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DRAFT REPORT

on discharge in respect of the implementation of the budget of the European
Police Office (Europol) for the financial year 2014
(2015/2186(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 Police Office (Europol) for the financial year 2014 (2015/2186(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Police Office for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2014, together with the Office'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 Office 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 Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol)⁴, and in particular Article 43 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,
- having regard to Rule 94 of and Annex V to its Rules of Procedure,

¹ OJ C 409, 9.12.2015, p. 324.

² OJ C 409, 9.12.2015, p. 324.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 121, 15.5.2009, p. 37.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ 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 Director of the European Police Office discharge in respect of the implementation of the Office'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 Director of the European Police 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).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Police Office (Europol) for the financial year 2014
(2015/2186(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Police Office for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2014, together with the Office'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 Office 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 Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol)⁴, and in particular Article 43 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,
- having regard to Rule 94 of and Annex V to its Rules of Procedure,

¹ OJ C 409, 9.12.2015, p. 324.

² OJ C 409, 9.12.2015, p. 324.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 121, 15.5.2009, p. 37.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ 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 the European Police Office are as annexed to the Court of Auditors' report;
- 2. Approves the closure of the accounts of the European Police Office for the financial year 2014;
- 3. Instructs its President to forward this decision to the Director of the European Police 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).

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 Police Office (Europol) for the financial year 2014
(2015/2186(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Police Office 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 the European Police Office (“the Office”) for the financial year 2014 was EUR 84 339 820, representing an increase of 2,20 % compared to 2013;
- B. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the European Police Office for the financial year 2014 (“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;

Budget and financial management

1. Notes with satisfaction from the Court’s report that the budget monitoring efforts during the financial year 2014 improved significantly and resulted in a high budget implementation rate of 99,70 %, indicating that commitments were made in a timely manner; takes note that the payment appropriations execution rate was 93 %, indicating an increase of 2,80 % compared to the previous year;

Commitments and carry-overs

2. Observes that the total amount of committed appropriations carried over to 2015 amounted to EUR 5 663 960 (6,72 % of total appropriations); takes note from the Court’s report that the carry-overs were at EUR 1 900 000 (27 %) for Title II (administrative expenditure), representing a decrease of 14 % compared to the previous year; acknowledges that these carry-overs mainly related to modifications of the Office’s headquarters opened in 2011;
3. Notes with concern from the Court’s report that the cancellation rate of the committed appropriations carried forward from 2013 was high at 22 %, representing an increase of 13 % compared to the previous year; acknowledges that these cancellations mainly related to delays in IT projects provided by external suppliers in the area of document and asset management as well as in the exchange of police data; acknowledges furthermore that these delays did not affect operational business delivery as existing IT solutions continued to be in use for the relevant systems;

Procurement and recruitment procedures

4. Ascertains that in 2014 the Office completed its organisation-wide review of the overall procurement process, with a view to refining the current internal organisational set-up; takes note that, as a result of the review, the Office established a 'Procurement' business area under the direct responsibility of the Deputy Director in charge of the Governance Department, leading to a centralised approach of key procurement stages as well as to the respective quality controls;

Prevention and management of conflicts of interests and transparency

5. Ascertains that the CVs and declarations on the independent discharge of duties and responsibilities of the Office's Director and Deputy Directors were published on the website of the Office; observes that the Management Board of the Office took note of the discharge authority's recommendations on the publication of CVs and declarations of interest of its Management Board members; calls on the Office and the members of its Management Board to make these documents available on its website as soon as they have been submitted to the Office;

Internal controls

6. Takes note that the duties and responsibilities of the Internal Audit Capability (IAC) in the Office are performed by its Internal Audit Function (IAF); notes that in accordance with the audit planning endorsed by the Management Board of the Office, the IAF released a consultancy review in relation to the operational performance of the Office, resulting in five strategic themes which will be taken into account in its corporate planning and will provide key input into Europol's next multi-annual strategy which will be finalised in 2016;
7. Acknowledges that the IAF supported an audit of the Office's Forensic Laboratory regarding the examination of euro currency banknotes, which is a key step to apply for a formal accreditation of the Office's Forensic Laboratory in this area;

Internal audit

8. Notes from the Office that in May 2014 its Management Board endorsed the strategic audit plan for the 2014-2016 period prepared by the Commission's Internal Audit Service (IAS); takes note that the IAS carried out an assurance audit on recruitment in September 2014, which confirmed the robustness of the Office's recruitment process; acknowledges that the IAS audit report highlighted that the Office's recruitment and selection procedures were sound and effective and that it found management reporting to be appropriate and timely; ascertains that the IAS identified three recommendations marked as "Important"; acknowledges that the Office drafted an action plan in order to mitigate the identified issues, which was subsequently accepted by the IAS;

Other comments

9. Acknowledges from the Office that it reviewed its financial regulation¹ to bring it in line

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with the provisions contained in the Commission Delegated Regulation (EU) No 1271/2013; acknowledges furthermore that the Office applies the implementing rules of the Commission;

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10. 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].).

https://www.europol.europa.eu/sites/default/files/publications/decision_of_the_europol_management_board_on_the_adoption_of_the_financial_regulation_applicable_to_europol.pdf

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