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DRAFT SECOND REPORT

on discharge in respect of the implementation of the budget of the European
Asylum Support Office for the financial year 2016
(2017/2177(DEC))

Committee on Budgetary Control

Rapporteur: Bart Staes

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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 2016
(2017/2177(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2016,
- having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2016, 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2016 (05941/2018 – C8-0087/2018),
- having regard to its decision of 18 April 2018³ postponing the discharge decision for the financial year 2016, and the reply from the Executive Director of the European Asylum Support Office,
- 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 1605/2002⁴, 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 Office⁵, in particular Article 35 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 Council⁶, and in particular Article 108 thereof,

¹ OJ C 417, 6.12.2017, p. 79.

² OJ C 417, 6.12.2017, p. 79.

³ Texts adopted of that date, P8_TA(2018)0140.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 132, 29.5.2010, p. 11.

⁶ OJ L 328, 7.12.2013, p. 42.

- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the second report of the Committee on Budgetary Control (A8-0000/2018),
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 2016/Refuses to grant the Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Office's budget for the financial year 2016;
 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 2016
(2017/2177(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2016,
- having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2016, 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2016 (05941/2018 – C8-0087/2018),
- having regard to its decision of 18 April 2018³ postponing the discharge decision for the financial year 2016, and the reply from the Executive Director of the European Asylum Support Office,
- 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 1605/2002⁴, 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 Office⁵, in particular Article 35 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 Council⁶, and in particular Article 108 thereof,

¹ OJ C 417, 6.12.2017, p. 79.

² OJ C 417, 6.12.2017, p. 79.

³ Texts adopted of that date, P8_TA(2018)0140.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 132, 29.5.2010, p. 11.

⁶ OJ L 328, 7.12.2013, p. 42.

- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the second report of the Committee on Budgetary Control (A8-0000/2018),
1. Approves the closure of the accounts of the European Asylum Support Office for the financial year 2016;
 2. 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 for implementation of the budget for the European Asylum Support Office for the financial year 2016
(2017/2177(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 2016,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the second report of the Committee on Budgetary Control (A8-0000/2018),
- A. Whereas all Union decentralised agencies ought to be transparent and fully accountable to the citizens of the Union for the funds entrusted to them as Union bodies;
- B. Whereas Parliament's role in respect of the budget discharge is specified in the Treaty on the Functioning of the European Union, in the Financial Regulation and in the Framework Financial Regulation;
1. Underlines the importance of acting responsibly in the implementation of its budget;
 2. Recalls the role of Parliament within the discharge procedure, as governed by the Treaty on the Functioning of the European Union, the Financial Regulation and its rules of procedure;

The ongoing investigation of the European Anti-Fraud Office (OLAF)

3. Recalls that an OLAF investigation is currently ongoing concerning several members of the European Asylum Support Office (the “Office”) occupying middle or senior management positions;
4. Notes with appreciation the decision of the Management Board of the Office on 6 June 2018 to release the Executive Director from his duties with immediate effect; welcomes the designation of an ad interim Director, not subject to the OLAF investigation;
5. Welcomes the action already undertaken by the ad interim Director in order to improve the governance structure of the Office, restore transparency and build trust; calls on the Office to prepare a roadmap presenting the way forward;
6. Calls on OLAF to inform the discharge authority of the outcome of the investigation as soon as it is closed and, in any case, before the hearing which will take place in the Committee on Budgetary Control on 3 September 2018;

Basis for the qualified opinion on the legality and regularity of the underlying transactions

7. Recalls the material findings made by the Court in relation to two out of five significant procurement procedures from 2016 for which payments were incurred during that year, which demonstrates a lack of rigour in the Office's procurement procedures;
8. Recognises the action plans drawn up by the Office to remedy the issues identified by the Court, namely:
 - the procurement procedure for the provision of travel services (FCM Travel Agency) was replaced by an open tender procedure which was finalised and led to the conclusion of a new contract;
 - the framework contract for interim services in Greece (Randstad) was replaced by an open tender procedure which was finalised and led to the conclusion of a new contract;
9. Welcomes the measures taken by the Office to strengthen procurement procedures, in particular the addition of senior staff and additional support staff to the procurement sector;
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10. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018¹ on the performance, financial management and control of the agencies.

¹ Texts adopted of that date, P8_TA(2018)0140.