Basic information

2016/2164(DEC) DEC - Discharge procedure	Procedure completed
2015 discharge: European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) **Subject** 8.70.03.05 2015 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	AYALA SENDER Inés (S&D)	05/08/2016
	Shadow rapporteur ZDECHOVSKÝ Tomáš (PPE) FITTO Raffaele (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) JÁVOR Benedek (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
LIBE Civil Liberties, Justice and Home Affairs	JEŽEK Petr (ALDE)	12/10/2016

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
		COM(2016)0475	Summary

11/07/2016	Non-legislative basic document published		
04/10/2016	Committee referral announced in Parliament		
22/03/2017	Vote in committee		
29/03/2017	Committee report tabled for plenary	A8-0099/2017	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Decision by Parliament	T8-0173/2017	Summary
27/04/2017	Results of vote in Parliament		
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2164(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07458

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE593.884	03/02/2017	
Committee opinion	LIBE	PE595.389	15/02/2017	
Amendments tabled in committee		PE600.883	06/03/2017	
Committee report tabled for plenary, single reading		A8-0099/2017	29/03/2017	Summary
Text adopted by Parliament, single reading		T8-0173/2017	27/04/2017	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05873/2017	07/02/2017	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2016)0475	11/07/2016	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0125/2016 OJ C 449 01.12.2016, p. 0128	13/09/2016	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2017/1684 OJ L 252 29.09.2017, p. 0257	Summary

2015 discharge: European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)

2016/2164(DEC) - 13/09/2016 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015, together with the Centre's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA). In brief, the Centre's main task is to collect, analyse and disseminate information as regards drugs and drug addiction in order to prepare and publish information at European level.

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2015; and
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Centre's annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2015 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Centre, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **budgetary management**: the Centre noted that in 2012 it signed a framework contract with a maximum amount for signing specific contracts of EUR 250 000, which was specified in the contract notice. However, the Centre did not respect this ceiling. By the end of 2015 the total payments made under this contract amounted to EUR 382 181; i.e. exceeded it by 50 %. The payments made above the ceiling indicate that the Centre's procedure for monitoring framework contracts should be improved.

The Centre's replies:

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budgetary management: the Centre stated that the referred amount was mentioned as an estimate in the contract notice published for the purpose of the procurement at stake. The framework contract concluded pursuant to this process neither mentioned this amount nor did it refer to any maximum threshold. The EMCDDA has terminated this contract and launched a new procurement procedure for the concerned services.

Lastly, the Court of Auditors' report contains a summary of the **Centre's key figures in 2015**:

- **Budget**: EUR 18.5 million (in payment appropriations).
- **Staff**: 100 including officials, temporary and contract staff and seconded national experts.

2015 discharge: European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)

2016/2164(DEC) - 29/03/2017 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Inés AYALA SENDER (S&D, ES) on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015.

The committee called on the European Parliament to grant the Centre's Director discharge in respect of the implementation of the Centre's budget for the financial year 2015.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Centre for the financial year 2015 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Centre's accounts. They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Centre's financial statements**: the final budget of the European Monitoring Centre for the financial year 2015 was EUR 18 519 843, representing an increase of 18.15 % compared to 2014. This increase was mainly due to the Centre's own revenue, including the sale of premises, of EUR 5 million and the assigned revenue (IPA 5) of EUR 600 000. The payment appropriations execution rate was 97.35 %, representing an increase of 2.42 % compared to 2014.

Members also made a series of observations regarding the commitments and carry-overs, procurement and recruitment procedures, the prevention and management of conflicts of interests and internal audits and controls.

Members also evoked the **anti-fraud strategy** and stated that the Centre adopted in June 2016 an anti-fraud strategy which develops the measures that were already in place for awareness raising on staff ethics and on gifts and hospitality offered by third parties.

Lastly, they noted with satisfaction the Centre's ongoing efforts to strengthen cooperation with other Union agencies, particularly those working in Justice and Home Affairs and in the health field. They highlighted the success of the Centre in its different missions and recommended the development and implementation of a much longer-term strategy.

2015 discharge: European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)

2016/2164(DEC) - 11/07/2016 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

Analysis of the accounts of the **European Monitoring Centre for Drugs and Drug Addiction (EMCDDA).**

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

The EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- **Direct management**: the budget is implemented directly by the Commission services.
- **Indirect management**: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, **such as the EU agencies**.

- **Shared management**: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

This Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cashflows of the EU institutions and bodies, including the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the EMCDDA.

The European Monitoring Centre for Drugs and Drug Addiction: the Monitoring Centre, which is located in Lisbon (PT), was established by Council Regulation (EEC) No 302/93 and its main task is to collect data on drugs and drug addiction in order to prepare and publish information at European level that is objective, reliable and comparable.

As regards the Centre’s accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2015:

Commitment appropriations:

- **committed**: EUR 19 million;
- **paid**: EUR 18 million;
- **carried-over**: EUR 1 million.

Payment appropriations:

- **committed**: EUR 20 million;
- **paid**: EUR 18 million;
- **carried-over**: EUR 1 million.

For further details on expenditure, please refer to the final accounts of the Monitoring Centre.

2015 discharge: European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)

2016/2164(DEC) - 07/02/2017 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), as well as the Court of Auditors' report on the annual accounts of the Centre for the financial year 2015, accompanied by the Centre's replies to the Court's observations, the Council recommended 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 2015.

The Council welcomed the Court's opinion that the Centre's annual accounts present fairly its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Centre's Financial Regulation, and that the underlying transactions for 2015 are legal and regular in all material respects.

Nevertheless, one observation was made:

- **procurement**: the Council noted the Court's comment in relation to the exceeding of a maximum amount specified in the contract notice for a framework contract signed by the Centre in 2012. It welcomed the Centre's reply outlining its follow-up to improve the central planning and monitoring of its procurements.

2015 discharge: European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)

2016/2164(DEC) - 27/04/2017 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Director of the European Monitoring Centre for Drugs and Drug Addiction (EMCDD) in respect of the implementation of the Centre's budget for the financial year 2015.

The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex IV, Article 5 (1) (a) to Parliament's Rules of Procedure).

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 518 votes to 104 with 2 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies.

These recommendations may be summarised as follows:

- **Centre's financial statements**: Parliament noted that the final budget of the European Monitoring Centre for the financial year 2015 was EUR 18 519 843, representing an increase of 18.15 % compared to 2014. This increase was mainly due to the Centre's own revenue, including the sale of premises, of EUR 5 million and the assigned revenue (IPA 5) of EUR 600 000. The payment appropriations execution rate was 97.35 %, representing an increase of 2.42 % compared to 2014.
- **Financial and budget management**: Parliament noted that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99.83 % and that the payment appropriations execution rate was 97.35 %, representing an increase of 2.42 % compared to 2014.

Parliament also made a series of observations regarding the commitments and carry-overs, procurement and recruitment procedures, the prevention and management of conflicts of interests and internal audits and controls.

It evoked the anti-fraud strategy and stated that the Centre adopted in June 2016 an anti-fraud strategy which develops the measures that were already in place for awareness raising on staff ethics and on gifts and hospitality offered by third parties.

It noted with satisfaction the Centre's ongoing efforts to strengthen cooperation with other Union agencies, particularly those working in Justice and Home Affairs and in the health field.

Detecting new drugs: Parliament emphasised the important role of the Centre in detecting new trends, assessing threats posed by drugs to the health and security of young Europeans, and developing prevention strategies. It welcomed the notification of **98 new psychoactive substances**. It encouraged sustained efforts to monitor the use of the internet as a vehicle for drug supply.

2015 discharge: European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)

2016/2164(DEC) - 20/04/2017 - Final act

PURPOSE: to grant discharge to the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1684 of the European Parliament on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the Centre for the implementation of its budget for the financial year 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27 April 2017).

Amongst Parliament's main observations in the resolution accompanying the discharge decision, the latter noted that the Centre put in place a new procurement plan which was successfully executed in close collaboration with all units.

Parliament also emphasised the important role of the Centre in detecting new trends, assessing threats posed by drugs to the health and security of young Europeans, and developing prevention strategies.