

# 2003 discharge: European Agency for the Evaluation of Medicinal products

2004/2056(DEC) - 08/03/2005 - Supplementary non-legislative basic document

Having examined the revenue and expenditure account for the financial year 2003, the balance sheet of revenue and expenditure at 31 December 2003 of the European Agency for the Evaluation of Medicinal Products and the Court of Auditors' report on the annual accounts of the Agency, the Council recommends that the European Parliament give a discharge to the Director of the Agency in respect of the implementation of the budget for the financial year 2003.

To recall, EUR 6.0 million (88%) of the EUR 6.8 million in appropriations carried forward from the financial year 2002 to the financial year 2003 have been used. EUR 16.1 million in appropriations have been carried forward from the financial year 2003 to the financial year 2004 and EUR 3.3 million have been cancelled.

Observations in the Court of Auditors' report in relation to the financial year 2003 call for certain comments by the Council, which are annexed to this Recommendation.

The Council notes that the Court has been able to issue a statement of reasonable assurance on the reliability of the Agency's annual accounts for the financial year 2003. However, it regrets that in respect of the reasonable assurance as to the legality and regularity of the underlying transactions, taken as a whole, the Court has excluded some situations concerning tenders and negotiated procedure for contracts.

The Council shares the Court's concerns on the procurement procedures applied by the Agency: whereas the general rules provide for a committee for the evaluation of tenders to be set up for any contract involving an amount exceeding EUR 13 800, the Agency sets this threshold at EUR 75 000.

The Council urges the Agency to pursue the reinforcement of the implementing rules on the award of contracts in line with the provisions of the general Financial Regulation and its implementing rules. Moreover, in certain negotiated procedures, the choice of supplier was based on the criteria of "former experience with the contractor", which is not provided for in the implementing rules for the financial regulation.

The Council asks the Agency to remedy its shortcomings regarding the criteria of choice of contractor. In this context, it notes that the Agency has aligned its implementing rules with the framework Financial Regulation applicable to Agencies and with the Commission's implementing rules.

The Council notes with satisfaction that the Agency has finally set up a new asset management system enabling the inventory data of all assets, tangible and intangible, to be consistent with the accounting data.