear sanctions** to be deployed in the event of a conflict of interest (or changing those already in place), on the basis of lessons learned and the recommendations of the Special Report. Agencies should deal with this matter before the end of 2013.

Parliament welcomes the European Ombudsman's decision to conduct an own initiative inquiry into cases of 'revolving door-type' conflicts of interest in several cases recently reported at the Commission. It welcomes the Commission's foreseen action on conflicts of interest and, in particular, its intention to come up with guidelines for a coherent policy on the prevention and management of conflicts of interest for members of the management boards and directors, experts in scientific committees, and members of boards of appeal. It also awaits the Commission's defining of transparent and objectively verifiable criteria for the impartiality and independence of those responsible for appointing staff. Members stress, however, that the **proliferation of codes of conduct and ethical guidelines can not themselves rule out conflicts of interest**. Above all, there is a need for a general culture of honesty, integrity and .transparency by making available on the Agencies' websites the list of their management boards' members, management staff and external and in-house experts, together with their respective declarations of interests and curriculum vitae, as well as information on their financial interests.

Other matters: Parliament welcomes the **Roadmap** on the follow-up to the Common Approach on EU decentralised agencies ("the Roadmap"), adopted by the Commission in December 2012, and invites all involved parties to take on board the ideas expressed thereon, in particular in the context of the ongoing negotiations on the multiannual financial framework (MFF). Members consider, however, that although this Roadmap is a good starting point, a more proactive and forward looking approach is required to improve the Agencies':

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It also stresses the need to ensure that newly-formed agencies (e.g. the Agency for the Cooperation of Energy Regulators, the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), all founded in 2011) benefit from best practices of older and more experienced ones and for the latter to exchange their experiences. In passing, it notes that the provisions of the Financial Regulation are not completely adapted to the European Supervisory Authorities' financing scheme as 55% -60% of their budget is financed by contributions from Member States and the EFTA countries. In Members' view, it is vital to find appropriate mechanisms to guarantee the security and financial stability of the ESAs, which are exposed to specific risks on account of the mixed nature of their funding.

Parliament stresses the importance of putting in place policies ensuring that **women and men are properly represented** on the agencies' governing bodies. In this regard, Parliament calls on the agencies' executive directors, who have ultimate responsibility for staffing issues, to ensure gender parity among agency staff as a whole and among people in positions of responsibility.

Lastly, Parliament commends the good cooperation with the responsible committee from the side of the **Union Agencies Network**, a forum for coordination, information exchange and agreement of common positions on issues of common interest for agencies. It encourages the strengthening of the Network and expects it to support the changes requested by Parliament, in its previous discharge reports, for improved management and transparency and for anti-conflict of interest measures, as well as in regard to other issues mentioned in the context of this motion for resolution.