Reform of budgetary control procedures and institutions

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The committee adopted the own-initiative report by Eluned MORGAN (PES, UK) calling for an overhaul of the budgetary control procedures and institutions. The report said there were a number of problems with the current procedure, including those arising from the "contradictory procedure" (under which a right of reply was allowed to reports by the Court of Auditors). It stressed that the point of the discharge should be to ensure that EU taxpayers' money was properly spent by identifying administrative problems which led to mismanagement and lack of financial control. The committee emphasised that the Court of Auditors should concentrate on areas of highest risk and those with the largest sums of money involved. It called for specific problems identified in the Member States to be listed in an annex to the Annual Report and the amount recovered from each Member State to be included in an additional annex. The committee wanted the Court of Auditors' special reports to be given high priority. It called on the Court to follow up on its reports in order to ensure that the EU institution or Member State concerned had taken remedial action. The report argued that discharge reports should contain specific references to good and poor performances by departments responsible. If cases of previously undetected serious irregularities emerged, they should not affect the validity of discharge decisions already taken. Instead the committee should consider freezing or reducing the amount of funding for these headings in the following year's budget and /or requesting that the President of the Commission demand the resignation of the Commissioner(s) concerned. The committee also felt that the discharge reports should contain a proposal for a decision to grant, postpone or refuse discharge. A decision to refuse discharge should be followed by a debate on the political position of the Commission. In accordance with the Framework Agreement between Parliament and the Commission, the Commission should forward all information necessary for the discharge procedure, as requested by the committee chair. Lastly, the committee called for the Commission's Audit Progress Committee to follow up Parliament's discharge recommendations.