

REPORT**on the annual accounts of Eurojust for the financial year 2009, together with Eurojust's replies**

(2010/C 338/25)

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INTRODUCTION

1. Eurojust, located in The Hague, was set up by Council Decision 2002/187/JHA⁽¹⁾ with a view to stepping up the fight against serious organised crime. Its objective is to improve the coordination of investigations and prosecutions covering the territories of several Member States of the European Union, as well as that of non-member States⁽²⁾.

2. After the adoption of amending budget No 1, the Eurojust 2009 final budget amounted to 28,2 million euro compared with 24,8 million euro the previous year. The number of staff employed by Eurojust at the end of the year was 248 as compared with 222 the previous year.

STATEMENT OF ASSURANCE

3. Pursuant to the provisions of Article 287(1), second subparagraph of the Treaty on the Functioning of the European Union the Court has audited the annual accounts⁽³⁾ of Eurojust, which comprise the 'financial statements'⁽⁴⁾ and the 'reports on implementation of the budget'⁽⁵⁾ for the financial year ended 31 December 2009 and the legality and regularity of the transactions underlying those accounts.

4. 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⁽⁶⁾.

The Director's responsibility

5. As authorising officer, the Director implements the revenue and expenditure of the budget in accordance with the financial rules of Eurojust under his own responsibility and within the limits of authorised appropriations⁽⁷⁾. The

Director is responsible for putting in place⁽⁸⁾ the organisational structure and the internal management and control systems and procedures relevant for drawing up final accounts⁽⁹⁾ that are free from material misstatement, whether due to fraud or error, and for ensuring that the transactions underlying those accounts are legal and regular.

The Court's responsibility

6. The Court's responsibility is to provide, on the basis of its audit, a statement of assurance as to the reliability of Eurojust's annual accounts and the legality and regularity of the transactions underlying them.

7. The Court conducted its audit in accordance with the IFAC and ISSAI⁽¹⁰⁾ International Auditing Standards and Codes of Ethics. Those standards require that the Court complies with ethical requirements and plans and performs the audit to obtain reasonable assurance about whether the accounts are free from material misstatement and whether the underlying transactions are legal and regular.

8. The Court's audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts and about the legality and regularity of the transactions underlying them. The procedures selected depend on its audit judgement including the assessment of the risks of material misstatement of the accounts or of illegal or irregular transactions, whether due to fraud or error. In making those risk assessments internal control relevant to the entity's preparation and presentation of accounts is considered in order to design audit procedures that are appropriate in the circumstances. The Court's audit also includes evaluating the appropriateness of accounting policies used and, the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the accounts.

9. The Court believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinions set out below.

⁽¹⁾ Decision of 28 February 2002 setting up Eurojust (OJ L 63, 6.3.2002, p. 1).

⁽²⁾ The Table summarises Eurojust's competences and activities. It is presented for information purposes.

⁽³⁾ These accounts are accompanied by a report on the budgetary and financial management during the year which gives, inter alia, an account of the rate of implementation of the appropriations with summary information on the transfers of appropriations among the various budget items.

⁽⁴⁾ The financial statements include the balance sheet and the economic outturn account, the cash-flow table, the statement of changes in capital and the annex to the financial statements which includes the description of the significant accounting policies and other explanatory information.

⁽⁵⁾ The budget implementation reports comprise the budget outturn account and its annex.

⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁷⁾ Article 33 of Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 (OJ L 357, 31.12.2002, p. 72).

⁽⁸⁾ Article 38 of Regulation (EC, Euratom) No 2343/2002.

⁽⁹⁾ The rules concerning the presentation of the accounts and accounting by the Agencies are laid down in Chapter 1 of Title VII of Regulation (EC, Euratom) No 2343/2002 as last amended by Regulation (EC, Euratom) No 652/2008 of 9 July 2008 (OJ L 181, 10.7.2008, p. 23) and are integrated as such into Eurojust's Financial Regulation.

⁽¹⁰⁾ International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

Opinion on the reliability of the accounts

10. In the Court's opinion, Eurojust's Annual Accounts⁽¹¹⁾ present fairly, in all material respects, its financial position as of 31 December 2009 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

Opinion on the legality and the regularity of the transactions underlying the accounts

11. In the Court's opinion, the transactions underlying Eurojust's Annual Accounts for the financial year ended 31 December 2009 are, in all material respects, legal and regular.

12. The comments which follow do not call the Court's opinions into question.

COMMENTS ON THE BUDGETARY AND FINANCIAL MANAGEMENT

13. In its 2007 and 2008 annual reports⁽¹²⁾, the Court commented on the high rate of vacant posts at Eurojust

(33 % and 26 % respectively). In 2009, no recruitment plan was prepared. As a result, the rate of vacant posts remains high (24 % at year end). In addition, three out of six middle management (Head of Unit) posts at Eurojust were filled on a temporary basis by 'acting' members of staff. This situation indicated difficulties in attracting and retaining the right staff as well as continuing shortcomings in the planning of recruitments.

OTHER MATTERS

14. With regard to staff selection procedures, neither the thresholds candidates had to meet in order to be invited to interview nor those necessary to be put on the reserve list were fixed in advance. They were set by the selection boards after the evaluation and ranking of the candidates. In addition, important criteria set in the vacancy notices, such as relevant university degree and professional experience, were not taken into account in the final evaluation of the candidates, which was based only on the results of the written and oral tests. These practices put at risk the transparency of the recruitment procedures.

This Report was adopted by Chamber IV, headed by Mr Igors LUDBORŽS, Member of the Court of Auditors, in Luxembourg at its meeting of 14 and 16 September 2010.

For the Court of Auditors

Vítor Manuel da SILVA CALDEIRA

President

⁽¹¹⁾ The Final Annual Accounts were drawn up on 15 June 2010 and received by the Court on 29 June 2010. The Final Annual Accounts, consolidated with those of the Commission are published in the *Official Journal of the European Union* by 15 November of the following year. These can be found on the following website <http://eca.europa.eu> or http://www.eurojust.europa.eu/adm_budg_finance.htm

⁽¹²⁾ See paragraph 14 of the 2008 Annual Report (OJ C 304, 15.12.2009, p. 131) and paragraph 9 of the 2007 Annual Report (OJ C 311, 5.12.2008, p. 142).

Table

Eurojust (The Hague)

Areas of Union competence deriving from the Treaty	Competences of Eurojust as defined in Council Decision 2002/187/JHA		Governance	Resources made available to Eurojust in 2009 (Data for 2008)	Products and services 2009 (Data for 2008)
<p>Eurojust's mission shall be to support and strengthen coordination and cooperation between national investigating and prosecuting authorities in relation to serious crime affecting two or more Member States or requiring a prosecution on common bases, on the basis of operations conducted and information supplied by the Member States' authorities and by Europol.</p> <p>(Article 85 of the Treaty on the Functioning of the European Union)</p>	<p>Objectives</p> <p>Article 3 Eurojust Decision</p> <ul style="list-style-type: none"> — To stimulate and improve the coordination, of investigations and prosecutions between the competent national authorities of the Member States. — To improve cooperation, in particular by facilitating the exchange of information, mutual legal assistance and the implementation of extradition requests. — To support the competent authorities of the Member States in order to render their investigations and prosecutions more effective. — To provide support with procedures involving a Member State and a non-member State. — To provide support with procedures involving a Member State and the Union. 	<p>Tasks</p> <p>Articles 5, 6 and 7 Eurojust Decision</p> <p>To organise cooperation between the various national legal systems, Eurojust acts:</p> <ul style="list-style-type: none"> — through its national members, or — as a College. <p>If the competent authorities of the Member State concerned decide not to respond to the requests which Eurojust has issued as a College, they shall inform Eurojust of the reasons for their decision.</p>	<p>1 — The College is responsible for the organisation and operation of Eurojust.</p> <p>2 — The College is composed of national members who are seconded by each Member State in accordance with its legal system and who are prosecutors, judges or police officers of equivalent competence.</p> <p>3 — The College elects its President from among the national members.</p> <p>4 — The Joint Supervisory Body checks the processing of personal data.</p> <p>5 — The Administrative Director is unanimously appointed by the College.</p> <p>6 — External audit</p> <p>Court of Auditors.</p> <p>7 — Discharge authority</p> <p>Parliament, acting on a recommendation from the Council.</p>	<p>Budget</p> <p>26,4 million euro subsidy plus 1,8 million euro assigned revenue (24,8 million euro subsidy)</p> <p>Staff at 31 December 2009</p> <p>185 (175) planned in the EP of which occupied:</p> <p>141 (130)</p> <p>+ 60 (43) other positions:</p> <p>32 contract agents, 18 seconded national experts, 10 agency staff.</p> <p>47 (49) others:</p> <p>27 National members, 2 Liaison prosecutors, 12 deputies and 6 assistants.</p> <p>Total staff: 248 (222)</p> <p>Allocated to</p> <p>Operational tasks: 131 (117)</p> <p>Administrative tasks 89 (80)</p> <p>Combined tasks: 28 (25)</p>	<p>Number of coordination meetings:</p> <p>132 (132) dealing with</p> <p>Standard cases: 1 222 (1 025)</p> <p>Complex cases: 150 (168)</p> <p>Total number of cases:</p> <p>1 372 (1 193)</p> <p>Fraud: 612 (810)</p> <p>Fraud %: 45 % (68 %)</p> <p>Drug trafficking: 230 (223)</p> <p>Drug trafficking %: 17 % (19 %)</p> <p>Terrorism: 19 (23)</p> <p>Terrorism %: 14 % (2 %)</p> <p>Murder: 90 (86)</p> <p>Murder %: 6 % (7 %)</p> <p>Trafficking in human beings: 74 (83)</p> <p>Trafficking in human beings: 5 % (7 %)</p>

Source: Information supplied by Eurojust.

EUROJUST'S REPLIES

13. Eurojust acknowledges the Court's observation. A recruitment plan was prepared towards the end of 2009 for recruitment activities in 2010 to ensure that the backlog in recruitment procedures could be significantly reduced by year end 2010.

14. Eurojust acknowledges the Court's findings. Since 1 March 2010 thresholds that applicants must meet in order to be invited for interview and thresholds necessary to be put on the reserve list are fixed in advance. As regards the final assessment of applicants, Eurojust will determine the importance and weight to be granted to each of the elements and start applying a holistic approach to staff selection procedures.
