



Procedure file

Basic information		
DEC - Discharge procedure	2005/2109(DEC)	Procedure completed
2004 discharge: European Monitoring Centre for Racism and Xenophobia		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		
European Parliament	Committee for opinion	Rapporteur for opinion	Appointed
	LIBE Civil Liberties, Justice and Home Affairs	ALDE DEPREZ Gérard	13/06/2005
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2716	14/03/2006
European Commission	Commission DG	Commissioner	
	Budget		

Key events			
28/02/2005	Non-legislative basic document published	N6-0004/2005	Summary
19/01/2006	Committee referral announced in Parliament		
21/03/2006	Vote in committee		Summary
27/03/2006	Committee report tabled for plenary	A6-0096/2006	
26/04/2006	Debate in Parliament		
27/04/2006	Results of vote in Parliament		
27/04/2006	Decision by Parliament	T6-0170/2006	Summary
27/04/2006	End of procedure in Parliament		
06/12/2006	Final act published in Official Journal		

Technical information	
Procedure reference	2005/2109(DEC)
Procedure type	DEC - Discharge procedure

Legal basis	Rules of Procedure EP 100
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/28439

Documentation gateway

Non-legislative basic document		N6-0004/2005 OJ C 269 28.10.2005, p. 0048	28/02/2005	OS	Summary
Court of Auditors: opinion, report		N6-0014/2006 OJ C 332 28.12.2005, p. 0097-0104	05/10/2005	CofA	Summary
Committee draft report		PE367.983	03/02/2006	EP	
Supplementary non-legislative basic document		05972/2006	06/02/2006	CSL	Summary
Committee opinion	LIBE	PE367.661	24/02/2006	EP	
Amendments tabled in committee		PE370.229	28/02/2006	EP	
Committee report tabled for plenary, single reading		A6-0096/2006	27/03/2006	EP	
Text adopted by Parliament, single reading		T6-0170/2006	27/04/2006	EP	Summary
Commission response to text adopted in plenary		SP(2006)2095	11/05/2006	EC	

Final act

[Budget 2006/826](#)
[OJ L 340 06.12.2006, p. 0080-0080](#) Summary

2004 discharge: European Monitoring Centre for Racism and Xenophobia

PURPOSE : presentation of the final accounts of the European Monitoring Centre for Racism and Xenophobia for the financial year 2004.

CONTENT : this document published in the Official Journal of the EU sets out a detailed account of the implementation of the 2004 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to EUR 7,9 million (compared to EUR 6,6 million in 2003) including a 99% Community contribution.

As regards the staffing policy, the Centre, whose headquarters are based in Vienna (Austria), officially set out 34 posts in its establishment plan. 30 of these are currently occupied + 4 other staff (auxiliary contract, seconded national experts, local and employment-agency staff) totalling 34 members of staff assigned to administrative, operational and mixed tasks. Staff expenditure amounted roughly to EUR 2,5 million.

The Monitoring Centre's primary tasks are to provide the Union and the Member States with reliable information on racism, xenophobia and anti-Semitism in the Union and to cooperate with the Council of Europe in these areas.

During 2004, the Monitoring Centre's activities concentrated on the following:

ORAXEN: 389 contributions through the 25 national focal points; 41 meetings for the external evaluators of ORAXEN; 2 meetings to draw up guidelines for the special study on Roma;

- 9 research reports drafted; 2 annual reports and 2 EUMC News;

- organised joint events with the Member States and other institutions such as the Commission, the European Parliament, the Committee of the Regions, the Council of Europe; OSCE ; United Nations, etc.

The total operating expenditure represented roughly EUR 3 million. A positive balance of EUR 231 000 was noted for the financial year 2004.

The complete version of the final accounts may be found at the following address:

<http://eumc.eu.int>

2004 discharge: European Monitoring Centre for Racism and Xenophobia

This report from the Court of Auditors concerns the results of the audit carried out by the Court on the annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year ended 31 December 2004. The European Monitoring Centre on Racism and Xenophobia was established by Council Regulation 1035/97/EC of 2 June 1997.

The Court states that its audit was planned and performed to obtain reasonable assurance that the accounts are reliable and the underlying transactions are legal and regular. The Agency's accounts for the financial year ended 31 December 2004 are, in all material respects, reliable. The transactions underlying the Agency's annual accounts, taken as a whole, are legal and regular. The observations which follow do not call the Court's opinion into question.

The report shows that the appropriations entered in the final budget amount to EUR 7 900 000 with EUR 6 311 000 committed and EUR 5 444 000 paid. EUR 867 000 was carried over to 2005, and EUR 1 589 000 cancelled. The outstanding commitments carried over from the previous financial year were EUR 1 277 000.

The Court makes the following observations:

- the cancellations of the appropriations carried over from the previous financial year remained at the same level (20 %) as last year. There is a need for the Centre to improve the way carryovers are established;
- internal control standards have been developed. These standards have not yet been formally adopted by the Centre's Management Board as required by its Financial Regulation. A risk analysis should be carried out in order to assess their relevance;
- the Centre annually carries out a tendering procedure for selecting 25 national focal points under RAXEN. Contrary to the Centre's rules for the implementation of its financial regulation, the relative weighting to be applied in order to determine the most economically advantageous offers were included neither in the procurement notice nor the tender documents. One out of the 25 contracts was not awarded to the offer identified as being the most economically advantageous. In the case of one contract for the provision of administrative services the documents relating to the tendering procedure used could not be traced. In another similar case, the services were directly awarded although, there was no reason justifying such procedure. In a last case, the contract was not awarded to the lowest bidder.

The Centre responds point by point to the Court's observations:

- the Centre has taken measures to reduce the level of carryovers at the year end. It continues to improve controls so as to ensure that the amounts carried over reflect more accurately the value of outstanding obligations;
- the Internal Audit Capability has presented internal control standards to the Executive Board in February 2005, in view of their formal adoption in October 2005 after examination. A risk analysis is being carried out. The Internal Audit Capability has reviewed the existing checklists. More relevant checklists will be put in place before the end of 2005;
- the Centre is reviewing its procedures and new ones will be issued before the end of 2005 to avoid the repetition of the situations described by the Court;
- the directly awarded contract concerned security services which were considered to be sensitive and therefore not fit for a general invitation to tender. In 2005, the Centre has launched a call for tender in order to test this specific market.

2004 discharge: European Monitoring Centre for Racism and Xenophobia

The committee adopted the report by Umberto GUIDONI (GUE/NGL, IT) recommending that Parliament should grant discharge for the implementation of the budget of the European Monitoring Centre on Racism and Xenophobia for 2004.

In their accompanying comments, MEPs referred to the "express reservations" in respect of the 2004 financial year noted by the Court of Auditors concerning the Centre, due to irregularities in contract tendering and awards. The Centre was urged to improve procedures as soon as possible with a view to avoiding similar irregularities in future.

MEPs also made a number of general comments applicable to all the Community agencies:

- EU enlargement in 2004 had affected the structures and operating arrangements of the agencies in many ways, and the Commission should assess the real or supposed problems encountered and recommend the regulatory changes required;
- the agencies should spend the money available to them as efficiently and effectively as possible;
- the agencies should avoid duplication as far as possible and clarify measures for improving transparency and communication with the public, to overcome their often negative image which many of them did not deserve;
- the Commission should help harmonise the activity reports of the agencies - which differed significantly in terms of content - by informing them of the common indicators that they must provide;
- there was a need for improved cooperation between the agencies, particularly in such common areas as training, the use of the latest management systems and solving problems relating to sound management of the budget.

2004 discharge: European Monitoring Centre for Racism and Xenophobia

PURPOSE: to grant discharge to the European Monitoring Centre on Racism and Xenophobia for the financial year 2004.

LEGISLATIVE ACTS: Decisions 2006/826/EC and 2006/827/EC of the European Parliament on the discharge for the implementation of the

budget of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004 and closure of accounts for the year in question.

CONTENT: with the present decisions, the European Parliament grants discharge to the Director of the European Monitoring Centre on Racism and Xenophobia for the implementation of the Centre's budget for the financial year 2004 and approves the closure of the accounts.

This decision is in line with the European Parliament's resolution adopted on 27 April 2006 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27/04/2006).

2004 discharge: European Monitoring Centre for Racism and Xenophobia

The European Parliament adopted a resolution drafted by Umberto GUIDONI (GUE/NGL, IT) and granted discharge to the Director of the European Monitoring Centre on Racism and Xenophobia for the implementation of the Centre's budget for the financial year 2004. In its accompanying comments, Parliament expressed its concern about the high level of cancelled carry-overs, in particular on staff expenditure, but was pleased to note that the level of carry-overs decreased significantly. It welcomed the Centre's assurances that it has taken measures to further reduce the level of carry-overs. The Centre should improve the way carry-overs are established in order to avoid the high percentage of cancellations of appropriations.

Parliament was also concerned by the irregularities noted by the Court of Auditors in contract tendering and awards. It urged the Centre to improve procedures as soon as possible with a view to avoiding similar irregularities in future.

Parliament also made a series of general remarks on the agencies. As well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible. The Court of Auditors was asked to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives. The following aspects should be taken into account: duplication of work among the agencies must be avoided as much as possible and measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities.

Parliament noted that Community agencies did not always have a good image or good press and that many of them did not deserve such a negative image. EU citizens should be made aware of this, and Parliament called on the Commission to act accordingly, using whatever means it considers necessary.

Furthermore, the enlargement of the European Union in 2004 had affected the structures and operating arrangements of the Community agencies in many ways, and several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators. The Commission needed to assess the problems encountered and recommend the regulatory changes required.

The Commission had made a commitment to harmonising the way in which activity reports concerning its directorates-general were presented. Parliament called for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differed significantly in terms of content. The Commission should point out to the agencies the information and activity indicators that they must provide.

Finally, Parliament asked the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.