

Procedure file

Basic information			
DEC - Discharge procedure	2016/2184(DEC)	Procedure completed	
2015 discharge: European Police Office (Europol)			
Subject 8.70.03.05 2015 discharge			

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgetary Control		05/08/2016
		 AYALA SENDER Inés	
		Shadow rapporteur	
		 ZDECHOVSKÝ Tomáš	
		 FITTO Raffaele	
		 ALI Nedzhmi	
		 JÁVOR Benedek	
		 VALLI Marco	
		 KAPPEL Barbara	
European Commission	Committee for opinion	Rapporteur for opinion	Appointed
	 Civil Liberties, Justice and Home Affairs		12/10/2016
		 JEŽEK Petr	
European Commission	Commission DG	Commissioner	
	Budget	GEORGIEVA Kristalina	

Key events			
11/07/2016	Non-legislative basic document published	COM(2016)0475	Summary
04/10/2016	Committee referral announced in Parliament		
22/03/2017	Vote in committee		

29/03/2017	Committee report tabled for plenary	A8-0107/2017	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Results of vote in Parliament		
27/04/2017	Decision by Parliament	T8-0184/2017	Summary
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information	
Procedure reference	2016/2184(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07498

Documentation gateway						
Non-legislative basic document		COM(2016)0475		11/07/2016	EC	Summary
Court of Auditors: opinion, report		N8-0136/2016 OJ C 449 01.12.2016, p. 0198		13/09/2016	CofA	Summary
Committee draft report		PE593.871		03/02/2017	EP	
Supplementary non-legislative basic document		05873/2017		07/02/2017	CSL	Summary
Committee opinion	LIBE	PE594.196		15/02/2017	EP	
Amendments tabled in committee		PE600.895		07/03/2017	EP	
Committee report tabled for plenary, single reading		A8-0107/2017		29/03/2017	EP	Summary
Text adopted by Parliament, single reading		T8-0184/2017		27/04/2017	EP	Summary

Final act						
Budget 2017/1717 OJ L 252 29.09.2017, p. 0313 Summary						

2015 discharge: European Police Office (Europol)

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

Analysis of the accounts of the European Police Office (EUROPOL).

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

The EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- Direct management: the budget is implemented directly by the Commission services.
- Indirect management: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, such as the EU agencies.
- Shared management: under this method of budget implementation tasks are delegated to Member States. About 80 % of the

expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

This Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies, including the European Police Office (EUROPOL), with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the EUROPOL.

EUROPOL: the European Police Office (the Office), which is located in The Hague (NL), was established by [Council Decision 2009/371/JHA](#). The objective of the Office is to support and strengthen action by the competent authorities of the Member States and their mutual cooperation in preventing and combating organised crime, terrorism and other forms of serious crime affecting two or more Member States.

As regards the EUROPOLs accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2015:

Commitment appropriations:

- committed: EUR 103 million;
- paid: EUR 100 million;
- carried-over: EUR 3 million.

Payment appropriations:

- committed: EUR 109 million;
- paid: EUR 93 million;
- carried-over: EUR 15 million.

For further details on expenditure, please refer to the [final accounts of EUROPOL](#).

2015 discharge: European Police Office (Europol)

PURPOSE: presentation of the EU Court of Auditors report on the annual accounts of the European Police Office (Europol) for the year 2015, together with Europol's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit focused on the annual accounts of the European Police Office (Europol). To recall, the Office seeks to provide support and strengthen action by the Member States' police authorities and other law enforcement services and their mutual cooperation in preventing and combating serious crime affecting two or more Member States, terrorism and forms of crime which affect a common interest covered by a Union policy.

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Office, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2015; and
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Courts opinion, the Offices annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commissions accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Courts opinion, the transactions underlying the annual accounts for the year ended 31 December 2015 are legal and regular in all material respects.

The report made a series of observations on the budgetary and financial management of Europol, accompanied by the latters response. The main observations may be summarised as follows:

The Courts observations:

- budgetary management: the Court noted that carry-overs of committed appropriations were high for administrative expenditure at EUR 4.2 million and mainly concerned building related works, such as functional and technical improvements of the operational rooms at the Office headquarters. These works were still ongoing or invoices had not been received by the end of 2015.

Europols reply:

- budgetary management: Europol took note of the Courts comment and will continue its efforts to ensure efficient and compliant budget implementation, especially concerning carry-forwards in relation to administrative expenditure. The changes to the building were necessary in light of Europols expanding tasks, in particular in the area of counter terrorism.

The Court of Auditors report also contained a summary of Europols key figures in 2015:

- Budget: EUR 95 million (in payment appropriations).
- Staff: 666 including officials, temporary and contract staff and seconded national experts.

2015 discharge: European Police Office (Europol)

Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 of the European Police Office (Europol), as well as the Court of Auditors' report on the annual accounts of Europol for the financial year 2015, accompanied by Europol's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Executive Director of Europol in respect of the implementation of the budget for the financial year 2015.

The Council welcomed the Court's opinion that, in all material respects, Europol's annual accounts present fairly its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of Europol's Financial Regulation, and that the underlying transactions for 2015 are legal and regular in all material respects.

Nevertheless, various observations were made as regards:

- financial programming: the Council noted that a high level of commitment appropriations was carried over to 2016. It called on the Agency to improve its financial programming and monitoring of the budget implementation, in order to reduce the level of commitments carried over to the following financial year to the minimum strictly necessary.

2015 discharge: European Police Office (Europol)

The Committee on Budgetary Control adopted the report by Inés AYALA SENDER (S&D, ES) on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2015.

The committee called on the European Parliament to grant the Director of Europol discharge in respect of the implementation of the Europols budget for the financial year 2015.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Office for the financial year 2015 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of Europols accounts. They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the [draft resolution on performance, financial management and control of EU agencies](#):

- Financial statements of Europol: Members note that the final budget of the European Police Office for the financial year 2015 was EUR 94 926 894, representing an increase of 12.55 % compared to 2014.
- Commitments and carry-overs: Members took note of the carry-overs of committed appropriations for administrative expenditure reached EUR 42 million (41 %), compared to EUR 1.9 million (27 %) in 2014. They noted that these carry-overs mainly concerned building works for which the invoices had not been received or were still ongoing by the end of 2015. The Office stated that it will continue its efforts to ensure efficient and compliant budget implementation.

Members also made a series of observations regarding budgetary and financial management, procurement and recruitment procedures, the prevention and management of conflicts of interests and internal audits and controls.

They observed that the competent authorities of the Netherlands, where the headquarters of the Office are based, have assessed the current threat as substantial (level 4 out of 5). They acknowledged that the Office is in close contact with the competent authorities of the Netherlands with a view to continuously assessing the related implications for the Office, including situational security measures as well as the adjustment of business continuity arrangements.

They also noted that the Offices evolving capabilities, in particular the European Cybercrime Centre and, since 2016, the European Counter Terrorism Centre, have increased its cyber threat profile.

As regards IT security, Members noted that in 2016 the Office updated its ICT network architecture with a view to strengthening the protection of its core business data and related systems, including information exchange capabilities with the Member States and third parties. They noted in addition that, as part of these measures, the network hosting core business data and systems was classified at the level CONFIDENTIEL UE/EU CONFIDENTIAL. They also noted with satisfaction that the Offices new legal framework, which will become applicable in May 2017, provides for additional measures in terms of providing the discharge authority with dedicated information about the Offices work, including sensitive operational matters.

Lastly, Members noted with concern the use by the Office of the controversial private database WorldCheck, which often links individuals and organisations to terrorism only on the basis of public resources, without any proper investigation, transparency or provision of effective means of redress. They called on the Office to explain to the committee the way it uses this private database in its work in order to assess the relevance of the use of public funds for acquiring licences for WorldCheck.

2015 discharge: European Police Office (Europol)

The European Parliament decided to grant discharge to the Director of the European Police Office (Europol) in respect of the implementation of its budget for the financial year 2015.

The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex IV, Article 5 (1) (a) to Parliaments Rules of Procedure).

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 500 votes to 103 with 16 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the [resolution on performance, financial management and control of EU agencies](#).

These recommendations may be summarised as follows:

- Financial statements of Europol: Parliament noted that the final budget of the European Police Office for the financial year 2015 was EUR 94 926 894, representing an increase of 12.55 % compared to 2014.
- Commitments and carry-overs: It took note of the carry-overs of committed appropriations for administrative expenditure reached EUR 42 million (41 %), compared to EUR 1.9 million (27 %) in 2014. It noted that these carry-overs mainly concerned building works for which the invoices had not been received or were still ongoing by the end of 2015. The Office stated that it will continue its efforts to ensure efficient and compliant budget implementation.

Parliament also made a series of observations regarding budgetary and financial management, procurement and recruitment procedures, the prevention and management of conflicts of interests and internal audits and controls.

It observed that the competent authorities of the Netherlands, where the headquarters of the Office are based, have assessed the current threat as substantial (level 4 out of 5). It acknowledged that the Office is in close contact with the competent authorities of the Netherlands with a view to continuously assessing the related implications for the Office, including situational security measures as well as the adjustment of business continuity arrangements.

Parliament also noted that the Offices evolving capabilities, in particular the European Cybercrime Centre and, since 2016, the European Counter Terrorism Centre, have increased its cyber threat profile.

As regards IT security, Parliament noted that in 2016 the Office updated its ICT network architecture with a view to strengthening the protection of its core business data and related systems, including information exchange capabilities with the Member States and third parties. It noted in addition that, as part of these measures, the network hosting core business data and systems was classified at the level CONFIDENTIEL UE/EU CONFIDENTIAL. It also noted with satisfaction that the Offices new legal framework, which will become applicable in May 2017, provides for additional measures in terms of providing the discharge authority with dedicated information about the Offices work, including sensitive operational matters.

Parliament noted with concern the use by the Office of the controversial private database WorldCheck, which often links individuals and organisations to terrorism only on the basis of public resources, without any proper investigation, transparency or provision of effective means of redress. It called on the Office to explain to the Committee on Civil Liberties, Justice and Home Affairs the way it uses this private database in its work in order to assess the relevance of the use of public funds for acquiring licences for WorldCheck.

Budgetary increase for Europol: lastly, Parliament highlighted that, in response to terrorist attacks and the migration crisis and in light of the Commissions Agenda on Security and Migration, the Offices mandate was strengthened, its budget increased and its staff reinforced. It welcomed the successful efforts of the Office in setting up the EU Internet Referral Unit, the European Migrant Smuggling Centre (EMSC) and the European Counter Terrorism Centre (ECTC). It encouraged the Office to focus on the development of these three new instruments.

2015 discharge: European Police Office (Europol)

PURPOSE: to grant discharge to the European Police Office (Europol) for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1717 of the European Parliament on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2015.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Police Office for the implementation of its budget for the financial year 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27 April 2017).

Amongst Parliaments main observations in the resolution accompanying the discharge decision, the latter noted that the Office's evolving capabilities, in particular the European Cybercrime Centre and, since 2016, the European Counter Terrorism Centre, have increased its cyber threat profile and has an information security management system in place, which is adapted on an ongoing basis, in line with relevant international standards and best practice examples from the industry.

It also noted with satisfaction that the Office's new legal framework, which will become applicable in May 2017, provides for additional measures in terms of providing the discharge authority with dedicated information about the Office's work, including sensitive operational matters.

Noting with concern the use by the Office of the controversial private database WorldCheck, which often links individuals and organisations to terrorism only on the basis of public resources, without any proper investigation, transparency or provision of effective means of redress, Parliament called on the Office to explain to Parliament's Committee on Civil Liberties, Justice and Home Affairs the way it uses this private database in its work in order to assess the relevance of the use of public funds for acquiring licences for WorldCheck.

Again, Parliament welcomed the successful efforts of the Office in setting up the EU internet Referral Unit, the European Migrant Smuggling Centre (EMSC) and the European Counter Terrorism Centre (ECTC) and encouraged the Office to focus on the development of these three new instruments.