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*Plenary sitting*

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**A8-0122/2016**

8.4.2016

# REPORT

on discharge in respect of the implementation of the budget of the European  
Police Office (Europol) for the financial year 2014  
(2015/2186(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 Police Office (Europol) for the financial year 2014 (2015/2186(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Police Office for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2014, together with the Office'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 the Office in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0084/2016),
- 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 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol)<sup>4</sup>, and in particular Article 43 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. 324.

<sup>2</sup> OJ C 409, 9.12.2015, p. 324.

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

<sup>4</sup> OJ L 121, 15.5.2009, p. 37.

<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 (A8-0122/2016),
- 1. Grants the Director of the European Police 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 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 2014  
(2015/2186(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Police Office for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2014, together with the Office'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 the Office in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0084/2016),
- 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 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol)<sup>4</sup>, and in particular Article 43 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. 324.

<sup>2</sup> OJ C 409, 9.12.2015, p. 324.

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

<sup>4</sup> OJ L 121, 15.5.2009, p. 37.

<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 (A8-0122/2016),
- 1. Notes that the final annual accounts of the European Police Office are as annexed to the Court of Auditors' report;
- 2. Approves the closure of the accounts of the European Police Office for the financial year 2014;
- 3. 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 2014  
(2015/2186(DEC))**

*The European Parliament,*

- having regard to its decision on discharge in respect of the implementation of the budget of the European Police 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 (A8-0122/2016),
- A. whereas, according to its financial statements, the final budget of the European Police Office (“the Office”) for the financial year 2014 was EUR 84 339 820, representing an increase of 2,20 % compared to 2013;
- B. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the European Police 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;

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

1. Notes with satisfaction from the Court’s report that the budget monitoring efforts during the financial year 2014 improved significantly and resulted in a high budget implementation rate of 99,70 %, indicating that commitments were made in a timely manner; takes note that the payment appropriations execution rate was 93 %, indicating an increase of 2,80 % compared to the previous year;

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

2. Observes that the total amount of committed appropriations carried over to 2015 decreased in comparison to previous years and amounted to EUR 5 663 960 (6,72 % of total appropriations); takes note from the Court’s report that the carry-overs were at EUR 1 900 000 (27 %) for Title II (administrative expenditure), representing a decrease of 14 % compared to the previous year; acknowledges that those carry-overs mainly related to modifications of the Office’s headquarters opened in 2011;
3. Notes with concern from the Court’s report that the cancellation rate of the committed appropriations carried forward from 2013 was high at 22 %, representing an increase of 13 % compared to the previous year; acknowledges that these cancellations mainly related to delays in IT projects provided by external suppliers in the area of document and asset management as well as in the exchange of police data; acknowledges furthermore that these delays did not affect operational business delivery as existing IT solutions continued to be in use for the relevant systems; notes that, despite the delivery delay caused by

external contractors, the actual nominal increase of unused carry-overs was EUR 0,9 million at the end of 2014;

4. Calls on the Office in future to keep the level of committed appropriations carried over as low as possible, in order to comply more effectively with its duties of transparency and accountability;

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

5. Ascertains that in 2014 the Office completed its organisation-wide review of the overall procurement process, with a view to refining the current internal organisational set-up; takes note that, as a result of the review, the Office established a 'Procurement' business area under the direct responsibility of the Deputy Director in charge of the Governance Department, leading to a centralised approach of key procurement stages as well as to the respective quality controls;
6. Acknowledges from the Office that the tender criteria for its ongoing procurement procedures are published on its website, together with an annual overview of the completed contracts; takes note that the Office is to publish the procurement overview for the financial year 2015 by the end of June 2106 as required by the Financial Regulation;
7. Asks the Office to apply strictly the measures pertaining to discretion and exclusion in respect of public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria in order to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;

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

8. Ascertains that the curricula vitae (CVs) and declarations on the independent discharge of duties and responsibilities of the Office's Director and Deputy Directors were published on the website of the Office; observes that the Management Board of the Office took note of the discharge authority's recommendations on the publication of CVs and declarations of interest of its Management Board members; calls on the Office and the members of its Management Board to make those documents available on its website as soon as they have been submitted to the Office;
9. Notes that in 2014 the Office published a new code of conduct, with guidelines on the management and prevention of conflicts of interest and "revolving doors";
10. 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;
11. Calls on the Office to pay special attention to the protection of whistleblowers in the context of the soon-to-be-adopted Directive on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure;
12. Encourages the Office to better raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and



transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

13. 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;
14. Welcomes the provisions established by the Management Board of the Office on internal investigations and reminds the Office that it must adopt internal binding rules on whistleblowers, according to Article 22c of the Staff Regulations, which came into force on 1 January 2014;

### ***Internal controls***

15. Takes note of the fact that the duties and responsibilities of the Internal Audit Capability (IAC) in the Office are performed by its Internal Audit Function (IAF); notes that in accordance with the audit planning endorsed by the Management Board of the Office, the IAF released a consultancy review in relation to the operational performance of the Office, resulting in five strategic themes which will be taken into account in its corporate planning and will provide key input into the Office's next multiannual strategy which will be finalised in 2016;
16. Acknowledges that the IAF supported an audit of the Office's Forensic Laboratory regarding the examination of euro currency banknotes, which is a key step to apply for a formal accreditation of the Office's Forensic Laboratory in this area;

### ***Internal audit***

17. Notes that in May 2014 the Management Board of the Office endorsed the strategic audit plan for the 2014-2016 period prepared by the Commission's Internal Audit Service (IAS); takes note that the IAS carried out an assurance audit on recruitment in September 2014, which confirmed the robustness of the Office's recruitment process; acknowledges that the IAS audit report highlighted that the Office's recruitment and selection procedures were sound and effective and that it found management reporting to be appropriate and timely; ascertains that the IAS identified three recommendations marked as "Important"; acknowledges that the Office drafted an action plan in order to mitigate the identified issues, which was subsequently accepted by the IAS;

### ***Other comments***

18. Acknowledges that the Office it reviewed its financial regulation<sup>1</sup> to bring it in line with the provisions contained in Commission Delegated Regulation (EU) No 1271/2013<sup>2</sup>;

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<sup>1</sup>

[https://www.europol.europa.eu/sites/default/files/publications/decision\\_of\\_the\\_europol\\_management\\_board\\_on\\_the\\_adoption\\_of\\_the\\_financial\\_regulation\\_applicable\\_to\\_europol.pdf](https://www.europol.europa.eu/sites/default/files/publications/decision_of_the_europol_management_board_on_the_adoption_of_the_financial_regulation_applicable_to_europol.pdf)

<sup>2</sup> 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 (OJ L 328, 7.12.2013, p. 42).

acknowledges furthermore that the Office applies the implementing rules of the Commission and should continue its efforts to ensure efficient and compliant budget implementation, especially concerning carry-overs in relation to administrative expenditure;

19. Notes that the Office made publicly available its Consolidated Annual Activity Report on its website;

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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>1</sup> [on the performance, financial management and control of the agencies].).

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<sup>1</sup> 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 the discharge in respect of implementation of the budget of the European Police Office (Europol) for the financial year 2014 (2015/2186(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 Europol (the Agency) present fairly its financial position as at 31 December 2014 and that its transactions are legal and regular;
2. Notes that only a general report (Europol Review) is published on the website of the Agency; asks the Agency to publish its Consolidated Annual Activity Report (CAAR) on a regular basis as well;
3. Is concerned that exclusion criteria, regarding eligibility to tender and selection criteria, regarding capacity to perform the contract, are not available on the website, under public procurement; urges the Agency to publish this information and all its contracts awarded in 2014;
4. Regrets the high cancellation (22 %) of committed appropriations carried over in 2014 due to delays in IT projects provided by external suppliers whilst acknowledging that in some cases, carry-overs could be due to the multi-annual nature of operations, procurement procedures or projects; takes note that the low budget implementation for these projects was mainly a result of the suppliers failing to deliver in line with the agreed planning; requests that the Agency clarify the nature and added value of these IT projects, as their delays had no operational impacts according to the Agency;
5. Notes that in 2014 the Agency published a new Code of Conduct, with guidelines on the management and prevention of conflicts of interest and "revolving doors"; asks the

Management Board to publish declarations of interest instead of declarations of absence of conflicts of interest, leaving the assessment to a third party and to detail policies and rules regarding conflicts of interest;

6. Welcomes the provisions established by the Europol Management Board on internal investigations and reminds the Agency that it must adopt internal binding rules on whistle-blowers, according to 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>	+: 45 -: 1 0: 9
<b>Members present for the final vote</b>	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, Marju Lauristin, Juan Fernando López Aguilar, Monica Macovei, Roberta Metsola, Claude Moraes, József Nagy, Péter Niedermüller, Soraya Post, Judith Sargentini, Birgit Sippel, Branislav Škripek, 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>	+ :                16 - :                3 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