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REPORT

on discharge in respect of the implementation of the budget of Eurojust for the financial year 2013
(2014/2103(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 Eurojust for the financial year 2013 (2014/2103(DEC))

The European Parliament,

- having regard to the final annual accounts of Eurojust for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2013, together with Eurojust'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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 17 February 2015 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2013 (05304/2015 – C8-0054/2015),
- 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 Communities³,
- 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 Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime⁵, and 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 Communities⁶,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of

¹ OJ C 442, 10.12.2014, p. 282.

² OJ C 442, 10.12.2014, p. 282.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 63, 6.3.2002, p. 1.

⁶ OJ L 357, 31.12.2002, p. 72.

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 Council¹, 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 (A8-0091/2015),
1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust'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 Administrative Director of Eurojust, 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 328, 7.12.2013, p. 42.

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of Eurojust for the financial year 2013 (2014/2103(DEC))

The European Parliament,

- having regard to the final annual accounts of Eurojust for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2013, together with Eurojust'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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 17 February 2015 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2013 (05304/2015 – C8-0054/2015),
- 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 Communities³,
- 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 Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime⁵, and 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 Communities⁶,
- 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

¹ OJ C 442, 10.12.2014, p. 282.

² OJ C 442, 10.12.2014, p. 282.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 63, 6.3.2002, p. 1.

⁶ OJ L 357, 31.12.2002, p. 72.

Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council¹, 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 (A8-0091/2015),
1. Notes that the final annual accounts of Eurojust are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of Eurojust for the financial year 2013;
 3. Instructs its President to forward this decision to the Administrative Director of Eurojust, 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).

¹ 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 Eurojust for the financial year 2013 (2014/2103(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of Eurojust 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 (A8-0091/2015),
- A. whereas, according to its financial statements, the final budget of Eurojust for the financial year 2013 was EUR 33 828 256,
- B. whereas the Union's contribution for the financial year 2013 to the Eurojust budget amounted to EUR 32 358 660, representing a decrease of 1,85 % compared to 2012,
- C. whereas the Court of Auditors, in its report on the annual accounts of Eurojust for the financial year 2013 (“the Court’s report”), has stated that it has obtained reasonable assurances that Eurojust's annual accounts are reliable and that the underlying transactions are legal and regular,
- D. whereas Eurojust was set up with a view to stepping up the fight against serious organised crime and with the objective of improving the coordination of cross-border investigations and prosecutions between Member States, and also between Member States and third countries,

Follow-up of 2012 discharge

1. Notes from the Court’s report that regarding two comments made in the Court’s 2011 report and marked as “Ongoing” or “Outstanding” in the Court’s 2012 report, corrective actions were taken and one comment is now marked in the Court's 2013 report as "Completed" and one as "Ongoing"; notes, furthermore, that regarding the two comments made in the Court's 2012 report, corrective actions were taken and one comment is now marked as "Completed" and one as "Not Applicable";
2. Acknowledges from Eurojust that it has introduced a number of measures to reduce the automatic carry-overs of commitment appropriations, including a new forecasting report and mandatory “Expenditure Lifecycle” training for all actors involved in the budget implementation;

Budget and financial management

3. Notes from the Court's report that the level of committed appropriations for the different titles varied between 99 % and 98 % of total appropriations, indicating that legal commitments were made in a timely manner;
4. Takes note of the Court of Auditors' observations pointing to necessary improvements in budget planning and implementation; points out, at the same time, that the timing of the submission of claims for the reimbursement of joint investigation team costs from Eurojust grants is in the majority of cases directly dependent on the fact that investigative work cannot always be planned in advance and can often continue until the end of the year;
5. Notes, however, in this connection, the reasons identified by the Court of Auditors and the efforts already made by Eurojust in this respect, in that it has already acted on the Court's guidance and reduced the number of budget lines used in financial year 2014 by 26.4%;
6. Considers, in general, that Eurojust should pay greater attention to the principle of sound financial management in respect of the budgetary principle of annuality, i.e. to using appropriations economically, efficiently and effectively in carrying out its remit;

Commitments and carry-overs

7. Notes with concern that the level of committed appropriations carried over was high for Title III (Operational expenditure) at EUR 2 341 825 or 32 %; acknowledges that the high level is mainly explained by the handover of internal software management to a new service provider at the year-end;

Transfers

8. Expresses its serious concerns that in 2013 Eurojust made 49 budget transfers, affecting 101 budget lines, proving severe weaknesses in budget planning and implementation and poor management; encourages Eurojust to fulfil its goal to reduce the number of budget lines and to inform the discharge authority on progress in this regard;

Procurement and recruitment procedures

9. Acknowledges from Eurojust that its recruitment procedures were changed following the Court's recommendations; notes that the procedures now ensure that the questions for tests and interviews are prepared before the examination of the applications by the Selection Board and that the weight values between written tests and interviews are defined before the screening of candidates;

Prevention and management of conflicts of interests and transparency

10. Regrets that the reviewing process was not finalised and doubts the commitment to implement a strong policy for the prevention and management of conflicts of interests, While the failure to adopt an anti-conflict of interests policy prevents any concrete results in this matter;

11. Acknowledges from Eurojust that it confirms its intention to review its arrangements for the prevention and management of conflicts of interests on the basis of the Commission's Guidelines on the Prevention and Management of Conflict of Interest in EU Decentralised Agencies;
12. Calls on Eurojust to urgently adopt its revised arrangements for the prevention and management of conflicts of interests, to inform the discharge authority and to make public the concrete results until the end of October 2015;
13. Acknowledges from Eurojust that the CVs of the Members of the Eurojust Management Board and of the Administrative Director are publicly available on the Eurojust website; notes that approval from the Eurojust Management Board for the template for the declarations of interests is pending; calls on Eurojust to inform the discharge authority about the progress made in this regard as soon as possible; regrets that approval is still pending and calls for the adoption of the templates until the end of July 2015; urges Eurojust to publish the declarations of interests filled in by its staff and experts until the end of October 2015;
14. Concludes with regret that Eurojust failed to undertake any relevant steps for the prevention and management of conflicts of interests and to ensure transparency;

Internal audit

15. Takes note that in 2013 the Commission's Internal Audit Service (IAS) conducted an audit to provide re-assurance that the control systems in Eurojust are adequate to manage material risks;
16. Is concerned that in the course of the risk analysis, the IAS identified certain processes of high inherent risk which could not be considered as auditable within the audit plan as controls assessed were absent or insufficient; notes that Eurojust management submitted an action plan to address these weaknesses, which is considered appropriate and will be followed-up by the IAS during its next in-depth risk assessment;
17. Acknowledges that in 2013 the IAS also performed a desk review to follow-up on the implementation of its earlier recommendations; notes that at year-end no critical recommendations were open and that the implementation of one recommendation rated as "Very Important" was delayed in respect to the original plan while the second "Very Important" recommendation was considered closed;

Other comments

18. Notes that there is an ongoing issue identified by the Court in 2011 regarding the overlap of responsibilities between the Administrative Director and the College of Eurojust and that no corrective measures were taken by the College to reconsider the definition of respective roles and responsibilities in order to avoid the overlap of responsibilities as noted by the Court in 2010; calls on Eurojust to inform the discharge authority about the resolution of this issue as a matter of urgency;

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19. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 2015¹ on the performance, financial management and control of the agencies.

¹ Texts adopted of that date, P8_TA-PROV(2015)0000

6.2.2015

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 Eurojust for the financial year 2013
(2014/2103(DEC))

Rapporteur: Sylvie Guillaume

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. Welcomes the conclusions of the Court of Auditors that the annual accounts of the European Union's Judicial Cooperation Unit (Eurojust) present fairly, in all material respects, its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, and that the transactions underlying the annual accounts of Eurojust for the financial year 2013 are legal and regular in all material respects;
2. Takes note of the Court of Auditors' observations pointing to necessary improvements in budget planning and implementation; points out, at the same time, that the timing of the submission of claims for the reimbursement of joint investigation team costs from Eurojust grants is in the majority of cases directly dependent on the fact that investigative work cannot always be planned in advance and can often continue until the end of the year;
3. Notes, however, in this connection, the reasons identified by the Court of Auditors and the efforts already made by Eurojust in this respect, in that it has already acted on the Court's guidance and reduced the number of budget lines used in financial year 2014 by 26.4%;
4. Considers, in general, that Eurojust should pay greater attention to the principle of sound financial management in respect of the budgetary principle of annuality, i.e. to using appropriations economically, efficiently and effectively in carrying out its remit.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	5.2.2015
Result of final vote	+: 48 -: 7 0: 0
Members present for the final vote	Martina Anderson, Heinz K. Becker, Bodil Ceballos, Caterina Chinnici, Ignazio Corrao, Rachida Dati, Agustín Díaz de Mera García Consuegra, Frank Engel, Cornelia Ernst, Laura Ferrara, Monika Flašíková Be ová, Lorenzo Fontana, Mariya Gabriel, Nathalie Griesbeck, Sylvie Guillaume, Monika Hohlmeier, Brice Hortefeux, Filiz Hyusmenova, Sophia in 't Veld, Eva Joly, Sylvia-Yvonne Kaufmann, Timothy Kirkhope, Barbara Kudrycka, Kashetu Kyenge, Marju Lauristin, Juan Fernando López Aguilar, Vicky Maeijer, Claude Moraes, József Nagy, Soraya Post, Judith Sargentini, Birgit Sippel, Csaba Sógor, Traian Ungureanu, Marie-Christine Vergiat, Harald Vilimsky, Cecilia Wikström, Kristina Winberg, Tomáš Zdechovský
Substitutes present for the final vote	Hugues Bayet, Andrea Bocskor, Pál Csáky, Daniel Dalton, Dennis de Jong, Petra Kammerevert, Ska Keller, Andrejs Mamikins, Maite Pagazaurtundúa Ruiz, Christine Revault D'Allonnes Bonnefoy, Jaromír Št tina, Kazimierz Michał Ujazdowski, Axel Voss
Substitute(s) under Rule 200(2) present for the final vote	Eugen Freund, Elisabetta Gardini, Charles Tannock

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	23.3.2015
Result of final vote	+: 24 -: 5 0: 0
Members present for the final vote	Nedzhmi Ali, Inés Ayala Sender, Ryszard Czarnecki, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Ingeborg Gräßle, Rina Ronja Kari, Bernd Kölmel, Bogusław Liberadzki, Verónica Lope Fontagné, Monica Macovei, Dan Nica, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Igor Šoltes, Bart Staes, Michael Theurer, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Joachim Zeller
Substitutes present for the final vote	Caterina Chinnici, Iris Hoffmann, Monika Hohlmeier, Andrey Novakov, Julia Pitera, Miroslav Poche
Substitutes under Rule 200(2) present for the final vote	Laura Ferrara