


| Basic information  |                     |
|--|---------------------|
| <b>2006/2076(DEC)</b><br>DEC - Discharge procedure<br>2005 discharge: EC general budget, Committee of the Regions CofR<br><b>Subject</b><br>8.70.03.07 Previous discharges | Procedure completed |

### Key players


|   |   |   |                                |
|---|---|---|--------------------------------|
| European Parliament   | <b>Committee responsible</b><br><div style="border: 1px solid red; display: inline-block; padding: 2px;">CONT</div> Budgetary Control | <b>Rapporteur</b><br>CASPARY Daniel (PPE-DE)  | <b>Appointed</b><br>20/04/2006 |
|   | <b>Committee for opinion</b>  | <b>Rapporteur for opinion</b>                 | <b>Appointed</b>               |
|   | <div style="border: 1px solid red; display: inline-block; padding: 2px;">AFET</div> Foreign Affairs                                   | The committee decided not to give an opinion. |                                |
|   | <div style="border: 1px solid red; display: inline-block; padding: 2px;">DEVE</div> Development                                       | The committee decided not to give an opinion. |                                |
|   | <div style="border: 1px solid red; display: inline-block; padding: 2px;">INTA</div> International Trade                               | The committee decided not to give an opinion. |                                |
|   | <div style="border: 1px solid red; display: inline-block; padding: 2px;">BUDG</div> Budgets   | The committee decided not to give an opinion. |                                |
|   | <div style="border: 1px solid red; display: inline-block; padding: 2px;">ECON</div> Economic and Monetary Affairs                     | The committee decided not to give an opinion. |                                |
|   | <div style="border: 1px solid red; display: inline-block; padding: 2px;">EMPL</div> Employment and Social Affairs                     | The committee decided not to give an opinion. |                                |
|   | <div style="border: 1px solid red; display: inline-block; padding: 2px;">ENVI</div> Environment, Climate and Food Safety              | The committee decided not to give an opinion. |                                |
|   | <div style="border: 1px solid red; display: inline-block; padding: 2px;">ITRE</div> Industry, Research and Energy                     | The committee decided not to give an opinion. |                                |
| <div style="border: 1px solid red; display: inline-block; padding: 2px;">IMCO</div> Internal Market and Consumer Protection | The committee decided not to give an opinion.   |   |                                |
| <div style="border: 1px solid red; display: inline-block; padding: 2px;">TRAN</div> Transport and Tourism                   | The committee decided not to give an opinion.   |   |                                |

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|-------------------------------|---|---|-------------|
|                               | <b>REGI</b> Regional Development                      | The committee decided not to give an opinion. |             |
|                               | <b>AGRI</b> Agriculture and Rural Development         | The committee decided not to give an opinion. |             |
|                               | <b>PECH</b> Fisheries                                 | The committee decided not to give an opinion. |             |
|                               | <b>CULT</b> Culture and Education                     | The committee decided not to give an opinion. |             |
|                               | <b>JURI</b> Legal Affairs                             | The committee decided not to give an opinion. |             |
|                               | <b>LIBE</b> Civil Liberties, Justice and Home Affairs | The committee decided not to give an opinion. |             |
|                               | <b>AFCO</b> Constitutional Affairs                    | The committee decided not to give an opinion. |             |
|                               | <b>FEMM</b> Women's Rights and Gender Equality        | The committee decided not to give an opinion. |             |
|                               | <b>PETI</b> Petitions                                 | The committee decided not to give an opinion. |             |
| Council of the European Union | <b>Council configuration</b>                          | <b>Meetings</b>                               | <b>Date</b> |
|                               | Economic and Financial Affairs ECOFIN                 | 2787  | 2007-02-27  |
| European Commission           | <b>Commission DG</b>                                  | <b>Commissioner</b>                           |             |
|                               | Budget  | KALLAS Siim                                   |             |

| Key events |  |  |                         |
|------------|--|--|-------------------------|
| Date       | Event                                      | Reference  | Summary                 |
| 26/07/2006 | Non-legislative basic document published   | SEC(2006)0915<br> | <a href="#">Summary</a> |
| 14/12/2006 | Committee referral announced in Parliament |  |                         |
| 27/03/2007 | Vote in committee                          |  | <a href="#">Summary</a> |
| 30/03/2007 | Committee report tabled for plenary        | <a href="#">A6-0106/2007</a>   |                         |
| 24/04/2007 | Decision by Parliament                     | <a href="#">T6-0135/2007</a>   | <a href="#">Summary</a> |

|            |   |   |  |
|------------|---|---|--|
| 24/04/2007 | Results of vote in Parliament           |  |  |
| 24/04/2007 | Debate in Parliament                    | <a href="#">CRE link</a>  |  |
| 24/04/2007 | End of procedure in Parliament          |   |  |
| 15/07/2008 | Final act published in Official Journal |   |  |

| Technical information             |                           |
|-----------------------------------|---------------------------|
| <b>Procedure reference</b>        | 2006/2076(DEC)            |
| <b>Procedure type</b>             | DEC - Discharge procedure |
| <b>Legal basis</b>                | Rules of Procedure EP 102 |
| <b>Stage reached in procedure</b> | Procedure completed       |
| <b>Committee dossier</b>          | CONT/6/43591              |

| Documentation gateway                               |  |  |                         |                         |
|---|--|--|-------------------------|-------------------------|
| <b>European Parliament</b>                          |  |  |                         |                         |
| Document type                                       | Committee  | Reference  | Date                    | Summary                 |
| Committee draft report                              |  | <a href="#">PE382.616</a>  | 10/01/2007              |                         |
| Amendments tabled in committee                      |  | <a href="#">PE386.389</a>  | 06/03/2007              |                         |
| Committee report tabled for plenary, single reading |  | <a href="#">A6-0106/2007</a>   | 30/03/2007              |                         |
| Text adopted by Parliament, single reading          |  | <a href="#">T6-0135/2007</a>   | 24/04/2007              | <a href="#">Summary</a> |
| <b>European Commission</b>                          |  |  |                         |                         |
| Document type                                       | Reference  | Date   | Summary                 |                         |
| Non-legislative basic document                      | SEC(2006)0915<br><br><a href="#">OJ C 263 31.10.2006, p. 0001</a> | 26/07/2006   | <a href="#">Summary</a> |                         |
| <b>Other institutions and bodies</b>                |  |  |                         |                         |
| Institution/body                                    | Document type  | Reference  | Date                    | Summary                 |
| CofA  | Court of Auditors: opinion, report   | <a href="#">N6-0039/2006</a><br><a href="#">OJ C 263 31.10.2006, p. 0001</a> | 31/10/2006              | <a href="#">Summary</a> |

| Final act  |                         |
|--|-------------------------|
| <a href="#">Budget 2008/0504</a><br><a href="#">OJ L 187 15.07.2008, p. 0067</a> | <a href="#">Summary</a> |

## 2005 discharge: EC general budget, Committee of the Regions CofR

2006/2076(DEC) - 31/10/2006

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

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 Committee of the Regions:** to recall, the Committee's administrative expenditure totalled EUR 64 million in 2005. The Court states that following the Court's 2004 DAS audit and two internal audits, the administration of the Committee of the Regions asked certain beneficiaries of weighted salary transfers to present additional evidence. Several transfers which had not been regularly carried out before May 2004 and/or for which the beneficiaries did not present sufficient evidence were discontinued. In 2005 the administration did not recover any overpayments, although, according to Article 85 of the Staff Regulations, 'any sum overpaid shall be recovered if the recipient was aware that there was no due reason for the payment or if the fact of the overpayment was patently such that he could not have been unaware of it.'

**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, Committee of the Regions CofR

2006/2076(DEC) - 24/04/2007 - Final act

PURPOSE: to grant discharge to the Committee of the Regions for the 2005 financial year.

LEGISLATIVE ACT: Decision 2008/504/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2005 (Section VII - Committee of the Regions).

CONTENT: with the present decision, the European Parliament grants the Secretary-General of the Committee of the Regions 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, Committee of the Regions CofR

2006/2076(DEC) - 27/02/2007

The Council, on the basis of intensive preparatory work, approved a recommendation on the discharge to be given to the Committee of the Regions 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.

## 2005 discharge: EC general budget, Committee of the Regions CofR

2006/2076(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 VII – Committee of the Regions.

**CONTENT:** this document sets out the amount of expenditure and the financial statement of the Committee of the Regions (CoR) for 2005 and presents an analysis of its financial management. The available appropriations set out in the Committee's 2005 budget amounted to EUR 59.8 million, with a 96% utilisation rate

**Main axes of 2005 expenditure:** the budget implementation is characterised by the continuation of the consolidation of the Committee's institutional role within the EU.

In this context, **6 priority policy areas** have been defined around which the implementation of the 2005 budget is centred:

1. **territorial cohesion and financial perspectives:** special attention has been given to the preparation of the 2007-2013 financial perspectives and in particular the structural operations of the new financial framework;
2. **the debate on the European Constitution:** the CoR, in association with other institutions, has set up forums and debates on the new Constitution;
3. **Lisbon Strategy:** the CoR has centred its efforts on the social implications of the Lisbon Strategy and in particular in terms of employment. It also concentrated on the Agenda for social policy, the Community action programme on health and future investments in education and training, research, information society and eEurope 2010;
4. **review of the sustainable development strategy:** the CoR seeks to influence the Community debate which aims to place environment policy at the heart of the European debate;
5. **area of freedom, security and justice:** the CoR seeks to influence the debate so that future programmes take account of the regional dimension of the AFSJ;
6. **application of the subsidiarity principle in regional policy:** in the context of the Constitution, the region dimension and impact of the Committee of the Regions should be strengthened.

On an **internal level**, the Secretary General of the CoR continued to improve internal services. As regards administration, this is marked by the continued reform process which started in 2004.

Other salient issues of the CoR's budget implementation can be summarised as follows:

**Title I** (Staff costs): this budget item shows the effects of the enlargement process. The institution's budget was respected however certain issues were highlighted:

- mission costs and travel expenses: an implementation rate of 60% (consequently EUR 125 000 was carried over to 2006). Overall, this amount has increased given the arrival of the new members which necessitates more travel abroad. This item was also used to organise a special Summit in Wroclaw;
- reception costs: showed an implementation rate of 28% ( part of this amount has been carried over to 2006 in order to reconcile reimbursement invoices which arrived later than expected;
- interinstitutional cooperation (notably concerning translation): is behind with a 42% implementation rate. Substantial amounts have been paid to the Translation Centre for earlier work.

It should be noted that the support costs for translation (EUR 500 000 in 2005) were used at a rate of 96.5%. Most of this amount was used for external translations of the new languages.

**Title II** (Operational expenditure): this heading was characterised by;

- building projects in 2005 and the relationship with the Economic and Social Committee;
- the maintenance of Belliard 68 and Belliard 99/101;
- the renovation of the "Trèves" building; the contract for the last "enlargement" building was signed on 2 December 2005;
- the prospect of future enlargement (in particular for the Van Maerlant II and another part of the Montoyer building).

As regards building acquisition, 2005 has shown less significant investment in this area.

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

## 2005 discharge: EC general budget, Committee of the Regions CofR

2006/2076(DEC) - 24/04/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted Daniel **CASPARY** (EPP-ED, D) by 604 votes for, 64 against and 2 abstentions, and granted the Committee of the Regions' Secretary-General discharge for the implementation of the Committee of the Regions budget for the financial year 2005. In doing so, it made a series of observations on the discharge in its accompanying resolution.

Parliament began by noting that in 2005 the Committee of the Regions (CoR) had available commitment appropriations amounting to total of EUR 69 570 456,32 with a utilisation rate of 96,65%. Following the introduction of accrual accounting with effect from 1 January 2005 the CoR's financial statements disclose a positive economic out-turn for the year (EUR 4 050 062,65) and identical amounts of assets and liabilities (EUR 118 221 197,95).

Parliament went on to note that the CoR's administration had requested certain beneficiaries of weighted salary transfers to present additional evidence, and in 2005 the administration did not recover any overpayments. However, the internal audit on salaries transfer requested by the Secretary-General was completed in February 2006, and the administration is now proceeding with the recovery of overpayments which concern a limited number of officials. Furthermore, Parliament noted that as soon as he heard of this problem, the CoR's Secretary-General immediately asked the then Internal Auditor to continue his work on weighted salary transfers. He adopted a restrictive interpretation of the relevant rules of the recently amended Staff Regulations and ordered the recovery of any amounts considered to have been unduly paid. Some of the officials that have been obliged to repay dispute the CoR Secretary-General's reading of the relevant rules and have referred the matter to the Court of Justice. Parliament supported the Secretary-General in his intention to set up an administrative inquiry and expected him to start disciplinary proceedings on the basis of the OLAF report regarding staff concerned. There must be a strict prosecution of all cases where fraudulent behaviour could be proved.

On the matter of administrative cooperation, Parliament felt that such cooperation between the CoR and the European Economic and Social Committee (EESC) should be beneficial to both and financially advantageous for EU taxpayers. It insisted that any new structures put in place for administrative cooperation between the two committees should result in financial and organisational benefits, and demanded that both committees find a suitable way to continue the administrative cooperation. 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 two institutions to conduct a joint analysis based on appropriate bench marks – if necessary with the help of the ECA – 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.

Lastly, it noted with concern that it had not been possible to fill all vacant posts from the reserve lists drawn up after EPSO competitions and asked the CoR to analyse the reasons for the shortage of qualified candidates and to inform the competent committee.