2005 discharge: Eurojust

2006/2162(DEC) - 19/12/2006

This report from the Court of Auditors concerns the annual accounts of Eurojust for the financial year ended 31 December 2005.

The Court states that Eurojust's accounts for the financial year 2005 are, in all material respects, reliable and the transactions underlying Eurojust's annual accounts, taken as a whole, are legal and regular.

The report shows that the appropriations entered in the final budget amount to **EUR 13 000 000** with EUR 11 780 000 committed and EUR 9 951 000 paid. EUR 2 115 000 was carried over to 2006, and EUR 934 000 cancelled.

In its report the Court states that a review of the implementation of the budget showed that 90 % of the appropriations granted for the year had been committed. The overall rate of payment against the year's commitments was 84 %. Nevertheless, the utilisation rate of appropriations for operating activities (Title III) was low: only 80 % of the commitment appropriations for the financial year were used and a third of commitments had to be carried over. For the same expenditure, more than 15 % of the commitments carried over to the year had to be cancelled. These findings suggest that a qualitative improvement in the programming of operating expenditure is needed in order to avoid mobilising resources unnecessarily. The College decided to authorise a non-automatic carryover of appropriations for a total of EUR 285 484. Such carryovers are permitted only if most of the stages preparatory to the act of commitment have been completed before the end of the financial year and this was not the case.

The Court also highlights that:

- Eurojust still does not have its own financial regulation and, this being the case, has continued to apply the framework financial regulation for the Community bodies. At the end of 2005, the Commission had still not issued an opinion concerning the draft regulation submitted by Eurojust in May of the same year;
- the inventory of fixed assets is managed using a spreadsheet, which does not allow the integrity of the data to be guaranteed;
- the Management Board has still not adopted any internal control standards. Formalisation of operating and accounting procedures is mostly lacking (in 2005, the checklists describing the checks to be carried out on budgetary commitments relating to important operating procedures (procurement, and recruitment) were insufficiently developed);
- some anomalies were found in respect of public procurement procedures and contract management, in particular the absence of guidelines on the weightings applied to award criteria, and confusion between the selection criteria and the criteria for awarding contracts. Framework contracts have, moreover, exceeded the time limits laid down in the regulatory provisions.

Eurojust responds point by point to the Court's observations and states that its volume of activity

depends heavily on the number of cases referred by the Member States. Therefore, the programming of allocation of its resources has a highly indicative and approximate character.

Moreover, the allocation in December 2004 of EUR 2 million for Eurojust's operational activities has had a negative impact on the level of execution. It states that it will apply strictly the applicable regulation in its future decisions relating to the non-automatic carry-over procedure.

Eurojust prioritised the setting up of an asset inventory system to meet the accounting obligations. An exhaustive inventory database is currently being implemented.

In 2006, on the basis of its experience, Eurojust has started to improve the checklists in use for its main budgetary operations.

Lastly, Eurojust has improved its tender procedures in view to make a clearer distinction between selection and award criteria.