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REPORT

on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009 (C7-0229/2010 – 2010/2169(DEC))

Committee on Budgetary Control

Rapporteur: Georgios Stavrakakis

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009 (C7-0229/2010 – 2010/2169(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009, together with the Centre's replies¹,
 - having regard to the Council's recommendation of 15 February 2011 (5892/2011 – C7-0052/2011),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction (recast)³, and in particular Article 15 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002⁴ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0120/2011),
1. Grants the Director of the European Monitoring Centre for Drugs and Drug Addiction discharge in respect of the implementation of the Centre's budget for the financial year 2009;
 2. Sets out its observations in the resolution below;

¹ OJ C 338, 14.12.2010, p.162.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 376, 27.12.2006, p. 1.

⁴ OJ L 357, 31.12.2002, p. 72.

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the Official Journal of the European Union (L series).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009;
(C7-0229/2010 – 2010/2169(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009, together with the Centre's replies¹,
 - having regard to the Council's recommendation of 15 February 2011 (5892/2011 – C7-0052/2011),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction (recast)³, and in particular Article 15 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002⁴ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0120/2011),
1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009;

¹ OJ C 338, 14.12.2010, p.162.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 376, 27.12.2006, p. 1.

⁴ OJ L 357, 31.12.2002, p. 72.

2. Instructs its President to forward this Decision to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the Official Journal of the European Union (L series).

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009 (C7-0229/2010 – 2010/2169(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009, together with the Centre's replies¹,
 - having regard to the Council's recommendation of 15 February 2011 (5892/2011 – C7-0052/2011),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction (recast)³, and in particular Article 15 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002⁴ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0120/2011),
- A. whereas the Court of Auditors stated that it obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,

¹ OJ C 338, 14.12.2010, p.162.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 376, 27.12.2006, p. 1.

⁴ OJ L 357, 31.12.2002, p. 72.

- B. whereas on 5 May 2010 Parliament granted the Director of the European Monitoring Centre for Drugs and Drug Addiction discharge for implementation of the Centre's budget for the financial year 2008¹, and in its resolution accompanying the discharge decision, inter alia:
- stressed how important it is for the Centre to set SMART objectives and RACER indicators in its programming, with a view to assessing its performance;
 - noted that the Centre's accounts for the financial year 2008 show income from interest as an amount of EUR 107 591,31;
 - congratulated the Centre on its close cooperation with the European Maritime Safety Agency, which is also based in Lisbon, in order to share buildings and make joint use of infrastructures and services, and noted that its move into its own premises was scheduled for the third quarter of 2009,
- C. whereas the budget of the Centre for the year 2009 was of EUR 14 720 000, 2,25 % less than its budget for 2008;
1. Is pleased to note that the Court of Auditors has been able to obtain reasonable assurances that the annual accounts of the Centre for the financial year 2009 are in all material respects, reliable and that the underlying transactions, taken as a whole, are legal and regular;

Performance

2. Welcomes the Centre's initiative to run a computerised network for the collection and exchange of information called "European information network on Drugs and Drug Addiction"; notes that this network connects national drug information networks, specialist centres in the Member States and the information systems of international organisations working with the Centre;
3. Notes that the Centre appointed an extra full-time member of staff to improve its planning and monitoring system and to develop suitable indicators;
4. Calls on the Centre to consider making a Gantt diagram part of the programming for each of its operational activities, with a view to indicating in concise form the amount of time spent by each staff member on a project and encouraging an approach geared towards achieving results;
5. Congratulates the Centre for having set out, in a table annexed to the Court of Auditors' 2009 report, a comparison of the operations that were carried out during 2009 and 2008 so as to enable the discharge authority to assess more effectively its performance from one year to the next; notes that the Centre has increased its number of thematic papers and policy briefings;
6. Notes that discharge for the implementation of the budget for the Centre should be further based on its performance throughout the year;

Carryover appropriations

¹ OJ L 252, 25.9.2010, p. 160.

7. Calls on the Centre to put in place appropriate instructions and procedures for the analysis of potential carry forwards in order to reduce the volume of appropriations carried over to the minimum necessary to cover the amounts still due against the year's commitments; considers also important for the Centre to improve the programming and the monitoring of activities with a view to reducing carry over; notes, in fact, that the Court of Auditors reported EUR 339 000 of carry forwards in the Centre's 2009 appropriations for Title II- Administrative expenditure (26 %), EUR 250 000 of which corresponded to commitments without any payment, mostly for activities related to 2010;

Cash management

8. Welcomes the fact that the Centre has further enhanced the annual forecast of its cash needs; notes that this forecast is constantly updated and submitted as a supporting document to the relevant Commission services to justify the Centre's quarterly request for payment of the next instalment of its annual subsidy allocated by the Union;
9. Calls for clarification of the applicable rules on internal assigned revenues in the light of the questions which were raised after the refund of part of the accumulated surplus of the Translation Centre to the Centre; notes the Centre's response pointing out that a number of agencies are faced with the same problem; suggests that in future a joint approach should be adopted to deal with this type of horizontal problem;

Human resources

10. Calls on the Centre to continue to ensure consistent implementation of the approved staff appraisal procedure through adequate information and guidance to reporting officers and jobholders;

Internal audit

11. Welcomes the Centre's initiative of providing the discharge authority with the Internal Audit Service (IAS)'s Annual Internal Audit Report on the Centre; considers this a sign of transparency and a best practice to be followed by all other Agencies;
12. Acknowledges that in 2009 the IAS performed an audit on grant management to provide the Centre's Director with reasonable assurance as regards the adequacy and effectiveness of the internal control system applicable to the grant management at the Centre; notes in this respect that the IAS found deficiencies in the Centre's compliance with the current Commission's guidelines for grant agreements, in the implementation of the Centre's grant agreement and in its grant reporting; welcomes, nevertheless, the Centre's positive results and its ongoing efforts to establish and maintain a quality management of the grant procedures, aiming at ensuring high quality of funded actions as well as of administrative and financial execution of the grants;
13. Calls on the Centre to inform the discharge authority of the progress made on risk management and, in particular, on its annual risk analysis;
14. Acknowledges that 9 of the 19 IAS' recommendations opened in 31 December 2009 are considered "very important" and mainly concern: the adaptation of the Centre's grant agreement, the quality control of the new location, the precautions against damage from flooding, the Business Continuity Plan and the investment in equipment; urges, therefore,

the Centre to implement without delay these 9 "very important" recommendations and inform the discharge authority of the progress made;

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15. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of May 2011¹ on the performance, financial management and control of the agencies.

¹ Texts adopted, P7_TA-PROV(2011)...

1.3.2011

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

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009
(C7-0229/2010 – 2010/2169(DEC))

Rapporteur: Simon Busuttil

SUGGESTIONS

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

1. Is pleased to note that the Court of Auditors has been able to obtain reasonable assurances that the annual accounts of the Centre for the financial year 2009 are in all material respects, reliable and that the underlying transactions, taken as a whole, are legal and regular;
2. Takes note of the comments of the Court of Auditors as regards carry forwards and of the Centre's reply in this regard; calls on the Centre to continue its efforts to reduce carry forwards to the minimum necessary and to improve the planning and programming of its activities;
3. Calls for clarification of the applicable rules on internal assigned revenues in the light of the questions which were raised after the refund of part of the accumulated surplus of the Translation Centre to the Centre; notes the Centre's response pointing out that a number of agencies are faced with the same problem; suggests that in future a joint approach should be taken to this type of horizontal problem;
4. Notes that the discharge for the implementation of the budget for the Centre should be further based on its performance throughout the year.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	28.2.2011
Result of final vote	+: 37 -: 1 0: 0
Members present for the final vote	Sonia Alfano, Alexander Alvaro, Rita Borsellino, Emine Bozkurt, Simon Busuttill, Carlos Coelho, Cornelis de Jong, Agustín Díaz de Mera García Consuegra, Kinga Gál, Kinga Göncz, Nathalie Griesbeck, Sylvie Guillaume, Ágnes Hankiss, Salvatore Iacolino, Sophia in 't Veld, Livia Járóka, Teresa Jiménez-Becerril Barrio, Juan Fernando López Aguilar, Monica Luisa Macovei, Véronique Mathieu, Louis Michel, Claude Moraes, Georgios Papanikolaou, Judith Sargentini, Birgit Sippel, Renate Sommer, Rui Tavares, Wim van de Camp, Daniël van der Stoep, Axel Voss, Renate Weber, Tatjana Ždanoka
Substitute(s) present for the final vote	Edit Bauer, Leonidas Donskis, Monika Hohlmeier, Stanimir Ilchev, Franziska Keller
Substitute(s) under Rule 187(2) present for the final vote	Marina Yannakoudakis

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	21.3.2011
Result of final vote	+: 17 -: 1 0: 2
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Inés Ayala Sender, Jorgo Chatzimarkakis, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Ingeborg Gräßle, Iliana Ivanova, Elisabeth Köstinger, Monica Luisa Macovei, Aldo Patriciello, Crescenzo Rivellini, Bart Staes, Georgios Stavrakakis, Søren Bo Søndergaard
Substitute(s) present for the final vote	Thijs Berman, Zuzana Brzobohatá, Derk Jan Eppink, Marian-Jean Marinescu, Véronique Mathieu