

EUROPEAN PARLIAMENT

1999



2004

Session document

21 October 2003

A5-0360/2003

REPORT

1. on the discharge to the European Agency for Safety and Health at Work for the financial year 2001
(C5-0102/2003 – 2003/2046(DEC))
2. on the discharge to the European Environment Agency for the financial year 2001
(C5-0098/2003 – 2003/2044(DEC))
3. on the discharge to the Translation Centre for the bodies of the European Union for the financial year 2001
(C5-0100/2003 – 2003/2045(DEC))
4. on the discharge to the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2001
(C5-0096/2003 – 2003/2043(DEC))
5. on the discharge to the European Monitoring Centre on Racism and Xenophobia for the financial year 2001
(C5-0094/2003 – 2003/2042(DEC))

Committee on Budgetary Control

Rapporteur: Freddy Blak

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PROCEDURAL PAGE

European Agency for Safety and Health at Work

By letter of 27 November 2002, the Court of Auditors forwarded to Parliament its report on the financial statements of the European Agency for Safety and Health at Work for the financial year 2001, together with the Agency's replies (2003/2046(DEC)).

At the sitting of 13 March 2003, the President of Parliament announced that he had referred this document to the Committee on Budgetary Control, as the committee responsible, and to the Committee on Employment and Social Affairs for its opinion (C5-102/2003).

On 10 March 2003, the Council forwarded to Parliament its recommendation on the discharge to be given to the Director of the European Agency for Safety and Health at Work in respect of the implementation of the Agency's budget for the financial year 2001.

At the sitting of 13 March 2003, the President of Parliament announced that he had referred this document to the Committee on Budgetary Control, as the committee responsible, and to the Committee on Employment and Social Affairs for its opinion (C5-0103/2003).

European Environment Agency

By letter of 27 November 2002, the Court of Auditors forwarded to Parliament its report on the financial statements of the European Environment Agency for the financial year 2001, together with the Agency's replies (2003/2044(DEC)).

At the sitting of 13 March 2003, the President of Parliament announced that he had referred this document to the Committee on Budgetary Control, as the committee responsible, and to the Committee on the Environment, Public Health and Consumer Policy for its opinion (C5-0098/2003).

On 10 March 2003, the Council forwarded to Parliament its recommendation on the discharge to be given to the Director of the European Environment Agency in respect of the implementation of the Agency's budget for the financial year 2001.

At the sitting of 13 March 2003, the President of Parliament announced that he had referred this document to the Committee on Budgetary Control as the committee responsible, and to the Committee on the Environment, Public Health and Consumer Policy for its opinion (C5-0099/2003).

Translation Centre for the bodies of the European Union

By letter of 27 November 2002, the Court of Auditors forwarded to Parliament its report on the financial statements of the Translation Centre for the bodies of the European Union for the financial year 2001, together with the Centre's replies (2003/2045(DEC)).

At the sitting of 13 March 2003, the President of Parliament announced that he had referred this document to the Committee on Budgetary Control, as the committee responsible (C5-0100/2003).

On 10 March 2003, the Council forwarded to Parliament its recommendation on the discharge to be given to the Director of the Translation Centre for the bodies of the European Union in respect of the implementation of the Centre's budget for the financial year 2001.

At the sitting of 13 March 2003, the President of Parliament announced that he had referred this document to the Committee on Budgetary Control as the committee responsible (C5-0101/2003).

European Monitoring Centre for Drugs and Drug Addiction

By letter of 27 November 2002, the Court of Auditors forwarded to Parliament its report on the financial statements of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2001, together with the Centre's replies (2003/2043(DEC)).

At the sitting of 13 March 2003, the President of Parliament announced that he had referred this document to the Committee on Budgetary Control, as the committee responsible, and to the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs for its opinion (C5-0096/2003).

On 10 March 2003, the Council forwarded to Parliament its recommendation on the discharge to be given to the Director of the European Monitoring Centre for Drugs and Drug Addiction in respect of the implementation of the Centre's budget for the financial year 2001.

At the sitting of 13 March 2003, the President of Parliament announced that he had referred this document to the Committee on Budgetary Control as the committee responsible, and to the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs for its opinion (C5-0097/2003).

European Monitoring Centre on Racism and Xenophobia

By letter of 27 November 2002, the Court of Auditors forwarded to Parliament its report on the financial statements of the European Monitoring Centre on Racism and Xenophobia for the financial year 2001, together with the Centre's replies (2003/2042(DEC)).

At the sitting of 13 March 2003, the President of Parliament announced that he had referred this document to the Committee on Budgetary Control, as the committee responsible, and to the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs for its opinion (C5-0094/2003).

On 10 March 2003, the Council forwarded to Parliament its recommendation on the discharge to be given to the Director of the European Monitoring Centre on Racism and Xenophobia in respect of the implementation of the Centre's budget for the financial year 2001.

At the sitting of 13 March 2003, the President of Parliament announced that he had referred this document to the Committee on Budgetary Control as the committee responsible, and to

the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs for its opinion (C5-0095/2003).

At its meeting of 10 September 2002, the Committee on Budgetary Control appointed Freddy Blak rapporteur.

At its meetings of 10 and 19 March 2003, the Committee on Budgetary Control considered the Court of Auditors' reports, the Council recommendations and the draft report.

At the last meeting it adopted:

1. the proposal for a decision on the postponement of the decision concerning discharge to the Directors of the European Agency for Safety and Health at Work, of the European Environment Agency, of the Translation Centre for the bodies of the European Union, of the European Monitoring Centre for Drugs and Drug Addiction and of the European Monitoring Centre on Racism and Xenophobia, in respect of the implementation of each Agency's budget for the financial year 2001 unanimously,

and

2. the motion for a resolution containing the comments accompanying the proposal for a decision on the postponement of the decision concerning discharge to the Directors of the European Agency for Safety and Health at Work, of the European Environment Agency, of the Translation Centre for the bodies of the European Union, of the European Monitoring Centre for Drugs and Drug Addiction and of the European Monitoring Centre on Racism and Xenophobia, in respect of the implementation of each Agency's budget for the financial year 2001 unanimously.

At the sitting of 8 April 2003 Parliament adopted the above mentioned decision and resolution (P5_TA-PROV(2003)010).

At its meetings of 8 July, 8 September, 29 September and 20 October 2003, the Committee on Budgetary Control considered the Court of Auditor's reports, the Council recommendations and the draft report.

At the last meeting it adopted:

1. the proposal for a decision on the discharge to the Director of the European Agency for Safety and Health at Work, in respect of the implementation of its budget for the financial year 2001, unanimously.
2. the motion for a resolution containing the comments accompanying the proposal for a decision on the discharge to the Director of the European Agency for Safety and Health at Work, in respect of the implementation of its budget for the financial year 2001, unanimously.
3. the proposal for a decision on the discharge to the Director of the European Environment Agency, in respect of the implementation of its budget for the financial year 2001,

unanimously.

4. the motion for a resolution containing the comments accompanying the proposal for a decision on the discharge to the Director of the European Environment Agency, in respect of the implementation of its budget for the financial year 2001,
unanimously.

5. the proposal for a decision on the discharge to the Director of the Translation Centre for the bodies of the European Union, in respect of the implementation of its budget for the financial year 2001,
unanimously.

6. the motion for a resolution containing the comments accompanying the proposal for a decision on the discharge to the Director of the Translation Centre for the bodies of the European Union, in respect of the implementation of its budget for the financial year 2001,
unanimously.

7. the proposal for a 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 2001,
unanimously.

8. the motion for a resolution containing the comments accompanying the proposal for a 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 2001,
unanimously.

9. the proposal for a decision on the discharge to the Director of the European Monitoring Centre on Racism and Xenophobia, in respect of the implementation of its budget for the financial year 2001,
by 16 votes in favour with 1 abstention.

10. the motion for a resolution containing the comments accompanying the proposal for a decision on the discharge to the Director of the European Monitoring Centre on Racism and Xenophobia, in respect of the implementation of its budget for the financial year 2001,
by 16 votes in favour with 1 abstention.

The following were present to the vote: Herbert Bösch, acting chairman and 1st vice-chairman; Paulo Casaca, 2nd vice-chairman; Freddy Blak, rapporteur and 3rd vice-chairman; Jens-Peter Bonde (for Rijk van Dam), Mogens N.J. Camre, Gianfranco Dell'Alba, Christopher Heaton-Harris, Helmut Kuhne, Emmanouil Mastorakis (for Arlene McCarthy), Erik Meijer (for Michel-Ange Scarbonchi), Giacomo Santini (for Generoso Andria), Ole Sørensen, Bart Staes, Gabriele Stauner, Ursula Stenzel (for Brigitte Langenhagen), Jeffrey William Titford and Michiel van Hulten.

The opinion of the Committee on Employment and Social Affairs is attached. The Committee

on Environment, Public Health and Consumer Policy and the Committee on Citizen's Freedoms and Rights, Justice and Home Affairs decided on 19 and 20 March 2003 not to deliver an opinion.

The report was tabled on 21 October 2003.

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the discharge to the Director of the European Agency for Safety and Health at Work in respect of the implementation of its budget for the financial year 2001 (C5-0102/2003 - 2003/2046(DEC))

The European Parliament,

- having regard to the Court of Auditors' report on the financial statements and management of the European Agency for Safety and Health for the financial year ended 31 December 2001¹, together with the Agency's replies (C5-0102/2003),
 - having regard to the Council's recommendation of 7 March 2003 (C5-0103/2003),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to the recast Financial Regulation of 25 June 2002² and in particular Article 185 thereof,
 - having regard to the Commission's Regulation n° 2343/2002 of 19 November 2002³ on the framework Financial Regulation of the bodies referred to in Article 185 of Council Regulation n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and, in particular, Article 94 of Regulation n° 2343/2002,
 - having regard to Rule 93a and Annex V of its Rules of Procedure,
 - having regard to its decision of 8 April 2003 on the postponement of the decision concerning discharge and its resolution containing the comments accompanying that decision⁴,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A5-0360/2003),
1. Gives discharge to the Director of the European Agency for Safety and Health at Work, in respect of the implementation of its budget for the financial year 2001;
 2. Records its comments in the accompanying resolution;
 3. Instructs its President to forward this decision and the accompanying resolution to the Director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors and to have it published in the OJ (L series).

¹ JO C 326, 27.12.2002, p. 9.

² JO L 248, 16.9.2002.

³ JO L 357, 31.12.2002, p. 72

⁴ JO L 148, 16.6.2003, p. 18

2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

containing the comments accompanying the proposal for a decision on the discharge to the Director of the European Agency for Safety and Health at Work in respect of the implementation of its budget for the financial year 2001 (C5-0102/2003 - 2003/2046(DEC))

The European Parliament,

- having regard to the Court of Auditors' report on the financial statements and management of the European Agency for Safety and Health for the financial year ended 31 December 2001¹, together with the Agency's replies (C5-0102/2003),
- having regard to the Council's recommendation of 7 March 2003 (C5-0103/2003),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to the recast Financial Regulation of 25 June 2002² and in particular Article 185 thereof,
- having regard to the Commission's Regulation n° 2343/2002 of 19 November 2002³ on the framework Financial Regulation of the bodies referred to in Article 185 of Council Regulation n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and, in particular, Article 94 of Regulation n° 2343/2002,
- having regard to Rule 93a and Annex V of its Rules of Procedure,
- having regard to its decision of 8 April 2003 on the postponement of the decision concerning discharge and its resolution containing the comments accompanying that decision⁴,
- having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A5-0360/2003),

A. Whereas in its resolution of 8 April 2003 accompanying the decision to postpone discharge, Parliament

- welcomed the fact that it is henceforth the competent authority for giving discharge to the Community bodies referred to in Article 185 par.1 of the recast Financial Regulation n°1605/2002 and
- stressed that in order to fulfil its new responsibilities in this respect it expected to receive all relevant and necessary information from these bodies in reply to questions that it would have forwarded to them;

¹ JO C 326, 27.12.2002, p. 9.

² JO L 248, 16.9.2002.

³ JO L 357, 31.12.2002, p. 72

⁴ JO L 148, 16.6.2003, p. 18

- B. Whereas, its competent Committee has received answers to such questions ;
- C. Whereas the Agency's answers to the above mentioned questions , in many respects, provided Parliament with updated information; such information is supplementary to the observations contained in the Court of Auditors' report of 27 November 2002 on the financial statements of the European Agency for Safety and Health at Work (OSHA) for 2001 and to the Agency's replies to these observations;
- D. Whereas the condition that Parliament takes a decision on discharge after it has been adequately informed was thus met;
1. Notes the following figures for the accounts of the European Agency for Safety and Health for the financial years 2001 and 2000;

Revenue and expenditure account for the financial years 2001 and 2000

(1000 EUR)

	2001	2000
Revenue collected for the financial year		
Commission subsidies	9.400	6.188
Other Subsidies	184	288
Financial revenue	91	97
Total revenue (a)	9.676	6.573
Budgetary expenditure for the financial year		
<i>Staff - Title I of the budget</i>		
Payments	2.654	2.358
Appropriations carried over	168	36
<i>Administration - Title II of the Budget</i>		
Payments	846	746
Appropriations carried over	229	204
<i>Operational activities - Title III of the budget</i>		
Payments	1.543	1.339
Appropriations carried over	5.814	1.745
Total expenditure (b)	11.255	6.427
Out-turn for the financial year (a-b)⁽¹⁾	-1.579	146
Balance carried over from the previous financial year	-886	-1.273
Appropriations carried over from the previous financial year and cancelled	242	234
Sums to be re-used carried over from the previous financial year	9	-
Exchange-rate differences	2	-
Adjustment entries	27	-
Balance for the financial year	-2.185	-886
NB: Any discrepancies in totals are due to the effects of rounding. Source: The Agency's data - These tables present, in summary form, the data provided by the Agency in its own financial statements. (1) The negative out-turn and own capital balances do not represent a capital loss. They result from applying the Financial Regulation as it pertains to revenue (collected only) and expenditure (payments made plus appropriations carried over).		

Implementation of the budget/ SMEs funding scheme

2. Notes that the main cause for the large amount of operating appropriations carried over from 2001 to the financial year 2002 was the late approval of the new activity - the SME accident prevention funding scheme - the Commission has entrusted to the Agency;
3. Accepts the explanation provided by the Agency on the circumstances that resulted in this important carry-over and considers that the Agency's efforts to implement this new activity were, considering the context, appropriate;

4. Notes with satisfaction in this respect the good overall assessment of the Agency's performance contained in the external evaluation of the first SMEs funding scheme (2001-2002) ; requests the Agency to forward to Parliament the external evaluation report for the second scheme, as this is in line with Parliament's position to be informed on the results of evaluations carried out;
5. Takes the view that appropriate consideration should be given to the Agency's position in favour of a multi-annual programme for Health and Safety issues in SMEs, based on a decentralised approach and aimed at developing a safety culture in SMEs through partnership and developing networks;
6. Recalls in this respect, that in its resolution of...October 2002 (date) on the Commission's communication on a new Community strategy on health and safety at work 2002-2006, Parliament deeply regretted "that the Commission has still not launched a multi-annual SME programme based on the two years of preparatory actions undertaken by the Bilbao Agency on the initiative of the European Parliament..." (§25) and welcomed the proposal for the Bilbao Agency to establish a "Risk Observatory" (§33) ;
7. Expects the Commission in this respect to explain whether it is preparing a proposal for a specific multi-annual programme promoting health and safety at work in SMEs as provided for in the remarks of budget lines B3-4314 and B3-4321 (in the 2002 and 2003 budget); invites, furthermore, the Commission to present the reasons for its proposal, in the context of the 2004 budgetary procedure, that the SME scheme it had entrusted to the Agency be discontinued, against the background of the needs related to the process of integrating the accession countries and while it recognises the Agency's capability to be the "driving force" in non legislative safety and health activities;
8. Expects the Agency to continue its efforts to further improve its internal procedures and the quality of the programming of its activities with a view to enhance its efficiency in carrying out its tasks and in order to substantially reduce the rate of carry-overs for operating appropriations; takes the view that such reduction in carry-overs does not solely depend on the multi-annual programming of activities ;

Financial statements/ Financial provisions

9. Notes the Agency's efforts to update its inventory system and thus ensure that the Commission's valuation and depreciation rules of fixed assets will be applied by the end of the year; notes as well that it modified the rules in the system of reimbursement of expenses for experts' meetings in response to the criticism by the Court of Auditors;
10. Takes the view that the Agency should improve the programming of its work with regard to the national Focal Points ; considers that an appropriate planning of their tasks and an enhanced monitoring of implementation will help achieve positive results;

Cooperation with the Dublin Foundation(EUROFOUND)

11. Notes with satisfaction that, further to their Memorandum of Understanding of February 2001, the Agency and the European Foundation for the Improvement of Living and Working Conditions have very recently concluded a specific co-operation agreement in

order to improve complementarity and remove any risk of duplication of their work; Takes the view however that, notwithstanding these efforts, a solution should be found, in the context of the upcoming enlargement, with regard to the composition of Boards who are already, as a general rule, ponderous;

Cooperation with OLAF

12. Asks the Director to bring the Agency's decision of 18 June 1999 concerning the terms and conditions for internal investigations by the European Anti-Fraud Office (OLAF) in line with the Interinstitutional Agreement of 25 May 1999 by introducing a provision allowing the Agency staff to report to OLAF directly.

General points concerning the Agencies

Operational tasks

13. Reiterates its position that, considering the fact that the administrative expenditure exceeds, in the case of many Agencies, the one for operational purposes, there is scope for these Agencies to be entrusted with more operational tasks; takes the view that they could for example be entrusted with implementing Community programmes in the field of education or health, thus helping to avoid the unnecessary creation of further executive agencies by the Commission;

Regrets that the Commission did not comply with Parliament's request¹ to make proposals in this respect by 30 June 2003; invites the Agencies to identify areas where they could take over implementation of Community programmes currently managed by the Commission and to make proposals in this respect by the end of 2003;

14. Welcomes in this context the proposal from the European Training Foundation (ETF) to take up possible further tasks; invites the Commission to use ETF's expertise in a wider geographical area than at present and for technical assistance to programmes such as Tempus and Erasmus mundus;

Adapting the financial rules to the new Financial Regulation

15. Expects the Agencies to complete their procedures for bringing into line their internal financial rules with the requirements of the new framework Financial Regulation as soon as possible and in any event by the end of the year at the latest; recalls that such internal financial rules may not depart from the framework Financial Regulation except where the specific operating needs of an Agency so require and with the Commission's prior consent; calls on the Agencies once they have completed such process to inform Parliament's competent Committees; asks the Court of Auditors to give an opinion on all financial provisions adopted by the Agencies which depart from the framework Financial Regulation;

16. Reiterates its call to the Agencies to ensure a strict segregation of duties between

¹ See point 14 of Parliament's resolution containing the comments accompanying the decision concerning discharge to the Management Board of the European Centre for the Development of Vocational Training for the financial year 2001, OJ L 148 of 16 June 2003, p. 86

authorising officer(s) and accounting officer(s); recalls the enhanced role of the latter in

- a) laying down and validating the accounting systems;
- b) keeping the accounts;
- c) validating systems laid down by the authorising officer to supply accounting information;
- d) cooperating with the Commission's accounting officer
- e) preparing and presenting the financial statements and the reports on implementation of the budget;

Stresses, furthermore, that accounting officers shall be appointed by the management boards of the Agencies on the grounds of adequate competence and professional experience; expects as well that computerised systems put in place shall guarantee the existence of a complete audit trail for each operation in order to ensure transparency;

17. Reminds the Agencies that they should fully respect public procurement procedures as laid down in the Financial Regulation; stresses that open calls for tender must be used as much as possible in order to enhance transparency and to ensure equal treatment of potential tenderers; emphasises that non-respect of public procurement rules is not only potentially detrimental to the financial interests of the Agencies but can also be a criminal offence under the law of Member States;

Internal audit and control

18. Recalls that among the important features of the new Financial Regulation are the increased responsibility of authorising officers and the setting up of the internal audit capabilities in order to counter the risk of irregularities and mismanagement; invites therefore
 - the Court of Auditors to increase the number of checks carried out by its auditors
 - the Agencies to thoroughly review their procedures for implementing their budget in line with the new framework created
 - the Commission to co-operate closely with the Agencies especially in the areas of accounting, internal audit and management and control proceduresin order for the appropriate and harmonised solutions to be put into practice.
19. Invites the Commission to propose a change to the Financial Regulation governing the agencies in order to give the agencies' respective Internal Auditors real control powers instead of a merely advisory role as it is currently the case;
20. Is extremely concerned that the Commission's Internal Audit Service (IAS) does not carry out any checks in the agencies; stresses that this entails that Articles 71 and 72 of the framework Financial Regulation for the agencies n° 2343 of 19 November 2002 are not adhered to and that, in practice, an outside control of the quality of management and control systems of the agencies is left to be carried out in the context of the Court of Auditors control; calls therefor on the Commission to ensure that the necessary resources are made available so that the IAS is in a position to fulfil its tasks with regard to the internal control systems in the agencies;

Co-operation with OLAF

21. Invites the Court of Auditors to report by the end of the year on whether the Community bodies duly cooperate with the European Anti-Fraud Office (OLAF) and apply the corresponding 1999 interinstitutional agreement unreservedly; asks also the Court of Auditors to evaluate the effectiveness of this cooperation on the basis of the cases processed so far;

Preparing the Agencies for enlargement

22. Invites the Commission, with a view to accelerating the efforts towards preparing the integration of the future Member States, to make the appropriate proposals, before the adoption of the 2004 budget, aimed at

- fostering better functioning of these Community bodies,
- ensuring better value for money through a cost/ benefit analysis,
- avoiding any unnecessary creation of new agencies;

Stresses that, the further expansion, on the occasion of enlargement, of Administrative Boards of the Community bodies, which, as a general rule are already very ponderous , would not be acceptable, on grounds of both efficiency and cost; considers that enlargement offers a good opportunity to thoroughly reconsider the composition and working methods of these administrative boards;

23. Calls therefore on the Commission, in making such proposals, to consider, among others
- entrusting the Agencies with further operational tasks such as the carrying out of programmes, where appropriate;
 - setting up joint Boards for more Agencies, especially for those with similar tasks;
 - the possibility of mergers of agencies in case of overlapping of activities;

Recalls with regard to this latter case, that the Commission has indicated a possible overlapping between CEDEFOP and the European Training Foundation and between the Foundation for the improvement of Working and Living Conditions and the Agency for Health and Safety at Work;

24. Invites, furthermore, the Commission, in line with its proposal on European governance aimed at concentrating its activity on the core tasks, to include in its action programme for the year 2004, the appropriate proposals with a view to ensuring that duplication of work between either Agencies having similar activities or between the activities of these Community bodies and those of its services is avoided;
25. Reiterates its call on the Commission to submit a proposal for an amendment to the constituent acts of the agencies to ensure that the directors of these Community bodies may in future be appointed only with the assent of Parliament; awaits proposals from the Commission to this effect, to be submitted by 1 December 2003 at the latest;

3. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the discharge to the Director of the European Environment Agency in respect of the implementation of its budget for the financial year 2001
(C5-0098/2003 - 2003/2044(DEC))**

The European Parliament,

- having regard to the Court of Auditors' report on the financial statements and management of the European Environment Agency for the financial year ended 31 December 2001¹, together with the Agency's replies (C5-0098/2003),
 - having regard to the Council's recommendation of 7 March 2003 (C5-0099/2003),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to the recast Financial Regulation of 25 June 2002² and in particular Article 185 thereof,
 - having regard to the Commission's Regulation n° 2343/2002 of 19 November 2002³ on the framework Financial Regulation of the bodies referred to in Article 185 of Council Regulation n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and, in particular, Article 94 of Regulation n° 2343/2002,
 - having regard to Rule 93a and Annex V of its Rules of Procedure,
 - having regard to its decision of 8 April 2003 on the postponement of the decision concerning discharge and its resolution containing the comments accompanying that decision⁴,
 - having regard to the Report of the Committee on Budgetary Control (A5-0360/2003),
1. Gives discharge to the Director of the European Environment Agency, in respect of the implementation of its budget for the financial year 2001;
 2. Records its comments in the accompanying resolution;
 3. Instructs its President to forward this decision and the accompanying resolution to the Director of the European Environment Agency, the Council, the Commission and the Court of Auditors and to have it published in the OJ (L series).

¹ JO C 326, 27.12.2002, p. 17.

² JO L 248, 16.9.2002.

³ JO L 357, 31.12.2002, p. 72

⁴ JO L 148, 16.6.2003, p. 18

4. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**containing the comments accompanying the proposal for a decision on the discharge to the Director of the European Environment Agency in respect of the implementation of its budget for the financial year 2001
(C5-0098/2003 - 2003/2044(DEC))**

The European Parliament,

- having regard to the Court of Auditors' report on the financial statements and management of the European Environment Agency for the financial year ended 31 December 2001¹, together with the Agency's replies (C5-0098/2003),
 - having regard to the Council's recommendation of 7 March 2003 (C5-0099/2003),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to the recast Financial Regulation of 25 June 2002² and in particular Article 185 thereof,
 - having regard to the Commission's Regulation n° 2343/2002 of 19 November 2002³ on the framework Financial Regulation of the bodies referred to in Article 185 of Council Regulation n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and, in particular, Article 94 of Regulation n° 2343/2002,
 - having regard to Rule 93a and Annex V of its Rules of Procedure,
 - having regard to its decision of 8 April 2003 on the postponement of the decision concerning discharge and its resolution containing the comments accompanying that decision⁴,
 - having regard to the Report of the Committee on Budgetary Control (A5-0360/2003),
- A. Whereas in its resolution of 8 April 2003 accompanying the decision to postpone discharge, Parliament
- welcomed the fact that it is henceforth the competent authority for giving discharge to the Community bodies referred to in Article 185 par.1 of the recast Financial Regulation n°1605/2002 and
 - stressed that in order to fulfil its new responsibilities in this respect it expected to receive all relevant and necessary information from these bodies in reply to questions that it would have forwarded to them;

B. Whereas, its competent Committee has received answers to such questions ;

¹ JO C 326, 27.12.2002, p. 17.

² JO L 248, 16.9.2002.

³ JO L 357, 31.12.2002, p. 72

⁴ JO L 148, 16.6.2003, p. 18

- C. Whereas the Agency's answers to the above mentioned questions , in many respects, provided Parliament with updated information; such information is supplementary to the observations contained in the Court of Auditors' report of 27 November 2002 on the financial statements of the European Environment Agency (EEA) for 2001 and to the Agency's replies to these observations;
- D. Whereas the condition that Parliament takes a decision on discharge after it has been adequately informed was thus met;
1. Notes the following figures for the accounts of the European Environment Agency for the financial years 2001 and 2000;

Revenue and expenditure account for the financial years 2001 and 2000

(1000 EUR)

	2001	2000
Revenue collected for the financial year		
Commission subsidies	18342	17816
Miscellaneous revenue	1493	67
Financial revenue	369	423
Total revenue (a)	20204	18306
Budgetary expenditure for the financial year		
<i>Staff - Title I of the budget</i>		
Payments	8126	7137
Appropriations carried over	735	456
<i>Administration - Title II of the Budget</i>		
Payments	1423	1570
Appropriations carried over	521	517
<i>Operating activities - Title III of the budget</i>		
Payments	3738	4505
Appropriations carried over	6856	4432
Total expenditure (b)	21399	18617
Out-turn for the financial year (a-b)⁽¹⁾	-1195	-310
Balance carried over from the previous financial year	-3117	-3517
Appropriations carried over from the previous financial year which lapse	939	628
Re-used revenue from the previous financial year which lapses	86	84
Exchange-rate differences	13	-2
Balance for the financial year	-3274	-3117

NB: Any discrepancies in totals are due to the effects of rounding.

Source: Data compiled by the Agency - These tables summarise the data provided by the Agency in its own financial statements.

(1) The negative balance of the outturn and own capital does not constitute a loss of capital. It arises from the application of the Financial Regulation in respect of revenue (only revenue received) and expenditure (payments plus appropriations carried over).

Implementation of the budget

2. Notes the measures taken by the Agency aimed at "tightening" the schedule of its expenditure in the administrative area, related to infrastructures, non-urgent purchases and to the postponement of the fitting out of its premises; takes the view that such measures are in line with the recommendations of the Court of Auditors;
3. Welcomes the Agency's efforts towards a better planning of its activities in the operational area, that entail a reduction in the amount of appropriations the Agency carries over; notes

however that the Agency stated that in implementing grant agreements concerning projects of multiannual character, a certain level of automatic carry-over "is difficult to avoid"; considers that this problem is "systemic" in nature because it mainly concerns the relationship with the European Topic Centres which are under contract with the EEA;

4. Takes the view that, with regard to the carrying out of projects by such Centres that concerns almost half of the Agency's operational budget, it should intensify its efforts in order to obtain from these Centres that, in implementing such projects, they operate in a time frame that reflects the "annuality principle" of the budget; considers that such efforts would result in a reduction in carry-overs;
5. Takes the view as well that there is scope for developing a harmonised approach between agencies when dealing with problems that are "systemic" in nature; expects the Agency to intensify its contacts with other agencies faced with similar problems in their contractual relations with such Centres or national points in order for a "best practice approach" to be developed and applied;

Financial statements

6. Welcomes the fact that the Agency has achieved the necessary co-ordination between its relevant departments in such a way as to ensure that the rules concerning depreciation of fixed assets are correctly applied;

Management of cash-flow

7. Encourages the Agency to further improve its record with regard to data reconciliation between its bank accounts and general accounts in line with the Court of Auditors' recommendations; expects the Agency to report on progress made on this matter in the context of the next discharge procedure;

Implementation of financial provisions

8. Expects the Agency to implement as soon as possible the IT development produced concerning the "electronic document repository" in the context of its project on filing and archiving; expects it furthermore to take all necessary steps in order for the financial files to contain the necessary supporting documents so as to comply with the Court of Auditor's recommendations;

Purchasing of goods and services/ Co-operation with the Institutions

9. Looks forward to the Agency achieving better results in its efforts to improve its planning for purchases within the context of its multiannual work programme; welcomes the Agency's efforts to improve procedures and criteria for the evaluation of tenders; expects the Agency to intensify its efforts with a view to enhancing interinstitutional co-operation in the field of procurement, based on a best practice approach including evaluation criteria and comparability of tenders; expects it also to take part, as frequently as possible considering its specific constraints, to the interinstitutional invitations to tender;
10. takes note of the fact that the Agency had several contracts with firms involved in the

Eurostat case; invites the Agency to transmit all documents related to these contracts to the Internal Audit Service of the Commission in order to be taken into account during the current audit of Eurostat contracts by the IAS;

General points concerning the Agencies

Operational tasks

11. Reiterates its position that, considering the fact that the administrative expenditure exceeds, in the case of many Agencies, the one for operational purposes, there is scope for these Agencies to be entrusted with more operational tasks; takes the view that they could for example be entrusted with implementing Community programmes in the field of education or health, thus helping to avoid the unnecessary creation of further executive agencies by the Commission;

Regrets that the Commission did not comply with Parliament's request¹ to make proposals in this respect by 30 June 2003; invites the Agencies to identify areas where they could take over implementation of Community programmes currently managed by the Commission and to make proposals in this respect by the end of 2003;

12. Welcomes in this context the proposal from the European Training Foundation (ETF) to take up possible further tasks; invites the Commission to use ETF's expertise in a wider geographical area than at present and for technical assistance to programmes such as Tempus and Erasmus mundus;

Adapting the financial rules to the new Financial Regulation

13. Expects the Agencies to complete their procedures for bringing into line their internal financial rules with the requirements of the new framework Financial Regulation as soon as possible and in any event by the end of the year at the latest; recalls that such internal financial rules may not depart from the framework Financial Regulation except where the specific operating needs of an Agency so require and with the Commission's prior consent; calls on the Agencies once they have completed such process to inform Parliament's competent Committees; asks the Court of Auditors to give an opinion on all financial provisions adopted by the Agencies which depart from the framework Financial Regulation;
14. Reiterates its call to the Agencies to ensure a strict segregation of duties between authorising officer(s) and accounting officer(s); recalls the enhanced role of the latter in
 - a) laying down and validating the accounting systems;
 - b) keeping the accounts;
 - c) validating systems laid down by the authorising officer to supply accounting information;
 - d) cooperating with the Commission's accounting officer
 - e) preparing and presenting the financial statements and the reports on implementation of

¹ See point 14 of Parliament's resolution containing the comments accompanying the decision concerning discharge to the Management Board of the European Centre for the Development of Vocational Training for the financial year 2001, OJ L 148 of 16 June 2003, p. 86

the budget;

Stresses, furthermore, that accounting officers shall be appointed by the management boards of the Agencies on the grounds of adequate competence and professional experience; expects as well that computerised systems put in place shall guarantee the existence of a complete audit trail for each operation in order to ensure transparency;

15. Reminds the Agencies that they should fully respect public procurement procedures as laid down in the Financial Regulation; stresses that open calls for tender must be used as much as possible in order to enhance transparency and to ensure equal treatment of potential tenderers; emphasises that non-respect of public procurement rules is not only potentially detrimental to the financial interests of the Agencies but can also be a criminal offence under the law of Member States;

Internal audit and control

16. Recalls that among the important features of the new Financial Regulation are the increased responsibility of authorising officers and the setting up of the internal audit capabilities in order to counter the risk of irregularities and mismanagement; invites therefore
 - the Court of Auditors to increase the number of checks carried out by its auditors
 - the Agencies to thoroughly review their procedures for implementing their budget in line with the new framework created
 - the Commission to co-operate closely with the Agencies especially in the areas of accounting, internal audit and management and control proceduresin order for the appropriate and harmonised solutions to be put into practice.
17. Invites the Commission to propose a change to the Financial Regulation governing the agencies in order to give the agencies' respective Internal Auditors real control powers instead of a merely advisory role as it is currently the case;
18. Is extremely concerned that the Commission's Internal Audit Service (IAS) does not carry out any checks in the agencies; stresses that this entails that Articles 71 and 72 of the framework Financial Regulation for the agencies n° 2343 of 19 November 2002 are not adhered to and that, in practice, an outside control of the quality of management and control systems of the agencies is left to be carried out in the context of the Court of Auditors control; calls therefore on the Commission to ensure that the necessary resources are made available so that the IAS is in a position to fulfil its tasks with regard to the internal control systems in the agencies;

Co-operation with OLAF

19. Invites the Court of Auditors to report by the end of the year on whether the Community bodies duly cooperate with the European Anti-Fraud Office (OLAF) and apply the corresponding 1999 interinstitutional agreement unreservedly; asks also the Court of Auditors to evaluate the effectiveness of this cooperation on the basis of the cases processed so far;

Preparing the Agencies for enlargement

20. Invites the Commission, with a view to accelerating the efforts towards preparing the integration of the future Member States, to make the appropriate proposals, before the adoption of the 2004 budget, aimed at
- fostering better functioning of these Community bodies,
 - ensuring better value for money through a cost/ benefit analysis,
 - avoiding any unnecessary creation of new agencies;

Stresses that, the further expansion, on the occasion of enlargement, of Administrative Boards of the Community bodies, which, as a general rule are already very ponderous , would not be acceptable, on grounds of both efficiency and cost; considers that enlargement offers a good opportunity to thoroughly reconsider the composition and working methods of these administrative boards;

21. Calls therefore on the Commission, in making such proposals, to consider, among others
- entrusting the Agencies with further operational tasks such as the carrying out of programmes, where appropriate;
 - setting up joint Boards for more Agencies, especially for those with similar tasks;
 - the possibility of mergers of agencies in case of overlapping of activities;

Recalls with regard to this latter case, that the Commission has indicated a possible overlapping between CEDEFOP and the European Training Foundation and between the Foundation for the improvement of Working and Living Conditions and the Agency for Health and Safety at Work;

22. Invites, furthermore, the Commission, in line with its proposal on European governance aimed at concentrating its activity on the core tasks, to include in its action programme for the year 2004, the appropriate proposals with a view to ensuring that duplication of work between either Agencies having similar activities or between the activities of these Community bodies and those of its services is avoided;
23. Reiterates its call on the Commission to submit a proposal for an amendment to the constituent acts of the agencies to ensure that the directors of these Community bodies may in future be appointed only with the assent of Parliament; awaits proposals from the Commission to this effect, to be submitted by 1 December 2003 at the latest;

5. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the discharge to the Director of the Translation Centre for the bodies of the European Union in respect of the implementation of its budget for the financial year 2001

(C5-0100/2003 - 2003/2045(DEC))

The European Parliament,

- having regard to the Court of Auditors' report on the financial statements and management of the Translation Centre for the bodies of the European Union for the financial year ended 31 December 2001¹, together with the Centre's replies (C5-0100/2003),
 - having regard to the Council's recommendation of 7 March 2003 (C5-0101/2003),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to the recast Financial Regulation of 25 June 2002² and in particular Article 185 thereof,
 - having regard to the Commission's Regulation n° 2343/2002 of 19 November 2002³ on the framework Financial Regulation of the bodies referred to in Article 185 of Council Regulation n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and, in particular, Article 94 of Regulation n° 2343/2002,
 - having regard to Rule 93a and Annex V of its Rules of Procedure,
 - having regard to its decision of 8 April 2003 on the postponement of the decision concerning discharge and its resolution containing the comments accompanying that decision⁴,
 - having regard to the Report of the Committee on Budgetary Control (A5-0360/2003),
1. Gives discharge to the Director of the Translation Centre for the bodies of the European Union in respect of the implementation of its budget for the financial year 2001;
 2. Records its comments in the accompanying resolution;
 3. Instructs its President to forward this decision and the accompanying resolution to the Director of the Translation Centre for the bodies of the European Union, the Council, the Commission and the Court of Auditors and to have it published in the OJ (L series).

¹ JO C 326, 27.12.2002, p. 35.

² JO L 248, 16.9.2002.

³ JO L 357, 31.12.2002, p. 72

⁴ JO L 148, 16.6.2003, p. 18

6. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**containing the comments accompanying the proposal for a decision on the discharge to the Director of the Translation Centre for the bodies of the European Union in respect of the implementation of its budget for the financial year 2001
(C5-0100/2003 - 2003/2045(DEC))**

The European Parliament,

- having regard to the Court of Auditors' report on the financial statements and management of the Translation Centre for the bodies of the European Union for the financial year ended 31 December 2001¹, together with the Centre's replies (C5-0100/2003),
 - having regard to the Council's recommendation of 7 March 2003 (C5-0101/2003)
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to the recast Financial Regulation of 25 June 2002² and in particular Article 185 thereof,
 - having regard to the Commission's Regulation n° 2343/2002 of 19 November 2002³ on the framework Financial Regulation of the bodies referred to in Article 185 of Council Regulation n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and, in particular, Article 94 of Regulation n° 2343/2002,
 - having regard to Rule 93a and Annex V of its Rules of Procedure,
 - having regard to its decision of 8 April 2003 on the postponement of the decision concerning discharge and its resolution containing the comments accompanying that decision⁴,
 - having regard to the Report of the Committee on Budgetary Control (A5–0360/2003),
- A. Whereas in its resolution of 8 April 2003 accompanying the decision to postpone discharge, Parliament
- welcomed the fact that it is henceforth the competent authority for giving discharge to the Community bodies referred to in Article 185 par.1 of the recast Financial Regulation n°1605/2002 and
 - stressed that in order to fulfil its new responsibilities in this respect it expected to receive all relevant and necessary information from these bodies in reply to questions that it would have forwarded to them;

¹ JO C 326, 27.12.2002, p. 35.

² JO L 248, 16.9.2002.

³ JO L 357, 31.12.2002, p. 72

⁴ JO L 148, 16.6.2003, p. 18

- B. Whereas, its competent Committee has received answers to such questions ;
- C. Whereas the Agency's answers to the above mentioned questions , in many respects, provided Parliament with updated information; such information is supplementary to the observations contained in the Court of Auditors' report of 27 November 2002 on the financial statements of the Translation Centre for the bodies of the European Union (CdT) for 2001 and to the Agency's replies to these observations;
- D. Whereas the condition that Parliament takes a decision on discharge after it has been adequately informed was thus met;
1. Notes the following figures for the accounts of the Translation Centre for the bodies of the European Union for the financial years 2001 and 2000;

Revenue and expenditure account for the financial years 2001 and 2000

	(1000 EUR)	
	2001	2000
Revenue collected for the financial year		
Commission subsidies	20.182	21.264
Miscellaneous revenue	5	263
Financial revenue	458	
Total revenue (a)	20.646	21.527
Budgetary expenditure for the financial year		
<i>Staff - Title I of the budget</i>		
Payments	13.861	12.640
Appropriations carried over	891	881
<i>Operational activities - Title II of the budget</i>		
Payments	1.090	849
Appropriations carried over	929	1.512
Total expenditure (b)	16.772	15.882
Out-turn for the financial year (a-b)⁽¹⁾	3.873	5.645
Balance carried over from the previous financial year	4.977	1.854
Appropriations carried over from the previous financial year which lapsed	240	358
Refund to Europol	-	-217
Contingency reserve	-1.221	-2.653
Exchange-rate differences	6	-10
Balance for the financial year	7.875	4.977
NB: The totals may include differences due to rounding off. Source: Data compiled by the Centre - These tables summarise the data provided by the Centre in its own financial statements. (1) Calculation based on the principles of Article 15 of Council Regulation (EC, EURATOM) No 1150/2000 of 22 May 2000 (OJ L 130 of 31.5.2000, p.8).		

Financial statements/ the question of CdT premises

2. Acknowledges the efforts the Centre deployed in line with the Court of Auditors observations, in seeking a suitable solution with regard to the question concerning the premises it occupies, which were made available to it by the Luxembourg authorities while awaiting a permanent solution;
3. Recalls that the Court of Auditors has made repeated comments with regard to the premises

issue; notes that, as a matter of policy in general concerning buildings, the Institutions privilege the solution of purchase as against that of renting, based on a cost/benefit analysis;

4. Calls on the Centre to step up, with the Luxembourg authorities, its efforts with a view to finding a permanent solution to the question of the premises suitable to the Centre needs;
5. Recalls that with respect to any building project likely to have significant financial implications for the Centre's budget, Article 179 of the Financial Regulation n° 1605/2002 applies; Invites therefore the Centre, in case of such project, to present the Budgetary authority, before Parliament's first reading of the 2004 budget, with an analysis of alternative options concerning such a solution of its premises problem;

Evaluation of tenders

6. Takes the view that, concerning the evaluation of tenders for the purchase of goods and services other than external translations, there is scope for further improvements in the definition and application by the Centre of quality assessment criteria with a view to enhancing comparability of tenders and ensure better management;

Cooperation with the Institutions and other Community bodies

7. Notes the Centre's active participation to the Interinstitutional Translation and Interpretation Committee (CITI) aimed at defining and applying evaluation rules and criteria, laid down jointly by the Institutions, on the quality of translation work;
8. Encourages the Centre to continue such action ensuring better co-operation between Institutions, especially with a view to best meeting the needs related to the upcoming enlargement in this field.

General points concerning the Agencies

Operational tasks

9. Reiterates its position that, considering the fact that the administrative expenditure exceeds, in the case of many Agencies, the one for operational purposes, there is scope for these Agencies to be entrusted with more operational tasks; takes the view that they could for example be entrusted with implementing Community programmes in the field of education or health, thus helping to avoid the unnecessary creation of further executive agencies by the Commission;

Regrets that the Commission did not comply with Parliament's request¹ to make proposals in this respect by 30 June 2003; invites the Agencies to identify areas where they could take over implementation of Community programmes currently managed by the Commission and to make proposals in this respect by the end of 2003;

¹ See point 14 of Parliament's resolution containing the comments accompanying the decision concerning discharge to the Management Board of the European Centre for the Development of Vocational Training for the financial year 2001, OJ L 148 of 16 June 2003, p. 86

10. Welcomes in this context the proposal from the European Training Foundation (ETF) to take up possible further tasks; invites the Commission to use EFT's expertise in a wider geographical area than at present and for technical assistance to programmes such as Tempus and Erasmus mundus;

Adapting the financial rules to the new Financial Regulation

11. Expects the Agencies to complete their procedures for bringing into line their internal financial rules with the requirements of the new framework Financial Regulation as soon as possible and in any event by the end of the year at the latest; recalls that such internal financial rules may not depart from the framework Financial Regulation except where the specific operating needs of an Agency so require and with the Commission's prior consent; calls on the Agencies once they have completed such process to inform Parliament's competent Committees; asks the Court of Auditors to give an opinion on all financial provisions adopted by the Agencies which depart from the framework Financial Regulation;
12. Reiterates its call to the Agencies to ensure a strict segregation of duties between authorising officer(s) and accounting officer(s); recalls the enhanced role of the latter in
- a) laying down and validating the accounting systems;
 - b) keeping the accounts;
 - c) validating systems laid down by the authorising officer to supply accounting information;
 - d) cooperating with the Commission's accounting officer
 - e) preparing and presenting the financial statements and the reports on implementation of the budget;

Stresses, furthermore, that accounting officers shall be appointed by the management boards of the Agencies on the grounds of adequate competence and professional experience; expects as well that computerised systems put in place shall guarantee the existence of a complete audit trail for each operation in order to ensure transparency;

13. Reminds the Agencies that they should fully respect public procurement procedures as laid down in the Financial Regulation; stresses that open calls for tender must be used as much as possible in order to enhance transparency and to ensure equal treatment of potential tenderers; emphasises that non-respect of public procurement rules is not only potentially detrimental to the financial interests of the Agencies but can also be a criminal offence under the law of Member States;

Internal audit and control

14. Recalls that among the important features of the new Financial Regulation are the increased responsibility of authorising officers and the setting up of the internal audit capabilities in order to counter the risk of irregularities and mismanagement; invites therefore
- the Court of Auditors to increase the number of checks carried out by its auditors
 - the Agencies to thoroughly review their procedures for implementing their budget in line with the new framework created
 - the Commission to co-operate closely with the Agencies especially in the areas of accounting, internal audit and management and control procedures

in order for the appropriate and harmonised solutions to be put into practice.

15. Invites the Commission to propose a change to the Financial Regulation governing the agencies in order to give the agencies' respective Internal Auditors real control powers instead of a merely advisory role as it is currently the case;
16. Is extremely concerned that the Commission's Internal Audit Service (IAS) does not carry out any checks in the agencies; stresses that this entails that Articles 71 and 72 of the framework Financial Regulation for the agencies n° 2343 of 19 November 2002 are not adhered to and that, in practice, an outside control of the quality of management and control systems of the agencies is left to be carried out in the context of the Court of Auditors control; calls therefor on the Commission to ensure that the necessary resources are made available so that the IAS is in a position to fulfil its tasks with regard to the internal control systems in the agencies;

Co-operation with OLAF

17. Invites the Court of Auditors to report by the end of the year on whether the Community bodies duly cooperate with the European Anti-Fraud Office (OLAF) and apply the corresponding 1999 interinstitutional agreement unreservedly; asks also the Court of Auditors to evaluate the effectiveness of this cooperation on the basis of the cases processed so far;

Preparing the Agencies for enlargement

18. Invites the Commission, with a view to accelerating the efforts towards preparing the integration of the future Member States, to make the appropriate proposals, before the adoption of the 2004 budget, aimed at
 - fostering better functioning of these Community bodies,
 - ensuring better value for money through a cost/ benefit analysis,
 - avoiding any unnecessary creation of new agencies;

Stresses that, the further expansion, on the occasion of enlargement, of Administrative Boards of the Community bodies, which, as a general rule are already very ponderous , would not be acceptable, on grounds of both efficiency and cost; considers that enlargement offers a good opportunity to thoroughly reconsider the composition and working methods of these administrative boards;

19. Calls therefore on the Commission, in making such proposals, to consider, among others
 - entrusting the Agencies with further operational tasks such as the carrying out of programmes, where appropriate;
 - setting up joint Boards for more Agencies, especially for those with similar tasks;
 - the possibility of mergers of agencies in case of overlapping of activities;

Recalls with regard to this latter case, that the Commission has indicated a possible overlapping between CEDEFOP and the European Training Foundation and between the Foundation for the improvement of Working and Living Conditions and the Agency for Health and Safety at Work;

20. Invites, furthermore, the Commission, in line with its proposal on European governance aimed at concentrating its activity on the core tasks, to include in its action programme for the year 2004, the appropriate proposals with a view to ensuring that duplication of work between either Agencies having similar activities or between the activities of these Community bodies and those of its services is avoided;
21. Reiterates its call on the Commission to submit a proposal for an amendment to the constituent acts of the agencies to ensure that the directors of these Community bodies may in future be appointed only with the assent of Parliament; awaits proposals from the Commission to this effect, to be submitted by 1 December 2003 at the latest;

7. PROPOSAL FOR A EUROPEAN PARLIAMENT 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 2001 (C5-0096/2003 - 2003/2043(DEC))

The European Parliament,

- having regard to the Court of Auditors' report on the financial statements and management of the European Monitoring Centre for Drugs and Drug Addiction for the financial year ended 31 December 2001¹, together with the Centre's replies (C5-0096/2003),
 - having regard to the Council's recommendation of 7 March 2003 (C5-0097/2003),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to the recast Financial Regulation of 25 June 2002² and in particular Article 185 thereof,
 - having regard to the Commission's Regulation n° 2343/2002 of 19 November 2002³ on the framework Financial Regulation of the bodies referred to in Article 185 of Council Regulation n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and, in particular, Article 94 of Regulation n° 2343/2002,
 - having regard to Rule 93a and Annex V of its Rules of Procedure,
 - having regard to its decision of 8 April 2003 on the postponement of the decision concerning discharge and its resolution containing the comments accompanying that decision⁴,
 - having regard to the Report of the Committee on Budgetary Control (A5-0360/2003),
1. Gives 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 2001;
 2. Records its comments in the accompanying resolution;
 3. Instructs its President to forward this decision and the accompanying resolution to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors and to have it published in the OJ (L series).

¹ JO C 326, 27.12.2002, p. 64.

² JO L 248, 16.9.2002.

³ JO L 357, 31.12.2002, p. 72

⁴ JO L 148, 16.6.2003, p. 18

8. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

containing the comments accompanying the proposal for a 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 2001 (C5-0096/2003 - 2003/2043(DEC))

The European Parliament,

- having regard to the Court of Auditors' report on the financial statements and management of the European Monitoring Centre for Drugs and Drug Addiction for the financial year ended 31 December 2001¹, together with the Centre's replies (C5-0096/2003),
- having regard to the Council's recommendation of 7 March 2003 (C5-0097/2003),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to the recast Financial Regulation of 25 June 2002² and in particular Article 185 thereof,
- having regard to the Commission's Regulation n° 2343/2002 of 19 November 2002³ on the framework Financial Regulation of the bodies referred to in Article 185 of Council Regulation n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and, in particular, Article 94 of Regulation n° 2343/2002,
- having regard to Rule 93a and Annex V of its Rules of Procedure,
- having regard to its decision of 8 April 2003 on the postponement of the decision concerning discharge and its resolution containing the comments accompanying that decision⁴,
- having regard to the Report of the Committee on Budgetary Control (A5-0360/2003),

A. Whereas in its resolution of 8 April 2003 accompanying the decision to postpone discharge, Parliament

- welcomed the fact that it is henceforth the competent authority for giving discharge to the Community bodies referred to in Article 185 par.1 of the recast Financial Regulation n°1605/2002 and
- stressed that in order to fulfil its new responsibilities in this respect it expected to receive all relevant and necessary information from these bodies in reply to questions that it would have forwarded to them;

¹ JO C 326, 27.12.2002, p. 64.

² JO L 248, 16.9.2002.

³ JO L 357, 31.12.2002, p. 72

⁴ JO L 148, 16.6.2003, p. 18

- B. Whereas, its competent Committee has received answers to such questions ;
- C. Whereas the Agency's answers to the above mentioned questions , in many respects, provided Parliament with updated information; such information is supplementary to the observations contained in the Court of Auditors' report of 27 November 2002 on the financial statements of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) for 2001 and to the Agency's replies to these observations;
- D. Whereas the condition that Parliament takes a decision on discharge after it has been adequately informed was thus met;
1. Notes the following figures for the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial years 2001 and 2000;

Revenue and expenditure account for the financial years 2001 and 2000

	(1000 EUR)	
	2001	2000
Revenue collected for the financial year		
Commission subsidies	8.750	8.214
Norwegian subsidy	399	
Other Subsidies	1.153	
Financial revenue	99	232
Total revenue (a)	10.401	8.446
Budgetary expenditure for the financial year		
<i>Staff - Title I of the budget</i>		
Payments	4.027	3.876
Appropriations carried over	428	189
<i>Administration - Title II of the Budget</i>		
Payments	560	682
Appropriations carried over	596	354
<i>Operational activities - Title III of the budget</i>		
Payments	1.883	1.498
Appropriations carried over	1.432	1.651
Payments in respect of appropriations assigned	469	
Carry-overs of appropriations assigned	684	
Total expenditure (b)	10.079	8.250
Out-turn for the financial year (a-b)⁽¹⁾	322	196
Balance carried over from the previous financial year	2.076	1.617
Appropriations carried over from the previous financial year for re-use	319	269
Reimbursement of balance to the Commission	-2.076	-
Depreciation	-557	-
Exchange differences	-2	-6
Balance for the financial year	82	2.076
NB: Any discrepancies in totals are due to the effects of rounding. Source: Monitoring Centre data. These tables summarise the data provided by the Monitoring Centre in its own financial statements. (1) Calculated in accordance with the principles laid down in Article 15 of Council Regulation (EC, Euratom) No 1150/2000 (OJ L 130, 31.5.2000, p.8)		

Implementation of the budget

2. Notes with satisfaction the measures introduced by the Centre in line with an integrated planning of activities and allocation of budgetary resources aimed at ensuring better monitoring, implementing, reporting on and assessment of its activities; expects such

measures to have a positive impact on budget implementation and be translated, in particular, in a reduction of appropriations carried over;

3. Encourages the Centre to continue in its efforts towards a closed follow-up of its operational activities, especially with regard to its relation with the Reitox focal points; considers that the recommendations of the external evaluation related to the financing of the Reitox network should be taken up with a view to clarifying and further adapting the contractual relationship of the Centre with such focal points; notes that such problems present a "systemic" character;
4. Takes the view that there is scope for developing a harmonised approach between agencies in dealing with such problems; expects the Centre to intensify its contacts with other agencies faced with similar problems in their relations with networks of national points in order for a "best practice approach" to be developed and applied;

Application of financial provisions

5. Notes the measures introduced by the Centre with a view to having its contract database operational and, more generally, aimed at achieving better co-operation between its operational and administrative departments;

Purchases of goods and services / tendering procedures

6. Welcomes the Centre's reply on steps taken in order to secure improvements in that field, including better definition of evaluation criteria, ensuring comparability of tenders and equal treatment for tenderers;
7. Expects the Centre to take further steps towards enhancing interinstitutional co-operation, based on a best practice approach, while allowing for the specific interests and constraints of Agencies to be taken duly into consideration;

Buildings policy

8. Reiterates the concerns expressed by the Commission in the Management Board of the Centre and the negative opinion of Parliament under Article 179 of the Financial Regulation as concerns the Centre's current building requirements; expects the Centre to find an appropriate solution in conformity with Parliament's recommendations and will follow-up the issue in the forthcoming discharge procedure;

General points concerning the Agencies

Operational tasks

9. Reiterates its position that, considering the fact that the administrative expenditure exceeds, in the case of many Agencies, the one for operational purposes, there is scope for these Agencies to be entrusted with more operational tasks; takes the view that they could for example be entrusted with implementing Community programmes in the field of education

or health, thus helping to avoid the unnecessary creation of further executive agencies by the Commission;

Regrets that the Commission did not comply with Parliament's request¹ to make proposals in this respect by 30 June 2003; invites the Agencies to identify areas where they could take over implementation of Community programmes currently managed by the Commission and to make proposals in this respect by the end of 2003;

10. Welcomes in this context the proposal from the European Training Foundation (ETF) to take up possible further tasks; invites the Commission to use EFT's expertise in a wider geographical area than at present and for technical assistance to programmes such as Tempus and Erasmus mundus;

Adapting the financial rules to the new Financial Regulation

11. Expects the Agencies to complete their procedures for bringing into line their internal financial rules with the requirements of the new framework Financial Regulation as soon as possible and in any event by the end of the year at the latest; recalls that such internal financial rules may not depart from the framework Financial Regulation except where the specific operating needs of an Agency so require and with the Commission's prior consent; calls on the Agencies once they have completed such process to inform Parliament's competent Committees; asks the Court of Auditors to give an opinion on all financial provisions adopted by the Agencies which depart from the framework Financial Regulation;
12. Reiterates its call to the Agencies to ensure a strict segregation of duties between authorising officer(s) and accounting officer(s); recalls the enhanced role of the latter in
- a) laying down and validating the accounting systems;
 - b) keeping the accounts;
 - c) validating systems laid down by the authorising officer to supply accounting information;
 - d) cooperating with the Commission's accounting officer
 - e) preparing and presenting the financial statements and the reports on implementation of the budget;

Stresses, furthermore, that accounting officers shall be appointed by the management boards of the Agencies on the grounds of adequate competence and professional experience; expects as well that computerised systems put in place shall guarantee the existence of a complete audit trail for each operation in order to ensure transparency;

13. Reminds the Agencies that they should fully respect public procurement procedures as laid down in the Financial Regulation; stresses that open calls for tender must be used as much as possible in order to enhance transparency and to ensure equal treatment of potential tenderers; emphasises that non-respect of public procurement rules is not only potentially detrimental to the financial interests of the Agencies but can also be a criminal offence under the law of Member States;

¹ See point 14 of Parliament's resolution containing the comments accompanying the decision concerning discharge to the Management Board of the European Centre for the Development of Vocational Training for the financial year 2001, OJ L 148 of 16 June 2003, p. 86

Internal audit and control

14. Recalls that among the important features of the new Financial Regulation are the increased responsibility of authorising officers and the setting up of the internal audit capabilities in order to counter the risk of irregularities and mismanagement; invites therefore
- the Court of Auditors to increase the number of checks carried out by its auditors
 - the Agencies to thoroughly review their procedures for implementing their budget in line with the new framework created
 - the Commission to co-operate closely with the Agencies especially in the areas of accounting, internal audit and management and control procedures
- in order for the appropriate and harmonised solutions to be put into practice.
15. Invites the Commission to propose a change to the Financial Regulation governing the agencies in order to give the agencies' respective Internal Auditors real control powers instead of a merely advisory role as it is currently the case;
16. Is extremely concerned that the Commission's Internal Audit Service (IAS) does not carry out any checks in the agencies; stresses that this entails that Articles 71 and 72 of the framework Financial Regulation for the agencies n° 2343 of 19 November 2002 are not adhered to and that, in practice, an outside control of the quality of management and control systems of the agencies is left to be carried out in the context of the Court of Auditors control; calls therefor on the Commission to ensure that the necessary resources are made available so that the IAS is in a position to fulfil its tasks with regard to the internal control systems in the agencies;

Co-operation with OLAF

17. Invites the Court of Auditors to report by the end of the year on whether the Community bodies duly cooperate with the European Anti-Fraud Office (OLAF) and apply the corresponding 1999 interinstitutional agreement unreservedly; asks also the Court of Auditors to evaluate the effectiveness of this cooperation on the basis of the cases processed so far;

Preparing the Agencies for enlargement

18. Invites the Commission, with a view to accelerating the efforts towards preparing the integration of the future Member States, to make the appropriate proposals, before the adoption of the 2004 budget, aimed at
- fostering better functioning of these Community bodies,
 - ensuring better value for money through a cost/ benefit analysis,
 - avoiding any unnecessary creation of new agencies;

Stresses that, the further expansion, on the occasion of enlargement, of Administrative Boards of the Community bodies, which, as a general rule are already very ponderous , would not be acceptable, on grounds of both efficiency and cost; considers that enlargement offers a good opportunity to thoroughly reconsider the composition and working methods

of these administrative boards;

19. Calls therefore on the Commission, in making such proposals, to consider, among others
- entrusting the Agencies with further operational tasks such as the carrying out of programmes, where appropriate;
 - setting up joint Boards for more Agencies, especially for those with similar tasks;
 - the possibility of mergers of agencies in case of overlapping of activities;

Recalls with regard to this latter case, that the Commission has indicated a possible overlapping between CEDEFOP and the European Training Foundation and between the Foundation for the improvement of Working and Living Conditions and the Agency for Health and Safety at Work;

20. Invites, furthermore, the Commission, in line with its proposal on European governance aimed at concentrating its activity on the core tasks, to include in its action programme for the year 2004, the appropriate proposals with a view to ensuring that duplication of work between either Agencies having similar activities or between the activities of these Community bodies and those of its services is avoided;
21. Reiterates its call on the Commission to submit a proposal for an amendment to the constituent acts of the agencies to ensure that the directors of these Community bodies may in future be appointed only with the assent of Parliament; awaits proposals from the Commission to this effect, to be submitted by 1 December 2003 at the latest;

9. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the discharge to the Director of the European Monitoring Centre on Racism and Xenophobia in respect of the implementation of its budget for the financial year 2001 (C5-0094/2003 - 2003/2042(DEC))

The European Parliament,

- having regard to the Court of Auditors' report on the financial statements and management of the European Monitoring Centre on Racism and Xenophobia for the financial year ended 31 December 2001¹, together with the Centre's replies (C5-0094/2003),
 - having regard to the Council's recommendation of 7 March 2003 (C5-0095/2003),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to the recast Financial Regulation of 25 June 2002² and in particular Article 185 thereof,
 - having regard to the Commission's Regulation n° 2343/2002 of 19 November 2002³ on the framework Financial Regulation of the bodies referred to in Article 185 of Council Regulation n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and, in particular, Article 94 of Regulation n° 2343/2002,
 - having regard to Rule 93a and Annex V of its Rules of Procedure,
 - having regard to its decision of 8 April 2003 on the postponement of the decision concerning discharge and its resolution containing the comments accompanying that decision⁴,
 - having regard to the Report of the Committee on Budgetary Control (A5-0360/2003),
1. Gives discharge to the Director of the European Monitoring Centre on Racism and Xenophobia in respect of the implementation of its budget for the financial year 2001;
 2. Records its comments in the accompanying resolution;
 3. Instructs its President to forward this decision and the accompanying resolution to the Director of the European Monitoring Centre on Racism and Xenophobia, the Council, the Commission and the Court of Auditors and to have it published in the OJ (L series).

¹ JO C 326, 27.12.2002, p. 72.

² JO L 248, 16.9.2002.

³ JO L 357, 31.12.2002, p. 72

⁴ JO L 148, 16.6.2003, p. 18

10. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

containing the comments accompanying the proposal for a decision on the discharge to the Director of the European Monitoring Centre on Racism and Xenophobia in respect of the implementation of its budget for the financial year 2001 (C5-0094/2003 - 2003/2042(DEC)),

The European Parliament,

- having regard to the Court of Auditors' report on the financial statements and management of the European Monitoring Centre on Racism and Xenophobia for the financial year ended 31 December 2001¹, together with the Centre's replies (C5-0094/2003),
- having regard to the Council's recommendation of 7 March 2003 (C5-0095/2003),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to the recast Financial Regulation of 25 June 2002² and in particular Article 185 thereof,
- having regard to the Commission's Regulation n° 2343/2002 of 19 November 2002³ on the framework Financial Regulation of the bodies referred to in Article 185 of Council Regulation n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and, in particular, Article 94 of Regulation n° 2343/2002,
- having regard to Rule 93a and Annex V of its Rules of Procedure,
- having regard to its decision of 8 April 2003 on the postponement of the decision concerning discharge and its resolution containing the comments accompanying that decision⁴,
- having regard to the Report of the Committee on Budgetary Control (A5-0360/2003),

A. Whereas in its resolution of 8 April 2003 accompanying the decision to postpone discharge, Parliament

- welcomed the fact that it is henceforth the competent authority for giving discharge to the Community bodies referred to in Article 185 par.1 of the recast Financial Regulation n°1605/2002 and
- stressed that in order to fulfil its new responsibilities in this respect it expected to receive all relevant and necessary information from these bodies in reply to questions that it would have forwarded to them;

¹ JO C 326, 27.12.2002, p. 72.

² JO L 248, 16.9.2002.

³ JO L 357, 31.12.2002, p. 72

⁴ JO L 148, 16.6.2003, p. 18

- B. Whereas, its competent Committee has received answers to such questions ;
- C. Whereas the Agency's answers to the above mentioned questions , in many respects, provided Parliament with updated information; such information is supplementary to the observations contained in the Court of Auditors' report of 27 November 2002 on the financial statements of the European Monitoring Centre on Racism and Xenophobia (EUMC) for 2001 and to the Agency's replies to these observations;
- D. Whereas the condition that Parliament takes a decision on discharge after it has been adequately informed was thus met;
1. Notes the following figures for the accounts of the European Monitoring Centre on Racism and Xenophobia for the financial years 2001 and 2000;

Revenue and expenditure account for the financial years 2001 and 2000

	(1000 EUR)	
	2001	2000
Revenue collected for the financial year		
Commission subsidies	5.000	4.250
Financial revenue	46	61
Total revenue (a)	5.046	4.311
Budgetary expenditure for the financial year		
<i>Staff - Title I of the budget</i>		
Payments	2.072	1.935
Appropriations carried over	67	84
<i>Administration - Title II of the Budget</i>		
Payments	662	987
Appropriations carried over	151	106
<i>Operational activities - Title III of the budget</i>		
Payments	990	898
Appropriations carried over	1.181	643
Total expenditure (b)	5.123	4.653
Out-turn for the financial year (a-b)⁽¹⁾	-77	-342
Balance carried over from the previous financial year	179	737
Appropriations carried over from the previous financial year which lapse	75	310
Appropriations for re-use from the financial year 2000, not utilised	-	5
Repayments to the Commission	-174	-533
Exchange-rate differences	-11	2
Balance for the financial year	-8	179
NB: Any discrepancies in totals are due to the effects of rounding. Source : European Monitoring Centre on Racism and Xenophobia (1) The negative balance of the outturn and own capital does not constitute a capital loss. It results from the application of the financial regulation in respect of revenue.		

Budgetary implementation / recurrent problems

2. Notes the Centre's efforts aimed at ensuring preparation of its work programme at an earlier stage and the measures taken in order to introduced a tighter monitoring of the implementation of appropriations and work programme;

3. Expects that the positive results of such measures be confirmed during the subsequent financial year and looks forward to be fully informed by the Centre on this matter in the context of the next discharge procedure;
4. Encourages the Centre to continue in the line of a closed follow-up of its operational activities and to deploy further efforts in resolving recurrent problems in its relations with the Raxen network; notes in this respect that such problems present a "systemic" character;
5. Takes the view that there is scope for developing a harmonised approach between agencies in dealing with such problems; expects the Centre to intensify its contacts with other agencies faced with similar problems in their relations with networks of national points in order for a "best practice approach" to be developed and applied;

Application of financial provisions

6. Notes the Centre's efforts with a view to facilitating the correct application of the new Financial Regulation's provisions; expects such efforts to continued especially in the areas of internal audit / control with a view to further improving its financial management;

General points concerning the Agencies

Operational tasks

7. Reiterates its position that, considering the fact that the administrative expenditure exceeds, in the case of many Agencies, the one for operational purposes, there is scope for these Agencies to be entrusted with more operational tasks; takes the view that they could for example be entrusted with implementing Community programmes in the field of education or health, thus helping to avoid the unnecessary creation of further executive agencies by the Commission;

Regrets that the Commission did not comply with Parliament's request¹ to make proposals in this respect by 30 June 2003; invites the Agencies to identify areas where they could take over implementation of Community programmes currently managed by the Commission and to make proposals in this respect by the end of 2003;

8. Welcomes in this context the proposal from the European Training Foundation (ETF) to take up possible further tasks; invites the Commission to use ETF's expertise in a wider geographical area than at present and for technical assistance to programmes such as Tempus and Erasmus mundus;

Adapting the financial rules to the new Financial Regulation

9. Expects the Agencies to complete their procedures for bringing into line their internal financial rules with the requirements of the new framework Financial Regulation as soon

¹ See point 14 of Parliament's resolution containing the comments accompanying the decision concerning discharge to the Management Board of the European Centre for the Development of Vocational Training for the financial year 2001, OJ L 148 of 16 June 2003, p. 86

as possible and in any event by the end of the year at the latest; recalls that such internal financial rules may not depart from the framework Financial Regulation except where the specific operating needs of an Agency so require and with the Commission's prior consent; calls on the Agencies once they have completed such process to inform Parliament's competent Committees; asks the Court of Auditors to give an opinion on all financial provisions adopted by the Agencies which depart from the framework Financial Regulation;

10. Reiterates its call to the Agencies to ensure a strict segregation of duties between authorising officer(s) and accounting officer(s); recalls the enhanced role of the latter in
- laying down and validating the accounting systems;
 - keeping the accounts;
 - validating systems laid down by the authorising officer to supply accounting information;
 - cooperating with the Commission's accounting officer
 - preparing and presenting the financial statements and the reports on implementation of the budget;

Stresses, furthermore, that accounting officers shall be appointed by the management boards of the Agencies on the grounds of adequate competence and professional experience; expects as well that computerised systems put in place shall guarantee the existence of a complete audit trail for each operation in order to ensure transparency;

11. Reminds the Agencies that they should fully respect public procurement procedures as laid down in the Financial Regulation; stresses that open calls for tender must be used as much as possible in order to enhance transparency and to ensure equal treatment of potential tenderers; emphasises that non-respect of public procurement rules is not only potentially detrimental to the financial interests of the Agencies but can also be a criminal offence under the law of Member States;

Internal audit and control

12. Recalls that among the important features of the new Financial Regulation are the increased responsibility of authorising officers and the setting up of the internal audit capabilities in order to counter the risk of irregularities and mismanagement; invites therefore
- the Court of Auditors to increase the number of checks carried out by its auditors
 - the Agencies to thoroughly review their procedures for implementing their budget in line with the new framework created
 - the Commission to co-operate closely with the Agencies especially in the areas of accounting, internal audit and management and control procedures
- in order for the appropriate and harmonised solutions to be put into practice.
13. Invites the Commission to propose a change to the Financial Regulation governing the agencies in order to give the agencies' respective Internal Auditors real control powers instead of a merely advisory role as it is currently the case;
14. Is extremely concerned that the Commission's Internal Audit Service (IAS) does not carry out any checks in the agencies; stresses that this entails that Articles 71 and 72 of the

framework Financial Regulation for the agencies n° 2343 of 19 November 2002 are not adhered to and that, in practice, an outside control of the quality of management and control systems of the agencies is left to be carried out in the context of the Court of Auditors control; calls therefor on the Commission to ensure that the necessary resources are made available so that the IAS is in a position to fulfil its tasks with regard to the internal control systems in the agencies;

Co-operation with OLAF

15. Invites the Court of Auditors to report by the end of the year on whether the Community bodies duly cooperate with the European Anti-Fraud Office (OLAF) and apply the corresponding 1999 interinstitutional agreement unreservedly; asks also the Court of Auditors to evaluate the effectiveness of this cooperation on the basis of the cases processed so far;

Preparing the Agencies for enlargement

16. Invites the Commission, with a view to accelerating the efforts towards preparing the integration of the future Member States, to make the appropriate proposals, before the adoption of the 2004 budget, aimed at
- fostering better functioning of these Community bodies,
 - ensuring better value for money through a cost/ benefit analysis,
 - avoiding any unnecessary creation of new agencies;

Stresses that, the further expansion, on the occasion of enlargement, of Administrative Boards of the Community bodies, which, as a general rule are already very ponderous , would not be acceptable, on grounds of both efficiency and cost; considers that enlargement offers a good opportunity to thoroughly reconsider the composition and working methods of these administrative boards;

17. Calls therefore on the Commission, in making such proposals, to consider, among others
- entrusting the Agencies with further operational tasks such as the carrying out of programmes, where appropriate;
 - setting up joint Boards for more Agencies, especially for those with similar tasks;
 - the possibility of mergers of agencies in case of overlapping of activities;

Recalls with regard to this latter case, that the Commission has indicated a possible overlapping between CEDEFOP and the European Training Foundation and between the Foundation for the improvement of Working and Living Conditions and the Agency for Health and Safety at Work;

18. Invites, furthermore, the Commission, in line with its proposal on European governance aimed at concentrating its activity on the core tasks, to include in its action programme for the year 2004, the appropriate proposals with a view to ensuring that duplication of work between either Agencies having similar activities or between the activities of these Community bodies and those of its services is avoided;
19. Reiterates its call on the Commission to submit a proposal for an amendment to the constituent acts of the agencies to ensure that the directors of these Community bodies

may in future be appointed only with the assent of Parliament; awaits proposals from the Commission to this effect, to be submitted by 1 December 2003 at the latest;

11 June 2003

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Budgetary Control

on the discharge for the European Agency for Safety and Health at Work concerning the financial year 2001
(C5-0102/2003 – 2003/2046(DEC))

Draftsman: Karin Jöns

PROCEDURE

The Committee on Employment and Social Affairs appointed Karin Jöns draftsman at its meeting of 20 May 2003.

It considered the draft opinion at its meetings of 21 May and 11 June 2003.

At the latter/last meeting it adopted the following conclusions unanimously.

The following were present for the vote: Theodorus J.J. Bouwman (chairman); Marie-Hélène Gillig, Winfried Menrad and Marie-Thérèse Hermange (vice-chairmen); Karin Jöns (draftsman); Jan Andersson, Elspeth Attwooll, Regina Bastos, Hans Udo Bullmann (for Alejandro Cercas), Anne-Karin Glase, Robert Goebbels (for Harald Ettl), Stephen Hughes, Elizabeth Lynne, Claude Moraes, Bartho Pronk, Ieke van den Burg and Sabine Zissener (for Miet Smet).

CONCLUSIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following points in its motion for a resolution:

Implementation of the budget:

1. Is pleased to note that the Court of Auditors has been able to obtain reasonable assurance that the annual accounts for the financial year ended 31 December 2001 are reliable and that the underlying transactions, taken as a whole, are legal and regular;
2. Notes that a significant proportion of operating appropriations was carried over by the Agency to the following year; recognises that a major part of the appropriations carried over relates to the programme for the promotion of health and safety in small and medium-sized enterprises (SMEs), to which the principle of the annual nature of the budget is only partly applicable;
3. Notes that part of the available operating appropriations had to be cancelled; stresses that, within the context of a responsible budgetary policy, satisfactory implementation of appropriations is an essential condition for any increase in Community assistance in subsequent years and expects to be kept informed therefore, on a regular basis, of the take up of operating appropriations by the Agency particularly with regard to the important programme for the promotion of health and safety in SMEs and the enlargement process;
4. Agrees, in the light of the carry-over of appropriations and cancellations of appropriations, with the Court of Auditors' view that the Agency should improve the annual programming of its activities; this is the case, in particular, as regards annual assistance for focal points and topic centres which are permanent contractual partners of the Agency;

Financial statements and application of the Financial Regulation:

5. Calls on the Agency to remedy without delay the problems criticised by the Court of Auditors in connection with its financial statements and application of the Financial Regulation; regards the observations by the Court of Auditors as backing up its view that the greatest possible harmonisation of financial provisions and their application by the individual agencies is needed; refers, in this connection, to the demands set out in its recent resolutions on the discharge to the European Centre for the Development of Vocational Training, the European Foundation for the Improvement of Living and Working Conditions and the European Agency for Reconstruction for the financial year 2001;

Tasks of the Agency:

6. Congratulates the Agency on the very positive assessment given in the external evaluation report of its activities in connection with the implementation of preparatory

measures relating to health and safety in SMEs as initiated by the European Parliament; regards the positive results as endorsing its view that the agencies may be given increased responsibilities for implementing Community programmes, and reiterates its call for a multiannual programme for SMEs;

Cooperation with the European Foundation for the Improvement of Living and Working Conditions:

7. Welcomes the recent joint initiative by the Agency and the European Foundation for the Improvement of Living and Working Conditions to coordinate their activities in the area of health and safety on the basis of an operational action plan, which represents a significant step forward in relation to the existing 'memorandum of understanding' between the agencies; reiterates, in this connection, its view that the Agency should have the leading role with regard to the implementation of non-legislative activities in the area of health and safety at Community level, taking account of the results of the work of the Foundation in Dublin.