Basic information

2018/2210(DEC) DEC - Discharge procedure	Procedure completed
Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2017: performance, financial management and control **Subject** 8.70.03.02 2017 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	SARVAMAA Petri (PPE)	26/07/2018
	Shadow rapporteur KADENBACH Karin (S&D) CZARNECKI Ryszard (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) STAES Bart (Verts/ALE) 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	HARKIN Marian (ALDE)	09/10/2018
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	FRANZ Romeo (Verts/ALE)	18/10/2018
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	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		
20/02/2019	Vote in committee		
01/03/2019	Committee report tabled for plenary	A8-0140/2019	Summary
26/03/2019	Decision by Parliament	T8-0254/2019	Summary
26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	End of procedure in Parliament		

Technical information

Procedure reference	2018/2210(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14341

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.815	17/12/2018	
Committee opinion	LIBE	PE630.610	17/01/2019	
Committee opinion	EMPL	PE629.765	25/01/2019	
Amendments tabled in committee		PE634.521	31/01/2019	
Committee report tabled for plenary, single reading		A8-0140/2019	01/03/2019	Summary
Text adopted by Parliament, single reading		T8-0254/2019	26/03/2019	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0521	28/06/2018	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 2017: performance, financial management and control

2018/2210(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: performance, financial management and control.

The document focuses on the **performance, financial management and control of the EU's accounts** in general.

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.

Performance: implementing robust performance frameworks is essential for ensuring a strong focus on results, EU added value and sound management of EU programmes. The Commission is committed to ensuring that the EU budget achieves better outcomes for citizens and that supports the political priorities. To ensure resources are allocated to priorities and that every action brings high performance and added value, the Commission implements its EU Budget Focused on Results initiative. Building on the 2014–2020 performance framework, it promotes a better balance between compliance and performance.

The 2014-2020 performance frameworks have been included as a new compulsory element and as a key pillar of the increased result orientation of this programming period. It foresees the establishment of clear and measureable objectives, indicators and targets as well as monitoring, reporting and evaluation arrangements.

Controls: the European Court of Auditors (the Court) is the external auditor of the EU institutions (and bodies). The Court's mission is to contribute to improving EU financial management, promote accountability and transparency, and act as the independent guardian of the financial interests of the citizens of the EU. The Court's role as the EU's independent external auditor is to check that EU funds are correctly accounted for, are raised and spent in accordance with the relevant rules and regulations and have achieved value for money.

The EU's annual accounts and its resource management are audited by the Court, which, as part of its activities, draws up for the European Parliament and the Council:

- an **annual report** on the activities financed from the general budget, detailing its observations on the annual accounts and underlying transactions;
- an **opinion**, based on its audits and given in the annual report in the form of a statement of assurance;
- the reliability of the accounts and the legality and regularity of the underlying transactions;
- **special reports** covering specific areas.

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.

Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2017: performance, financial management and control

2018/2210(DEC) - 26/03/2019 - Text adopted by Parliament, single reading

The European Parliament adopted by 489 votes to 121, with 29 abstentions, a resolution concerning the discharge in relation to the implementation of the budget of the European Union agencies for the financial year 2017: performance, financial management and control.

Members emphasised that the agencies are highly visible in the Member States and have significant influence on policy, decision making and programme implementation in areas of vital importance to European citizens, such as security, safety, health, research, economic affairs, environment, gender equality, energy, transport, freedom and justice.

They welcomed the effective overall performance of the agencies, and the progress made in enhancing their visibility to European citizens.

Parliament noted that the Court issued an unqualified opinion on the reliability of the accounts of all agencies. They noted in addition that the Court issued an unqualified opinion on the legality and regularity of the transactions underlying the accounts for all agencies, except for the European Asylum Support Office (EASO).

On a budgetary level, for the 32 decentralised Union agencies, the 2017 budgets amounted to around EUR 2.35 billion in commitment appropriations, representing an increase of approximately 13.36 % compared to 2016, and to EUR 2.24 billion in payment appropriations, showing an increase of 10.31 % in comparison to 2016.

Moreover, of the EUR 2.24 billion, some EUR 1.62 billion were financed from the general budget of the Union, representing 72.08 % of the agencies' total financing in 2017 (69.81 % in 2016). EUR 627 million were financed by fees and charges and by direct contributions from participating countries.

Once again, Members recalled their request to streamline and accelerate the discharge procedure towards deciding on granting discharge in the year immediately following the year for which the discharge is granted, closing the procedure within the year following the accounting year in question.

Budget and financial management

Parliament called on the Commission, the Network and the individual agencies to:

- work together and provide constructive feedback throughout the negotiations for the post-2020 Multiannual Financial Framework, and to explore new sources of financing for the agencies in addition to the existing Union budget contributions;

- work on streamlined and harmonised indicators and to automatically provide the discharge authority with the official budget (in commitment appropriations and in payment appropriations) and staff figures (establishment plan, contract agents and seconded national experts as of 31 December of the year in question) of the 32 decentralised agencies.

The Court and the Commission are invited to propose and define a consistent formula for the calculation of cancelled carry-overs.

Staff

Parliament noted the challenge of insufficient staff some of the agencies are facing, especially when new tasks are attributed without additional personnel envisaged for their implementation. It regretted that the Commission has not taken into consideration the request of the affected agencies for increase of their staff which puts in risk their good performance.

It also regretted the gender imbalance in some agencies and called on all agencies to constantly work on a balanced distribution on all levels of staff and report to the discharge authority on implemented measures and progress.

Procurement

Again, shortcomings persist in the management of procurements, with 14 agencies showing weaknesses in this area, mostly relating to procurements of services.

Conflicts of interests and transparency

The resolution noted that 77 % of agencies had already set up and implemented internal rules or guidelines on whistleblowing and the other 23 % are in the process of adopting them. The remaining agencies are urged to set up and implement internal rules on whistleblowing without further delay.

Members recalled that a number of agencies, in particular those issuing authorisations to third parties for bringing products on the market, are vulnerable if they do not have and implement clear and effective rules to prevent conflicts of interest.

Dual headquarters

Parliament noted with concern that some agencies continue to have dual operational and administrative headquarters. It considered that dual headquarters not offering any operational added value should be done away with at the earliest opportunity.

Brexit

Members recalled that on 29 March 2017 the United Kingdom (UK) notified the European Council of its decision to withdraw from the Union. Five of the agencies did not carry out a comprehensive analysis of the likely impact of the UK's withdrawal on their organisation, operations and accounts.

Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2017: performance, financial management and control

2018/2210(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 Union agencies for the financial year 2017: performance, financial management and control.

Members emphasised that the agencies are highly visible in the Member States and have significant influence on policy, decision making and programme implementation in areas of vital importance to European citizens, such as security, safety, health, research, economic affairs, environment, gender equality, energy, transport, freedom and justice.

They welcomed the effective overall performance of the agencies, and the progress made in enhancing their visibility to European citizens.

Members noted that the Court issued an unqualified opinion on the reliability of the accounts of all agencies. They noted in addition that the Court issued an unqualified opinion on the legality and regularity of the transactions underlying the accounts for all agencies, except for the European Asylum Support Office (EASO).

On a budgetary level, for the 32 decentralised Union agencies, the 2017 budgets amounted to around EUR 2.35 billion in commitment appropriations, representing an increase of approximately 13.36 % compared to 2016, and to EUR 2.24 billion in payment appropriations, showing an increase of 10.31 % in comparison to 2016.

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Once again, Members recalled their request to streamline and accelerate the discharge procedure towards deciding on granting discharge in the year immediately following the year for which the discharge is granted, closing the procedure within the year following the accounting year in question.

Budget and financial management

Members called on the Commission, the Network and the individual agencies to:

- work together and provide constructive feedback throughout the negotiations for the post-2020 Multiannual Financial Framework, and to explore new sources of financing for the agencies in addition to the existing Union budget contributions;

- work on streamlined and harmonised indicators and to automatically provide the discharge authority with the official budget (in commitment appropriations and in payment appropriations) and staff figures (establishment plan, contract agents and seconded national experts as of 31 December of the year in question) of the 32 decentralised agencies.

The Court and the Commission are invited to propose and define a consistent formula for the calculation of cancelled carry-overs.

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The report noted that 77 % of agencies had already set up and implemented internal rules or guidelines on whistleblowing and the other 23 % are in the process of adopting them. Members urged the remaining agencies to set up and implement internal rules on whistleblowing without further delay.

Members recalled that a number of agencies, in particular those issuing authorisations to third parties for bringing products on the market, are vulnerable if they do not have and implement clear and effective rules to prevent conflicts of interest.

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