Basic information

2020/2194(DEC) DEC - Discharge procedure	Procedure completed
Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2019: performance, financial management and control **Subject** 8.70.03.09 2019 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	CZARNECKI Ryszard (ECR)	08/09/2020
	Shadow rapporteur CHRISTOFOROU Lefteris (EPP) RÓNAI Sándor (S&D) CHASTEL Olivier (Renew) EICKHOUT Bas (Greens/EFA) OMARJEE Younous (GUE/NGL)	

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	TOMC Romana (EPP)	30/09/2020
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	CHINNICI Caterina (S&D)	01/10/2020
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	HAHN Johannes

Key events

Date	Event	Reference	Summary
26/06/2020	Non-legislative basic document published	COM(2020)0288	
15/09/2020	Committee referral announced in Parliament		
22/03/2021	Vote in committee		
30/03/2021	Committee report tabled for plenary	A9-0100/2021	Summary
27/04/2021	Debate in Parliament		
29/04/2021	Decision by Parliament	T9-0215/2021	Summary

Technical information

Procedure reference	2020/2194(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/9/04036

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE657.227	14/01/2021	
Committee opinion	EMPL	PE660.366	25/02/2021	
Committee opinion	LIBE	PE661.924	25/02/2021	
Amendments tabled in committee		PE680.803	04/03/2021	
Committee report tabled for plenary, single reading		A9-0100/2021	30/03/2021	Summary
Text adopted by Parliament, single reading		T9-0215/2021	29/04/2021	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2020)0288	26/06/2020	

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 2019: performance, financial management and control

2020/2194(DEC) - 29/04/2021 - Text adopted by Parliament, single reading

The European Parliament adopted by 600 votes to 88, with 3 abstentions, a resolution on the discharge for the implementation of the budget of the European Union agencies for the financial year 2018: performance, financial management and control.

This resolution includes, for the EU agencies, the cross-cutting observations accompanying the discharge decisions. Agencies have a strong influence on policy development, decision-making and the preparation and implementation of programmes in areas of key importance for the daily life of EU citizens, such as health, safety, security, freedom and justice. They can also play a leading role in resolving crisis situations or responding to long-term societal challenges.

Parliament was pleased to note that the Court of Auditors issued an unqualified audit opinion on the reliability of the accounts of all agencies and on the legality and regularity of the revenue underlying the accounts of all agencies. However, a qualified opinion was issued for the European Union Agency for the Cooperation of Energy Regulators (ACER) and the European Asylum Support Office (EASO) as regards the legality and regularity of payments.

Main risks identified by the Court and related recommendations

According to the Court's report, the overall risk to the regularity of the agencies' accounts, in accordance with international accounting standards, is low, as was the case in 2018.

Parliament welcomed the Court's statement that most agencies have taken corrective action to address audit observations from previous years, in particular concerning (i) public procurement management, (ii) recruitment procedures and conflicts of interest of staff leaving an EU agency and entering the private sector and (iii) budgetary management, an area where the Court identified several weaknesses. It invited the JHA agencies to continue their efforts to respond to the Court's observations.

Budgetary and financial management

Parliament noted that for the 32 decentralised Union agencies, the cumulative total for the 2019 budgets amounted to around EUR 2 854 000 000 in commitment appropriations, representing an increase of approximately 10.29 % compared to 2018, and to EUR 2 570 000 000 in payment appropriations, an increase of 8.88 % in comparison to 2018.

It noted moreover that of the EUR 2 570 000 000 in payment appropriations, some EUR 1 920 000 000 were financed from the general budget of the Union, representing 74.75 % of the agencies' total financing in 2019 (72.16 % in 2018). Some EUR 649 000 000 were financed by fees and charges and by direct contributions from participating countries (a decrease of 1.22 % compared to 2018).

Expressing concern over the very high level of carry-overs in some agencies, which could indicate various weaknesses, including weak budgetary planning, which is in contradiction to the budgetary principle of annuality, Members highlighted the urgent need for all agencies to improve their planning capacities. They consider that greater attention should be paid to relevance and coherence, particularly in the context of overlapping areas of competence, when setting up future agencies. Resources should be allocated more flexibly based on need or urgency.

Performance

Parliament welcomed the publication by the Court of the first ever cross-cutting performance audit of all EU agencies. It agrees with the Court that, although the agencies perform important tasks in all areas of daily life, they clearly have difficulties in gaining citizen's trust.

Members regretted that the founding regulations of several agencies have not yet been aligned with the common approach. They called on the agencies to continue to develop synergies, increase cooperation and exchange of best practice with other EU agencies to improve efficiency (human resources, building management, IT services and security).

The Commission is invited to carry out regular independent evaluations of the agencies' performance. An impact assessment should be carried out for each agency and a review clause on the justification of the agency's objectives should be added systematically.

Staff policy

The 32 decentralised agencies employed a total of 7 880 members of staff, comprising officials, temporary agents, contract agents and seconded national experts, in 2019 (compared to 7 626 in 2018), representing a significant increase of 3.33 % compared with the previous year. Members expressed concern that the vast majority of agencies there is a lack of gender balance among staff in the overall management.

Moreover, weaknesses were identified in agencies' recruitment procedures concerning the management of potential conflicts of interests (one agency), the application of the principle of equal treatment or transparency (three agencies) and keeping a proper audit trail of the procedure (one agency).

Procurement

The resolution stressed the fact that public procurement continues to be the main area prone to error in relation to all Union decentralised agencies. It called therefore on the affected JHA agencies, i.e. Europol and CEPOL to improve their public procurement procedures.

Internal controls and transparency

Members noted with concern that it remains the case that not all agencies have published on their websites the CVs and declarations of interest for members of the management boards, executive leadership and seconded experts.

They called on all agencies to participate in the interinstitutional agreement on the transparency register for interest representatives under negotiation between the Commission, the Council and Parliament. They also called for a common template for the declaration of interests to be used by all agencies.

At the end of 2019, most agencies reported that they had implemented the revised internal control framework and that they had performed an annual assessment.

Other comments

Lastly, the resolution highlighted that the agencies previously based in London (the European Banking Authority (EBA) and the European Medicines Agency (EMA)) were relocated from the United Kingdom in 2019 and that their accounts include provisions for the related removal costs.

Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2019: performance, financial management and control

2020/2194(DEC) - 30/03/2021 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, RO) on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2019: performance, financial management and control.

Members emphasised that the agencies have significant influence on policy- and decision-making, and programme preparation and implementation in areas of vital importance to Union citizens' daily lives, such as health, safety, security, freedom and justice.

The committee noted with satisfaction that the Court of Auditors issued an unqualified audit opinion on the reliability of the accounts of all agencies as well as on the legality and regularity of the revenue underlying the accounts for all agencies. On the other hand, a qualified opinion was issued for the European Union Agency for the Cooperation of Energy Regulators (ACER) and the European Asylum Support Office (EASO) regarding the legality and regularity of the payments.

Budgetary level

The report noted that for the 32 decentralised Union agencies, the cumulative total for the 2019 budgets amounted to around EUR 2 854 000 000 in commitment appropriations, representing an increase of approximately 10.29 % compared to 2018, and to EUR 2 570 000 000 in payment appropriations, an increase of 8.88 % in comparison to 2018.

It noted moreover that of the EUR 2 570 000 000 in payment appropriations, some EUR 1 920 000 000 were financed from the general budget of the Union, representing 74.75 % of the agencies' total financing in 2019 (72.16 % in 2018). Some EUR 649 000 000 were financed by fees and charges and by direct contributions from participating countries (a decrease of 1.22 % compared to 2018).

Expressing concern over the very high level of carry-overs in some agencies, which could indicate various weaknesses, including weak budgetary planning, which is in contradiction to the budgetary principle of annuality, Members highlighted the urgent need for all agencies to improve their planning capacities. They consider that greater attention should be paid to relevance and coherence, particularly in the context of overlapping areas of competence, when setting up future agencies. Resources should be allocated more flexibly based on need or urgency.

Common Approach

Members regretted that the founding regulations of several agencies have not yet been aligned with the Common Approach. They called on the agencies to continue to develop their synergies, increase cooperation and exchange of best practice with other Union agencies with a view to improve efficiency (human resources, building management, IT services and security).

Staff policy

The report noted that the 32 decentralised agencies employed a total of 7 880 members of staff, comprising officials, temporary agents, contract agents and seconded national experts, in 2019 (compared to 7 626 in 2018), representing a significant increase of 3.33 % compared with the previous year. Members expressed concern that the vast majority of agencies there is a lack of gender balance among staff in the overall management.

Moreover, weaknesses were identified in agencies' recruitment procedures concerning the management of potential conflicts of interests (one agency), the application of the principle of equal treatment or transparency (three agencies) and keeping a proper audit trail of the procedure (one agency).

Procurement

The report stressed the fact that public procurement continues to be the main area prone to error in relation to all Union decentralised agencies. It called therefore on the affected JHA agencies, i.e. Europol and CEPOL to improve their public procurement procedures.

Internal controls and transparency

Members noted with concern that it remains the case that not all agencies have published on their websites the CVs and declarations of interest for members of the management boards, executive leadership and seconded experts.

They called on all agencies to participate in the interinstitutional agreement on the transparency register for interest representatives under negotiation between the Commission, the Council and Parliament.

At the end of 2019, most agencies reported that they had implemented the revised internal control framework and that they had performed an annual assessment.

Other comments

Lastly, the report highlighted that the agencies previously based in London (the European Banking Authority (EBA) and the European Medicines Agency (EMA)) were relocated from the United Kingdom in 2019 and that their accounts include provisions for the related removal costs.