

RESOLUTION (EU) 2023/1893 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Labour Authority (ELA) for the financial year 2021**

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 2021,
 - 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 (A9-0117/2023),
- A. whereas according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Labour Authority (the 'Authority') for the financial year 2021 was EUR 24 219 500; whereas the Authority's budget derives from the Union budget; whereas EUR 1 838 391 was implemented under the Commission's Directorate-General for Employment, Social Affairs and Inclusion and EUR 22 381 110 was managed directly by the Authority after its financial autonomy;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Authority's annual accounts for financial year 2021 (the 'Court's report'), stated 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. Notes that the Authority started operations on 17 October 2019 and achieved financial autonomy on 26 May 2021, and that, following the finalisation of the Headquarters Agreement with the Slovak Republic, commenced its activities in its premises in Bratislava in September 2021; welcomes the start of the operations and highlights that is the first discharge procedure;
2. Notes that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 95,80 % and that the execution rate of current year payment appropriations was 30,38 %;
3. Underlines the fact that the work of the Authority has been in its start-up shaping phase; is aware that further development and integration of internal processes is needed in the upcoming period until being fully operational in 2024;
4. Recalls the importance of strengthening management and control systems to ensure the proper functioning of the Authority; strongly insists on the requirement of effective management and control systems to avoid potential cases of conflicts of interest, missing *ex ante* or *ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Performance

5. Notes that the project dedicated to the development of a structured performance management system that will support the development of coherent key performance indicators, initially planned for 2021, was delayed and is currently under implementation; calls on the Authority to report any developments in that regard to the discharge authority;

(1) OJ C 114, 31.3.2021, p. 232.

6. Underlines the achievements of the Authority with regard to the first sector-specific initiative focused on the rights of mobile workers and their employers in the field of seasonal work, its action plan and related campaign, implemented in cooperation with the Member States, social partners and other stakeholders, and bringing together all of the Authority's operational tasks;
7. Notes with appreciation that the Authority supported in 2021 the first ten concerted and joint inspections, with the participation of 11 Member States; notes moreover, that the European Platform tackling undeclared work was smoothly integrated into the Authority in 2021, and that, in line with Regulation (EU) 2019/1149 of the European Parliament and of the Council⁽²⁾, the Authority took over some specific responsibilities of the European network of employment services (EURES) from the Commission, particularly the EURES network governance and training and communication activities, and the ownership of the EURES portal;
8. Notes with appreciation that the Authority finalised the framework necessary for launching its mediation task in early 2022, and that in December 2021, the Authority's management board adopted rules of the mediation procedure and launched a call to secure nominations for the various mediation functions;
9. Notes with appreciation that the Authority deepened its cooperation with other Union bodies and organisations; welcomes the first agreements with the SOLVIT network and the Administrative Commission for the Coordination of Social Security Systems completed in 2021; notes, furthermore, that the Authority started the negotiations of other cooperation arrangements, including with the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and the European Agency for Safety and Health at Work (EU-OSHA); notes, moreover, that in September 2021, the Authority and the European Union Agency for Law Enforcement Cooperation (Europol) supported Member States' efforts to fight labour exploitation in seasonal work; urges the Authority to further explore possibilities for extending its working arrangements and resources sharing of overlapping tasks with other Union bodies;
10. Notes that all the activities planned in the 2021 work programme were implemented except the staff exchanges and mutual assistance projects under the European Platform tackling undeclared work; acknowledges that the lack of applications for these demand-driven activities may be attributed to the COVID-19 pandemic; notes that the management board considers that the results achieved by the Authority in its second year of activity are laying down the foundations for building up a fully operational and digitalised Authority before 2024;

Staff policy

11. Is concerned that, on 31 December 2021, the establishment plan was 84,21 % implemented, with 32 temporary agents appointed out of 38 temporary agents authorised under the Union budget; notes that, in addition, 11 contract agents and 41 seconded national experts (including 27 national liaison officers) worked for the Authority in 2021; notes that the Authority achieved a significant growth of its workforce after intensive recruitment efforts in 2021 in line with one of the Authority's key priority;
12. Draws attention, however, to the fact that the Authority has the highest proportion of seconded national experts posts (60 out of 144 members of staff, in the establishment plan 2023) compared to all Union decentralised agencies; calls for the conversion of 15 seconded national expert posts into temporary agent posts which will allow the Authority to make use of an appropriate staffing for further implementation of its mission;
13. Notes the lack of gender balance within the Authority's senior management, with 4 out of 6 (67 %) being men; notes the lack of gender balance within the Authority's management board, with 20 out of 33 (61 %) being men; further notes the lack of gender balance within the Authority's overall staff, with 23 out of 43 (53 %) being women; notes the gender representation among seconded national experts (including national liaison officers) (49 % women and 51 %

⁽²⁾ 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) 2016/344 (OJ L 186, 11.7.2019, p. 21).

men); notes, furthermore that the Authority had 14 nationalities based on its establishment plan posts (statutory staff) at the end of 2021 and that it envisaged to further increase the nationalities represented to 18 in 2022; urges the Authority to consider with utmost priority geographical balance in its recruitment procedures and report any developments in this regard to the discharge authority; recalls the importance to ensure staff gender balance and calls on the Authority to take this aspect into consideration with regards to future appointments within its senior management; further calls on the Member States to take this into account when nominating the members of the management board or seconded national experts;

14. Notes that the Authority adopted its first organisational structure in 2021, designed the organisation and continued adopting and developing internal rules and procedures, and that it has created, together with all its staff, its mission and values' statement representing the diversity and culture of all employees; notes, furthermore, that the Authority is working towards being fully operational in 2024;
15. Notes that the Authority adopted the policy on protecting the dignity of the person and preventing psychological and sexual harassment in March 2022, following which started to organise compulsory anti-harassment workshops for all staff including external contractors, as well as dedicated sessions for managers; notes, furthermore, that the Authority launched in June 2022 a call for expressions of interest of confidential counsellors; calls on the Authority to report any developments in that regard to the discharge authority;
16. Recalls the importance of developing a long-term human resources policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;

Procurement

17. Notes that in 2021 the Authority made the best possible use of existing interinstitutional framework contracts for its administrative and operational activities, while launching calls for tender (negotiated, open) when required; notes furthermore, that the Authority concluded a total of 106 procurement procedures and signed six service-level agreements;
18. Notes that in 2021, the Authority onboarded the e-procurement Modules ABAC Assets, e-tendering, e-submission and Public Procurement Management Tool (PPMT); notes that in 2022, the Authority started to use PPMT;

Prevention and management of conflicts of interest, and transparency

19. Notes that the Authority is in the process of developing a comprehensive policy on conflicts of interest and that the rules of procedures of the Authority's bodies (management board, stakeholder group, the Authority's working groups) contain provisions relating to conflicts of interest; notes, moreover, that conflict of interest declarations for management board members are in place and public;
20. Notes that the Authority publishes the CV of its executive director and is working on the publication of other relevant CVs in 2023; calls on the Authority to report any developments in that regard to the discharge authority;
21. Notes that in 2021 the Authority had meetings with external stakeholders such as trade union representatives, employer organisation and business representatives, as well as national authorities and national institutions; notes with concern that the Authority does not have a centralised register of relevant meetings with external stakeholders and does not envisage the establishment of such a register until 2023; calls on the Authority to put in place such a register as soon as possible and to report any developments in that regard to the discharge authority;

22. Notes with appreciation that the Authority adopted on 25 May 2021, by analogy, the Commission's guidelines on whistleblowing;
23. Insists on the need to put in place systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Authority to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

24. Notes with concern that although, according to the Court's report, the Authority's management board approved the Commission's internal audit service mission charter (in 2021) and the Authority's internal control framework (ICF) (in 2020), the Authority had not yet adopted an appropriate risk management and control strategy nor had it adopted the charter of the authorising officer or the charter of the authorising officers by sub-delegation, or the charter of the accountant, and that those gaps hinder the implementation of the Authority's internal control framework; notes from the Authority's reply that it finalised the risk-assessment process and has several policies, and procedures in place to implement the ICF and that it continuously works to strengthen its ICF further and plans the adoption of the relevant charters; calls on the Authority to report to the discharge authority on the development of its internal control system and risk management;
25. Notes that, according to the Court's report, the Authority recorded assets with a total value of EUR 73 118 in ABAC Assets and in the inventory record, that those assets mostly consisted of office furniture, and that the Authority assigned an inventory identification and a future location to each item; notes that, however, due to the COVID-19 pandemic, the assets were not labelled at the time of the audit, and were not yet placed in their assigned locations; notes that, furthermore, the absence of complete and updated inventories specifying the location of Authority's tangible assets goes against Article 87 of the Financial Regulation, and adversely affects the Authority's ability to ensure the safeguarding of its assets; notes the Authority's reply that, due to COVID-19 pandemic, restrictive measures, following the delivery, the tangible assets had been recently placed in the designated areas according to the location plan and number of staff and that the labelling process and the physical completion of the inventories have been finalised;
26. Notes that, according to the Court's report, on 11 December 2020, the Authority signed a specific contract for EURES training activities covering the first quarter of 2021, amounting to EUR 299 437, and that a new framework contract, with a value of EUR 12 million and maximum duration of 48 months, to provide EURES training activities was signed on 9 November 2021, and that no payments associated with this framework contract were made in 2021; notes, furthermore, that, according to the Court's report, the Authority did not establish *ex ante* or *ex post* controls relating to the operational and financial aspects of the training activities based on direct evidence from the implemented training activities and relied instead on reports issued by trainers, and that this lack of formalised procedures based on direct evidence may present risks to the implementation of management directives, and to the achievement of the Authority's objectives;
27. Notes that the Authority acknowledged the need to set up the appropriate structure internally, to introduce formalised procedures based on direct evidence in reply to the Court's observation; notes that the Authority is using direct controls for training activities, and that from 2023, it will establish a mechanism for direct controls, under which the Authority's staff will participate in 10 % of training provided by EURES, covering examples of all training types and formats, observe the training implementation, and that the assessed training will be followed up by a satisfaction survey among participants;
28. 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;

Digitalisation and the green transition

29. Notes that the Authority has built ICT solutions around a Microsoft 365 offering and Commission systems that are shared among different institutions and that are accessible via a secured VPN solution, which were reviewed by independent consultants and CERT-EU; notes, moreover, that the Authority has configured an ICT security monitoring solution that allows monitoring by CERT-EU based on a service level agreement;
30. Notes that the Authority's cyber security policy is going to be developed in 2023 with input from ICT Strategy and Agencies approach to the new Cybersecurity regulation; calls on the Authority to report any developments in that regard to the discharge authority;
31. Recalls the importance of increasing the digitalisation of the Authority in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Authority to continue to be proactive in this regard in order to avoid a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
32. Encourages the Authority to work in close cooperation with ENISA (the European Union Agency for Cybersecurity); suggests offering regularly updated cybersecurity-related training programmes for all staff within the Authority; calls on the Authority to develop its cybersecurity policy swifter, delivered it before 31 December 2023 and report back to the discharge authority;
33. Notes with appreciation that the Authority's headquarter in Slovakia (the building Landererova 12 or L12) has received the Leadership in Energy and Environmental Design Gold certificate;

Business continuity during the COVID-19 crisis

34. Notes with concern from the Court's report that the Authority has not yet adopted a business continuity plan and that the lack of an established and comprehensive business continuity plan constitutes a major internal weakness; notes from the Authority's reply that, due to the COVID-19 pandemic, a teleworking business continuity solution was in place on daily basis, and that the Authority recognises the importance of a comprehensive document describing the business continuity plan, which is planned to be completed in 2023; calls on the Authority to report any developments in that regard to the discharge authority;
35. Notes with appreciation the report on the 'impact of teleworking during the COVID-19 pandemic on the applicable social security' and an internal assessment of the 'impact of the COVID-19 pandemic on the Authority's fields of operations';

Other comments

36. Notes that during 2021, the Authority further developed its communication activities, with an increasing number of social media followers, the creation of new sites in further social media platforms and an increase in interactive and more engaging content, such as videos, and continued to develop its website, visual identity, logo and other artefacts that will increase the visibility and recognition of the Authority; calls on the Authority to step up its efforts and report relevant performance information to the Union citizens and general public in clear and accessible language; urges the Authority to ensure greater transparency and public accountability by better-utilising media and social media channels;
37. Welcomes the Authority's engagement at governance level with Eurofound, EU-OSHA, and the European Institute for Gender Equality (EIGE) and the draft work programmes exchanges with Eurofound, the European Chemicals Agency (ECHA), and EIGE to ensure synergy in the respective work programmes;

38. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽³⁾ on the performance, financial management and control of the agencies.
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⁽³⁾ Texts adopted, P9_TA(2023)0190.