

# 1998 discharge: EC general budget

1999/2050(DEC) - 06/07/2000 - Text adopted by Parliament, single reading

The European Parliament adopted the Decision drafted by Gabriele STAUNER (EPP/ED, Germany) and gave the Commission discharge in respect of the implementation of the general budget of the Union for the 1998 financial year. The Commission had satisfied most of the requirements set out on 13 April when the discharge had been postponed. In particular, the Commission will take action to cut drastically the errors in the implementation of the budget. Whilst the Flechard case could not be regarded as closed until all problems, and in particular, the monitoring of export operations, had been resolved, the proportionality of penalties had been dealt with. The Parliament set out its comments on the discharge in an accompanying resolution. In its Decision on closing the accounts relating to the implementation of the general budget, Parliament recalled that according to the statement made by the Court of Auditors, the figures presented in the consolidated revenue and expenditure account are marred by a number of errors and weaknesses, including the understatement of fixed assets, essentially buildings, by around ECU 540m. Parliament approved the closure of the accounts. The main points of Parliament's resolution containing comments on the discharge are as follows: -with regard to the Statement of Assurance, Parliament pointed out that in 1998 for the fifth consecutive time, the Court of Auditors would not provide an assurance that the transactions underlying the payments for the financial year were, taken as a whole, legal and regular. It reiterated its call for the Commission to arrive at a positive Statement of Assurance for the 2003 financial year at the latest. The Commission needed to formulate verifiable intermediate objectives for the reform process by the end of the year. -on the Common Agricultural Policy, the Commission must ensure that the principle of budgetary universality is respected. In the specific case of export of butter to the former USSR, the handling of the penalty deposit has been contested by the Court of Auditors. OLAF is asked to forward its report on the missing minutes of the meeting on 7 January 1994. Parliament cannot conclude consideration of this case until the results of the OLAF investigation have been assessed and the Commission has forwarded to Parliament all available documents. -On structural measures, Parliament called for monitoring of the Structural Funds to be more effective and for mid-term evaluation to be a genuine instrument of sound management. It deplored the persistently large number of irregularities identified by the court of Auditors, particularly with regard to expenditure certificates, and asked Member States to ensure efficient administration of structural measures. -On research, Parliament deplored the number of substantive errors in about one-third of the payments where the Commission had paid too much, mostly due to ineligible costs being claimed by the beneficiaries, and the formal errors that occurred in almost one fifth of the payments. It also pointed out the errors, including deliberate overcharging, in almost two thirds of the payments based on cost declarations. -On external aid, Parliament draw attention to tender procedures under PHARE and TACIS, and asked for remedial measures. On the ECHO affair, Parliament is not satisfied that the Commission has made a commitment to introduce an external element in its disciplinary procedure. -Lastly, Parliament repeated that, as the discharge authority, it must be granted access to the relevant documents in order to establish that the Commission has carried out its obligations. It will follow the implementation of the interinstitutional agreement closely.