

Procedure file

Basic information			
DEC - Discharge procedure	2007/2055(DEC)	Procedure completed	
2006 discharge: European Judicial Cooperation Unit Eurojust			
Subject 8.70.03.07 Previous discharges			

Key players			
European Parliament	Committee responsible CONT Budgetary Control	Rapporteur NI <u>MARTIN Hans-Peter</u>	Appointed 27/03/2007
	Committee for opinion LIBE Civil Liberties, Justice and Home Affairs	Rapporteur for opinion PSE <u>DÜHRKOP DÜHRKOP Bárbara</u>	Appointed 05/11/2007
Council of the European Union	Council configuration <u>Economic and Financial Affairs ECOFIN</u>	Meeting <u>2847</u>	Date 12/02/2008
European Commission	Commission DG <u>Budget</u>	Commissioner KALLAS Siim	

Key events			
30/03/2007	Non-legislative basic document published	SEC(2007)1055	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
04/04/2008	Committee report tabled for plenary	<u>A6-0129/2008</u>	
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		
22/04/2008	Decision by Parliament	<u>T6-0159/2008</u>	Summary
22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information

Procedure reference	2007/2055(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 100
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53873

Documentation gateway

Non-legislative basic document		SEC(2007)1055	30/03/2007	EC	Summary
Court of Auditors: opinion, report		N6-0004/2008 <u>OJ C 309 19.12.2007, p. 0001</u>	15/11/2007	CofA	Summary
Supplementary non-legislative basic document		<u>05843/2008</u>	29/01/2008	CSL	Summary
Committee draft report		<u>PE396.697</u>	07/02/2008	EP	
Committee opinion	LIBE	<u>PE400.461</u>	28/02/2008	EP	
Amendments tabled in committee		<u>PE402.810</u>	03/03/2008	EP	
Committee report tabled for plenary, single reading		<u>A6-0129/2008</u>	04/04/2008	EP	
Text adopted by Parliament, single reading		<u>T6-0159/2008</u>	22/04/2008	EP	Summary
Commission response to text adopted in plenary		<u>SP(2008)3169</u>	28/05/2008	EC	

Final act

Budget 2009/231
OJ L 088 31.03.2009, p. 0234 Summary

2006 discharge: European Judicial Cooperation Unit Eurojust

PURPOSE: presentation of the final accounts of EUROJUST for the 2006 financial year.

CONTENT: this document sets out a detailed account of the implementation of the 2006 budget, including the revenue and expenditure and the balance sheet for the year concerned. It indicates that EUROJUST's final budget amounted to 14.7 million EUR in 2006 (compared with 13 million EUR in 2005) all of which is derived from a Community subsidy.

In terms of personnel, EUROJUST, whose headquarters are at The Hague (The Netherlands) had 112 in its establishment plan 93 of which were occupied and 21 others (contract agents, seconded national experts, local agents and temporary staff) which, in fact, amounted to 114 posts undertaking operational, administrative or mixed tasks. Expenditure on personnel in 2006 represented 6.412 million EUR.

EUROJUST's main task is to organise judicial cooperation between the various national jurisdictions and, where appropriate, to act as intermediary between the national members or as a collegiate body on a whole range of priority areas. EUROJUST focuses on bilateral and multilateral cooperation operations in regard to:

- ?standard? cases (from 1 July 2006, a new classification for 361 cases was opened between that date and 31 December 2006): i.e. 270 ?standard? cases out of a total of 361;
- ?complex? cases: 91 out of 361.

There was a total of 771 cases (compared with 588 in 2005) dealing with the following subjects:

- fraud: 175 cases;
- drug trafficking: 170 cases;
- terrorism: 44 cases;
- assassinations: 59 cases;
- people trafficking: 32 cases.

In total, members met 89 times in the course of 2006.

It should be noted that EUROJUST's full accounts are available from the following address:
http://www.eurojust.europa.eu/adm_budg_finance.htm

2006 discharge: European Judicial Cooperation Unit Eurojust

The Committee on Budgetary Control adopted the report by Hans-Peter MARTIN (NI, AT) recommending that the Parliament grant the administrative director of EUROJUST discharge in respect of the implementation of its budget for the financial year 2006.

The parliamentary committee notes that the final annual accounts of EUROJUST are as annexed to the Court of Auditors report.

MEPs make a series of general comments on the EU agencies before focusing on the individual case of EUROJUST.

1) General comments on the majority of EU agencies: MEPs note that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled more than EUR 1 billion and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. They conclude therefore that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, MEPs are of the following opinion:

- Fundamental considerations: given the constantly increasing number of agencies, MEPs request that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. They also request that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, MEPs take the view that, in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. They recall that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and consider that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. MEPs also insist that the Commission, when drafting the Preliminary Draft Budget, take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, MEPs invite the competent committee to revise, itself, the budget in question to a realistic level. At the same time, MEPs recall that they expect the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, MEPs insist that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.
- Presentation of reporting data: noting that there is no standard approach among the agencies with regard to the presentation of information, MEPs recall that they already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. They therefore ask the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.
- General findings by the Court of Auditors: MEPs refer to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. They call for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. MEPs also calls on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.
- Draft inter-institutional agreement: MEPs recall the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies and insist that it be completed as soon as possible. They particularly welcome the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

2) Specific points concerning EUROJUST: MEPs criticise EUROJUST's high carryover rate of appropriations, as observed by the Court, for administrative expenditure (33%) and operational expenditure (30%), with a high number of transfers of appropriations between budget lines, so that the budgetary principle of specification was not strictly observed. They also criticise the lack of clarity in the implementation of procurement rules, notably as regards framework contracts.

In addition, they make the following observations, identified by the Court:

- an accumulated surplus of EUR 3.3 million for a balance sheet total of EUR 7.3 million;
- a review of the rental fee paid by EUROJUST for its premises, resulting in a recovery of EUR 952 403 for the period 2003 to 2005;
- a contingent liability for an amount of EUR 388 297 in respect of litigation before the Civil Service Tribunal;
- the non-respect of the principle of the segregation of duties at EUROJUST for the functions of the authorising officer and the financial verifier.

Lastly, MEPs express concern at certain statements in EUROJUST's annual report (statements which have a significant bearing on the fight against fraud, such as the fact that EUROJUST still does not have the capacity to deal with its assigned casework, that its cooperation with OLAF still requires much development, or that its cooperation with EUROPOL would have been more advantageous had it been possible to share its premises with EUROJUST in The Hague).

2006 discharge: European Judicial Cooperation Unit Eurojust

The European Parliament adopted, by 610 votes in favour, 40 against and 15 abstentions, a Decision to grant the Administrative Director of EUROJUST discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this EU agency.

At the same time, the Parliament adopted, by 603 votes in favour, 39 against and 17 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Hans-Peter MARTIN (NI, AT) on behalf of the Committee on Budgetary Control.

As is the case for all EU agencies, the Parliament's Resolution is divided into two parts: part one contains general comments on EU agencies, while part two focuses on the specific case of EUROJUST.

1) General comments on the majority of EU agencies: the Parliament notes that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled more than EUR 1 billion and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. It concludes therefore that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, the Parliament is of the following opinion:

- Fundamental considerations: given the constantly increasing number of agencies, the Parliament requests that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. It also requests that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, the Parliament takes the view that, in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. It recalls that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and consider that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. The Parliament also insists that the Commission, when drafting the Preliminary Draft Budget, take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, the Parliament invites the competent committee to revise, itself, the budget in question to a realistic level. At the same time, the Parliament recalls that it expects the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, the Parliament insists that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.
- Presentation of reporting data: noting that there is no standard approach among the agencies with regard to the presentation of information, the Parliament recalls that it already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. It therefore asks the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.
- General findings by the Court of Auditors: the Parliament refers to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. It calls for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. The Parliament also calls on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.
- Draft inter-institutional agreement: the Parliament recalls the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which was intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies and awaits its adoption as soon as possible. It particularly welcomes the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

2) Specific points concerning EUROJUST: the Parliament criticises EUROJUST's high carryover rate of appropriations, for both administrative expenditure (33%) and operational expenditure (30%), with a high number of transfers of appropriations between budget lines, such that the budgetary principle of specification was not strictly observed. It also criticises the lack of clarity in the implementation of procurement rules, notably as regards framework contracts.

In addition, it makes the following observations, identified by the Court in its annual report:

- an accumulated surplus of EUR 3.3 million for a balance sheet total of EUR 7.3 million;
- a review of the rental fee paid by EUROJUST for its premises, resulting in a recovery of EUR 952 403 for the period 2003 to 2005;
- a contingent liability for an amount of EUR 388 297 in respect of litigation before the Civil Service Tribunal;
- the non-respect of the principle of the segregation of duties at EUROJUST for the functions of the authorising officer and the financial verifier.

Lastly, the Parliament expresses concern at certain statements in EUROJUST's annual report (statements which have a significant bearing on the fight against fraud, such as the fact that EUROJUST still does not have the capacity to deal with its assigned casework, that its cooperation with OLAF still requires much development, or that its cooperation with EUROPOL would have been more advantageous had it been possible to share its premises with EUROJUST in The Hague).

2006 discharge: European Judicial Cooperation Unit Eurojust

PURPOSE: to grant discharge to EUROJUST for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/231/EC of the European Parliament on the discharge for the implementation of the budget of Eurojust for the financial year 2006.

CONTENT: with the present decision, the European Parliament grants discharge to the Administrative Director of EUROJUST for the implementation of its budget for the financial year 2006.

This decision is in line with the European Parliament's resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).