2014 discharge: European Agency for the Management of Operational Cooperation at the External Borders (Frontex)

2015/2181(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided to grant discharge to the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex) in respect of the implementation of the Agency's budget for the financial year 2014. The vote on the discharge decision covers the closure of the accounts (in accordance with Annex V, Article 5(1)(a) to its Rules of Procedure).

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2014, Parliament adopted by 494 votes to 123, with 16 abstentions, a resolution containing 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:

- **Agency's financial statements**: Parliament noted that Frontex's final budget for the financial year 2014 was EUR 97 945 077, representing an increase of 4.25 % compared to 2013.
- **Legality and regularity of transactions**: Parliament noted that considerable improvements were noted in both *ex-ante* and *ex-post* verifications of expenditure claimed by **cooperating countries under grant agreements**. It acknowledged from the Agency that it introduced in June 2013 a more comprehensive, risk-based system of *ex-ante* controls. It observed that the Court finds that the documentation supporting the expenditure claimed by those countries is **not always sufficient**. It noted that audit certificates would add further assurance on the legality and regularity of grant transactions. It called on the Agency to keep the discharge authorities informed of the solution they reach. Parliament also made a series of observations regarding commitments and carryovers, the prevention and management of conflicts of interest, as well as on internal audit procedures.

Third countries' contributions to the Agency's budget: Parliament highlighted the issue of **third countries' contributions to the Agency's budget**. It took note from the Court's report that there is a need to refine the calculation of contributions from the non-Union countries that are parties to the "Schengen agreement" (Switzerland, Liechtenstein, Iceland and Norway), in order to better reflect the related legal provisions. It also took note that the contributions to the Agency's budget from the United Kingdom and Ireland have remained stable for many years despite the considerably extended range of activities in which the United Kingdom and Ireland are involved. It acknowledged from the Agency that its "Management Board Working Group on budget and accounts" is reviewing this issue and is to **submit to the Agency's Management Board a recommendation and way forward** with regard to those contributions.

Parliament noted with concern the high and constantly increasing number of grant agreements, as well as the magnitude of related expenditure to be verified and reimbursed by the Agency, which indicate that a more efficient and cost-effective alternative funding mechanism could be used to finance Agency's operational activities. It noted that contractual relationships between the Agency and the Member States' authorities could pave the way for more efficient and transparent financial management.

Members also noted that, when a Member State deploys officers and/or technical equipment to the Agency's coordinated operations, the Member State signs the Operational Plan drafted by the Agency and the host Member State, which clearly indicates the terms of the operational cooperation. They recalled that

no provision is laid down granting participating Member States the freedom to use different ways and means to achieve a given policy objective, as the grant instrument suggests, because the Operational Plan needs to be implemented in the manner agreed upon without deviation unless amended. Parliament pointed out that the new proposal for establishing a Border and Coast Guard goes even further and that it proposes a proactive role for joint operations and return activities, which does not go hand in hand with the features of a grant as a financial instrument. Members urge the Commission to consider this when proposing founding regulations in future.

Headquarters: lastly, Parliament noted that, although the Agency became operational as long ago as 2005 and has pursued its operations since then, it has only worked on the **basis of correspondence and exchanges with the host Member State** rather than on the basis of a comprehensive headquarters agreement. It stated that such an agreement would further promote transparency in respect of the conditions under which the Agency and its staff operate. It recalled that the requirement to establish a headquarters agreement was introduced in the Agency's amended regulation in 2011. Negotiations are still ongoing with the government of the host Member State. It urged the Agency and the government of the host Member State to conclude a headquarters agreement as soon as possible.