



## Press Release

Luxembourg, 21 April 2016

### EU Agency grants: "shortcomings persist", say Auditors

A new report from the European Court of Auditors finds shortcomings in the way EU Agencies manage the grants they award. For several years, the auditors have criticised agencies' grant control systems. While the agencies audited were now generally complying with the rules, particular shortcomings were noted in the areas of performance monitoring and evaluation. In specific cases, the selection and award procedures did not fully comply with the basic principles of transparency and equal treatment. Also, the potential for conflicts of interest persists, warn the auditors.

The auditors examined the systems and controls in place in five agencies: the European Institute for Innovation and Technology, FRONTEX - the Agency responsible for external borders, the European Environment Agency, the European Food and Safety Authority and the European Centre for Disease Prevention and Control. Together, these five account for just over 90 % of total grant funding between 2013 and 2015, which amounted to €740M.

The auditors concluded that, while the audited agencies generally awarded and paid grants in compliance with the rules, most did not adequately explore alternative funding options and, in some cases, grants were not the most effective tool. For most audited agencies, there was room for further improvement in their award procedures, control systems and performance measurement. The agencies did not adequately measure the effectiveness of their grants, say the auditors.

*"Grants generally contributed to the implementation of these agencies' policies", said Dr Louis Galea, the Member of the European Court of Auditors responsible for the report. "But they failed to set up adequate monitoring and evaluation systems for their grant-funded activities."*

The auditors recommend that all agencies that use grants should:

- before launching grants, explore whether grants are the most effective funding tool. Simplified cost options and direct awards should also be used whenever justified;
- indicate in their work programmes the activities to be implemented using grants, giving

*The purpose of this press release is to give the main messages of the special report adopted by the European Court of Auditors. The full report is on [www.eca.europa.eu](http://www.eca.europa.eu)*

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particular attention to the specific objectives and expected results to be achieved, as well as the planned financial and human resources needed to implement the grant actions;

- establish formal internal procedures to safeguard against potential conflicts of interest and comply with the principles of transparency and equal treatment when applying specific grant procedures;
- continue to further strengthen their verification systems for grant project implementation;
- establish performance monitoring and reporting systems based on result and impact-oriented key performance indicators, as well as ex-post evaluation results.

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Special Report No 12/2016 *“Agencies’ use of grants: not always appropriate or demonstrably effective”* is available in 23 EU languages on [eca.europa.eu](http://eca.europa.eu).