2003 discharge: European Monitoring Centre on Racism and Xenophobia

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This report from the Court of Auditors presents the annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year ended 31 December 2003. The Court obtained reasonable assurance that the annual accounts are reliable and that the underlying transactions, taken as a whole, are legal and regular. This document shows that the appropriations entered into the final budget amount to EUR 6.6 million with EUR 6 million being committed and EUR 4.7 million being paid. EUR 1.3 million was carried over to 2004 and EUR 600 000 was cancelled.

In its report, the Court states that the level of carry-overs of appropriations remained high, but was lower than the previous year (36 % in 2003 and 40 % in 2002). The Court once again draws the Centre's attention to the necessity of observing the principle of annuality more fully when planning and monitoring its activities.

Of the appropriations carried over from the financial year 2002 to the financial year 2003 , 20 % were cancelled at the year-end. This is a large percentage, showing that the justification for the automatic carry-overs of 2002 appropriations was poor, especially in the case of provisional commitments. Carry-overs of appropriations must be strictly limited to obligations duly contracted at the close of the financial year.

Furthermore, the Court notes that in 2003, the Centre signed a convention with the Commission concerning the establishment of an information network for the candidate countries in central and eastern Europe. The project receives funding via Phare subsidies totalling EUR 845 000 euro. Contrary to the principles of budget unity, the Centre did not use an amending budget to include the amount of the 2003 Phare subsidy in its budget.

As the Court has already pointed out, in its 2002 Report, the Centre should establish an efficient system for managing and monitoring revenue to be collected. A system of that type would avoid the delays that were observed in the issue of recovery orders and the recovery of VAT. The Court also highlighted recruitment problems.

The Monitoring Centre has replied to the comments made by the Court. It states, first of all, that in 2003 the execution of the budget and the implementation of the Work Programme were again affected adversely by the low level of payment appropriations available to the EUMC. In July 2003 the EUMC requested additional payment appropriations that were ultimately received only in December 2003. The

EUMC would also like to emphasise the fact that in some Member States the official data that is used by the RAXEN network is not published until September. Despite all of the above, the level of carry-overs has decreased in comparison to 2002, as indicated by the Court. The EUMC will continue its efforts to further improve the situation.

The EUMC agrees with the observation made by the Court and has taken appropriate measures in 2003 to prevent this occurring in the future.

The EUMC decided not to publish its PHARE budget in an amending budget because the project dealt with non-Member States, therefore it was not within the scope of the EUMC's mandate as defined in its basic regulation. However, given the Court's observation, the EUMC has included the PHARE project budget in its amending budget 2004.

The EUMC agrees with the observation made by the Court and has taken measures to improve the controls over the creation of recovery orders.

As regards recruitment, internal competitions are not an infringement of the staff regulations. Given the small size of the EUMC and the absence of permanent posts, a decision was made to fill the vacant temporary posts via internal competition so as to provide staff with a certain career perspective and to fill two key positions as rapidly as possible. The EUMC has, however, decided that in the future internal competitions will only be made if a certain level of competition is guaranteed.