

REPORT

on the annual accounts of Eurojust for the financial year 2010, together with Eurojust's replies

(2011/C 366/25)

INTRODUCTION

1. Eurojust, which is 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 an amending budget, the Eurojust 2010 final budget amounted to 32,3 million euros, compared with 28,2 million euros the previous year. The number of staff employed by Eurojust at the end of the year was 295, compared with 248 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 the implementation of the budget'⁽⁵⁾ for the financial year ended 31 December 2010, and the legality and regularity of the transactions underlying those accounts.

4. This Statement of Assurance is addressed to the European Parliament and to 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 the 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 the annual accounts of Eurojust 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 the Court to comply with ethical requirements and to plan and perform the audit so as to obtain reasonable assurance as to whether the accounts are free of material misstatement and whether the underlying transactions are legal and regular.

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

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

⁽²⁾ The *Annex* 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 a description of the main 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 (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 (OJ L 181, 10.7.2008, p. 23) and are integrated as such in the Financial Regulation of the Eurojust.

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

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

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 2010 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 2010 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. The level of Title III operational expenditure carried forward to 2011 amounted to 38 % of the Title III budget. This level of carry-over was excessive and at odds with the principle of annuality.

OTHER MATTERS

14. The Director of Eurojust is accountable vis-à-vis the discharge authority for all of the duties detailed in paragraph 5, 'The Director's responsibility', however he is not de facto responsible for the majority of the daily management decisions, which are taken by the College of Eurojust on the basis of the relevant provisions of the founding Regulation⁽¹²⁾. There is scope to consider redefining the respective roles and responsibilities of the actors involved to effectively deal with this accountability overlap.

15. With regard to procurement procedures, in one case the evaluation committee failed to apply the weightings published in the tender specifications.

16. Despite the fact that recruitments cannot be made from expired reserve lists, an official was recruited in 2010 using a reserve list which had expired in January 2009.

FOLLOW-UP ON PREVIOUS YEAR'S FINDINGS

17. Eurojust's rate of vacant posts at the end of 2009, 24 %, had been reduced to 13 % by the end of 2010.

This Report was adopted by Chamber IV, headed by Mr Iğors LUDBORŽS, Member of the Court of Auditors, in Luxembourg at its meeting of 6 September 2011.

For the Court of Auditors

Vítor Manuel da SILVA CALDEIRA

President

⁽¹¹⁾ The Final Annual Accounts were drawn up on 17 June 2011 and received by the Court on 5 July 2011. The Final Annual Accounts can be found on the following website: <http://eca.europa.eu> or <http://www.eurojust.europa.eu>

⁽¹²⁾ Articles 28, 29, 30 and 36 of Council Decision 2002/187/JHA, as amended by Council Decisions 2003/659/JHA (OJ L 245, 29.9.2003, p. 44) and 2009/426/JHA (OJ L 138, 4.6.2009, p. 14).

ANNEX

Eurojust (The Hague)
Competences and activities

<p>Areas of Union competence deriving from the Treaty</p> <p><i>(Article 85 of the Treaty on the Functioning of the European Union)</i></p>	<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>Competences of Eurojust</p> <p><i>(Council Decision 2002/187/JHA)</i></p>	<p>Objectives</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>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>Governance</p>	<ol style="list-style-type: none"> 1. The College is responsible for the organisation and operation of Eurojust. 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. 3. The College elects its President from among the national members. 4. The Joint Supervisory Body checks the processing of personal data. 5. The Administrative Director is unanimously appointed by the College. 6. External audit <li style="padding-left: 20px;">Court of Auditors. 7. Discharge authority <li style="padding-left: 20px;">Parliament, acting on a recommendation from the Council.
<p>Resources made available to Eurojust in 2010 (2009)</p>	<p>Budget</p> <p>32,3 (28,2) million euros including assigned revenue, 2 million euros (Joint investigation team project).</p>

	<p>Staff at 31 December 2010</p> <p>Members of the college and associated staff: 58 (47) of which: 27 National Members, 3 Liaison prosecutors, 16 deputies and 12 assistants. 185 (185) planned in the establishment plan, of which occupied: 162 (141)</p> <p>Other positions: 75 (60) of which: 36 contract agents, 17 Seconded National Experts, 22 interim staff.</p> <p>Total staff: 295 (248)</p> <p>Allocated to:</p> <p>Operational tasks: 157 (131) Administrative tasks: 107 (89) Combined tasks: 31 (28)</p>
<p>Products and services in 2010 (2009)</p>	<p>Number of coordination meetings</p> <p>141 (131)</p> <p>Total number of cases</p> <p>1 424 (1 193)</p> <p>Fraud: 631 (612) Drug trafficking: 254 (230) Terrorism: 25 (19) Murder: 83 (90) Trafficking in human beings: 87 (74)</p>

Source: Information supplied by Eurojust.

EUROJUST'S REPLIES

13. Due to higher activities in 2010, automatic carry-overs increased compared to the previous year, mainly due to the Organisational Structural Review project, a new computer infrastructure costs and Data Process costs. If one makes abstraction of these three elements, there was a reduction in carried forward as a whole on a like for like basis.
14. The College needs to rectify this anomaly or a new regulation should redress this structural deficiency.
15. To prevent this kind of mistakes in the future, Eurojust will make sure that the quality standards of procedure in use in the Union's tender will be respected and that Eurojust's evaluators will be made aware of their responsibility when participating in joint procedures with other organisations
16. Although the documentation corresponding to said recruitment file was not complete, the Acting Administrative Director at the time confirmed having taken the decision for the extension of said reserve list. In order to ensure that such a situation does not arise in the future, Eurojust will take measures to ensure that all the decisions concerning recruitments will be adequately documented
17. Eurojust pursues its efforts to improve the situation further.
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