



Press Release

Luxembourg, 29 October 2021

EU agencies maintained clean books in a flexible response to the pandemic

EU agencies in different Member States have adapted well to the unprecedented situation of the COVID-19 pandemic, the European Court of Auditors (ECA) has concluded in its annual audit of EU agencies for the 2020 financial year. The auditors confirm that the agencies' financial management is in good shape, as in previous years, and has not been extremely affected by the pandemic. There are still shortcomings in some agencies' internal controls, and weaknesses in public procurement procedures remain the main source of irregularities. The pandemic also has not favoured progress in budgetary management and human resources management. In 2020, some agencies encountered constraints in these areas.

"The pandemic has raised particular challenges in the financial management of EU agencies that operate under different national contexts and health measures", said Alex Brenninkmeijer, the ECA member responsible for the annual report. "We found, however, that EU agencies have consistently followed their crisis management strategy as supported by the European Commission and in coordination within the EU Agencies Network. They managed to adapt their work to the unprecedented situation caused by the pandemic and to keep their books clean, comparable to what we found in the previous years."

The auditors examined the accounts of 41 agencies and other EU bodies, comprising the financial statements and the reports on the implementation of the 2020 budget, as well as the legality and regularity of the transactions underlying those accounts. They signed off all 41 accounts as reliable, and issued clean opinions on the legality and regularity of the revenues for all of them. As for the legality and regularity of the payments underlying the agencies' accounts, the auditors signed off all except for ACER (cooperation of energy regulators), eu-LISA (management of IT systems in the area of freedom, security and justice) and ENISA (cybersecurity). For these three agencies, they issued qualified opinions, mainly due to irregularities in procurement procedures and to gaps in the delegation procedure to authorise budgetary operations.

In addition, the auditors identified 54 shortcomings based on the audited sample of transactions for the 2020 financial year (compared to 82 for the 2019 financial year). These shortcomings mostly concerned internal controls, public procurement procedures, human resources and budgetary management. The latter ranged from the mismanagement of fees to late payments, the incorrect

The purpose of this press release is to convey the main messages of the European Court of Auditors' annual report on EU agencies. The full report is available at eca.europa.eu.

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disclosure of contributions received, and the miscalculation of contributions by non-EU Member States to the agencies' budgets. Furthermore, the auditors point out that excessive use of carry-overs, from a financial year to the next one, can indicate not only delays in the implementation of work programmes or procurement plans, but also structural issues or weak budgetary planning.

Public procurement issues remain the main source of irregular payments: some contracts audited showed shortcomings mostly concerning lack of competition, weaknesses in the evaluation process of the tenderers and contract implementation issues. The auditors also call to strengthen the agencies' internal controls, particularly before operations are authorised.

The auditors completed their annual financial audit with an assessment of how EU agencies have managed and organised their response to the COVID-19 crisis. By analysing business continuity measures, decision-making capacity and day-to-day operations, the auditors concluded that EU agencies have acted accordingly to prevent their financial situation from being extremely distorted by the pandemic, and that they have continued delivering on their mandates, albeit at a slower pace. With respect to work programmes and activities, the pandemic has triggered significant reprioritisations of resources and planned activities towards COVID-19-related activities. The most notable examples can be found in the policy area of Health, for which the EU's pandemic response has become a predominant occupation for the EU agencies involved (ECDC, EMA).

Finally, the auditors noted a general increase in weaknesses concerning human resources management in EU agencies. In particular, the fact that recruitment slowed down in early 2020, mostly due to COVID-19, created a risk of human resources bottlenecks in the future.

Background information

The document "*2020 Audit of EU agencies in brief*" summarises the audit results for the 2020 financial year for the 41 EU agencies and other EU bodies under the ECA's mandate as the external auditor of the EU's finances. ELA and the EPPO were not audited in 2020 because they did not reach their financial autonomy.

The document and the full 2020 annual report are available on the [ECA website](#) in English - other EU languages will follow shortly.

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