2006 discharge: EC general budget, Committee of the Regions

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The Committee on Budgetary Control adopted the report by Nils **LUNDGREN** (ID, SE) advising the Parliament to grant the Committee of the Regions' Secretary-General discharge in respect of the implementation of its budget for the financial year 2006.

Firstly, the parliamentary committee notes that the Committee of the Regions (CoR) had the following appropriations available to assure its functions in 2006: EUR 74 391 953 in commitment appropriations (compared to EUR 69 570 456 in 2005) with a utilisation rate of 97.94%.

Overall, MEPs welcome the signature, in December 2007, of a new Administrative Cooperation Agreement between the EESC and the CoR for the period 2008 to 2014, believing that cooperation between the two institutions will be financially advantageous for the European taxpayer. They note that the new Agreement keeps the most important areas (infrastructures, IT and telecommunications as well as translation, including the production of documents) within the Joint Services' remit, while a limited number of services are de-coupled (such as internal services, socio-medical service, the library and prepress). MEPs believe that this de-coupling should be budget neutral. They, therefore, urge the two Committees to carry out a joint analysis of this Cooperation Agreement and the decoupling of certain services as part of the mid-term review, in order to assess whether this shift of resources will have been beneficial to both. They also call on the two Committees to keep Parliament informed of the mini-cooperation agreements in the areas concerned by de-coupling.

Procurement: like the Court of Auditors, MEPs note the management and control weaknesses in relation to public procurement and, notably, the high percentage of negotiated procedures, instead of calls for tenders, even though for the majority of building-related services (that were previously awarded after negotiated procedures) new contracts have been signed after calls for tender or call for tender procedures are on-going. In this context, MEPs welcome the creation, within the Joint Services, of a Contracts Unit providing assistance to all operational departments in the Joint Services in the area of public procurement.

Building policy: MEPs note that, according to the Joint Services' answers to the rapporteur's questionnaire, with the occupation of the Remorqueur and Van Maerlant buildings in 2007, 92% of the Committees' total office space is now occupied and their needs for space have been satisfied for the coming years.

Controls: MEPs note that the verification service was transferred in 2006 from the Budget and Finance unit to the General Administration unit of the CoR, with a view to further emphasising the principle of the separation of functions and the independence of that service. The CoR also requested all its services to verify 5% of all files in 2007. Therefore, on the whole, the CoR has significantly increased its resources and capacities in its financial verification service. MEPs welcome this progress as they consider it crucial that the controls carried out are rigorous.

Members' travel expenses: MEPs return to the issue of the amounts refunded to members for travel expenditure (air tickets) on the basis of hand-written travel agency invoices, which were on average 83% higher than the price actually charged by the airline for the ticket used. MEPs note that, following this, the CoR's administration carried out a broad investigation into the matter, which was completed in July 2007 and whose results did not demonstrate that the amounts paid for administrative costs were justified. At the same time, the CoR decided to make further reimbursements subject to compliance with a number of

conditions and suspended all reimbursements based on travel documents purchased under the previous arrangements. The CoR also informed OLAF about the evolution of the dossier.

Salary transfers: MEPs also consider the salary transfers made in 2006. Following an investigation, OLAF established that eight transfers were not in compliance with statutory conditions and recommended recovering the amounts overpaid from the officials concerned, as well as the opening of disciplinary proceedings for some of them. Subsequently, the files of five of them were submitted to the Belgian authorities and all the undue amounts were reimbursed. MEPs note that, following a request by the Belgian authorities, the CoR Appointing Authority lifted the immunity of the officials concerned to enable them to be interviewed by the authorities. At the same time, an administrative enquiry was launched by the CoR's Secretary-General and in two of the five cases the Appointing Authority will take its decision on the opening of disciplinary proceedings, as soon as it has received the necessary information as to the follow-up the Belgian authorities intend to give to those files. In a further case OLAF decided to address a warning to the official concerned.

Regarding the overall dossier, MEPs reiterate their demand for a strict prosecution of all cases of fraudulent behaviour. They also welcome the fact that the weaknesses observed in terms of control (shortcomings in the separation of initiation services and internal verification of controls) resulted in a positive outcome within the CoR.