Basic information	
2004/2536(RSP) RSP - Resolutions on topical subjects	Procedure completed
Resolution on Eurostat **Subject** 8.40.03 European Commission 8.70.04 Protecting financial interests of the EU against fraud	

Key events			
Date	**Event**	**Reference**	**Summary**
22/04/2004	Decision by Parliament	T5-0372/2004	Summary
22/04/2004	End of procedure in Parliament		

Technical information	
Procedure reference	2004/2536(RSP)
Procedure type	RSP - Resolutions on topical subjects
Procedure subtype	Resolution on statement
Legal basis	Rules of Procedure EP 136-p2
Stage reached in procedure	Procedure completed

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Motion for a resolution		B5-0218/2004	20/04/2004	
Motion for a resolution		B5-0219/2004	20/04/2004	
Motion for a resolution		B5-0220/2004	20/04/2004	
Motion for a resolution		B5-0222/2004	20/04/2004	
Motion for a resolution		B5-0223/2004	20/04/2004	
Motion for a resolution		B5-0225/2004	20/04/2004	
Text adopted by Parliament, topical subjects		T5-0372/2004 OJ C 104 30.04.2004, p. 0748-1021 E	22/04/2004	Summary

Resolution on Eurostat

2004/2536(RSP) - 22/04/2004 - Text adopted by Parliament, topical subjects

The European Parliament adopted a resolution on Eurostat demanding that the Commission make a full written evaluation by 31 July 2004 of the circumstances of the Eurostat scandal including all OLAF reports, covering in particular the slow response of Commissioners to the warning signals and the poor flow of information within the Commission. It recognised the quality of the work of the Commission's Internal Audit Service as well as Eurostat's IAC, but found that the extremely long delays and the resistance and hesitation of the Commission in forwarding these vital reports to Parliament unacceptable. Parliament noted that the Financial Regulation was infringed at Eurostat between 1999 and 2003 and that the management of Eurostat neither responded to the reports of the internal audit units by taking decisive action nor informed those in positions of responsibility within Eurostat unambiguously about abuses which had occurred. Parliament stressed that although some rule changes may be desirable, the problem was not the lack of good rules but the poor application of existing rules. The case has highlighted serious problems in the working methods of both the Commission and OLAF. With regard to the Commission: - the Commission has failed to accept its political responsibility for the matter, either collectively or individually; - there was no effective political response to public announcements by OLAF about investigations into Eurostat (July 2002) by either the Commissioner responsible for Eurostat or the Commissioner responsible for budgetary control issues; - no-one monitored all the pieces of evidence as they slowly came to light; - the Secretary-General did not pass on any of the information, which was, albeit, very vague, from OLAF to anyone with political responsibility; - Commissioners' Private Offices ignored or dismissed the information that did reach them; Despite the Commission's efforts to improve relations between Commissioners and departments, the Eurostat affair has made it clear that there was inadequate transparency and communication between Eurostat's management and the Commission's cross-sector departments and between Eurostat and the Commissioner Responsible. These facts demonstrate that insufficient consideration seems to have been given to the systems and methods by which the Commissioners themselves should be able to assume their political responsibilities in the fight against fraud and mismanagement. Parliament reminded the Commissioners that they are responsible for the wrongdoings of officials in their departments and considered that Commissioners cannot be relieved of their responsibility because they did not receive enough information. Parliament also regretted the absence of proposals for structural change in the relations between Commissioners and Directors-General. One member of the College must take responsibility, as in the past, for coordinating the fight against fraud and mismanagement, with specific responsibility inter alia for: - liaising with the Internal Audit Service; - the scrutiny, review and oversight of the follow-up of allinternal audit reports prepared by the audit capabilities of the directorates-general, and for evaluation reports on the management of programmes; - the Audit Progress Committee; - relations with OLAF; - relations with the European Court of Auditors; - liaison with other Commissioners in their work on budgetary control issues; Each individual Commissioner is accountable for the services under his responsibility. One adviser in all Commissioners' Private Offices must be given specific responsibility for advising his/her Commissioner on issues relating to budgetary control within the DGs for which that Commissioner has responsibility and liaising with the office of the member of the College responsible for budgetary control matters. Parliament stated its intention to hold the future Commission to account for its omissions as well as its actions. Parliament deplored the former practice of Eurostat and OPOCE of creating 'financial envelopes'. It called on the Commission to act swiftly and investigate the possibility of other Commission departments' having been engaged in similar practices and to take appropriate action to uncover the truth about the real extent of the system and the final use of the funds in these 'financial envelopes'. The Eurostat affair represents a serious set-back for public appreciation of the Commission's administrative reform process. Nevertheless, almost all of the specific actions from the White Paper have been approved. Parliament urged the Commission to ensure full and thorough implementation throughout its services, agencies and satellite bodies so that similar circumstances to those at Eurostat can never be repeated.