2014 discharge 2014: European Union Agency for Fundamental Rights (FRA)

2015/2166(DEC) - 08/09/2015 - 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 2014, 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).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2014; and
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2014 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.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2014 are legal and regular in all material respects.

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:

- **budgetary management**: the Court noted that the 2014 budget appropriations were fully committed. However, the level of committed appropriations carried over to 2015 was high at 25% for administrative expenditure and 75% for operating expenditure. The carry-overs mainly reflect the multiannual nature of the Agency's operational projects, where payments are made according to planned schedules;
- **remuneration of officials**: in 2005 new EU Staff Regulations entered into force, including provisions that future remuneration of officials recruited before 1 May 2004 should not be less than under the previous EU Staff Regulations. The Court's audit revealed that this was not complied with and, in the case of 10 of the 26 officials employed at that time, this led to a total underpayment of EUR 45 892 for the period 2005 to 2014.

The Agency's replies:

- **budgetary management**: the Agency acknowledged the understanding from the Court on the well-monitored and justified carry-overs;
- **remuneration of officials**: the Agency has taken the necessary corrective measures and executed the supplementary salary payments.

Lastly, the Court of Auditors' report contains a summary of the **Agency's activities in 2014**. This is focused on the following:

Budget: EUR 21.52 million of which the Union subsidy amounts to 99%.

Activities:

- a number of contributions in the framework of FRANET (such as comparative analyses with the participation of 28 contractors);
- publication of research reports and annual reports;
- key conferences and events;
- cooperation with institutions and bodies at EU and Member State level.