2015 discharge: 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 Inés AYALA SENDER (S&D, ES) 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 2015.

The committee 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 2015.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2015 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Agency's accounts. They made, however, 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**: Members noted that the final budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (now European Border and Coast Guard Agency) for the financial year 2015 was EUR 143.3 million, representing an increase of 46.31 % compared to 2014. The increase was mainly due to two amendments for the relevant operations in the Mediterranean amounting to EUR 28 million.
- **Reliability of the accounts**: Members noted that the Court issued a qualified opinion on the reliability of the Agency's accounts. The basis being the underestimation of the cost incurred in 2015 but not yet invoiced for pre-financed services related to maritime surveillance by EUR 1 723 336. They acknowledged that the Agency has already taken corrective measures to prevent such issues from taking place in the future. They noted, in the Court's opinion, except for the effects of the matter regarding the underestimation of the incurred but not yet invoiced costs, **the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2015** 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.

Members detected however irregular payments in Iceland as well as double funding relating to the Internal Security Fund (ISF).

Members also made a series of observations regarding the budget and financial management, commitments and carry-overs, the prevention and management of conflicts of interests, transfers and internal audits.

The report recalled that in previous years the high and constantly increasing number of grant agreements, as well as the magnitude of related expenditure to be verified by the Agency, indicated that a more efficient and cost-effective **alternative funding mechanism** could be used to finance the Agency's operational activities. Members acknowledged that the Agency's new founding regulation has removed

the term “grants” as the contractual instrument for the operational activities between the Agency and the institutions of the Members States. They hoped that this modification will allow the Agency to streamline the financial management of its operational activities.

Lastly, they welcomed both the contribution of the Agency to saving more than **250 000 people at sea in 2015** and the support provided to national authorities in hotspot areas in relation to the identification and registration of migrants, return-related activities and Union internal security.