

European Union Agency for Cybersecurity

DECISION No MB/2023/07
of the Management Board
of the European Union Agency for Cybersecurity (ENISA)
on analyses and assessment of the Annual Activity Report 2022

THE MANAGEMENT BOARD OF ENISA,

Having regard to the Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act)¹, in particular Article 15(1)f;

Having regard to the Decision No MB/2019/8 on the Financial Rules applicable to ENISA in conformity with the Commission Delegated Regulation (EU) No 2019/715 of 18 December 2018 of the European Parliament and of the Council, in particular Article 48(1)b;

Whereas

- Management Board should carry out analyses and assessment of the Agency's Annual Report and forward it to the Budgetary Authority and the Court of Auditors by 1 July 2023.
- The draft analyses and assessment of the Agency's Annual Report of 2022 was endorsed by the Executive Board at its meeting held on 16 May 2023.

HAS DECIDED:

Article 1

The analyses and the assessment of the Annual Activity Report 2022 is adopted as set out in annex of this decision.

Article 2

The present decision shall enter into force on the day of its adoption. It shall be published on the Agency's website.

¹ OJ L 151, 7.6.2019, p. 15–69



Done at Athens on 15 June 2023

On behalf of the Management Board,

[signed]

**Jean - Baptiste Demaison
Chair of the Management Board of ENISA**

ANNEX
THE ANALYSES AND ASSESSMENT
BY THE MANAGEMENT BOARD OF ENISA
OF THE CONSOLIDATED ANNUAL ACTIVITY REPORT FOR THE YEAR 2022
OF THE AUTHORISING OFFICER OF ENISA

The Management Board takes note of the consolidated Annual Activity Report (AAR) for the financial year 2022, submitted by the Executive Director of the European Union Agency for Cybersecurity (ENISA) in accordance with Article 48 of the Financial Regulation applicable to ENISA.

The Executive Board received a copy of the draft AAR 2022 produced by the Executive Director of ENISA in his role as Authorising Officer for the implementation of the annual budget on 10 May 2023 and the Management Board received a copy of the draft AAR 2022 on 6th June 2023.

The Management Board performed the analysis of the AAR and completed its assessment.

The conclusions of the Management Board are as follows:

1. 2022 was a pivotal year for the Agency requiring it to respond rapidly to escalated cybersecurity challenges, thus stress testing its ability to operationalise and contribute to cooperative response. Whilst the Agency had seasoned services that supported operational cooperation it lacked sufficient operational reserves to absorb the increased demand for urgent support services due to escalations in cybersecurity threats in connection with the Russian war of aggression.
2. The Cyber Assistance Mechanism under output 5.2 of activity 5 “contribute to cooperative response at Union and Member States level” was expanded to strengthen the need for the EU to fully prepare to face large-scale cyberattacks by delivering the **Cybersecurity Support Action** simultaneously to all Member States. The Commission provided additional budget (15 million) to ENISA with a view to increasing its level of support to Member States, in line with ENISA’s mandate under the Cybersecurity Act. As such the Agency was able to leverage on its’ existing planned activities in order to rapidly operationalise and expand a programme of this scale; and take advantage of its agile organisational structure. The Agency re-allocated 10.5 FTEs from across the Agency, the majority of which were re-allocated from the operational cooperation unit responsible for activities 4 and 5, that amounted to 8 FTEs and the remaining 2.5 FTEs from the other work programme activities. Thus, the Agency achieved its goal of having framework contracts in place in 27 Member States and a pan-European lot by year end, but this came at the expense of other work programme outputs. Moreover, at least the same re-allocation of resources shall continue in 2023 for the implementation of the cybersecurity support action and as such impacting the planned allocation of resources in the 2023 work programme.
3. The MB acknowledges the excellent effort made by ENISA to re-allocate staff from across the activities to deliver the cybersecurity support action and acknowledges the strain on human capital due to insufficient operational reserves available to the Agency to manage times of escalation.

4. The MB concludes that the Agency will need to invest further in its operational cooperation activities and can only do so with increased human resources that also include an operational reserve component to be able to manage heightened cybersecurity challenges during times of escalation.
5. The MB concludes the results of the stakeholder satisfaction survey sheds much important light on how stakeholders perceive the added value of ENISA's work. On aggregate the results demonstrate high added value of ENISA's deliverables with 93% of stakeholders finding significant added value in the outcome / results of ENISA's work. Only 7% find limited added value and no stakeholder finds no added value. In terms of take up, 85% of stakeholders also rate the likelihood of taking up the results of ENISA work in support of their tasks in the immediate to medium term, of which the operational cooperation activities 4 and 5 scored the highest in terms of immediate take up (50%), which, given the nature of these activities, is a good result.
6. The mandate of the Agency requires that the Agency carry out its tasks while avoiding the duplication of Member State activities, therefore the result that 83,7% of stakeholders find that ENISA deliverables do not duplicate or only somewhat duplicate Member State activities is tantamount to ENISA's effort to involve stakeholders in all stages of its work and ensure that the outcomes / results are fit for purpose. The MB notes that duplication in some areas is unavoidable due to the nature of the work and the need for MS to have their own capacities, but request ENISA to increase efforts to focus its work even more on high added-value / low-duplication areas.
7. The AAR2022 outlines in detail those outputs that did not meet their objectives due to the re-prioritisation of resources, more specifically the MB notes outputs 4.2 "Develop and enhance standard operating policies, procedures, methodologies and tools for cyber crisis" and output 5.3 "Initiate the development of a trusted network of vendors/suppliers" did not achieve their objectives in full as set out in ENISA's work programme 2022, due to de-prioritization. The MB also takes note that the level of services for output 4.1 also suffered due to reallocation of resources to support action, and that sectorial activities for the NIS1 sectors under output 2.1 was also impacted due to the re-prioritisation of tasks to deliver the cybersecurity support action. In addition, and unrelated to the cybersecurity support action, the MB takes note that output 7.3 did not fully meet its objectives.
8. In order for the Agency to be able to fulfil its mandate in the coming years the MB recommends that the Agency reduce the scope and/or discontinue outputs in the 2024 work programme based on the assessment of outputs in the AAR2022. Particularly, the MB notes the assessment of outputs 3.4 & 3.6 in activity 3 building capacity; outputs 7.3 and 7.4 in activity 7 supporting European market and industry and 9.4 in activity 9 outreach and education. The MB invites the Agency to also consider resourcing specific outputs including via a payable services model in-line with the directions and framework outlined in the draft corporate strategy (especially for services delivered under outputs 3.7 and 9.1) and create synergies with relevant partner organisations to cover some of the potential gaps emerging from reprioritization.
9. The MB also takes note of the estimated 5 FTEs highlighted by the operational activities that have been used to support technical/administrative tasks within the activities and recommends that these types of services be covered in the future via corporate support cost model in line with

directions and framework outlined in the draft corporate strategy, thus liberating the 5 FTEs to operational activities.

10. The AAR also describes how ENISA managed its resources and presents the budget execution of the EU subsidy. In the course of 2022, the Agency has been operating with a budget of EUR 39,2 million equivalent to a 67 % increase in 2022 compared to the 2021 budget (EUR 23,5 million), this includes the additional budget of EUR 15 million for the Pilot Implementation of a Cybersecurity Support Action, which was given to the Agency only in August 2022.
11. During 2022, ENISA committed a total amount of EUR 39 179 405,95 representing 99.93 % of the total budget for the year. Payments made during the year amounted to EUR 20 396 780,25 representing 52,02% of the total budget. A majority of the commitments under Cybersecurity Support Action were signed late in the year which explains the relative low payment rate (and the subsequent large carry forward). The MB take notes of the exceptional large amount carried forward from 2022 to 2023 of 18 783 k EUR (47,91% of the budget). This exceptional significant amount carried over to 2023 constitutes a major risk to the 2023 budget execution and shall need to be actively monitored to mitigate inherent risks.

As compared to 2021, there has been a slight increase in commitment execution 99,93 % in 2022 as compared to 99,51% in 2021. Overall payment execution has decreased due to Cybersecurity Support Action funds and reached 52,02 % as compared to 77,40 % in 2021. However, comparing only the initial budget allocated to ENISA payment execution increased to 84,11 % which is a noticeable achievement. The target of 95% for commitment rate set by the Commission (DG Budget) was reached. The turnover of staff was greatly reduced in 2022. The ratio was only 4% percent which shows improvement in retaining staff members in the Agency.

12. The AAR also provides information on the internal control assessment for 2022. This section notes the main categories of deviation that led to exceptions reported.

In 2022 the Agency reported 27 exceptions in the AAR. None of these exceptions was assessed as high risks. In 2022 the MB amended internal control indicators to allow the Agency better assessment of its application. Whilst some improvements are required the internal control are present and functioning. The 2022 assessment of the internal controls shows adequate management of risks, a high level of transparency, clear governance structures and improved performance monitoring. The Board concludes that necessary actions were undertaken within 2022 to improve the overall efficiency of the agency in abiding to its principles and congratulates ENISA for all the efforts engaged to that end.

13. The annexes complete the AAR with a declaration of assurance of the Executive Director as well as additional information on human and financial resources, draft annual accounts and financial reports, as well as performance information included in evaluations. Overall, the Management Board takes note of the successful achievements of ENISA in 2022.
14. The Management Board notes with satisfaction that ENISA could shift priorities and resources to manage escalated cybersecurity challenges without jeopardising significantly the objectives as planned in the 2022 work programme. However, the MB takes notes on insufficient human resources of the Agency and the detriment this has on its ability to achieve a high common level of cybersecurity across the Union.



15. The Management Board expresses its deep appreciation to the staff of ENISA and the Executive Director for their commitment and the excellent overall performance throughout the year. In light of the above assessment, the Management Board requests the Management Board Secretariat to forward the AAR, together with this assessment, to the European Commission, the European Parliament, the Council, the Permanent Representations of the Member States and the Court of Auditors and direct the Management Board chair to address a letter to the relevant institutions highlighting the conclusions of this assessment, in particular the need to increase staffing posts to ENISA, for the Agency to be able to fully deliver its mandate in a sustainable manner.