2006 discharge: European Judicial Cooperation Unit Eurojust

2007/2055(DEC) - 15/11/2007

PURPOSE: presentation of the report by the Court of Auditors on the 2006 annual accounts of EUROJUST.

CONTENT: the report indicates that the appropriations entered in the EUROJUST budget for the financial year in question are **EUR 14.7 million**, EUR 14.086 million was committed and EUR 11.566 million paid. Of this overall amount, EUR 2.591 million was carried over to 2007 and EUR 543 000 was cancelled.

The Court notes that the annual accounts are reliable in all material respects and that the underlying transactions of EUROJUST's accounts, taken as a whole, are legal and regular.

Analysis of the accounts by the Court: in its report, the Court notes that the commitment rate for appropriations entered in the budget for the financial year 2006 was 96%. The carryover rate was 33% for administrative expenses (Title II of the budget) and 30% for operational expenditure (Title III). In addition, the management of the budget showed a high number of transfers of appropriations between budget lines and, in many cases, the supporting documentation lacked sufficient detail. Thus, the budgetary principles of **annuality** and **specification** were not strictly observed, according to the Court.

The Court indicates, moreover, that the rules for procurement were not strictly implemented. Also, four framework contracts were concluded for a maximum duration of more than four years. For the procurement of courier services (value of the contracts: more than EUR 100 000) no appropriate procedure had been implemented at the time of the audit (November 2006).

For translation services, a bureau was instructed to use translators chosen by EUROJUST rather than its own staff. This situation was not in line with the **competition principle**, according to the Court, and it resulted in a price increase of EUR 45 000 compared to contractual tariffs.

Finally, the data concerning fixed assets was compiled using a spreadsheet and other software tools, which does not guarantee the integrity of the data recorded. The Court indicates that a fixed assets register, which includes all assets and their values and is used to monitor the evolution of EUROJUST's property, was not established.

EUROJUST's replies: EUROJUSTreplies to all of the criticisms one by one and indicates that for Title II, the level of carryover is mostly due to a project managed by the host State and its very late start date in the year. For Title III, EUROJUST indicates that it has reduced the rate since 2005 (from 33% to 30%). It has reviewed its budget transfer policy with a view to lowering the number and volume of transfers and improving their documentation.

Moreover, EUROJUST indicates that it has adopted appropriate measures to replace framework contracts within their fourth year at the latest, and launched an open procurement procedure for courier services to replace the previous contract.

Regarding translation, EUROJUST indicates that the translation of its Annual Report entails very strict constraints, as regards both timetable and quality requirements. Unfortunately, no supplier with whom EUROJUST has had a contract was able to provide the quality of service required within the necessary

timeframe, which explains the situation described by the Court. Nevertheless, EUROJUST has taken the comment of the Court into account and is preparing a new procurement procedure to be launched before the end of 2007.

Lastly, EUROJUST indicates that it is working to resolve the problem of the accounting date of inventory of fixed assets, raised by the Court, by the end of 2007.

By this date, the ABAC Assets system will have been implemented and a link to the current software used for physical inventory will allow information requested by the financial regulation to be provided.