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EUROPEAN COURT OF AUDITORS
COUR DES COMPTES EUROPÉENNE
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Report on the annual accounts
of the Community Fisheries Control Agency
for the financial year 2009

together with the Agency's replies

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INTRODUCTION

1. The Community Fisheries Control Agency (hereinafter "the Agency"), located in Vigo, was created by Council Regulation (EC) No 768/2005¹ 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.²
2. The Agency's 2009 budget amounted to 10,1 million euro, compared with 8,5 million euro the previous year. The number of staff employed by the Agency at the end of the year was 49 as compared with 47 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 accounts³ of the Agency, which comprise the "financial statements"⁴ and the "reports on implementation of the budget"⁵ for the financial year ended 31 December 2009 and the legality and regularity of the transactions underlying those accounts.

¹ OJ L 128, 21.5.2005, p. 1.

² The **Table** summarises the Agency's competences and activities. It is presented for information purposes.

³ 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 transfers of appropriations among the various budget items.

⁴ 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.

⁵ 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 1605/2002⁶.

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 authorised appropriations⁷. The Director is responsible for putting in place⁸ the organisational structure and the internal management and control systems and procedures relevant for drawing up final accounts⁹ 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 ISSAI¹⁰ International Auditing Standards and Codes of Ethics. Those standards require

⁶ OJ L 248, 16.9.2002, p. 1.

⁷ Article 33 of Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 (OJ L 357, 31.12.2002, p. 80).

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

⁹ 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 of 9 July 2008 (OJ L 181, 10.7.2008, p. 23) and are integrated as such into the Agency's Financial Regulation.

¹⁰ International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

that the Court complies with ethical requirements and plans and performs the audit to obtain reasonable assurance about whether the accounts are free from material misstatement and whether the underlying transactions are legal and regular.

8. The Court's audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts and about the legality and regularity of the transactions underlying them. The procedures selected depend on its audit judgement including the assessment of the risks of material misstatement of the accounts or of illegal or irregular transactions, whether due to fraud or error. In making those risk assessments internal control relevant to the entity's preparation and presentation of accounts is considered in order to design audit procedures that are appropriate in the circumstances. The Court's audit also includes evaluating the appropriateness of accounting policies used and, the reasonableness of 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 Accounts¹¹ fairly present, in all material respects, its financial position as of 31 December 2009 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

¹¹ The Final Annual Accounts were drawn up on 1 July 2010 and received by the Court on 2 July 2010. 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 Agency's annual accounts for the financial year ended 31 December 2009 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. In its report concerning the 2008 financial year, the Court observed shortcomings in the Agency's 2008 work programme and the related activity-based management issues.¹² The Agency's 2009 work programme lacked specific and measurable objectives, both at policy area level and at operational activity level. For each policy area several operational activities, outputs and indicators were listed but no clear link was established between them and indicators were often neither relevant nor measurable. Moreover, for each policy area, only the direct financial and human resources were allocated. Consequently, the activity-based management approach for the 2009 budget was not fully implemented.

14. The 2009 establishment plan provided for 55 temporary posts. At December 2009 only 44 of these posts (80 %) had been filled. Compared to December 2008 the backlog for filling temporary posts increased from nine to eleven. This situation indicated weaknesses in recruitment planning.

¹² OJ C 304, 15.12.2009, p. 3.

This Report was adopted by Chamber IV, headed by Mr Igors LUDBORŽS,
Member of the Court of Auditors, in Luxembourg at its meeting of
12 October 2010.

For the Court of Auditors

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Vítor Manuel da SILVA CALDEIRA

President



Table - Community Fisheries Control Agency (Vigo)

Areas of Union competence deriving from the Treaty	Competences of the Agency (Council Regulation (EC) No 768/2005)		Governance	Resources made available to the Agency in 2009	Products and services 2009
<p>Art. 38 of the Treaty on the Functioning of the European Union.</p> <p>Art. 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 (EC) No 2847/93 establishing a control system applicable to the Common Fisheries Policy.</p>	<p>Objectives</p> <p>The Regulation establishes a Community Fisheries Control Agency, the objective of which is to organize 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>Tasks</p> <p>(i) To coordinate the control and inspection obligations of the Union,</p> <p>(ii) To coordinate the deployment of the national means of control and inspection pooled by the Member States concerned,</p> <p>(iii) To assist Member States in reporting information on fishing activities and control and inspection activities,</p> <p>(iv) To assist Member States to fulfil their tasks and obligations under the rules of the common fisheries policy,</p> <p>(v) To assist Member States and the Commission in harmonising the application of the common fisheries policy throughout the Union,</p> <p>(vi) To contribute to the work of Member States and the Commission on research into and development of control and inspection techniques,</p> <p>(vii) To contribute to the coordination of inspector training and the exchange of experience between Member States,</p> <p>(viii) To coordinate operations to combat illegal, unreported and unregulated fishing, in conformity with Union rules.</p>	<p>1 - Administrative Board</p> <p>Comprises one representative from each Member State and six representatives of the Commission.</p> <p>2 - Executive Director</p> <p>Appointed by the Administrative Board from a list of at least two candidates proposed by the Commission.</p> <p>3 - External audit</p> <p>Court of Auditors.</p> <p>4 - Discharge authority</p> <p>Parliament acting on a recommendation from the Council.</p>	<p>Budget</p> <p>Title I – 5,6 million euro</p> <p>Title II – 1,4 million euro</p> <p>Title III – 3,1 million euro</p> <p>Staff at 31 December 2009</p> <p>Employed staff 49.</p>	<p>Operational Activities</p> <ul style="list-style-type: none"> - JDP (Joint Deployment Plan) Cod fishery in the North Sea, Skagerrak, Kattegat and the Eastern Channel. - JDP in the North Western Waters (West of Scotland and the Irish Sea). - JDP in the Baltic Sea. - JDP Bluefin tuna fishery in the Mediterranean Sea and Eastern Atlantic. - JDP in Northwest Atlantic Fisheries organization area. - JDP in North East Atlantic Fisheries Organization area. - Support activities to fight illegal unreported and unregulated fisheries. - Consolidation of the JDPs. <p>Capacity Building</p> <ul style="list-style-type: none"> - Draft of evaluation reports. - Establishment of protocols for data access and exchange. - Organisation of training sessions and development of a Common Core Curriculum. - Setting up of the Fishnet) network to speed up communication with the customer, to ensure transparency and to facilitate secure data exchange. - Strengthening of the capabilities of the Union and the Member States.

Source: Information supplied by the Agency.

THE AGENCY'S REPLIES

13. The Agency is continuously developing and fine-tuning outputs and relevant performance indicators for each policy area. The Agency's Annual report 2009 presents a table with the deliverable of activities and the performance indicators evaluation and the Work Programme 2010 includes more specific performance indicators for most activities.

At the same time the ABC (Activity based costing) will be further developed and implemented to allow allocation of administrative overhead costs over the different policy areas.

14. The rate of occupation of posts in the establishment plan in 2009 was made in line with budget availability for salaries and other staff costs (96.5% execution in chapter 11). Most of these posts have been occupied in early 2010 as planned in line with the budget and currently 52 of the 53 posts from the 2010 establishment plan (amended in early 2009 from 55 to 53) are occupied.

