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*Plenary sitting*

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**A8-0099/2016**

7.4.2016

# REPORT

on discharge in respect of the implementation of the budget of the European Union's Judicial Cooperation Unit (Eurojust) for the financial year 2014 (2015/2172(DEC))

Committee on Budgetary Control

Rapporteur: Derek Vaughan

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## 1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on discharge in respect of the implementation of the budget of Eurojust for the financial year 2014  
(2015/2172(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of Eurojust for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2014, together with Eurojust's replies<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0070/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>3</sup>, and in particular Article 208 thereof,
- having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime<sup>4</sup>, and in particular Article 36 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup>,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>6</sup>, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex V to its Rules of Procedure,

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<sup>1</sup> OJ C 409, 9.12.2015, p. 315.

<sup>2</sup> OJ C 409, 9.12.2015, p. 315.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 63, 6.3.2002, p. 1.

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

<sup>6</sup> OJ L 328, 7.12.2013, p. 42.

- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0099/2016),
- 1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2014;
- 2. Sets out its observations in the resolution below;
- 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

## 2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

### on the closure of the accounts of Eurojust for the financial year 2014 (2015/2172(DEC))

*The European Parliament,*

- having regard to the final annual accounts of Eurojust for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2014, together with Eurojust's replies<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0070/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>3</sup>, and in particular Article 208 thereof,
- having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime<sup>4</sup>, and in particular Article 36 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup>,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>6</sup>, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex V to its Rules of Procedure,

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<sup>1</sup> OJ C 409, 9.12.2015, p. 315.

<sup>2</sup> OJ C 409, 9.12.2015, p. 315.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 63, 6.3.2002, p. 1.

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

<sup>6</sup> OJ L 328, 7.12.2013, p. 42.

- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0099/2016),
- 1. Notes that the final annual accounts of Eurojust are as annexed to the Court of Auditors' report;
- 2. Approves the closure of the accounts of Eurojust for the financial year 2014;
- 3. Instructs its President to forward this decision to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

### **3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION**

**with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2014 (2015/2172(DEC))**

*The European Parliament,*

- having regard to its decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2014,
  - having regard to Rule 94 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0099/2016),
- A. whereas, according to its financial statements, the final budget of Eurojust for the financial year 2014 was EUR 33 667 239, representing an increase of 4,04 % compared to 2013; whereas the entire budget of Eurojust derives from the Union budget,
- B. whereas the Court of Auditors ("the Court"), in its report on the annual accounts of the Eurojust for the financial year 2014 ("the Court's report"), has stated that it has obtained reasonable assurances that Eurojust's annual accounts are reliable and that the underlying transactions are legal and regular,

#### ***Follow-up of 2013 discharge***

1. Acknowledges from Eurojust that:
  - its college adopted a template for the declarations of absence of interest by the management board in June 2015;
  - the Commission's Internal Audit Service closed an outstanding recommendation rated as "very important" from the financial year 2013;
  - its "Guidelines on the prevention and management of conflicts of interest" were presented in October 2015 to the management board and subsequently adopted at the board's meeting in January 2016; asks Eurojust to provide the discharge authority with a track record of cases of conflicts of interest identified, and to establish strict and clear rules against "revolving doors";

#### ***Budget and financial management***

2. Notes with satisfaction that the budget monitoring efforts during the financial year of 2014 resulted in a budget implementation rate of 99,82 %, representing an increase of 0,21 % from 2013; ascertains that the payment appropriations execution rate was 87,31 %, representing a decrease of 2,34 % from 2013;
3. Acknowledges Eurojust's statement that it has reduced the number of budget lines for its 2015 budget in order to reduce weaknesses in budget planning and implementation; notes

furthermore that this exercise will continue for the 2016 and 2017 budgets;

4. Notes with concern from the Court's report that the financial impact of salary adjustments and of the increase in the correction coefficient were not included in the initial budget for the financial year 2014; regrets that the shortfall in the salary budget of approximately EUR 1 800 000 required temporary reductions in operational expenditure and substantial transfers from administrative and operating budget lines at year-end; notes that this shortfall was partly balanced by an amending budget providing an additional EUR 1 200 000 to Eurojust and that commitments were made to advance with the implementation of the planned projects;
5. Takes note that Eurojust provides grants from its own budget to support the joint investigation teams (JIT); notes, furthermore, that only 32,8 % was paid by the end of the year mainly due to the budget implementation depending on beneficiaries and their submitted claims for reimbursement, putting the budget execution at risk; calls on Eurojust to report to the discharge authority on the measures taken to address this issue and to provide better guidance to its beneficiaries;

#### ***Commitments and carry-overs***

6. Notes from the Court's report that the overall level of committed appropriations was high at 99 %; notes however that the level of carry-overs for Title III was high at 35 %, representing an increase of 2 % compared with 2013; ascertains that the high level of carry-overs occurred mainly because of the temporary budget shortfall, where commitments could only be made late in the year and because of granting projects for JIT launched during the last months of 2014 for which payments were not due until 2015;
7. Welcomes the fact that Eurojust will evaluate the use of differentiated appropriations to ensure the financing of its operational activities; notes moreover that this initiative is undertaken in consultation with the Commission's Directorate-General for Justice and Consumers and the Directorate-General for Budget; invites Eurojust to report to the discharge authority on the results of this initiative and the measures taken;

#### ***Procurement and recruitment procedures***

8. Notes the efforts made by Eurojust to provide a more comprehensive procurement plan and urges Eurojust to publish the full list of contracts awarded;
9. Welcomes the detailed presentation of Eurojust's organisational structure, its members and administrative structures, as well as the publication of its code of administrative behaviour on the website;

#### ***Prevention and management of conflict of interests and transparency***

10. Reminds Eurojust that it must adopt internal binding rules for the protection of whistle-blowers, in accordance with Article 22c of the Staff Regulations, which came into force on 1 January 2014;

#### ***Internal controls***



11. Ascertains from Eurojust that the Commission's Internal Audit Service (IAS) carried out risk assessments in 2014 and that the results of these assessments have been used by the IAS as the basis for its 2014-2016 Strategic Internal Audit Plan as well as by Eurojust for identifying possible further improvements to administrative processes; acknowledges that the actions taken by Eurojust regarding the implementation of internal control standards related to ethical and organisational values as well as to the risk management process;

### ***Internal audit***

12. Acknowledges Eurojust's observation that no critical recommendations were issued by the IAS during 2014; notes, furthermore, that the IAS issued an "outstanding" recommendation from the year 2013 in the first quarter of 2015; looks forward to the results of the review and calls on Eurojust to report to the discharge authority on the outcome;

### ***Other comments***

13. Acknowledges Eurojust's statement that the ongoing issue identified by the Court in 2011 regarding the overlap of responsibilities between the administrative director and the college of Eurojust can only be resolved by the legislative authorities in the ongoing legislative proposal for a new Eurojust regulation<sup>1</sup>; believes that this proposal should be adopted in line with the PIF directive<sup>2</sup> and the EPPO regulation<sup>3</sup>; urges the Council to proceed with the necessary reforms in these proposals;
14. Acknowledges Eurojust's statement that in 2014 it decided to suspend the projects stemming from its organisational structure review; notes that the new Eurojust regulation could address the issues related to governance which led to the initiation of both projects in the past;
15. Welcomes the annual learning plan established in 2014 to cover the professional needs of staff as well as the establishment of a competency framework with the purpose of reflecting the core and leadership needs of Eurojust; notes that the work on the draft competence framework advanced in 2014 was to be completed and made available to all staff in 2015; calls on Eurojust to provide the discharge authority with an update on the implementation of the competence framework;
16. Calls for those Union institutions and agencies which have introduced codes of conduct, including the European Parliament, to step up their implementation measures, such as checks of declarations of financial interests;
17. Calls on Eurojust to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

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<sup>1</sup> Proposal for a Regulation of the European Parliament and of the Council on the European Union Agency for Criminal Justice Cooperation (Eurojust), COM(2015)535 final, 2013/0256(COD) dated 17/07/2013

<sup>2</sup> Proposal for a Directive of the European Parliament and of the Council on the fight against fraud to the Union's financial interests by means of criminal law, COM(2012)363 final, 2012/0193(COD), dated 11/07/2012

<sup>3</sup> Proposal for a Council Regulation on the establishment of the European Public Prosecutor's Office, COM(2013)534 final, 2013/0255(APP) dated 17/07/2013

18. Recalls that according to Article 41a of the decision on the strengthening of Eurojust<sup>1</sup>, before 4 June 2014 the college of Eurojust is to commission an independent external evaluation of the implementation of this decision and of the activities carried out by Eurojust; welcomes the publication of the final report<sup>2</sup> and acknowledges its eight strategic recommendations;
19. Is of the opinion that further steps need to be taken both to tackle ethical issues relating to the political role of lobbies, their practices and their influence and to promote safeguards for integrity, in order to raise the level of transparency of lobbying activities; proposes that common rules governing the pursuit of lobbying activities within the Union institutions and agencies should be introduced;
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20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]<sup>3</sup> [on the performance, financial management and control of the agencies].).

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<sup>1</sup> Council Decision 2009/426/JHA on the strengthening of Eurojust and amending Decision 2002/187/JHA setting up Eurojust with a view to reinforcing the fight against serious crime, OJ L 138, 4.6.2009, p. 29

<sup>2</sup> <http://www.eurojust.europa.eu/doclibrary/Eurojust-framework/ejlegalframework/Evaluation%20of%20the%20implementation%20of%20the%20Eurojust%20Council%20Decision%20-%20Final%20Report/Evaluation%20of%20the%20implementation%20of%20the%20Eurojust%20Council%20Decision%20-%20Final%20Report.pdf>

<sup>3</sup> Texts adopted of that date, P[8\_TA(-PROV)(2016)0000].

19.2.2016

## **OPINION OF THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS**

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of Eurojust for the financial year 2014  
(2015/2172(DEC))

Rapporteur: Monica Macovei

### **SUGGESTIONS**

The Committee on Civil Liberties, Justice and Home Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes the Court of Auditors' conclusions that the annual accounts of Eurojust present fairly its financial position at 31 December 2014 and that its transactions are legal and regular;
2. Notes that the financial impact of salary adjustments and of the increase in the correction coefficient were not included in the initial budget for the year 2014; regrets that this shortfall in salary budget of some 1,8 million EUR required some temporary cut-backs on operational expenditure that negatively impacted the execution of ongoing projects and necessitated an amending budget of 1,2 million EUR at the end of 2014; calls for responsible and sound budget management;
3. Notes the efforts made by Eurojust to provide a more comprehensive procurement plan and urges Eurojust to publish the full list of contracts awarded;
4. Welcomes the detailed presentation of Eurojust's organisational structure, its members and administrative structures, as well as the publication of its code of administrative behaviour on the website;
5. Regrets that Eurojust has not adopted a policy and a practical guide on management and prevention of conflicts of interest, according to the guidelines published by the Commission in December 2013; calls on Eurojust to urgently adopt its revised arrangements for the prevention and management of conflicts of interests and to inform

the discharge authority about the adoption; asks Eurojust to take corrective measures and to provide the discharge authority with a track record of cases of conflicts of interest identified, as well as to establish severe and clear rules against "revolving doors";

6. Reminds Eurojust that it must adopt internal binding rules for the protection of whistle-blowers, in accordance with Article 22c of the Staff Regulations, which came into force on 1 January 2014.

## RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	16.2.2016
<b>Result of final vote</b>	+: 53 -: 2 0: 0
<b>Members present for the final vote</b>	Jan Philipp Albrecht, Michał Boni, Caterina Chinnici, Ignazio Corrao, Rachida Dati, Agustín Díaz de Mera García Consuegra, Frank Engel, Cornelia Ernst, Tanja Fajon, Laura Ferrara, Monika Flašíková Beňová, Lorenzo Fontana, Kinga Gál, Nathalie Griesbeck, Sylvie Guillaume, Jussi Halla-aho, Monika Hohlmeier, Brice Hortefeux, Sophia in 't Veld, Eva Joly, Sylvia-Yvonne Kaufmann, Timothy Kirkhope, Barbara Kudrycka, Kashetu Kyenge, Marju Lauristin, Juan Fernando López Aguilar, Monica Macovei, Claude Moraes, József Nagy, Péter Niedermüller, Soraya Post, Judith Sargentini, Birgit Sippel, Branislav Škripek, Helga Stevens, Traian Ungureanu, Bodil Valero, Udo Voigt, Josef Weidenholzer, Cecilia Wikström, Kristina Winberg, Tomáš Zdechovský
<b>Substitutes present for the final vote</b>	Marina Albiol Guzmán, Carlos Coelho, Anna Maria Corazza Bildt, Pál Csáky, Daniel Dalton, Dennis de Jong, Gérard Deprez, Anna Hedh, Petr Ježek, Emil Radev, Christine Revault D'Allonnes Bonnefoy, Barbara Spinelli, Elissavet Vozemberg-Vrionidi

## RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

<b>Date adopted</b>	4.4.2016
<b>Result of final vote</b>	+ : 15 - : 4 0 : 0
<b>Members present for the final vote</b>	Louis Aliot, Inés Ayala Sender, Dennis de Jong, Martina Dlabajová, Ingeborg Gräßle, Verónica Lope Fontagné, Monica Macovei, Dan Nica, Gilles Pargneaux, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Tomáš Zdechovský
<b>Substitutes present for the final vote</b>	Marian-Jean Marinescu
<b>Substitutes under Rule 200(2) present for the final vote</b>	Bodil Valero