2002 Discharge: European Centre on Racism and Xenophobia

2003/2243(DEC) - 21/04/2004 - Text adopted by Parliament, single reading

The European Parliament adopted the report by Jan MULDER (ELDR, NL) concerning the granting of discharge to the Director of the European Monitoring Centre on Racism and Xenophobia in respect of the implementation of its budget for the financial year 2002. The Parliament records its comments in the accompanying resolution. Firstly, concerning the implementation of the budget, Parliament notes the ECA's recommendation that the Monitoring Centre should continue its efforts to reduce carry-overs still further; notes also the Centre's position that the substantial carry-overs in operating appropriations are mainly related to the cycle of contract implementation by the RAXEN network; expects the Centre to improve its planning in this respect. Parliament invites the Centre to further explain its analysis of options offered by the new Financial Regulation, in particular with regard to the contracts relating to the RAXEN network, with a view to reducing carry-overs and ensuring compliance with the annuality principle. It notes the Centre's acknowledgement of the improper carry-over of provisional commitments and its assurance that article 6 of the Centre's Financial Regulation will be properly applied in future. It expects the Centre to comply with the ECA's observations on the timely issuing of recovery orders so as to ensure the effective monitoring of revenue. On the issue of the financial statements, Parliament shows concern over the problem of the balance for the financial year 2002 (a deficit of EUR 1.6 million) and notes the adverse effects which the low level in payment appropriations may have on carrying out the Centre's work programme. It takes the view that the difference between commitment and payment appropriations may not be such as to put at risk the proper implementation of the work programme. Parliament notes that the Community subsidy to the Centre is paid in four instalments and it notes the Centre's remark in its replies to the questionnaire that a situation similar to that of 2002, with a low level of payments and delays in the payment of instalments, was reoccurring in 2003, resulting in a similar cash-flow problem. The Commission and the Centre are invited to improve their co-ordination in order to avoid such problems occurring again. The Commission, for its part, is invited to inform its competent committees about the problem and the measures taken to remedy the situation. As regards the legality and regularity of the underlying transactions, Parliament is deeply concerned over the fact that despite repeated observations by the ECA on persistent internal control problems the desired improvements were still not put in place. It takes the view that the implementation of the new Financial Regulation will help bring about such improvements; invites the Centre to increase its efforts in this regard. It stresses the need for proper evaluation of results before renewal of contracts with the RAXEN national focus points, especially since problems with the network have already in previous years been considered "systematic". The Centre's plans to continuously evaluate the work of the focus points are welcomed and the importance of proper evaluation before new financial obligationsare undertaken. Lastly, the Parliament invites the Centre to make sure that the ECA's recommendations, in particular as regards contract management, are followed up and stresses the need for efficiency in satellite bodies as the relative size of administrative expenditure is high compared with operational expenditure. In parallel, the Parliament has made a series of horizontal points on all of the Agencies' discharges which can be summarised as follows: - Internal audit and control measures : Parliament reiterates the position taken in its resolutions 2003 accompanying the discharge given to the Agencies for 2001 as regards the implementation of the new Financial Regulation and invites the Commission and the Agencies to continue their cooperation, in particular in the areas of accounting, internal audit, management and control procedures, so as to ensure that a coherent harmonised framework for the functioning of the Agencies is established. It recalls that it expressed concern in the discharge resolution for 2001 concerning the lack of controls on the agencies carried out by the internal audit service of the Commission (IAS). Parliament expresses grave concern that such controls do not seem to have been carried out this year. It stresses that it is essential that the Agencies be required to submit to the investigative powers of OLAF under the same conditions as the other institutions. - Financial Management : Parliament invites the Agencies to better explain their analysis and to indicate in particular

which of their activities of a multi-annual nature might be financed by such appropriations. The Commission is invited to present its position on such a solution and, should it consider that this solution is not feasible, to outline alternatives allowing for a substantial reduction in carry-overs. - Review of the agencies : the Parliament states that that, prior to any decision to set up an agency, the Commission must make a rigorous analysis of the need for and added value of the functions that the agency will perform, with an eye to the principles of subsidiarity, budgetary rigour and procedural simplification. Like last year, the Commission is called upon to make a general study of activities currently carried out by various Community bodies that might overlap or serve the same goals, and to propose appropriate solutions, including the possible mergers of agencies. Parliament is concerned by the fact that there is an imbalance between administrative and operational expenditure in many Agencies, with administrative expenditure exceeding expenditure for operational purposes. The Commission and the Agencies are called upon to set targets and a timetable to reduce the level of administrative expenditure as a proportion of total expenditure. The Agencies are encouraged to : - improve cooperation between themselves in order to meet their needs in specific areas (for example, software development) and reduce costs, rather than adopt solutions which were initially designed for the purposes of the Commission but which often prove to be too cumbersome and complicated for the Agencies' specific needs; - organise and develop a close working relationship with the competent parliamentary committees; invites its standing committees with competence in the areas of activity of each of the Agencies to co-ordinate their action with the Committees of Budgets and Budgetary Control, with a view to ensuring efficientmonitoring of the activity of the Agencies. - New sources of financing : Parliament calls on the Commission and the Agencies to come forward with constructive proposals with regard to further development of new sources of additional financing, which would increase the level of self-financing. It welcomes the financial contributions of some Member States and regions to the agencies located on their area and considers it important for Council and the Commission to demand such contributions, especially when new agencies are set up. - Harmonised operating framework : Parliament recalls its that the multitude of different forms in the existing agencies' structures was thought to be "neither transparent nor comprehensible. Therefore, it has invited the Commission to present appropriate proposals, aimed at creating such a harmonised framework for the agencies, prior to or at least in parallel with the presentation of the legislative proposals for the new agencies; insists that an interinstitutional agreement spelling out common guidelines is a pre-condition for creating the harmonised framework. - Staff policy : the Parliament considers that the staff policy of the Agencies should comply with the Financial Regulation, the Staff Regulations and the best practice generally followed by the Institutions. The Parliament recalls the principle that the Agencies should as far as possible employ staff on temporary contracts, in order to maintain flexibility and efficiency. In this respect, it is concerned about the serious anomalies detected in connection with the selection procedures of the European Monitoring Centre for Drugs and Drug Addiction and that selection procedures organised by the Agencies should meet the same standards as those organised by the European Personnel Selection Office (EPSO) and that they should not be perceived as a backdoor for easy entry into the European civil service. Lastly, the Commission is invited to make proposals in order to ensure that the Agencies benefit from appropriate support from the EPSO when organising selection procedures and that there is a mechanism in place to validate the outcome of such procedures externally before recruitment takes place.