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

2007/2049(DEC) - 29/01/2008

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Union Fundamental Rights Agency (formerly the European Monitoring Centre on Racism and Xenophobia) for the financial year 2006, as well as on the Court of Auditor's report and the Agency's replies to the Court's observations, the Council recommends that the Parliament grant the Director of the Agency discharge in respect of the implementation of the budget for the 2006 financial year.

In doing so, the Council confirms that EUR 1.36 million (97%) of the appropriations carried over from 2005 to 2006 (EUR 1.41 million) was used, that appropriations carried over from 2006 to 2006 amount to EUR 1.5 million and that EUR 0.4 million was cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that the Agency's annual accounts were, in all material aspects, reliable, the Council believes that there is a certain number of observations that must be taken into consideration when providing the discharge on the implementation of the 2006 budget, particularly regarding the following points:

- **Transfers of appropriations:** the Council notes that a transfer of appropriations from the operational reserve to staff expenditure was not justified or documented, and calls on the Agency to comply in full with the provisions of its Financial Regulation. Furthermore, the Council expresses concern at the reimbursement of the costs for providing schooling to the staff's children, which was granted even though the decision had not been adopted by the Management Board and no formal agreements had been signed with suitable local schools. It therefore invites the Agency to rectify this situation immediately;
- **Recruitment procedure:** the Council notes with concern that the approved procedures governing the recruitment of staff for the Agency are, on several points, not in line with the rules and objectives of the Staff Regulation and encourages it to amend them by taking into consideration the Court's observations;
- **Procurement:** once again, the Council invites the Agency to fully observe the procurement procedure, particularly in terms of the fair and equal handling of tenders.