

RESOLUTION (EU) 2017/1685 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - 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 (A8-0099/2017),
- A. whereas, according to its financial statements, the final budget of the European Monitoring Centre for Drugs and Drug Addiction ('the Centre') for the financial year 2015 was EUR 18 519 843, representing an increase of 18,15 % compared to 2014; whereas the increase was mainly due to the Centre's own revenue, including the sale of premises, of EUR 5 000 000 and the assigned revenue (IPA 5) of EUR 600 000; whereas 79,9 % of the Centre's budget derives 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 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular;
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

Follow-up of 2014 discharge

1. Acknowledges from the Centre that:
- it adopted internal procedures and rules on whistleblowing that transpose the guidelines of the Commission and that are in line with the recommendations expressed by the European Ombudsman;
 - its Director, who is the only member of senior management at the Centre, voluntarily published his declaration of interest on the Centre's website;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,83 % and that the payment appropriations execution rate was 97,35 %, representing an increase of 2,42 % compared to 2014; notes with satisfaction that the high overall level of committed appropriations indicated that commitments were made in a timely manner;

Commitments and carry-overs

3. Notes with satisfaction that the level of committed appropriations carried over for Title II (administrative expenditure) was low at 8 % (EUR 406 487) compared to 26 % (EUR 673 534) in 2014; notes that in 2015 the Centre consumed 93,69 % of the funds carried forward from 2014 to 2015;

Procurement procedures

4. Notes that the Centre put in place a new procurement plan which was successfully executed in close collaboration with all units; notes furthermore that the Centre participated in the Network of Agencies Procurement Officers meeting in order to exchange experience to further continue in implementing measures to rationalise and optimise tendering and other financial processes;

Prevention and management of conflicts of interest and transparency

5. Acknowledges that the Centre's management board adopted a new policy for the prevention and management of conflicts of interest which concerns management board and scientific committee members; acknowledges that, consequently, the members' declarations were published on the Centre's website; notes that the CVs and declarations of interest are well organised, visible, accessible and user-friendly on its website; notes that the Centre's management board adopted in December 2014 its policy for the prevention and management of conflicts of interest; notes that this policy has been in place since September 2015, including templates for declarations of interest for management board and scientific committee members;
6. Acknowledges that the Centre made available on its website a publication containing all the declaration of interest forms and a summary of the professional activities of management board members as well as all declarations of interest, declarations of independence and summarised CVs for scientific committee members; calls on the Centre to publish on its website the CVs and declarations of interest of nominated members, substitutes or observers;

Internal controls

7. Notes that, according to the Court's report, the Centre did not respect the ceiling contract which was specified in the contract notice for a framework contract signed in 2012; notes also the Centre's explanation that the referred amount was mentioned as an estimate in the contract notice in line with the relevant financial rules, and the concluded contract neither mentioned this amount nor did it refer to any maximum threshold; acknowledges that the Centre terminated this contract and launched a new procurement procedure for the services concerned; welcomes the fact that the Centre has put in place a specific process to improve central planning and monitoring of its procurements, including for framework contracts;

Internal audit

8. Notes the closure of the only main outstanding recommendation from a 2013 audit carried out by the Commission's Internal Audit Service (IAS) on 'Budget and monitoring within the EMCDDA';
9. Notes that the IAS carried out an audit on 'IT project management' in the Centre and it yielded six main recommendations which covered issues on business-IT alignment, IT project management, and requirements for management and systems development; notes furthermore that the Centre established a suitable action plan which was endorsed by its management board, and that the recommendations were to be followed in substance by the Centre; calls on the Centre to report to the discharge authority upon the implementation of the action plan;
10. Notes that the IAS carried out a comprehensive risk assessment of the Centre's governance, core business and support processes, and that the IAS Strategic Internal Audit Plan for 2016-2018 targeted two main topics for future auditing ('Management of data collection, validation and quality assurance' and 'Publications Management');

Anti-fraud strategy

11. Notes that the Centre adopted in June 2016 an anti-fraud strategy in line with the methodology and guidance provided by the European Anti-Fraud Office (OLAF); notes that this strategy integrates, completes and develops the measures that were already in place for awareness-raising on staff ethics and on gifts and hospitality offered by third parties;

Other comments

12. Notes that, according to the results of the Centre's staff screening exercise, 68,56 % of its human resources were devoted to operational activities, 20,68 % was allocated to administrative support and coordination, and 10,76 % was assigned to operations considered neutral in 2015;
13. Notes with satisfaction the Centre's ongoing efforts to strengthen cooperation with other Union agencies, particularly those working in justice and home affairs and in the health field; also notes that the synergies achieved with the European Maritime Safety Agency have brought efficiency gains thanks to shared costs for telecommunications and internet-based services;

14. Highlights the success of the Centre in its different missions; welcomes the new strategy and work programme for the period 2016–2018; encourages, however, the development and implementation of a much longer-term strategy as committed to by its Director;
 15. Emphasises the important role of the Centre in detecting new trends, assessing threats posed by drugs to the health and security of young Europeans, and developing prevention strategies; welcomes the notification of 98 new psychoactive substances; encourages sustained efforts to monitor the use of the internet as a vehicle for drug supply;
 16. Acknowledges the fact that the Centre released 45 publications, contributed its expertise to around 300 key external scientific and institutional events, and that its staff contributed to 27 scientific articles; encourages the dissemination of results through social media and online tools;
 17. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).