










Procedure file

Basic information		
DEC - Discharge procedure	2018/2209(DEC)	Procedure completed
2017 discharge: European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)		
Subject 8.70.03.02 2017 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgetary Control	 SARVAMAA Petri	26/07/2018
		Shadow rapporteur	
		 KADENBACH Karin	
		 CZARNECKI Ryszard	
		 ALI Nedzhami	
		 STAES Bart	
		 KAPPEL Barbara	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Civil Liberties, Justice and Home Affairs	 FRANZ Romeo	18/10/2018
European Commission	Commission DG Budget	Commissioner OETTINGER Günther	

Key events			
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	A8-0145/2019	Summary

26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	Decision by Parliament	T8-0278/2019	Summary
26/03/2019	End of procedure in Parliament		
27/09/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/2209(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14339

Documentation gateway

Non-legislative basic document		COM(2018)0521	28/06/2018	EC	Summary
Court of Auditors: opinion, report		N8-0012/2019 OJ C 434 30.11.2018, p. 0001	18/09/2018	CofA	Summary
Committee draft report		PE626.806	17/12/2018	EP	
Committee opinion	LIBE	PE630.604	17/01/2019	EP	
Supplementary non-legislative basic document		05825/2019	31/01/2019	CSL	Summary
Amendments tabled in committee		PE634.512	31/01/2019	EP	
Committee report tabled for plenary, single reading		A8-0145/2019	01/03/2019	EP	Summary
Text adopted by Parliament, single reading		T8-0278/2019	26/03/2019	EP	Summary

Final act

Budget 2019/1506
[OJ L 249 27.09.2019, p. 0268](#)

2017 discharge: European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)

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 Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA).

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.

eu-LISA: the Agency, based in Tallinn (EE) was set up under [Regulation \(EU\) No 1077/2011](#) of the European Parliament and of the Council. Its main aim is to ensure the operational management of the second generation Schengen Information System (SIS II), Eurodac and Visa Information Systems (VIS).

As regards the eu-LISAs accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2017:

Commitment appropriations:

- available: EUR 158 million;
- made: EUR 155 million.

Payment appropriations:

- available: EUR 78 million;
- made: EUR 67 million.

For further details on expenditure, please refer to the [final accounts of the eu-LISA Agency](#).

2017 discharge: European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2017 of the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA), as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2017, accompanied by the Agency's replies to the Court's observations, the Council recommended 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 2017.

The Council welcomed the Court's opinion that, in all material respects, the Agency's annual accounts present fairly 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 the Agency's Financial Regulation, and that the underlying transactions for 2017 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- procurement: once again, the Council regretted the weaknesses found by the Court in the Agency's procurement procedures and called on the Agency to take appropriate actions in order to ensure the effectiveness of the process, as well as the full implementation without unjustified delay of electronic public procurement;
- financial management: the Agency is called upon to continue improving its financial programming and monitoring of budget implementation with a view to limit the use of corrective measures to the strict minimum, in line with the budgetary principle of sound financial management;
- IT issues: the Council encouraged the Agency to pursue its efforts to improve the efficiency of its internal IT processes and to address the issue of the over-reliance and dependency on external contractors.

2017 discharge: European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)

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 Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) for the financial year 2017.

The committee called on the European Parliament to grant the Agency's Executive Director discharge in respect of the implementation of the Agency's budget for the financial year 2017.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2017 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Agency's accounts.

They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the

general recommendations that appear in the [draft resolution on performance, financial management and control of EU agencies](#):

Agencys financial statements

Members noted that the final budget of the Agency for the financial year 2017 was EUR 155 801 818, representing a significant increase of 89.38 % compared with 2016. This increase was related to the additional tasks of the Agency.

Budget and financial management

Budget-monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, representing an increase of 2.1 % compared with 2016. Payment appropriations execution rate was 91.53 %, representing an increase of 0.68 % compared with 2016.

Although the Agency paid the full price for construction works for its new premises in Strasbourg in 2016, the work is still not finalised, due to the inability of the contractor to deliver, and that only 70 % of the works are covered by the accepted works progress reports.

The cancellations of carry-overs from 2016 to 2017 amounted to EUR 658 000, representing 12.20 % of the total amount carried over, representing a notable increase of 7.11 % in comparison with 2016.

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

In particular, they noted that:

- the Agency underwent an external evaluation in 2016 which concluded that the Agency fulfils its mandate effectively and suggested particular ways of improving its operations and identified potential opportunities to extend its mandate;
- on 31 December 2017 the establishment plan was only 87.02 % executed, with 114 temporary agents appointed out of 131 temporary agents authorised under the Union budget;
- the Agency should continue its efforts to ensure staff retention and development within the Agency. Members welcomed how the Agency handled the substantially increased workload in 2017 despite the high turnover in expert staff;
- the relocation to new premises in Strasbourg suffered considerable delays and that there have been several failings on the part of the contractor responsible.

2017 discharge: European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)

The European Parliament decided to grant discharge to the Executive Director of the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) for the financial year 2017 and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2017 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 496 votes to 107 with 35 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the [draft resolution on performance, financial management and control of EU agencies](#):

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- the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistleblower protection were acknowledged;
- the relocation to new premises in Strasbourg suffered considerable delays and that there have been several failings on the part of the contractor responsible.