2010 discharge: European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)

2011/2231(DEC) - 12/04/2012 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Monica Luisa MACOVEI (PPE, RO) on discharge in respect of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (FRONTEX) and called on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of the Agency's budget for the financial year 2010.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2010 are reliable and that the underlying transactions are legal and regular, Members 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 performance, financial management and control of EU agencies:

- **Budget and Financial Management**: Members note that the Agency only used 69% of payment appropriations in 2010 and that there have been significant carryovers since 2006; Whilst taking note of the justifications given by the Agency, namely the need to ensure continuity in the Agency's operational activities and to allocate funds for deployment in the first quarter of the following year, the committee reiterates that the practice of carryovers of appropriations should be strongly curtailed and should not hamper sound financial management practices. It requests that the Agency follow the principle of annuality in the future. It also wonders whether it would not be more responsible for the budgetary authorities to take greater care in the future when deciding on increases in the Agency's budget in the light of the time needed to carry out new activities.
- **Public procurement and grants**: Members note that according to the Final Accounts, the Agency has two ongoing litigation cases related to tender procedures and that the applicants have claimed damages for a total amount of EUR 10 794 806. They urge the Agency to regularly inform the discharge authority of developments in these two cases.
- **Performance:** the committee calls on the Agency to develop further coherence in the strategic and annual planning of its operations. It notes, in fact, that the objectives of the Annual Work Programme (AWP) for 2010 are not clearly linked with those for 2010 in the Multi-Annual Plan 2010-2013. It notes that discharge in respect of the implementation of the budget of the Agency should continue to be based on its performance throughout the year.
- **Internal audit**: Members acknowledge that in 2010 the Internal Audit Service (IAS) performed an audit on operational planning and that the IAS still needs to review the Agency's implementation of seven "very important" recommendations from the IAS's previous audit. They call on the Agency to implement the recommendations.