Basic information

2003/2244(DEC) DEC - Discharge procedure	Procedure completed
2002 Discharge: European Monitoring Centre for Drugs and Drug Addiction **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
23/10/2003	Non-legislative basic document published	N5-0024/2003	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	T5-0329/2004	Summary
21/04/2004	End of procedure in Parliament		
21/04/2004	Final act published in Official Journal		

Technical information

Procedure reference	2003/2244(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		T5-0329/2004 OJ C 104 30.04.2004, p. 0421-0604 E	21/04/2004	Summary

Council of the EU			
Document type	**Reference**	**Date**	**Summary**
Supplementary non-legislative basic document	06194/2004	09/03/2004	Summary

Other institutions and bodies				
Institution/body	**Document type**	**Reference**	**Date**	**Summary**
CofA	Non-legislative basic document	N5-0024/2003 OJ C 319 30.12.2003, p. 0062-0068	23/10/2003	Summary

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

Final act	
Budget 2004/0716 OJ L 330 04.11.2004, p. 0059-0059	Summary

2002 Discharge: European Monitoring Centre for Drugs and Drug Addiction

2003/2244(DEC) - 23/10/2003 - Non-legislative basic document

PURPOSE : to present the report from the Court of Auditors on the financial statements of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2002. CONTENT : this report concerns the results of the audit performed by the Court on the financial statements for the financial year ended 31/12/2002. 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 that the appropriations entered in the final budget amount to EUR 10,4 million with EUR 9,5 committed and EUR 8,1 paid. A total of EUR 1,6 million was carried over and EUR 0,7 million has been cancelled. The appropriations carried over from the previous financial year amount to EUR 3,2 million of which EUR 2,8 million has been paid and EUR 0,4 million has been cancelled. The report states that the Monitoring Centre has not taken account of the provisions of the Financial Regulation that apply to carryovers of appropriations. Justification for the commitment proposals totalling EUR 308 300 issued in December 2001 was only provided in the course of the following year. As regards the non-automatic carryovers amounting to EUR 212 400, the decision taken by the Management Board at the end of the financial year is irregular. These carryovers related to Titles I and II appropriations that had not been committed and were unduly transferred to Title III with a view to their being carried over to the next financial year. Concerning the financial statements, the Court notes that the inventory should be more strictly maintained. As regards the legality and regularity of the underlying transactions, the Court states that the Centre's executive director authorised three authorising officers responsible for the Phare project to sign

cheques and bank transfer orders. This type of authorisation, delegating accounting officer powers to authorising officers, is incompatible with the principle of segregation of duties. On the issue of personal management, the Court has already had occasion to draw to the Monitoring Centre's attention the necessity of making its personnel management system more rigorous. The audits carried out in 2002 revealed persistent shortcomings such as files without essential documents that made it impossible to assess the justification for the financial entitlements attributed to the members of staff concerned. Similar findings applied to the selection procedures, including: notice imprecise, selection committees' minutes incomplete, criteria for assessing candidates not defined in advance. For example, the organisation and holding of an internal competition in order to give various members of the Centre's staff the status of permanent officials were tainted by various irregularities relating, in particular, to certain candidates' admissibility and the composition of the selection board. The seriousness of the anomalies that it detected led the Commission to lodge objections with the Centre about various aspects of the procedures that had been applied. The Monitoring Centre replies to the Court criticisms. It states in particular it recognises the need to keep automatic carryoversto a minimum, in line with the principle of annuality. As a result of efforts undertaken in this regard, the Monitoring Centre reduced automatic carryovers at the end of 2002 from the previous year's level. The aim of the Management Board's decision was to satisfy the need - which became apparent at the end of the financial year-to finance temporary working premises pending approval of a more permanent solution. As regards the recruitment of temporary staff, the Monitoring Centre's selection procedures are in line with the provisions of Annex III to the Staff Regulations ('Competitions'). With regard to competitions for permanent posts, given the complex nature of the relevant procedures and the shortage of specialised staff in an organisation as small as the Monitoring Centre, shortcomings have been identified, despite the precautions taken, thanks mainly to the involvement of representatives of the Commission in establishing and implementing the procedure. The Monitoring Centre wishes to underline the fact that, ultimately, once detailed checks were carried out by, among others, the specialised services of the Commission, the shortcomings identified did not undermine the validity of the procedure or its outcome. The Monitoring Centre will continue its efforts to make recruitment procedures even more stringent, while at the same time calling on the services of the European Personnel Selection Office (EPSO) as consistently as possible.

2002 Discharge: European Monitoring Centre for Drugs and Drug Addiction

2003/2244(DEC) - 21/04/2004 - Final act

PURPOSE : to grant discharge to the European Monitoring Centre for Drugs and Drug Addiction in respect of the implementation of its budget for the financial year 2002.

LEGISLATIVE ACT : Decision 2004/716/EC of the European Parliament concerning discharge to the Director of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2002.

CONTENT : with this present Decision, the European Parliament gives discharge to the Director of the European Monitoring Centre for Drugs and Drug Addiction, 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 Monitoring Centre for Drugs and Drug Addiction

2003/2244(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 for drugs and drug addiction covering the financial year 2002. CONTENT : Taking into account the positive Report from the Court of Auditors concerning the Centre's annual accounts the Council recommends that the European Parliament should give a discharge to the Director of the Centre for the implementation of the budget covering the financial year 2002. The Council does, however, have some comments to make. They concern, in particular, the fact that for the financial year 2001-2002 only EUR 2.8 million, or 87.5%, of the EUR 3.2 million have been carried forward in appropriations. Similarly, for the financial year 2002-2003 only EUR 1.6 million have been carried forward in appropriations with EUR 1 million having to be cancelled. In respect to this situation the Council notes with regret the irregularities in non-automatic carry-over appropriations. The Centre is invited to keep automatic carry-overs to a minimum, in order to improve the implementation of the budget in line with the principle of annuality. The Council also notes that the current inventory system is less than satisfactory in that goods are not identified and their location not specified. Lastly, concerning management of the staff, the Council calls on the Centre to take appropriate measures to remedy the persistent shortcoming applied to the selection procedures for the Centre's staff.

2002 Discharge: European Monitoring Centre for Drugs and Drug Addiction

2003/2244(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 for Drugs and Drug Addiction in respect of the implementation of its budget for the financial year 2002. The Parliament records its comments in the accompanying resolution. Firstly, as regards the implementation of the budget, Parliament notes the Centre's reply to the questionnaire concerning the trend in carry-overs. It welcomes the downward trend that emerges, which suggests that measures taken with a view to better planning, implementing and monitoring of the Centre's activities resulted in a reduction of carry-overs and it encourages the Centre to continue its efforts in this regard. The Centre is expected to indicate whether the framework of the new Financial Regulation might offer further opportunities for reducing carry-overs. Parliament acknowledges the Centre's undertaking that operations such as the one criticised by the ECA, where appropriations were unduly transferred with a view to having the amount carried over, will not happen again. As regards the legality and regularity of the underlying transaction, Parliament notes the Centre's position that it will henceforth fully observe the principle of the separation of duties as between authorising officer and accounting officer. Concerning personnel management, it expresses deep concern over the way in which selection procedures were carried

out by the Centre and on the serious anomalies detected in the process of an internal competition. It notes the Centre's reply that the shortcomings identified were of a procedural nature and did not undermine the validity of the procedure or its outcome. It expects the Centre to fully inform Parliament of any complaints lodged with the Court of Justice in this connection and on their outcome. Lastly, the Parliament takes the view that transparency, compliance with specified procedures and equal treatment in the recruitment process reflect on the credibility of Community institutions and bodies and expects the Centre therefore to make every effort to prevent such phenomena occurring in future recruitment procedures. It notes the Centre's position that in future it will call upon the services of EPSO to organise competitions. 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 thatthe 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 efficient monitoring 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 theInstitutions. 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.