2004 discharge: EC general budget, Committee of the Regions

2005/2096(DEC) - 27/04/2006 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Nils **LUNDGREN** (IND/DEM, SE) and granted the Secretary-General of the Committee of the Regions discharge in respect of the implementation of the budget for the financial year 2004. In its accompanying statements, Parliament noted that in 2004 the Committee of the Regions (CoR) administered a budget of EUR 59 413 031 with a utilisation rate of 83.57 %. Parliament underlined that the CoR appeared in the Court of Auditors' annual report to be the institution with the highest number of criticisms of all the other institutions. It criticised the fact that the internal audit function was carried out by a temporary member of staff employed on the basis of renewable contracts of short duration, but welcomed the solution now found. Parliament noted that according to the information given at the hearing of the other institutions organised by the Committee on Budgetary Control on 25 January 2006 certain matters are now the subject of an investigation by OLAF. In addition, the CoR trade unions contested the CoR's recent reorganisation exercise, which has been carried out despite some controversy as already pointed out in previous discharge resolutions.

Parliament found it regrettable that the Court of Auditors was unable to take account of the CoR's annual activity report as it had not been produced before the Court's audit was concluded.

With regard to buildings, Parliament felt that there should also be an audit of the Montoyer renovation. It noted that at the time Parliament recommended purchase, but now pointed to the fact that renting buildings would significantly reduce the risks involved for small institutions and that this solution should be considered as a serious alternative for future building projects.

Parliament noted that while the authorising officer by delegation did not enter any formal reservations in his statement of assurance, he did annex to it a number of remarks, including the fact that due to weaknesses in the new payroll application (NAP) managed by the Commission, the sub-delegated authorising officers and their ex-ante verifiers were unable to guarantee the accuracy of all staff salary calculations. It acknowledged that weaknesses in the NAP were a problem for all institutions and not a specific problem for the CoR.

Parliament went on to state that the CoR should have focused on the importance of setting up a fully functioning internal audit service in 2004, knowing the challenges resulting from enlargement. It noted the following as particular challenges: a substantial increase in the budget in 2004 (up 50 %); growth in staff numbers (up 63 %); the arrival of new members (up 43 %); the financial and regulatory impact of the new Staff Regulations; and the continuing implementation of the new Financial Regulation, together with the move of most of the CoR's services to the new buildings (Belliard 99-101 and Belliard 68), which took place in June 2004.

Finally, Parliament recalled that, in relation to OLAF's findings, the public prosecutor at the Brussels Court of Appeal concluded in March 2005 that there was insufficient evidence to bring a prosecution and therefore decided to close the file without further action. Parliament demanded nevertheless, given the lack of follow-up in 2004 to the OLAF report on fraud and irregularities at the CoR, that the CoR abolish the imprest account system for the reimbursement of members' travel expenses and adopt the same system as the EESC.