



TEXTS ADOPTED

P9_TA(2024)0281

Discharge 2022: European Labour Authority

1. European Parliament decision of 11 April 2024 on discharge in respect of the implementation of the budget of the European Labour Authority for the financial year 2022 (2023/2155(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Labour Authority for the financial year 2022,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2022, together with the agencies' replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2022, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 22 February 2024 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2022 (06180/2024 – C9-0093/2024),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012³, and in particular Article 70 thereof,

¹ OJ C, C/2023/594, 27.10.2023.

² OJ C, C/2023/112, 12.10.2023.

³ OJ L 193, 30.7.2018, p. 1.

- having regard to Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing a European Labour Authority, amending Regulations (EC) No 883/2004, (EU) No 492/2011, and (EU) 2016/589 and repealing Decision (EU) 2016/344¹, and in particular Article 28 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council², and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0131/2024),
1. Grants the Executive Director of the European Labour Authority discharge in respect of the implementation of the Authority's budget for the financial year 2022;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Labour Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

¹ OJ L 186, 11.7.2019, p. 21.

² OJ L 122, 10.5.2019, p. 1.

2. European Parliament decision of 11 April 2024 on the closure of the accounts of the European Labour Authority for the financial year 2022 (2023/2155(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Labour Authority for the financial year 2022,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2022, together with the agencies' replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2022, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 22 February 2024 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2022 (06180/2024 – C9-0093/2024),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012³, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing a European Labour Authority, amending Regulations (EC) No 883/2004, (EU) No 492/2011, and (EU) 2016/589 and repealing Decision (EU) 2016/344⁴, and in particular Article 28 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in

¹ OJ C, C/2023/594, 27.10.2023.

² OJ C, C/2023/112, 12.10.2023.

³ OJ L 193, 30.7.2018, p. 1.

⁴ OJ L 186, 11.7.2019, p. 21.

Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council¹, and in particular Article 105 thereof,

- having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0131/2024),
1. Approves the closure of the accounts of the European Labour Authority for the financial year 2022;
 2. Instructs its President to forward this decision to the Executive Director of the European Labour Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

¹ OJ L 122, 10.5.2019, p. 1.

3. European Parliament resolution of 11 April 2024 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Labour Authority for the financial year 2022 (2023/2155(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Labour Authority for the financial year 2022,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0131/2024),
- A. whereas according to its statement of revenue and expenditure¹ the final budget of the European Labour Authority (the 'Authority') for the financial year 2022 was EUR 34 689 842, representing an increase of 43,23 % compared to 2021; whereas the Authority gained financial autonomy in May 2021, and the start-up period is set to continue until 2024, both its staff and budget are expected to progressively increase throughout this period; whereas the budget of the Authority derives from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Authority's annual accounts for financial year 2022 (the 'Court's report'), states that it has obtained reasonable assurance that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Takes note that the budget monitoring efforts during the financial year 2022 resulted in a budget implementation of current year commitment appropriations rate of 96,52 %, representing an increase of 0,72 % compared to 2021 and that the current year payment appropriations execution rate was 34,93 %, representing an increase of 4,56 % compared to 2021;
2. Notes with concern that the Authority's budget for 2022 was adopted by its management board on 17 December 2021, but it was not published in the Official Journal of the European Union until 31 May

¹ OJ C 119, 31.03.2023, p. 22.

2023; recalls that this contravenes Article 31 of the Authority's financial rules and the principle of transparency it establishes;

3. Highlights the fact that this is the Authority's second discharge report; underlines that the Authority is still in its early stages, undergoing its formative phase; recalls that the Authority started its operations in 2019 and achieved financial autonomy in 2021; highlights that further development and integration of internal processes are essential in the upcoming period until the Authority achieves full operational status in 2024;
4. Observes that the Court reports that the Authority had carried over EUR 21,8 million (65 %) of available 2022 commitment appropriations to 2023 including EUR 3,4 million (or 79,6 %) of appropriations under Title II, related to administrative expenditure (compared to 63,2 % in 2021) and 16,4 million (or 90,6 %) of appropriations under Title III operational expenditure (compared to 37,7 % in 2021); recalls that recurrent high rates of carry-overs contradict the budgetary principle of annuality and are indicative of structural issues in the budget process and implementation cycle; takes note of the Authority's reply on this matter highlighting that under Title III a significant part of the carry overs come from the high uncertainty related to the EURES portal and budget planning should be more effective following the adoption of the EURES portal strategy 2023-2030 and that at the end of June 2023 more than 80 % of carry overs from Titles I and II were already contracted;
5. Emphasises that after gaining financial autonomy in May 2021, the Authority has accumulated substantial amounts of carry-over; underscores that the Authority, as an Authority engaged in operational activities, relies heavily on the involvement of Member States, and the extent of their participation significantly influences the execution and scope of these activities; underlines that due to the voluntary nature of most activities, not all Member States partake in every activity, and some participate only to a limited extent; calls on the Member States to acknowledge the enhanced benefits provided by the Authority and to enhance collaboration between their competent authorities and the Authority;

Performance

6. Notes that in 2022, the Authority, for the first time, presented a work programme within a multiannual framework (the single programming document for 2022-2024 and continued to improve its programming documents; notes furthermore that the Authority identified the main strategic areas of work and its objectives and developed a new set of KPIs linked with the strategic areas; observes that those indicators, included in its single programming document for 2023-2025, will be used as of 2023;

7. Welcomes the Authority's achievements in fulfilling its mandate and meeting the objectives of the 2022-2024 single programming document, especially the work for 2022, despite the challenges arising from the continued growth and development of the organisation;
8. Notes that the Authority has successfully implemented the road transport action framework and the related #Road2FairTransport campaign, in cooperation with other Member State authorities, social partners and stakeholders, among others; further notes that the Authority executed 33 concerted and joint inspections with the participation of 25 Member States and assisted a roadside demonstration inspection;
9. Commends the Authority's commitment in expanding its capacity-building activities, with the launch of IMI-PROVE programme and in facilitating digital technologies and innovation, with the organisation of the Authority's TECH conference 2022; notes furthermore the Authority's launch of its mediation service, having dealt with its first cases;
10. Notes with appreciation the Authority's reaction to the situation of those fleeing the Russian war of aggression against Ukraine, implementing information and enforcing activities focused on supporting Member States in the protection of vulnerable people from the risks of undeclared work and exploitation in the workplace;
11. Notes with concern the significant reductions in the job registration rate and the employer registration rate of the European employment services (EURES) portal (- 77 % and - 37 %, respectively, compared with 2021 due to the introduction of the EU Login requirements; calls on the Authority to simplify the process in cooperation with the Commission;
12. Appreciates the fact that the Authority's work to assist Member States and the Commission in ensuring a fair and effective enforcement of Union rules on labour mobility and coordination of social security systems, in facilitating effective labour mobility in Europe through EURES activities, and, effectively, making it easier for citizens and businesses to reap the benefits of the internal market; in this regard, welcomes the work of the Authority's four working groups on information, inspections, mediation and European platform tackling undeclared work;
13. Notes that one of the Authority's objectives is to facilitate and enhance cooperation between Member States in the enforcement of relevant Union law across the Union, including facilitating concerted and joint inspections; looks forward to the forthcoming Commission evaluation in 2024 of the Authority's performance in relation to its objectives, mandate and tasks; notes that the Commission on the

basis of that evaluation may, as appropriate, submit a legislative proposals to review the scope of the Authority;

Efficiency and gains

14. Observes that in 2022 the Authority has developed its cooperation with other Union bodies and organisations to avoid overlap and promote synergies; further notes that the Authority has signed a memorandum of understanding with the Commission, the European Foundation for the Improvement of Living and Working Conditions and the European Centre for the Development of Vocational Training; observes that the Authority has also signed a framework for cooperation with the European Agency for Safety and Health at Work and has started talks with the Union Agency for Law Enforcement Cooperation;
15. Welcomes that the Authority is promoting a modern, digital and flexible work environment enhancing staff's wellbeing and decreasing its environmental impact through the implementation of hybrid working rules, contributing to reducing CO₂ emissions; further notes the Authority's achievement regarding its premises in Slovakia, having received the Leadership in Energy and Environmental Design Gold Certificate, fulfilling the European Commission rigorous criteria;
16. Notes that the Authority has continued to implement its functionalities of the Advanced Records System, the Sysper system, eProcurement and Speedwell, among others in order to improve efficiency of systems and workflows;
17. Notes that the Authority is among the Union agencies which yet has to established a corporate plan to improve the energy efficiency and climate neutrality of its operations;
18. Encourages the Authority to develop an active cooperation with other agencies and to report regularly to Parliament on its progress made;

Staff policy

19. Notes that, on 31 December 2022, the establishment plan was 86 % implemented, with 49 temporary agents appointed out of 57 temporary agents authorised under the Union budget; notes that, in addition, 13 contract agents and 55 seconded national experts (SNEs), including 27 national liaison officers (NLOs) worked for the Authority in 2022; notes that the Authority achieved an important growth of its workforce after intensive recruitment efforts in 2022;
20. Notes the gender distribution within the Authority's senior and middle management, with 4 out of 6 (67 %) being men; notes the gender balance within the Authority's management board, with 20

out of 34 (59 %) being men; further notes the gender balance within the Authority's overall staff, with 41 out of 65 (63 %) being women; recalls the importance to ensure gender balance and calls on the Authority to persist in taking this aspect into consideration with regard to future recruitments of staff and appointments especially within its senior and middle management; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Authority's management board; observes with satisfaction that the Authority had 27 nationalities based on its establishment plan posts (statutory staff) at the end of 2022;

21. Notes that the capacity of the Authority has grown significantly in 2022 thanks to its commitment to attract high quality talent, with 117 staff members (in 2022); further notes that the Authority needs to continue with its strong effort in recruitment, as well as the onboarding of newcomers and dealing with challenges such as turnover and decline of jobs; further notes that the Authority's recruitment policy will continue to be based on the principles of equal treatment and open and transparent recruitment procedures, as well as published and communicated to all interested parties;
22. Observes that the end of 2022, the proportion of temporary workers (SNEs and interims) at the Authority was 58 %; draws attention to high reliance on temporary workers leads to a regular high staff turnover, entailing the risk of losing expertise (specialised knowledge, contact networks built with stakeholders), which could negatively affect its operational capabilities; appreciates the Authority's call for the conversion of 15 SNEs posts into temporary agents posts (TAs), without the need to increase the budget envisaged in the multiannual financial statement, in order to assure the Authority operational stability, knowledge retention and the effective implementation its objectives;
23. Takes note that the Authority hired an interim agent and a trainee for five months (November 2022 to March 2023) and granted them ABAC access rights allowing them to enter data and initiate operations to support the annual budget closure procedure; recalls that the use of interim workers to perform the Authority's core financial activities associated with budget implementation contravenes Article 41(1) of its financial rules, which states that only staff members can be delegated the power of budget implementation; observes that according to the Authority and to ensure business continuity in case of lack of statutory staff and of abnormal workload exceptionally granted data entry agent and financial initiating agent roles to interim agent/trainee for a limited period, after receiving necessary training and having a supervising verifying agent for all financial transactions;

24. Welcomes the fact that the Authority continued in the adoption and implementation of human resources rules and regulations such as the policy on protecting the dignity of the person and preventing psychological harassment and sexual harassment, new human resources rules on work time and hybrid working and the learning development framework implementing the provisions on the conduct of administrative enquiries and disciplinary provisions;
25. Notes that the Authority offered measures in support of integration, including team-building and social events and activities, information packages, various training sessions and support with the registration of staff and family members with the national authorities ; further notes that the Authority runs an annual well-being pulse survey to measure wellbeing, staff satisfaction and collect staff views; welcomes that the Authority carried out first elections for the staff committee and established it successfully in 2022;
26. Notes that the Authority is committed to promoting and acting on equality and diversity at work, ensuring that its recruitment procedures do not discriminate on the grounds of gender, colours and race, among others; notes that this work led to an improvement in the statistics on staff diversity compared to 2021; further notes that the Authority has developed a series of measures for the integrations of persons with disabilities, ensuring equal participation in interviews and tests;

Procurement

27. Notes that the Authority established in 2022 its procurement plan in line with the operational activities and its corporate needs, while considering environmental and social aspects in calls for tender and promoting socially responsible public procurement; further notes that the Authority worked on enhancing the efficiency and the timely implementation of its procurement plan, and intends to use the request module of the public procurement management tool in the preparation of its procurement plan for 2023;
28. Takes note that according to the Court, in a procurement procedure to support the Authority's activities in the field of designing, organising and implementing training events, the tender specifications established a maximum contract value at EUR 6 million over four years; observes that the Authority awarded the contract to a tenderer whose financial offer was EUR 12,9 million; recalls that this contravenes point 12.3 (a) of Annex I to the Financial Regulation, which stipulates that tenders are to be considered unacceptable "when the price of the tender exceeds contracting authority's maximum budget as determined and documented prior to the launch of the procurement procedure"; notes furthermore that the Court concluded that this procurement and the contract award

are irregular although no payments associated with this contract were made in 2022;

29. Recalls that the objective of public procurement rules is to enable procuring entities to obtain the goods and services they need at best price, while ensuring fair competition between tenderers and compliance with the principles of transparency, proportionality, equal treatment and non-discrimination; calls on the Authority to further improve its public procurement procedures, ensuring full compliance with the applicable rules, so that they achieve the best possible value for public resources;

Prevention and management of conflicts of interest and transparency

30. Notes the Authority's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and takes note that the declarations of conflict of interest of its management board members are published in its website;
31. Notes that the Authority publishes the CV of its executive director and is working on the publication of their members of the management board and middle management CVs in 2023; calls on the Authority to report to the discharge authority any development in that regard;
32. Is aware that in 2023 the Authority adopted a decision of the executive director on the publication of information on meetings with interest representatives and other externals; notes that with this decision the Authority shall make public information on all meetings held by the executive director, the management board chair and deputy chair when acting in this capacity and of heads of units with interest representatives and other externals;
33. Observes that the Authority has adopted in November 2022 a conflicts of interest policy, which covers members and observers of the management board, the stakeholder group, the Authority's working groups and panels, including the platform to enhance cooperation in tackling undeclared work, external experts and SNEs, including NLOs; further notes that no cases of conflicts of interest or whistleblowing were reported in 2022;
34. Notes that the Authority has in place an 'end of service checklist and confidentiality form for all its staff' including references to staff regulations obligations on end of service;

Internal control

35. Notes with concern from the Court's report that the Authority's internal rules require SNEs and NLOs to reside in Bratislava; is aware that SNEs and NLOs receive daily and monthly allowances to

cover living expenses in Bratislava and that in order to receive them, they must make a formal declaration that they actually live there, and commit to providing proof of residence on request; observes that the Authority was unable to provide proof that a particular NLO lived in Bratislava in response to request by the Court, leading to the conclusion that the allowances received by this NLO, totalling EUR 83 734 – of which EUR 50 700 was paid in 2022 –, were irregular; considers that the Authority's *ex-ante* checks on these declarations are weak as they are based solely on the declarations of the SNEs and NLOs, and not on documentary evidence; regrets the lack of *ex post* checks and that this creates the risk that the amounts the Authority pays for these allowances may not be correct; takes note that as from 2023, the Authority has strengthened the management and control of the SNE file, especially for *ex ante* checks, where all SNEs are asked for proof of residence;

36. Draws attention to the Court's observation that the Authority had not fully established and formalised its *ex-ante* checks, and had not set up *ex-post* checks, in the area of contract implementation; notes that in particular, the Authority had authorised payments for translation, event organisation, training and communication without fully verifying key parameters determining the prices to be paid such as quantity of services provided, compliance with minimum quality requirements, and unit prices applied; expresses its deep concern in this regard and points out that these shortcomings and the failure to remedy them may pose a risk to the use of public funds;
37. Urges the Authority to reassess and update its internal processes, *ex-ante* controls, *ex-post* methodology in order to credibly address the Court's observations and to report back to the discharge authority on the measures taken in this regard;
38. Underlines the fact that from 2023 onwards, initiatives to enhance the Authority's *ex ante* controls have been implemented, including specialised training for staff on financial procedures and *ex ante* controls;
39. Notes that the Authority's Management Board adopted its internal control framework in 2020 and its development will be finalised in 2023, based on the recommendations of the Internal Audit Service on the internal control framework;
40. Notes that the Authority carries out an annual risk assessment exercise and in 2022 finalised and developed a draft action plan to lower its risks; further notes that the Authority adopted and implemented its 2021-2023 anti-fraud strategy, and that the implementation of the strategy is monitored via a dedicated action plan;

41. Recalls that the Authority has not adopted yet its business continuity plan which is under development and which will be finalised during 2023;
42. Is aware that the Authority is currently in a period of growth; notes that the development of the internal control framework indicators will be finalised based on the recommendations of the IAS audit on the internal control framework, which will be conducted in 2023;

Other comments

43. Notes with concern the substantial work that the Authority needs to accomplish, particularly in strengthening its internal control mechanisms; acknowledges the Authority's backlog of plans that were scheduled for implementation in 2023, in which the discharge authority expects the Authority to deliver and communicate concrete results in order to effectively address the identified shortcomings; however understands that the work is still in progress since the Authority started its operations in 2019;
44. Notes that the Authority has implemented important measures to increase its cybersecurity such as CERT EU covering log, double key encryption and connectivity to the European Commission systems among others and to digitalised its procurement processes;
45. Welcomes that the Authority has initiated an environmental analysis and preparation for its environmental statement and action plan for the implementation of the EMAS certification, which will be completed by 2023;
46. Notes that the Authority has adopted in early 2023 its new communication strategy 2023-2026 aiming to increase its visibility, reputation and awareness about its work; further notes that the Authority organised, jointly with other Agencies, and in cooperation with Parliament an event to explore the challenges and opportunities for young people;
47. Notes that the Authority implemented several measures to reduce its environmental impact, however has not developed a written environmental strategy yet and plans to commence in 2023;
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48. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 11 April

2024¹ on the performance, financial management and control of the agencies.

¹ Texts adopted, P9_TA(2024)0280.