Basic information

2006/2156(DEC) DEC - Discharge procedure	Procedure completed
2005 discharge: European Monitoring Centre for Racism and Xenophobia **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	HERCZOG Edit (PSE)	20/04/2006

Committee for opinion	Rapporteur for opinion	Appointed
LIBE Civil Liberties, Justice and Home Affairs	DÜHRKOP DÜHRKOP Bárbara (PSE)	19/12/2006

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2787	2007-02-27

European Commission

Commission DG	Commissioner
Budget	KALLAS Siim

Key events

Date	Event	Reference	Summary
31/10/2006	Non-legislative basic document published	N6-0024/2006	Summary
29/11/2006	Committee referral announced in Parliament		
26/03/2007	Vote in committee		Summary
02/04/2007	Committee report tabled for plenary	A6-0118/2007	
24/04/2007	Decision by Parliament	T6-0115/2007	Summary
24/04/2007	Results of vote in Parliament		
24/04/2007	Debate in Parliament		

24/04/2007	End of procedure in Parliament		
15/07/2008	Final act published in Official Journal		

Technical information

Procedure reference	2006/2156(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/42404

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE384.435	09/02/2007	
Amendments tabled in committee		PE386.404	08/03/2007	
Committee opinion	LIBE	PE384.339	20/03/2007	
Committee report tabled for plenary, single reading		A6-0118/2007	02/04/2007	
Text adopted by Parliament, single reading		T6-0115/2007	24/04/2007	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05711/2007	07/02/2007	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
OS	Non-legislative basic document	N6-0024/2006 OJ C 266 31.10.2006, p. 0046	31/10/2006	Summary
CofA	Court of Auditors: opinion, report	N6-0001/2007 OJ C 312 19.12.2006, p. 0001	19/12/2006	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2008/0511
OJ L 187 15.07.2008, p. 0092 Summary

2005 discharge: European Monitoring Centre for Racism and Xenophobia

2006/2156(DEC) - 24/04/2007 - Final act

PURPOSE: to grant discharge to the European Monitoring Centre on Racism and Xenophobia for the financial year 2005.

LEGISLATIVE ACT: Decision 2008/511/EC of the European Parliament on the discharge for the implementation of the budget of the European Monitoring Centre on Racism and Xenophobia for the financial year 2005.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Monitoring Centre on Racism and Xenophobia for the implementation of the Centre's budget for the financial year 2005.

This decision is in line with the European Parliament’s resolution adopted on 24 April 2007 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 24/04/2007).

2005 discharge: European Monitoring Centre for Racism and Xenophobia

2006/2156(DEC) - 07/02/2007

Having examined the revenue and expenditure account for the financial year 2005 and the balance sheet of revenue and expenditure at 31 December 2005 of the European Monitoring Centre on Racism and Xenophobia, the Council recommends the European Parliament to give a discharge to the Director of the Monitoring Centre in respect of the implementation of the budget for the financial year 2005.

In doing so, the Council confirms that EUR 700 000 (75%) of the EUR 900 000 in appropriations carried forward from the financial year 2004 to the financial year 2005, have been used. In addition, EUR 1.4 million in appropriations have been carried forward from the financial year 2005 to the financial year 2006 and EUR 800 000 has been cancelled.

In parallel, the Council makes accompanying comments on the discharge which should be followed up. In particular, it:

- notes once again, as already pointed out in its recommendations for the financial years 2003 and 2004, the need for the Centre to improve its **expenditure planning** and calls on the Centre to take all necessary measures to keep automatic carry-overs to a minimum level, in order to comply with the principle of annuality. Furthermore, the Council calls on the Centre to introduce an activity-based management system;
- takes note that the Centre's **financial workflows** were changed in order to improve the quality of its internal control standards regarding transactions and to fulfil the requirements of the Financial Regulation;
- shares the Court's concerns about the lack of clarity of information provided in the **call for tenders** and calls on the Centre to take adequate measures.

2005 discharge: European Monitoring Centre for Racism and Xenophobia

2006/2156(DEC) - 27/02/2007

The Council, on the basis of intensive preparatory work, approved a recommendation on the discharge to be given to the Directors of the 16 European Union agencies for implementation of their budget for 2005. The recommendation will be submitted to the European Parliament, in accordance with the budgetary discharge procedure.

The Council makes reference to the **Court of Auditors report on translation expenditure** (see summary of the document annexed to the Commission’s discharge procedure DEC/2006/2070 dated 8 February 2007 06162/2007). It adopted the following conclusions:

Firstly, it states that it welcomes the Court's special report on translation expenditure - which amounted to EUR 511 million in 2005 - incurred by three institutions in particular as it covers the period of the accession of 10 new Member States, increasing the number of official and working languages to 21. In this context, it underlines the importance of the translation of documents in a European Union **multilingual environment** with equal treatment of the languages of its Member States.

It emphasises that translation demands are to be met in time and in adequate quality, as an essential part of the legislative process keeping the cost under control as well as having adequate procedures to give priority to essential translations which implies efficient and effective management of translation resources. It regrets, however, that in some cases politically important information which should be translated has been included in non translated annexes of documents.

The Council notes with satisfaction that the Court of Auditors stated that the institutions have generally met translation needs in the EU-15 languages in required quality inter alia by recourse to freelance translators. It regrets that all three institutions have faced structural difficulties in providing a sufficient volume and acceptable quality into the EU-10 languages. It expects the institutions to further enhance the degree of multilingualism as regards the information provided on their websites.

Moreover, the Council regrets the fact that the institutions, with the exception of the Commission for 2002, have not calculated their total costs or the average cost per page translated and invites them to do so from now on and inform the budgetary authority on a regular basis.

It notes with concern the fact that the productivity of the EU translation services is much lower than in the private sector, partly due to more effective use of IT tools in the private sector, although the quality of internal translation is recognised to be higher. It notes the long term action plan by the Council General Secretariat to increase its productivity by reducing the number of "full-time equivalent" in the EU-15 language units.

Inter-institutional cooperation: the Council advocates inter-institutional cooperation being reinforced to all institutions in order to improve the efficiency and the procedures and to reduce the costs in the field of translations. It urges the institutions to set up proper forecasting system and improve the system of workload balancing in order to make better use of spare capacity and to avoid unnecessary outsourcing. In 2005, according to the Court, EUR 11 million of freelance translation costs could have been saved by the Commission and by the Parliament by giving the non-urgent documents to be translated for other institutions. It regrets that it was not possible for the institutions to recruit enough translators in EU-10 languages which has resulted in quality and deadline problems in the EU-10 translations and it recommends that sufficient EU-10 translator resources should be ensured by measures increasing awareness and fostering interest in the Community's translation activity in the EU-10 Member States and other Candidate Countries. It recommends that similar measures be taken for Bulgaria and Romania.

The Council emphasises that future measures are to be taken by the institutions to contain the volume translated including control of the size of documents, without prejudice of equal treatment of EU official and working languages taking into account the operational effectiveness, and adoption of a fit-for-purpose approach for authorised texts for translation and encourages the institutions to improve their work planning and comply with the deadlines for requesting translations.

Lastly, the Council requests the institutions to improve the efficiency of the translation process in particular by intensifying the recourse to IT tools, reduction of secretarial support, working methods based on best practices and teleworking. It also invites the Court to examine also the translation expenditure of the other institutions and bodies.

2005 discharge: European Monitoring Centre for Racism and Xenophobia

2006/2156(DEC) - 31/10/2006 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Monitoring Centre for Racism and Xenophobia for the financial year 2005.

CONTENT: this document published in the Official Journal of the EU sets out a detailed account of the implementation of the 2005 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to **EUR 8.279 million** (compared to EUR 7.9 million in 2004) including a 100% Community contribution.

As regards the staffing policy, the Centre, whose headquarters are based in Vienna (Austria), officially set out 37 posts in its establishment plan. 35 of these are currently occupied + 4 other staff (auxiliary contract, seconded national experts, local and employment-agency staff) totalling 41 members of staff assigned to administrative, operational and mixed tasks. Staff expenditure amounted roughly to EUR 3.2 million in 2005.

The Monitoring Centre’s primary tasks are to provide the Union and the Member States with reliable information on racism, xenophobia and anti-Semitism in the Union and to cooperate with the Council of Europe in these areas. It aims to study the extent and development of the phenomena of racism and xenophobia and to collect and analyse information, via the European Racism and Xenophobia Information Network (RAXEN).

During 2005, the Monitoring Centre’s activities concentrated on the following:

Raxen

- 400 contributions through the 25 national focal points;
- 5 meetings.

Research reports

- 13 reports;
- 7 meetings;
- 2 annual reports;
- 5 EUMC newsletters;
- 2 editions of “Equal Voices”.

Cooperation with the Member States and other institutions: number of events organised jointly:

- Member States: 4
- Commission: 14
- European Parliament: 8
- COR: 3
- EESC: 3
- Council of Europe: 10
- OSCE: 3
-

- UN: 3
- Inter-agency: 3
- NRT: 6
- ERT: 1

The complete version of the final accounts may be found at the following address:

http://eumc.eu.int

2005 discharge: European Monitoring Centre for Racism and Xenophobia

2006/2156(DEC) - 19/12/2006

This report from the Court of Auditors concerns the results of the audit carried out by the Court on the annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year ended 31 December 2005. The transactions underlying the Agency'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 8 279 000** with EUR 7 608 000 committed and EUR 6 290 000 paid. EUR 1 408 000 was carried over to 2006 and EUR 581 000 cancelled.

In its report, the Court states that although the rate of commitment for the appropriations for the financial year 2005 was over 90 %, it was found that more than 50 % of the commitments for administrative expenditure were carried over and that in general there was a high rate of cancellation of the appropriations carried over (between 15 % and 25 %, depending on the title). This situation shows that there is still a need for the Centre to improve its expenditure planning and the way it monitors the implementation of this expenditure.

The Court noted that no activity-based management had been brought in, despite the Centre's financial regulation making provision for its introduction, on the lines of that applied to the general budget, with a view to improving the monitoring of performance. In this context, achieving the Centre's aims should not mean merely carrying out a series of tasks. It should rather be seen as contributing to the goals laid down in its basic Regulation. The Centre's work programme should, in principle, express this contribution in operational and measurable terms.

The Court states that the Centre had no system for planning and managing its equipment acquisitions. Furthermore, it did not make any cyclical checks on its inventory, although this would have improved the inventory's reliability.

Morever, the Centre's internal control system suffered from various shortcomings. The financial circuits set up by the authorising officer had not been described. The systems whereby the authorising officer and his delegates supplied information to the accounting officer had in particular not been validated by the latter.

The principle of the segregation of duties was not applied strictly, especially between the duties of initiation and verification. Furthermore, for commitments the lists of ex ante verifications should include sound financial management criteria.

As regards the recruitment procedure, the Court highlights that the rule whereby members of the selection boards must always be of a grade equivalent to or higher than that of the post to be filled was not always complied with.

In addition, the invitations to tender issued by the Centre do not offer much by way of explanation as regards the minimum quality of bids and the weighting of price factors. As a result of this situation, an adequate level of transparency cannot be guaranteed and risks are entailed as regards the quality of the products and services to be provided. Barring a specific reason to the contrary, the price-quality ratio method should be used as it ensures that the goods and services to be purchased are of the highest possible quality.

The Centre responds point by point to the Court's observations. Firstly, it states that the high rate of the administrative appropriations carried forward is due to the fact that the Procurement Section was created late in 2005. Tenders were launched after this, in order to ensure the legality of the procedures. A procedure has been put in place to decrease the level of cancelled carry-overs. Future budgetary transfers will be fully documented.

The Annual Work Programme 2006 has been prepared in a format which meets the needs of Article 40 of the Framework FR, setting the key activities, objectives, tasks, output, performance

indicators, and outcome/impact of the work of the Centre. Consequently, the Annual Activity Report for year 2006 will be drawn corresponding to the structure of the Work Programme thus providing the required performance indicators and performance review based on quantifiable data.

The Centre also states that:

- an inventory management application has been procured and is currently configured and installed;
- an inventory count is planned to be performed in the last quarter of the year;
- the financial workflows were changed to improve internal controls over transactions and adhere to the requirements of the Financial Regulation.

Whilst the EUMC's staffing table foresees a total of only 37 posts, it is very difficult and, in some cases impossible, to constitute boards with agents having at least the same grade of the position to be filled. The Centre will consider improving the clarity of information provided in the call for tenders and shall apply the method of 'price/quality' ratio where it is deemed to be appropriate.

2005 discharge: European Monitoring Centre for Racism and Xenophobia

2006/2156(DEC) - 24/04/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Edit **HERCZOG** (PSE, HU), and granted the director of the European Monitoring Centre on Racism and Xenophobia discharge for the implementation of the Centre's budget for the financial year 2005. It then approved closing the accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2005.

The Parliamentary resolution is divided into two parts. The first contained general points, and concerned the majority of EU Agencies requiring individual discharge. The second part contained specific points relating to the Centre.

General points: Parliament considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union. Accordingly, it invites the Commission to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations. Parliament calls on the Court of Auditors to give its opinion on this cost-benefit study before Parliament takes its decision, and it asks the Commission to present every five years a study on the added value of every existing Agency. ; invites all relevant institutions In the case of a negative evaluation of the added value of an Agency, all relevant institutions are asked to take the necessary steps by reformulating the mandate of that Agency or by closing it.

In view of the constantly increasing number of Agencies, Parliament feels that the Directorates-General of the Commission charged with the setting up and monitoring of Agencies must develop a common approach to the Agencies. It also asks the Commission to improve administrative and technical support to the Agencies. Parliament regretted that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory agencies have not yet been concluded, and calls on the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion. Noting that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission, Parliament calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up. It invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies.

Parliament goes on to ask the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency. The Commission is urged to monitor and direct the management of the Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management and, most importantly, the proper application of the rules concerning the internal control framework.

Specific points concerning the EMCRX: Parliament notes that, although the Centre's rate of commitment for the appropriations for the financial year 2005 was over 90 %, it was found that more than 50 % of the commitments for administrative expenditure were carried over and that in general there was a high rate of cancellation of the appropriations carried over (between 15 % and 25 %, depending on the title). Accordingly, it invited the Centre to improve its expenditure planning and the way it monitors the implementation of this expenditure. It also invites the Centre to present a work programme which expresses its contributions in operational and measurable terms. It notes that the Centre's internal control system suffered from various shortcomings. There were problems on the financial circuits, and the principle of the segregation of duties was not applied strictly, especially between the duties of initiation and verification. In relation to commitments, the Centre should include sound financial management in the list of matters to be covered by ex ante verifications.

Lastly, Parliament asks the Centre to apply the rule whereby members of the selection boards must always be of a grade equivalent to or higher than that of the post to be filled, and to apply the rules for tenders strictly.