2013 discharge 2013: 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 Ryszard CZARNECKI (ECR, PL) on discharge in respect of the implementation 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) for the financial year 2013.

It 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 2013, although the Court of Auditors gave a qualified opinion as to the legality and regularity of the Agency's transactions for the second year running.

In order to verify the expenditure claimed by the cooperating countries, the Agency performed the reasonableness checks prior to payment for joint return operations and joint land/sea/air operations, but it **did not usually request documentation supporting the cooperating countries' entitlements**. Members recalled the need for the effective analysis of the use of Union funds in joint land/sea/air operations. They also noted that 2013 grant transactions were not subject to ex post controls. They called on the Agency to provide the discharge authority with a report on ex post verifications undertaken under the improved verification system and with a detailed analysis of the system's improvements.

On the issue of the **prevention and management of conflicts of interests**, the committee regretted that the Agency did not adopt a clear, comprehensive and objective policy. It called upon the Agency to adopt comprehensive policies for the management of situations concerning conflicts of interests such as: the divestment of the interest by the public official, recusal of the public official from involvement in an affected decision-making process, restriction of access by the affected public official to particular information, re-arrangement of the public official's duties or resignation of the public official from their office.

At the same time, Members made a number of recommendations that needed 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.

FRONTEX's financial statements: Members noted that the final budget of the Agency for the financial year 2013 was EUR 93.95 million, representing an increase of 4.88% compared to 2012. The Union contribution to the total amount was EUR 85.5 million.

Carryovers: Members noted that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 97.75%, and that the payment appropriations execution rate was 63.98%. They were concerned that EUR 32 million, or 35 % of committed appropriations in 2013, were carried over to 2014, but acknowledged that unforeseen events meant that late amending budgets **remain beyond the Agency's control**. Members took note that the carry-overs include global commitments of EUR 5 200 000, which was the leftover balance of an additional subsidy of EUR 8 200 000, which was made available by the budgetary authorities towards the end of 2013 to deal with unexpected and urgent operational needs. They regretted that the Agency's Financial Regulation, which followed the revised Framework Financial Regulation, remained vague in this matter, even after its revision in 2013.

Members also made a series of observations on transfers and internal audits.

Lastly, the committee noted that although the Agency became operational as early as in 2005, it had only worked on the basis of correspondence and exchanges with the host Member State rather than a comprehensive **headquarters agreement**. It agreed with the Court that such an agreement would further promote transparency in respect of the conditions under which the Agency and its staff operated. It asked the authorities to remedy the situation and asked the Agency to include in its next annual report the implications of the missing agreement.