2012 discharge: European Agency for the Management of Operational Cooperation at the External Borders (Frontex)

2013/2230(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 Agency for the Management of Operational Cooperation at the External Borders of the Member States (Frontex) for the year 2012, together with Frontex'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 Agency for the Management of Operational Cooperation at the External Borders of the Member States (Frontex).

In the Court's opinion, Frontex**'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 Regulation and the accounting rules adopted by the Commission's accounting officer.

However, the Court **gives a disclaimer of opinion on the legality and regularity of the transactions underlying the accounts**. In 2012, expenditure related to grants amounted to EUR 56 million, representing 63 % of total operating expenditure. In order to verify the expenditure claimed by beneficiaries the Agency performs reasonableness checks prior to payment but does not usually request supporting documentation. However, no 2012 expenditure has yet been verified. In the absence of effective ex ante and ex post verifications, there is no assurance on the legality and regularity of the 2012 transactions related to grants.

The Court has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and, accordingly, **the Court does not express an opinion on the legality and regularity of the transactions underlying the accounts.**

The report confirms that Frontex's 2012 budget amounted to EUR 89.6 million.

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

The Court's observations:

- budgetary management: the Court notes that the Agency's 2012 budget amounted to EUR 89.6 million of which EUR 21.8 million (25 % of committed appropri-ations) were carried over to 2013. Such a high level of carry-overs is excessive and at odds with the budgetary principle of annuality;

- recruitment: the recruitment procedures examined showed significant shortcomings affecting transparency and the equal treatment of candidates.

Frontex's reply:

- regularity of transactions: the beneficiaries of Frontex are the national border guard authorities of Member States and Schengen Associated Countries. When claiming for reimbursement, they must certify that all information provided is full, reliable and true. Frontex does not consider, therefore, that effective ex ante controls are absent, but they are based on declarations made by public authorities and plausibility checks. However, Frontex undertook measures to strengthen the ex ante control framework and since June 2013, a risk based ex ante control system has been put in place;

- carry-overs: commitments for activities financed out of the 2012 budget were made very late in the year and will partly be implemented in 2013 only;

- recruitment: Frontex states it will improve its recruitment procedures.

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

- provide necessary assistance to the development and operation of a European border surveillance system (EUROSUR);
- organisation of 17 joint operations;
- coordinated joint return operations with 2 110 people returned;
- 3 503 days operational days accumulated in all joint operations (the number of operational man-days accumulated equals to 117 114);
- organising Frontex Situation Centre (FSC) : situational report ; *Frontex-One-Stop-Shop*) ;
- media contributions ;
- training ;
- partnership and cooperation with third countries: working arrangements were concluded with the Immigration Service of Nigeria and with the National Security Council of Armenia, increasing the overall number of working arrangements to 18 ;
- cooperation with EU institutions and bodies and international organisations.