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DRAFT REPORT

on discharge in respect of the implementation of the budget of the European
Fisheries Control Agency for the financial year 2014
(2015/2183(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 Fisheries Control Agency for the financial year 2014 (2015/2183(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2014, together with the Agency'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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of xx February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (xxxxx/2016 – C8-xxxx/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 1605/2002³, and in particular Article 208 thereof,
- having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy⁴, 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 Communities⁵,
- 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 409, 9.12.2015, p. 131.

² OJ C 409, 9.12.2015, p. 131.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 128, 21.5.2005, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- 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 Fisheries (A8-0000/2016),
1. Grants the Executive Director of the European Fisheries Control Agency discharge in respect of the implementation of the Agency'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 Executive Director of the European Fisheries Control Agency, 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 Fisheries Control Agency for the financial year 2014 (2015/2183(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2014, together with the Agency'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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of xx February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (xxxxx/2016 – C8-xxxx/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 1605/2002³, and in particular Article 208 thereof,
- having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy⁴, 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 Communities⁵,
- 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,

¹ OJ C 409, 9.12.2015, p. 131.

² OJ C 409, 9.12.2015, p. 131.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 128, 21.5.2005, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

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 Fisheries (A8-0000/2016),
1. Notes that the final annual accounts of the European Fisheries Control Agency are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Fisheries Control Agency for the financial year 2014;
 3. Instructs its President to forward this decision to the Executive Director of the European Fisheries Control Agency, 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 Fisheries Control Agency for the financial year 2014
(2015/2183(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Fisheries Control Agency 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 Fisheries (A8-0000/2016),
- A. whereas, according to its financial statements, the final budget of the European Fisheries Control Agency (“the Agency”) for the financial year 2014 was EUR 9 217 150; whereas the entire budget of the Agency derives from the Union budget,
- B. whereas the Court of Auditors (“the Court”) in its report on the annual accounts of the European Fisheries Control Agency for the financial year 2014 (“the Court’s report”), has stated that it has obtained reasonable assurances that the Agency’s annual accounts are reliable and that the underlying transactions are legal and regular,

Follow-up of 2013 discharge

1. Notes from the Court's report that regarding two comments made in the Court's 2013 report, corrective actions were taken and both the comments are now marked in the Court's report as "Not Applicable";

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 99,09 %, attaining the Agency's target and representing an increase of 0,45 % compared to 2013; notes furthermore that the payment appropriations execution rate was at 88,43 %, attaining the Agency's target and representing an increase of 4,58 % compared to 2013;

Commitments and carry-overs

3. Notes with satisfaction the rates of committed appropriations carried over realised by the Agency; notes in particular that the rate of carry-overs for Title II (administrative expenditure) and Title III (operational expenditure) were at 25 % and 30 % respectively, representing a decrease of 13 % for each Title compared to the year 2013;
4. Welcomes the rate of cancelled commitments carried forward from the year 2013 which was at 4,3 %, representing a reduction of 46 % compared to the rate from the previous year;

Transfers

5. Takes into consideration that the amount of EUR 360 233 was transferred from Title I to Title II; acknowledges that the synergies in the organisation of meetings and the increase in remote coordination and reduction in missions of the Agency's staff allowed the surplus budget to be dedicated to other budget lines;

Prevention and management of conflicts of interests and transparency

6. Notes from the Agency that it adopted its policy on the prevention and management of conflicts of interest in October 2014; observes that the conflicts of interest policy requests that the Agency's Administrative Board Members and its management staff provide a declaration of conflicts of interests; notes that the declarations of conflicts of interest signed by the Agency's Administrative Board Members and its management staff were made publicly available; takes note that the publication of the CVs of the Agency's management staff was declared to be optional under the conflicts of interest policy and that all four members of the Agency's management provided their CV for publication; encourages the Agency's Administrative Board Members to submit their declarations of conflicts of interest for further publication on the Agency's website;

Internal controls

7. Notes with satisfaction that the Agency carried out a risk assessment with a view to increasing efficiency in processing financial transactions, which concluded that the verification and authorisation processes of certain low-value transactions could be merged; notes that a reduced validation workflow for these transactions was implemented in August 2014; notes furthermore that the Agency defined a quarterly ex-post verification methodology, subjecting the financial transactions not being verified ex-ante to a formal ex-post verification procedure; welcomes the fact that the first ex-post verification exercise completed in November 2014 resulted in a projected error rate of 0,25 %;
8. Welcomes the initiative of the Agency to monitor exceptions to and deviations from the established policies and procedures regardless of the amount concerned, ensuring that those exceptions and deviations are properly justified and documented;
9. Acknowledges from the Agency that at the end of 2014 it complied with 10 Internal Control Standards (ICS), and that it was partially compliant with five ICS and not compliant with one ICS; calls on the Agency to inform the discharge authority on the implementation status of those ICS;

Internal audit

10. Acknowledges from the Agency that the Commission's Internal Audit Service (IAS) audited the Agency in line with the IAS Strategic Audit Plan 2013-2015, and that it issued six recommendations with one rated as "Very Important"; acknowledges from the Agency that it drafted a comprehensive action plan to address those recommendations; calls on the Agency to report to the discharge authority on the implementation status regarding those recommendations;

Performance

11. Notes the efforts made by the Agency to ensure that control activities are suitably coordinated and structured in the Member States, in particular through different steps agreed with the Member States and the Commission within the framework of the Agency's Regional Steering Groups;
12. Takes note of two critical risks identified by the Agency in its 2014 annual risk assessment exercise; acknowledges from the Agency that for each risk it defined an action plan in order to ensure mitigation up to an acceptable level of residual risk; notes with satisfaction that during 2014 no prominent risks materialised;

Other comments

13. Notes with satisfaction that the Agency is committed to having in place a section of its website presenting the Agency in all the official languages of the Union, as well as in Galician in view of the location of the seat of the Agency; encourages the Agency to proceed, within the limits of available resources, in order to enhance the visibility and reputation of the Agency;
14. Notes the efforts made by the Agency in order to train Union inspectors, Member States and third countries officials, which has led to a considerable rise in the number of trained officials participating in inspections coordinated by the Agency within the framework of Joint Development Plans; notes moreover that there was a yearly increase in such inspections to around 12 700, with more than 700 suspected infringements detected;
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15. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]¹ [on the performance, financial management and control of the agencies].).

¹ Texts Adopted of that date, P[8_TA(-PROV)(2016)0000].