Basic information

2018/2208(DEC) DEC - Discharge procedure	Procedure completed
2017 discharge: European Asylum Support Office (EASO) **Subject** 8.70.03.02 2017 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	SARVAMAA Petri (EPP)	22/07/2019
	Shadow rapporteur WOLTERS Lara (S&D) STRUGARIU Ramona (Renew) VON CRAMON-TAUBADEL Viola (Greens/EFA) OMARJEE Younous (GUE/NGL)	

Former committee responsible	Former rapporteur	Appointed
CONT Budgetary Control		

Committee for opinion	Rapporteur for opinion	Appointed
LIBE Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	

Former committee for opinion	Former rapporteur for opinion	Appointed
LIBE Civil Liberties, Justice and Home Affairs		

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
28/06/2018	Non-legislative basic document published	COM(2018)0521	Summary
11/09/2018	Committee referral announced in Parliament		
01/03/2019	Committee report tabled for plenary	A8-0123/2019	Summary
26/03/2019	Decision by Parliament	T8-0261/2019	Summary
26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
25/09/2019	Vote in committee		
30/09/2019	Committee report tabled for plenary	A9-0011/2019	Summary
22/10/2019	Debate in Parliament		
23/10/2019	Decision by Parliament	T9-0039/2019	Summary
23/10/2019	Results of vote in Parliament		
23/10/2019	End of procedure in Parliament		
27/12/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/2208(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/9/00379

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.789	17/12/2018	
Amendments tabled in committee		PE634.465	31/01/2019	
Committee report tabled for plenary, single reading		A8-0123/2019	01/03/2019	Summary
Text adopted by Parliament, single reading		T8-0261/2019	26/03/2019	Summary
Committee draft report		PE638.757	22/07/2019	
Amendments tabled in committee		PE641.112	11/09/2019	

Committee report tabled for plenary, single reading		A9-0011/2019	30/09/2019	Summary
Text adopted by Parliament, single reading		T9-0039/2019	23/10/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05825/2019	31/01/2019	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0521	28/06/2018	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0012/2019 OJ C 434 30.11.2018, p. 0001	18/09/2018	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2019/2226
OJ L 333 27.12.2019, p. 0137 Summary

2017 discharge: European Asylum Support Office (EASO)

2018/2208(DEC) - 28/06/2018 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2017, as part of the 2017 discharge procedure.

Analysis of the accounts of the **European Asylum Support Office (EASO)**.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the **EU's consolidated accounts for the year 2017** and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies with a view to granting discharge.

Discharge procedure: **the final step of a budget lifecycle is the discharge**. It is the decision by which the European Parliament '**releases**' the Commission from its responsibility for management of a given budget by marking the end of that budget's existence. It is granted by the European Parliament on the recommendation of the Council.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

The procedure results in the granting, postponement or refusal of discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

All EU institutions and other agencies, bodies and joint undertakings are subject to their own discharge procedures.

The European Asylum Support Office (EASO): the Office was set up under Regulation 439/2010 of the European Parliament and of the Council. Its main aim is to help to improve the implementation of the Common European Asylum System (the CEAS).

As regards the Office's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2017:

Commitment appropriations:

- available: EUR 91 million;
- made: EUR 86 million.

Payment appropriations:

- available: EUR 87 million;
- made: EUR 75 million.

For further details on expenditure, please refer to the final accounts of the EASO.

2017 discharge: European Asylum Support Office (EASO)

2018/2208(DEC) - 26/03/2019 - Text adopted by Parliament, single reading

The European Parliament decided, by 508 votes to 20, with 15 abstentions, to postpone granting discharge to the Executive Director of the European Asylum Support Office (EASO) for the financial year 2017 and to postpone the closure of the accounts for the financial year in question.

Adverse opinion

The Court issued a basis for an adverse opinion on the legality and regularity of the payments underlying the accounts meaning that the payment underlying the accounts for the year ended 31 December 2017 are materially affected by error.

Members recalled that the European Parliament decision of 24 October 2018 refusing to grant the Office's Executive Director discharge for the financial year 2016. They welcomed in this regard the corrective measures taken in the meantime by the Office's Management Board and the new ad interim Executive Director. However, the budget for the financial year 2017 was implemented under the supervision of the Office's previous management.

Irregularities discovered by OLAF regard the breach of procurement procedures, misappropriation of EU funds, mismanagement, abuse of position in human resources issues, breaches of data protection rules, harassment and inappropriate behaviour towards staff members.

The resolution acknowledged the major risks inherent to the nature of the Office's activities and extraordinary operational challenges caused by the migration influx in 2015, 2016 and 2017. Parliament regretted however that those risks were not mitigated by a solid governance structure and effective controls. It also regretted to note the material and systematic instances of non-compliance of payments with the Office's Financial Regulation and other applicable rules and provisions, mainly related to public procurement and recruitment procedures underlying payments.

Office's financial statement

The final budget of the EASO for the financial year 2017 was EUR 86 795 482, representing an increase of 32.78 % compared to 2016 which was related to the new additional tasks expanding the Office's mandate. EUR 75 376 000 of the Office's budget derives from the Union budget, the remaining part being contributions from associate countries and other income.

Budget and financial management

Budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 96.88 %, representing a decrease of 2.25 % compared to 2016. Payment appropriations execution rate was 92.03 %, representing an increase of 5.79 % compared to 2016. The Office implemented 29% of the associate countries' contributions and 96% of grants for operational expenditure. Members called on the Office to implement this amount fully.

The cancellations of carry-overs from 2016 to 2017 amounted to EUR 341 190, representing 11.68 % of the total amount carried over, showing an increase of 0.82 % in comparison to 2016.

Members also made a series of observations regarding performance, staff policy, procurement, conflicts of interest and internal controls.

In particular, they noted that:

- on 31 December 2017, the establishment plan was only 80.65 % filled, with 125 temporary agents appointed out of 155 temporary agents authorised under the budget of the Union;

- the human resources situation at the Office has deteriorated exponentially: for the Office's management, 4 out of 10 head of unit posts and 18 out of 27 head of sector posts were vacant;

- the Court found serious weaknesses in four of the fourteen recruitment procedures audited;

- the Office did not publish its Annual Activity Report for 2017 by the deadline of 1 July 2018. The Report was finally adopted by the board on 10 January 2019;

- the Office is one of the few multi-location Union agencies. Members are concerned that the Office entered into lease contracts in several locations without having carried out an adequate local market analysis;

- the new ad interim Executive Director took office on 6 June 2018. Members acknowledged the new management's commitment to ambitious reforms. They regretted that no one recognised the appalling behaviours of the former Executive Director over several years. The Commission is called on to propose an early reaction mechanism to those kinds of misbehaviours.

2017 discharge: European Asylum Support Office (EASO)

2018/2208(DEC) - 01/03/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2017.

The committee called on the European Parliament to postpone its decision on granting the Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Office's budget for the financial year 2017.

At the same time, it called for the closure of the accounts of the European Asylum Support Office for the financial year 2017 to be postponed.

Adverse opinion

The Court issued a basis for an adverse opinion on the legality and regularity of the payments underlying the accounts meaning that the payment underlying the accounts for the year ended 31 December 2017 are materially affected by error.

Members recalled that the European Parliament decision of 24 October 2018 refusing to grant the Office's Executive Director discharge for the financial year 2016. They welcomed in this regard the corrective measures taken in the meantime by the Office's Management Board and the new ad interim Executive Director. However, the budget for the financial year 2017 was implemented under the supervision of the Office's previous management.

Irregularities discovered by OLAF regard the breach of procurement procedures, misappropriation of EU funds, mismanagement, abuse of position in human resources issues, breaches of data protection rules, harassment and inappropriate behaviour towards staff members.

The report acknowledged the major risks inherent to the nature of the Office's activities and extraordinary operational challenges caused by the migration influx in 2015, 2016 and 2017. Members regretted however that those risks were not mitigated by a solid governance structure and effective controls.

Members regretted to note the material and systematic instances of non-compliance of payments with the Office's Financial Regulation and other applicable rules and provisions, mainly related to public procurement and recruitment procedures underlying payments.

Office's financial statement

The final budget of the EASO for the financial year 2017 was EUR 86 795 482, representing an increase of 32.78 % compared to 2016 which was related to the new additional tasks expanding the Office's mandate. EUR 75 376 000 of the Office's budget derives from the Union budget, the remaining part being contributions from associate countries and other income.

Budget and financial management

Budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 96.88 %, representing a decrease of 2.25 % compared to 2016. Payment appropriations execution rate was 92.03 %, representing an increase of 5.79 % compared to 2016. The Office implemented 29% of the associate countries' contributions and 96% of grants for operational expenditure. Members called on the Office to implement this amount fully.

The cancellations of carry-overs from 2016 to 2017 amounted to EUR 341 190, representing 11.68 % of the total amount carried over, showing an increase of 0.82 % in comparison to 2016.

Members also made a series of observations regarding performance, staff policy, procurement, conflicts of interest and internal controls.

In particular, they noted that:

- on 31 December 2017, the establishment plan was only 80.65 % filled, with 125 temporary agents appointed out of 155 temporary agents authorised under the budget of the Union;

- the human resources situation at the Office has deteriorated exponentially: for the Office's management, 4 out of 10 head of unit posts and 18 out of 27 head of sector posts were vacant;

- the Court found serious weaknesses in four of the fourteen recruitment procedures audited;

- the Office did not publish its Annual Activity Report for 2017 by the deadline of 1 July 2018. The Report was finally adopted by the board on 10 January 2019;

- the Office is one of the few multi-location Union agencies. Members are concerned that the Office entered into lease contracts in several locations without having carried out an adequate local market analysis;

- the new ad interim Executive Director took office on 6 June 2018. Members acknowledged the new management's commitment to ambitious reforms. They regretted that no one recognised the appalling behaviours of the former Executive Director over several years. The Commission is called on to propose an early reaction mechanism to those kinds of misbehaviours.

2017 discharge: European Asylum Support Office (EASO)

2018/2208(DEC) - 18/09/2018

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Asylum Support Office (EASO) for the year 2017, together with the Office's reply.

CONTENT: the Court of Auditors carried out the audit on the annual accounts of the European Asylum Support Office (EASO).

In brief, its task is to enhance practical cooperation on asylum matters and helping Member States fulfil their European and international obligations to give protection to people in need. Since 2015, the Office has provided support to Greece and Italy in the context of the migration crisis.

Statement of assurance and reliability of the accounts

The Court considered that:

- the Office's annual accounts present fairly, in all material respects, its financial position as at 31 December 2017 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer;

- the transactions underlying the annual accounts for the year ended 31 December 2017 are legal and regular in all material respects.

Adverse opinion regarding payments

The Court noted material and systematic instances of non-compliance of payments with the Office's Financial Regulation, mainly related to public procurement and recruitment procedures underlying payments. The systematic nature of non-compliances demonstrates an inadequate internal control system. Therefore, they stated that the payments underlying the accounts for the year ended 31 December 2017 are materially affected by error.

The report also makes a series of observations on the budgetary and financial management of the Office, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations

Internal controls

Since 2016, the Office has been facing an unprecedented expansion of tasks and activities to provide Member States with operational and technical assistance in the context of the migration crisis. This is mirrored by a budget increase from initially EUR 19 million in 2016 to EUR 79 million after the second amendment to the 2017 budget. The number of procurement procedures increased from 87 in 2015 to 140 in 2017. Many procurement procedures were poorly managed. The number of payments increased by 225 % from 2 578 in 2015 to 8 381 payments in 2017.

The extraordinary operational challenge caused by the migration crisis was not mitigated by a solid governance structure and effective internal controls.

When launching in 2015 the operations in support of Greece and Italy, the Office faced a situation where resources provided for deployment operations by Member States were insufficient. Even before, the Office had faced difficulties filling the staff posts in its establishment plan. Since 2014, one recurring observation was that the Office suffered from high staff turnover.

Recruitment

As from the end of 2017, the human resources situation at the Office has deteriorated exponentially. This creates considerable managerial challenges to the Office.

The Office's replies

Internal controls

EASO is taking the Court’s comments extremely seriously and has started putting corrective measures in place. It is grateful that the Court recognises the extremely difficult situation the agency was under during the reference period, namely the unprecedented expansion of tasks that EASO needed to carry out to support Member States.

Recruitment

EASO is urgently recruiting to fill management positions and other key roles (operational and administrative).

Lastly, the Court of Auditors’ report contains a summary of the Office’s key figures in 2017:

Budget

EUR 79 million.

Staff

200 including officials, temporary and contract staff and seconded national experts.

2017 discharge: European Asylum Support Office (EASO)

2018/2208(DEC) - 31/01/2019 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2017 and the balance sheet as at 31 December 2017 of the European Asylum Support Office (EASO), as well as the Court of Auditors' report on the annual accounts of the Office for the financial year 2017, accompanied by the Office's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Executive Director of the Office in respect of the implementation of the budget for the financial year 2017.

The Council noted with great concern the Court's adverse opinion on the legality and regularity of the payments underlying the accounts for the year ended 31 December 2017.

However, the Council welcomed the Court's opinion that, in all material respects, the Office's annual accounts present fairly its financial position as at 31 December 2017 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Office's Financial Regulation, and that the revenue underlying the accounts for 2017 is legal and regular in all material respects.

In this regard, the following observations were made:

- ***financial management and performance***: while acknowledging the unprecedented expansion of tasks and activities of the Office since 2016, mirrored by a budget increase and a substantial rise in the number of procurement procedures and payments in the context of the migration crisis, the Council is deeply concerned that the payments underlying the accounts are materially affected by error due to systematic instances of non-compliance, mainly related to public procurement and recruitment procedures. The Council regretted the numerous weaknesses found by the Court in different areas of the Office's activities. The Council, therefore, urged the Office to implement the Court's recommendations in a timely manner, and in particular to: (i) take comprehensive measures to rebuild the internal capacity and remedy the challenging human resources situation of the Office; (ii) reinforce the internal controls framework by establishing an internal audit capability within the Office, covering also support operations in other countries, as well as an internal legal service and systematic internal review of legal documents; (iii) strictly follow and respect the procurement procedures; (iv) deploy continuous efforts to address the serious deficiencies identified by the Court regarding the Office's payments for staff expenditure, for rent and related works, for travel expenditure and other payments;

- ***action plan***: the Council welcomed the first positive steps undertaken by the Office, aimed at overcoming the irregularities found by the Court, especially the Office's Governance Action Plan. The Council called on the Office to pursue rigorously the implementation of its corrective actions in line with the Court's recommendations, in order to achieve swift improvement in the areas of recruitment, internal controls and procurement.

2017 discharge: European Asylum Support Office (EASO)

2018/2208(DEC) - 30/09/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the second report by Petri SARVAMAA (EPP, FI) on the discharge for the implementation of the budget of the European Asylum Support Office for the 2017 financial year.

The committee called on the European Parliament to refuse to grant discharge to the Executive Director of the European Asylum Support Office in respect of the implementation of the Office's budget for the 2017 financial year. It also pointed out that a proposal for the closure of the accounts of the European Asylum Support Office for the 2017 financial year would be presented at a subsequent part-session.

Basis for an adverse opinion on the legality and regularity of the payments underlying the accounts for the financial year 2017

Stressing the importance of acting in an accountable and transparent manner with regard to the implementation of the Union's budget, the committee justified its opinion by recalling that, according to the Court of Auditors' report, the material and systematic instances of non-compliance of payments

with the EASO Financial Regulation and other applicable rules and provisions mainly relate to public procurement and recruitment procedures underlying payments.

The committee deeply regretted that the combined error from non-compliant payments amounts to at least EUR 7.7 million or 10.3 % of the total payments made by the European Asylum Support Office (the “Office”) in 2017.

The outcome of the investigation of the European Anti-Fraud Office (OLAF)

Members deplored the findings of OLAF as regards irregularities surrounding the breach of procurement procedures, misappropriation of Union funds, mismanagement, abuse of position in human resources issues, breaches of data protection rules, harassment and inappropriate behaviour towards staff in 2017. The Office is called on to report to the discharge authority on the follow-up of the measures proposed by OLAF.

Members recognised the commitment of the new Executive Director appointed on 16 June 2019 to deliver significant reforms ensuring solid governance and his intention for future close cooperation with the Parliament in the future.

Follow-up to the 2016 discharge and to the 2017 first discharge report

The committee recalled the European Parliament reasoned decision of 24 October 2018 refusing to grant the Office’s Executive Director discharge for the 2016 financial year, as well as the European Parliament decision to postpone the decision on the 2017 discharge of the Office.

Members welcomed the follow-up report by the Office on the observations of Parliament for the 2017 financial year, in particular corrective measures taken by the Office’s Management Board, the ad interim Executive Director and the new Executive Director in order to improve the governance structure and efficiency of the Office, restore transparency and build trust. The Office is urged to regularly and publicly report to the discharge authority on the implementation of that Action Plan.

Members noted with satisfaction the implementation of two thirds of the corrective actions by the Office regarding procurement procedures, in particular regarding the payments under irregular procurement processes, and the completion of new open procedures, which were audited by the Court without raising any comments.

2017 discharge: European Asylum Support Office (EASO)

2018/2208(DEC) - 27/12/2019 - Final act

PURPOSE: to grant discharge to the European Asylum Support Office for the 2017 financial year.

NON-LEGISLATIVE ACT: Decision (EU) 2019/2226 of the European Parliament on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2017.

CONTENT: the European Parliament has refused to grant the Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Office’s budget for the financial year 2017.

The decision is accompanied by a resolution of the European Parliament containing the observations which form an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the 2017 financial year.

In its resolution, the European Parliament justified its unfavourable opinion on the legality and regularity of the payments underlying the accounts for the financial year 2017 by recalling that, according to the Court of Auditors' report, the material and systematic instances of non-compliance of payments with the EASO Financial Regulation and other applicable rules and provisions mainly relate to public procurement and recruitment procedures underlying payments.

It regretted that the combined error from non-compliant payments amounts to at least EUR 7.7 million or 10.3 % of the total payments made by the Office in 2017. The systematic nature of non-compliances demonstrates an inadequate internal control system.

Parliament deplored the findings of OLAF as regards irregularities surrounding the breach of procurement procedures, misappropriation of Union funds, mismanagement, abuse of position in human resources issues, breaches of data protection rules, harassment and inappropriate behaviour towards staff in 2017.

2017 discharge: European Asylum Support Office (EASO)

2018/2208(DEC) - 23/10/2019 - Text adopted by Parliament, single reading

The European Parliament decided to refuse discharge to the Executive Director of the European Asylum Support Office in respect of the implementation of the Office's budget for the 2017 financial year. It also pointed out that a proposal for the closure of the accounts of the Office for the 2017 financial year would be presented at a subsequent part-session.

In a resolution adopted by 694 votes to 2, with 2 abstentions, the European Parliament justified its unfavourable opinion on the legality and regularity of the payments underlying the accounts for the financial year 2017 by recalling that, according to the Court of Auditors' report, the material and systematic instances of non-compliance of payments with the EASO Financial Regulation and other applicable rules and provisions mainly relate to public procurement and recruitment procedures underlying payments.

Parliament deeply regretted that the combined error from non-compliant payments amounts to at least EUR 7.7 million or 10.3 % of the total payments made by the Office in 2017. The systematic nature of non-compliances demonstrates an inadequate internal control system.

The outcome of the investigation of the European Anti-Fraud Office (OLAF)

Parliament deplored the findings of OLAF as regards irregularities surrounding the breach of procurement procedures, misappropriation of Union funds, mismanagement, abuse of position in human resources issues, breaches of data protection rules, harassment and inappropriate behaviour towards staff in 2017. The Office is called on to report to the discharge authority on the follow-up of the measures proposed by OLAF.

Members recognised the commitment of the new Executive Director appointed on 16 June 2019 to deliver significant reforms ensuring solid governance and his intention for future close cooperation with the Parliament in the future.

Follow-up to the 2016 discharge and to the 2017 first discharge report

Parliament recalled the European Parliament reasoned decision of 24 October 2018 refusing to grant the Office's Executive Director discharge for the 2016 financial year, as well as the European Parliament decision to postpone the decision on the 2017 discharge of the Office.

Members welcomed the follow-up report by the Office on the observations of Parliament for the 2017 financial year, in particular corrective measures taken by the Office's Management Board, the ad interim Executive Director and the new Executive Director in order to improve the governance structure and efficiency of the Office, restore transparency and build trust. The Office is urged to regularly and publicly report to the discharge authority on the implementation of that Action Plan.

Parliament acknowledged the efforts and appreciates the progress made on the implementation of internal control systems, including controls on procurement and expenditure operations. Payments under irregular procurement processes, and the completion of new open procedures, which were audited by the Court without raising any comments.

Members noted with satisfaction the implementation of new measures aimed at preventing harassment, increasing staff well-being and reducing turnover. The Office is urged to quickly finalise the recruitments in full compliance with the relevant legal procedures and to provide a regular follow up on the results achieved.

Parliament also welcomed the measures intended by the new Office leadership to encourage and protect whistleblowers and called for a rapid adoption of internal rules and guidelines concerning whistleblowing.