2001 discharge: EC general budget, section III Commission

2002/2101(DEC) - 08/04/2003 - Text adopted by Parliament, single reading

Parliament adopted this resolution with 440 votes in favour, 67 against with 14 abstentions granting discharge to the Commission for the EU general budget for 2001. The Parliament therefore approved the closure of the accounts for the implementation of the general budget for the 2001 financial year. In addition to the observations made by the committee responsible (please refer to the document dated 23/03 /2003), the following issues were mentioned by the Parliament : 1) accounting system : Parliament underlines the Court of Auditors' observation that 'since the first statement of assurance in respect of the financial year 1994 the Court has repeated its reservations in respect of the reliability of the accounts. These reservations most often have their roots in the weaknesses of the accounting system and in the low level of awareness in the Commission's operational DGs with regard to questions concerning records and accounting control. Parliament hopes that the Commission will present, by the end of this year, a multiannual plan containing a timetable and a step-by-step plan for obtaining a positive statement of assurance from the Court of Auditors in respect of the whole budget. The House also stresses that the Commission has an obligation to establish a modern, reliable and accurate accounting system for the financial year 2005. Parliament takes the view that the future accounting system must have as a minimum the following fundamental characteristics: - single and fully integrated entry of information across the whole system; - uniform data definition; - consistency of central and sectoral systems; - multiannual consistency of data and information (to facilitate comparability and to demonstrate improvements); - full accrual accounting capacity and respect for international accrual accounting standards. Parliament calls for a detailed and comprehensive audit by external experts of the Commission's plans to improve the accounting framework and the related IT systems, to assess their suitability in order to ensure that the measures undertaken fulfil the highest standards of modern accounting practice. 2) modernisation of the payment system : Parliament is of the opinion that the reform of the accounting system requires the systematic communication of information to the recipients of Community funds; calls, therefore, on the Commission to establish a pilot programme introducing information on dates of invoices and payments in the beneficiaries' notifications. 3) externalisation and the reform of the Commission : the Commission is asked to establish a code of conduct for its personnel that ensures transparency and separation between private and public interests regarding their tasks and responsibilities in the Commission and their past, present and future activities outside the Commission. Parliament also requests the Commission to closely monitor the granting of leave on personal grounds in order to ensure that conditions of transparency and separation of interests are met, and to review its past decisions in the light of these findings. It calls on the Commission to make an overall study of activities currently carried out by various Community bodies that mayoverlap or serve the same goals in order to propose appropriate solutions, including possible mergers of agencies. 4) underimplementation of the budget : Parliament stresses that combating irregularities, fraud and corruption and protecting the Communities financial interests merit high priority in all Member States; calls on the Commission, in consultation with the Member State authorities responsible, to ensure that all Member States possess or develop proper accounting, auditing and control systems for the management of EU monies - in particular monies entrusted to them through cofinancing - and set up anti-fraud units to cooperate with the European Anti-Fraud Office (OLAF). The House presses for further improvement in cooperation between national audit offices and the European Court of Auditors. It however regrets that the rate of implementation of available payment appropriations for structural measures in 2001 decreased further in relation to previous years for the third year in succession (1999: 87%, 2000: 77.5%, 2001: 68.1%); recognises, however, that the implementation rate for 2002 (71.8%) marks a break in this downward trend and expects the rate to continue to improve over the next few years. Morever, Parliament is astonished that the structural fund payment forecasts for 2001 were 50% higher than actual payments; notes that three Member States (Italy, Portugal and the United Kingdom) accounted for 85% of the total overestimate of payments; criticises those Member States for their particularly poor

payment forecasts for 2001. It urges the Commission, together with the Member States, to improve prediction techniques. More generally, calls on the Commission - in particular the Internal Audit Service, the Court of Auditors and the Member States to develop and introduce a single audit model in order to further improve and rationalise audit and reporting activities. 5) Common agricultural policy : Parliament calls on the Commission to produce a report by November 2003 on higher IT-security among paying agencies, bearing in mind that only one out of 49 agencies audited was rated 'good'. The Commission is equally called upon to ensure that Greece fully implements the IACS system before the end of 2003. 6) European Social Fund and social policy : Parliament finds it unacceptable that, instead of the target of 15%, only 6% of European Social Fund expenditure was devoted principally to supporting women's participation in the labour market, despite the undertaking given by the Member States to make equal gender opportunities a cross-cutting priority in operations co-financed by the Structural Funds. Therefore, it considers that greater attention should be paid to promoting women's participation in the knowledge society and, consequently, to the high-quality training and employment of women in the field of information and communication technologies. 7) penalty payments : the Commission is called upon to strengthen considerably its legislation enforcement capacity by proposing legislation that will harmonise procedures and reduce delays before infringements of European legislation are punished, thereby strengthening the credibility of European legislation. 8) Anti-Fraud Office (OLAF) : Parliament calls for increased preventive checks by the Commission departments responsible and welcomes the fact that OLAF intends to scrutinise the national procedures for notifying irregularities. It wishes to be informedabout external investigations in the same way it is informed about internal investigations; insists that the Commission and/or the Member State concerned inform OLAF about the judicial and/or disciplinary follow-up measures initiated by the Commission and/or Member State once they have received the investigation file. 9) Other remarks : Parliament calls on the Commission to transfer any administrative appropriations that will probably not be used by year end to lines for operational expenditure, by means of requests for transfers of appropriations; points out that this would allow optimum use to be made of the available funds in areas such as environmental protection, consumer policy and public health. The Commission is also called upon to step up its efforts to promote the incorporation of equal opportunities in all areas of Community policy for which the directorates-general have responsibility and, to this end, to provide the relevant training for staff at every level; calls, however, on the Commission to step up its efforts to see that in all divisions at least one person is trained and responsible for gender mainstreaming. The House repeats its call for the Commission to provide a clear breakdown of financial management, detailing the overall amounts earmarked for the promotion of equal gender opportunities under all the budget headings in the 2004 budget.