



Plenary sitting

A8-0107/2017

29.3.2017

REPORT

on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2015
(2016/2184(DEC))

Committee on Budgetary Control

Rapporteur: Inés Ayala Sender

CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	7
OPINION OF THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS	12
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE	15
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE.....	16

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2015 (2016/2184(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Police Office for the financial year 2015,
- having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2015, together with the Office's reply¹,
- having regard to the statement of assurance² 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0070/2017),
- 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 1605/2002³, and in particular Article 208 thereof,
- having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol)⁴, and in particular Article 43 thereof,
- 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 Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV 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 (A8-0107/2017),

1. Grants the Director of the European Police Office discharge in respect of the

¹ OJ C 449, 1.12.2016, p. 198.

² OJ C 449, 1.12.2016, p. 198.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 121, 15.5.2009, p. 37.

⁵ OJ L 328, 7.12.2013, p. 42.

implementation of the Office's budget for the financial year 2015;

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 Director of the European Police Office, 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 the European Police Office (Europol) for the financial year 2015
(2016/2184(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Police Office for the financial year 2015,
- having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2015, together with the Office's reply¹,
- having regard to the statement of assurance² 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0070/2017),
- 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 1605/2002³, and in particular Article 208 thereof,
- having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol)⁴, and in particular Article 43 thereof,
- 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 Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV 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 (A8-0107/2017),

1. Approves the closure of the accounts of the European Police Office for the financial

¹ OJ C 449, 1.12.2016, p. 198.

² OJ C 449, 1.12.2016, p. 198.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 121, 15.5.2009, p. 37.

⁵ OJ L 328, 7.12.2013, p. 42.

year 2015;

2. Instructs its President to forward this decision to the Director of the European Police Office, 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 the European Police Office (Europol) for the financial year 2015
(2016/2184(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2015,
 - having regard to Rule 94 of and Annex IV 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 (A8-0107/2017),
- A. whereas, according to its financial statements, the final budget of the European Police Office (“the Office”) for the financial year 2015 was EUR 94 926 894, representing an increase of 12,55 % compared to 2014; whereas the increase was due to new or additional tasks expanding its mandate,
- B. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the European Police Office for the financial year 2015 (“the Court's report”), has stated that it has obtained reasonable assurances that the Office’s annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the special importance of further strengthening the democratic legitimacy of the institutions of the Union by improving transparency and accountability, implementing the concept of performance based budgeting and good governance of human resources,

Follow-up of 2014 discharge

1. Notes that the note regarding the effectiveness of the procurement procedures made in the Court’s 2013 report was marked as ‘Completed’ in the Court’s 2015 report;

Budget and financial management

2. Notes with satisfaction that the budget monitoring efforts during the financial year 2015 resulted in a high budget implementation rate of 99,80 %, indicating that commitments were made in a timely manner; takes note of the fact that the payment appropriations execution rate was 89 %, indicating an increase of 4 % compared to 2014;

Commitments and carry-overs

3. Notes that, according to the Court’s report, the carry-overs of committed appropriations for Title II (administrative expenditure) were at EUR 42 000 000 (41 %), compared to EUR 1 900 000 (27 %) in 2014; takes note of the fact that these carry-overs mainly concerned building works for which the invoices had not been received or were still

ongoing by the end of 2015; acknowledges that the Office will continue its efforts to ensure efficient and compliant budget implementation, especially concerning carry-forwards in relation to administrative expenditure; notes that carry-overs may often be partly or fully justified by the multiannual nature of agencies' operational programmes and do not necessarily indicate weaknesses in budget planning and implementation nor are they always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Procurement and recruitment procedures

4. Notes that at the end of 2015 the total number of staff members employed by the Office was 627, consisting of 483 staff members in the establishment plan, 140 contract agents and 4 local staff members; notes furthermore that the number of non-Office staff members (seconded national experts, liaison officers and staff of the liaison bureaus, trainees and contractors) was 386; takes note of the fact that in 2015 the Office hired 86 new staff members (45 temporary agents and 41 contract agents) and that 62 staff members left the organisation (49 temporary agents and 13 contract agents);

Prevention and management of conflicts of interest and transparency

5. Notes that the curricula vitae (CVs) and declarations on the absence of conflicts of interest of the Office's Director and Deputy Directors have been published on its website since September 2015; notes with concern that the CVs and declarations of interest of the Office's Management Board have not been published on its website; notes that Regulation (EU) 2016/794 of the European Parliament and of the Council¹ (the new Europol Regulation) is set to apply from 1 May 2017; acknowledges that once the new Europol Regulation applies, the Office's Management Board will adopt rules for the prevention and management of conflicts of interest in respect of its members, including in relation to their declarations of interest; asks the Office to publish the CVs and declarations of interest of the Office's Management Board on its website and to grant the public any necessary overview on its senior management, and to report to the discharge authority on the establishment and implementation of its conflict of interest rules;
6. Notes with satisfaction that the Office applies a strict regulatory framework as regards checking the factual correctness of declarations of interest provided by experts, members of the Management Board and staff members in line with the particular nature and role of the Office, and that it cooperates with the European Anti-Fraud Office (OLAF) when necessary;
7. Notes with satisfaction that in order to ensure the absence of a conflict of interest situation, open source research is triggered on a case-by-case basis in the relevant key areas (recruitment, procurement and staff leaving the organisation) and that for competitions under existing ICT (consultancy) framework contracts and for negotiated procedures under Article 134 of the rules of application of Regulation (EU, Euratom)

¹ Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA (OJ L 135, 24.5.2016, p. 53).

No 966/2012 of the European Parliament and of the Council¹, the conflict of interest declarations of involved staff is systematically checked as regards possible links with the companies involved in the competitions and additional checks are carried out on a case-by-case basis;

8. Notes with satisfaction that the Office put in force additional arrangements regarding whistleblowing at the end of 2016;
9. Observes that the Office currently applies the anti-fraud strategy of the Commission; notes that the legal requirement for the Office to establish its own anti-fraud strategy will take effect once the new Europol Regulation applies in May 2017; notes also that the Office intends to present a draft strategy to its Management Board in order to ensure it is adopted before the new Europol Regulation takes effect; calls on the Office to report to the discharge authority on developments related to its anti-fraud strategy;

Internal controls

10. Takes note that in the course of 2015 risk management activities at the Office focused on addressing both internal risks and improvement areas identified by the Court, the Internal Audit Service (IAS), the Internal Audit Function and the Ombudsman; notes moreover that risk activities also included monitoring the risks affecting the core business objectives set for the 2015 Work Programme; notes that by the end of 2015 the Office's corporate risk log contained 12 corporate risks with 19 corresponding mitigation actions, of which 84 % were implemented or addressed in 2015;

Internal audit

11. Notes that 75 % of all pending audit recommendations by the Court, the IAS, the Europol Joint Supervisory Body, the Data Protection Officer of the Commission, and the Internal Audit Function, graded as critical or very important, were addressed in 2015; asks the Office to report to the discharge authority on the progress of implementing the remaining recommendations or the reasons as to why it decided not to address them;
12. Notes that in 2015 the IAS conducted an audit on stakeholder management; notes furthermore that it issued four recommendations out of which none were graded as critical or very important;

Other comments

13. Observes that the competent authorities of the Netherlands, where the headquarters of the Office are based, have assessed the current threat as substantial (level 4 out of 5); acknowledges that the Office is in close contact with the competent authorities of the Netherlands with a view to continuously assessing the related implications for the Office, including situational security measures as well as the adjustment of business

¹ 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 (OJ L 298, 26.10.2012, p. 1).

continuity arrangements;

14. Acknowledges that the Office's evolving capabilities, in particular the European Cybercrime Centre and, since 2016, the European Counter Terrorism Centre, have increased its cyber threat profile; acknowledges furthermore that the Office has an information security management system in place, which is adapted on an ongoing basis, in line with relevant international standards and best practice examples from the industry;
15. Notes that in 2016 the Office updated its ICT network architecture with a view to strengthening the protection of its core business data and related systems, including information exchange capabilities with the Member States and third parties; notes in addition that, as part of these measures, the network hosting core business data and systems was classified at the level CONFIDENTIEL UE/EU CONFIDENTIAL;
16. Notes with satisfaction that the Office's new legal framework, which will become applicable in May 2017, provides for additional measures in terms of providing the discharge authority with dedicated information about the Office's work, including sensitive operational matters;
17. Notes with satisfaction that the Office has extensive arrangements and agreements on the sharing of services of capabilities, including joint tender procedures with its Host State, several operational and strategic agreements with various other agencies, a grant agreement with European Union Intellectual Property Office, and close cooperation with Frontex on the hotspots approach;
18. Notes that the Office has 16 duty cars, including one specialised vehicle for its operational business, for which the cost was EUR 73 000 (EUR 37 000 for maintenance, EUR 16 000 for insurances/permits and EUR 20 000 for fuel);
19. Notes with concern the use by the Office of the controversial private database WorldCheck, which often links individuals and organisations to terrorism only on the basis of public resources, without any proper investigation, transparency or provision of effective means of redress; calls on the Office to explain to the Committee on Civil Liberties, Justice and Home Affairs the way it uses this private database in its work in order to assess the relevance of the use of public funds for acquiring licences for WorldCheck;
20. Welcomes the fact that the Office is effectively and efficiently delivering the expected products and services by the competent law enforcement authorities of the Member States and cooperation partners; acknowledges that over 732 000 operational messages were processed through the Secure Information Exchange Network Application (SIENA) and that almost 40 000 related cases were initiated, that the Europol Information System (EIS) processed over 633 000 searches, that the Agency supported 812 operations, produced over 4 000 operational reports and coordinated 98 joint actions;
21. Highlights the fact that, in response to terrorist attacks and the migration crisis and in light of the Commission's Agenda on Security and Migration, the Office's mandate was strengthened, its budget increased and its staff reinforced; welcomes the successful

efforts of the Office in setting up the EU Internet Referral Unit, the European Migrant Smuggling Centre (EMSC) and the European Counter Terrorism Centre (ECTC); encourages the Office to focus on the development of these three new instruments;

22. Encourages the Office to streamline the processes concerning the Analysis Work Files and the establishment of the new Europol Analysis System and to devote the necessary resources to ensure a high level of data security, privacy and data protection;
23. Encourages the Office to continue to improve information sharing among its partners as well as cooperation with Member States, national law enforcement and Eurojust for the purposes of counter-terrorism, while fully respecting data protection and privacy rules, including the purpose limitation principle; invites the Office to pay more attention to the presentation of its work via online platforms.

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24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2017]¹ [on the performance, financial management and control of the agencies].).

¹ Texts adopted of that date, P[8_TA(-PROV)(2017)0000].

15.2.2017

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 the European Police Office (Europol) for the financial year 2015
(2016/2184(DEC))

Rapporteur: Petr Ježek

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. Welcomes the Court of Auditors' ("the Court") conclusions that the annual accounts of Europol (the Agency) present fairly its financial position on 31 December 2015 and that its transactions are legal and regular;
2. Welcomes the high implementation rate of the budget of 99,8 % for commitment appropriations and 89 % for payment appropriations; notes, however, that carryovers of committed appropriations reached 41 % for administrative expenditure; stresses the importance of the respect for the principle of annuity of the budget; recalls that the principle of annuity is one of the three basic accounting principles; welcomes the commitment of the Agency to continue its efforts to ensure efficient and compliant budget implementation;
3. Notes with concern the use by the Agency of the controversial private database WorldCheck, which often links individuals and organisations to terrorism only on the basis of public resources, without any proper investigation, transparency or provision of effective means of redress; calls on the Agency to explain to the Committee on Civil Liberties, Justice and Home Affairs the way it uses this private database in its work in order to assess the relevance of the use of public funds for acquiring licences for WorldCheck;
4. Welcomes the publication of the Agency's Consolidated Activity Annual Report for 2015 and recommends, in this respect, that the Agency also publish the Court's report; welcomes the publication of whistleblowing rules and notes the Agency's commitment to

complement the existing rules with additional arrangements; reiterates that transparency is a key issue in upholding the Union citizens' trust in the Union and Union institutions;

5. Welcomes the fact that the Agency is effectively and efficiently delivering the expected products and services by the competent law enforcement authorities of the Member States and cooperation partners; acknowledges that over 732 000 operational messages were processed through the Secure Information Exchange Network Application (SIENA) and that almost 40 000 related cases were initiated, that the Europol Information System (EIS) processed over 633 000 searches, that the Agency supported 812 operations, produced over 4 000 operational reports and coordinated 98 joint actions;
6. Notes that the members of the Agency's Directorate published "declarations of absence of conflict of interest"; calls, however, on the Agency to also publish "declarations of interest" so that a third party can assess the absence of conflict of interest; notes that the members of the management board did not publish their declarations of interest but welcomes the upcoming new Europol Regulation which is expected to enter into force on 1 May 2017, with new provisions on rules for the prevention and management of conflicts of interest;
7. Highlights the fact that, in response to terrorist attacks and the migration crisis and in light of the Commission's Agenda on Security and Migration, the Agency's mandate was strengthened, its budget increased and its staff reinforced; welcomes the successful efforts of the Agency in setting up the EU Internet Referral Unit, the European Migrant Smuggling Centre (EMSC) and the European Counter Terrorism Centre (ECTC); encourages the Agency to focus on the development of these three new instruments;
8. Encourages the Agency to streamline the processes concerning the Analysis Work Files and the establishment of the new Europol Analysis System and devote the necessary resources to ensure a high level of data security, privacy and data protection;
9. Encourages the Agency to continue to improve information sharing among its partners as well as cooperation with Member States, national law enforcement and Eurojust for the purposes of counter-terrorism, while fully respecting data protection and privacy rules, including the purpose limitation principle; invites the Agency to pay more attention to the presentation of its work via online platforms.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	9.2.2017
Result of final vote	+: 38 -: 1 0: 4
Members present for the final vote	Heinz K. Becker, Michał Boni, Caterina Chinnici, Agustín Díaz de Mera García Consuegra, Tanja Fajon, Kinga Gál, Ana Gomes, Nathalie Griesbeck, Sylvie Guillaume, Monika Hohlmeier, Eva Joly, Dietmar Köster, Barbara Kudrycka, Cécile Kashetu Kyenge, Marju Lauristin, Juan Fernando López Aguilar, Monica Macovei, Roberta Metsola, Péter Niedermüller, Soraya Post, Judith Sargentini, Birgit Sippel, Branislav Škripek, Csaba Sógor, Sergei Stanishev, Helga Stevens, Traian Ungureanu, Bodil Valero, Marie-Christine Vergiat, Udo Voigt, Josef Weidenholzer, Kristina Winberg, Tomáš Zdechovský
Substitutes present for the final vote	Petr Ježek, Jeroen Lenaers, Nadine Morano, Morten Helveg Petersen, Emil Radev, Barbara Spinelli, Anders Primdahl Vistisen, Axel Voss
Substitutes under Rule 200(2) present for the final vote	Josu Juaristi Abaunz, Georg Mayer

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	22.3.2017
Result of final vote	+: 24 -: 4 0: 0
Members present for the final vote	Inés Ayala Sender, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Luke Ming Flanagan, Ingeborg Gräßle, Cătălin Sorin Ivan, Jean-François Jalkh, Bogusław Liberadzki, Monica Macovei, Notis Marias, Georgi Pirinski, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Hannu Takkula, Derek Vaughan, Joachim Zeller
Substitutes present for the final vote	Gerben-Jan Gerbrandy, Benedek Jávor, Karin Kadenbach, Julia Pitera, Patricija Šulin
Substitutes under Rule 200(2) present for the final vote	Raymond Finch, Jens Geier, Piernicola Pedicini, Janusz Zemke

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

24	+
ALDE	Martina Dlabajová, Gerben-Jan Gerbrandy, Hannu Takkula
ECR	Monica Macovei
GUE/NGL	Luke Ming Flanagan, Dennis de Jong
PPE	Tamás Deutsch, Ingeborg Gräble, Julia Pitera, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Joachim Zeller, Patricija Šulin
S&D	Inés Ayala Sender, Jens Geier, Cătălin Sorin Ivan, Karin Kadenbach, Bogusław Liberadzki, Georgi Pirinski, Derek Vaughan, Janusz Zemke
VERTS/ALE	Benedek Jávor, Bart Staes

4	-
ECR	Notis Marias
EFDD	Raymond Finch, Piernicola Pedicini
ENF	Jean-François Jalkh

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention