2012 discharge: European Union Agency for Fundamental Rights (FRA)

2013/2209(DEC) - 10/09/2013 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Fundamental Rights Agency (FRA) for the financial year 2012, together with the Agency's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Fundamental Rights Agency (FRA).

In the Court's opinion, the **Agency's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2012** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer.

The Court also considers that the **transactions underlying the annual accounts** of the Agency for the financial year ended 31 December 2012 are, in all material respects, **legal and regular**.

The report confirms that the resources made available for the Agency in 2012 amounted to EUR 20.4 million.

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- legality of transactions: in 2012, the Agency procured cleaning services via cascading framework contracts to two suppliers. Due to a clerical error during the evaluation of offers, the ranking of the contractors was incorrect. Following the Court's audit, the Agency has amended the ranking of the contractors accordingly;
- budgetary management: budget implementation for operational expenditure was low.

The Agency's replies:

- legality of transactions: the Agency stated that it corrected the clerical error in the evaluation of the offers and amended the framework contract accordingly, with the agreement of all parties involved. Moreover, the Agency is in the process of enhancing its tender and contract manager (TCM) software, which will eliminate such clerical errors in the future. Upon a request from the Commission, the Agency has agreed to provide this software to the Commission services through a service level agreement;

- budgetary management: in order to further improve its efficiency, the Agency has adopted a budgetary planning module (Budget Module) that is linked directly to the Annual Work Programme. The carry overs represent payment appropriations needed to cover existing legal commitments.

Lastly, the Court of Auditors' report contains **a summary of the Agency's activities in 2012**. This is focused on the following:

- various activities in the framework of the RAXEN network (European Information Network on Racism and Xenophobia and FRALEX (legal experts network);
- publication of reports and research;
- conferences and events;
- meetings with Member States and European and international institutions.