

# EUROPEAN PARLIAMENT

2004



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*Committee on Budgetary Control*

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## **DRAFT REPORT**

on the discharge for the implementation of the budget of Eurojust for the  
financial year 2005  
(C6-0395/2006 – 2006/2162(DEC))

Committee on Budgetary Control

Rapporteur: Edit Herczog

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## 1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the discharge for the implementation of the budget of Eurojust for the financial year 2005  
(C6-0395/2006 – 2006/2162(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of Eurojust for the financial year 2005<sup>1</sup>,
  - having regard to the Court of Auditors' report on the final annual accounts of Eurojust for the financial year 2005, together with Eurojust's replies<sup>2</sup>,
  - having regard to the Council's recommendation of .. March 2007 (0000/2007 - C6-xxxx/2007),
  - having regard to the EC Treaty, and in particular Article 276 thereof, and the EU Treaty, and in particular Article 41 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<sup>3</sup>, and in particular Article 185 thereof,
  - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime<sup>4</sup>, and in particular Article 36 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<sup>5</sup>, and in particular Article 94 thereof,
  - having regard to Rule 71 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 (A6-xxxx/2007),
1. Grants the administrative director of Eurojust discharge for the implementation of the Eurojust's budget for the financial year 2005;
  2. Sets out its comments in the resolution below;
  3. Instructs its President to forward this decision and the resolution that forms an integral

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<sup>1</sup> OJ C 266, 31.10.2006, p. 34.

<sup>2</sup> OJ C 312, 19.12.2006, p. 67.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1. Regulation as amended by regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

<sup>4</sup> OJ L 63, 6.3.2002, p.1. Decision as amended by Decision 2003/659/JHA (OJ L 245, 29.9.2003, p.44).

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

part of it to the administrative director of Eurojust, 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 closing the accounts of Eurojust for the financial year 2005 (C6-0395/2006 – 2006/2162(DEC))

*The European Parliament,*

- having regard to the final annual accounts of Eurojust for the financial year 2005<sup>1</sup>,
- having regard to the Court of Auditors' report on the final annual accounts of Eurojust for the financial year 2005, together with Eurojust's replies<sup>2</sup>,
- having regard to the Council's recommendation of .. March 2007 (0000/2007 - C6-xxxx/2007),
- having regard to the EC Treaty, and in particular Article 276 thereof, and the EU Treaty, and in particular Article 41 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<sup>3</sup>, and in particular Article 185 thereof,
- having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime<sup>4</sup>, and in particular Article 36 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<sup>5</sup>, and in particular Article 94 thereof,
- having regard to Rule 71 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 (A6-xxxx/2007),

1. Notes that the final annual accounts of Eurojust for the financial years 2004 and 2005 are as follows:

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<sup>1</sup> OJ C 266, 31.10.2006, p. 34.

<sup>2</sup> OJ C 312, 19.12.2006, p. 67.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1. Regulation as amended by regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

<sup>4</sup> OJ L 63, 6.3.2002, p.1. Decision as amended by Decision 2003/659/JHA (OJ L 245, 29.9.2003, p.44).

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

**Revenue and expenditure account for the financial years 2004 and 2005 (in EUR 1000)**

	2005	2004
<b>Operating revenue</b>		
Community subsidies	11 991	8 726
Miscellaneous revenue	59	397
<b>Total (a)</b>	12 050	9 123
<b>Operating expenditure</b>		
Purchases of goods and services	4 854	4 476
Staff costs	5 149	4 142
Depreciation	508	332
<b>Total (b)</b>	10 511	8 950
<b>Outturn for the financial year (a - b)</b>	1 539	173

Source Eurojust data. – This table summarises the data supplied by Eurojust in its annual accounts.

2. Approves closing the accounts of Eurojust for the financial year 2005;
3. Instructs its President to forward this decision to the administrative director of Eurojust, 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).

### 3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with observations forming an integral part of the decision on the discharge for the implementation of the budget of Eurojust for the financial year 2005 (C6-0395/2006 – 2006/2162(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of Eurojust for the financial year 2005<sup>1</sup>,
  - having regard to the Court of Auditors' report on the final annual accounts of Eurojust for the financial year 2005, together with Eurojust's replies<sup>2</sup>,
  - having regard to the Council's recommendation of .. March 2007 (0000/2007 - C6-xxxx/2007),
  - having regard to the EC Treaty, and in particular Article 276 thereof, and the EU Treaty, and in particular Article 41 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<sup>3</sup>, and in particular Article 185 thereof,
  - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime<sup>4</sup>, and in particular Article 36 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<sup>5</sup>, and in particular Article 94 thereof,
  - having regard to Rule 71 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 (A6-xxxx/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of Eurojust's budget for the 2004 financial year<sup>6</sup> and in the resolution

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<sup>1</sup> OJ C 266, 31.10.2006, p. 34.

<sup>2</sup> OJ C 312, 19.12.2006, p. 67.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1. Regulation as amended by regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

<sup>4</sup> OJ L 63, 6.3.2002, p.1. Decision as amended by Decision 2003/659/JHA (OJ L 245, 29.9.2003, p.44).

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

<sup>6</sup> OJ L 340, 6.12.2006, p. 112.

accompanying the discharge decision Parliament, inter alia

- wishes to be kept fully informed of the intentions of the Dutch host authorities regarding any new premises for Eurojust; in particular, wishes to be informed of the possibilities for Eurojust and Europol to occupy the same premises and of the conditions of such a move and the financial support that the host state will grant to Eurojust in that respect;
- notes that Eurojust implemented a different budget from the one set by the Budgetary Authority; insists that Eurojust follow the correct procedures and await approval from the Budgetary Authority before implementing any such changes in future;
- stresses that the principle of the segregation of the duties of authorising officer and accounting officer should be respected and that there should be no repetition of the situation occurring in 2004 when one member of staff filled both roles;

***General points concerning the majority of EU Agencies requiring individual discharge***

1. Considers that the ever growing number of Agencies does not always reflect the real needs of the Union and its citizens;
2. Invites the Commission therefore to present a cost-benefit study before the setting up of any new Agency;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
6. Notes that the number of Agencies is constantly increasing and there is an even greater need for the Directorates-General of the Commission charged with the setting-up and monitoring of Agencies to develop a common approach to Agencies; a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;
7. Invites the Commission to improve administrative and technical support to Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;
8. Welcomes the considerable improvements in the coordination among EU Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;



9. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field;
10. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies to develop performance indicators which would allow a comparison of their efficiency;
11. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
12. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
13. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

### ***Specific Points***

14. Notes that the implementation of the budget showed that 90 % of the appropriations granted for the year had been committed and that the overall rate of payment was 84 %; Notes furthermore that the utilisation rate of appropriations for operating activities (Title III) was only 80 % of the commitment appropriations for the financial year and that a third of commitments had to be carried over; notes that more than 15 % of the commitments carried over to the year had to be cancelled; Invites Eurojust to even further improve the programming of operating expenditure;
15. Notes that the College decided to authorise a non-automatic carryover of appropriations for a total of EUR 285 484 and recalls that such carryovers are permitted only if most of the stages preparatory to the act of commitment have been completed before the end of the financial year and this was not the case;
16. Underlines that Eurojust still does not have its own financial regulation and has continued to apply Regulation (EC, Euratom) No 2343/2002; Invites the Commission to inform Parliament about its opinion concerning the draft regulation submitted by Eurojust;
17. Invites Eurojust to improve its inventory procedure;
18. Invites Eurojust to inform Parliament about the adoption by its Board of any internal control standard; Is preoccupied as the formalisation of operating and accounting procedures was mostly lacking and that in 2005 the checklists describing the checks to be carried out on budgetary commitments relating to important operating procedures (procurement and recruitment) were insufficiently developed; Invites Eurojust to present Parliament with a short description of any improvements in this field in time for the 2006 discharge procedure;
19. Invites Eurojust to respect public procurement procedures and contract management and to respect the time limits for framework contracts as laid down in the regulatory provisions.

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