Basic information

2015/2205(DEC) DEC - Discharge procedure	Procedure completed
Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014: performance, financial management and control **Subject** 8.70.03.04 2014 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	VAUGHAN Derek (S&D)	10/08/2015
	Shadow rapporteur DEUTSCH Tamás (PPE) VISTISEN Anders (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) ŠOLTES Igor (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

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	CASA David (PPE)	09/09/2015
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
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	MACOVEI Monica (ECR)	19/11/2015
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	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
23/07/2015	Non-legislative basic document published	COM(2015)0377	Summary
05/10/2015	Committee referral announced in Parliament		
04/04/2016	Vote in committee		
06/04/2016	Committee report tabled for plenary	A8-0080/2016	Summary
27/04/2016	Debate in Parliament		
28/04/2016	Decision by Parliament	T8-0159/2016	Summary
28/04/2016	Results of vote in Parliament		
28/04/2016	End of procedure in Parliament		

Technical information

Procedure reference	2015/2205(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/04288

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	EMPL	PE571.662	26/01/2016	
Committee draft report		PE569.770	04/02/2016	
Committee opinion	LIBE	PE575.095	18/02/2016	
Amendments tabled in committee		PE576.974	04/03/2016	
Committee report tabled for plenary, single reading		A8-0080/2016	06/04/2016	Summary
Text adopted by Parliament, single reading		T8-0159/2016	28/04/2016	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0377	23/07/2015	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014: performance, financial management and control

2015/2205(DEC) - 27/01/2016

At its meetings on 7 and 27 January 2016, the Budget Committee examined the specific annual reports of the European Court of Auditors related to bodies set up under the TFEU and the Euratom Treaty, having legal personality and receiving contributions charged to the budget.

In this context, the Council reached agreement on each of the recommendations concerning all agencies and organisations concerned and sent them to the European Parliament for approval.

These recommendations are contained in each of the procedures files relating to the concerned agencies and organisations (*please refer to summaries of the respective files*).

Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014: performance, financial management and control

2015/2205(DEC) - 06/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Derek VAUGHAN (S&D, UK) on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014: performance, financial management and control.

Members reiterate the importance of the tasks performed by agencies, in particular of the regulatory agencies and those with the function of independent information collection. They note from the 2014 annual audits that the agencies' 2014 budget amounted to some EUR 1.9 billion, representing a decrease of about 5% compared to 2013 and about 1.4% of the Union's general budget. They point out that approximately 63 % (EUR 1.2 billion) comes from Union funding, whereas the rest is income from fees or other sources.

Common approach and Commission's roadmap: while recalling that in July 2012, Parliament, the Council and the Commission adopted a common approach on decentralised agencies, Members acknowledge the Commission's progress report on the implementation of the Common Approach as well as the efforts made jointly by the Commission and the decentralised agencies, which resulted in demonstrable progress. This will ensure more balanced governance, improved efficiency and accountability and greater coherence.

Budget and financial management: Members recall the need to apply the principle of annuality and that that an elevated level of **carry-overs of committed appropriations** remains the most frequent issue of the budgetary and financial management affecting agencies.

They note with satisfaction that the final accounts of all decentralised agencies present fairly, in all material respects, their financial position as at 31 December 2014 and the results of their operations and their cash flows for the year then ended, in accordance with the provisions of the applicable financial regulations and the accounting rules adopted by the Commission. For all decentralised agencies, the transactions underlying the annual accounts for the year ended 31 December 2014 were legal and regular in all material respects. They are concerned that certain agencies are partly financed by fees paid by industry, when these financial ties may affect their independence.

Cooperation among agencies: Members acknowledge that 93% of the agencies stated that they share services with other agencies and institutions and that 75% of the agencies have cooperation agreements, working arrangements and memoranda of understanding for cooperation with other agencies, institutions and Member States. The perspective of this approach is to result in cost savings and increased efficiency of agencies. They suggest locating any new agencies that may become necessary in close proximity to other agencies so that they may share services more easily.

They also acknowledge the benefits not only for agencies but also for the Commission to create synergies and pool procurement procedures within the framework of the Common Approach.

Human resources management: Members welcome the fact that most agencies have already met or exceeded the 5% reduction based on their respective establishment plans. They recall Parliament's position on the budgetary procedure according to which, staff financed by fees paid by industry, and consequently not financed by the Union budget, **should not be affected by the 1% yearly cut applied by the Union**. They urge the Commission to treat the agencies financed primarily by the Union budget as a separate case and to put forward a specific framework for agencies financed mainly by industry, which should be in proportion to the services provided by the agency concerned.

Conflicts of interest and transparency: Members acknowledges that over 80% of all decentralised agencies have an anti-fraud strategy in place. They note that the agencies have introduced a number of concrete measures and tools to address adequately the risks of actual and perceived conflicts of interest and to consider a strategy on how to get closer to Union citizens. Members call for an overall improvement in the prevention of, and the fight against, corruption in the public sector, and especially within the EU institutions and agencies, through a **holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest**, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries.

In this regard, Members note with concern that some agencies are yet to adopt whistle-blowing guidelines and demands that all those Union institutions and agencies that have not yet done so urgently adopt them. They also call on the institutions and agencies to pay special attention to the **protection of whistleblowers** in the context of the soon-to-be-adopted Directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.

Members take note that 52% of the agencies use expert groups, scientific panels and committees and almost all of them take into account concerns raised by the European Ombudsman´s own-initiative inquiry (OI/6/2014/NF) opened on 12 May 2014 into their staffing policies for these groups.

They request that all Union institutions and agencies implement Article 16 of the Staff Regulations by publishing, on an annual basis, information about senior officials who have left the service, as well as a **list of conflicts of interest**. They further request that all Union institutions and agencies assess the compatibility of post-EU employment or the situation whereby civil servants and former Members of the European Parliament move from the public to the private sector (the 'revolving door' issue) and the possibility of a conflict of interest. To underline the need to enhance integrity and improve the ethical framework, Members recommend better implementation of codes of conduct and ethical principles, so as to reinforce a common and effective culture of integrity for all Union institutions and agencies. In addition, they call for those Union institutions and agencies which have introduced codes of conduct, including the European Parliament, to step up their implementation measures, such as checks on declarations of financial interests.

Members made a series of general recommendations on improving the performance of the agencies in order to make their operations more effective, as well as more visible, particularly on-line. Overall, they called on the agencies to further strengthen their efforts and to improve their communication policies to expand their visibility through different social media tools.

Lastly, Members highlight the need for agencies to adopt headquarter agreements and to improve their procedures and practices in matters of procurement and preservation of their financial interests.

Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014: performance, financial management and control

2015/2205(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 519 votes to 118 with 3 abstentions, a resolution on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014: performance, financial management and control.

Parliament reiterated the importance of the tasks performed by agencies, in particular of the regulatory agencies and those with the function of independent information collection. It noted from the 2014 annual audits that the agencies' 2014 budget amounted to some EUR 1.9 billion, representing a decrease of about 5% compared to 2013 and about 1.4% of the Union's general budget. It pointed out that approximately 63 % (EUR 1.2 billion) comes from Union funding, whereas the rest is income from fees or other sources.

Common approach and Commission's roadmap: while recalling that in July 2012, Parliament, the Council and the Commission adopted a common approach on decentralised agencies, Members acknowledged the Commission's progress report on the implementation of the Common Approach as well as the efforts made jointly by the Commission and the decentralised agencies, which resulted in demonstrable progress. This will ensure more balanced governance, improved efficiency and accountability and greater coherence.

Budget and financial management: Parliament recalled the need to apply the principle of annuality and that that an elevated level of **carry-overs of committed appropriations** remains the most frequent issue of the budgetary and financial management affecting agencies.

It noted with satisfaction that the final accounts of all decentralised agencies present fairly, in all material respects, their financial position as at 31 December 2014 and the results of their operations and their cash flows for the year then ended, in accordance with the provisions of the applicable financial regulations and the accounting rules adopted by the Commission. For all decentralised agencies, the transactions underlying the annual accounts for the year ended 31 December 2014 were legal and regular in all material respects. It is concerned that certain agencies are partly financed by fees paid by industry, when these financial ties may affect their independence.

Cooperation among agencies: Parliament acknowledged that 93% of the agencies stated that they share services with other agencies and institutions and that 75% of the agencies have cooperation agreements, working arrangements and memoranda of understanding for cooperation with other agencies, institutions and Member States. The perspective of this approach is to result in cost savings and increased efficiency of agencies. It suggested locating any new agencies that may become necessary in close proximity to other agencies so that they may share services more easily.

It also acknowledged the benefits not only for agencies but also for the Commission to create synergies and pool procurement procedures within the framework of the Common Approach.

Human resources management: Parliament welcomed the fact that most agencies have already met or exceeded the 5% reduction based on their respective establishment plans. Parliament the Commission applied an additional levy of 5 % of staff to the agencies in order to create a redeployment pool from which it would allocate the posts to the agencies with new tasks entrusted to them or in a start-up phase. It called upon the Commission to run a SWOT analysis on the agencies' mandates and annual work programmes in order to come to an informed decision on which Agencies need more staff and which do not.

It recalled its position on the budgetary procedure according to which, staff financed by fees paid by industry, and consequently not financed by the Union budget, **should not be affected by the 1% yearly cut applied by the Union**. It urged the Commission to treat the agencies financed primarily by the Union budget as a separate case and to put forward a specific framework for agencies financed mainly by industry, which should be in proportion to the services provided by the agency concerned.

Conflicts of interest and transparency: Parliament acknowledged that over 80% of all decentralised agencies have an anti-fraud strategy in place. It noted that the agencies have introduced a number of concrete measures and tools to address adequately the risks of actual and perceived conflicts of interest and to consider a strategy on how to get closer to Union citizens. Members called for an overall improvement in the prevention of, and the fight against, corruption in the public sector, and especially within the EU institutions and agencies, through a **holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest**, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries.

In this regard, Members noted with concern that some agencies are yet to adopt whistle-blowing guidelines and demands that all those Union institutions and agencies that have not yet done so urgently adopt them. They also called on the institutions and agencies to pay special attention to the **protection of whistleblowers** in the context of the soon-to-be-adopted Directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.

Parliament took note that 52% of the agencies use expert groups, scientific panels and committees and almost all of them take into account concerns raised by the European Ombudsman´s own-initiative inquiry (OI/6/2014/NF) opened on 12 May 2014 into their staffing policies for these groups.

It requested that all Union institutions and agencies implement Article 16 of the Staff Regulations by publishing, on an annual basis, information about senior officials who have left the service, as well as a **list of conflicts of interest**. It further requested that all Union institutions and agencies assess the compatibility of post-EU employment or the situation whereby civil servants and former Members of the European Parliament move from the public to the private sector (the 'revolving door' issue) and the possibility of a conflict of interest. To underline the need to enhance integrity and improve the ethical framework, Parliament recommended better implementation of codes of conduct and ethical principles, so as to reinforce a common and effective culture of integrity for all Union institutions and agencies. In addition, it called for those Union institutions and agencies which have introduced codes of conduct, including the European Parliament, to step up their implementation measures, such as checks on declarations of financial interests.

Parliament made a series of general recommendations on improving the performance of the agencies in order to make their operations more effective, as well as more visible, particularly on-line. Overall, it called on the agencies to further strengthen their efforts and to improve their communication policies to expand their visibility through different social media tools.

In parallel, Parliament recalled that the Court of Auditors that the Parliament, the Council and the Commission agreed in paragraph 54 of the Common Approach that all aspects of outsourced external audits "remain under the full responsibility of the [Court], which manages all administrative and procurement procedures required". It called on the Commission to confirm urgently that the Common Approach still applies. It deeply regretted that the new audit approach involving private sector auditors resulted in an 85 % increase in administrative burden on the agencies, equating to more than 13 000 additional hours or an average of 3.5 full time equivalents (FTEs) compared with the previous audit managed by the Court of Auditors. It called on the Court of Auditors to provide better guidance to private auditors so as significantly to reduce the augmented administrative burden.

Lastly, Parliament highlighted the need for agencies to adopt headquarter agreements and to improve their procedures and practices in matters of procurement and preservation of their financial interests.

Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014: performance, financial management and control

2015/2205(DEC) - 23/07/2015 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2014, as part of the 2014 discharge procedure.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2014 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 148 (2) of the Financial Regulation applicable to the EU's General Budget, including the agencies and bodies of the European Union as well as the Joint Undertakings.

The document contains the figures on which the discharge procedure is based.

On this basis, the Financial Controller of the European Commission ensures the certification of the consolidated accounts as declared by the institutions, agencies and joint undertakings of the European Union.

Discharge procedure of the EU Joint Undertakings: the EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the multi-annual financial framework (MFF), the European Commission carries out specific programmes, activities and projects in the field with the technical support of some specialised and decentralised agencies.

The following is a list of the decentralised agencies:

- European Maritime Safety Agency
- European Food Safety Authority
- European Medicines Agency
- European Railway Agency
- European GNSS Supervisory Authority
- European Chemicals Agency
- European Fisheries Control Agency
- Fusion for Energy (European Joint Undertaking for ITER and the Development of Fusion Energy)
- European Monitoring Centre for Drugs and Drug Addiction
- Eurojust
- European Police College (CEPOL)
- European Institute for Gender Equality
- European Police Office (EUROPOL)
- European Agency for Safety and Health at Work
- European Aviation Safety Agency
- European Centre for Disease Prevention and Control
- European Network and Information Security Agency (ENISA)
- European Environment Agency
- European Union Agency for Fundamental Rights
- European Centre for the Development of Vocational training (CEDEFOP)
- European Insurance and Occupational Pensions Authority
- European Agency for Cooperation of Energy Regulators
- Translation Centre for the Bodies of the European Union
- European Banking Authority
- European Securities and Markets Authority
- European Asylum Support Office
- European Training Foundation
- Office for the Body of European Regulators for Electronic Communication
- European Foundation for the Improvement of Living and Working Conditions

- European Agency for the Management of Operational Co-operation at External Borders of the Member States of the EU (Frontex)
- EU Office for Harmonisation in the Internal Market (Trade Marks and Designs)
- EU-LISA (European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice)
- European Institute of Innovation and Technology.

Other joint ventures include:

- ITER and F4E
- Galileo (GSA)
- SESAR
- IMI 2
- FCH 2
- ECSEL (including the former JUs Atermis and ENIAC)
- Clean Sky 2.

The consolidated reports on the implementation of the general budget of the EU include the budget implementation of the agencies and the JUs since within the EU budget a separate budget for each JU is established (please refer to the specific discharge procedures).

This procedure aims to define how the budget of the agencies was spent and implemented in 2014 and the implementing conditions to ensure the best possible performance.