













Procedure file

Basic information		
DEC - Discharge procedure	2017/2164(DEC)	Procedure completed
2016 discharge: European Border and Coast Guard Agency (Frontex)		
Subject 8.70.03.06 2016 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgetary Control	 STAES Bart	14/09/2017
		Shadow rapporteur	
		 SARVAMAA Petri	
		 LIBERADZKI Boguslaw	
		 MARIAS Notis	
		 ALI Nedzhmi	
		 VALLI Marco	
		 KAPPEL Barbara	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Foreign Affairs	The committee decided not to give an opinion.	
	 Civil Liberties, Justice and Home Affairs		
European Commission	Commission DG Budget	Commissioner OETTINGER Günther	

Key events			
26/06/2017	Non-legislative basic document published	COM(2017)0365	Summary
13/09/2017	Committee referral announced in Parliament		
20/03/2018	Vote in committee		
26/03/2018	Committee report tabled for plenary	A8-0108/2018	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	Decision by Parliament	T8-0164/2018	Summary

18/04/2018	End of procedure in Parliament		
03/10/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2164(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10808

Documentation gateway

Non-legislative basic document		COM(2017)0365	26/06/2017	EC	Summary
Court of Auditors: opinion, report		N8-0017/2018 OJ C 417 06.12.2017, p. 0233	19/09/2017	CofA	Summary
Committee draft report		PE613.453	30/01/2018	EP	
Committee opinion	LIBE	PE613.650	07/02/2018	EP	
Supplementary non-legislative basic document		05941/2018	09/02/2018	CSL	Summary
Amendments tabled in committee		PE618.270	02/03/2018	EP	
Committee report tabled for plenary, single reading		A8-0108/2018	26/03/2018	EP	Summary
Text adopted by Parliament, single reading		T8-0164/2018	18/04/2018	EP	Summary

Final act

Budget 2018/1430
[OJ L 248 03.10.2018, p. 0338](#) Summary

2016 discharge: European Border and Coast Guard Agency (Frontex)

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 discharge procedure.

Analysis of the accounts of the European Agency for the Management of Operational Cooperation at the External Borders (Frontex).

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.

This Commission document concerns the EU's consolidated accounts for the year 2016 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 Agency for the Management of Operational Cooperation at the External Borders (Frontex), 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 Frontex.

FRONTEX: the Agency, which is located in Warsaw (PL), was established by [Council Regulation \(EC\) No 2007/2004](#), amended by [Regulation \(EC\) No 863/2007](#) of the European Parliament and of the Council. In 2016, Frontex mandate was boosted with the adoption of the [European Border and Coast Guard Regulation \(EU\) 2016/1624](#). Under the new mandate, the role and activities were significantly expanded with its permanent staff being more than doubled. While the European Border and Coast Guard Agency replaces the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, it has the same legal personality and the same name: Frontex.

As regards Frontex accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2016:

Commitment appropriations:

- available: EUR 256 million;
- made: EUR 244 million.

Payment appropriations:

- available: EUR 300 million;
- made: EUR 199 million.

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

2016 discharge: European Border and Coast Guard Agency (Frontex)

PURPOSE: presentation of the EU Court of Auditors report on the annual accounts of the European Border and Coast Guard Agency for the financial year 2016 (Frontex), together with the Agency's replies.

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 Border and Coast Guard Agency (Frontex). The European Border and Coast Guard Agency, was created by [Regulation \(EU\) 2016/1624](#) of the European Parliament and of the Council (new founding Regulation) repealing [Council Regulation \(EC\) No 2007/2004](#). It has been developed from the European Agency for the Management of Operational Cooperation at the External Borders of the Member States and maintained the short name Frontex and the seat of its headquarter in Warsaw. The new founding Regulation extends the mandate of the Agency and entrusts it to ensure European integrated border management at the external borders with a view to managing the crossing of the external borders efficiently. This includes addressing migratory challenges and potential future threats at those borders, thereby contributing to addressing serious crime with a cross-border dimension, to ensure a high level of internal security within the Union in full respect for fundamental rights, while safeguarding the free movement of persons within it.

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 Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2016;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2016 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 Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: the Court considers that the transactions underlying the annual accounts for the year ended 31 December 2016 are legal and regular in all material respects.

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

The Court's observations:

- **budgetary management:** the Agency's previous founding Regulation which was in force until 5 October 2016 provided for the funding of joint return operations carried out with participating countries. National return operations only became eligible under the new founding Regulation. However, in the period January to October 2016 the Agency funded national return operations for an amount of EUR 3.6 million. These payments are irregular. The Agency noted that the level of carry-overs for committed appropriations increased for administrative expenditure to EUR 6.4 million and for operational expenditure to EUR 67.3 million. The main reason is contracts and operations extending beyond the year-end. The Agency may consider introducing differentiated budget appropriations to better reflect inevitable delays between legal commitments, contract implementation and operations and the related payments. Under the Agency's extended mandate, high importance is attached to return operations and EUR 63 million had been assigned to that in its 2016 budget. However, EUR 23 million were repaid to the EU budget since fewer return operations were carried out than envisaged. The significant delay of the procurement procedure for a EUR 50 million framework contract to charter aircraft and related services for Frontex return operations contributed to this situation and continues to affect the number of return operations arranged by the Agency. While the launch of this procurement procedure was planned for March 2016, it had not been started by the year end;
- **staffing policy:** by the end of 2016 only 197 of 275 posts in the 2016 establishment plan were filled, mainly due to the fact that 50 new posts were only established in October 2016 and recruitment still has to be completed. The Agency traditionally experiences difficulties in finding staff with the required profile. Following the extension of its mandate, the Agency's staff will more than double from 365 in 2016 to 1 000 in 2020. This increase was not based on a thorough estimation of needs. The planned increase in staff will

require additional office space. The Agency is analysing options to address the needs, together with the Commission and the host country.

The Agency's replies:

- budgetary management: the Agency stated that it drastically beefed up the number of joint return flights: 232 in 2016 compared to 66 in 2015 and 39 in 2014. In 2016 this represented 10 700 people returned to third countries, plus one thousand transported by the Agency from the Greek islands to Turkey after the EU/Turkey statement of March 2016. Despite of this unprecedented surge in return services provided by the Agency, only EUR 40 million could be used out of the EUR 63 million assigned to this activity in the 2016 budget. The remaining EUR 23 million could not be used mainly because the Framework Contract for chartering aircrafts and related services for return operations faced delays. Frontex noted that the use of differentiated appropriations implies a considerable change in budget management. Taking into consideration the changes and challenges the Agency is facing, the pros and cons will be carefully assessed in view of a sound internal control framework;
- staffing policy: the Agency stated that it is in contact with the relevant services of the European Commission to find remedying measures and hopes that the interpretation of the Staff Regulations can offer some solution to the existing detrimental situation. The Agency had already addressed at the beginning of 2017 the budgetary authority and received the green light to expand in its current premises in order to accommodate the additional staff numbers. Furthermore, once the Headquarters Agreement will be in force, the Polish government committed to donate a plot of land to the Agency in order to enable it to construct a new building that will remain in the ownership of the Agency.

Lastly, the Court of Auditors report also contained a summary of the Agency's key figures in 2016:

- Budget: EUR 251 million.
- Staff: 365 including officials, temporary and contract staff and seconded national experts.

2016 discharge: European Border and Coast Guard Agency (Frontex)

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet at 31 December 2016 of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States (Frontex), as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2016, accompanied by the Agency's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Executive Director of the Agency in respect of the implementation of the budget for the financial year 2016.

The Council welcomed the Court's opinion that, in all material respects, the Agency's annual accounts present fairly its financial position as at 31 December 2016 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that the underlying transactions for 2016 are legal and regular in all material respects.

The Agency was called on to:

- avoid irregular payments, ensuring compliance with all EU Regulations;
- continue improving its financial programming in order to reduce the level of commitments carried over to the next financial year to the minimum strictly necessary, in line with the budgetary principle of annuality. The Council supported the Court's suggestion to introduce differentiated appropriations;
- avoid any unjustified delays in the launching of procurement procedures, as well as delays in the signature of cooperation agreements that could be detrimental to cooperation with the Agency's partners;
- continue implementing staff retention measures in order to ensure that it will cope with the workforce needed for the extension of its mandate in the following years.

2016 discharge: European Border and Coast Guard Agency (Frontex)

The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency (Frontex) for the financial year 2016.

The committee called on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of the Agency's budget for the financial year 2016.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2016 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Agency's 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](#):

- Agency's financial statements: Members noted that the final budget of the European Border and Coast Guard Agency for the financial year 2016 was EUR 232 757 000, representing an increase of 62.43 % compared to 2015. In response to the migration crisis faced by the Union, the mandate of the Agency was considerably extended in 2016.
- Budget and financial management: Members welcomed that the budget-monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 97.90 %. They noted that under the Agency's extended mandate, high importance is attached to return operations and EUR 63 million had been assigned to that in its 2016 budget. However, EUR 23 million was repaid to the Union budget since fewer return operations were carried out than envisaged. On 22 December 2015, the Commission and the Agency signed a grant agreement amounting to EUR 5.5 million on regional support to protection-sensitive migration management in the Western Balkans and Turkey for a three year period starting on 1 January 2016. However, cooperation agreements with those three partners

which amounted to EUR 3.4 million were only signed between August and November 2016. Members noted from the Agency's reply that in order to document the fact that the legal commitment for all three project partners was made prior to the budgetary commitment, the Agency duly documented this as an exception.

Members also made a series of observations regarding commitments and carry-overs, the prevention and management of conflicts of interests, internal audits and controls.

Lastly, they noted that the Agency sees no financial risks influencing its operations caused by the Brexit.

2016 discharge: European Border and Coast Guard Agency (Frontex)

The European Parliament decided to grant discharge to the Executive Director of the European Border and Coast Guard Agency in regard to the implementation of the Agency's budget for the 2016 financial year and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2016 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 529 votes to 145 with 13 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](#):

- Agency's financial statements: the final budget of the European Border and Coast Guard Agency for the financial year 2016 was EUR 232 757 000, representing an increase of 62.43 % compared to 2015. In response to the migration crisis faced by the Union, the mandate of the Agency was considerably extended in 2016.
- Budget and financial management: Members welcomed that the budget-monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 97.90 %. They noted that under the Agency's extended mandate, high importance is attached to return operations and EUR 63 million had been assigned to that in its 2016 budget. However, EUR 23 million was repaid to the Union budget since fewer return operations were carried out than envisaged.
- Parliament deplored the significant delay of the procurement procedure for a EUR 50 million framework contract to charter aircraft and related services for the Agency's return operations had not been started by the year end while the launch of this procurement procedure was planned for March 2016. This delay continues to affect the number of return operations arranged by the Agency.
- On 22 December 2015, the Commission and the Agency, as co-beneficiary and coordinator of three other co-beneficiaries - the European Asylum Support Office (EASO), the International Organisation for Migration (IOM) and the United Nations High Commissioner for Refugees (UNHCR) - signed a grant agreement amounting to EUR 5.5 million on regional support to protection-sensitive migration management in the Western Balkans and Turkey for a three year period starting on 1 January 2016. However, cooperation agreements with these three partners which amounted to EUR 3.4 million were only signed between August and November 2016. Members noted from the Agency's reply that in order to document the fact that the legal commitment for all three project partners was made prior to the budgetary commitment, the Agency duly documented this as an exception.

The resolution indicated that, in 2017, the Agency is revising its entire financial scheme aiming at simplifications, switching from grants to service contracts and introducing flat rates. Parliament called on the Agency to report to the discharge authority on the implementation of the new scheme and the results achieved.

Members also made a series of observations regarding commitments and carry-overs, the prevention and management of conflicts of interests, internal audits and controls.

The Agency's staff will more than double from 365 in 2016 to 1 000 in 2020 following the extension of its mandate. However, the Agency traditionally experiences difficulties in finding staff with the required profile, partly because of the salary correction coefficient (66.7%). Parliament called on the Agency to reflect on possible mitigating measures and that it reports on its reflections to the discharge authority. It also calls on the Agency to provide the discharge authority with an answer as to whether meetings with lobbyists had been registered and made public.

Lastly, they noted that the Agency sees no financial risks influencing its operations caused by the Brexit.

2016 discharge: European Border and Coast Guard Agency (Frontex)

PURPOSE: to grant discharge to the European Border and Coast Guard Agency (Frontex) for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1430 of the European Parliament on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency (Frontex) for the financial year 2016

CONTENT: the European Parliament decided to grant discharge to the executive director of the European Border and Coast Guard Agency in respect of the implementation of the Agency's budget for the financial year 2016.

This decision is accompanied by a resolution of the European Parliament containing the observations which form an integral part of the discharge decision in respect of the implementation of the general budget of the European Union for the financial year 2016 (please refer to the summary dated 18.4.2018).

In this resolution, Parliament noted with concern the number of outstanding issues and corrective measures in response to the Courts' comments in 2013, 2014 and 2015. These issues related to the headquarters agreement, ex-ante and ex-post verifications of expenditure claimed by cooperating countries under grant agreements, the need to refine the calculation of contributions from Schengen-associated countries, the recovery of irregular payments from the Icelandic coast guard and the risk of double funding by the Internal Security Fund. It called on the Agency to complete corrective actions as soon as possible in 2018 and report on their implementation to the discharge authority.

Parliament acknowledged the fact that the Regulation on the European Border and Coast Guard Agency opened up new possibilities for cooperation with other Agencies in relation to the coastguard function, resulting in a trilateral working arrangement between Frontex, the

European Fisheries Control Agency (EFCA) and the European Maritime Safety Agency (EMSA). Furthermore, a cooperation agreement with Europol was tested throughout 2016.

As regards internal controls, since the substantive increase in the Agency's budget allocation (financial and human resources) and the expansion of the tasks and responsibilities that are assigned to it, the internal control system requires further improvements in 2017.