

REPORT

on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2010, together with the Centre's reply

(2011/C 366/28)

INTRODUCTION

1. The European Monitoring Centre for Drugs and Drug Addiction (hereinafter 'the Centre'), which is located in Lisbon, 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 at European level that is objective, reliable and comparable. 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⁾.

2. The Centre's 2010 budget amounted to 16 million euro, as compared with 14,7 million euro the previous year. The number of staff employed by the Centre at the end of the year was 78, the same as 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 the Centre, 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 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 the Centre, 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 the Centre 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⁾ OJ L 36, 12.2.1993, p. 1. This Regulation and its amendments were repealed by Regulation (EC) No 1920/2006 of the European Parliament and of the Council (OJ L 376, 27.12.2006, p. 1).

⁽²⁾ The *Annex* summarises the Centre'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 Centre.

⁽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, the Centre's Annual Accounts ⁽¹¹⁾ fairly present, 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 the annual accounts of the Centre for the financial year ended 31 December 2010 are, in all material respects, legal and regular.

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

For the Court of Auditors
Vitor Manuel da SILVA CALDEIRA
President

⁽¹¹⁾ The Final Annual Accounts were drawn up on 20 June 2011 and received by the Court on 7 July 2011. The Final Annual Accounts can be found on the following website <http://eca.europa.eu> or <http://www.emcdda.europa.eu/html.cfm/index115776EN.html>

ANNEX

European Monitoring Centre for Drugs and Drug Addiction (Lisbon)**Competences and activities**

Areas of Union competence deriving from the Treaty <i>(Article 168(1) of the Treaty on the Functioning of the European Union)</i>	<p>The Union shall complement the Member States' action in reducing drugs-related health damage, including information and prevention.</p>
Competences of the Centre <i>(Regulation (EC) No 1920/2006 of the European Parliament and of the Council)</i>	<p>Objectives</p> <p>To provide the Union and its Member States with factual, objective, reliable and comparable information at Union level concerning drugs, drug addiction and their consequences.</p> <p>The Monitoring Centre is to 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 Union 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.
Governance	<p>1 — Management Board</p> <p>Comprises one representative from each Member State, two representatives of the Commission and two independent experts appointed 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 15 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>

Resources made available to the Centre in 2010 (2009)	Budget 15,9 million euro (14,7 million euro). Union subsidy 94 % (97 %). Staff at 31 December 2010 Number of posts in establishment plan: 84 (82) Posts occupied: 78 (78) + 27 (26) other staff (seconded national experts, contract staff and temporary replacements) Total staff: 105 (104) <i>Allocated to</i> operational: 63,5 (62,5) administrative and IT support: 29,5 (30) mixed: 12 (11,5)
Products and services in 2010 (2009)	Network 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. Publications — Annual report on the state of the drug problem in Europe; 23 (23) language versions, publication and interactive website. — Publication on selected issues: 3 (2). — Statistical bulletin and interactive website containing over 350 (350) tables and 100 (100) graphs. — General report of activities: annual, 1 (1). — Drugnet Europe newsletter: 4 (4) issues. — Drugs in Focus (policy briefings): 0 (2) issues. — EMCDDA Scientific Monograph: 1 (1). — EMCDDA Insights: 0 (1). — EMCDDA thematic papers: 1 (4). — Joint publications: 3 (1). — Drug profiles: 3 (3) new and 14 (11) updated. — Technical and scientific studies, including Articles and scientific summaries: 26 (23). — Scientific posters: 1 (22). — Data collection, validation, storage and retrieval system (Fonte). Other websites Set-up/updating/content development of public EMCDDA website including: — Country overviews, — Drug treatment overviews, prevention profiles, — European legal database on drugs, — Evaluation instruments bank, — Best practice portal (exchange on drug demand reduction action, harm reduction and treatment modules), — Thematic pages, — Publications database.

	<p>Promotional brochures: 1 (1);</p> <p>Conference materials 1 (0).</p> <p>Media products: 14 (12) news releases (5 in 23 languages) and 9 (6) fact sheets; 1 (0) Power Point presentation in 23 languages.</p> <p>Participation in international conferences/meetings: 183 (174).</p> <p>Organisation of technical and scientific meetings: 83 (29).</p>
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Source: Information supplied by the Centre.

THE CENTRE'S REPLY

1. The Centre has taken note of the Court's report.
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