



EUROPEAN PARLIAMENT

2014 - 2019

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*Committee on Budgetary Control*

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**2014/2126(DEC)**

22.1.2015

## **DRAFT REPORT**

on discharge in respect of the implementation of the budget of the European  
Asylum Support Office for the financial year 2013  
(2014/2126(DEC))

Committee on Budgetary Control

Rapporteur: Ryszard Czarnecki

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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 2013 (2014/2126(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2013, 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>3</sup>,
- 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>4</sup>, 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 Office<sup>5</sup>, and in particular Article 35 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>6</sup>,

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<sup>1</sup> OJ C 442, 10.12.2014, p. 102.

<sup>2</sup> OJ C 442, 10.12.2014, p. 102.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 298, 26.10.2012, p. 1.

<sup>5</sup> OJ L 132, 29.5.2010, p. 11.

<sup>6</sup> OJ L 357, 31.12.2002, p. 72.

- 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>1</sup>, and in particular Article 108 thereof,
  - 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 (A8-0000/2015),
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 2013 / Postpones its decision on granting the Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Office's budget for the financial year 2013;
  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).

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<sup>1</sup> 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 2013  
(2014/2126(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2013, 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>3</sup>,
- 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>4</sup>, 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 Office<sup>5</sup>, and in particular Article 35 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>6</sup>,

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<sup>1</sup> OJ C 442, 10.12.2014, p. 102.

<sup>2</sup> OJ C 442, 10.12.2014, p. 102.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 298, 26.10.2012, p. 1.

<sup>5</sup> OJ L 132, 29.5.2010, p. 11.

<sup>6</sup> OJ L 357, 31.12.2002, p. 72.

- 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>1</sup>, and in particular Article 108 thereof,
  - 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 (A8-0000/2015),
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 2013 / Postpones the closure of the accounts of the European Asylum Support Office for the financial year 2013;
  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).

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<sup>1</sup> OJ L 328, 7.12.2013, p. 42.

### **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 2013  
(2014/2126(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 2013,
  - 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 (A8-0000/2015)
- A. whereas, according to its financial statements, the final budget of the European Asylum Support Office (“the Office”) for the financial year 2013 was EUR 10 500 000; whereas the entire budget of the Office derives from the Union budget,
- B. whereas the Court of Auditors, in its report on the annual accounts of the European Asylum Support Office for the financial year 2013 ("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 2012 discharge***

1. Notes from the Court’s report that regarding the 12 comments made by the Court in its 2012 report, two are now marked as "Completed", one as "Ongoing", eight as "Not Applicable" and one as "Outstanding";
2. Acknowledges from the Office that it has conducted a physical inventory which was finalised at the end of 2013;
3. Acknowledges from the Office that information on its activities' impact on Union citizens is available on its website through the yearly publication of documents, including press releases, monthly newsletters or direct responses to requests from Union citizens;

#### ***Comments on the reliability of the accounts***

4. Notes with concern from the Court’s report that the basis for an accrual amounting to EUR 40 000 relating to expenses and allowances for staff who entered into service in 2013 was not made available in the course of the audit; acknowledges from the Office that the accrual was an estimate while waiting for the confirmation of all entitlements to be received by the staff;

### *Comments on the legality and regularity of transactions*

5. Notes from the Office that its accounting system was effectively validated by its accounting officer;

### *Budget and financial management*

6. Notes that the budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 87,34 % and that the payment appropriations execution rate was 87,18 %;

### *Commitments and carryovers*

7. Notes with concern from the Court's report that the budgetary needs were overestimated by 13 % and that committed appropriations carried over were at 24 % of the total committed appropriations, of which 13 % were not covered by a legal commitment;
8. Takes note that the carryovers of committed appropriations mostly relate to Title II and Title III budgetary lines and are mostly intended for invoices not yet received or paid at year-end or where the services in question were not delivered;
9. Notes the measures taken by the Office in order to reduce and safeguard the level of commitment appropriations carried over, such as monthly reports on budget execution, annual mid-year budget review and the adoption of its new financial regulation;
10. Notes that a considerable room for improvement in budgetary planning still exists, although significant improvements were made in comparison with the financial year 2012, during which the Office gained its financial independence; calls on the Office to further improve its budget monitoring efforts in the future;

### *Procurement and recruitment procedures*

11. Notes with concern that the recruitment procedures show a lack of transparency; agrees with the Court's comment that drafting the questions for interviews and written tests after examination of the applications increases the risk of the questions being influenced by individual applications; notes, moreover, that a discrepancy was observed in one recruitment procedure between an eligibility criterion indicated in the vacancy notice and corresponding selection criterion; calls on the Office to inform the discharge authority about the steps taken to prevent similar situations in the future;
12. Acknowledges from the Office that it complied with the Court's comments and changed the conflict of interest statement for the Selection Committees in order to include a professional relationship as a potential conflict of interest; notes, furthermore, that a policy on the prevention and management of conflict of interests has been signed in 2013;



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

13. Acknowledges from the Office that its Management Board has endorsed a new conflict of interest policy in 2013; notes that the Management Board Members and the Office's Executive Director have signed conflict of interest forms in accordance with the new policy; calls on the Office to make both its conflict of interest policy and the conflict of interest forms signed by the Management Board Members and the Executive Director publically available ;

### *Internal controls*

14. Notes with concern that 18 % of the total number of payments were made after the time limits set in the Financial Regulation; takes note from the Office that although the number of late payments decreased by mid-2013, they occurred again in the last quarter of 2013, due to a considerable increase in the year-end workload; welcomes the new procedures put in place by the Office in order to decrease the rate of late payments; calls on the Office to remedy this issue as a matter of urgency and to inform the discharge authority on the effects of the measures taken;
15. Acknowledges from the Office that in the year 2013 the Commission's Internal Audit Service (IAS) carried out a limited review of the implementation of 16 Internal Control Standards (ICS) adopted by the Office's Management Board; notes that, based on the results of that review and given the current status of internal control regarding the Office's operational activities and administrative support functions, the IAS has issued 18 recommendations, six rated as 'Very Important' and 12 as 'Important';
16. Takes note of the fact that the Office carried out a self-assessment regarding the status of the implementation of the ICS in March 2013, demonstrating its determination in understanding and establishing a valid internal control environment;
17. Establishes from the Court's report that six of the 16 ICS have not been fully implemented; acknowledges that the implementation of the six pending ICS is on-going and calls on the Office to report to the discharge authority on its results;

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18. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 2015<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, P7\_TA-PROV(2015)0000.