



Plenary sitting

A8-0105/2016

7.4.2016

REPORT

on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014 (2015/2167(DEC))

Committee on Budgetary Control

Rapporteur: Derek Vaughan

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014 (2015/2167(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014, together with the Centre's replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0065/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction⁴, and in particular Article 15 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 Communities⁵,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶, and in particular Article 108 thereof,

¹ OJ C 409, 9.12.2015, p. 206.

² OJ C 409, 9.12.2015, p. 206.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 376, 27.12.2006, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- having regard to Rule 94 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 Civil Liberties, Justice and Home Affairs (A8-0105/2016),
1. Grants the Director of the European Monitoring Centre for Drugs and Drug Addiction discharge in respect of the implementation of the Centre's budget for the financial year 2014;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014
(2015/2167(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014, together with the Centre's replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0065/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction⁴, and in particular Article 15 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 Communities⁵,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶,

¹ OJ C 409, 9.12.2015, p. 206.

² OJ C 409, 9.12.2015, p. 206.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 376, 27.12.2006, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

and in particular Article 108 thereof,

- having regard to Rule 94 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 Civil Liberties, Justice and Home Affairs (A8-0105/2016),
1. Notes that the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014;
 3. Instructs its President to forward this decision to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014
(2015/2167(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014,
 - having regard to Rule 94 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 Civil Liberties, Justice and Home Affairs (A8-0105/2016),
- A. whereas, according to its financial statements, the final budget of the Monitoring Centre for Drugs and Drug Addiction ('the Centre') for the financial year 2014 was EUR 15 675 036 representing a decrease of 3,88 % compared to 2013; whereas 93,4% of the Centre's budget derives from the Union budget,
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Monitoring Centre for Drugs and Drug Addiction for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular,

Follow-up of 2013 discharge

1. Acknowledges that the Centre has taken measures to further reduce the need for the adjustment of technical specifications of tenders, as well as to ensure that all concerned parties are informed more effectively whenever such adjustments are needed, namely via the publication of more explicit notices on its website;
2. Welcomes that the Centre's 2014 final annual accounts report contains detailed information about the corrective actions taken by the Centre in response to the observations and recommendations expressed by the Court, the budget authority and the Commission's Internal Audit Service (IAS); takes note of the Centre's efforts to implement the Court's and the IAS's audit recommendations in order to improve its management and internal control systems;

Budget and financial management

3. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 99,62 % and that the payment appropriations execution rate was 94,93 %, representing a slight decrease of 2,78 % compared to 2013; notes with satisfaction that the high overall level of committed appropriations indicated that the commitments were being made in a timely manner;

Commitments and carry-overs

4. Takes note from the Court's report that the level of committed appropriations carried over to 2015 was at 26 % (EUR 673 534) for Title II (administrative expenditure); acknowledges that these carry-overs mainly relate to an accelerated implementation of the Centre's multi-annual information and communication technologies (ICT) strategy as well as to resources initially planned for salary increases but not needed following a decision by the Court of Justice of the European Union;
5. Welcomes the accelerated implementation of the ICT strategy, but calls on the Centre in future to keep the level of committed appropriations carried over to the following year as low as possible;

Prevention and management of conflicts of interests and transparency

6. Notes that, pursuant to the Centre's revised policy on the prevention and management of conflicts of interests, the Centre's Management Board adopted in 2015 the templates to be used for publishing of the declarations of interest;
7. Acknowledges the Centre's publication of declarations of interest of its Management Board; notes, however, that the declarations of interest of Centre's Director and senior management are not publicly available and calls on the Centre to publish those declarations without delay;
8. Reminds the Centre that, under Article 22c of the Staff Regulations, which entered into force on 1 January 2014, it must adopt binding internal rules on whistle-blowers; further calls on the Centre to establish clear rules against "revolving doors";

Internal controls

9. Ascertains that a comprehensive document reviewing and setting out the state of implementation of the Centre's Internal Control Standards (ICS) was prepared in 2013 and reviewed throughout 2014; observes that the three identified areas where implementation of the ICS should be improved are the following: business continuity, governance in IT as regards project management and monitoring of performance supported by Key Performance Indicators; acknowledges that measures aimed at mitigating the risks have continued to be taken by the Centre in order to deal with these risks;
10. Takes note that the Centre placed particular focus on managing the risks included in the ICT section of the Centre's risk register, in particular in the areas of security, project management and governance;

Internal audit

11. Ascertains from the Centre that all recommendations relating to the 2008 audit of the IAS have been closed; notes that two recommendations arising from the 2011 IAS audit have not been formally closed, as their implementation is at an advanced stage at the Centre; notes furthermore that the 2013 IAS audit on budget monitoring produced three main recommendations, with two already implemented while the recommendation on the

budget preparation process was scheduled to be completed in 2015;

Other comments

12. Notes that the Centre continued its efforts to find a suitable solution for some areas of its “Cais do Sodré Relógio” building which remains partially unused; acknowledges that two parties have recently expressed an interest in subletting these areas; acknowledges furthermore that the negotiations with the Lisbon Port Authority, the owner of the premises, for the reduction of the rent are in progress; calls on the Centre to inform the discharge authority on the further progress in this issue;

13. Calls on the Centre to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

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14. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]¹ [on the performance, financial management and control of the agencies].

¹ Texts adopted of that date, P[8_TA(-PROV)(2016)0000].

19.2.2016

OPINION OF THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014
(2015/2167(DEC))

Rapporteur: Monica Macovei

SUGGESTIONS

The Committee on Civil Liberties, Justice and Home Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes the Court of Auditors' conclusions that the annual accounts of the EMCDDA (the Agency) present fairly its financial position as at 31 December 2014 and that its transactions are legal and regular;
2. Notes the acceleration of the implementation of the multi-annual ICT strategy following the transfer of funds available on the salary budget line after the decision of the Court of Justice regarding the non-adaptation of the salaries of Union officials in 2011, 2012 and 2013; requests explanations regarding the operational reasons as to why the money was not returned to the Union budget;
3. Notes the high level of carry-over committed appropriations for 2014 which should be addressed while acknowledging that the Court of Auditors takes the view that carry-overs often result from events beyond the agencies' control or are justified by the multi-annual nature of operations, procurement procedures or projects; in addition, recommends the publication of the amount transferred from one budget category to another;
4. Welcomes that the Agency's 2014 final annual accounts report contains detailed information about the corrective actions taken by the Agency in response to the observations and recommendations expressed by the European Court of Auditors, the EU Budget Authority and the Internal Audit Service of the European Commission. Takes note of the Agency's efforts to implement the Court's and the IAS's audit recommendations in order to improve its management and internal control systems.

5. Welcomes the revision and publication of the policy on the prevention and management of conflicts of interests in line with the Commission's guidelines and the adoption of templates on 9 September 2015; urges the Agency to publish them by 1 March 2016 and to submit to the discharge authority a track record of conflict of interest identified;
6. Reminds the Agency that it must adopt binding rules for the protection of whistle-blowers, according to Article 22c of the EU Staff Regulations, which entered into force on 1 January 2014; further calls on the Agency to establish clear rules against "revolving doors".

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

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| Date adopted | 16.2.2016 |
| Result of final vote | +: 50 -: 1 0: 0 |
| Members present for the final vote | Jan Philipp Albrecht, Michał Boni, Ignazio Corrao, Rachida Dati, Agustín Díaz de Mera García Consuegra, Frank Engel, Cornelia Ernst, Tanja Fajon, Laura Ferrara, Monika Flašíková Beňová, Lorenzo Fontana, Kinga Gál, Nathalie Griesbeck, Jussi Halla-aho, Monika Hohlmeier, Brice Hortefeux, Sophia in 't Veld, Eva Joly, Sylvia-Yvonne Kaufmann, Timothy Kirkhope, Barbara Kudrycka, Marju Lauristin, Juan Fernando López Aguilar, Roberta Metsola, Louis Michel, Claude Moraes, József Nagy, Péter Niedermüller, Soraya Post, Judith Sargentini, Birgit Sippel, Branislav Škripek, Helga Stevens, Traian Ungureanu, Bodil Valero, Udo Voigt, Josef Weidenholzer, Cecilia Wikström, Kristina Winberg, Tomáš Zdechovský |
| Substitutes present for the final vote | Marina Albiol Guzmán, Carlos Coelho, Anna Maria Corazza Bildt, Pál Csáky, Daniel Dalton, Gérard Deprez, Anna Hedh, Petr Ježek, Emil Radev, Christine Revault D'Allonnes Bonnefoy, Barbara Spinelli, Elissavet Vozemberg-Vrionidi |

RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

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| Date adopted | 4.4.2016 |
| Result of final vote | + : 15 - : 4 0 : 0 |
| Members present for the final vote | Louis Aliot, Inés Ayala Sender, Dennis de Jong, Martina Dlabajová, Ingeborg Gräßle, Verónica Lope Fontagné, Monica Macovei, Dan Nica, Gilles Pargneaux, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Tomáš Zdechovský |
| Substitutes present for the final vote | Marian-Jean Marinescu |
| Substitutes under Rule 200(2) present for the final vote | Bodil Valero |