

EUROPEAN PARLIAMENT RESOLUTION**containing the comments accompanying the 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**

THE EUROPEAN PARLIAMENT,

- having regard to the Court of Auditors' 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 ⁽¹⁾ (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 Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽²⁾ and in particular Article 185 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 23 December 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾ and, in particular, Article 94 thereof,
- 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 decision ⁽⁴⁾,
- having regard to the report of the Committee on Budgetary Control (A5-0360/2003),

A. whereas in its abovementioned resolution, Parliament

- welcomed the fact that it is henceforth the competent authority for giving discharge to the Community bodies referred to in Article 185(1) of the new Financial Regulation, 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;

C. whereas the Agency's answers to the abovementioned questions, in many respects, provided Parliament with updated information; such information is supplementary to the observations contained in the Court of Auditors' report on the financial statement 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;

⁽¹⁾ OJ C 326, 27.12.2002, p. 72.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁴⁾ OJ L 148, 16.6.2003, pp. 16 and 18.

Revenue and expenditure account for the financial years 2001 and 2000

| | (1 000 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 |
| Outturn 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 reuse 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 outturn and own capital balances do not constitute a loss of capital. They result from the application of the Financial Regulation in respect of revenue.

Budgetary implementation/recurrent problems

2. Notes the Centre's efforts to prepare its work programme at an earlier stage and the measures taken in order to introduce tighter monitoring of the implementation of appropriations and the work programme;
3. Expects the positive results of such measures to be confirmed during the subsequent financial year and looks forward to being fully informed by the Centre on this matter in the context of the next discharge procedure;
4. Encourages the Centre to continue its efforts to follow its operational activities closely and to make further efforts to resolve recurrent problems in its relations with the Raxen network; notes in this respect that such problems are 'systemic' in nature;

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; expects such efforts to be 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, in the light of the fact that, in the case of many agencies, administrative expenditure exceeds operational expenditure, 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 request ⁽¹⁾ 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 the ETF's expertise in a wider geographical area than at present and for providing 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 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 a 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:
 - (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 must be appointed by the management boards of the agencies on the grounds of adequate competence and professional experience; also expects that computerised systems put in place to guarantee the existence of a complete audit trail for each operation in order to ensure transparency;

⁽¹⁾ See paragraph 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 in respect of the implementation of its budget for the financial year 2001 (OJ L 148, 16.6.2003, p. 83).

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 internal audit capabilities in order to counter the risk of irregularities and mismanagement; therefore invites:
 - 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 budgets in line with the newly created framework,
 - the Commission to cooperate closely with the agencies, especially in the areas of accounting, internal audit and management and control procedures,in order for appropriate and harmonised solutions to be put into practice;
13. Invites the Commission to propose a change to Regulation (EC, Euratom) No 2343/2002 on the framework Financial Regulation governing the agencies in order to give the agencies' respective internal auditors real powers of scrutiny instead of merely an advisory role, as is currently the case;
14. Is extremely concerned that the Commission's Internal Audit Service (IAS) does not carry out any checks on the agencies; stresses that this implies that Articles 71 and 72 of Regulation (EC, Euratom) No 2343/2002 are not being 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;

Cooperation 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 Interinstitutional Agreement of 25 May 1999 ⁽¹⁾ unreservedly; also asks 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 the administrative boards of the agencies, 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, *inter alia*:
 - entrusting the agencies with further operational tasks such as the carrying out of programmes, where appropriate,

⁽¹⁾ OJ L 136, 31.5.1999, p. 15.

- 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 the latter, that the Commission has indicated a possible overlap between the European Centre for the Development of Vocational Training (Cedefop) and the European Training Foundation, and between the Foundation for the Improvement of Living and Working Conditions and the Agency for Safety and Health at Work;

18. Furthermore, invites 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 2004 the appropriate proposals with a view to avoiding the duplication of work, either between agencies with similar activities, or between the activities of the agencies and those of the Commission;
 19. Reiterates its call on the Commission to submit a proposal for an amendment to the constituent acts of the agencies to ensure that their directors 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.
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