2003 discharge: European Monitoring Centre for Drugs and Drug Addiction EMCDDA

2004/2055(DEC) - 30/12/2004

This report from the Court of Auditors presents the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the 2003 financial year ended 31 December 2003. It deals with its competencies and activities during 2003.

The Court states that the accounts are reliable and that underlying transactions, taken as a whole, legal and regular.

This document shows that the appropriations entered into the final budget amount to EUR 10.2 million with EUR 10.2 committed and EUR 8.1 paid. EUR 2.0 million was carried over with EUR 100 000 being cancelled.

In its report the Court highlights that the duties of the Authorising Officer for the greater part of the Monitoring Centre's budget and of the ex ante Controller for the entire budget are performed by just one person, who also carries out the duties of the Head of Administration and of Quality Control. This combination, according to the Court, significantly undermines internal control, which is based in particular on the segregation of duties.

Moreover, the Court states that following the adoption of its new financial regulation ,the Monitoring Centre issued in-house instructions for checking commitments, payments and recoveries. However, the files do not contain documents enabling the Authorising Officer to obtain assurance that all these instructions have actually been followed.

The Monitoring Centre's financial regulation provides that the Accounting Officer should validate the

systems laid down by the Authorising Officer and intended to provide or substantiate accounting information. This validation had still not been carried out at the end of the 2003 financial year.

Under its annual work programme, the Monitoring Centre concludes contracts with national centres. The deadline for the performance of these contracts is fixed at 31 December.

In its reply to the Court's annual report concerning the 2002 financial year, the Monitoring Centre stated that a physical inventory would be carried out by the end of 2003. This had still

not been done by the end of the first quarter of 2004. In addition, there is still no document that clearly defines the responsibilities and procedures regarding the inventory.

The Monitoring Centre has replied to comments made by the Court. It makes clear that the combination of responsibilities mentioned by the Court was one of the consequences of the departure of the Head

of the Financial Sector. The Head of administration was obliged to take on this role for a transitional period until the new Head of the Financial Sector took up his duties on 1 February 2004. This person, who has become the ex ante verifying officer, does not perform the duties of Authorising Officer.

In accordance with the financial provisions applicable, the instructions in question set out the various procedures of budgetary implementation, the persons in charge of these procedures, and their tasks and

responsibilities, including in terms of checking. The procedural stages were described in a circulation sheet, for approval by the persons responsible for their execution, who, in addition, in most cases, have to give, their electronic visa before the file is being sent to the authorizing officer. The EMCDDA has

taken note of the Court's comment, and in order to take better account of the checks made, has prepared checklists to be added to files relating to budgetary operations.

The validation was carried out and submitted to the Court on 27 July 2004.

The budget for 2003 allocated to the activities of the national focal points of the REITOX network was the subject of a parliamentary reservation until the end of April. Therefore, it was not possible to sign the subsidies until very late in the year. Furthermore, the EMCDDA decided not to make advance payments for 2004 until it had examined and closed the cost statements of the 2003. When renewing contracts in the future, the EMCDDA will naturally give due consideration to the real progress achieved in the work requested the year before and to an evaluation of its quality.

Great efforts were taken in May 2004 to identify all EMCDDA assets and to finalise the physical inventory. This exercise and the redefinition of responsibilities and procedures will be

completed before the end of 2004.