Basic information

2017/2149(DEC) DEC - Discharge procedure	Procedure completed
2016 discharge: European Union Agency for Fundamental Rights (FRA) **Subject** 8.70.03.06 2016 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	STAES Bart (Verts/ALE)	14/09/2017
	Shadow rapporteur SARVAMAA Petri (PPE) LIBERADZKI Bogusław (S&D) MARIAS Notis (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
LIBE Civil Liberties, Justice and Home Affairs	CHRYSOGONOS Kostas (GUE/NGL)	19/10/2017

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
26/06/2017	Non-legislative basic document published	COM(2017)0365	Summary

13/09/2017	Committee referral announced in Parliament		
20/03/2018	Vote in committee		
23/03/2018	Committee report tabled for plenary	A8-0093/2018	Summary
18/04/2018	Decision by Parliament	T8-0163/2018	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	End of procedure in Parliament		
03/10/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2149(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10777

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE613.449	30/01/2018	
Committee opinion	LIBE	PE613.651	07/02/2018	
Amendments tabled in committee		PE618.269	02/03/2018	
Committee report tabled for plenary, single reading		A8-0093/2018	23/03/2018	Summary
Text adopted by Parliament, single reading		T8-0163/2018	18/04/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05941/2018	09/02/2018	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0365	26/06/2017	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N8-0041/2018 OJ C 417 06.12.2017, p. 0228	19/09/2017	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2018/1427 OJ L 248 03.10.2018, p. 0332	Summary

2016 discharge: European Union Agency for Fundamental Rights (FRA)

2017/2149(DEC) - 03/10/2018 - Final act

PURPOSE: to grant discharge to the European Union Agency for Fundamental Rights (FRA) for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1427 of the European Parliament on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2016.

CONTENT: the European Parliament decided to **grant discharge** to the Director of the European Union Agency for Fundamental Rights for the implementation of its budget for the financial year 2016.

This decision is accompanied by a resolution of the European Parliament containing the observations which form an integral part of the discharge decision in respect of the implementation of the general budget of the European Union for the financial year 2016 (*please refer to the summary dated 18.4.2018*).

In this resolution, Parliament noted that the Agency recognises the **financial risks due to Brexit** as the potential loss of financial resources could impact the Agency's operational activities. It noted that the Agency could possibly reduce the impact of this financial loss due to the fact that its operational research activities will not include the United Kingdom. However, the financial loss is expected to be higher than the savings from the limitation of research activities.

Parliament also noted that the Agency recognises the operational risks due to Brexit and the resulting potential loss of competition as a number of operational related contractors are based in the United Kingdom and loss of skilful British national staff members. It called on the Agency to work in close cooperation with the Commission regarding Brexit negotiations in order to be sufficiently prepared to minimise any negative operational or financial impact that may occur.

Lastly, Parliament welcomed the fact that the Agency continued its research on the situation of **Roma** in the Union.

2016 discharge: European Union Agency for Fundamental Rights (FRA)

2017/2149(DEC) - 26/06/2017 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 discharge procedure.

Analysis of the accounts of the **European Fundamental Rights Agency (FRA)**.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the EU's consolidated accounts for the year 2016 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cashflows of the EU institutions and bodies, including the **European Fundamental Rights Agency** (FRA), with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "**releases**" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the **European Fundamental Rights Agency** (FRA).

Fundamental Rights Agency: the Agency, which is located in Vienna (AT), was established by Council Regulation (EC) No 168/2007 and aims to provide the relevant authorities of the Union and its Member States with assistance and expertise when implementing Union law relating to fundamental rights. Its task is to collect information as well as providing expert advice to the institutions on a range of issues.

As regards the Agency's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2016:

Commitment appropriations:

- available: EUR 22 million;
- made: EUR 22 million.

Payment appropriations:

- available: EUR 28 million;
- made: EUR 22 million.

For further details on expenditure, please refer to the FRA's 2016 annual report.

2016 discharge: European Union Agency for Fundamental Rights (FRA)

2017/2149(DEC) - 23/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights (FRA) for the financial year 2016.

The committee called on the European Parliament to grant the Director of the Agency discharge in respect of the implementation of the Agency's budget for the financial year 2016.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2016 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**: the final budget of the European Union Agency for Fundamental Rights for the financial year 2016 was EUR 21 603 000, approximately the same amount as in 2015.
- **Budget and financial management**: Members noted with satisfaction that budget monitoring efforts in the financial year 2016 resulted in a budget **implementation rate of 100 %,** which is the same rate as the previous year, and that the payment appropriations execution rate was 73.21 %, representing an increase of 1.59 % compared to the previous year.
- **Commitments and carry-overs**: the level of committed appropriations carried over to 2017 for operating expenditure was again very high at EUR 5.2 million (68 %), compared to EUR 5.7 million (70 %) for the previous year. These carry-overs mainly reflect the nature of activities of the Agency which involve financing studies that span over many months, often beyond year-end. Carry-overs are often justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding, transfers, procurement and staff policy and internal audits and controls.

The report noted that 49.3 % of the Agency's temporary agents are female and 50.7 % are male. Members regretted, however, the **significant imbalance** in the Agency's six senior management positions, with a ratio of one woman to five men. The Agency is called on to aim for a more gender-balanced staff composition at the level of senior posts.

In addition, Members noted that the Agency recognises the financial risks due to Brexit as the potential loss of financial resources could impact the Agency's operational activities. The Agency also noted the operational risks due to Brexit and the resulting potential loss of competition as a number of operational related contractors are based in the United Kingdom and loss of skilful British national staff members. The Agency is called to work in close

cooperation with the Commission regarding Brexit negotiations in order to be sufficiently prepared to minimise any negative operational or financial impact that may occur.

Lastly, Members welcomed the fact that the Agency continued its research on the situation of Roma in the Union.

2016 discharge: European Union Agency for Fundamental Rights (FRA)

2017/2149(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Director of the European Un ion Agency for Fundamental Rights (FRA) in regard to the implementation of the agency's budget for the 2016 financial year and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the agency's annual accounts for the financial year 2016 are reliable and that the underlying transactions are **legal and regular**, Parliament adopted by 551 votes to 136 with 5 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies:

- **Agency's financial statements**: the final budget of the European Union Agency for Fundamental Rights for the financial year 2016 was EUR 21 603 000, approximately the same amount as in 2015.
- **Budget and financial management**: Members noted with satisfaction that budget monitoring efforts in the financial year 2016 resulted in a **budget implementation rate of 100 %**, which is the same rate as the previous year, and that the payment appropriations execution rate was 73.21 %, representing an increase of 1.59 % compared to the previous year.
- **Commitments and carry-overs**: the level of committed appropriations carried over to 2017 for operating expenditure was again **very high** at EUR 5.2 million (68 %), compared to EUR 5.7 million (70 %) for the previous year. These carry-overs mainly reflect the nature of activities of the Agency which involve financing studies that span over many months, often beyond year-end. Carry-overs are often justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding, transfers, procurement and staff policy and internal audits and controls.

The report noted that 49.3 % of the Agency's temporary agents are female and 50.7 % are male. Members regretted, however, the significant imbalance in the Agency's six senior management positions, with a ratio of one woman to five men. The Agency is called on to aim for a **more gender-balanced staff composition** at the level of senior posts.

With regard to preventing conflicts of interest, Members emphasised the need to establish an independent body with sufficient budgetary resources to support **whistleblowers** wishing to disclose information on possible irregularities negatively impacting on the Union's financial interests, while ensuring their confidentiality is protected.

In addition, Members noted that the Agency recognises the **financial risks due to Brexit** as the potential loss of financial resources could impact the Agency's operational activities. The Agency also noted the operational risks due to Brexit and the resulting potential loss of competition as a number of operational related contractors are based in the United Kingdom and loss of skilful British national staff members. The Agency is called to work in close cooperation with the Commission regarding Brexit negotiations in order to be sufficiently prepared to minimise any negative operational or financial impact that may occur.

Lastly, Members welcomed the fact that the Agency continued its research on the situation of the Roma in the Union.

Enfin, les députés se sont félicités que l'Agence poursuive ses recherches sur la situation des Roms dans l'Union.

2016 discharge: European Union Agency for Fundamental Rights (FRA)

2017/2149(DEC) - 19/09/2017 - 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 2016, 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**). In brief, the objective of the Agency is to provide the relevant authorities of the Union and its Member States with assistance and expertise when implementing Union law relating to fundamental rights.

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 2016;
- 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 2016 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 2016 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management and the internal controls 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 stated that carry-overs of committed appropriations were high regarding operating expenditure at EUR 5.2 million, i.e. 68 % (2015: EUR 5.7 million, i.e. 70 %). They mainly reflect the nature of the activities which involve financing studies that span over several months, often beyond year-end. The Agency may consider introducing differentiated budget appropriations to better reflect the multi annual nature of operations and inevitable delays between the signature of contracts, deliveries and payments;
- **internal controls**: the Court stated that formal (sub-)delegations from authorising officers (by delegation) were not always consistent with the authorisation rights for transactions in the ABAC workflow system.

The Agency's replies:

- **budgetary management**: the Agency stated it has already assessed the possibility of using differentiated appropriations and concluded that, since the operational projects do not have a lifespan of more than 2 years, there is very little added value in using them;
- **internal controls**: the FRA replied by stating that in 2015 and 2016, as a result of organisational changes within the Agency, the Authorising Officer sub-delegations were updated. Due to a transcription error, all delegations, both old and current, were considered valid by the ABAC financial system. The error was corrected and measures have been put in place to ensure that ABAC only reflects currently valid delegations.

Lastly, the Court of Auditors' report contains a summary of the **Agency's activities in 2016**:

Budget: EUR 21.6 million (in payment appropriations).

Staff: 105 including officials, temporary and contract staff and seconded national experts.

2016 discharge: European Union Agency for Fundamental Rights (FRA)

2017/2149(DEC) - 09/02/2018 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2016 of the European Union Agency for Fundamental Rights (FRA), as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2016, accompanied by the Agency's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Director of the Agency in respect of the implementation of the budget for the financial year 2016.

The Council welcomed the Court's opinion that the Agency's annual accounts present fairly its financial position as at 31 December 2016 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that the underlying transactions for 2016 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- **financial programming**: the Council acknowledged the multiannual nature of the Agency's procurement of studies spanning over several years and its reply to the Court's suggestion to use differentiated appropriations to address the high level of commitments carried over. It, nevertheless, called on the Agency to continue monitoring its budget implementation in order to reduce the level of commitments carried over to the following financial year and the amount cancelled at the end of the following year to the minimum strictly necessary, in line with the budgetary principle of annuality.