



Plenary sitting

A8-0129/2017

30.3.2017

REPORT

on discharge in respect of the implementation of the budget of Eurojust for the
financial year 2015
(2016/2170(DEC))

Committee on Budgetary Control

Rapporteur: Inés Ayala Sender

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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 2015 (2016/2170(DEC))

The European Parliament,

- having regard to the final annual accounts of Eurojust for the financial year 2015,
- having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2015, together with Eurojust'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 Eurojust in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0056/2017),
- 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 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime⁴, and in particular Article 36 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 (A8-0129/2017),

1. Grants the Administrative Director of Eurojust discharge in respect of the

¹ OJ C 449, 1.12.2016, p. 193.

² OJ C 449, 1.12.2016, p. 193.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 63, 6.3.2002, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

implementation of Eurojust'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 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 2015 (2016/2170(DEC))

The European Parliament,

- having regard to the final annual accounts of Eurojust for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2015, together with Eurojust'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 Eurojust in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0056/2017),
 - 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 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime⁴, and in particular Article 36 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 (A8-0129/2017),
1. Approves the closure of the accounts of Eurojust for the financial year 2015;
 2. Instructs its President to forward this decision to the Administrative Director of

¹ OJ C 449, 1.12.2016, p. 193.

² OJ C 449, 1.12.2016, p. 193.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 63, 6.3.2002, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

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 2015 (2016/2170(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 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 (A8-0129/2017),
- A. whereas, according to its financial statements, the final budget of Eurojust for the financial year 2015 was EUR 33 818 351; 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 Eurojust for the financial year 2015 ("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,
- 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. Acknowledges that, according to the Court's report, regarding follow-up of previous discharges, corrective actions have been taken and two comments were marked as "Ongoing", while one comment was marked as "Not Applicable";
2. Acknowledges that Eurojust evaluates, in consultation with the Commission's Directorate-General for Justice and Consumers and Directorate-General for Budget, the use of differentiated appropriations to ensure the financing of operational activities, which cannot be planned in advance and need to continue throughout the entire year;

Budget and financial management

3. Notes with satisfaction that the budget monitoring efforts during the financial year of 2015 resulted in a budget implementation rate of 99,99 %, representing an increase of 0,17 % from 2014; notes furthermore that the payment appropriations execution rate was 89 %, representing an increase of 1,69 % from 2014;
4. Regrets that Eurojust faced budgetary availability issues due to known structural problems with its funding and that for the second successive year was forced to resort to

mitigation measures subject to an amending budget; regrets that the financial uncertainty with which Eurojust was confronted required the postponement of some of its on-going activities and the deferral of valuable technological developments; requests that Eurojust and the Commission solve these known structural problems and secure a proper level of funding for the coming years;

Commitments and carry-overs

5. Notes that the amount carried over from 2014 to 2015 was EUR 4 246 726 of which 87,6 % was used; notes, in addition, that an amount of EUR 525 194 was cancelled at the year-end, representing a similar amount as in 2014;
6. Takes note of the fact that, according to the Court's report, the level of committed appropriations carried over for Title II (administrative expenditure) was at EUR 1 600 000 (21 %) compared to EUR 1 500 000 (20 %) in 2014; acknowledges that these carry-overs are mainly related to specific contracts for security and hospitality services and ICT projects, hardware and maintenance, consultancy and project costs for the new premises, as well as to services ordered before year-end and provided in 2016;
7. Notes that the carry-overs may be partly or fully justified by the multiannual nature of an agency's 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

8. Takes note of the fact that Eurojust signed 23 contracts with a value above EUR 15 000 representing a slight decrease of 14 % compared with 2014; observes that an open procurement procedure was used for 82,6 % of the contracts, representing 95,44 % of the procured amount;
9. Notes that Eurojust's vacancy rate as of 31 December 2015 was 2,4 % as opposed to 4,8 % on 31 December 2014; notes with satisfaction that 97,6 % of the 2015 establishment plan was executed;
10. Observes that in 2015 Eurojust implemented the second wave of post reductions, corresponding to 2 % or four posts, in order to achieve the 5 % staff reduction target agreed by the budgetary authority; notes moreover that the final wave of staff reductions, corresponding to 1 % or three posts, was to be implemented in 2016 in the area of administrative support; acknowledges that the staff reduction strengthened the share of operational jobs in the organisation;

Prevention and management of conflicts of interests and transparency

11. Notes Eurojust's reaffirmation that clear rules for the protection of whistleblowers play an integral part in achieving a culture of trust and in the fight against fraud, as provided for in Article 22c of the Staff Regulations; takes note of the fact that Eurojust is in the process of drafting new rules for the protection of whistleblowers; points out that a preliminary discussion regarding the draft rules already took place in the College of

Eurojust on 4 October 2016; invites Eurojust to further report on the process and on the subsequent adoption of its rules for the protection of whistleblowers;

12. Observes that short summaries of the curriculum vitae (CVs) of College members are published online but that declarations of interest are not; notes in this regard that the College of Eurojust adopted guidelines on the prevention and management of conflicts of interest in January 2016; notes also that Eurojust is currently finalising the process of compiling declarations of interest and that its outcomes will subsequently be published on its website; asks Eurojust to report to the discharge authority on the progress on this issue;
13. Notes with concern that Eurojust has not foreseen any check or updating of the declarations of interest of experts, members of the College and staff members;
14. Regrets that the administration and the members of the independent Joint Supervisory Body did not publish their declarations of interest; calls for the immediate publication of these declarations; calls upon Eurojust to adopt a practical guide on institutional management and one on conflicts of interest, according to the guidelines published by the Commission in December 2013 and to establish clear rules against “revolving doors”;

Internal audit

15. Acknowledges that, according to Eurojust’s annual report, the Commission’s Internal Audit Service (IAS) postponed its audit on “Monitoring and Reporting / Building Blocks of Assurance” due to its scarce IT audit resources, which was finally conducted in January 2016; looks forward to the next annual report of Eurojust and further details regarding the audit;
16. Observes that as of 27 March 2015 all previously outstanding recommendations were closed by the IAS; recalls that the IAS audited in 2014 the management and organisation of Coordination Meetings and Coordination Centres in Eurojust; takes note of the fact that the IAS issued in 2015 a final audit report with one recommendation marked as “Important”; notes with satisfaction that Eurojust implemented the corrective action marking the recommendation as “Completed”;
17. Takes note of the fact that the implementation of the Accrual Based Accounting System Enhancement project allowed for more efficient utilisation of the Eurojust administration’s human resources, while the new time registration tool (eRecording), implemented by the Administrative Director for all administration staff as of April 2015, represented a step towards activity-based monitoring and reporting;

Other comments

18. Encourages Eurojust to continue to treat terrorism, trafficking and smuggling, and cybercrime as priorities; welcomes the fact that Member States increasingly make use of coordination meetings and coordination centres and that they value the increased involvement of third countries in joint investigation teams; welcomes that the number of cases for which Member States have requested Eurojust's assistance continues to grow and increased by 23 % compared to 2014; considers that its budget should be

increased accordingly;

19. Acknowledges that Eurojust is currently, together with its host Member State, in the process of preparing for the transition to its new premises; notes that the construction of the premises started in spring 2015 and the expected move was planned for spring 2017; invites Eurojust to report further to the discharge authority on the transition to its new premises, as well as to outline total incurred transition costs;
20. Notes with concern a significant gender imbalance both in Eurojust's senior management and College members; urges Eurojust for this imbalance to be corrected as quickly as possible and the results communicated to the European Parliament and to the Council;
21. Notes that Eurojust has 7 duty cars at a cost of EUR 20 000 per year;
22. Notes that 64 staff members participated in 2015 in away days for which the cost was EUR 9 346,98 (EUR 146,04 per person);
23. Regrets that in its 2015 annual report, Eurojust stated that corruption is not a Union priority; notes that this statement was contradicted by the 90 corruption cases for which Eurojust expertise was requested in 2015 (twice as much as in 2014) according to the Eurojust annual report; acknowledges that Greece, Romania and Croatia were the most requesting Member States in corruption related cases;
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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].

1.3.2017

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 Eurojust for the financial year 2015
(2016/2170(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' conclusions that the annual accounts of Eurojust fairly present its financial position on 31 December 2015 and that its transactions are legal and regular;
2. Encourages Eurojust to continue to treat terrorism, trafficking and smuggling, and cybercrime as priorities; welcomes the fact that Member States increasingly made use of coordination meetings and coordination centres and that they value the increased involvement of third countries in joint investigation teams; welcomes that the number of cases for which Member States requested Eurojust's assistance continues to grow and increased by 23 % compared to 2014; considers that its budget should be increased accordingly; notes the high rate of Eurojust's budget implementation of 99,86% for 2015 from its EUR 33,818 million annual budget;
3. Regrets that in its 2015 annual report, Eurojust stated that corruption is not a Union priority; notes that this statement was contradicted by the 90 corruption cases for which Eurojust expertise was requested in 2015 (twice as much as in 2014) according to the Eurojust annual report; acknowledges that Greece, Romania and Croatia were the most requesting Member States in corruption related cases;
4. Regrets that Eurojust faced budgetary availability issues due to known structural problems with its funding; regrets that the financial uncertainty with which Eurojust was confronted required the postponement of some of its on-going activities and the deferral of valuable technological developments; requests that Eurojust and the Commission solve these

known structural problems and secure a proper level of funding for the coming years;

5. Notes that the high level of committed appropriations carried over for administrative expenditure (21 %); acknowledges that this was mainly the outcome of budgetary uncertainty; regrets that this triggered execution issues with specific contracts for security and hospitality services, ICT projects, hardware purchase and maintenance, as well as consultancy and project costs for the new premises; welcomes, despite the difficulties encountered, the commitment of Eurojust to avoid any unjustified carry-overs;
6. Regrets that the administration and the members of the independent Joint Supervisory Body did not publish their declarations of interest; calls for the immediate publication of these declarations; calls upon Eurojust to adopt a practical guide on institutional management and one on conflicts of interest, according to the guidelines published by the Commission on December 2013 and to establish clear rules against “revolving doors”; reminds Eurojust to adopt internal binding rules for the protection of whistle-blowers, in accordance with Article 22c of the Staff Regulations of Officials of the European Union, which entered into application on 1 January 2014.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	9.2.2017
Result of final vote	+: 38 -: 2 0: 3
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, Jussi Halla-aho, 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, 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 -: 5 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	Richard Ashworth, 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 Gräßle, 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

5	-
ECR	Richard Ashworth, Notis Marias
EFDD	Raymond Finch, Piernicola Pedicini
ENF	Jean-François Jalkh

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention