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# DRAFT REPORT

on discharge in respect of the implementation of the budget of Eurojust for the  
financial year 2014  
(2015/2172(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 Eurojust for the financial year 2014  
(2015/2172(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of Eurojust for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2014, together with Eurojust'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 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 Eurojust 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 1605/2002<sup>3</sup>, 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 crime<sup>4</sup>, 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 Communities<sup>5</sup>,
- 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>6</sup>, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex V to its Rules of Procedure,

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<sup>1</sup> OJ C 409, 9.12.2015, p. 315.

<sup>2</sup> OJ C 409, 9.12.2015, p. 315.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 63, 6.3.2002, p. 1.

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

<sup>6</sup> OJ L 328, 7.12.2013, p. 42.

- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0000/2016),
- 1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust'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 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).

## 2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

### on the closure of the accounts of Eurojust for the financial year 2014 (2015/2172(DEC))

*The European Parliament,*

- having regard to the final annual accounts of Eurojust for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2014, together with Eurojust'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 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 Eurojust 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 1605/2002<sup>3</sup>, 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 crime<sup>4</sup>, 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 Communities<sup>5</sup>,
- 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>6</sup>, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex V to its Rules of Procedure,

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<sup>1</sup> OJ C 409, 9.12.2015, p. 315.

<sup>2</sup> OJ C 409, 9.12.2015, p. 315.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 63, 6.3.2002, p. 1.

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

<sup>6</sup> OJ L 328, 7.12.2013, p. 42.

- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0000/2016),
- 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 2014;
- 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).

### **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 2014 (2015/2172(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 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 Civil Liberties, Justice and Home Affairs (A8-0000/2016),
- A. whereas, according to its financial statements, the final budget of Eurojust for the financial year 2014 was EUR 33 667 239, representing an increase of 4,04 % compared to 2013; whereas the entire budget of Eurojust derives from the Union budget,
- B. whereas the Court of Auditors ("the Court"), in its report on the annual accounts of the Eurojust for the financial year 2014 ("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,

#### ***Follow-up of 2013 discharge***

1. Acknowledges from Eurojust that:
  - its college adopted a template for the declarations of absence of interest by the management board in June 2015;
  - the Commission's Internal Audit Service closed an outstanding recommendation rated as "very important" from the financial year 2013;
  - its "Guidelines on the prevention and management of conflicts of interest" were presented in October 2015 to the management board and subsequently adopted on the board's meeting in January 2016;

#### ***Budget and financial management***

2. Notes with satisfaction that the budget monitoring efforts during the financial year of 2014 resulted in a budget implementation rate of 99,82 %, representing an increase of 0,21 % from 2013; ascertains that the payment appropriations execution rate was 87,31 %, representing a decrease of 2,34 % from 2013;
3. Acknowledges Eurojust's statement that it has reduced the number of budget lines for its 2015 budget in order to reduce weaknesses in budget planning and implementation; notes furthermore that this exercise will continue for the 2016 and 2017 budgets;

4. Notes with concern from the Court's report that the financial impact of salary adjustments and of the increase in the correction coefficient were not included in the initial budget for the financial year 2014; regrets that the shortfall in the salary budget of approximately EUR 1 800 000 required temporary reductions in operational expenditure and substantial transfers from administrative and operating budget lines at year-end; notes that this shortfall was partly balanced by an amending budget providing an additional EUR 1 200 000 to Eurojust and that commitments were made to advance with the implementation of the planned projects;
5. Takes note that Eurojust provides grants from its own budget to support the joint investigation teams (JIT); notes, furthermore, that only 32,8 % was paid by the end of the year mainly due to the budget implementation depending on beneficiaries and their submitted claims for reimbursement, putting the budget execution at risk; calls on Eurojust to report to the discharge authority on the measures taken to address this issue and to provide better guidance to its beneficiaries;

#### ***Commitments and carryovers***

6. Notes from the Court's report that the overall level of committed appropriations was high at 99 %; notes however that the level of carry-overs for Title III was high at 35 %, representing an increase of 2 % compared to the year 2013; ascertains that the high level of carry-overs occurred mainly because of the temporary budget shortfall, where commitments could only be made late in the year and because of granting projects for JIT launched during the last months of 2014 for which payments were not due until 2015;
7. Welcomes the fact that Eurojust will evaluate the use of differentiated appropriations to ensure the financing of its operational activities; notes moreover that this initiative is undertaken in consultation with the Commission's Directorate-General for Justice and Consumers and the Directorate-General for Budget; invites Eurojust to report to the discharge authority on the results of this initiative and the measures taken;

#### ***Internal controls***

8. Ascertains from Eurojust that the Commission's Internal Audit Service (IAS) carried out risk assessments in 2014 and that the results of these assessments have been used by the IAS as the basis for its 2014-2016 Strategic Internal Audit Plan as well as by Eurojust for identifying possible further improvements to administrative processes; acknowledges that the actions taken by Eurojust regarding the implementation of internal control standards related to ethical and organisational values as well as to the risk management process;

#### ***Internal audit***

9. Acknowledges Eurojust's observation that no critical recommendations were issued by the IAS during 2014; notes, furthermore, that the IAS issued an "outstanding" recommendation from the year 2013 in the first quarter of 2015; looks forward to the results of the review and calls on Eurojust to report to the discharge authority on the outcome;

#### ***Other comments***



10. Acknowledges Eurojust's statement that the ongoing issue identified by the Court in 2011 regarding the overlap of responsibilities between the administrative director and the college of Eurojust can only be resolved by the legislative authorities in the ongoing legislative proposal for a new Eurojust regulation<sup>1</sup>; believes that this proposal should be adopted in line with the PIF directive<sup>2</sup> and the EPPO regulation<sup>3</sup>; urges the Council to proceed with the necessary reforms in these proposals;
11. Acknowledges Eurojust's statement that in 2014 it decided to suspend the projects stemming from its organisational structure review; notes that the new Eurojust regulation could address the issues related to governance which led to the initiation of both projects in the past;
12. Welcomes the annual learning plan established in 2014 to cover the professional needs of the staff as well as the establishment of a competency framework with the purpose of reflecting the core and leadership needs of Eurojust; notes that the work on the draft competence framework advanced in 2014 was to be completed and made available to all staff in 2015; calls on Eurojust to provide the discharge authority with an update on the implementation of the competence framework;
13. Recalls that according to Article 41a of the decision on the strengthening of Eurojust<sup>4</sup>, before 4 June 2014 the college of Eurojust is to commission an independent external evaluation of the implementation of this decision and of the activities carried out by Eurojust; welcomes the publication of the final report<sup>5</sup> and acknowledges its eight strategic recommendations;
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14. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]<sup>6</sup> [on the performance, financial management and control of the agencies].).

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<sup>1</sup> Proposal for a Regulation of the European Parliament and of the Council on the European Union Agency for Criminal Justice Cooperation (Eurojust), COM(2015)535 final, 2013/0256(COD) dated 17/07/2013

<sup>2</sup> Proposal for a Directive of the European Parliament and of the Council on the fight against fraud to the Union's financial interests by means of criminal law, COM(2012)363 final, 2012/0193(COD), dated 11/07/2012

<sup>3</sup> Proposal for a Council on the establishment of the European Public Prosecutor's Office, COM(2013)534 final, 2013/0255(APP) dated 17/07/2013

<sup>4</sup> Council Decision 2009/426/JHA on the strengthening of Eurojust and amending Decision 2002/187/JHA setting up Eurojust with a view to reinforcing the fight against serious crime, OJ L 138, 4.6.2009, p. 29

<sup>5</sup> <http://www.eurojust.europa.eu/doclibrary/Eurojust-framework/ejlegalframework/Evaluation%20of%20the%20implementation%20of%20the%20Eurojust%20Council%20Decision%20-%20Final%20Report/Evaluation%20of%20the%20implementation%20of%20the%20Eurojust%20Council%20Decision%20-%20Final%20Report.pdf>

<sup>6</sup> Texts adopted of that date, P[8\_TA(-PROV)(2016)0000].