Basic information

2007/2055(DEC) DEC - Discharge procedure	Procedure completed
2006 discharge: European Judicial Cooperation Unit Eurojust **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MARTIN Hans-Peter (NI)	27/03/2007

Committee for opinion	Rapporteur for opinion	Appointed
LIBE Civil Liberties, Justice and Home Affairs	DÜHRKOP DÜHRKOP Bárbara (PSE)	05/11/2007

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2847	2008-02-12

European Commission

Commission DG	Commissioner
Budget	KALLAS Siim

Key events

Date	Event	Reference	Summary
30/03/2007	Non-legislative basic document published	SEC(2007)1055	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
04/04/2008	Committee report tabled for plenary	A6-0129/2008	
22/04/2008	Decision by Parliament	T6-0159/2008	Summary
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		

22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information

Procedure reference	2007/2055(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53873

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE396.697	07/02/2008	
Committee opinion	LIBE	PE400.461	28/02/2008	
Amendments tabled in committee		PE402.810	03/03/2008	
Committee report tabled for plenary, single reading		A6-0129/2008	04/04/2008	
Text adopted by Parliament, single reading		T6-0159/2008	22/04/2008	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05843/2008	29/01/2008	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2007)1055	30/03/2007	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0004/2008 OJ C 309 19.12.2007, p. 0001	15/11/2007	Summary

Additional information

Source	Document	Date

European Commission	EUR-Lex	

Final act
Budget 2009/0231 OJ L 088 31.03.2009, p. 0234 Summary

2006 discharge: European Judicial Cooperation Unit Eurojust

2007/2055(DEC) - 29/01/2008

Based on the observations contained in the revenue and expenditure account and the balance sheet of EUROJUST for the financial year 2006, as well as on the Court of Auditor's report and EUROJUST's replies to the Court's observations, the Council recommends that the Parliament grant the Director of EUROJUST discharge in respect of the implementation of the budget for the financial year 2006.

In doing so, the Council confirms that EUR 1.8 million (86%) of the appropriations carried over from 2005 to 2006 (EUR 2.1 million) was used, that the appropriations carried over from 2006 to 2007 amount to EUR 2.6 million and that a total of EUR 0.5 million was cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that EUROJUST's annual accounts were, in all material aspects, reliable, the Council believes that there is a certain number of observations that must be taken into consideration when providing the discharge on the implementation of the 2006 budget, particularly regarding the following points:

- **Carry-overs and transfers of appropriations:** the Council notes the high carryover rate for administrative and operational expenditure, as well as the high number of transfers of appropriations between budget lines, often with insufficiently detailed supporting documentation. It underlines the importance of fully observing the budgetary principles of annuality and specification and calls on EUROJUST to focus its efforts on qualitative improvement of the programming of its administrative and operational expenditure, in order to ensure more effective implementation of resources while systematically providing sufficiently detailed supporting documentation of the budgetary amendments;
- **Procurement:** the Council also calls on EUROJUST to fully respect the existing rules regarding procurement, particularly on the maximum duration of contracts, the timely launch of procurement procedures and full compliance with the competition principle, in order to rectify, as soon as possible, all of the anomalies noted by the Court;
- **Inventory rules:** the Council encourages EUROJUST to take all necessary measures to create an exhaustive register of all fixed assets and their values through a reliable system, in order to ensure the integrity of the data recorded and to comply with its accounting obligations.

2006 discharge: European Judicial Cooperation Unit Eurojust

2007/2055(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 610 votes in favour, 40 against and 15 abstentions, a Decision to grant the Administrative Director of EUROJUST discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this EU agency.

At the same time, the Parliament adopted, by 603 votes in favour, 39 against and 17 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Hans-Peter **MARTIN** (NI, AT) on behalf of the Committee on Budgetary Control.

As is the case for all EU agencies, the Parliament's Resolution is divided into two parts: part one contains general comments on EU agencies, while part two focuses on the specific case of EUROJUST.

1) General comments on the majority of EU agencies: the Parliament notes that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled **more than EUR 1 billion** and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. It concludes therefore that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, the Parliament is of the following opinion:

- **Fundamental considerations**: given the constantly increasing number of agencies, the Parliament requests that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. It also requests that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, the Parliament takes the view that,

in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. It recalls that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and consider that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. The Parliament also insists that the Commission, when drafting the Preliminary Draft Budget, take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, the Parliament invites the **competent committee to revise, itself, the budget in question to a realistic level**. At the same time, the Parliament recalls that it expects the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, the Parliament insists that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.

- **Presentation of reporting data**: noting that there is no standard approach among the agencies with regard to the presentation of information, the Parliament recalls that it already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. It therefore asks the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.

- **General findings by the Court of Auditors**: the Parliament refers to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. It calls for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. The Parliament also calls on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.
- **Draft inter-institutional agreement**: the Parliament recalls the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see ACI/2005/2035), which was intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies and awaits its adoption as soon as possible. It particularly welcomes the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

2) Specific points concerning EUROJUST: the Parliament criticises EUROJUST's high carryover rate of appropriations, for both administrative expenditure (33%) and operational expenditure (30%), with a high number of transfers of appropriations between budget lines, such that the budgetary principle of specification was not strictly observed. It also criticises the lack of clarity in the implementation of procurement rules, notably as regards framework contracts.

In addition, it makes the following observations, identified by the Court in its annual report:

- an accumulated surplus of EUR 3.3 million for a balance sheet total of EUR 7.3 million;

- a review of the rental fee paid by EUROJUST for its premises, resulting in a recovery of EUR 952 403 for the period 2003 to 2005;
- a contingent liability for an amount of EUR 388 297 in respect of litigation before the Civil Service Tribunal;
- the non-respect of the principle of the segregation of duties at EUROJUST for the functions of the authorising officer and the financial verifier.

Lastly, the Parliament expresses concern at certain statements in EUROJUST's annual report (statements which have a significant bearing on the fight against fraud, such as the fact that EUROJUST still does not have the capacity to deal with its assigned casework, that its cooperation with OLAF still requires much development, or that its cooperation with EUROPOL would have been more advantageous had it been possible to share its premises with EUROJUST in The Hague).

2006 discharge: European Judicial Cooperation Unit Eurojust

2007/2055(DEC) - 22/04/2008 - Final act

PURPOSE: to grant discharge to EUROJUST for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/231/EC of the European Parliament on the discharge for the implementation of the budget of Eurojust for the financial year 2006.

CONTENT: with the present decision, the European Parliament grants discharge to the Administrative Director of EUROJUST for the implementation of its budget for the financial year 2006.

This decision is in line with the European Parliament's resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).

2006 discharge: European Judicial Cooperation Unit Eurojust

2007/2055(DEC) - 15/11/2007

PURPOSE: presentation of the report by the Court of Auditors on the 2006 annual accounts of EUROJUST.

CONTENT: the report indicates that the appropriations entered in the EUROJUST budget for the financial year in question are **EUR 14.7 million**, EUR 14.086 million was committed and EUR 11.566 million paid. Of this overall amount, EUR 2.591 million was carried over to 2007 and EUR 543 000 was cancelled.

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

Analysis of the accounts by the Court: in its report, the Court notes that the commitment rate for appropriations entered in the budget for the financial year 2006 was 96%. The carryover rate was 33% for administrative expenses (Title II of the budget) and 30% for operational expenditure (Title III). In addition, the management of the budget showed a high number of transfers of appropriations between budget lines and, in many cases, the supporting documentation lacked sufficient detail. Thus, the budgetary principles of **annuality** and **specification** were not strictly observed, according to the Court.

The Court indicates, moreover, that the rules for procurement were not strictly implemented. Also, four framework contracts were concluded for a maximum duration of more than four years. For the procurement of courier services (value of the contracts: more than EUR 100 000) no appropriate procedure had been implemented at the time of the audit (November 2006).

For translation services, a bureau was instructed to use translators chosen by EUROJUST rather than its own staff. This situation was not in line with the **competition principle**, according to the Court, and it resulted in a price increase of EUR 45 000 compared to contractual tariffs.

Finally, the data concerning fixed assets was compiled using a spreadsheet and other software tools, which does not guarantee the integrity of the data recorded. The Court indicates that a fixed assets register, which includes all assets and their values and is used to monitor the evolution of EUROJUST' s property, was not established.

EUROJUST's replies: EUROJUSTreplies to all of the criticisms one by one and indicates that for Title II, the level of carryover is mostly due to a project managed by the host State and its very late start date in the year. For Title III, EUROJUST indicates that it has reduced the rate since 2005 (from 33% to 30%). It has reviewed its budget transfer policy with a view to lowering the number and volume of transfers and improving their documentation.

Moreover, EUROJUST indicates that it has adopted appropriate measures to replace framework contracts within their fourth year at the latest, and launched an open procurement procedure for courier services to replace the previous contract.

Regarding translation, EUROJUST indicates that the translation of its Annual Report entails very strict constraints, as regards both timetable and quality requirements. Unfortunately, no supplier with whom EUROJUST has had a contract was able to provide the quality of service required within the necessary timeframe, which explains the situation described by the Court. Nevertheless, EUROJUST has taken the comment of the Court into account and is preparing a new procurement procedure to be launched before the end of 2007.

Lastly, EUROJUST indicates that it is working to resolve the problem of the accounting date of inventory of fixed assets, raised by the Court, by the end of 2007.

By this date, the ABAC Assets system will have been implemented and a link to the current software used for physical inventory will allow information requested by the financial regulation to be provided.

2006 discharge: European Judicial Cooperation Unit Eurojust

2007/2055(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: presentation of the final accounts of EUROJUST for the 2006 financial year.

CONTENT: this document sets out a detailed account of the implementation of the 2006 budget, including the revenue and expenditure and the balance sheet for the year concerned. It indicates that EUROJUST's final budget amounted to 14.7 million EUR in 2006 (compared with 13 million EUR in 2005) all of which is derived from a Community subsidy.

In terms of personnel, EUROJUST, whose headquarters are at The Hague (The Netherlands) had 112 in its establishment plan 93 of which were occupied and 21 others (contract agents, seconded national experts, local agents and temporary staff) which, in fact, amounted to 114 posts undertaking operational, administrative or mixed tasks. Expenditure on personnel in 2006 represented 6.412 million EUR.

EUROJUST's main task is to organise judicial cooperation between the various national jurisdictions and, where appropriate, to act as intermediary between the national members or as a collegiate body on a whole range of priority areas. EUROJUST focuses on bilateral and multilateral cooperation operations in regard to:

- 'standard' cases (from 1 July 2006, a new classification for 361 cases was opened between that date and 31 December 2006): i.e. 270 'standard' cases out of a total of 361;
- 'complex' cases: 91 out of 361.

There was a total of 771 cases (compared with 588 in 2005) dealing with the following subjects:

- fraud: 175 cases;

- drug trafficking: 170 cases;
- terrorism: 44 cases;
- assassinations: 59 cases;
- people trafficking: 32 cases.

In total, members met 89 times in the course of 2006.

It should be noted that EUROJUST's full accounts are available from the following address: http://www.eurojust.europa.eu/adm_budg_finance.htm