



Plenary sitting

A8-0099/2017

28.3.2017

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 2015 (2016/2164(DEC))

Committee on Budgetary Control

Rapporteur: Inés Ayala Sender

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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 2015 (2016/2164(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 2015,
- 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 2015, together with the Centre's reply¹,
- 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0051/2017),
- 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 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 Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV 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 (A8-0099/2017),

¹ OJ C 449, 1.12.2016, p. 128.

² OJ C 449, 1.12.2016, p. 128.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 376, 27.12.2006, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

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 2015;
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 2015 (2016/2164(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 2015,
- 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 2015, together with the Centre's reply¹,
- 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0051/2017),
- 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 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 Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV 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 (A8-0099/2017),

¹ OJ C 449, 1.12.2016, p. 128.

² OJ C 449, 1.12.2016, p. 128.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 376, 27.12.2006, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015;
2. 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 2015
(2016/2164(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 2015,
 - having regard to Rule 94 of and Annex IV 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 (A8-0099/2017),
- A. whereas, according to its financial statements, the final budget of the European Monitoring Centre for Drugs and Drug Addiction (“the Centre”) for the financial year 2015 was EUR 18 519 843, representing an increase of 18,15 % compared to 2014; whereas the increase was mainly due to the Centre’s own revenue, including the sale of premises, of EUR 5 000 000 and the assigned revenue (IPA 5) of EUR 600 000; whereas 79,9 % 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 European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015 (“the Court’s report”), 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;
- C. whereas in the context of the discharge procedure, the discharge authority stresses the special importance of further strengthening the democratic legitimacy of the institutions of the Union by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources;

Follow-up of 2014 discharge

1. Acknowledges from the Centre that:
 - it adopted internal procedures and rules on whistleblowing that transpose the guidelines of the Commission and that are in line with the recommendations expressed by the European Ombudsman;
 - its Director, who is the only member of senior management at the Centre, voluntarily published his declaration of interest on the Centre’s website;

Budget and financial management

2. Notes 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; notes with satisfaction that the high overall level of committed appropriations indicated that commitments were made in a timely manner;

Commitments and carry-overs

3. Notes with satisfaction that the level of committed appropriations carried over for Title II (administrative expenditure) was low at 8 % (EUR 406 487) compared to 26 % (EUR 673 534) in 2014; notes that in 2015 the Centre consumed 93,69 % of the funds carried forward from 2014 to 2015;

Procurement procedures

4. Notes that the Centre put in place a new procurement plan which was successfully executed in close collaboration with all units; notes furthermore that the Centre participated in the Network of Agencies Procurement Officers meeting in order to exchange experiences to further continue in implementing measures to rationalise and optimise tendering and other financial processes;

Prevention and management of conflicts of interest and transparency

5. Acknowledges that the Centre's Management Board adopted a new policy for the prevention and management of conflicts of interest which concerns Management Board and Scientific Committee members; acknowledges that, consequently, the members' declarations were published on the Centre's website; notes that the curricula vitae (CVs) and declarations of interest are well organised, visible, accessible and user-friendly on its website; notes that the Centre's Management Board adopted in December 2014 its policy for the prevention and management of conflicts of interest; notes that this policy has been in place since September 2015, including templates for declarations of interest for Management Board and Scientific Committee members;
6. Acknowledges that the Centre made available on its website a publication containing all the declaration of interest forms and a summary of the professional activities of Management Board members as well as all declarations of interest, declarations of independence and summarised CVs for Scientific Committee members; calls on the Centre to publish on its website the CVs and declarations of interest of nominated members, substitutes or observers;

Internal controls

7. Notes that, according to the Court's report, the Court asserts that the Centre did not respect the ceiling contract which was specified in the contract notice for a framework contract signed in 2012; notes also the Centre's explanation that the referred amount was mentioned as an estimate in the contract notice in line with the relevant financial rules, and the concluded contract neither mentioned this amount nor did it refer to any maximum threshold; acknowledges that the Centre terminated this contract and launched a new procurement procedure for the services concerned; welcomes the fact that the Centre has put in place a specific process to improve central planning and monitoring of its procurements, including for framework contracts;

Internal audit

8. Notes the closure of the only main outstanding recommendation from a 2013 audit carried out by the Commission's Internal Audit Service (IAS) on 'Budget and monitoring within the EMCDDA';
9. Notes that the IAS carried out an audit on 'IT project management' in the Centre and it yielded six main recommendations which covered issues on Business–IT alignment, IT project management, and requirements for management and systems development; notes furthermore that the Centre established a suitable action plan which was endorsed by its Management Board, and that the recommendations were to be followed in substance by the Centre; calls on the Centre to report to the discharge authority upon the implementation of the action plan;
10. Notes that the IAS carried out a comprehensive risk assessment of the Centre's governance, core business and support processes and that the IAS Strategic Internal Audit Plan for 2016–2018 targeted two main topics for future auditing ('Management of data collection, validation and quality assurance' and 'Publications Management');

Anti-fraud strategy

11. Notes that the Centre adopted in June 2016 an anti-fraud strategy in line with the methodology and guidance provided by the European Anti-Fraud Office (OLAF); notes that this strategy integrates, completes and develops the measures that were already in place for awareness raising on staff ethics and on gifts and hospitality offered by third parties;

Other comments

12. Notes that, according to the results of the Centre's staff screening exercise, 68,56 % of its human resources were devoted to operational activities, 20,68 % was allocated to administrative support and coordination, and 10,76 % was assigned to operations considered neutral in 2015;
13. Notes 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; also notes that the synergies achieved with the European Maritime Safety Agency have brought efficiency gains thanks to shared costs for telecommunications and internet-based services;
14. Highlights the success of the Centre in its different missions; welcomes the new strategy and work programme for the period 2016–2018; encourages, however, the development and implementation of a much longer-term strategy as committed to by its Director;
15. Emphasises 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; welcomes the notification of 98 new psychoactive substances; encourages sustained efforts to monitor the use of the internet as a vehicle for drug supply;

16. Acknowledges the fact that the Centre released 45 publications, contributed its expertise to around 300 key external scientific and institutional events and that its staff contributed to 27 scientific articles; encourages the dissemination of results through social media and online tools;

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17. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx April 2017]¹ [on the performance, financial management and control of the agencies].).

¹ Texts adopted of that date, P[8_TA(-PROV)(2017)0000].

15.2.2017

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 2015
(2016/2164(DEC))

Rapporteur: Petr Ježek

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. Welcomes the Court of Auditors' conclusions that the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction ("the Agency") present fairly its financial position on 31 December 2015 and that its transactions are legal and regular;
2. Welcomes the outstanding budget execution of 99,83 % for commitment appropriations, 97,35 % for payment appropriations, 93,70 % for appropriations carried forward from 2014 and 0,2 % for cancelled/non-used payment appropriations;
3. Regrets the high level of carry-over of committed appropriations for administrative expenditure (26,6%); acknowledges that they mainly relate to an accelerated implementation of the multi-annual ICT strategy, arising from resources initially planned for salary increases but not needed following a decision by the Court of Justice of the European Union;
4. Regrets the fact that by the end of 2015 the Agency did not respect the ceiling of EUR 250 000 imposed in 2012 for its framework contract; regrets that by the end of 2015 the total payments made amounted to EUR 382 181, which means that the Agency exceeded that ceiling by 50 %; urges the Agency to improve its procedure for monitoring framework contracts;
5. Regrets the fact that expenses on a particular framework contract exceeded the published estimate by more than 50 %; welcomes, therefore, the cancellation of that contract and the launch of a new public procurement procedure; acknowledges the commitment of the

Agency to improve the central planning and monitoring of its procurements; welcomes the overall performance of the Agency with its limited budget;

6. Highlights the success of the Agency in its different missions; welcomes the new strategy and work programme for the period 2016–2018; encourages, however, the development and implementation of a much longer-term strategy as committed to by its Director;
7. Emphasises the important role of the Agency in detecting new trends, assessing threats posed by drugs to the health and security of young Europeans and developing prevention strategies; welcomes the notification of 98 new psychoactive substances; encourages sustained efforts to monitor the use of the internet as a vehicle for drug supply;
8. Acknowledges the fact that the Agency released 45 publications, contributed its expertise to around 300 key external scientific and institutional events and that its staff contributed to 27 scientific articles; encourages the dissemination of results through social media and online tools;
9. Notes the findings of the internal audit service on “IT project Management”; stresses, in particular, the importance of developing an ICT strategy to fully support the core mission of the Agency.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	9.2.2017
Result of final vote	+: 41 -: 3 0: 0
Members present for the final vote	Heinz K. Becker, Michał Boni, Caterina Chinnici, Agustín Díaz de Mera García Consuegra, Tanja Fajon, Kinga Gál, Ana Gomes, Nathalie Griesbeck, Sylvie Guillaume, Jussi Halla-aho, Monika Hohlmeier, Eva Joly, Dietmar Köster, Barbara Kudrycka, Cécile Kashetu Kyenge, Marju Lauristin, Juan Fernando López Aguilar, Monica Macovei, Roberta Metsola, Péter Niedermüller, Soraya Post, Judith Sargentini, Birgit Sippel, Branislav Škripek, Csaba Sógor, Sergei Stanishev, Helga Stevens, Traian Ungureanu, Bodil Valero, Marie-Christine Vergiat, Udo Voigt, Josef Weidenholzer, Kristina Winberg, Tomáš Zdechovský
Substitutes present for the final vote	Petr Ježek, Jeroen Lenaers, Nadine Morano, Morten Helveg Petersen, Emil Radev, Barbara Spinelli, Anders Primdahl Vistisen, Axel Voss
Substitutes under Rule 200(2) present for the final vote	Josu Juaristi Abaunz, Georg Mayer

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	22.3.2017
Result of final vote	+: 23 -: 5 0: 0
Members present for the final vote	Inés Ayala Sender, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Luke Ming Flanagan, Ingeborg Gräßle, Cătălin Sorin Ivan, Jean-François Jalkh, Bogusław Liberadzki, Monica Macovei, Notis Marias, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Hannu Takkula, Derek Vaughan, Joachim Zeller
Substitutes present for the final vote	Richard Ashworth, Gerben-Jan Gerbrandy, Benedek Jávor, Karin Kadenbach, Julia Pitera, Patricija Šulin
Substitutes under Rule 200(2) present for the final vote	Raymond Finch, Jens Geier, Piernicola Pedicini, Janusz Zemke

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

23	+
ALDE	Martina Dlabajová, Gerben-Jan Gerbrandy, Hannu Takkula
ECR	Monica Macovei
GUE/NGL	Luke Ming Flanagan, Dennis de Jong
PPE	Tamás Deutsch, Ingeborg Gräßle, Julia Pitera, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Joachim Zeller, Patricija Šulin
S&D	Inés Ayala Sender, Jens Geier, Cătălin Sorin Ivan, Karin Kadenbach, Bogusław Liberadzki, Derek Vaughan, Janusz Zemke
VERTS/ALE	Benedek Jávor, Bart Staes

5	-
ECR	Richard Ashworth, Notis Marias
EFDD	Raymond Finch, Piernicola Pedicini
ENF	Jean-François Jalkh

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention

