



Plenary sitting

A8-0139/2019

1.3.2019

REPORT

on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) for the financial year 2017
(2018/2181(DEC))

Committee on Budgetary Control

Rapporteur: Petri Sarvamaa

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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 2017 (2018/2181(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 2017,
- 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 2017, together with the Centre's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0071/2019),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁴, and in particular Article 70 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 Addiction⁵, and in particular Article 15 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and

¹ OJ C 434, 30.11.2018, p. 149.

² OJ C 434, 30.11.2018, p. 149.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 193, 30.7.2018, p. 1.

⁵ OJ L 376, 27.12.2006, p. 1.

of the Council¹, and in particular Article 108 thereof,

- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0139/2019),
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 2017;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

¹ OJ L 328, 7.12.2013, p. 42.

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 2017
(2018/2181(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 2017,
- 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 2017, together with the Centre's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2017 (058250000/2019 – C8-0071/2019),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁴, and in particular Article 70 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 Addiction⁵, and in particular Article 15 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and

¹ OJ C 434, 30.11.2018, p. 149.

² OJ C 434, 30.11.2018, p. 149.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 193, 30.7.2018, p. 1.

⁵ OJ L 376, 27.12.2006, p. 1.

of the Council¹, and in particular Article 108 thereof,

- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0139/2019),
1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2017;
 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).

¹ OJ L 328, 7.12.2013, p. 42.

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2017 (2018/2181(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2017,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0139/2019),
- A. whereas, according to its statement of revenue and expenditure¹, the final budget of the European Monitoring Centre for Drugs and Drug Addiction (the ‘Centre’) for the financial year 2017 was EUR 15 828 389, representing an increase of 2,64 % compared to 2016; whereas the budget of the Centre derives mainly from the Union budget;
- B. whereas the Court of Auditors (the ‘Court’), in its report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2017 (the ‘Court’s report’), states that it has obtained reasonable assurances that the Centre’s annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, representing a slight increase of 0,05 % compared to 2016; notes that the payment appropriations execution rate was 94,70 %, representing a decrease of 0,94 % compared to the previous year;

Cancellation of carry-overs

2. Notes that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 18 245, representing 3,90 % of the total amount carried forward, showing an increase of 0,15 % compared to 2016;

Performance

3. Notes with satisfaction that the Centre measures the achievement of its 68 annual targets with 50 key performance indicators, which are divided into eight strategic objectives, to assess the added value provided by its activities, and to improve its budget management;
4. Acknowledges that the Centre has reached 90 % of the annual targets set for 2017 and

¹ OJ C 25, 24.01.2018, p. 1.

that it successfully implemented the first year of its Strategy 2025;

5. Notes with appreciation that the Centre shares synergies with the European Maritime Safety Agency in corporate and support services and the management of common premises in Lisbon; acknowledges that operational synergies have been put in place with other Union agencies in the areas of Justice and Home Affairs and Health;

Staff policy

6. Notes that, on 31 December 2017, the establishment plan was 93,51 % executed, with 72 officials or temporary agents appointed out of 77 officials and temporary agents authorised under the Union budget (compared with 79 authorised posts in 2016); notes that in addition, 29 contract agents and 1 seconded national expert worked for the Centre in 2017;
7. Notes that the Centre has general provisions on building and sustaining a working culture based on dignity and respect in place to prevent and fight against harassment; acknowledges that it enables confidential counselling;
8. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; notes that, according to the Centre's reply, it is committed to assessing the cost-benefit of this action and in addition plans to publish all future vacancies in the inter-agency job board developed by the EU Agencies Network;

Procurement

9. Notes with appreciation that the Centre put in place a procurement plan which was successfully executed in close collaboration with all units;
10. Notes that, according to the Court's report, by the end of 2017 the Centre was not yet using any of the tools launched by the Commission aimed at introducing a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes that, according to the Centre's reply, the Centre has set up the tools required for "e-invoicing" and has planned the preparatory operations required to be able to use "e-tendering" and "e-submission" from October 2018 as required by the relevant legal framework; calls on the Centre to report to the discharge authority on the progress made;

Prevention and management of conflicts of interest, and transparency

11. Notes that, according to the Court's report, there is a need to strengthen the accounting officer's independence by making him directly responsible to the Centre's Director and management board; notes that, according to the Centre's reply, in its view the current organisational setting has not affected the independence of the accounting officers; notes furthermore that the Centre is however ready to follow up on the recommendation of the Court;

Internal controls

12. Notes that the Commission's Internal Audit Service (IAS) outlined the importance of undertaking an analysis of the needs of data collection, validation and quality assurance processes and to review its data quality management framework and its alignment with the Centre's Strategy 2025; observes that the Centre adopted an action plan to address these recommendations in December 2017; calls on the Centre to report to the discharge authority on the developments made in this regard;
13. Notes with regret that one of the recommendations, graded as 'important', included in the 2013 IAS audit on "Budget and Monitoring" is still not fully implemented; notes with concern that, according to the Court's report, several recommendations included in the 2015 IAS audit on IT project management are only partly implemented and still ongoing; calls on the Centre to report to the discharge authority on the implementation of these recommendations;

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14. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ...2019¹ on the performance, financial management and control of the agencies.

¹ Texts adopted, P8_TA(2019)0000.

17.1.2019

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 2017
(2018/2181(DEC))

Rapporteur for opinion: Romeo Franz

SUGGESTIONS

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

1. Welcomes the Court of Auditors' conclusions that the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction ("The Centre") present fairly its financial position on 31 December 2017 and that its transactions are legal and regular; welcomes especially the lack of remarks of the Court of Auditors regarding the financial execution of the 2017 budget of the Centre;
2. Notes that the accounting officer of the Centre currently administratively reports to the Head of Administration/Corporate Services instead of the Director of the Centre as advised by the Court of Auditors for all decentralised agencies; notes that according to the Centre the current reporting line is adapted to its size and does not affect the independence of the accounting officer; requests nevertheless that the Centre strictly follows the recommendation of the Court of Auditors and makes its accounting officer's report directly to the Director of the Centre for administrative matters and to the Management Board for functional aspects; encourages the Centre to delegate its accounting functions to the accounting officer of the Commission on a contractual basis as this will increase the efficiency of the preparation of the annual accounts and ensure their reliability;
3. Regrets that the recommendation of the Internal Audit Service (IAS) in January 2016 to

improve the Centre's management of IT projects could not be closed at the end of 2017; insists specifically that the Centre develops an overarching long-term strategic vision for IT systems supporting its core operational processes, and that it adopts IT project and system management methodologies suited to its needs; requests the Centre to close this outstanding audit recommendation of 2016 as soon as possible;

4. Takes note of the comments of the Court of Auditors with regard to publishing vacancy notices on the European Personnel Selection Office (EPSO) website; acknowledges the concerns of the Centre with regards to additional translation costs due to the fact that EPSO requires publication of vacancy notices in all official languages of the institutions of the Union; requests therefore that the Centre continues to publish all of its vacancy notices on the inter-agency job board developed by the EU Agencies network, and where relevant to also post vacancy notices on the EPSO website;
5. Welcomes the commitment of the Centre to address the recommendations identified by the IAS in their 2017 audit report on "Management of Data Collection, Validation and Quality Assurance"; stresses the importance of the Centre to deliver on its commitment.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	10.1.2019
Result of final vote	+: 43 -: 2 0: 1
Members present for the final vote	Asim Ademov, Martina Anderson, Heinz K. Becker, Monika Beňová, Michał Boni, Caterina Chinnici, Rachida Dati, Frank Engel, Laura Ferrara, Romeo Franz, Kinga Gál, Ana Gomes, Nathalie Griesbeck, Sylvie Guillaume, Monika Hohlmeier, Sophia in 't Veld, Cécile Kashetu Kyenge, Monica Macovei, Roberta Metsola, Claude Moraes, Ivari Padar, Judith Sargentini, Csaba Sógor, Helga Stevens, Traian Ungureanu, Bodil Valero, Marie-Christine Vergiat, Udo Voigt, Josef Weidenholzer, Cecilia Wikström, Kristina Winberg, Tomáš Zdechovský, Auke Zijlstra
Substitutes present for the final vote	Dennis de Jong, Anna Hedh, Lívia Járóka, Marek Jurek, Jean Lambert, Jeroen Lenaers, Andrejs Mamikins, Angelika Mlinar, Maite Pagazaurtundúa Ruiz, Christine Revault d'Allonnes Bonnefoy
Substitutes under Rule 200(2) present for the final vote	Norbert Erdős, Fernando Ruas, Adam Szejnfeld

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

43	+
ALDE	Nathalie Griesbeck, Sophia in 't Veld, Angelika Mlinar, Maite Pagazaurtundúa Ruiz, Cecilia Wikström
ECR	Marek Jurek, Monica Macovei, Helga Stevens
EFDD	Laura Ferrara
GUE/NGL	Martina Anderson, Dennis de Jong, Marie-Christine Vergiat
PPE	Asim Ademov, Heinz K. Becker, Michał Boni, Rachida Dati, Frank Engel, Norbert Erdős, Kinga Gál, Monika Hohlmeier, Lívia Járóka, Jeroen Lenaers, Roberta Metsola, Fernando Ruas, Csaba Sógor, Adam Szejnfeld, Traian Ungureanu, Tomáš Zdechovský
S&D	Monika Beňová, Caterina Chinnici, Ana Gomes, Sylvie Guillaume, Anna Hedh, Cécile Kashetu Kyenge, Andrejs Mamikins, Claude Moraes, Ivari Padar, Christine Revault d'Allonnes Bonnefoy, Josef Weidenholzer
VERTS/ALE	Romeo Franz, Jean Lambert, Judith Sargentini, Bodil Valero

2	-
ENF	Auke Zijlstra
NI	Udo Voigt

1	0
ECR	Kristina Winberg

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	20.2.2019
Result of final vote	+ : 20 - : 1 0 : 0
Members present for the final vote	Nedzhmi Ali, Inés Ayala Sender, Zigmantas Balčytis, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Ingeborg Gräßle, Jean-François Jalkh, Wolf Klinz, Monica Macovei, Georgi Pirinski, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan, Tomáš Zdechovský, Joachim Zeller
Substitutes present for the final vote	Karin Kadenbach
Substitutes under Rule 200(2) present for the final vote	Petra Kammerevert

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

20	+
ALDE	Nedzhmi Ali, Martina Dlabajová, Wolf Klinz
ECR	Monica Macovei
EFDD	Marco Valli
GUE/NGL	Dennis de Jong
PPE	Tamás Deutsch, Ingeborg Gräßle, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Tomáš Zdechovský, Joachim Zeller
S&D	Inés Ayala Sender, Zigmantas Balčytis, Karin Kadenbach, Petra Kammerevert, Georgi Pirinski, Derek Vaughan
VERTS/ALE	Bart Staes

1	-
ENF	Jean-François Jalkh

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention