2014 discharge: EU general budget, Committee of the Regions

2015/2160(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Committee of the Regions in respect of the implementation of the general budget of the European Union for the financial year 2014.

In its resolution accompanying the decision on discharge, adopted 522 votes to 105 with 18 abstentions, Parliament noted that in its 2014 annual report, the Court of Auditors observed that **no significant weaknesses** had been identified in respect of the audited topics relating to human resources and procurement for the Committee. The payments as a whole for the year ended 31 December 2014 for administrative and other expenditure of the institutions and bodies were free from material error.

Budgetary and financial management: Parliament observed that, in 2014, the Committee had an approved budget of **EUR 87 600 000** (EUR 87 373 000 in 2013), of which EUR 86 300 000 were commitment appropriations with a **utilisation rate of 98.5 %.** It welcomed the increase of the utilisation rate in 2014. However, the rate of return for correction of legal or budgetary commitments or payments falls below the 4 % target, while the number of financial exceptions increases by 6 % in 2014, instead of decreasing by 3 %.

Members are concerned with the increase in the number of exception reports: 87 financial exceptions and three administrative exceptions. They stressed that the administrative exceptions were related to non-compliance with internal procedures. They noted that four derogations were made in 2014 (compared to one in 2013) on procurement rules or contract management and that most of the derogation reports (58 out of 81) are related to absence or insufficiency of legal commitments. They asked for detailed information by the end of June 2016 on how those derogations occurred, the amounts involved and the corrective measures taken to prevent similar situations recurring.

Actions of the Committee of the Regions: Parliament made a series of observations and recommendations on the daily management of the Committee, and called for, amongst other things:

- inclusion in the annual activity report of clear facts and figures on **members' missions**, since the number of missions is extremely high (787), as is the expenditure generated by members for travel and meeting allowances EUR 8 277 556 in 2014) ;
- identifying solutions jointly with Commission and Parliament, e.g. extensive **joint use of buildings** and meeting and conference rooms, to reduce costs, since the total amount of EUR 9 594 089 paid by the Committee for 2014 lease expenses (external lessors) was too high;
- inclusion in the annual report of clarification on buildings policy and comprehensive information on the rate of use and cancellation of **interpretation services**;
- using the language training effectively in order to ensure that **less interpretation is needed**;
- extensive use of **videoconferencing** and all related tools in order to significantly cut costs;
- improvement in the collaboration between Parliament and the Committee based on their **cooperation agreement** signed on 5 February 2014, the establishment of specific detailed provisions on the functioning of the services shared by Parliament, the Committee and the EESC, and a detailed breakdown per institution of the budgetary savings and increased budgetary costs resulting from the cooperation agreement to be included in the mid-term review;

- **improving working methods and optimising human and financial resources management**: Members were concerned at the low execution rate for budget line translation outsourcing and translation tools; the budget execution rate for several of the translation lines was well below the average of previous years;
- rectifying the fact that fewer than 35 % of managers are women while more than 60 % of the staff is composed of women;
- detailed information on the **procurement quality assurance group** and its effectiveness and a description and follow-up of the recommendations of the audit committee in this respect, by the end of June 2016;
- an impact analysis of **IT projects** and their added value for the Union citizens by the end of June 2016;
- interinstitutional cooperation in order to improve **communication and visibility** as well as to enhance the presence of Members of the institutions at national level and information for Parliament of actions taken to "engage participation" of Union citizens;
- detailed presentation of the mitigation measures that the Committee proposes regarding the risks identified during the audits and risk analyses that have been performed, particularly in the areas of financial management and operational or organisational matters.

Whistle-blowers: Parliament called on the Committee to publish and enforce the rules on whistleblowing without further delay and to inform the discharge authority of its progress with regard to their implementation in its AAR. Members found it unacceptable that the Committee has been dealing with the same whistleblowing case since 2003 and that, despite the Civil Service Tribunal judgments of 2013 and 2014, and Parliament's discharge resolution of 29 April 2015, it has not yet complied with those judgments. They urged the Committee to take all necessary steps to resolve this situation without further delay and to admit publicly that the whistle-blower's findings were correct.