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A8-0133/2016

8.4.2016

REPORT

on discharge in respect of the implementation of the budget of the European
Asylum Support Office for the financial year 2014
(2015/2194(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 the European Asylum Support Office for the financial year 2014 (2015/2194(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2014, together with the Office's replies¹,
- 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 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 the Office in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8 - 0092/2016),
- 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 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office⁴, 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 Communities⁵,
- 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 Council⁶, and in particular Article 108 thereof,

¹ OJ C 409, 9.12.2015, p. 102.

² OJ C 409, 9.12.2015, p. 102.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 132, 29.5.2010, p. 11.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- 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 (A8-0133/2016),
1. Grants the Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Office'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 Executive Director of the European Asylum Support 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 Asylum Support Office for the financial year 2014
(2015/2194(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2014, together with the Office's replies¹,
- 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 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 the Office in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8 - 0092/2016),
- 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 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office⁴, 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 Communities⁵,
- 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 Council⁶, and in particular Article 108 thereof,

¹ OJ C 409, 9.12.2015, p. 102.

² OJ C 409, 9.12.2015, p. 102.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 132, 29.5.2010, p. 11.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- 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 (A8-0133/2016),
1. Notes that the final annual accounts of the European Asylum Support Office are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Asylum Support Office for the financial year 2014;
 3. Instructs its President to forward this decision to the Executive Director of the European Asylum Support 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 Asylum Support Office for the financial year 2014
(2015/2194(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Asylum Support Office 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 (A8-0133/2016),
- A. whereas, according to its financial statements, the final budget of the European Asylum Support Office (“the Office”) for the financial year 2014 was EUR 15 663 975; whereas 94 % of the budget of the Office derives from the Union budget;
- B. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the Office for the financial year 2014 (“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;

Follow-up of 2013 discharge

1. Notes from the Court’s report that two comments made in the Court’s 2012 and 2013 reports respectively are marked as “Outstanding”; notes furthermore that three comments made in the Court’s 2012 and 2013 reports are marked as “Ongoing”, while three comments made in the Court’s 2013 report are marked as “Not Applicable”;
2. Acknowledges from the Office that:
 - it has included the information on accruals for staff expenses in the appropriate forms together with the necessary justifications for the financial year 2014;
 - measures have been put in place to tackle the recurrent issues of misestimating budgetary needs and late payments as well as the matters of transparency and conflicts of interest;
 - a conflict of interest policy was endorsed by the Management Board by the end of 2013 and all members of the Management Board as well as the Executive Director have signed the Office's conflict of interest form and confirmed the absence of conflicts of interest;

Comments on the legality and regularity of transactions

3. Notes with concern that the Office carried over budget commitments of EUR 1 300 000

which were not covered by legal commitments; reminds the Office that this is in contradiction with the Financial Regulation; acknowledges the decision of the Office to correct these irregular carry-overs in the budget management system in 2015, due to the financial period having already been closed for the financial year of 2014;

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 84,69 %, representing a decrease of 2,65 % compared to 2013; notes furthermore that the payment appropriations execution rate was 71,33 %, representing a decrease of 15,85 % compared to 2013;
5. Draws attention to the fact that 1 062 payments, representing 28,6 %, were made after the time limit set in the Financial Regulation, representing an increase of 10,6 % compared to 2013; notes with concern that the average delay for late payments increased by three days to 24 days from 2013 to 2014; notes from the Office that a series of measures were introduced to reduce late payments as well as that the rate of late payments in 2015 was reduced in 2015; requests the Office to report to the discharge authority on measures taken in order to tackle this issue;
6. Notes from the Office that it will review its annual budget at least twice a year starting in the second quarter of 2015 with the aim of improving budget planning and the implementation process, as well as reducing the disproportionate amount of carry-overs; notes furthermore that the Office introduced a new format for monthly budget status reports as well as internal workshops on budget implementation and financial management; calls on the Office to report to the discharge authority on the effectiveness of the measures taken;

Commitments and carry-overs

7. Takes note that 21,2 % (EUR 146 417) of the non-differentiated committed appropriations carried over from 2013 were cancelled in 2014, representing an increase of 4,7 % compared to 2013; observes that those cancellations are mainly related to interim services, staff training courses, administrative support and translation costs; reminds the Office that these cancellations are at odds with the budgetary principle of annuality and that a high amount of cancellations of carry-overs from the previous year indicates weaknesses in budgetary planning; acknowledges from the Office that measures have been put in place to improve its budget planning and implementation process and reduce any disproportionate carry-overs at the end of financial year;
8. Takes note that the level of committed appropriations for Title II (administrative expenditure) carried over to 2015 was high at 27,9 %; notes that these carry-overs are mainly related to advisory and IT consultancy services delivered in 2014 although not invoiced or delivered during 2015;

Procurement and recruitment procedures

9. Takes note of the updated recruitment policy which reflects the changes to the Staff Regulations; acknowledges from the Office that it revised the recruitment and selection guidelines in 2015 by introducing further steps and controls to ensure transparency and

equal treatment; notes with concern that the comment on transparency of recruitment procedures, raised in the Court's 2012 report, is marked as "Outstanding" in the Court's report; calls on the Office to provide a report to the discharge authority on the effectiveness of measures taken; looks forward to the next audit of the Court and its evaluation of the corrective actions taken;

10. Ascertains from the Court's report that the Office has a high staff turnover, with 14 staff members leaving in 2014 including four in key positions; agrees with the Court that this high turnover causes a considerable risk to the achievement of the objectives set in the annual and multi-annual programme of the Office; acknowledges from the Office that it has recruited replacements for the staff members that left in 2014, as well as that all posts are now occupied or recruitment procedures are being carried out; asks that the Office look into reasons for the high level of staff turnover and report back to the discharge authority on actions taken to address this;

Prevention and management of conflicts of interest and transparency

11. Notes with concern that the Office failed to make publically available both its policy on prevention and management of conflicts of interest as well as the conflict of interest forms signed by the members of the Management Board and the Executive Director; urges the Office to complete this action as soon as possible;
12. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;
13. Asks the Agency to adopt clear rules on whistleblowers and against "revolving doors";

Internal controls

14. Takes note that out of six outstanding and not fully implemented Internal Control Standards (ICS), two were implemented; ascertains that the implementation of the four remaining ICS is ongoing with assistance from external consultancy; calls on the Office to report to the discharge authority on the full implementation of the outstanding ICS;

Internal audit

15. Takes note that, further to the limited review of the implementation of ICS made by the Commission's Internal Audit Service (IAS), eleven recommendations were noted as adequately implemented and were to be closed by the IAS; notes, furthermore, that seven recommendations from previous years remain open, four rated as "very important" and three rated as "important"; asks the Office to report to the discharge authority on the implementation of the remaining recommendations;

Other comments

16. Acknowledges the difficulties in managing the current refugee crisis; acknowledges, in addition, that the tasks of the Agency are likely to increase further and its budget and

staffing levels will need to increase correspondingly; requests the Agency, therefore, to increase its efforts and to improve its budgetary management and to present an action plan to perform optimally in the coming years;

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17. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]¹ [on the performance, financial management and control of the agencies].).

¹ Texts adopted of that date, P[8_TA(-PROV)(2016)0000].

18.2.2016

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 the European Asylum Support Office for the financial year 2014
(2015/2194(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 that the agency carried over in 2014 about EUR 1,3 million of budgetary commitments that were not covered by legal commitments; notes that 28,6 % of the Agency's payments were made after the time limits set in the Financial Regulation; notes that 21,2 % of non-differentiated committed appropriations carried over in 2014 were cancelled, which is more than in 2013 (16,5 %); agrees with the Court of Auditors that this indicates weaknesses in the Agency's budget planning and is at odds with the budgetary principle of annuality, whilst acknowledging that in some cases, carry-overs could be due to the multi-annual nature of operations, procurement procedures or projects;
2. Notes the Court of Auditors conclusions that the annual accounts of the European Asylum Support Office present fairly its financial position on 31 December 2014 and that its transactions are legal and regular;
3. Notes the high turnover of staff in 2014, with 14 members of staff leaving the Agency, including 4 in key positions; agrees with the Court that this poses a considerable risk to the achievement of the objectives set in the annual and multi-annual work programme;
4. Takes note of the ongoing issue raised by the Court of Auditors in 2013 related to the fact that the questions for interviews and tests were drafted after the examination of the individual applications, leading to the assumption that they were influenced by these; notes in that regard with concern that the selection committees did not always award scores to all selection criteria in the vacancy notices; urges the Agency to immediately

remedy the recruitment procedure;

5. Welcomes the adoption of a policy on the prevention and management of conflict of interest according to the guidelines published by the Commission in December 2013 and urges the Agency to publish this policy along with CVs and declarations of interest and provide the discharge authority with a track record of cases of conflict of interest identified; asks the Agency to adopt clear rules on whistle-blowers and against "revolving doors";
6. Acknowledges the difficulties in managing the current refugee crisis; acknowledges, in addition, that the tasks of the Agency are likely to increase further and its budget and staffing levels will need to increase correspondingly; therefore and requests the Agency to increase the efforts and to improve its budgetary management and to present an action plan to perform optimally in the coming years.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	16.2.2016
Result of final vote	+: 52 -: 2 0: 2
Members present for the final vote	Jan Philipp Albrecht, Gerard Batten, Michał Boni, Caterina Chinnici, Ignazio Corrao, Rachida Dati, Agustín Díaz de Mera García Consuegra, Frank Engel, Cornelia Ernst, Tanja Fajon, Laura Ferrara, Monika Flašíková Beová, 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, Monica Macovei, Roberta Metsola, 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
Substitutes present for the final vote	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

Date adopted	4.4.2016						
Result of final vote	<table><tr><td>+: </td><td>15</td></tr><tr><td>–: </td><td>3</td></tr><tr><td>0: </td><td>1</td></tr></table>	+:	15	–:	3	0:	1
+:	15						
–:	3						
0:	1						
Members present for the final vote	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						
Substitutes present for the final vote	Marian-Jean Marinescu						
Substitutes under Rule 200(2) present for the final vote	Bodil Valero						