



2017/2155(DEC)

24.1.2018

DRAFT REPORT

on discharge in respect of the implementation of the budget of Eurojust for the
financial year 2016
(2017/2155(DEC))

Committee on Budgetary Control

Rapporteur: Bart Staes

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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 2016 (2017/2155(DEC))

The European Parliament,

- having regard to the final annual accounts of Eurojust for the financial year 2016,
- having regard to the Court of Auditors' report on the annual accounts of the European Union's Judicial Cooperation Unit for the financial year 2016, together with Eurojust's reply¹,
- 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2018 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2016 (00000/2018 – C8-0000/2018),
- 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 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime⁴, and in particular Article 36 thereof,
- 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 Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV 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 (A8-0000/2018),

¹ OJ C 417, 6.12.2017, p. 218.

² OJ C 417, 6.12.2017, p. 218.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 63, 6.3.2002, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2016 / Postpones its decision on granting the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2016;
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 2016 (2017/2155(DEC))

The European Parliament,

- having regard to the final annual accounts of Eurojust for the financial year 2016,
 - having regard to the Court of Auditors' report on the annual accounts of the European Union's Judicial Cooperation Unit for the financial year 2016, together with Eurojust's reply¹,
 - 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of ... February 2018 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2016 (00000/2018 – C8-0000/2018),
 - 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 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime⁴, and in particular Article 36 thereof,
 - 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 Council⁵, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV 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 (A8-0000/2018),
1. Approves the closure of the accounts of Eurojust for the financial year 2016 / Postpones

¹ OJ C 417, 6.12.2017, p. 218.

² OJ C 417, 6.12.2017, p. 218.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 63, 6.3.2002, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

the closure of the accounts of Eurojust for the financial year 2016;

2. 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 2016 (2017/2155(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 2016,
 - having regard to Rule 94 of and Annex IV 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 (A8-0000/2018),
- A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening of the democratic legitimacy of the Union institutions by improving on transparency and accountability, and implementing the concept of the performance-based budgeting and good governance of human resources;
- B. whereas, according to its statement of revenue and expenditure¹, the final budget of Eurojust for the financial year 2016 was EUR 43 539 737, representing an increase of 28,75 % compared to 2015; whereas the budget increase relates mainly to transition of Eurojust to its new premises; whereas the entire budget of Eurojust derives from the Union general budget;
- C. whereas the Court of Auditors ("the Court"), in its report on the annual accounts of the European Union's Judicial Cooperation Unit for the financial year 2016 ("the Court's report"), has stated that it has obtained reasonable assurance that Eurojust's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2011 and 2015 discharges

1. Acknowledges from the Court's report the fact that with respect to follow-up to comments from previous years, corrective actions have been taken and one comment related to the definition of the respective roles and responsibilities of the Director and the College of Eurojust is marked as "Ongoing";
2. Acknowledges the fact that Eurojust has an ongoing dialogue with the Commission's Directorate-General for Justice and Consumers and Directorate-General for Budget in order to secure a proper level of funding for Eurojust for the coming years;

Budget and financial management

3. Notes with satisfaction that the budget monitoring efforts during the financial year of 2016 resulted in a budget implementation rate of 99,89 %, including EUR 6 980 000 that is ring-fenced for the new building; notes furthermore that the payment

¹ OJ C 113, 30.03.2016, p.83

appropriations execution rate was 80,42 %, representing a decrease of 8,55 % from 2015;

Commitments and carry-overs

4. Notes that, according to the Court's report, the level of committed appropriations carried over for Title II (administrative expenditure) was at EUR 6 446 530 (40 %) compared to EUR 1 600 000 or 22 % in 2015; acknowledges the fact that these carry-overs are mainly related to works beyond year-end and purchases ordered in preparation of Eurojust's move to new premises in 2017 (EUR 4 867 482);
5. Welcomes the fact that Eurojust demonstrated a significant improvement in carry-overs from 2015, with much lower cancellations (5,6%) than in previous years;
6. Points out that the carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Procurement and staff policy

7. Notes that Eurojust signed 30 contracts with a value above EUR 15 000, representing an increase of 30 % compare with 2015; observes that open procurement procedure was used for 80 % of the contracts, representing 92,50 % of the procured amount;
8. Observes that in 2016, Eurojust implemented the third wave of post reductions (1% - 3 posts) to achieve the 5% target agreed by the budgetary authority; notes that the posts cut were in the area of administrative support;
9. Notes that Eurojust's vacancy rate at 31 December 2016 was 3,4 % compared to 2,4 % on 31 December 2015; notes with satisfaction that 96,6 % of the 2016 establishment plan was executed; observes from the establishment plan that 196 posts (out of 203 posts authorised under the Union general budget) were occupied on 31 December 2016, compared to 200 in 2015;
10. Notes that out of 255,5 (full-time equivalent) members of staff in 2016 Eurojust was employing 68,1 (full-time equivalent) seconded national experts, contract staff, interim staff and consultants;
11. Regrets that by the number of all posts occupied on 31 December 2016, gender balance has not been met since the ratio is 69 % female to 31 % male;
12. Notes that on average Eurojust's staff was on sick leave seven days per member of staff in 2016; observes with some concern that the number of days spent per member of staff on well-being activities in 2016 was low at 0,13 days; notes that Eurojust did not name different well-being activities put in place in 2016 as asked by the Parliament;
13. Notes with satisfaction that Eurojust has established a network of confidential counsellors as a part of the policy on protecting the dignity of the person and preventing

psychological and sexual harassment and held prevention and awareness programmes provided for by the human resources team;

14. Notes with concern that from 13 April 2015 to 13 April 2017 the network of confidential counsellors has been approached by 26 members of staff; notes that out of the 26 contacts, 16 cases were closed after only one session; notes however that 9 cases have been classified by the confidential counsellors as harassment cases and 2 informal procedures have been initiated; observes that other cases concerned conflicts, work related stress or information seeking;
15. Notes that Eurojust uses official vehicles but does not allow for their private use;

Prevention and management of conflicts of interest, transparency and democracy

16. Acknowledges the fact that Eurojust's draft internal rules on the protection of whistleblowers were prepared in 2016 and a first discussion took place in the College on 4 October 2016; notes however that the adoption of the internal rules was put on hold when, at the beginning of 2016, the Commission informed agencies that a model decision for the agencies is being prepared; looks forward to the finalisation of the draft and its implementation by Eurojust;
17. Notes that Eurojust maintains a register of declarations of absence of conflict of interest signed by management board members which is regularly updated but regrets these declarations of interests and the CVs management board are not publicly available; calls on Eurojust to report to the discharge authority on progress on this issue, including publication on its website;
18. Welcomes the fact that Eurojust has prepared in 2017 the Eurojust Guide on Ethics and Conduct, which includes also a Code of Good Administrative Behaviour;
19. Notes that in 2016 Eurojust received 15 requests for access to documents to which Eurojust granted a full access in five cases while in four cases Eurojust decided to grant only partial access to the documents and refused access in six cases;

Performance-based budgeting

20. Welcomes the three main achievements and successes identified by Eurojust in 2016, namely:
 - the adoption of an unprecedented reorganisation of its administration, which generated synergies and efficiency gains;
 - the development of a revised joint investigation team (JIT) model agreement and practical guide and the provision of financial support to 90 JITs; awarding EUR 1 000 000 following eight calls for proposals for JITs grants;
 - the production of relevant strategic documents and ad hoc judicial analyses in priority crime areas, such as the fourth Foreign Terrorist Fighters report, the summary of the third Foreign Terrorist Fighters report, the Chemical, Biological, Radiological and Nuclear (CBRN)-E Handbook and the Cybercrime Judicial Monitors;

Internal controls

21. Notes that Eurojust has adopted a set of internal control standards, based on the Commission's framework and international best practice, to ensure the achievement of policy and operational objectives; notes furthermore that Eurojust has assessed the effectiveness of its key internal control systems during the reporting year and has concluded that the internal control standards are effectively implemented; observes that Eurojust has taken measures to improve the efficiency of its internal control systems in the area of 'Risk Management Process' (Eurojust ICS 6); looks forward to the next annual report of Eurojust and further details regarding the measures taken to further improve efficiency;

Internal audit

22. Acknowledges from Eurojust's annual report the fact that the Commission's Internal Audit Service (IAS) conducted an audit on "Monitoring and Reporting/Building Blocks of Assurance" in January 2016; notes that the IAS issued two recommendations categorised as "very important" and four recommendations rated as "important"; notes with satisfaction that Eurojust implemented corrective action for these recommendations;

Performance

23. Observes that Eurojust carried out an external evaluation of its activities during 2014-2015, which led to an internal action plan for the implementation of the recommendations; notes that the College established a working group on prioritisation in March 2016 with a mandate to steer the implementation of the remaining recommendations; notes moreover that further development and achievements are expected during 2017;

Other comments

24. Acknowledges the fact that Eurojust successfully completed the move to its new premises in June and July 2017; observes that the redelivery of the former building to the host state took place on 31 August 2017 and that the host state will determine the costs related to the redelivery to be borne by Eurojust; notes that once the costs to be borne by Eurojust are known, Eurojust should outline the total incurred transition costs to the discharge authority;
25. Notes with satisfaction that Eurojust has in cooperation with Europol formalised a combined approach for the ISO14001/EMS Certification; disagrees with Eurojust that while in 2016 Eurojust was only renting temporary premises from the Kingdom of the Netherlands, Eurojust as a tenant was not in a position to reduce the CO2 emissions;
26. Notes from Eurojust's answers that for the time being there is no information exchange between Eurojust and the Commission with regard to the preparation for carrying out Eurojust's future activities after Brexit; calls on both Eurojust and the Commission to ensure an efficient flow of the necessary information bearing in mind that a cooperation agreement with the United Kingdom will need to be put in place;

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27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2018¹] [on the performance, financial management and control of the agencies].).

¹ Texts adopted of that date, P8_TA-PROV(2018)0000.