2006 discharge: European Union Agency for Fundamental Rights (formerly European Monitoring Centre for Racism and Xenophobia)

2007/2049(DEC) - 15/11/2007

PURPOSE: to present the report of the Court of Auditors on the 2006 accounts of the European Union Fundamental Rights Agency (formerly the European Monitoring Centre on Racism and Xenophobia).

CONTENT: the report notes that the appropriations entered in the Agency's budget for the financial year in question, amount to **EUR 9.284 million**, of which EUR 8.686 million was committed and EUR 7.325 million paid. Out of this general amount, EUR 1.52 million was carried over to 2007 and EUR 439 000 was cancelled.

The Court notes that the accounts for the financial year are reliable in all material aspects and that the underlying transactions of the Agency's accounts are, on the whole, legal and regular.

Analysis of the accounts by the Court: the Court notes that the Agency transferred EUR 235 000 from Title III (operational reserve) to Title I (staff expenditure) to cover increased costs for temporary staff. **The justification for this transfer was not documented**, contrary to the rules set out by the Agency's Financial Regulation. In addition, in 2006, the Agency decided to bear in their entirety the costs of providing schooling for its staff's children. Payments were made although the decision had not been adopted by the Management Board and no formal agreements had been signed with suitable local schools (total amount in question: EUR 31 340).

The Court also notes that in May 2006, the Director approved procedures governing the recruitment of staff for the Agency. However, on several points, these procedures were not in line with the rules and objectives of the Staff Regulations, including non respect of the principle of parity in the composition of the selection board, establishment of the reserve list in alphabetical order and no effective possibility to appeal given to rejected candidates during the preliminary evaluation phase.

In one **procurement** procedure for a framework contract (value = EUR 400 000/4 years), the Agency received two tenders. One was rejected by the opening committee on the basis that its reception was late whereas it was not. The contract was awarded to the second tender received, even though it obtained a very low score for the quality evaluation.

The Agency's replies: the Agency considers the criticisms point by point and notes that the amounts transferred were intended as a reserve with a general purpose. It also notes that it will devote particular efforts to provide more complete justification and documentation of transfers made in future. The Agency also indicates that it will proceed with the signature of agreements with suitable local schools and that the decision shall be submitted to the Management Board. It also specifies that it will adopt new implementing rules of the Staff Regulations on recruitment, to take into account the Court's observations.

Finally, the Court notes that it will take measures to avoid the repetition of the situation described by the Court concerning procurement.