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

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Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States (FRONTEX), as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2012, accompanied by the Agency's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Agency in respect of the implementation of the budget for the financial year 2012.

The observations in the Court of Auditors' report in relation to the financial year 2012 call for some comments by the Council, which may be summarised as follows:

- in general, the Council welcomes the Court's opinion that, in all material respects, the Agency's annual accounts present fairly its financial position as at 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Agency's Financial Regulation.
- **Regularity of the underlying accounts**: **the Council regrets that the Court issued a disclaimer of opinion on the legality and the regularity of the transactions underlying the Agency's accounts due to the lack of sufficient appropriate audit evidence**, and encourages the Agency to take appropriate actions, in line with its ex-post audit strategy, and to proceed with the verification of expenditure for the year 2012.
- **Controls**: moreover, the Council calls on the Agency to address the internal control weaknesses identified by the Court regarding the management of fixed assets, notably the establishment of a procedure for their disposal and the registration of fixed assets not in use, and to complete the physical inventory of all assets owned by the Agency.
- **Carry-overs**: the Council invites the Agency to continue to improve its financial programming and monitoring of the budget implementation, with the aim to improve budget execution and to reduce budgetary transfers and amounts carried over to the next financial year, in line with the budgetary principles of specification and annuality.
- **Recruitment**: finally, the Council encourages the Agency to pursue efforts in order to address the shortcomings detected by the Court regarding its staff recruitment procedures.