

Procedure file

Basic information		
DEC - Discharge procedure	2017/2177(DEC)	Procedure completed
2016 discharge: European Asylum Support Office (EASO)		
See also 2018/2938(RSP)		
Subject 8.70.03.06 2016 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control	 STAES Bart Shadow rapporteur	11/06/2018
		 SARVAMAA Petri	
		 LIBERADZKI Boguslaw	
		 ALI Nedzhmi	
		 VALLI Marco	
		 KAPPEL Barbara	
European Commission	Commission DG Budget	Commissioner OETTINGER Günther	

Key events			
26/06/2017	Non-legislative basic document published	COM(2017)0365	Summary
13/09/2017	Committee referral announced in Parliament		
20/03/2018	Vote in committee		
23/03/2018	Committee report tabled for plenary	A8-0083/2018	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	Decision by Parliament	T8-0140/2018	Summary

18/04/2018	Report referred back to committee		
27/09/2018	Vote in committee		
02/10/2018	Committee report tabled for plenary	A8-0299/2018	Summary
23/10/2018	Debate in Parliament		
24/10/2018	Decision by Parliament	T8-0406/2018	Summary
24/10/2018	End of procedure in Parliament		
28/12/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2177(DEC)
Procedure type	DEC - Discharge procedure
	See also 2018/2938(RSP)
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/13572; CONT/8/10837

Documentation gateway

Non-legislative basic document		COM(2017)0365	26/06/2017	EC	Summary
Court of Auditors: opinion, report		N8-0018/2018 OJ C 417 06.12.2017, p. 0079	17/10/2017	CofA	Summary
Committee draft report		PE613.447	30/01/2018	EP	
Committee opinion	LIBE	PE615.183	07/02/2018	EP	
Supplementary non-legislative basic document		05941/2018	09/02/2018	CSL	Summary
Amendments tabled in committee		PE618.240	02/03/2018	EP	
Committee report tabled for plenary, single reading		A8-0083/2018	23/03/2018	EP	Summary
Text adopted by Parliament, single reading		T8-0140/2018	18/04/2018	EP	Summary
Committee draft report		PE623.711	04/07/2018	EP	
Amendments tabled in committee		PE627.697	10/09/2018	EP	
Committee report tabled for plenary, single reading		A8-0299/2018	02/10/2018	EP	Summary
Text adopted by Parliament, single reading		T8-0406/2018	24/10/2018	EP	Summary
Follow-up document		32019B0991 OJ L 160 18.06.2019, p. 0023	18/06/2019	EU	Summary

Final act

Budget 2018/2073
[OJ L 331 28.12.2018, p. 0213](#) Summary

2016 discharge: European Asylum Support Office (EASO)

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 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 2016 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, including the European Asylum Support Office (EASO), with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the 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.

Each agency is subject to its own discharge procedure, including the EASO.

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).

2016 was EASO's fifth year of operation that witnessed major events having a significant impact on the Agency. The first key event was the signing of the EU-Turkey Statement in March 2016 that gave EASO a mandate to support the implementation of several measures in Greece, in particular the admissibility procedure.

As regards the Offices accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2016:

Commitment appropriations:

- available: EUR 66 million;
- made: EUR 53 million.

Payment appropriations:

- available: EUR 55 million;
- made: EUR 35 million.

For further details on expenditure, please refer to the [final accounts of the EASO](#).

2016 discharge: European Asylum Support Office (EASO)

PURPOSE: presentation of the EU Court of Auditors report on the annual accounts of the European Asylum Support Office (EASO) for the year 2016, together with the Offices reply.

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

This audit focused on the annual accounts of the European Asylum Support Office (EASO). As a reminder, its task is to support the development of the Common European Asylum System. It was established with the aim of enhancing practical cooperation on asylum matters and helping Member States fulfil their European and international obligations to give protection to people in need. EASO acts as a centre of expertise on asylum. It also provides support to Member States whose asylum and reception systems are under particular pressure.

Statement of Assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Foundation, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2016;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Courts opinion, the Offices annual accounts present fairly, in all material respects, its financial

position as at 31 December 2016 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 Commissions accounting officer.

Basis of the qualified opinion on the legality and regularity of payments underlying the accounts: the Court made material findings in relation to two out of five significant procurement procedures from 2016 for which payments were incurred during the year. This demonstrates a lack of rigour in the Offices procurement procedures. A procurement procedure for the provision of travel services did not comply with the principle of equal treatment. The contract was awarded to a tenderer who did not fulfil all selection criteria.

In February 2016, the Office directly awarded a framework contract (FWC) for interim services to support it in its response to the migration crisis for a period of 12 months amounting to EUR 3.6 million. The FWC was awarded to a single preselected economic operator without applying any of the procurement procedures laid down in the EU Financial Regulation. The award was therefore not in compliance with the relevant EU rules and associated 2016 payments, are irregular.

The Court noted, however, that except for the effects of the matters described above, the payments underlying the accounts for the year ended 31 December 2016 are legal and regular in all material respects.

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

The Courts observations:

- budgetary management: the Court noted that the level of committed appropriations for administrative expenditure carried over was high at EUR 2.5 million. The carry-overs mainly relate to IT infrastructure, translations and publications, business consultancy and Management Board meeting cost for which contracts were signed towards the end of 2016 and/or invoices were only issued in 2017.

The Offices replies:

- qualified opinion: the Office takes note of the Courts observation however, EASO made its decision based on the fact that the awarded company was the only one with the existing capacity to fulfil the contractual obligations.

EASOs actions were in the context of extreme urgency linked to the refugee crisis which was at its peak at the time, compounded by the necessity to implement the decisions of the Council regarding the emergency tasks entrusted to the Office and to compensate for the shortage of Member States experts. The contractor chosen under these extreme circumstances was the same who was previously contracted by another EU agency located in Greece. EASO relied on the eligibility and financial capacity checks performed by that agency. The decision was documented and approved in an exception request.

In the meantime, EASO has launched a new open tender procedure to award a new framework contract.

Lastly, the Court of Auditors report contains a summary of the Offices key figures in 2016:

- Budget: EUR 53 million.
- Staff: 125 including officials, temporary and contract staff and seconded national experts.

2016 discharge: European Asylum Support Office (EASO)

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2016 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 2016, 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 2016.

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 2016 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Office's Financial Regulation, and that the underlying transactions for 2016 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- procurement: the Council noted the increased level of responsibility and the Office's involvement in tackling the migration crisis in 2016. In this regard, it regretted the Court's qualified opinion on the legality and regularity of payments underlying the accounts due to the lack of rigour in the management of two procurement procedures. It called on the Office to request further explanations from tenderers that present abnormally low offers and introduce systematic checks for every supplier's quotes and invoices issued to the framework contractor. The Council also called on the Office to improve the planning for procurement procedures for administrative expenditure and to improve the monitoring of procedures and contracts under framework contracts, as already agreed in an action plan between the Office and Commission's Internal Audit Service;
- financial planning: the Council called on the Office to continue improving its financial programming in order to reduce the level of commitments carried over to the next financial year to the minimum strictly necessary;
- action plan: lastly, the Office is encouraged to implement the action plan to increase the efficiency of operations and to further ensure cooperation and coherence of activities with its EU and international partners working on migration related issues.

2016 discharge: European Asylum Support Office (EASO)

The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) on discharge in respect of the implementation of the budget of the European Asylum Support Office (EASO) for the financial year 2016.

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 Offices budget for the financial year 2016.

Follow-up to the 2013 and 2014 discharges: Members noted with concern the number of outstanding issues and ongoing corrective actions in

response to the Courts comments in 2013 and 2014 related to late payments, internal control standards (ICSs) and high staff turnover. They called on the Office to complete the corrective actions as soon as possible in the course of 2018.

Basis for the qualified opinion: Members expressed deep regret the material findings made by the Court in relation to two out of five significant procurement procedures from 2016 for which payments were incurred during that year, which demonstrates a lack of rigour in the Offices procurement procedures.

The report recalled that two of the three tenderers participating in one audited procurement procedure for the provision of travel services under a framework service contract amounting to EUR 4 million for the period from 2016 to 2020 were asked to provide additional information in relation to the same selection criteria. Although neither of them submitted the requested information (CVs of the persons who would perform the task at the Offices premises), only one of them was excluded from the procedure for this reason. The other tenderer was awarded the contract on the basis that the relevant CVs would be provided following the award of the contract. The procurement procedure did not comply with the principle of equal treatment. Members stated that the framework contract and associated 2016 payments, amounting to EUR 920 561, are therefore irregular.

Another framework contract for interim support services regarding the migration crisis was also deemed as incompatible with the relevant Union rules.

The European Anti-Fraud Office (OLAF) has opened an investigation on the Offices operations.

- Budget and financial management: Members noted with concern that budget monitoring efforts during the financial year 2016 resulted in a low budget implementation rate of 80.64 %. They noted that the Offices work programme was amended three times and its budget four times in order to take into account significant changes that took place during 2016, in particular the significant increase in the operational support activities of the Office in hotspots in some Member States and the implementation of the EU-Turkey Statement.
- Commitments and carry-overs: the level of committed appropriations carried over for administrative expenditure was high at EUR 2.5 million or 43.9 % (compared to EUR 1 076 583 or 36.9 % in 2015). These carry-overs mainly relate to IT infrastructure, translations and publications, business consultancy and the costs for management board meetings for which contracts were signed towards the end of 2016 or invoices were only issued in 2017.

Members also made a series of observations regarding procurement and staff policy, the prevention and management of conflicts of interests and internal audits.

They highlighted that in 2016 the Office faced several challenges in its operating environment, including not only a substantial increase in its budget and expansion of its tasks but also a significant increase in the number of transactions, a change of the accounting officer with several interim solutions and the introduction of a paperless workflow system. They regretted that this situation of considerable change and instability was neither mitigated by a revalidation of the accounting system nor by introducing a system of regular ex post verifications of transactions.

Lastly, in 2016, the Commission presented a proposal for a new Regulation that proposed transforming the Office into a fully-fledged agency. Members noted the opening of offices in Rome and in Athens and the expanding role of the Office across the Union as it reaches out closer to the hotspots.

2016 discharge: European Asylum Support Office (EASO)

The European Parliament decided by 622 votes to 46, with 21 abstentions, to postpone its decision on discharge to the Executive Director of the European Asylum Support Office (EASO) on the implementation of the Office's budget for the financial year 2016.

Follow-up to the 2013 and 2014 discharges: Members noted with concern the number of outstanding issues and ongoing corrective actions in response to the Courts comments in 2013 and 2014 related to late payments, internal control standards (ICSs) and high staff turnover. They called on the Office to complete the corrective actions as soon as possible in the course of 2018.

Basis for the qualified opinion: Members expressed deep regret the material findings made by the Court in relation to two out of five significant procurement procedures from 2016 for which payments were incurred during that year, which demonstrates a lack of rigour in the Offices procurement procedures.

The resolution recalled that two of the three tenderers participating in one audited procurement procedure for the provision of travel services under a framework service contract amounting to EUR 4 million for the period from 2016 to 2020 were asked to provide additional information in relation to the same selection criteria. Although neither of them submitted the requested information (CVs of the persons who would perform the task at the Offices premises), only one of them was excluded from the procedure for this reason. The other tenderer was awarded the contract on the basis that the relevant CVs would be provided following the award of the contract. The procurement procedure did not comply with the principle of equal treatment. Members stated that the framework contract and associated 2016 payments, amounting to EUR 920 561, are therefore irregular.

Another framework contract for interim services to support it in its response to the migration crisis for a period of 12 months amounting to EUR 3 600 000 was awarded to a single preselected economic operator without applying any of the procurement procedures laid down in the Financial Regulation. The associated 2016 payments, amounting to EUR 592 273, are irregular.

The European Anti-Fraud Office (OLAF) has opened an investigation on the Offices operations.

Budget and financial management: budget monitoring efforts during the financial year 2016 resulted in a low budget implementation rate of 80.64 %. Members noted that the Offices work programme was amended three times and its budget four times in order to take into account significant changes that took place during 2016, in particular the significant increase in the operational support activities of the Office in hotspots in some Member States and the implementation of the EU-Turkey Statement.

Commitments and carry-overs: the level of committed appropriations carried over for administrative expenditure was high at EUR 2.5 million or 43.9 % (compared to EUR 1 076 583 or 36.9 % in 2015). These carry-overs mainly relate to IT infrastructure, translations and publications, business consultancy and the costs for management board meetings for which contracts were signed towards the end of 2016 or invoices were only issued in 2017.

Parliament also made a series of observations regarding procurement and staff policy, the prevention and management of conflicts of interests and internal audits.

It highlighted that in 2016 the Office faced several challenges in its operating environment, including not only a substantial increase in its budget and expansion of its tasks but also a significant increase in the number of transactions, a change of the accounting officer with several interim solutions and the introduction of a paperless workflow system. It regretted that this situation of considerable change and instability was neither mitigated by a revalidation of the accounting system nor by introducing a system of regular ex post verifications of transactions.

In 2016, the Commission presented a proposal for a new Regulation that proposed transforming the Office into a fully-fledged agency. Members noted the opening of offices in Rome and in Athens and the expanding role of the Office across the Union as it reaches out closer to the hotspots.

Parliament welcomed the Office's support to Member States, in particular Greece and Italy, in responding to the constant and unprecedented pressure to which their asylum systems have been subjected, as well as its full support for the implementation of the EU relocation program in Italy and Greece for persons in clear need of international protection.

2016 discharge: European Asylum Support Office (EASO)

By adopting the second report by Bart STAES (Greens/EFA, BE) on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2016, the Committee on Budgetary Control called on the European Parliament to:

- grants the new ad interim Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Offices budget for the financial year 2016;
- approve the closure of the accounts of the European Asylum Support Office for the financial year 2016.

Members welcomed the fact that the initial decision of 18 April 2018 postponing the discharge led to the strong corrective measures taken by the Commissions Directorate-General for Migration and Home Affairs, the Management Board and the Offices new ad interim Executive Director.

The ongoing investigation of the European Anti-Fraud Office (OLAF): an OLAF investigation is currently ongoing concerning several former and current members of the European Asylum Support Office occupying middle or senior management positions. Members welcomed the decision of the Offices Management Board on 6 June 2018 to release the Executive Director from his duties with immediate effect. They also welcomed the designation of an ad interim Executive Director as well as measure to improve the governance structure of the Office, restore transparency and build trust.

The Office is called on to prepare a comprehensive and detailed roadmap presenting the way forward in order to counteract the previously detected deficiencies in the legality and regularity of transactions. This roadmap should include a clear plan for restoring trust in management. Basis for the qualified opinion on the legality and regularity of the underlying transactions: recalling the material findings made by the Court of Auditors in relation to two out of five significant procurement procedures from 2016 for which payments were incurred during that year, Members expect all possible actions to be taken to recover irregular payments from the budget year 2016: EUR 920 561 (procurement procedure for the provision of travel services) and EUR 592 273 (framework contract for interim services to support it in its response to the migration crisis).

The report welcomes the action plans drawn up by the Office to remedy the issues identified by the Court.

Members remained concerned by the development of travel reimbursement costs (in 2014, EUR 997 506 was reimbursed, in 2015 reimbursements amounted to EUR 987 515, and in 2016 reimbursements amounted to EUR 1 012 147).

They underlined that the increase of travel cost reimbursements and the decrease of category-A attendees may indicate an arbitrary reimbursement scheme.

The staff of the Office is urged to properly assume their responsibilities regarding administrative matters and on-the-ground work.

2016 discharge: European Asylum Support Office (EASO)

The European Parliament decided (186 votes to 317, with 164 abstentions) to refuse to grant the Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Offices budget for the financial year 2016.

In its resolution adopted by 547 votes to 108, with 14 abstentions, Parliament welcomed the fact that the initial decision of 18 April 2018 postponing the discharge led to the strong corrective measures, the corrective measures taken to date have partially responded to the reservations presented by Parliament.

The ongoing investigation of the European Anti-Fraud Office (OLAF): an OLAF investigation is currently ongoing concerning several former and current members of the European Asylum Support Office occupying middle or senior management positions. Members welcomed the decision of the Offices Management Board on 6 June 2018 to release the Executive Director from his duties with immediate effect. They also welcomed the designation of an ad interim Executive Director as well as measure to improve the governance structure of the Office, restore transparency and build trust. They regretted, however, that the management board did not take this action on its own initiative much earlier in the process.

The Office is called on to prepare a comprehensive and detailed roadmap presenting the way forward in order to counteract the previously detected deficiencies in the legality and regularity of transactions. This roadmap should include a clear plan for restoring trust in management to make sure that the recruitment and training of the significant number of new staff foreseen for 2018 and 2019 is of such a level that the Office will have well-motivated and high quality personnel at its disposal and that there will be less turn-over of staff and its knowledge and experience are retained.

Basis for the qualified opinion on the legality and regularity of the underlying transactions: recalling the material findings made by the Court of

Auditors in relation to two out of five significant procurement procedures from 2016 for which payments were incurred during that year, Parliament expect all possible actions to be taken to recover irregular payments from the budget year 2016: EUR 920 561 (procurement procedure for the provision of travel services) and EUR 592 273 (framework contract for interim services to support it in its response to the migration crisis).

The resolution welcomed the action plans drawn up by the Office to remedy the issues identified by the Court, namely: (i) the procurement procedure for the provision of travel services (FCM Travel Agency) was replaced by an open tender procedure which was finalised and led to the conclusion of a new contract; (ii) the framework contract for interim services in Greece (Randstad) was replaced by an open tender procedure which was finalised and led to the conclusion of a new contract.

Members remained concerned by the development of travel reimbursement costs (in 2014, EUR 997 506 was reimbursed, in 2015 reimbursements amounted to EUR 987 515, and in 2016 reimbursements amounted to EUR 1 012 147).

They underlined that the increase of travel cost reimbursements and the decrease of category-A attendees may indicate an arbitrary reimbursement scheme.

The staff of the Office is urged to properly assume their responsibilities regarding administrative matters and on-the-ground work.

2016 discharge: European Asylum Support Office (EASO)

PURPOSE: to grant discharge to the European Asylum Support Office for the 2016 financial year.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1358 of the European Parliament on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2016.

CONTENT: the European Parliament has refused 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 2016 financial year.

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 2016 financial year.

Ongoing investigations

In its resolution, Parliament recalled that OLAF was currently investigating several former and current members of the Office in middle and senior management positions. It welcomed the decision taken by the Management Board on 6 June 2018 to release the Executive Director of his duties with immediate effect.

While welcoming the appointment of an interim Executive Director (who is not the subject of OLAF's investigation), it regretted that the Management Board had not taken this measure earlier on its own initiative, which would have avoided delaying the discharge procedure.

Parliament welcomed the measures already taken by the acting Executive Director to improve the governance structure of the Office, restore transparency and build trust. It stressed the importance of addressing the deficiencies previously identified in the legality and regularity of transactions and invited the Bureau to prepare a comprehensive and detailed roadmap outlining the way forward. It asked OLAF to inform the discharge authority of the outcome of the investigation as soon as it is closed.

Basis for the qualified opinion on the legality and regularity of the underlying transactions

Parliament expects that every effort will be made to recover the amount of the following irregular payments made in respect of the 2016 financial year in respect of two of the five major procurement procedures in 2016: (a) EUR 920 561 (tender procedure for the provision of travel services) and (b) EUR 592 273 (framework contract for recruiting temporary support staff as part of its response to the migration crisis). It recalls that only full transparency of tendering procedures can guarantee effective control.

Parliament also continues to be concerned about the trend in the reimbursement of transport costs; it notes that the amount of reimbursements amounted to EUR 997 506 in 2014, EUR 987 515 in 2015 and EUR 1 012 147 in 2016.

Lastly, it underlines the importance of the operational support operations carried out by the Office in the hotspots of some Member States being properly planned, managed and implemented.

2016 discharge: European Asylum Support Office (EASO)

This document concerns Decision (EU) 2019/991 of the European Parliament on the closure of the European Asylum Support Office (EASO) for the financial year 2016.

The closure of the accounts of the European Asylum Support Office for the financial year 2016 have thereby been approved.