2007 discharge: European Agency for the Management of Operational Cooperation at the External Borders Frontex

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The Committee on Budgetary Control adopted the report drawn up by Christofer FJELLNER (EPP-ED, SE) on discharge to be granted to the European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX Agency), calling on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of its budget for the financial year 2007.

Noting that the Agency's annual accounts for the financial year 2007 are reliable, and the underlying transactions are legal and regular, MEPs approve the closure of the Agency's accounts.

However, they make a number of recommendations as part of the decision on discharge. In addition to the general recommendations appearing in the draft resolution on financial management and control of EU agencies (see 2008/2207(INI)), MEPs make the following observations:

- that the Agency's 2007 budget (EUR 42.1 million) more than doubled compared with the 2006 budget (EUR 19.2 million);
- commitments carried over to 2008 pertaining to grant agreements linked to operational activities amounted to EUR 18.4 million, and a substantial part of these commitments were based on excessive cost estimates;
- the high amount of cash retained by the Agency stays unused on excessively low interest bearing bank accounts (the Agency held EUR 32.6 million in cash and cash equivalents at 31 December 2007). In this context, MEPs call on the Agency to adopt a treasury policy and to report on the action taken and the results achieved in its general report 2008.

In terms of **follow up to the 2006 discharge** exercise, MEPs regret that the ECA, in its 2007 annual report, found several weaknesses which it had already highlighted in its 2006 annual report, in particular: (i) high level of carry-overs and cancellations; (ii) legal commitments made before budgetary commitments; (iii) recruitment procedures which, were not in line with the rules.

Noting the Agency's replies on these points, MEPs call on the Agency to seriously address the problem of **carry-overs** as well as the recurrent problems in its commitment system and to report on the results achieved in its general report 2008.

MEPs also call on the Agency to improve its financial management by strengthening cooperation between the Agency and Member States whereby **the Agency relies on equipment provided by Member States** for its operations, as this has a serious impact on the management of its budget. Moreover, they are determined to closely monitor the impact of the Agency's cooperation with Member States on its financial management in the future.

On the issue of **recruitment**, MEPs regret that the Agency had to implement recruitment procedures which were not fully in line with the general provisions for implementing the Staff Regulations in order to attract highly qualified specialists. Noting that the Agency does not accept the ECA's criticism that it did not respect the principle of equal treatment, MEPs note that the Commission has drafted model decisions for this type of provision. MEPs also call on the Agency, in agreement with the Council recommendation, to strictly respect the recruitment criteria.

Lastly, MEPs call on the Agency to improve its financial management, especially as regards the increase in its 2008 and 2009 budgets.