2009 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 by Georgios STAVRAKAKIS (S&D, EL) on discharge to be granted to the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (FRONTEX) for implementation of the Agency's budget for the financial year 2009.

Noting that the Agency’s annual accounts for the financial year 2009 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 that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on financial management and control of EU agencies (see DEC/2010/2271):

- **substantial increase of the budget**: Members note that the Agency's budget has increased substantially in the last four years. For the financial year 2009, the budget increased more than threefold over the financial year 2006 (EUR 19.2 million);
- **Performance**: noting the adoption of a multiannual plan for the 2010-2013 period, Members call on FRONTEX to promptly establish a link between its work programme and its financial forecasts. They call again on the Agency to set out a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year, so as to enable the discharge authority to assess more effectively its performance from one year to the next. Members welcome the Agency's initiative of launching, in 2009, the so-called "Frontex Performance Management System" to better inform the Agency's Governing Board by providing it with data on the impact of the agency operations. They urge the Agency to provide information on the impact of its operations and to inform the discharge authority thereof;
- **Cooperation with the Member States:** Members call on the Agency to improve its financial management with regard to the reimbursement of costs incurred by Member States by identifying, with those Member States, the roots of the problem;
- **Carryovers and cancellations of appropriations**: once again, Members are concerned at the high level of carryovers and cancellations since 2006. They urge the Agency to improve the level of use of appropriations by putting in place appropriate instructions and procedures for the analysis of potential carry-forwards to reduce to a minimum the volume of appropriations carried over. The Agency should improve the programming and the monitoring of activities. Members see the high level of carry-overs and cancellations as indicative of the inability of the Agency to manage such a large increase in its budget. They, therefore, wonder whether it would not be more responsible for the budgetary authorities to take greater care in future when deciding on increases in the Agency's budget in the light of the time needed to carry out the new activities; calls on the Agency therefore to provide it with fuller details on the feasibility of future commitments;
- **Grant management**: for the second consecutive year, the Agency paid out amounts on the basis of unilateral grant decisions that it itself had signed, while the rules in force make no provision for this type of instrument (in 2009, more than EUR 28 million and, in 2008, EUR 17 million). They welcome, nevertheless, the Agency's initiativeof signing a framework Partnership Agreement with Member States border authorities;
- **Accuracy of the operational budget:** Members note with concern the overstatement by 27% of the costs for pre-financing to border authorities in the 8 cases audited. They also note that, for the

activities which ended in 2009, more than 40 recovery orders had to be issued to recover advances made in excess;

- **Human resources:** Members note that the Agency has improved its recruitment policy with a series of measures including the introduction of an e-recruitment tool to be implemented in 2011 to facilitate the recruitment and selection process;
- **Internal audit:** lastly, Members note that the Internal Audit Service (IAS) carried out, in 2009, an audit on Grant Management at the Agency. Of the 19 recommendations issued by the IAS, 6 have been adequately and effectively implemented, 10 are in progress and 3 are completed.