

**RESOLUTION OF THE EUROPEAN PARLIAMENT****of 10 May 2012****with the observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Community Fisheries Control Agency for the financial year 2010**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2010,
  - having regard to the Court of Auditors' report on the annual accounts of the Community Fisheries Control Agency for the financial year 2010, together with the Agency's replies <sup>(1)</sup>,
  - having regard to the Council's recommendation of 21 February 2012 (06083/2012 – C7-0051/2012),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities <sup>(2)</sup>, and in particular Article 185 thereof,
  - having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency <sup>(3)</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>(4)</sup>, and in particular Article 94 thereof,
  - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A7-0130/2012),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Community Fisheries Control Agency ('the Agency') for the financial year 2010 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 10 May 2011 Parliament granted the Executive Director of the Agency discharge for implementation of its budget for the financial year 2009 <sup>(5)</sup>, and in its resolution accompanying the discharge decision, *inter alia*:
- urged the Agency to improve its Annual Work Programme by including specific measurable objectives both at policy area level and at operational level, establishing SMART indicators,
  - urged the Executive Director to fully fulfil his obligations to include in his report to the discharge authority summarising the Internal Audit Service (IAS) report, all the recommendations made and all actions taken on those recommendations,
  - called on the Agency to review its Internal Control System (ICS), to underpin its Executive Director's annual declaration of assurance and to review all its procedures, both administrative and operational, with subsequent documentation of the workflow and key control,
- C. whereas the overall budget for the Agency for the year 2010 was EUR 11 000 000 compared with EUR 10 100 000 in 2009, which represents an increase of 8,9 %,
- D. whereas the initial contribution of the Union to the budget of the Agency for 2010 was EUR 7 695 223, which represents an increase of 34,9 % compared with its initial contribution in 2009 <sup>(6)</sup>,

<sup>(1)</sup> OJ C 366, 15.12.2011, p. 1.

<sup>(2)</sup> OJ L 248, 16.9.2002, p. 1.

<sup>(3)</sup> OJ L 128, 21.5.2005, p. 1.

<sup>(4)</sup> OJ L 357, 31.12.2002, p. 72.

<sup>(5)</sup> OJ L 250, 27.9.2011, p. 135.

<sup>(6)</sup> OJ L 64, 12.3.2010, p. 837.

**Budgetary and financial management**

1. Recalls that the initial contribution of the Union to the budget of the Agency for 2010 amounted to EUR 7 695 223; notes however that EUR 714 777, coming from the recovery of surplus, was added to that amount which, as a result, makes a total Union contribution of EUR 8 410 000;
2. Notes from its final annual accounts for the financial year 2010 that the Agency committed 98,3 % of the contribution granted and paid out 85,6 % of the available payment appropriations (excluding expenditure from the other sources of revenue); welcomes the fact that the Agency provided the discharge authority in its Annual Activity Report (AAR) for 2010 with data showing its overall budget execution rate in terms of commitments and payments;
3. Acknowledges, in addition, from the IAS report that for the financial year 2010 the Agency's automatic carry forward to 2011 amounted to EUR 1 160 393 (commitments RAL) and EUR 629 517,41 (payment credit), and that the Agency's non-automatic carry-overs amounted to EUR 530 875,59; encourages the Court of Auditors to mention information on carry-overs in its report on the annual accounts of the Agency for the financial year 2011;
4. Urges the Agency to respect the principle of annuality; notes in particular that some of the Agency's 2010 budget commitments related to expenditure for 2011 projects; regrets that the Court of Auditors' report on the annual accounts of the Agency for 2010 was not able to provide the discharge authority with further details on the matter;

**Accounting system**

5. Observes from its final annual accounts for the financial year 2010 that the budget accounts of the Agency are managed by the ABAC system and the general accounts are maintained by the SAP system, which has a direct interface with the General Accounting System of the Commission;
6. Urges the Agency, nevertheless, to align the ABAC access rights for the Authorising Officers by Delegation (AODs) with the Delegation Decision;
7. Notes, in addition, that the Agency undertook a revision exercise of all its circulation sheets, templates and forms used in procedures looking for areas of improvement and avoiding redundancies;

**Procurement procedures**

8. Calls on the Agency to take the necessary measures to ensure that procurement documents are duly signed and dated; notes that the Court of Auditors noted weaknesses in this respect;

**Human resources**

9. Encourages the Agency to increase transparency in its recruitment procedures; notes that the Court of Auditors stated weaknesses in this respect; acknowledges in particular that with regard to staff selection procedures, neither the thresholds that candidates had to meet in order to be invited to the selection interview nor those necessary to be put on the reserve list were fixed in advance;
10. Notes from the Agency's AAR that 10 of 11 Temporary Agent (TA) vacancies have been filled, resulting in 98 % occupancy of the posts envisaged by the establishment plan 2010 (52 of 53 TA posts);
11. Acknowledges from the AAR that turnover of staff has been confined to the departure of 2 Contract Agents and retirement of 1 TA;
12. Expresses its satisfaction that the Court of Auditors has declared the transactions underlying the annual accounts of the Agency for the financial year 2010 to be, in all material respects, legal and regular;

**Performance**

13. Notes that the Agency adopted its multiannual work programme for 2011-2015 on 19 October 2010; stresses the importance of such a document to enable the Agency to make effective organisational arrangements to implement its strategy and achieve its goals;

14. Calls again on the Agency to develop a Gantt diagram in the programming for each of its operational activities, with a view to indicating in concise form the amount of time spent by each staff member on a project and encouraging an approach geared towards achieving results; recognises, none the less, that the Agency provided the discharge authority with a chart displaying the required information;
15. Welcomes the initiative of the Agency's Internal Audit Capability (IAC) which developed an internal training course and has provided the necessary training related to Ethics and Integrity at the Agency; particularly welcomes the fact that this training is obligatory for all staff to ensure awareness of ethical and organisational values, in particular ethical conduct, avoidance of conflicts of interest, fraud prevention and reporting of irregularities;
16. Underlines the importance of the Agency's tasks and welcomes its efficient and effective performance, which its Committee on Fisheries was able to observe during its visit to the Agency in June 2010 and will inspect again at its next visit in 2012;

#### **Internal audit**

17. Welcomes the Agency's initiative for having set up in 2008 an Internal Audit function (the above mentioned IAC) dedicated to providing support and advice to the Executive Director and management of internal control, risk assessment and internal audit; notes that the Agency does not employ a full-time IAC but shares this service with the European Maritime Safety Agency (EMSA) in Lisbon; acknowledges, to this end, that a service level agreement between the Agency and EMSA was signed on 17 June 2008;
18. Notes from the Agency's AAR that the IAS, in line with the 2010-2012 Strategic Plan, carried out an audit of the budget execution process as well as an IT risk assessment exercise;
19. Acknowledges that in 2010 the IAS performed an audit of budget execution in order to assess whether the ICS provided reasonable assurance regarding compliance with the legal basis, the effectiveness and efficiency of the processes and the reliability of the information that supports management monitoring;
20. Calls on the Agency to take the necessary measures on the following issues:
  - ABAC access rights for the AODs,
  - payment delays,
  - policy for exceptions handling and the setting up of a central Register of Exceptions,notes that the two very important recommendations of the IAS, namely the adaptation of ABAC access rights for the AODs, and the establishment and implementation of a policy for exceptions handling and a central Register of Exceptions, have been reported as implemented by the Agency and are currently under the IAS review; calls, nevertheless, on the Agency to inform the discharge authority of the actions taken and the results achieved;
21. Calls on the Agency to take immediate action on the items below and to inform the discharge authority on the actions taken:
  - implement a risk management system,
  - introduce regular reviews of the ICS;
22. Draws attention to its recommendations from previous discharge reports, as set out in the Annex to this resolution;
23. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2012 <sup>(7)</sup> on the performance, financial management and control of the agencies.

---

<sup>(7)</sup> Texts adopted, P7\_TA(2012)0164 (see page 388 of this Official Journal).

## EUROPEAN PARLIAMENT RECOMMENDATIONS OVER THE PAST YEARS

Community Fisheries Control Agency (set up in 2007)	2007	2008	2009
Performance	n.a.	<ul style="list-style-type: none"> <li>— Calls on the Agency to set out a diachronic analysis of operations carried out in this and the previous years</li> <li>— Calls further on the Agency to consider making a Gantt diagram part of the programming for each of its operational activities</li> <li>— Calls on the Agency to draw up a multiannual work programme</li> </ul>	<ul style="list-style-type: none"> <li>— Calls on the Agency to set out a comparison of the operations that were carried out during the year for which the discharge is to be granted and during the previous financial year so as to enable the discharge authority to assess more effectively the Agency's performance from one year to the next</li> <li>— Urges the Agency to improve its annual work programme by including specific measurable objectives both at policy area level and at operational level, establishing SMART indicators</li> <li>— Calls on the Agency to develop key performance indicators within the administrative support functions</li> <li>— Calls on the Agency to consider making a Gantt diagram part of the programme for each of its operational activities</li> </ul>
Budgetary and financial management	The internal control procedures required by Article 38 of the Financial Regulation to ensure transparency and sound financial management have not yet been documented → no control standards and no procurement procedures	The Agency does not strictly observe the principle of specification: need for the Agency to remedy the shortcomings in the programming of its activities; contrary to the Financial Regulation, some legal commitments (EUR 1 400 000) were entered into before the corresponding budgetary commitments had been made	n.a.
Human resources	n.a.	Calls on the Agency to improve monitoring of the implementation of the budget, especially in the human resources field	Calls on the Agency to redress its weaknesses in recruitment planning
Internal audit	n.a.	Calls on the Agency to fulfil 15 recommendations made by the Internal Audit Service related to develop a set of indicators covering all activities of the Agency, the internal organisation and procedural structure supporting the management assurance, the human resources management and the need for internal procedures to reduce the Agency's payment delays	<ul style="list-style-type: none"> <li>— Calls on the Agency to inform the discharge Authority of the recommendations made by the IAC and the action taken by the Agency</li> <li>— Urges the Executive Director of the Agency to fully fulfil his obligation to include in his report to the discharge authority summarising the IAS report, all recommendations made and all actions taken on these recommendations</li> <li>— Calls on the Agency to review its Internal Control System to underpin its Executive Directors annual declaration of assurance and to review all its procedures, both administrative and operational, with subsequent documentation of the workflow and key control</li> <li>— Encourages the Agency to establish a risk management function for registering risks and creating plans for mitigating costs</li> </ul>