



Plenary sitting

A8-0299/2018

2.10.2018

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

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
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE	10
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE.....	11

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 the actions taken up by Commission's Directorate-General for Migration and Home Affairs and the Management Board of the European Asylum Support Office following the Parliament's decision of 18 April 2018 postponing the discharge that resulted in the resignation of Mr. José Carreira from the post of Executive Director of the European Asylum Support Office on 6 June 2018;
- having regard to the hearing of 3 September 2018 and to the presented corrective measures already taken by the new ad interim Executive Director of the European Asylum Support Office since his appointment in June 2018;
- 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,

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.

- 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 Office¹, 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 Council², and in particular Article 108 thereof,
 - 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 (A8-0299/2018),
1. Grants the new ad interim 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).

¹ OJ L 132, 29.5.2010, p. 11.

² OJ L 328, 7.12.2013, p. 42.

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 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 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 (A8-0299/2018),
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 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 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 (A8-0299/2018),
- 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 an accountable and transparent manner, and in accordance with all relevant rules and regulations, in the implementation of the Union 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;
 3. Welcomes the fact that the initial decision of 18 April 2018 postponing the discharge led to the strong corrective measures taken by the Commission's Directorate-General for Migration and Home Affairs, the Management Board and the Office's new ad interim Executive Director;
 4. Recognises that, apart from the completion of the OLAF investigation against the previous leadership of the Office, the corrective measures taken to date have sufficiently responded to the reservations presented by Parliament in its decision of 18 April 2018 postponing the discharge;

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

5. Recalls the fact that an OLAF investigation is currently ongoing concerning several former and current members of the European Asylum Support Office (the "Office") occupying middle or senior management positions;
6. Notes with appreciation the decision of the Office's Management Board on 6 June 2018

to release the Executive Director from his duties with immediate effect; welcomes the designation of an ad interim Executive Director, not subject to the OLAF investigation; regrets, however, that the Management Board did not take this action on its own initiative much earlier in the process which would have avoided the delay in the discharge procedure;

7. Welcomes the action already undertaken by the ad interim Executive Director in order to improve the governance structure of the Office, restore transparency and build trust; underlines the importance of counteracting the previously detected deficiencies in the legality and regularity of transactions; calls on the Office to prepare a comprehensive and detailed roadmap presenting the way forward; furthermore, calls on the Office in this respect to include in the roadmap a clear plan for restoring trust in management, especially bearing in mind that competent and effective management is key in view of the challenges the Office is facing in general, and, in particular, to make sure that the recruitment and training of the significant number of new staff foreseen for 2018 and 2019 is of such a level that the Office will have well-motivated and high quality personnel at its disposal and that there will be less turn-over of staff and its knowledge and experience are retained;
8. Calls on OLAF to inform the discharge authority of the outcome of the investigation as soon as it is closed;
9. Calls on Parliament's Committee on Budgetary Control to integrate the findings from the OLAF report in the Office's 2017 discharge report and, by doing so, to ensure that possible new recommendations to the Office are fully implemented;

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

10. Recalls the material findings made by the Court of Auditors (the "Court") in relation to two out of five significant procurement procedures from 2016 for which payments were incurred during that year, which demonstrate a lack of rigour in the Office's procurement procedures;
11. Expects all possible actions to be taken to recover irregular payments from the budget year 2016: EUR 920 561 (procurement procedure for the provision of travel services) and EUR 592 273 (framework contract for interim services to support it in its response to the migration crisis);
12. Remains concerned by the development of travel reimbursement costs; notes that in 2014, EUR 997 506 was reimbursed, in 2015 reimbursements amounted to EUR 987 515, and in 2016 reimbursements amounted to EUR 1 012 147; notes that attendees that fall into category A have specific tasks to fulfil during meetings; notes the decrease of category-A reimbursements, which dropped from 69 % in 2014 to 52 % in 2015 and 37 % in 2016; is concerned by the apparent discrepancy between an increased workload for the Office and less category-A attendees; underlines that the increase of travel cost reimbursements and the decrease of category-A attendees may indicate an arbitrary reimbursement scheme;
13. Notes, again, that the Office's work programme includes its operational support

activities in “hotspots” in some Member States; underlines the importance of this activity and stresses the wider consequences for the entire Union if tasks are not duly planned, managed and executed; strongly urges the staff of the Office to properly assume their responsibilities regarding administrative matters and on-the-ground work;

14. Regrets the harm caused to the Office’s image by the errors found in the aforementioned procurement procedures; reiterates that effective control can only be assured when there is full transparency in these procedures;
15. Welcomes 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;
16. 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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17. 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.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	27.9.2018
Result of final vote	+: 8 -: 7 0: 6
Members present for the final vote	Inés Ayala Sender, Jonathan Bullock, Tamás Deutsch, Luke Ming Flanagan, Ingeborg Gräßle, Cătălin Sorin Ivan, Wolf Klinz, Arndt Kohn, Bogusław Liberadzki, Monica Macovei, Gilles Pargneaux, Georgi Pirinski, José Ignacio Salafranca Sánchez-Neyra, Claudia Schmidt, Bart Staes, Indrek Tarand, Marco Valli, Joachim Zeller, Dennis de Jong
Substitutes present for the final vote	Richard Ashworth, Karin Kadenbach

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

8	+
ECR	Monica Macovei
EFDD	Jonathan Bullock
PPE	Richard Ashworth, Tamás Deutsch, Ingeborg Gräßle, José Ignacio Salafranca Sánchez-Neyra, Claudia Schmidt, Joachim Zeller

7	-
ALDE	Wolf Klinz
GUE/NGL	Luke Ming Flanagan, Dennis de Jong
S&D	Bogusław Liberadzki, Georgi Pirinski
VERTS/ALE	Bart Staes, Indrek Tarand

6	0
EFDD	Marco Valli
S&D	Inés Ayala Sender, Karin Kadenbach, Arndt Kohn, Gilles Pargneaux
NI	Cătălin Sorin Ivan

Key to symbols:

+ : in favour

- : against

0 : abstention