Basic information

2011/2231(DEC) DEC - Discharge procedure	Procedure completed
2010 discharge: European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MACOVEI Monica (PPE)	03/03/2011
	Shadow rapporteur HERCZOG Edit (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) CZARNECKI Ryszard (ECR) SØNDERGAARD Søren Bo (GUE/NGL) ANDREASEN Marta (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
LIBE Civil Liberties, Justice and Home Affairs		

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
26/07/2011	Non-legislative basic document published	COM(2011)0473	Summary

12/10/2011	Committee referral announced in Parliament		
27/03/2012	Vote in committee		
12/04/2012	Committee report tabled for plenary	A7-0133/2012	Summary
10/05/2012	Decision by Parliament	T7-0187/2012	Summary
10/05/2012	Results of vote in Parliament		
10/05/2012	Debate in Parliament		
10/05/2012	End of procedure in Parliament		
17/10/2012	Final act published in Official Journal		

Technical information

Procedure reference	2011/2231(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/07258

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE473.979	06/02/2012	
Committee opinion	LIBE	PE478.346	10/02/2012	
Amendments tabled in committee		PE483.615	07/03/2012	
Committee report tabled for plenary, single reading		A7-0133/2012	12/04/2012	Summary
Text adopted by Parliament, single reading		T7-0187/2012	10/05/2012	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	06083/2012	08/02/2012	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0473	26/07/2011	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0012/2012 OJ C 366 15.12.2011, p. 0039	13/09/2011	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2012/0600 OJ L 286 17.10.2012, p. 0288	Summary

2010 discharge: European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)

2011/2231(DEC) - 26/07/2011 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2010, as part of the 2010 discharge procedure.

Analysis of the accounts of the **European Agency for the Management of Operational Cooperation at the External Borders of the Members States (FRONTEX)**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2010 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Agency for the Management of Operational Cooperation at the External Borders of the Members States (FRONTEX).

In 2010, the tasks and budget of this agency were as follows:

- **description of the Agency's tasks**: FRONTEX, which is located in Warsaw, was established in 2004 by Regulation (EC) No 2007/2004. The Agency's main task is to coordinate Member States' activities in the field of the management of external borders (support for operational cooperation, technical and operational assistance, risk analysis);
- **FRONTEX budget for the 2010 financial year**: the Agency's budget for 2010 amounted to EUR 93 million, (compared to EUR 89 million the previous year). The number of staff employed by the Agency at the end of the year was 279 as compared with 226 the previous year.

The complete version of the Agency's final accounts may be found at the following address: http://www.frontex.europa.eu/budget_and_finance

2010 discharge: European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)

2011/2231(DEC) - 13/09/2011 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Agency for the Management of Operation Cooperation at the External Borders of the Member States (FRONTEX), 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 FRONTEX.

In the Court's opinion, **FRONTEX's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2010** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also considers that **the transactions underlying the annual accounts** of FRONTEX for the financial year ended 31 December 2010 are, in all material respects, **legal and regular.**

The report confirms that FRONTEX's 2010 budget amounted to EUR 93 million, and that the number of staff it employed at the end of the year was 279.

The report also makes a series of observations on the budgetary and financial management of FRONTEX, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- budgetary and financial management:an amount of 26,5 million euro, representing 28% of the available budget, was carried forward to 2011. Only 12 million euro of this amount was matched by accruals. This situation is at odds with the principle of annuality.
- weaknesses were noted in the system for reconciling suppliers' statements with the corresponding records at the Agency.

The Agency's responses:

- Frontex will continue to decrease as much as possible the volume of carried forward appropriations by strengthening its monitoring of joint activities in order to adjust the grants as early as possible.
- Most of the public entities do not have centralised accounting systems and some of them do not implement accrual based accounting, making difficult the process of vendor balances' reconciliation. Frontex will take contact with the national authorities to try to implement alternative procedures in view to reconcile its balances with those of its suppliers.

Lastly the Court of Auditors' report contains a **summary of the College's activities** in 2010. These may be described as follows:

- risk analyses and publication of analytical reports for FRONTEX management, other organisations or institutions;
- joint operation actions (17 joint operations and 40 joint return operations, as well as the Rapid Border Intervention Team Operation in Greece);
- training activities: 176 activities with the participation of 4015 persons;
- launch of the FRONTEX Situation Centre which delivered 500 situation reports, early alerts notices and 14 mission awareness reports to internal and external customers;
- dissemination of daily news bulletins;
- implementation of the FRONTEX One-Stop-Shop, a web-based information portal, used by 30 countries and 900 users.

2010 discharge: European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)

2011/2231(DEC) - 08/02/2012

Having examined the revenue and expenditure accounts for the financial year 2010 and the balance sheet at 31 December 2010 of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2010, 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 2010.

However, the Council considers that observations made in the Court of Auditor's report call for a certain number of remarks:

- the Council welcomes the Court's opinion that, in all material respects, the Agency's annual accounts fairly present the financial position as at 31 December 2010 and the results of operations and cash flows for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that the underlying transactions for that financial year are legal and regular;
- as in previous years, the Council invites the Agency to improve its planning and monitoring of activities in order to r**educe the high amount of appropriations carried over to the next financial year**, in line with the budgetary principle of annuality;
- it encourages the Agency to tackle the weaknesses detected in the system for reconciling suppliers' statements with the corresponding records at the Agency.

2010 discharge: European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)

2011/2231(DEC) - 12/04/2012 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Monica Luisa MACOVEI (PPE, RO) on discharge in respect 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) and 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 2010.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2010 are reliable and that the underlying transactions are legal and regular, Members approve the closure of the Agency's accounts. However, they make a number of recommendations that need 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:

- **Budget and Financial Management**: Members note that the Agency only used 69% of payment appropriations in 2010 and that there have been significant carryovers since 2006; Whilst taking note of the justifications given by the Agency, namely the need to ensure continuity in the Agency's operational activities and to allocate funds for deployment in the first quarter of the following year, the committee reiterates that the practice of carryovers of appropriations should be strongly curtailed and should not hamper sound financial management practices. It requests that the Agency follow the principle of annuality in the future. It also wonders whether it would not be more responsible for the budgetary authorities to take greater care in the future when deciding on increases in the Agency's budget in the light of the time needed to carry out new activities.
- **Public procurement and grants**: Members note that according to the Final Accounts, the Agency has two ongoing litigation cases related to tender procedures and that the applicants have claimed damages for a total amount of EUR 10 794 806. They urge the Agency to regularly inform the discharge authority of developments in these two cases.
- **Performance:** the committee calls on the Agency to develop further coherence in the strategic and annual planning of its operations. It notes, in fact, that the objectives of the Annual Work Programme (AWP) for 2010 are not clearly linked with those for 2010 in the Multi-Annual Plan 2010-2013. It notes that discharge in respect of the implementation of the budget of the Agency should continue to be based on its performance throughout the year.
- **Internal audit**: Members acknowledge that in 2010 the Internal Audit Service (IAS) performed an audit on operational planning and that the IAS still needs to review the Agency's implementation of seven "very important" recommendations from the IAS's previous audit. They call on the Agency to implement the recommendations.

2010 discharge: European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)

2011/2231(DEC) - 10/05/2012 - Text adopted by Parliament, single reading

The European Parliament adopted a decision concerning the discharge to be granted 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 2010. The decision to grant the discharge also closes the accounts for the Agency for that year.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2010 are reliable and that the underlying transactions are legal and regular, Parliament adopted a resolution containing a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the resolution on performance, financial management and control of EU agencies:

- **Budget and Financial Management**: Parliament notes that the level of payments of the 2010 budget improved from 61 % in 2009 to 69 % in 2010. Moreover it notes from the Agency that the payment levels for the 2010 operational budget reached 79 % compared with 65 % in 2009.
- Parliament notes that the Agency only used 69% of payment appropriations in 2010 and that there have been significant carryovers since 2006. Whilst taking note of the justifications given by the Agency, namely the need to ensure continuity in the Agency's operational activities and to allocate funds for deployment in the first quarter of the following year, it reiterates that the practice of carryovers of appropriations should be strongly curtailed and should not hamper sound financial management practices. It requests that the Agency follow the principle of annuality in the future. It also wonders whether it would not be more responsible for the budgetary authorities to take greater care in the future when deciding on increases in the Agency's budget in the light of the time needed to carry out new activities.
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- **Internal audit**: Parliament acknowledges that in 2010 the Internal Audit Service (IAS) performed an audit on operational planning and that the IAS still needs to review the Agency's implementation of seven "very important" recommendations from the IAS's previous audit. They call on the Agency to implement the recommendations.

2010 discharge: European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)

2011/2231(DEC) - 10/05/2012 - Final act

PURPOSE: to grant discharge to the European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX) in respect of the implementation of its budget for the financial year 2010.

NON-LEGISLATIVE ACT: Decision 2012/600/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders for the financial year 2010.

CONTENT: with the present decision, and in accordance with Article 319 of the Treaty on the Functioning of the European Union, the European Parliament grants discharge to the Executive Director of the FRONTEX in respect of the implementation of its budget for the financial year 2010.

This decision is in line with the European Parliament's resolution adopted on 10 May 2012 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2012).

A parallel decision, 2012/601/EU, adopted on the same day, approves the closure of this Agency's accounts for the 2010 financial year.