# 1997 discharge: follow-up. Report

2000/2113(DEC) - 12/12/2000

The committee adopted the report by Lousewies van der LAAN (ELDR, NL) on the Commission report. On balance, the committee welcomed the Commission's efforts to tackle the underlying causes of the problems highlighted by Parliament but warned that, in the forthcoming discharge exercise, it would be keeping a close watch to ensure that the Commission fulfilled its previous commitments. Of the 8 recommendations formulated by Parliament, the committee acknowledged that some progress had been made in 5 areas: (1) closure of the accounts - it welcomed the Commission's July 2000 proposal to simplify the Financial Regulation and the adoption of an Action Plan which, it hoped, would help to reduce the unacceptably high percentage of significant errors relating to payments procedures identified by the Court of Auditors. However, the committee was concerned at the amount of the backlog at the end of 1997, 1998 and 1999 and urged the Commission to dispel confusion by making a clear distinction in its reports between normal outstanding commitments, old commitments dating back more than 5 years and dormant commitments where no payments had been made over the past 2 years; (2) institutional management and supervision - the committee noted that the Commission had set up an Audit Progress Committee and called for it to be given a detailed mandate and to follow up Parliament's discharge recommendations. It also urged the Commission to delegate follow-up to special Court of Auditors reports to the individual Commissioner responsible; (3) technical assistance offices (TAOs) - the committee noted that the Commission's July 2000 proposals for the recasting of the Financial Regulation had included a regulatory framework for externalisation and that it had set out proposals for dismantling the TAOs in the context of the 2001 budget. It welcomed the orderly transition plan providing (out of a total of 124 TAOs) for 62 to be replaced by the end of 2001, 2 to be replaced after 2001 and 56 to be allowed to lapse; (4) the management of Community policies in partnership (SEM2000) - the committee welcomed the fact that the Commission had committed itself to providing it with detailed information on the work of the Personal Representatives Group, which acted as an informal forum on shared financial management; (5) combating fraud and corruption - the committee called on the Commission to clarify the terms of reference of the proposed Financial Irregularities panel so that it did not undermine the powers of the Anti-Fraud Office (OLAF). It also pointed out that the Director of OLAF had supplied a confidential register listing cases in which it was suspected that Commission officials or other employees might be involved in fraud and corruption. Notwithstanding the progress made in the above areas, the committee regretted that improvements were still needed in two of the key areas identified by Parliament, namely, staff policy and external aid, in particular aid to Palestine. On the former point, it expressed concern about the early retirement scheme and demanded an explanation in writing as to why the Commission was refusing to reply with Parliament's request for the creation of an external chamber for budgetary discipline. On the issue of external aid, the committee welcomed the progress made in opening the European Hospital in Gaza but was concerned about the absence, in 1999 and 2000, of the head of Delegation representing the Commission office in the West Bank and Gaza. The Commission was urged to improve its staffing organisation so that no Head of Delegation post was left vacant for more than one month. Lastly, the committee welcomed the fact that Parliament had implemented procedures for the handling of confidential documents, including the setting up of a secure archive and formal rules of access.