Procedure file

Basic information

DEC - Discharge procedure	2010/2192(DEC)	Procedure completed
2009 discharge: European Network and Information Security Agency ENISA Subject 8.70.03.07 Previous discharges		

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		23/03/2010
		S&D STAVRAKAKIS Georgios	
		Shadow rapporteur	
		PPE MACOVEI Monica	
		ALDE GERBRANDY Gerben-Jan	
		Verts/ALE STAES Bart	
	Committee for opinion	Rapporteur for opinion	Appointed
	ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
European Commission	Commission DG	Commissioner	
	Budget	ŠEMETA Algirdas	

Key events

20/07/2010	Non-legislative basic document published	SEC(2010)0963	Summary
07/10/2010	Committee referral announced in Parliament		
21/03/2011	Vote in committee		Summary
31/03/2011	Committee report tabled for plenary	A7-0105/2011	
10/05/2011	Results of vote in Parliament		
10/05/2011	Debate in Parliament		
10/05/2011	Decision by Parliament	T7-0175/2011	Summary
10/05/2011	End of procedure in Parliament		
27/09/2011	Final act published in Official Journal		

Technical information

Procedure reference	2010/2192(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/04077

Documentation gateway

Non-legislative basic document		SEC(2010)0963	20/07/2010	EC	Summary
Court of Auditors: opinion, report		N7-0010/2011 OJ C 338 14.12.2010, p. 0016	16/09/2010	CofA	Summary
Committee draft report		PE450.720	31/01/2011	EP	
Document attached to the procedure		05892/2011	03/02/2011	CSL	Summary
Committee report tabled for plenary, single reading		A7-0105/2011	31/03/2011	EP	
Text adopted by Parliament, single reading		T7-0175/2011	10/05/2011	EP	Summary

Final act

Decision 2011/588
OJ L 250 27.09.2011, p. 0186 Summary

2009 discharge: European Network and Information Security Agency ENISA

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2009, as part of the 2009 discharge procedure.

Analysis of the accounts of the European Network and Information Security Agency (ENISA).

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2009 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU?s General Budget, including the European Network and Information Security Agency (ENISA).

In 2009, the tasks and budget of this agency were as follows:

- description of the Agency?s tasks: ENISA, which is located in Heraklion, Greece, was established under Regulation 460/2004/EC of the European Parliament and of the Council. Its main task is to enhance the Community?s capability to prevent and respond to network and information security problems by building on national and Community efforts.
- ENISA?s budget for the 2009 financial year: the Agency?s budget for 2009 amounted to EUR 8.1 million (compared to EUR 8.4 million the previous year). The number of staff employed by the Agency at the end of the year was 57 as compared with 58 the previous year.

The complete version of the Agency?s final accounts may be found at the following address: http://www.enisa.europa.eu/about-enisa/accounting-finance

2009 discharge: European Network and Information Security Agency ENISA

PURPOSE: presentation by the Court of Auditors of its report on the annual accounts of the European Network and Information Security Agency (ENISA) for the financial year 2009, together with the Agency?s replies

CONTENT: in accordance with the tasks and objectives conferred on it by the Treaty on the Functioning of the European Union (TFEU), the Court of Auditors, in the context of the discharge procedure, addresses to the European Parliament and the Council a Statement of Assurance on the reliability of the annual accounts, as well as of the legality and regularity of the transactions underlying them of each EU institution, body or agency, on the basis of an external, independent audit.

This audit also covered the annual accounts of the European Network and Information Security Agency (ENISA).

In the Court?s opinion, the Agency?s annual accounts presented ?fairly, in all material respects?, its financial position as of 31 December 2009 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also stated that the transactions underlying the annual accounts of the Agency for the financial year ended 31 December 2009 were, ?in all material respects, legal and regular?.

The report again confirmed that, following the adoption of two amending budgets, the Agency?s 2009 final budget amounted to EUR 8.1 million and that it employed 57 agents during the financial year.

The report also included comments on the Agency?s budgetary and financial management, together with the Agency?s replies. The main comments are as follows:

The Court?s comments:

- a large amount of the 2009 appropriations was carried forward to the following year mainly due to delays in the implementation of the activities financed from the Agency's operational expenditure. This was at odds with the budgetary principle of annuality;
- a budget transfer between titles was made without informing the Agency?s Management Board, contrary to the budgetary principle of specification.

The Agency?s replies:

- these emergency measures were taken to contain the consequences of delayed outsourced activities;
- in the first quarter of 2010, improvements were made to the tool used for the follow-up of budgetary transfers according to Article 23 of ENISA?s Financial Regulation.

Lastly, the Court of Auditor?s report contained a summary of the Agency?s activities in 2009 in the following areas:

- improving resilience in European communication networks;
- developing and maintaining cooperation between Member States; and
- identifying emerging risks for creating trust and confidence.

2009 discharge: European Network and Information Security Agency ENISA

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Network and Information Security Agency (ENISA) for the financial year 2009, as well as on the Court of Auditor's report and the Agency's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Agency in respect of the implementation of the budget for the financial year 2009.

The Council welcomes the Court's opinion that, on the one hand, the Agency's annual accounts present fairly, in all material aspects, the financial position as at 31 December 2009 and the results of operations and cash-flows for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that, on the other hand, the underlying transactions for the financial year ended on 31 December 2009 are, in all material respects, legal and regular.

However, the Council considers that observations made in the Court of Auditor?s report call for a certain number of observations to be taken into account when granting discharge, particularly on the following points:

- implementation of the Agency?s work programme: the Council encourages the Agency to continue to apply measures to respect the budgetary principle of annuality by avoiding delays in the implementation of operational activities;
- transfers and correctness of the accounting records: the Council also requests the Agency to respect the procedures in place for transfers. The Council urges the Agency to ensure the correctness of the accounting records by using appropriate instruments;
- recruitment procedures: the Council agrees with the Court that the practices used by the Agency put at risk transparency and urges the Agency to take the necessary measures to address this situation;
- procurement procedures: as in previous years, the Council is concerned about the weaknesses identified by the Court in the procurement procedures and urges the Agency to take all appropriate measures to remedy these shortcomings without delay.

2009 discharge: European Network and Information Security Agency ENISA

The Committee on Budgetary Control adopted the report by Georgios STAVRAKAKIS (S&D, EL) on discharge to be granted to the Executive Director of the European Network and Information Security Agency in respect of the implementation of the Agency?s budget for the financial year 2009.

Noting that the Agency?s annual accounts for the financial year 2009 are reliable, and the underlying transactions are legal and regular, MEPs approve the closure of the Agency?s accounts. However, they make a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on financial management and control of EU agencies (see DEC/2010/2271):

- carry-over appropriations: Members note that the appropriations carried forward to the following year amounted to 19% of the Agency?s total budget and note that 41% of operational appropriations were carried forward to 2010 mainly due to delays in two big projects. They express their concern that this is at odds with the budgetary principle of annuality and urge the Agency to rectify the situation;
- procurement procedure: Members call on the Agency to strengthen its internal controls in order to make sure that contracts and procurement procedures are correctly applied. The Court of Auditors reported various instances of errors made during the contract award phase. Members call for a series of measures to be taken to improve the procedures and their transparency;
- errors on budget transfers: Members call on the Agency to avoid transfers made without obtaining the prior consent of its Governing Board, which are contrary to the budgetary principles of specification (as in the case of one transfer of EUR 24 000 between titles);
- refund from the tax authorities of the host Member State: Members regret that there has been no progress since the previous year

concerning the refund of EUR 45 000, which is the amount of VAT paid in advance by the Agency, to the tax authorities of the host Member State. They urge the Agency to inform the discharge authority when this refund is made by the host Member State;
- human resources: Members note that deficiencies in staff selection procedures still remain and put at risk the transparency of these procedures. They therefore urge the Agency to redress this situation and inform the discharge authority on the actions taken;
- internal control systems: Members urge the Agency to put in place an exhaustive physical inventory and ensure the correctness of the accounting records. They welcome the performance by the Commission?s Internal Audit Service (IAS) of several audits between 2007 and 2009 and note that out of 18 IAS recommendations, 13 were accepted and five were refused by the Agency.

2009 discharge: European Network and Information Security Agency ENISA

PURPOSE: to grant discharge to the European Network and Information Security Agency in respect of the implementation of the Agency's budget for the financial year 2009.

NON-LEGISLATIVE ACT: Decision 2011/588/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Network and Information Security Agency for the financial year 2009.

CONTENT: with the present decision, the European Parliament grants discharge to the Director-General of the EURATOM Supply Agency for the implementation of its budget for the financial year 2008.

This decision is in line with the European Parliament's resolution adopted on 10 May 2011 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2011).

A parallel decision, adopted on the same day, approves the closure of this Agency's accounts.

2009 discharge: European Network and Information Security Agency ENISA

The European Parliament adopted by 514 votes to 83, with 38 abstentions a decision to grant discharge to the Executive Director of the European Network and Information Security Agency in respect of the implementation of the Agency?s budget for the financial year 2009.

Noting that the Agency?s annual accounts for the financial year 2009 are reliable, and the underlying transactions are legal and regular, Parliament approves the closure of the Agency?s accounts. However, it makes a number of recommendations that need to be taken into account when the discharge is granted (in addition to the general recommendations that appear in the resolution on financial management and control of EU agencies - see DEC/2010/2271):

- carry-over appropriations: Parliament notes that the appropriations carried forward to the following year amounted to 19% of the Agency?s total budget and note that 41% of operational appropriations were carried forward to 2010 mainly due to delays in two big projects. It expresses its concern that this is at odds with the budgetary principle of annuality and urges the Agency to rectify the situation;
- procurement procedure: Parliament calls on the Agency to strengthen its internal controls in order to make sure that contracts and procurement procedures are correctly applied. The Court of Auditors reported various instances of errors made during the contract award phase. Parliament calls for a series of measures to be taken to improve the procedures and their transparency;
- errors on budget transfers: Parliament calls on the Agency to avoid transfers made without obtaining the prior consent of its Governing Board, which are contrary to the budgetary principles of specification;
- refund from the tax authorities of the host Member State: Parliament regrets that there has been no progress since the previous year concerning the refund of EUR 45 000, which is the amount of VAT paid in advance by the Agency, to the tax authorities of the host Member State. It urges the Agency to inform the discharge authority when this refund is made by the host Member State;
- human resources: Parliament notes that deficiencies in staff selection procedures still remain and put at risk the transparency of these procedures. It therefore urges the Agency to redress this situation and inform the discharge authority on the actions taken.