

ЕВРОПЕЙСКА СМЕТНА ПАЛАТА  
TRIBUNAL DE CUENTAS EUROPEO  
EVROPSKÝ ÚČETNÍ DVŮR  
DEN EUROPÆISKE REVISIONSRET  
EUROPÄISCHER RECHNUNGSHOF  
EUROOPA KONTROLLIKODA  
ΕΥΡΩΠΑΪΚΟ ΕΛΕΓΚΤΙΚΟ ΣΥΝΕΔΡΙΟ  
EUROPEAN COURT OF AUDITORS  
COUR DES COMPTES EUROPÉENNE  
CÚIRT INIÚCHÓIRÍ NA HEORPA



CORTE DEI CONTI EUROPEA  
EIROPAS REVĪZIJAS PALĀTA  
EUROPOS AUDITO RŪMAI

EURÓPAI SZÁMVEVŐSZÉK  
IL-QORTI EWROPEA TAL-AWDITURI  
EUROPESE REKENKAMER  
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EUROOPAN TILINTARKASTUSTUOMIOISTUIN  
EUROPEISKA REVISIONSRÄTTEN

Report on the annual accounts of  
the Community Fisheries Control Agency  
for the financial year 2010

together with the Agency's replies

## INTRODUCTION

1. The Community Fisheries Control Agency (hereinafter "the Agency"), which is located in Vigo, was created by Council Regulation (EC) No 768/2005<sup>1</sup> of 26 April 2005. The Agency's main task is to organise the operational coordination of fisheries control and inspection activities by the Member States in order to ensure effective and uniform application of the rules of the Common Fisheries Policy.<sup>2</sup>
2. The Agency's 2010 budget amounted to 11 million euro, compared with 10,1 million euro the previous year. The number of staff employed by the Agency at the end of the year was 54 as compared with 49 the previous year.

## STATEMENT OF ASSURANCE

3. Pursuant to the provisions of Article 287(1), second subparagraph, of the Treaty on the Functioning of the European Union, the Court has audited the annual accounts<sup>3</sup> of the Agency, which comprise the "financial statements"<sup>4</sup> and the "reports on the implementation of the budget"<sup>5</sup> for the financial year ended 31 December 2010, and the legality and regularity of the transactions underlying those accounts.

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

<sup>2</sup> The *Annex* summarises the Agency's competences and activities. It is presented for information purposes.

<sup>3</sup> These accounts are accompanied by a report on the budgetary and financial management during the year which gives *inter alia* an account of the rate of implementation of the appropriations, with summary information on the transfers of appropriations among the various budget items.

<sup>4</sup> The financial statements include the balance sheet and the economic outturn account, the cash-flow table, the statement of changes in capital and the annex to the financial statements, which includes a description of the main accounting policies and other explanatory information.

<sup>5</sup> The budget implementation reports comprise the budget outturn account and its annex.

4. This Statement of Assurance is addressed to the European Parliament and the Council in accordance with Article 185(2) of Council Regulation (EC, Euratom) No 1605/2002<sup>6</sup>.

#### The Director's responsibility

5. As authorising officer, the Director implements the revenue and expenditure of the budget in accordance with the financial rules of the Agency, under his own responsibility and within the limits of the authorised appropriations<sup>7</sup>. The Director is responsible for putting in place<sup>8</sup> the organisational structure and the internal management and control systems and procedures relevant for drawing up final accounts<sup>9</sup> that are free from material misstatement, whether due to fraud or error, and for ensuring that the transactions underlying those accounts are legal and regular.

#### The Court's responsibility

6. The Court's responsibility is to provide, on the basis of its audit, a statement of assurance as to the reliability of the annual accounts of the Agency and the legality and regularity of the transactions underlying them.

7. The Court conducted its audit in accordance with the IFAC and ISSAI<sup>10</sup> International Auditing Standards and Codes of Ethics. Those standards require

<sup>6</sup> OJ L 248, 16.9.2002, p. 1.

<sup>7</sup> Article 33 of Commission Regulation (EC, Euratom) No 2343/2002 (OJ L 357, 31.12.2002, p. 80).

<sup>8</sup> Article 38 of Regulation (EC, Euratom) No 2343/2002.

<sup>9</sup> The rules concerning the presentation of the accounts and accounting by the Agencies are laid down in Chapter 1 of Title VII of Regulation (EC, Euratom) No 2343/2002, as last amended by Regulation (EC, Euratom) No 652/2008 (OJ L 181, 10.7.2008, p. 23), and are integrated as such in the Financial Regulation of the Agency.

<sup>10</sup> International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

the Court to comply with ethical requirements and to plan and perform the audit so as to obtain reasonable assurance as to whether the accounts are free of material misstatement and whether the underlying transactions are legal and regular.

8. The Court's audit involves performing procedures to obtain audit evidence of the amounts and disclosures in the accounts and of the legality and regularity of the transactions underlying them. The procedures selected, including its assessment of the risks of material misstatement of the accounts or of illegal or irregular transactions, whether due to fraud or error, depend on its audit judgement. In making those risk assessments, internal controls relevant to the entity's preparation and presentation of accounts are considered in order to design audit procedures that are appropriate in the circumstances. The Court's audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the accounts.

9. The Court believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinions set out below.

***Opinion on the reliability of the accounts***

10. In the Court's opinion, the Agency's Annual Accounts<sup>11</sup> fairly present, in all material respects, its financial position as of 31 December 2010 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

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<sup>11</sup> The Final Annual Accounts were drawn up on 30 June 2011 and received by the Court on 7 July 2011. The Final Annual Accounts, consolidated with those of the Commission, are published in the Official Journal of the European Union by 15 November of the following year. These can be found on the following website <http://eca.europa.eu> or <http://cfca.europa.eu/>.

***Opinion on the legality and the regularity of the transactions underlying the accounts***

11. In the Court's opinion, the transactions underlying the annual accounts of the Agency for the financial year ended 31 December 2010 are, in all material respects, legal and regular.

12. The comments which follow do not call the Court's opinions into question.

**COMMENTS ON THE BUDGETARY AND FINANCIAL MANAGEMENT**

13. Some of the Agency's 2010 budget commitments related to expenditure for 2011 projects, contrary to the budgetary principle of annuality.

14. Weaknesses were noted in the Agency's procedures for ensuring that procurement documents are duly signed and dated.

**OTHER MATTERS**

15. With regard to staff selection procedures, neither the thresholds that candidates had to meet in order to be invited to the interview nor those necessary to be put on the reserve list were fixed in advance. These practices put at risk the transparency of the recruitment procedures.

This Report was adopted by Chamber IV, headed by Mr Igors LUDBORŽS, Member of the Court of Auditors, in Luxembourg at its meeting of 6 September 2011.

*For the Court of Auditors*

Vitor Manuel da SILVA CALDEIRA

President



**Community Fisheries Control Agency (Vigo)****Competences and activities**

<p><b>Areas of Union competence deriving from the Treaty</b></p> <p><i>(Article 38 of the Treaty on the Functioning of the European Union)</i></p>	<p>Article 28 of Council Regulation (EC) No 2371/2002 on the conservation and sustainable exploitation of fishery resources under the common fisheries policy requires Member States to ensure effective control, inspection and enforcement of the rules of the common fisheries policy and to cooperate with each other and with third countries to this end.</p> <p>Council Regulation (EC) No 768/2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the Common Fisheries Policy</p>
<p><b>Competences of the Agency</b></p> <p><i>(Council Regulation (EC) No 768/2005)</i></p>	<p><u>Objectives</u></p> <p>The Regulation establishes a Community Fisheries Control Agency, the objective of which is to organise operational coordination of fisheries control and inspection activities by the Member States and to help them cooperate so as to comply with the rules of the Common Fisheries Policy in order to ensure its effective and uniform application.</p> <p><u>Tasks</u></p> <ul style="list-style-type: none"> <li>- To coordinate the control and inspection obligations of the Union,</li> <li>- To coordinate the deployment of the national means of control and inspection pooled by the Member States concerned,</li> <li>- To assist Member States in reporting information on fishing activities and control and inspection activities,</li> <li>- To assist Member States in fulfilling their tasks and obligations under the rules of the common fisheries policy,</li> <li>- To assist Member States and the Commission in harmonising the application of the common fisheries policy throughout the Union,</li> <li>- To contribute to the work of Member States and the Commission on research into and development of control and inspection techniques,</li> <li>- To contribute to the coordination of inspector training and the exchange of experience between Member States,</li> <li>- (viii) To coordinate operations to combat illegal, unreported and unregulated fishing, in conformity with Union rules.</li> </ul>
<p><b>Governance</b></p>	<p><u>1 - Administrative Board</u></p> <p>Comprises one representative from each Member State and six representatives of the Commission.</p> <p><u>2 - Executive Director</u></p> <p>Appointed by the Administrative Board from a list of at least two candidates proposed by the Commission.</p> <p><u>3 - External audit</u></p> <p>Court of Auditors.</p> <p><u>4 - Discharge authority</u></p> <p>Parliament acting on a recommendation from the Council.</p>
<p><b>Resources made available to the Agency in 2010 (2009)</b></p>	<p><u>Final Budget</u></p> <p>11,0 million euro (10,1 million euro)</p> <p><u>Staff as at 31 December 2010</u></p>

	<p>53 (55) Temporary staff provided for in the establishment plan, of which occupied: 52 (44)</p> <p>+ 2 (5) Contract staff</p> <p>Total staff: 54 (49)</p>
<p>Products and services in 2010</p>	<p><u>Operational Coordination</u></p> <ul style="list-style-type: none"> <li>- Implementation of JDP (Joint Deployment Plan) Cod fishery in the North Sea, Skagerrak, Kattegat and the Eastern Channel and Western Waters (West of Scotland and the Irish Sea);</li> <li>- JDP cod fishery in the Baltic Sea;</li> <li>- JDP Bluefin tuna fishery in the Mediterranean Sea and Eastern Atlantic;</li> <li>- Implementation of JDP in Northwest Atlantic Fisheries organisation area and North East Atlantic Fisheries Organisation area;</li> <li>- Support activities to fight illegal, unreported and unregulated fisheries;</li> <li>- Consolidation of the JDPs through promoting a regional approach;</li> <li>- Training of Member State (MS) inspectors participating in JDPs.</li> </ul> <p><u>Capacity Building</u></p> <ul style="list-style-type: none"> <li>- Mapping of MS training programmes for national fisheries inspectors;</li> <li>- Compiling of an indicative content proposal for the Core Curriculum for training;</li> <li>- Development of a web-based collaboration platform for training;</li> <li>- Assistance to the Member States' national training programmes;</li> <li>- Operation and maintenance of Vessel Monitoring System;</li> <li>- Setting-up of the CFCA's coordination room for the JDPs.</li> </ul>

Source: Information supplied by the Agency.





## THE AGENCY'S REPLY

13. In order to organise operational meetings and missions planned in advance for the first quarter of 2011 the Agency committed in 2010 budget. The Agency takes note of the comment of the Court and will take measures to prevent similar circumstances in the future.

14. The CFCA takes note of the comments of the Court and has reinforced awareness of all the actors involved on the obligation of dating and signing properly all relevant documents.

### Other matters

15. The Agency has adjusted the templates for the selection procedures and establishes a default threshold from the beginning, which can be used by the selection committee in order to ensure transparency.