2004 discharge: EC general budget, section III, Commission and ECSC in liquidation

2005/2090(DEC) - 21/03/2006

The committee adopted the report by Jan MULDER (ALDE, NL) recommending that the Commission be granted discharge for its 2004 budget. In its accompanying comments, however, the committee insisted on better management of Community funds where these are jointly managed by the Commission and the Member States. It explained that "the overriding principle sought by Parliament is that the relevant political authorities within the Member States take responsibility for the funds put at their disposal".

It reiterated Parliament's position, as set out in the 2003 discharge decision, that a declaration was needed at political level covering all Community funds in shared management and signed by finance ministers (who would thereby become accountable). Although they deplored the Council's refusal to discuss national political level ex ante statements and ex post declarations, MEPs said that Parliament "wants to be pragmatic and constructive" and therefore "welcomes a discussion about which authority might be best for the purpose". They accordingly called on the Council and Commission to consider a slightly modified approach: a series of sectoral declarations signed by bodies selected by the Member States themselves. They added that, until this system was up and running, the Commission should set up a more intense programme of ex-post clearance of accounts audits and make full use of suspension of payments or financial corrections wherever it could not obtain assurance from the Member States.

As regards the accountability of the Commission itself (under Article 274 of the EC Treaty), MEPs were critical of the current system, which requires the directors-general to report on their activities, by department and for the whole of the Commission, saying that the quality of information contained in the reports was not checked and no one was accountable for it. They expressed disappointment that the Commission had not taken up Parliament's proposal in the 2003 discharge report that the Annual Synthesis Report should be converted into a "consolidated assurance statement on the Commission's management and financial controls as a whole". Stressing that "final responsibility for control systems must be anchored in the centre, not in the periphery", they urged other senior officials to accept accountability, namely the Secretary-General of the Commission, the Director-General for the budget (whose declaration should be co-signed by the Commissioner responsible) and the Internal Auditor.

Lastly, the report recommended that, in line with private sector best practice, the actual Accounting Officer should be upgraded to Chief Financial Officer, with special responsibility for the quality of the Commission's financial reporting and its system of internal control as a whole.