RESOLUTION

of the European Parliament containing the comments accompanying the Decision on the 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 EUROPEAN PARLIAMENT,

— having regard to the Court of Auditors' report on the financial statements of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2002, together with the Centre's replies [1] (C5-0634/2003),

— having regard to the Council's recommendation of 9 March 2004 (C5-0139/2004),

— having regard to the EC Treaty, and in particular Article 276 thereof,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities [2], and in particular Article 185 thereof, and to Council Regulation (EC) No 1651/2003 of 18 June 2003 amending Regulation (EEC) No 302/93 on the establishment of a European Monitoring Centre for Drugs and Drug Addiction [3], and in particular Article 11a thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities [4], and in particular Article 94 thereof,

— having regard to Rule 93*a* of and Annex V to its Rules of Procedure,

— having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs (A5-0212/2004),

A. Whereas the European Court of Auditors (ECA) stated in its abovementioned report that it had obtained reasonable assurance that the accounts for the financial year ended 31 December 2002 are reliable and that the underlying transactions, taken as a whole, are legal and regular.

B. Whereas on 6 November 2003 Parliament gave discharge [5] to the Director of the European Monitoring Centre for Drugs and Drug Addiction in respect of the implementation of its budget for the 2001 financial year and at the same time Parliament in its resolution, inter alia:

— welcomed the measures introduced by the Centre aimed at ensuring better monitoring, implementing, reporting on and assessment of its activities, and encouraged it to follow closely its operational activities with a view, in particular, to reducing carry-overs,

— invited the Centre to intensify interinstitutional cooperation in the areas of purchasing goods and services and tendering procedures on the basis of best practice,

— took the view that the Centre should seek an appropriate solution to its premises problem in line with the budgetary authority recommendations and stated that it would follow up this issue in the context of the next discharge procedure,

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[1] OJ C 319, 30.12.2003, p. 62.

[2] OJ L 248, 16.9.2002, p. 1.

[3] OJ L 245, 29.9.2003, p. 30.

[4] OJ L 357, 31.12.2002, p. 72.

[5] OJ L 333, 20.12.2003, p. 59.

1. Notes the following figures for the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial years 2002 and 2001:

Revenue and expenditure account for the financial years 2002 and 2001 (1)

(1 000 euro)

	2002	2001
Revenue		
Subsidies received from the Commission	9 000	8 750
Subsidies received from Norway	413	399
Other subsidies	735	1 153
Other revenue	133	99
Total revenue (a)	**10 280**	**10 401**
Expenditure		
Staff — Title I of the budget		
Payments	4 951	4 174
Appropriations carried over	80	490
Administration — Title II of the Budget		
Payments	632	620
Appropriations carried over	509	624
Operating activities — Title III of the budget		
Payments	2 525	2 146
Appropriations carried over	1 001	2 026
Total expenditure (b)	**9 698**	**10 079**
Outturn for the financial year (a − b)	**582**	**322**
Balance carried over from the previous financial year (2)	639	2 076
Appropriations carried over and cancelled	392	301
Unused sums for re-use from the previous financial year	9	18
Amount refunded to the Commission	0	− 2 076
Exchange-rate difference	3	− 2
Balance for the financial year (3)	**1 625**	**639**

(1) In its accounts the Monitoring Centre included under revenue and expenditure the use of earmarked revenue not used in 2001.
(2) The balance for the financial year 2001 is to be refunded to the Commission and is equivalent to the total of the outturn for the financial year plus depreciation (82 000 + 557 000 euro).
(3) Calculated in accordance with the principles laid down in Article 15 of Council Regulation (EC, Euratom) No 1150/2000 of 22 May 2000 (OJ L 130, 31.5.2000, p. 8).

NB: Any discrepancies in totals are due to the effects of rounding.
Source: Monitoring Centre's data.

Implementation of the budget

2. Notes the Centre's reply to the questionnaire concerning the trend in carry-overs; 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; encourages the Centre to continue its efforts in this regard;

3. Expects the Centre to indicate whether the framework of the new Financial Regulation might offer further opportunities for reducing carry-overs;

4. 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;

Legality and regularity of the underlying transactions

5. 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;

Personnel management

6. Expresses deep concern over the ECA's findings in its report on 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; 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; expects the Centre to fully inform Parliament of any complaints lodged with the Court of Justice in this connection and on their outcome;

7. 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; expects the Centre therefore to make every effort to prevent such phenomena occurring in future recruitment procedures;

8. Notes the Centre's position that in future it will call upon the services of EPSO to organise competitions;

Horizontal points on the Agencies and the Commission

Implementing the new Financial Regulation - Internal audit and control

9. Reiterates the position taken in its resolutions [1] accompanying the discharge given to the agencies for 2001 as regards the implementation of the new Financial Regulation; 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;

10. 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); expresses grave concern that such controls do not seem to have been carried out this year; asks the Commission and the IAS to explain the reasons for this and to provide data about the number of staff available to the Internal Auditor to carry out controls in the agencies; expects the Commission to indicate how it can guarantee that sufficient and correct controls are carried out in the satellite bodies, in particular the IAS;

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[1] OJ L 148, 16.6.2003, p. 83 and OJ L 333, 20.12.2003, p. 53 (point 18).

11. Stresses that it is essential that the agencies be required to submit to the investigative powers of OLAF under the same conditions as the institutions [1]; invites the ECA to provide information, in time for adoption of the discharge resolution, on whether the Community bodies which acceded to the Interinstitutional Agreement of 25 May 1999 [2] on internal investigations by OLAF did so in the same terms as those laid down in the annex to this Agreement;

Financial Management

12. Notes that in some of the agencies' replies to the questionnaire concerning the way in which the recurrent problem of substantial carry-overs might be addressed, mention is made of the possibilities offered by the new Financial Regulation, which provides for the use of 'differentiated appropriations'; invites the Agencies to better explain their analysis and to indicate in particular which of their activities of a multiannual nature might be financed by such appropriations;

13. Invites the Commission 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

14. Stresses 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;

15. Calls on the Commission 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;

16. 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; calls therefore on the Commission and the agencies to set targets and a timetable to reduce the level of administrative expenditure as a proportion of total expenditure; notes that many agencies see opportunities in this regard, as listed in the questionnaire;

17. With reference to the replies to the questionnaire on interinstitutional cooperation, encourages the agencies 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;

18. Encourages the Agencies to 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 coordinate their action with the Committees of Budgets and Budgetary Control, with a view to ensuring efficient monitoring of the activity of the agencies;

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[1] Texts adopted, 13 January 2004, P5_TA(2004) 0015.

[2] OJ L 136, 31.5.1999, p. 15.

New sources of financing

19. Welcomes the responses and ideas that emerged from the questionnaire concerning the possibilities of other sources of financing; notes that many current sources and proposals concern the letting of buildings and facilities and the sale of publications and information; realises that for reasons of independence, among other things, not all agencies are to accept additional financial sources; stresses the economies of scale and financial benefits of the participation of non-EU countries in the activities of certain agencies; 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;

20. Welcomes the financial contributions of some Member States and regions to the agencies located on their area; considers it important for Council and the Commission to demand such contributions, especially when new agencies are set up;

Harmonised operating framework

21. Recalls its position [1] that the multitude of different forms in the existing agencies' structures was thought to be 'neither transparent nor comprehensible, and, even bearing in mind the differences in tasks, not justified'; invites the Commission to conduct a review of all the existing agencies with a view to proposing, where appropriate, amendments to their basic instruments [2] so as to adapt them to the models that the future regulatory framework should encompass; instructs its competent committees to follow up this comprehensive review exercise, which should be conducted as soon as possible, and to take into consideration the horizontal issues mentioned in this discharge resolution;

22. Invites 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

23. Notes that, as a result of the new Financial Regulation, the organigrams of the agencies are established by the budgetary authority; stresses the importance of this change for the agency discharge procedure in the years to come as regards checking application of the Staff Regulation in matters of recruitment, promotion policy, vacancy rates and recruitment policy;

24. Notes that, in response to a questionnaire tabled in the course of the budgetary procedure for 2004, it was established that, on average, it took considerably fewer years to obtain promotion at several agencies than is the policy in the Commission, that vacancy rates were considerably higher compared to other institutions and that several of the requested new posts were not proposed at the lowest grade; considers that staff policy should form an important part of a review of the existing agencies;

25. Considers that the staff policy of the agencies should comply with the Financial Regulation, the Staff Regulations and the best practice generally followed by the Institutions; considers that the Commission has been requested to give, before the 2005 budgetary procedure, guidelines concerning staff policy, notably the rate of vacant posts, the rate of promotions, the level of recruitment and the standard career profile;

26. Recalls the principle that the agencies should as far as possible employ staff on temporary contracts, in order to maintain flexibility and efficiency;

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[1] P5_TA(2004) 0015 (paragraphs 13 and 14).

[2] P5_TA(2004) 0015 (paragraph 24).

27. Is concerned about the serious anomalies detected in connection with the selection procedures of the European Monitoring Centre for Drugs and Drug Addiction, including: imprecise notice, incomplete selection committee minutes, criteria for assessing candidates not defined in advance [1]; is very concerned that this might not be an isolated case but that Agencies in general might have difficulty in managing these rather complex procedures in a fair and transparent manner;

28. Is of the opinion that selection procedures organised by 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;

29. Invites the Commission 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.

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[1] See paragraph 13 of the Court of Auditors' specific report for 2002 (p. 64).