

REPORT**on the annual accounts of the European Monitoring Centre for Drugs and
Drug Addiction for the financial year 2007 together with the Centre's
replies**

(2008/C 311/24)

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INTRODUCTION

1. The European Monitoring Centre for Drugs and Drug Addiction (hereinafter the Centre) was established by Council Regulation (EEC) No 302/93 of 8 February 1993 ⁽¹⁾. Its main task is to collect data on drugs and drug addiction in order to prepare and publish information that is objective, reliable and comparable at European level. The information is intended to provide a basis for analysing the demand for drugs and ways of reducing it, as well as, in general, phenomena associated with the drug market.

2. Table 1 summarises the Centre's competences and activities. Key data taken from the financial statements drawn up by the Centre for the financial year 2007 are presented in Tables 2, 3 and 4 for information purposes.

STATEMENT OF ASSURANCE

3. This Statement of Assurance is addressed to the European Parliament and the Council in accordance with Article 185(2) of Council Regulation (EC, Euratom) No 1605/2002 ⁽²⁾. It was drawn up following an examination of the Centre's accounts, as required by Article 248 of the Treaty establishing the European Community.

4. The Centre's accounts for the financial year ended 31 December 2007 ⁽³⁾ were drawn up by its Director, pursuant to Article 11 of Regulation (EEC) No 302/93, and sent to the Court, which is required to give a statement of assurance on their reliability and on the legality and regularity of the underlying transactions.

5. The Court conducted its audit in accordance with the IFAC and ISSAI ⁽⁴⁾ International Auditing Standards and Codes of Ethics, in so far as these are applicable in the European Community context. The audit was planned and performed to obtain reasonable assurance that the accounts are reliable and that the underlying transactions are legal and regular.

⁽¹⁾ OJ L 36, 12.2.1993. This Regulation was amended by Regulations (EC) No 3294/94 of 22 December 1994 (OJ L 341, 30.12.1994, p. 7) and (EC) No 1651/2003 of 18 June 2003 (OJ L 245, 29.9.2003, p. 30).

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ These accounts were drawn up on 30 June 2008 and received by the Court on 7 July 2008.

⁽⁴⁾ International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

6. The Court has thus obtained a reasonable basis for the Statement below:

Reliability of the accounts

The Centre's accounts for the financial year ended 31 December 2007 are, in all material respects, reliable.

Legality and regularity of underlying transactions

The transactions underlying the Centre's annual accounts, taken as a whole, are legal and regular.

The observations which follow do not call the Court's Statement into question.

OBSERVATIONS

7. The Centre's 2007 final budget amounted to 14,4 million euro, as compared with 13,1 million euro the previous year. The Centre's budget is mainly financed by subsidies from the Commission. The final budget, adopted on 23 October 2007, included supplementary appropriations of 469 000 euro; most of these, i.e. 420 000 euro, increasing by more than 80 % the initial amount of the budget line for IT operations.

8. The Centre is in disagreement with Norway concerning the calculation of Norway's financial contribution for its participation in the Centre's work (applicable from 2007 onwards). The disagreement is due to the fact that the formula in the signed original agreement (applied by the Centre) differs from the formula in the agreement as published in the Official Journal (applied by Norway). The Centre has accounted for this contribution using its interpretation of the formula. The Centre should seek to resolve this disagreement as soon as possible as it has an impact on the budget and on the Centre's financial statements ⁽⁵⁾.

⁽⁵⁾ The Centre's estimation is approximately 80 000 euro higher than that of the Norwegian authorities.

This report was adopted by the Court of Auditors in Luxembourg at its meeting of 24 and 25 September 2008.

For the Court of Auditors
Vitor Manuel da SILVA CALDEIRA
President

Table 1

European Monitoring Centre for Drugs and Drug Addiction (Lisbon)

Areas of Community competence deriving from the Treaty	The Centre's powers as defined in Regulation (EC) No 1920/2006 of the Parliament and of the Council of 12 December 2006		Governance	Resources available to the Centre in 2007 (Data for 2006)	Products and services supplied in 2007 (Data for 2006)
<p>The Community complements the Member States' action in reducing drugs-related health damage, including information and prevention.</p> <p>(Article 152 of the Treaty)</p>	<p>Objectives</p> <p>To provide the Union and its Member States with factual, objective, reliable and comparable information at Community level concerning drugs, drug addiction and their consequences.</p> <p>The Monitoring Centre should focus on the following priority areas:</p> <ol style="list-style-type: none"> 1. monitoring the state of the drugs problem, and emerging trends, in particular those involving multi-drug use; 2. monitoring the solutions and providing information on best practices; 3. assessing the risks of new psychoactive substances and maintaining a rapid information system; 4. developing tools and instruments to help Member States to monitor and evaluate their national policies and the Commission to monitor and evaluate EU policies. 	<p>Tasks</p> <ul style="list-style-type: none"> — To collect and analyse data. — To improve data-comparison methods. — To disseminate data. — To cooperate with European and international bodies and organisations and with third countries. — To identify new developments and changing trends. 	<p>1. The Management Board</p> <p>Comprises one representative from each Member State, two representatives of the Commission and two independent experts designated by the European Parliament.</p> <p>It adopts the work Programme, the general activities report and the budget.</p> <p>2. Director</p> <p>Appointed by the Management Board at the Commission's proposal.</p> <p>3. Scientific Committee</p> <p>Delivers opinions. It consists of at most fifteen well-known scientists appointed in view of their excellence by the Management Board following a call for expressions of interest. The Management Board may also appoint a panel of experts to the extended Scientific Committee for risk assessment of new psychoactive substances.</p> <p>4. External audit</p> <p>Court of Auditors.</p> <p>5. Discharge authority</p> <p>Parliament acting on a recommendation from the Council.</p>	<p>Final budget</p> <p>14,4 million euro (13,1 million euro). Community subsidy 93 % (92 %).</p> <p>Number of posts in establishment plan: 82 (77)</p> <p>Posts occupied: 73 (68)</p> <p>+ 25 (23) other staff (auxiliary contracts, contract staff and temporary replacements)</p> <p>Total staff: 98 (91)</p> <p>Assigned to the following duties:</p> <p>operational: 60 (53,5)</p> <p>administrative and IT support: 29 (30)</p> <p>mixed: 9 (7,5)</p>	<p>Network:</p> <p>The Centre runs a computerised network for the collection and exchange of information called the 'European Information Network on Drugs and Drug Addiction' (Reitox); this network connects national drug information networks, specialist centres in the Member States and the information systems of international organisations working with the Centre.</p> <p>Publications:</p> <ul style="list-style-type: none"> — Annual report on the state of the drug problem in Europe; 23 language versions, publication and interactive website); — Selected issues published alongside the Annual report (3 issues, publication, summaries and interactive website, EN); — Statistical bulletin and interactive website containing over 350 (250) tables, 100 (150) graphs and PDF files; — General activities report — annual, EN; — Drugnet Europe newsletter — 4 issues, EN (4); — Drugs in Focus (policy briefings) — 3 issues, 25 language versions; — Technical and scientific studies, including Articles and scientific summaries 57 (37);

Areas of Community competence deriving from the Treaty	The Centre's powers as defined in Regulation (EC) No 1920/2006 of the Parliament and of the Council of 12 December 2006	Governance	Resources available to the Centre in 2007 (Data for 2006)	Products and services supplied in 2007 (Data for 2006)
				<p>Other websites:</p> <p>Set-up/updating/content development of public EMCDDA website:</p> <ul style="list-style-type: none"> — Drug profiles, — Country situation summaries, — Country data profiles, — Drug treatment overviews, — European legal database on drugs, — Evaluation instruments bank, — Exchange on drug demand reduction action, — FONTE: a data collection, validation, storage and retrieval system <p>Promotional brochures: 3 (4) products</p> <p>Media products: 174 (174) miscellaneous products</p> <p>Participation in international conferences/meetings: 230 (162)</p> <p>Organisation of technical and scientific meetings: 41 (27)</p>

Source: Information supplied by the Centre.

Table 2
European Monitoring Centre for Drugs and Drug Addiction (Lisbon) — Budget implementation for the financial year 2007

(1 000 euro)

Revenue			Expenditure									
Source of revenue	Revenue entered in the final budget for the financial year	Revenue received	Allocation of expenditure	Final budget appropriations for the financial year					Appropriations carried over from the previous financial year			
				entered	committed	paid	carried over	cancelled	available	paid	carried over	cancelled
Community subsidies	13 469	13 469	Title I Staff (NDA)	7 118	7 098	7 011	87	20	95	88	0	7
Other subsidies	412	333	Title II Administrations (NDA)	2 093	2 064	1 294	770	30	405	307	0	97
			Title III Operational activities (DA)									
			CA	4 669	4 498			172				
			PA	4 669		4 452		218				
Assigned revenue (Phare and CARDS)	550	0	Assigned revenue (Phare and CARDS)	550	26	0		550	584	257	327	0
Other assigned revenue	pm	251	Other assigned revenue	pm	220	177	74	0	144	139	0	5
			Total CA	14 431	13 906			772				
Total	14 431	14 053	Total PA	14 431		12 934	931	818	1 228	791	327	109

NDA: non-differentiated appropriations (commitment appropriations equal payment appropriations).

DA: differentiated appropriations (commitment appropriations and payment appropriations may differ).

CA: commitment appropriations in a system of differentiated appropriations.

PA: payment appropriations in a system of differentiated appropriations.

Source: Data supplied by the Centre. This table summarises the data provided by the Centre in its annual accounts.

Table 3

European Monitoring Centre for Drugs and Drug Addiction (Lisbon) — Economic outturn account for the financial years 2007 and 2006

	(1 000 euro)	
	2007	2006
Operating revenue		
Community subsidy	13 369	13 394
Other revenues	662	93
Total (a)	14 031	13 488
Operating expenditure		
Staff expenditure	7 044	6 566
Fixed asset-related expenditure	358	292
Other administrative expenditure	1 289	2 369
Operating expenditure	5 028	4 629
Total (b)	13 719	13 857
Surplus /(deficit) from operating activities (c = a – b)	312	– 370
Revenue from financial operations (e)	—	—
Expenditure on financial operations (f)	17	16
Surplus /(deficit) from non-operating activities (g = e – f)	– 17	– 16
Economic result for the year (h = c + g)	295	– 385

Source: Data supplied by the Centre — This table summarises the data provided by the Centre in its annual accounts.

Table 4

European Monitoring Centre for Drugs and Drug Addiction (Lisbon) — Balance sheet at 31 December 2007 and 2006

	(1 000 euro)	
	2007	2006
Non-current assets		
Intangible fixed assets	426	374
Tangible fixed assets	2 725	2 809
Current assets		
Short-term receivables	556	416
Cash and cash equivalents	1 847	1 881
Total assets	5 554	5 480
Current liabilities		
Provisions for risks and charges	165	149
Accounts payable	2 606	2 843
Total liabilities	2 771	2 992
Net assets	2 783	2 488
Reserves		
Accumulated surplus/deficit	2 488	2 872
Economic result for the year	295	– 385
Net capital	2 783	2 488

Source: Data supplied by the Centre — This table summarises the data provided by the Centre in its annual accounts.

THE CENTRE'S REPLIES

7. The referred supplementary appropriations were entered into the EMCDDA 2007 budget by means of the amending and supplementary budget adopted by the EMCDDA on 23 October 2007. These appropriations aimed at coping with supplementary needs that could not be anticipated when the initial 2007 budget was adopted (December 2006). These needs depended on some factors/events that were only known during the third quarter of 2007, namely the schedule for the EMCDDA's move into its new premises and associated IT technical requirements. However, in accordance with the position expressed by the Court, the EMCDDA is fully committed to pursuing its constant efforts to anticipate and plan, as much as possible, its budget needs.

8. The EMCDDA is actively trying to reach a compromise with the Norwegian authorities in order to overcome the current impasse, whilst avoiding jeopardising the EMCDDA's activities/operations and its good relations with Norway.
