Basic information

2003/2243(DEC) DEC - Discharge procedure	Procedure completed
2002 Discharge: European Centre on Racism and Xenophobia **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MULDER Jan (ELDR)	10/09/2002

Committee for opinion	Rapporteur for opinion	Appointed
LIBE Citizens' Freedoms and Rights, Justice and Home Affairs	CEYHUN Ozan (PSE)	21/01/2004

Key events

Date	Event	Reference	Summary
15/10/2003	Non-legislative basic document published	N5-0023/2003	Summary
18/12/2003	Committee referral announced in Parliament		
18/03/2004	Vote in committee		
18/03/2004	Committee report tabled for plenary	A5-0212/2004	
20/04/2004	Debate in Parliament		
21/04/2004	Decision by Parliament	T5-0330/2004	Summary
21/04/2004	End of procedure in Parliament		
21/04/2004	Final act published in Official Journal		

Technical information

Procedure reference	2003/2243(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed

Documentation gateway				
European Parliament				
Document type	**Committee**	**Reference**	**Date**	**Summary**
Committee report tabled for plenary, single reading		A5-0212/2004	18/03/2004	
Text adopted by Parliament, single reading		T5-0330/2004 OJ C 104 30.04.2004, p. 0421-0610 E	21/04/2004	Summary
Council of the EU				
Document type		**Reference**	**Date**	**Summary**
Supplementary non-legislative basic document		06192/2004	09/03/2004	Summary
Other institutions and bodies				
Institution/body	**Document type**	**Reference**	**Date**	**Summary**
CofA	Non-legislative basic document	N5-0023/2003 OJ C 319 30.12.2003, p. 0069-0075	15/10/2003	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2004/0717 OJ L 330 04.11.2004, p. 0066-0066	Summary

2002 Discharge: European Centre on Racism and Xenophobia

2003/2243(DEC) - 09/03/2004 - Supplementary non-legislative basic document

PURPOSE: Council Recommendation on the implementation of the EU's budget for the European Monitoring Centre on racism and xenophobia covering the financial year 2002. CONTENT: Noting that the European Court of Auditor's Report gives a positive assessment to the European Monitoring Centre on Racism and Xenophobia's annual accounts, the Council recommends that the European Parliament grant a discharge to the Director of the Centre in respect of the budget's implementation for the financial year 2002. However, the Council would like to make some observations, in relation to the fact that for the financial year 2001-2002 only EUR 1.3 million, or 93%, of the EUR 1.4 million in appropriations were carried forward. Similarly, for the financial year from 2002 to 2003 EUR 1.5 million in appropriations were carried forward with EUR 0.3 million having to be cancelled. Specifically, the Recommendation notes that the amount of appropriations carried-over remains high. The Council, therefore, urges the Centre to take appropriate measures to improve the implementation of the budget, in respect to the principle of annuality. The Council notes with satisfaction that the Centre has already taken measures to avoid low level payment appropriations received and the delayed payment of subsidies. Lastly, concerning the management of contracts, the Council proposes that the Centre could benefit from some rationalisation in order to make it more efficient and economical.

2002 Discharge: European Centre on Racism and Xenophobia

2003/2243(DEC) - 15/10/2003 - Non-legislative basic document

PURPOSE : to present the report from the Court of Auditors on the financial statements of the European Monitoring Centre on Racism and Xenophobia for the financial year 2002. CONTENT : this report consists of the audit performed by the Court on the financial statements of the European Monitoring Centre on Racism and Xenophobia for the financial year ended 31 December 2002. This examination has enabled the Court to obtain reasonable assurance that the annual accounts for the financial year ended 31 December 2002 are reliable and that the underlying transactions, taken as a whole, are legal and regular. The report states in particular that the 2002 appropriations committed totalled EUR 6 million. Payments made against these commitments amounted to EUR 4,5 million. The balance of the appropriations was either carried over (EUR 1,5 million) or cancelled (EUR 0,2 million). With regard to the appropriations for operating activities (EUR 3,0 million), the amount carried over, 1,2 million, i.e. 40 % of the appropriations allocated, remains high. The Centre should continue its efforts to reduce still further the proportion of appropriations carried over, the volume of which hardly changes from one year to the next. Numerous provisional commitments were carried over automatically, contrary to the provisions of Article 6 of the Centre's Financial Regulation. Recovery orders are often drawn up a posteriori, once the funds have been received, which is not in accordance with the procedure. In the revenue and expenditure account, the most striking development concerns the balance for the financial year, which has changed from an almost break-even situation to a deficit of EUR 1,6 million. Concerning the legality and regularity of the underlying transactions, the report states that a member of staff who had no authorisation signed a contract which was not covered by a commitment approved in due form by the Financial Controller. Problems of the same type have been brought to the Centre's attention by the Court in previous years, in particular in the Court's report concerning the financial year 2001. It is a question of a persistent internal control problem, which the Centre has endeavoured to rectify, but as yet to no avail. On the issue of the management of contracts, the contracts with the RAXEN national focus points were renewed for the year 2002 in April. The renewals were carried out without any evaluation of the results of the contracts for the preceding year and, in one case, even before these results had been provided. In addition, no evaluation procedure has been set up for validating the interim payment requests. With regard to the other types of contract, the way they are managed differs from one unit to another, and this management would benefit from being rationalised so as to make it more efficient and economical. For instance, no fewer than four contracts were concluded with various undertakings, travel agencies and specialist companies in connection with the organisation of meetings and seminars. The Centre uses two different printing companies to print its publications. In some cases no contract was signed with the service provider, which is contrary to the Financial Regulation. The Centre has replied to the criticisms made by the Court. Itstates in particular that a large part of the Centre's operational activities are seasonally biased towards the end of the financial year. The final invoices relating to the RAXEN network, which represents around 50 % of the operational appropriations carried forward (which themselves represent over 80 % of the total appropriations carried forward) are usually received in November and December each year. Before these invoices can be paid, the RAXEN data that is supplied in parallel has to be approved, which can result in these invoices being paid at the beginning of the following year. The execution of the budget and the implementation of the work programme in 2002 were affected adversely by the slow payment of the subsidy and the low level of payment appropriations available to the Centre during the year. The Centre has already taken measures to avoid similar problems in the future by implementing the new formal procedure that was imposed by the Commission in 2003 for receiving payment of the annual subsidy. With the implementation of the new financial regulation in 2003, the internal control system was adapted to meet the new requirements and to address already known weaknesses and shortcomings. An external evaluation of all the deliverables took place in January and February 2003 and a meeting with the evaluators was held in Vienna. The results were communicated to the NFPs to improve the quality of the reports. To improve further the situation in 2003 the evaluation is being done on a continuous basis. In 2003 the Centre joined the Commission's framework contracts for IT supplies and for publications. The Centre is also party to the new framework contract regarding accommodation/travel arrangements that is currently being drawn up by the Commission.

2002 Discharge: European Centre on Racism and Xenophobia

2003/2243(DEC) - 21/04/2004 - Final act

PURPOSE : to grant discharge to the European Monitoring Centre on Racism and Xenophobia in respect of the implementation of its budget for the financial year 2002.

LEGISLATIVE ACT : Decision 2004/717/EC of the European Parliament concerning discharge to the Director of the European Monitoring Centre on Racism and Xenophobia for the financial year 2002.

CONTENT : with this present Decision, the European Parliament gives discharge to the Director of the European Monitoring Centre for Racism and Xenophobia, in respect of the implementation of its budget for the financial year 2002.

This Decision is in conformity with the European Parliament’s resolution approved on 21 April 2004 and which is accompanied by a series of which complete the discharge decision (please refer to the summary of the opinion).

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.