2006 discharge: European Agency for the Management of Operational Coordination at the External Borders of the Member States of the European Union Frontex

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PURPOSE: presentation of the report by the Court of Auditors on the 2006 annual accounts of the European Agency for the Management of Operational Coordination at the External Borders of the Member States (FRONTEX).

CONTENT: the report indicates that the appropriations entered in the Agency's budget for the financial year in question are **EUR 17.095 million**, EUR 14.223 million was committed and EUR 2.942 million paid. Of this overall amount, EUR 11.932 million was carried over to 2007 and EUR 1.709 million was cancelled.

The Court notes that the annual accounts are reliable in all material respects and that the underlying transactions of the Agency's accounts, taken as a whole, are legal and regular.

Analysis of the accounts of the Court: for the financial year 2006 (FRONTEX's first year in operation), the Court indicates that the rate of commitment was 85%. The rate of carryover was more than 70% overall and nearly 85% for operating expenditure. Transfers of appropriations between chapters or titles during the year exceeded the total ceiling of 10% provided for in the Financial Regulation. Thus, the budgetary principles of **annuality** and **specification** were not strictly observed, according to the Court.

The Court also indicates that the legal commitments (of a total value of EUR 30 000) were entered into before budgetary commitments, in breach of the Agency's Financial Regulation.

Finally, the Court emphasises that the criteria and procedures used for recruiting staff were not in line with the general provisions for implementing the statute: breaches mainly concerned the minimum experience required for a given grade, the reduced role of the Selection Committee and the preselection process.

The Agency's replies: the Agency replies to all of the criticisms one by one and indicates that the high rate of carryover for 2007 is due to the inherent difficulties of the start-up period of the Agency and to the fact that important resources were only made available very late in the year (2006). Concerning transfers between budget chapters or titles, the Agency indicates that it has implemented a strict interpretation of the rules concerning transfers since April 2007.

Aware of the situation described by the Court in terms of budgetary commitments, the Agency had already taken corrective measures and launched multiple actions to remind its financial actors of the necessity to strictly respect the procedures; a register of exceptions was introduced and its content is presented to the Executive Director of FRONTEX on a monthly basis.

Lastly, the Agency indicates that due to a lack of resources during the start-up period, the difficulties of attracting potential staff and the necessity to make the Agency operational as quickly as possible, the Agency was not able to fully implement normal recruitment procedures in most cases in 2006. It states that, in 2007, the situation has gradually been standardised.