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DRAFT REPORT

on discharge in respect of the implementation of the budget of the European
Maritime Safety Agency for the financial year 2014
(2015/2174(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 Maritime Safety Agency for the financial year 2014 (2015/2174(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety 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 Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency⁴, and in particular Article 19 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. 216.

² OJ C 409, 9.12.2015, p. 216.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 208, 5.8.2002, 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 Transport and Tourism (A8-0000/2016),
1. Grants the Executive Director of the European Maritime Safety 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 Maritime Safety 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 Maritime Safety Agency for the financial year 2014
(2015/2174(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety 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 Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency⁴, and in particular Article 19 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. 216.

² OJ C 409, 9.12.2015, p. 216.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 208, 5.8.2002, 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 Transport and Tourism (A8-0000/2016),
1. Notes that the final annual accounts of the European Maritime Safety Agency are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2014;
 3. Instructs its President to forward this decision to the Executive Director of the European Maritime Safety 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 Maritime Safety Agency for the financial year 2014
(2015/2174(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Maritime Safety 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 Transport and Tourism (A8-0000/2016),
- A. whereas, according to its financial statements, the final budget of the European Maritime Safety Agency (“the Agency”) for the financial year 2014 was EUR 52 403 276, representing a decrease of 9,37 % compared to 2013,
- B. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the European Maritime Safety 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,

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 94,78 % and the payment appropriations execution rate was 93,77 %;

Commitments and carryovers

2. Acknowledges that, according to the Court of Auditors' annual audit, as well as to the Agency’s annual activity report, no notable issues with regards to the level of carryovers in 2014 were identified; observes that EUR 5 178 491 was carried forward from the financial year 2013; notes with satisfaction that only 3,80 % of the 2013 carryovers were cancelled;

Transfers

3. Notes that, according to the Agency’s annual activity report, the level and nature of transfers in 2014 have remained within the limits of the Agency’s financial rules; notes that all agency transfers for 2014 were below 10 % of the appropriations for the financial year of the budget line, when transferring from one title to another;

Procurement and recruitment procedures

4. Takes note that the Agency launched 82 procurement procedures in the financial year

2014, with 15 special negotiated procedures and 67 open and low value negotiated procedures; notes furthermore that the amount paid for procurement contracts signed in 2014 was EUR 3 432 061;

5. Notes from the Court's report that at year-end, the Agency had 210 posts in its establishment plan with 198 occupied, 30 posts planned in the budget for contract staff with 29 occupied as well as 18 posts for seconded national experts with 15 occupied; ascertains that in anticipation of the staff reduction and evolving work priorities, the Agency reduced its number of posts from overhead functions by three; understands from the Agency that, in order to respond more effectively to the increased workload, identify the expertise currently available in the Agency and support an internal mobility policy, the Agency created a Human Capital Database as an internal management support tool;

Prevention and management of conflicts of interests and transparency

6. Understands from the Agency that the Agency's Administrative Board amended its rules of procedure; takes note that these amended rules reflect the need for the Administrative Board members and alternates to provide, in addition to the signed declarations of commitment and confidentiality, their CVs for publication on the Agency's website; notes that the publication of these CVs was expected before October 2015; notes moreover that the CVs of the Agency's Executive Director and senior management are already published on its website;
7. Notes that the Agency's strategy on fraud prevention and detection, developed fully in line with the guidelines provided by the European Anti-Fraud Office, was adopted in November 2015; understands that a number of additional actions are to be further implemented during the 2015-2016 period; calls on the Agency to inform the discharge authority on the status of implementation of these actions;

Internal controls

8. Takes note that one of the key elements of the Agency's internal control system is the control and registration of exceptions to established regulations, policies, rules and procedures; observes that a total of 11 of such exceptions were registered during the course of 2014, of which were nine ex-ante and two were ex-post exceptions; understands from the Agency that corrective actions were carried out where necessary or clarifications were given in order to avoid similar situations occurring in the future;

Internal audit

9. Notes that in 2014, the Commission's Internal Audit Service (IAS) conducted an audit on the "Building Blocks of Assurance" at the Agency; takes note that, according to the IAS, the internal control system put in place by the Agency's management provides reasonable assurance regarding the achievement of the business objectives established for the annual report and the underlying assurance building process;
10. Observes that, at the time of the audit, there was no formalised and documented processes of drafting the annual report, leading to the risk that some actors involved in the process might not be fully aware of their responsibilities; notes that following the audit, the Agency established an action plan to address all recommendations stemming from the

audit report which was subsequently approved by the IAS; takes note that the Agency reviewed and documented the process for drafting the annual report in order to provide clear guidelines and a definition of the roles and responsibilities for all actors involved in the process of drafting, assessing and approving the annual report;

Other comments

11. Notes with satisfaction that the Agency actively sought potential synergies with other agencies; notes in particular the Agency is sharing its Business Continuity Facility in Madrid (BCF) with the Joint Undertaking for ITER and the Development of Fusion Energy and with the European Fisheries Control Agency; takes note that the Agency, given the geographical proximity, developed close cooperation with the European Monitoring Centre for Drugs and Drug Addiction in the area of human resources, infrastructure and ICT;

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12. 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].