

RESOLUTION (EU) 2019/1438 OF THE EUROPEAN PARLIAMENT**of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2017,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0113/2019),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the Agency for the Cooperation of Energy Regulators (the 'Agency') for the financial year 2017 was EUR 13 272 160, representing a decrease of 16,38 % compared to 2016, which is mainly due to the decrease of revenues related to the Regulation on wholesale Energy Market Integrity and Transparency (REMIT) operations; whereas the entire budget of the Agency derives from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2017 (the 'Court's report'), has stated that it obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 98,72 %, reaching the Agency's planned target and representing an increase of 0,61 % compared to 2016; notes that the payment appropriations execution rate was at 75,81 %, representing an increase of 15,87 % compared to the previous year;

Cancellation of carryovers

2. Notes that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 122 606,52, representing 2,03 % of the total amount carried forward, showing a notable decrease of 7,77 % in comparison to 2016;

Performance

3. Notes with satisfaction that the Agency uses certain measures as Key Performance Indicators to assess the added value provided by its activities, in particular to estimate the impact of network codes and guidelines, and to improve its budget management;
4. Acknowledges that the Agency overall delivered on its Work Programme despite significant challenges related to the available resources;
5. Notes with appreciation that the Agency succeeded on the implementation of the regulation on wholesale energy market integrity and transparency and that 2017 was the first full year of data collection following the core implementation of this regulation in 2016; notes as well that in 2017 the Agency reached a critical milestone with the adoption of all Network Codes and Guidelines in electricity and gas and it shift its focus to accompanying and monitoring the implementation of the already adopted network codes and guidelines;
6. Welcomes the fact that the Agency has outsourced accounting services to the Commission and shares resources with other Agencies in the areas of Human Resources management, Information and Communication Technology management, budget and finance, procurement and facility management;

⁽¹⁾ OJ C 84, 17.3.2017, p. 202.

Staff policy

7. Notes that, on 31 December 2017, the establishment plan was 92,65 % filled, with 63 temporary agents (TAs) appointed out of 68 TAs authorised under the Union budget (compared to 69 authorised posts in 2016); notes that in addition 21 contract agents and three seconded national experts were working for the Agency in 2017;
8. Notes with concern that human resources and budget constraints at the Agency in 2017 posed risks of delays, as well as a necessity of reprioritisation of objectives and of reducing the scope of some reports and opinions; considers that any enhancement of tasks and the role of the Agency requires a corresponding increase in its resources and staff;
9. Regrets the gender imbalance within the Agency's senior management members, with 5 out of 6 being male, 1 being female; asks the Agency to take measures ensuring better gender balance within its senior management;
10. Notes that the Agency has adopted the Commission's model decision on the policy on protecting the dignity of the person and preventing harassment; acknowledges that it organised training sessions and enabled confidential counselling;
11. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office (EPSO) in order to increase publicity; takes note of the Agency's reply that four of the nine vacancy notices already have been published on the EPSO website; understands the concern of the Agency for what concerns translation costs;

Procurement

12. Notes from the Court's report that by the end of 2017 the Agency was not yet using any of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); calls on the Agency to introduce all of the necessary tools to manage procurement procedures and report to the discharge authority on the progress made in that field;

Prevention and management of conflicts of interests and transparency

13. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistle-blower protection; notes the resignation of a member from the Administrative Board in October 2017, for whom a potential conflict of interest was identified;
14. Welcomes the further steps taken in order to enhance the transparency of the Agency's activities by reporting the meetings that the Agency's staff have with external stakeholders, namely, the Director's meeting with lobbyists, and their availability on the Agency's website since January 2018;

Internal controls

15. Notes that an assessment of the effectiveness of the Agency's sixteen internal control standards was performed in 2017; notes with appreciation that no significant or material weaknesses in the Agency's internal control standards were found in 2017;
16. Notes with concern from the Court's report that the backup data regarding the REMIT is stored at the same location as the original data, which causes a considerable risk to business continuity in case of major disasters; takes note of the Agency's reply that the re-establishment of the disaster recovery site would require additional financial resources;
17. Notes that the Commission's internal audit service (IAS) conducted a full risk assessment, including with regard to IT, in 2016 with the result of a new strategic audit plan for the Agency for the period 2017 to 2019 and formulated the audit topics for the next planning period; calls on the Agency to report to the discharge authority of any developments in that matter;
18. Observes that the IAS performed an audit on the Human Resources Management function of the Agency; notes with concern that a critical recommendation pointed to the lack of established guidance for reporting and handling potential fraud cases and their outcome in the area of staff recruitment; calls on the Agency to report to the discharge authority on measures taken to mitigate that risk;

Other comments

19. Expresses its concern that the Agency did not carry out a comprehensive analysis in 2017 of the likely impact of the United Kingdom's decision to withdraw from the European Union on its organisation, operations and accounts; notes, however, from the Agency's reply that it carried out such an analysis in 2018; calls on the Agency to report to the discharge authority on the impact of the United Kingdom's decision to withdraw from the European Union and actions required;
 20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 ⁽²⁾ on the performance, financial management and control of the agencies.
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⁽²⁾ Texts adopted, P8_TA(2019)0254 (see page 361 of this Official Journal).