Basic information

2006/2157(DEC) DEC - Discharge procedure	Procedure completed
2005 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	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	N6-0025/2006	Summary
29/11/2006	Committee referral announced in Parliament		
26/03/2007	Vote in committee		Summary
30/03/2007	Committee report tabled for plenary	A6-0100/2007	
24/04/2007	Decision by Parliament	T6-0116/2007	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	2006/2157(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/42406

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE384.436	09/02/2007	
Amendments tabled in committee		PE386.406	08/03/2007	
Committee opinion	LIBE	PE384.340	20/03/2007	
Committee report tabled for plenary, single reading		A6-0100/2007	30/03/2007	
Text adopted by Parliament, single reading		T6-0116/2007	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	N6-0025/2006 OJ C 266 31.10.2006, p. 0043	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 2008/0513
OJ L 187 15.07.2008, p. 0099

2005 discharge: European Monitoring Centre for Drugs and Drug Addiction

2006/2157(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 for Drugs and Drug Addiction for the financial year ended 31 December 2005.

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

The report shows that the payment appropriations entered in the final budget amount to **EUR 12 816 000** with zero appropriations committed and EUR 10 933 000 paid. EUR 1 088 000 was carried over to 2006 and EUR 796 000 cancelled.

The Court makes the following observations:

- the utilisation rate of commitment appropriations is greater than 90 %, whereas the corresponding rate for payment appropriations is only 85 %. Expenditure on administration shows a high carry-over rate of almost 40 %. This situation is the result of concentrating purchases in the latter part of the year, which has concomitant risks for the quality of acquisition procedures.

The Court is of the opinion that the Centre should manage its procurement policy better, in order to avoid carrying over appropriations, which makes management more cumbersome;

- regarding the management, the Centre has prepared an activity-based budget. This initiative must be taken further with a view to improved performance monitoring and evaluation of its effectiveness by introducing analytical accounts so that the cost of the Centre's various activities can be ascertained;

- in its previous report, the Court noted that only the accounting officer's signature was needed for the bank accounts, and the Centre undertook to implement a countersigning system.

As at February 2006, no such system had yet been introduced. The fixed asset inventory systems are not included in the general accounts. Without a reliable labelling system, the traceability of the assets entered in the inventory cannot be assured;

- there are deficiencies in the staff recruitment procedures. In one selection procedure, the selection board was not composed in accordance with the parity principle established in the Staff Regulations. In another case, the successful candidate had not obtained the best assessment in the selection procedure;

- at the end of 2004, a member of staff was sent on a long-term (two-year) mission to Brussels. It has not been possible to ascertain the purpose of this mission, which had cost around EUR 70 000 (in pay and allowances) by the end of 2005, and the person concerned did not have a heavy workload. When the mission was terminated, he was seconded to the Commission, yet the Centre continued to pay his salary;

- a number of anomalies were revealed in the course of checks on procurement and contracting procedures. In two cases, the earliest date for the receipt of bids after the date of the invitation to tender was not adhered to. In one supplementary contract procedure, the value of the works exceeded the ceilings laid down in the regulations. In two cases audited, there was no formal decision concerning the appointment of the members of the committee responsible for opening the bids or the members of the evaluation committee. Lastly, in one case the contract value was clearly under-estimated, which infringed the principle of the equal treatment of tenderers.

The Monitoring Centre responds point by point to the Court's observations. In particular, it has taken note of the Court's observation and has taken steps to improve the planning of its calls for tenders, spreading them more evenly over the year. It will continue its efforts which, in 2005, allowed it to increase the rate of utilisation of payment appropriations compared with 2004 levels (from 77 % to 85 %), especially with regard to administrative expenditure (Title II).

In addition, the Monitoring Centre has taken note of the Court's observation and will continue to develop its activity-based management system. In place since 2001, this system calculates the cost of the Monitoring Centre's projects and programmes, though strictly speaking it is not an analytical accounting system.

From 2006, the Monitoring Centre established an automatic link between budgetary and general accounting and implemented a double signature system for the management of its bank accounts. Reconciliation between the accounts and the inventory is scheduled for the month of January following the end of the relevant financial year. In addition, in July 2006 the Monitoring Centre completed a physical check of its inventory items. The results of this check were entered in a dedicated computer system.

Pending a final agreement with the Commission on the rules for implementing the Staff Regulations, the Monitoring Centre will continue to apply the principles governing Community recruitment procedures to all its selection procedures.

As its staff complement is relatively small, the Monitoring Centre ensures at all times that a representative of the Staff Committee participates in the selection committees as a full member. In future, the Monitoring Centre will state explicit reasons why it selected the successful candidate if the selection deviates from the ranking drawn up by the selection committee.

The Monitoring Centre terminated the mission with effect from 31 May 2005. At the end of 2005, the Monitoring Centre decided, in accordance with Article 38 of the Staff Regulations, to second the staff member in question to the Commission for a duration of 9 months, without the possibility of extension. As agreed with the Commission, the salary of this staff member would be paid by the Monitoring Centre.

The Monitoring Centre has also taken the following steps in particular:

- to improve the planning of its calls for tenders, above all to keep emergency cases to a minimum;
- to provide a more structured use of framework contracts;
- to formalise the appointment of members of the tender opening and evaluation committees;
- to provide greater support to authorising officers by delegation and to managers in the awarding of contracts and the granting of subsidies.

2005 discharge: European Monitoring Centre for Drugs and Drug Addiction

2006/2157(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 for Drugs and Drug Addiction, 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 500 000 (29%) of the EUR 1.7 million in appropriations carried forward from the financial year 2004 to the financial year 2005 have been used. In addition, EUR 1.1 million have been carried forward from the financial year 2005 to the financial year 2006 and EUR 2 million have been cancelled.

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

- calls on the Centre to take all necessary measures, in particular regarding its procurement timing, to keep **automatic carry-overs** to a minimum, in order to comply with the principle of annuality;
- stresses the importance for the Centre of developing an **activity based-management** system. This initiative would make it possible to ascertain the Centre's various activities;
- calls on the Centre to properly apply the rules governing the staff **recruitment** process as well as the Staff Regulation;
- calls on the Centre to remedy all deficiencies revealed by the Court in the course of checks on **procurement and contracting procedures**.

2005 discharge: European Monitoring Centre for Drugs and Drug Addiction

2006/2157(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 the director of the European Monitoring Centre for Drugs and Drug Addiction discharge for the implementation of the Centre's budget for the financial year 2005. It then approved closing the accounts of the Centre 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 theEMCDDA: Parliament notes that the utilisation rate of commitment appropriations is greater than 90 %, whereas the corresponding rate for payment appropriations is only 85 %. It also notes also that expenditure on administration shows a high carry-over rate of almost 40%, and invites the Centre to manage its procurement policy better.

At the same time, Parliament asks the Centre to take further its initiative on activity-based budgeting by introducing analytical accounts so that the cost of the Centre's various activities can be ascertained. It also asks the Centre to include the fixed asset inventory systems into the general accounts, and to apply recruitment procedures correctly. Lastly, it notes that a member of staff was sent on a long-term (two-year) mission to Brussels, and asks for a full explanation of this procedure.

2005 discharge: European Monitoring Centre for Drugs and Drug Addiction

2006/2157(DEC) - 24/04/2007 - Final act

PURPOSE: to grant discharge to the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2005.

LEGISLATIVE ACT: Decision 2008/513/EC of the European Parliament on the discharge for the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2005.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Monitoring Centre for Drugs and Drug Addiction 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 Drugs and Drug Addiction

2006/2157(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 Drugs and Drug Addiction

2006/2157(DEC) - 31/10/2006 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Monitoring Centre for Drugs and Drug Addiction 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 12.8 million** (compared to EUR 12.2 million in 2004) including a 96% Community subsidy.

As regards the staffing policy, the Monitoring Centre, whose headquarters is based in Lisbon (Portugal), officially set out 77 posts in its establishment plan. 58 posts are currently occupied + 25 other staff (auxiliary contracts, contract staff and temporary replacements) totalling 83 staff assigned to operational, administrative and IT support tasks and mixed duties. Staff expenditure amounted to EUR 6.2 million in 2005.

Its main task is to collect data on drugs and drug addiction in order to prepare and publish information that is objective, reliable and comparable at European level. The information is intended to provide a basis for analysing demand for drugs and ways of reducing both it and drug-market-related events in general. The Centre runs a computerised network for the collection and exchange of information called the ‘European Information Network on Drugs and Drug Addiction’ (Reitox); this network connects national drug information networks, specialist centres in the Member States and the information systems of international organisations working with the Centre.

In 2005, the Centre **published**:

- Annual report on the state of the drug problem in Europe (22 language versions, publication and interactive website);
- Annual report on selected issues (EN, publication and interactive website);
- Statistical bulletin and interactive website containing over 200 tables, 100 graphs and PDF files;
- General activity report (annual, EN);
- Drugnet Europe newsletter (4 issues, two of them in five languages and two in EN, 12 products);
- Technical and scientific studies and articles (28).

Other websites: Set-up/updating/content development:

- Country situation summaries;
- Country data profiles;
- Drug treatment overviews;
- European legal database on drugs;
- Evaluation instruments bank;
- Exchange on drug demand reduction action.

Promotional brochures: 3 products.

Media products: 110 miscellaneous products.

Participation in international conferences/meetings:75.

Organisation of technical and scientific meetings: 24.

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

http://www.emcdda.europa.eu/index.cfm?fuseaction=public.Content&nNodeID=6465&sLanguageISO=EN