

Basic information

2006/2071(DEC)

DEC - Discharge procedure

2005 discharge: EC general budget, European Parliament

Subject

8.70.03.07 Previous discharges

Procedure completed

Key players

European
Parliament

Committee responsible

CONT

Budgetary Control

Rapporteur

STAES Bart (Verts/ALE)

Appointed

21/04/2006

Committee for opinion

AFET

Foreign Affairs

Rapporteur for opinion

The committee decided not to give an opinion.

Appointed

DEVE

Development

The committee decided not to give an opinion.

INTA

International Trade

The committee decided not to give an opinion.

BUDG

Budgets

The committee decided not to give an opinion.

ECON

Economic and Monetary Affairs

The committee decided not to give an opinion.

EMPL

Employment and Social Affairs

The committee decided not to give an opinion.

ENVI

Environment, Public Health and Food Safety

The committee decided not to give an opinion.

ITRE

Industry, Research and Energy

The committee decided not to give an opinion.



IMCO

Internal Market and Consumer Protection

The committee decided not to give an opinion.

	TRAN Transport and Tourism	The committee decided not to give an opinion.	
	REGI Regional Development	The committee decided not to give an opinion.	
	AGRI Agriculture and Rural Development	The committee decided not to give an opinion.	
	PECH Fisheries	The committee decided not to give an opinion.	
	CULT Culture and Education	The committee decided not to give an opinion.	
	JURI Legal Affairs	The committee decided not to give an opinion.	
	LIBE Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
	AFCO Constitutional Affairs	The committee decided not to give an opinion.	
	FEMM Women's Rights and Gender Equality	The committee decided not to give an opinion.	
	PETI Petitions	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meetings	Date
	Economic and Financial Affairs ECOFIN	2787	2007-01-27
European Commission	Commission DG	Commissioner	
	Budget	KALLAS Siim	

Key events			
Date	Event	Reference	Summary
26/07/2006	Non-legislative basic document published	SEC(2006)0915	Summary

14/12/2006	Committee referral announced in Parliament		
27/03/2007	Vote in committee		Summary
30/03/2007	Committee report tabled for plenary	A6-0094/2007	
24/04/2007	Decision by Parliament	T6-0133/2007	Summary
24/04/2007	Results of vote in Parliament		
24/04/2007	Debate in Parliament		
24/04/2007	End of procedure in Parliament		
15/07/2008	Final act published in Official Journal		

Technical information	
Procedure reference	2006/2071(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/43586

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE382.600	12/01/2007	
Amendments tabled in committee		PE386.371	08/03/2007	
Committee report tabled for plenary, single reading		A6-0094/2007	30/03/2007	
Text adopted by Parliament, single reading		T6-0133/2007	24/04/2007	Summary
Council of the EU				
Document type		Reference	Date	Summary
Document attached to the procedure		06162/2007	08/02/2007	Summary
European Commission				
Document type		Reference	Date	Summary
Non-legislative basic document		SEC(2006)0915 OJ C 263 31.10.2006, p. 0001	26/07/2006	Summary
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
		N6-0039/2006		

CofA	Court of Auditors: opinion, report	OJ C 263 31.10.2006, p. 0001	31/10/2006	Summary
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Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2008/0497 OJ L 187 15.07.2008, p. 0001	Summary

2005 discharge: EC general budget, European Parliament

2006/2071(DEC) - 31/10/2006

PURPOSE : to present the Court of Auditors' report on the implementation of the 2005 budget (other institutions – European Parliament).

CONTENT : in its 29th Annual Report on the implementation of the general budget of the European Union, the Court highlights that 2005 was the first full year in which the European Union had 25 Members. The Court's audit did not reveal any material errors concerning the legality and regularity of underlying transactions.

Supervisory and control systems: in 2005 all the Institutions had supervisory and control systems complying with the requirements of the new Financial Regulation. However, some Institutions had not fully implemented all their Internal Control Standards (in particular the Council).

Also in 2005, the NAP (Nouvelle Application Paie), a computer application for calculating staff remunerations created in 2003 and managed by the Commission Paymaster Office (PMO), was being used by all the Institutions. The technical weaknesses noted in 2004 were overcome, minimising the risk of erroneous calculation of the various elements of staff remuneration. However, the institutions did not systematically use the reporting facilities of NAP in order to verify, before the final pay run, all the data concerning situations specific to individual members of staff. Although not mandatory pursuant to the Financial Regulation, ex-post controls would increase the reliability of the administrative procedures for managing staff remunerations and help to uncover possible weaknesses and errors in the system.

Staff Regulations: the amended Staff Regulations, which entered into force on 1 May 2004, state that accommodation costs incurred on mission are reimbursed up to a maximum fixed for each country. Contrary to this rule, all the Institutions, except the Court of Justice, the Court of Auditors and the Ombudsman, provided in their internal rules for the payment of a flat-rate sum, ranging from 30 to 60 % of the maximum allowable amount, to staff who do not produce any evidence of having incurred accommodation costs. After the publication of the European Court of Auditors' Annual Report concerning the financial year 2004, the European Economic and Social Committee amended its internal rules in December 2005 in order to ensure compliance with the Staff Regulations.

Specific remarks concerning the European Parliament: to recall, Parliament administrative expenditure totalled EUR 1.235 billion in 2005, representing a 3.82% increase over 2004. The Court states that weaknesses were observed, as in the past, in the supervisory and control systems relating to the payment of allowances to Members of the European Parliament (MEPs). The rules governing the payment of assistance allowances were modified by the Bureau (a body consisting of the Parliament's President and 14 Vice-Presidents) in 2004. New provisions were introduced regarding the submission of supporting documents by MEPs. The obligations resulting from the new provisions were clarified and explained to the MEPs by a Quaestors' communication of July 2005 requiring the Members to present documentary evidence of the use of their allowance by 1 November 2005. At the end of November, less than 20 % of the documents required had been submitted. In January 2006, the Quaestors extended the deadline to 17 March 2006. The amended rules were thus not adequately implemented in 2005, and payments to providers of services or payments to assistants through paying agents were still not based on appropriate supporting documents, such as invoices paid by the MEP and detailed justifications of the expenses of the paying agent.

General conclusions: the Court states that improvements have been made by all the Institutions in order to adapt their supervisory and control systems to the requirements of the new Financial Regulation. The Court's audit found that, notwithstanding the weaknesses mentioned in the previous paragraphs, the supervisory and control systems were adequate to manage the risk as regards legality and regularity of the transactions underlying the accounts of the Institutions' administrative expenditure. The Court's audit did not reveal material errors affecting the legality and regularity of the administrative expenditure.

2005 discharge: EC general budget, European Parliament

The European Parliament adopted by 579 votes for, 66 against and 41 abstentions a resolution drafted by Bart **STAES** (Greens/ALE, BE), broadly in accordance with the views of its budgetary control committee and granted the President discharge for implementation of the European Parliament budget for the financial year 2005. Having done so, it made a series of observations in its accompanying resolution.

Parliament began by noting that in 2005 Parliament received revenue amounting to **EUR 112 393 557** (in 2004, it received EUR 117 409 824) and indicated that 98.82 % of the appropriations entered in Parliament's budget were committed with a cancellation rate of 1.18 %. As in previous years, a very high level of budget implementation was achieved, which is partly attributable to the consistent practice of making "mopping-up" transfers for the purposes of transferring any appropriations available at year-end to the budget lines for buildings. Of this amount:

- EUR 75.7 million were used to for the purchase of the 'Winston Churchill' (WIC) and Salvador de Madariaga (SDM) buildings in Strasbourg;
- EUR 46.2 million were transferred for an early disbursement against the annual lease payment due for the D4 and D5 buildings in Brussels;
- and EUR 2.3 million were set aside for the Europe House in Valetta.

Parliament reminded its competent bodies of its decision that repayment on buildings should be set as part of the budgetary strategy, and it criticised its competent bodies for continuously failing to budget with sufficient clarity Parliament's property policy for future acquisitions. It restated its demand to amend Article 16 of the Internal Rules for the implementation of the European Parliament's budget with a view to making building projects with significant financial implications for Parliament's budget subject to the agreement of the Committee on Budgets. It also called for the establishment of budget forecasts ensuring that the amounts entered in the draft budget reflect real requirements in Parliament's various policies.

With regard to **Parliament's property policy**, it recalled that it invested a total of EUR 1 400 million in immovable property from 1992 to 2005, thereby saving, according to its own calculations, approximately EUR 700 million in rent and charges up to the end of 2006. However, the Secretary-General was asked to provide details of the costs of maintaining Parliament's three places of work, so that Parliament could get a better insight into its cost structure and identify areas where savings could be made. In brief, Parliament made a survey of its property portfolio and made some observations on its three places of work: Strasbourg, Brussels and Luxembourg. With regard to Strasbourg, it noted the deed of sale provided that if Parliament assigned the whole building complex - to a third party other than a European Union institution or body - ownership of the site would revert to the City of Strasbourg for the symbolic price of EUR 1. The price for the buildings would be mutually agreed between Parliament and the City of Strasbourg or - failing that - be determined by an expert assessment. With regard to Brussels, Parliament referred to the fact that the Belgian Government guaranteed that the land and the land development costs would be reimbursed to Parliament, and regretted that the Belgian authorities have not honoured the agreement on the land cost estimated at EUR 43 million. The Belgian State also disputes the total amount to be reimbursed to Parliament for the land development costs of the site for the D4-D5 buildings, estimated by Parliament's services at EUR 30.8 million. The offer of EUR 15 million, made by the Belgian authorities, was unacceptable, and the costs for paving a public thoroughfare, could not be funded from Parliament's budget. The Secretary-General was asked to pursue a policy of regular consultations with representatives of the inhabitants of the area to limit the possible negative impact of Parliament's presence.

With regard to the **Court of Auditors' comments**, Parliament acknowledged the Court's criticism with regard to the flat-rate payments for staff travels between the three usual work-places. It also noted that the Court pointed to weaknesses in supervisory and control systems relating to the payment of allowances of Members of the European Parliament and considered it worrying that by mid-2006 only 54 % of the service providers, and only 29 % of the paying agents had submitted invoices relating to the period July 2004 to June 2005.

The Internal Auditor's annual report: Parliament underlined that the audits have confirmed that the institution is still in a phase of transition between two fundamentally different concepts of internal control, and that it will take more time for full implementation of the Internal Control Framework (ICF) in all departments. It highlighted certain issues in the area of procurement, such as the establishment of adequate exclusion, selection and award criteria and timeliness, equal treatment and transparency in contacts with tenderers, which must be borne in mind. Parliament regretted that the audit of Members' parliamentary assistance allowances was not ready in time for the 2005 discharge procedure, and called on its competent committee to pay due attention to the findings of this audit at a later stage. It recalled that the Internal Auditor had completed an institution-wide audit of the procurement process and welcomed the fact that - with regard to value - 91% of the contracts were awarded under open (71%) and restricted (20%) procedures.

The European Parliament's financial management: Parliament points out that a proportion of management activity in Parliament in 2005 was still geared to adjusting to the new requirements of the Financial Regulation, and noted that initial experience with applying the terms of the new Financial Regulation in an institution such as Parliament, with an administrative budget to manage, indicated in some cases that overly complex systems and financial circuits have been set up. It also noted that some directorates-general continued to hold the view that certain provisions of the Financial Regulation and its implementing rules lead to excessive bureaucratisation of the overall internal control process and constituted an undue burden on management. It reaffirmed the view previously expressed in preceding years that the scope of the discharge procedure should cover not only the management activities of Parliament's Secretary-General and Administration, but also the decisions taken by its governing bodies, i.e. its President, Bureau and Conference of Presidents. Parliament welcomed the 2005 activity reports of the directors-general and the fact that all directors-general had issued an unqualified declaration of assurance for their departments' financial transactions.

Political groups: Parliament reiterated that the political groups are themselves responsible for the management and use of their funds from Parliament's budget. It noted the confirmations by the political groups' external auditors that the accounts complied with current rules and international accounting standards. It also noted that the PSE Group refunded EUR 322 107 and the ALDE refunded 788 845 of unused money to the Parliament's budget, as these amounts could not be carried over. The political groups only utilised - on average - 66 % of the appropriations available to them (2004: 74%). Parliament made various observations on the spending of certain political parties at European level, but was pleased that certain improvements could be achieved with regard to the financing of political parties at European level following a decision by the Bureau of 1 February 2006. It remained convinced that European political parties must be allowed to establish reserves to meet their statutory obligations towards their employees and contractors should the party be disbanded and asked the Commission to make the necessary proposal.

Voluntary Pension Scheme: Parliament recalled that the Court of Auditors had repeatedly pointed out that a sufficient legal basis for Parliament's additional pension scheme must be created and that clear rules must be established to cover the eventuality of a deficit. It noted however that the view of Parliament's legal services is that a sufficient legal basis for the additional pension scheme already exists under the regulatory autonomy of the European Parliament laid down in Article 199 of the EC Treaty which confers on the European Parliament the right to take whatever measures it requires for its internal organisation and that furthermore, once the Members' Statute comes into force, Article 27 of that Statute will constitute the legal basis for the Pension Fund. At the same time, it called on the members of the Voluntary Pension Fund to prove that their contributions deducted from the general expenditure allowance have been repaid from a private source of income. Otherwise fund members remain exposed to allegations of generating hidden additional income. It called on its administration to discontinue payments - as of January 2008 - for Members who did not prove that their personal contribution to the Voluntary Pension Fund was refunded from a private source of income. Parliament went on to note that the Voluntary Pension Fund managed to reduce its actuarial deficit, already existing for five years, from EUR 43 756 745 in 2004 to EUR 28 875 471 in 2005, thereby improving the fund's actuary funding position from 76.8 % in 2004 to 86.1 % in 2005. It underlined that over the past years the stock market has proved to be highly volatile and that there is therefore no certainty as to the direction in which the Fund's actuarial deficit will develop. It called on the investment manager of the Fund to favour "low-risk" investments and to observe the ethical investment standards as expressed in Parliament's resolutions. Parliament also noted that, as from January 2006, a member can draw a monthly pension of EUR 1 304 from age 60 onwards and after only five years of contributions. It took the view that once the Statute for Members of the European Parliament enters into force, the Voluntary Pension Fund should confine itself to honouring rights (acquired up to June 2009), meaning that neither Members of the European Parliament nor members of the Fund might continue to pay into the Fund.

Parliamentary Assistants in the European Parliament: while welcoming the decision of its Bureau to adopt a Codex for parliamentary assistants in the European Parliament, Parliament noted that the total number of assistants that are accredited is 1 416 at present, of which 433 are service providers (natural persons), about 583 have a direct employment contract with the Member and the other 400 are employed via a service provider; from those, approximately 138 have an employment contract under Belgian law (14 % of the accredited assistants under employment contracts). It underlined, in this context, the importance of the audit of the Members' parliamentary assistance allowance, and took note that the development of a Statute for Assistants requires negotiations with the Commission and the Council and that the Bureau also wishes to consult the Committee on Legal Affairs.

Kyoto-plus Plan for the European Parliament: recalling some of the key figures which reflect the enormous impact the European Parliament has on the environment, the plenary requested an analysis of the environmental impact of the Parliament's three work places overall and by location, and of the related travel requirements. It welcomed the initiatives to reduce its impact on the environment, such as the reorganisation of the print shop, the introduction of new and lighter containers for transport of documents, the availability of bicycles in Brussels and Luxembourg, the organisation of videoconferences and the recycling of ink cartridges. It also welcomed the EMAS registration as a very positive step, but regretted that the EMAS action plan sets only very modest reduction targets. It called on its administration to elaborate a Kyoto-plus Plan setting out an action plan that is more ambitious than the measures envisaged under the EMAS framework, with a view to proving to the general public that it strives for attaining the targets which it asks others to attain. Parliament set out a list of the actions for a Kyoto-plus Plan, such as a further reduction in the use of paper, establishing an integrated energy efficiency plan, and a considerable reduction in water consumption.

The resolution went on to cover points such as the strengthening of **equal opportunities in the European Parliament**, cooperation with the European Anti-Fraud Office (OLAF), and the changes wrought by "Raising the Game"- the **reform of Parliament's administration**, welcoming the progress achieved by implementing the reform. Lastly, Parliament made some remarks on the **follow-up to last year's discharge resolution** and noted that its Bureau has currently no intention to modify the travel reimbursement rules for Members with a view to reimbursing Members, who so desire, only for travel costs incurred. It noted that 27 Members reimbursed Parliament for parts of their travel allowance in 2005.

2005 discharge: EC general budget, European Parliament

2006/2071(DEC) - 26/07/2006 - Non-legislative basic document

PURPOSE: presentation of the final annual accounts of the European Community for the financial year 2005 – Other institutions : Section I – European Parliament.

CONTENT: this document sets out the amount of expenditure and the financial statement of the European Parliament for 2005 and presents an analysis of its financial management. The appropriations entered in the European Parliament's 2005 budget amounted to **EUR 1.272 billion**. As in 2004, then, it represented just over 1% of the Union's budget and also represented 20% of the amount set aside for the administrative expenditure of the European Institutions as a whole. Parliament spending represented a 3.82% increase over 2004. That increase is markedly less than the rise in 2004 over 2003 - 11.80% - which was accounted for by the impact of enlargement from 15 to 25 Member States. Unused appropriations amounted to no more than 1.17%. The rate has remained especially low because, mainly, of the property policy Parliament has pursued since 1992 - purchasing buildings permanently occupied - which makes it possible to use appropriations available at year end to make early payments on buildings and thus reduce, in subsequent years' budgets, both the rental burden and the building investment cost burden.

Main axes of 2005 expenditure:

Political and external objectives:

- ratification of the European Constitution;
- admission of Bulgarian and Romanian observers

Internal objectives:

- continued recruitment and incorporation of staff from the new Member States;
- consolidating implementation of the 'Raising the Game' exercise;

- continued implementation of the new Financial Regulation and improvement of financial management in accordance with the action plans adopted by the Secretary-General;
- continued implementation of the new Staff Regulations

Changes were made to the objectives during the year: firstly, measures taken in connection with ratification of the constitution were suspended and, secondly, information activity was stepped up and development continued on the new EUROPARL site; in addition, environmental objectives were pursued with a view to introducing a management system in line with the EMAS rules.

As regards the **implementation of the budget**, overall, as in 2004, budget forecasts for 2005 were difficult because of the considerable continuing uncertainties surrounding the follow-up to enlargement, in particular uncertainties as to the scope for staff recruitment, the consequences of applying the new Staff Regulations, replacement of the auxiliary staff arrangements by contract staff arrangements, and ongoing property projects. Use was made of surpluses by means of the mopping-up transfer, the **property area** being the main source.

Changes to the budget:

- adoption of amending budget 02/2005 adjusting pay appropriations for each institution, plus pension appropriations;
- appropriations were released from the reserve after the information requested (concerning in particular the Europarl project);
- applying new provisions of the Staff Regulations;
- new budget measures concerning the purchasing of buildings;
- realisation of specific objectives: Enlargement, Constitution for Europe, 'Raising the Game' and IT;
- a decision on non-automatic carryover of appropriations to 2006 amounting to EUR 200 000 intended for fitting out the rue Wayenberg crèche in Brussels, which is scheduled to open in spring 2006.

Results achieved in 2005 :

1) Ratification of the European Constitution: a number of activities were organised - events, actions and production of a visual logo - in particular in Spain, France and the Netherlands, where referenda were scheduled for the first half of 2005. The 'no' votes in France and the Netherlands subsequently prompted Parliament's political authorities to suspend the information and communication campaign on the Constitution. Part of the appropriations intended for it was therefore not used.

2) Admission of Bulgarian and Romanian observers: practical arrangements have been made to accommodate the observers:

- with regard to information for observers, arrangements included the establishment of reception centres and temporary offices (in Strasbourg and Brussels), the introduction of a tailored website and a telephone helpdesk during the reception period, an information seminar, and the provision of a handbook containing practical information on financial arrangements, support and documentation relevant to them;
- with regard to property, requirements could be met on the basis of existing facilities, at least temporarily;
- with regard to personnel, the Bureau decided to recruit contract staff from the two candidate countries, as from 2005, in tandem with the arrival of observers, so that a core of language staff (translators and interpreters) would be available and so as to augment departments assisting Members. The recruitment plan for the fourth quarter of 2005 covered 113 contract staff members for Parliament's Secretariat plus 22 staff for the political groups;
- with regard to the budgetary field, the Committee on Budgets and the President authorised the transfers of appropriations needed to meet all requirements.

3) Continuing recruitment and integration of staff from the new Member States: at the end of 2005, of the 1029 posts in total which were set aside between 2003 and 2005 to meet the requirements of Parliament's Secretariat following the enlargement on 1 May 2004, the recruitment rate for officials or temporary staff is 73%. Linguists and secretaries/assistants from the Baltic states, Slovenia and Malta are categories where there are shortfalls. Shortages stem from the fact that an insufficient

number of individuals have passed competitions, some applicants have turned down job offers, and recruitment procedures involve an interview and a medical examination.

4) "Raising the Game": a Parliament initiative aiming to improve the quality and the efficiency of services for Members in their legislative work. The main organisational changes took place on 1 January 2004, involving a host of implementing measures (recruitment, staff transfers, new procedures). By 2005, administrative structures were in place, the budgetary aspects were in hand, committees had been given their own budgets in order to consult experts, and the hiring of staff within the new departments continued. The Tabling Office has stepped up its work on verifying texts to such an extent that all texts to be put to the vote by a parliamentary body are checked for procedural, legal-linguistic and linguistic accuracy. The Tabling Office is continuing to develop its helpdesk-style assistance for Members wanting to table amendments to texts in committees. The library has developed its rapid-response capacity, providing summaries and information documents in response to specific individual requests within a short time frame.

5) Continuing application of the Financial Regulation: Revised Internal Rules for the implementation of Parliament's budget were adopted by the Bureau on 27 April 2005;

6) Implementing the new Staff Regulations: they entered into force on 1 May 2004. A number of provisions and guidelines have been adopted by the Bureau.

Lastly, concerning the Parliament's **building policy**, in the past, the Committee on Budgets has advocated a policy of purchasing the buildings occupied by Parliament where all technical, legal and financial assurances have been given. It has also advocated that property projects should be financed over as short a period as possible. Since 1992, that policy has chiefly taken the form of early payments, without penalty charges, to reduce Parliament's interest burden and lessen the burden of financing the buildings on subsequent budgets. Parliament continued that policy in 2005 while insisting on a long-term timetable for property purchasing policy as regards both its main buildings and information offices plus Europe Houses.

For further details concerning the European Parliament's expenditure in 2005, please refer to the annexed detailed analysis of expenditure.

2005 discharge: EC general budget, European Parliament

2006/2071(DEC) - 08/02/2007

Special Report 9/2006 from the Court of Auditors concerns translation expenditure incurred by the Commission, the Parliament and the Council.

The objective of the audit was to assess the extent to which the Commission, the Parliament and the Council manage their translation resources and expenditure **efficiently and effectively**. The Court addressed three questions:

1. Is translation demands met and are there adequate procedures to avoid unnecessary translations?
2. Are translations timely and of adequate quality for their purpose?
3. Were the institutions able to keep the cost of translations under control?

The audit has shown that the institutions have adopted **different approaches** when responding to rising translation demand. Both the Commission and the Council have taken adequate measures to reduce the number of documents translated into all languages. A significant part of all translation requests is, however, not governed by the translation guidelines adopted by each institution, and none of the institutions has a clear and coherent procedure for requesting translations.

The three translation services audited generally manage to deliver translations into the EU-15 languages on time and with the required quality. However, in 2004 there were significant problems for the EU-10 languages.

A calculation made by the Court shows that in 2003 the full cost of translation was about EUR 100 million each for the Parliament and for the Council and EUR 215 million for the Commission. Following the increase in the number of languages after the May 2004 EU enlargement, the cost of translation has risen to approximately **EUR 128 million for the Parliament**, EUR 126 million for the Council and EUR 257 million for the Commission in 2005. The average cost per page in 2003 was EUR 150 at the Parliament and at the Commission, and EUR 254 at the Council. In 2005, the average cost per page rose to EUR 194 at the Commission and EUR 276 at the Council, but dropped to EUR 119 at the Parliament. Internal translation is more expensive than freelance translation, but comparison is difficult as texts translated externally are of a different nature and the quality of internal translation is recognised to be higher.

While **the Commission and the Council have been successful in reducing demand for translations** into the EU-15 languages this has also resulted in overcapacity and below-average productivity. The Court, however, noted significant differences in the productivity and the outsourcing percentages of the different language units of the different institutions.

With the exception of the Commission for 2002, none of the institutions had calculated their total translation cost or the average cost per page translated.

The Court considers that savings could be achieved by further increasing interinstitutional cooperation, in particular by ensuring that spare capacity in one institution is made available to other institutions in order to reduce their outsourcing to freelance translators. However, lack of forecasts and insufficient communication of available translation capacity make it difficult for the institutions to take full advantage of temporarily available capacity at other institutions.

In 2005, the Parliament and several Commission DGs outsourced a similar number of pages of non-urgent documents in the same languages which could have been translated by another institution. Total payments of about EUR 11 million for freelance translations could thus have been avoided.

The Court notes that while advanced IT tools are available at the audited translation services, they are not used in a consistent manner.

Council conclusions: following the reception of the Special Report 9/2006 on 15 September 2006, the Permanent Representatives Committee instructed the Budget Committee to examine it and draw the relevant conclusions. Following that examination, the Antici Group was tasked with examining certain language aspects of the draft conclusions. A special Council group (the Antici Group) highlighted the importance of **multilingualism** in order to better communicate with citizens and to take account of national parliaments was stressed in particular.

At the ECOFIN Council on 27 February 2007, the Council approved the conclusions on EU translation expenditure (refer to the Council conclusions for more details). It advocates inter-institutional cooperation being reinforced to all institutions in order to improve the efficiency and the procedures and to reduce the costs in the field of translations. These conclusions do not constitute a change of policy as regards translation.

2005 discharge: EC general budget, European Parliament

2006/2071(DEC) - 24/04/2007 - Final act

PURPOSE: to postpone the discharge decision of the European Parliament for the 2005 financial year.

LEGISLATIVE ACT: Decision 2008/497/EC on the discharge for implementation of the European Union general budget for the financial year 2005 (Section I - European Parliament).

CONTENT: with the present decision, the European Parliament postpones its decision to grant discharge to its President for the implementation of the general budget for 2005.

This decision is in line with the European Parliament's resolution adopted on 24 April 2007 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 24/04/2007).

2005 discharge: EC general budget, European Parliament

2006/2071(DEC) - 27/01/2007

The Council, on the basis of intensive preparatory work, approved a recommendation on the discharge to be given to the European Parliament for the implementation of its budget for 2005. The recommendation will be submitted to the European Parliament, in accordance with the budgetary discharge procedure.

The Council also makes reference to the **Court of Auditors report on translation expenditure** (see summary of the document annexed to the present discharge procedure: Council document 06162/2007). It adopted the following conclusions:

Firstly, it states that it welcomes the Court's special report on translation expenditure - which amounted to EUR 511 million in 2005 - incurred by three institutions in particular as it covers the period of the accession of 10 new Member States, increasing the number of official and working languages to 21. In this context, it underlines the importance of the translation of documents in a European Union **multilingual environment** with equal treatment of the languages of its Member States.

It emphasises that translation demands are to be met in time and in adequate quality, as an essential part of the legislative process keeping the cost under control as well as having adequate procedures to give priority to essential translations which implies efficient and effective management of translation resources. It regrets, however, that in some cases politically important information which should be translated has been included in non translated annexes of documents.

The Council notes with satisfaction that the Court of Auditors stated that the institutions have generally met translation needs in the EU-15 languages in required quality inter alia by recourse to freelance translators. It regrets that all three institutions have faced structural difficulties in providing a sufficient volume and acceptable quality into the EU-10 languages. It expects the institutions to further enhance the degree of multilingualism as regards the information provided on their websites.

Moreover, the Council regrets the fact that the institutions, with the exception of the Commission for 2002, have not calculated their total costs or the average cost per page translated and invites them to do so from now on and inform the budgetary authority on a regular basis.

It notes with concern the fact **that the productivity of the EU translation services is much lower than in the private sector**, partly due to more effective use of IT tools in the private sector, although the quality of internal translation is recognised to be higher. It notes the long term action plan by the Council General Secretariat to increase its productivity by reducing the number of "full-time equivalent" in the EU-15 language units.

Inter-institutional cooperation: the Council advocates inter-institutional cooperation being reinforced to all institutions in order to improve the efficiency and the procedures and to reduce the costs in the field of translations. It urges the institutions to set up proper forecasting system and improve the system of workload balancing in order to make better use of spare capacity and to avoid unnecessary outsourcing. In 2005, according to the Court, EUR 11 million of freelance translation costs could have been saved by the Commission and by the Parliament by giving the non-urgent documents to be translated for other institutions. It regrets that it was not possible for the institutions to recruit enough translators in EU-10 languages which has resulted in quality and deadline problems in the EU-10 translations and it recommends that sufficient EU-10 translator resources should be ensured by measures increasing awareness and fostering interest in the Community's translation activity in the EU-10 Member States and other Candidate Countries. It recommends that similar measures be taken for Bulgaria and Romania.

The Council emphasises that future measures are to be taken by the institutions to contain the volume translated including control of the size of documents, without prejudice of equal treatment of EU official and working languages taking into account the operational effectiveness, and adoption of **a fit-for-purpose approach for authorised texts for translation** and encourages the institutions to improve their work planning and comply with the deadlines for requesting translations.

Lastly, the Council requests the institutions to improve the efficiency of the translation process in particular by intensifying the recourse to IT tools, reduction of secretarial support, working methods based on best practices and teleworking. It also invites the Court to examine also the translation expenditure of the other institutions and bodies.