

Basic information

2006/2075(DEC)

DEC - Discharge procedure

2005 discharge: EC general budget, Economic and social Committee
ESC

Subject

8.70.03.07 Previous discharges

Procedure completed

Key players

European
Parliament

Committee responsible

CONT Budgetary Control

Rapporteur

CASPARY Daniel (PPE-DE)

Appointed

20/04/2006

Committee for opinion

AFET Foreign Affairs

The committee decided not to give an opinion.

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	2007-02-27
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	A6-0110/2007	
24/04/2007	Decision by Parliament	T6-0109/2007	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	2006/2075(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/43593

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE382.615	10/01/2007	
Committee report tabled for plenary, single reading		A6-0110/2007	30/03/2007	
Text adopted by Parliament, single reading		T6-0109/2007	24/04/2007	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
CofA	Court of Auditors: opinion, report	N6-0039/2006 OJ C 263 31.10.2006, p. 0001	31/10/2006	Summary

Additional information		
Source	Document	Date

European Commission	EUR-Lex	
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Final act

Budget 2008/0503
[OJ L 187 15.07.2008, p. 0064](#)

[Summary](#)

2005 discharge: EC general budget, Economic and social Committee ESC

2006/2075(DEC) - 31/10/2006

PURPOSE : to present the Court of Auditors' report on the implementation of the 2005 budget (other institutions – Economic and Social Committee).

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 Economic and Social Committee: to recall, the Committee's administrative expenditure totalled EUR 96 million in 2005. The Court states that the setting-up in the course of 2005 of a unit responsible for coordinating financial and contractual activities throughout the joint services of the European Economic and Social Committee and the Committee of the Regions improved annual procurement planning and provided the operational units with guidance on tendering procedures. However, some weaknesses still appeared concerning the operational management of certain procurement procedures (for example: too little time allowed for the verification of complex draft contracts), and coordination procedures between the new unit and the operating units had not been clearly defined.

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, Economic and social Committee ESC

2006/2075(DEC) - 24/04/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted Daniel **CASPARY** (EPP-ED, D), by 580 votes for, 50 against and 23 abstentions, and granted the European Economic and Social Committee's Secretary-General discharge for the implementation of the European Economic and Social Committee budget for the financial year 2005. In doing so, Parliament made a series of observations on the discharge in its accompanying resolution.

It began by noting that, in 2005 the European Economic and Social Committee (EESC) had available commitment appropriations amounting to a total of EUR 106 880 105,67 with a utilisation rate of 94,99 %. Following the introduction of accrual accounting with effect from 1 January 2005 the EESC's financial statements disclose a negative economic out-turn of EUR 3 811 889,47 (deficit) and identical amounts (EUR 168 387 721,19) in respect of both assets and liabilities.

With regard to administrative cooperation, Parliament noted that, notwithstanding the setting-up of a unit responsible for coordinating financial and contractual activities throughout the joint services of the EESC and the Committee of the Regions (CoR), some weaknesses still appeared concerning

the operational management of certain procurement and coordination procedures between the new unit and the operating units which had not been clearly defined. The EESC and the CoR are currently considering whether they should continue to manage certain activities in common through the joint services, and, if so, what form that collaboration should in future take. Parliament felt that the administrative cooperation between the CoR and the EESC should be beneficial to both committees and financially advantageous for European taxpayers. Any new structures of administrative cooperation between the two committees must result in financial benefits. It demanded that both committees find a way to continue the administrative cooperation already in place. Having regard to the substantial divergences between the findings of the reports of the joint services and the CoR's two external experts, Parliament invited the CoR and the EESC to conduct a joint analysis based on appropriate benchmarks – if necessary with the help of the Court of Auditors – of the precise costs, benefits and savings generated by cooperation and to submit the results of their examination to the competent committee by 31 October 2007.

On the matter of buildings, Parliament recalled that, in 2005, the EESC began discussions with the Commission about taking over the office space in the van Maerlant building, and that following this event, the two Institutions do not expect to need further buildings in the coming years.

On the matter of travel expenses, Parliament noted that consideration is being given to establishing a clearer procedure for refunding travel expenses and paying travel and subsistence allowances, particularly in situations which are not explicitly envisaged by the rules.

Lastly, it observed that, further to the Belgian criminal proceedings against a former EESC Member concerning travel expenses, the EESC has brought a civil action for damages and that the Belgian Court is expected to give its judgment towards the middle of 2007.

2005 discharge: EC general budget, Economic and social Committee ESC

2006/2075(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 VI – Economic and Social Committee.

CONTENT: this document sets out the amount of expenditure and the financial statement of the Economic and Social Committee (ESC) for 2005 and presents an analysis of its financial management. The available appropriations set out in the Court's 2005 budget amounted to **EUR 103 million** of which EUR 99 million was spent (a take-up rate of 95.94%).

Main axes of 2004 expenditure: budget implementation of the ESC can be characterised by the following :

- enhancing the Committee's credibility through selectivity in its work programme, choice of opinions and forward studies;
- playing a key role in the Communicating Europe campaign;
- enhancing the EESC's visibility by an initiative aimed at the general public and by giving prominence to the role played by its members;
- ensuring maximum transparency for its work;
- enhancing the members' status commensurate with their value and highlighting their political responsibility;
- asserting the EESC's role as an institutional partner in civil dialogue and guarantor of participatory democracy;
- contributing to the general debate on the future of Europe and European identity, more specifically through a series of conferences and cultural events and by awarding a civil society prize.

On an internal level, the Committee continued to implement its 2003-2005 medium-term development plan in accordance with several lines of action:

- improving the service provided to members by cultivating a genuine partnership;
- continuing the implementation of modern working methods with the active support of the entire staff, whilst maintaining quality of life at work;
- strengthening interinstitutional cooperation and developing activities to make it more open and visible externally;
- implementing an ambitious and dynamic communication policy.

It should also be noted that in many sectors, a number of activities were achieved which were not foreseen at the start of the year.

Title I (Staff costs): this budget heading is mainly highlighted by the delays in recruitment of enlargement related staff. As a consequence, the budget implementation showed less significant expenditure for mission costs; staff training, etc. One also notes the costs relating to contract staff. Given that the budget for contract staff was drawn up for the first time for the 2005 financial year, the need was over estimated by 48%. This under-use can be explained in part by the application of guidelines requiring a minimum recruitment period of three months, and partly by the additional administrative work involved in recruiting contract as opposed to auxiliary.

2005 was also marked by a change in policy as regards compensation for overtime. Moreover, the demand for translations was much lower than in 2004.

Title II (Operational expenditure) : notably building policy, at 31.12.2005, the EESC and the Committee of the Regions together had 5 buildings under long term leases (Rue Montoyer 92-102; Rue Belliard 68-72 and 103-11; Rue de Trèves 74 and Rue Belliard 93). Following the new accounting rules, the balance sheet was recalculated at 1 January 2005. The net values of the buildings were decreased because the future variable price index addition to payments no longer added to the net present value. At the same time, the net value of Rue de Trèves, EUR 10 396 943 was added as the contract was signed in 2004.

In parallel, on 2 December 2005, a new long lease was signed jointly by the EESC and the Committee of the Regions concerning the "Rue Belliard 93" building. The EESC's share, which is 50%, amounts to EUR 5 736 656 and is recorded in the EESC balance sheet from 31 December 2005 onwards.

The continuation of interinstitutional cooperation should also be noted. Pursuant to a cooperation agreement concluded with the Committee of the Regions, the agreements on invoicing between the committees has been simplified the management of appropriations and the settlement of bills.

For further details concerning the Economic and Social Committee's budget in 2005, please refer to the annexed detailed analysis of expenditure.

2005 discharge: EC general budget, Economic and social Committee ESC

2006/2075(DEC) - 24/04/2007 - Final act

PURPOSE: to grant discharge to the Economic and Social Committee for the 2005 financial year.

LEGISLATIVE ACT: Decision 2008/503/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2005 (Section VI - European Economic and Social Committee).

CONTENT: with the present decision, the European Parliament grants the Secretary-General of the Economic and Social Committee discharge in respect of the implementation of the budget for the financial year 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, Economic and social Committee ESC

2006/2075(DEC) - 27/02/2007

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

The Council makes reference to the **Court of Auditors report on translation expenditure** (see summary of the document annexed to the Commission's discharge procedure [DEC/2006/2070](#) dated 8 February 2007 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.