

2008 discharge: European Agency for the Management of Operational Cooperation at the External Borders FRONTEX

2009/2128(DEC) - 08/10/2009

PURPOSE: presentation of the report by the Court of Auditors on the 2008 annual accounts of the European Agency for the Management of Operational Coordination at the External Borders of the Member States (FRONTEX).

CONTENT: in the Court's opinion, the Agency's Annual Accounts present fairly, in all material respects, its financial position as of 31 December 2008 and the results of its operations and its cash flows for the year then ended. It considers the transactions underlying the annual accounts of the Agency for the financial year ended are, in all material respects, legal and regular.

The Court of Auditor's report includes a detailed section on the Agency's expenditure and an analysis of the expenditure, as well as the Agency's replies.

- **Analysis of the accounts by the Court:** in its report, the Court makes a number of observations in particular as regards the financial and budgetary management. The Court states that in 2008, the budget increased by EUR 29 million, nearly 69% compared with the previous year. Considering that an equivalent amount of appropriations (EUR 30.3 million) had to be carried forward and that EUR 13 million of appropriations had to be cancelled, the Agency did not have the capacity to cope with such a significant increase of its budget. The Court also notes that more than EUR 17 million was paid out in 2008 on the basis of unilateral grant decisions signed only by the Agency. This type of instrument was not foreseen, in the rules in force for Agencies (grants must be covered by written agreements between the Agency and the beneficiary). Legal commitments were entered into before the corresponding budgetary commitments. By the end of the year 49 ex-post commitments were registered in the register of exceptions. This high number of exceptions shows a recurrent problem in the Agency's commitment system. For the recruitment procedures audited, the selection criteria and the threshold scores for passing to the next stage of the selection process had not been decided upon before the start of the evaluation process and the recruitment files were not always complete. This situation did not ensure transparent and non-discriminatory procedures. Lastly, the Court states that the Agency did not prepare a multiannual work programme and its annual work programme did not correspond to its budget.
- **The Agency's replies:** the increase of EUR 29 million left limited time to implement the additional activities. Substantial progress is expected in the level of utilisation of appropriations in 2009 and the coming years. Corrections were made to the final annual financial statements. The Agency states that it will also take additional measures to reinforce controls on commitments to be carried forward. Moreover, a new Framework Partnership Agreement (FPA) was drafted in cooperation with the border authorities of the Member States. New FPAs are being signed with all border authorities that will participate in Frontex coordinated joint operations. The new system is expected to be in force by mid-2009 onwards. If in exceptional circumstances a grant is signed after activities have commenced, it will be entered in the register of exceptions. The introduction of measures to reduce the number of exceptions in 2008 has led to a significant decrease in the number of exceptions registered. In the period from January-end of May 2009, compared to the same period last year, there is a reduction of 50% in the number of exceptions. Regarding recruitment, the Agency states that corrective actions have been taken in 2009. Lastly, the Agency states that in June 2009, the Frontex Management Board agreed on a Multiannual Plan for the period 2010-2013.

Additional efforts have also been made to ensure consistency between the annual work programme, the budget and the establishment plan.