

Procedure file

Basic information		
DEC - Discharge procedure	2007/2043(DEC)	Procedure completed
2006 discharge: EC general budget, Committee of the Regions		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		27/03/2007
	Committee for opinion	IND/DEM LUNDGREN Niels	Appointed
	PETI Petitions	Rapporteur for opinion	The committee decided not to give an opinion.
	REGI Regional Development		The committee decided not to give an opinion.
	AFCO Constitutional Affairs		The committee decided not to give an opinion.
	DEVE Development		The committee decided not to give an opinion.
	CULT Culture and Education		The committee decided not to give an opinion.
	AFET Foreign Affairs		The committee decided not to give an opinion.
	PECH Fisheries		The committee decided not to give an opinion.
	AGRI Agriculture and Rural Development		The committee decided not to give an opinion.
	ENVI Environment, Public Health and Food Safety		The committee decided not to give an opinion.
	EMPL Employment and Social Affairs		The committee decided not to give an opinion.
	BUDG Budgets		The committee decided not to give an opinion.
	ITRE Industry, Research and Energy		The committee decided not to give an opinion.
	JURI Legal Affairs		The committee decided not to give an opinion.
	ECON Economic and Monetary Affairs		The committee decided not to give an opinion.
	LIBE Civil Liberties, Justice and Home Affairs		The committee decided not to give an opinion.
	INTA International Trade		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.	

	FEMM Women's Rights and Gender Equality	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2847	12/02/2008
European Commission	Commission DG	Commissioner	
	Budget	KALLAS Siim	

Key events

29/03/2007	Non-legislative basic document published	SEC(2007)1055	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
01/04/2008	Committee report tabled for plenary	A6-0095/2008	
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		
22/04/2008	Decision by Parliament	T6-0139/2008	Summary
22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information

Procedure reference	2007/2043(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 100
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/54015

Documentation gateway

Non-legislative basic document		SEC(2007)1055	30/03/2007	EC	Summary
Court of Auditors: opinion, report		N6-0005/2008 OJ C 273 15.11.2007, p. 0001	15/11/2007	CofA	Summary
Committee draft report		PE400.411	06/02/2008	EP	
Amendments tabled in committee		PE402.770	07/03/2008	EP	
Committee report tabled for plenary, single reading		A6-0095/2008	01/04/2008	EP	
Text adopted by Parliament, single reading		T6-0139/2008	22/04/2008	EP	Summary
Commission response to text adopted in plenary		SP(2008)3169	28/05/2008	EC	

Final act

[Budget 2009/194](#)
[OJ L 088 31.03.2009, p. 0083](#) Summary

2006 discharge: EC general budget, Committee of the Regions

PURPOSE: to present the final annual accounts of the European Communities for the financial year 2006 ? 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 2006 and presents an analysis of its financial management.

The appropriations available for the CoR budget for the financial year 2006 amounted to EUR 63.363 million. Appropriations committed amounted to EUR 61.97 million ? 97.8% of the budget ? and appropriations paid amounted to 85.5%.

Main axes of 2006 expenditure: the year was mainly characterised by the organisation of the fourth European Week of Regions and Cities (9-12 October 2006 with some 5 000 participants). On 6 May 2006, the CoR also contributed to organising EU Open Days and welcomed some 4 500 visitors. Moreover, the CoR Bureau organised five ordinary meetings and two extraordinary sessions in Innsbruck (Austria) and Turku (Finland).

In terms of financial management, 2006 also marked a turning point with the presentation, for the first time, of an activity report that takes account of the financial implementation of actions undertaken, in accordance with the Control Standards, as required by the Financial Regulation.

The other main axes of CoR expenditure can be summarised as follows:

- Consultative work: the majority of the CoR's work, as in the past, involved assisting the other institutions in their analysis of pending legislation. 2006 cannot, however, be considered a typical year, to the extent that the CoR's Commissions only really worked for 8 of the 12 months, as a result of the CoR's renewal. Two main units/commissions carry out this consultative work: UNIT 1 which focuses on the organisation and coordination of work with local authorities (22 opinions; 18 meetings; 3 working groups; 4 external conferences) and UNIT 2 which focuses on European governance, justice and home affairs, development cooperation and the EU's external policy (19 opinions; 17 meetings; 6 external seminars; 7 meetings of working groups and local election observation missions). Lastly, UNIT 3 focuses on policy analysis, studies and inter-institutional legislative planning;
- Activity in addition to consultative work: in addition to consultative work, the CoR carries out communication work and acts as an intermediary with the press. In 2006, most of the CoR's activities involved raising its profile and increasing its political impact, strengthening links with regional representatives, organising events (such as ?Meeting Place on Europe's Regions and Cities?), publishing documents for the general public, improving its intranet and external website, etc. In 2006, the most noteworthy actions, other than organising the EU Open Days on 6 May, include the organisation of public conferences and the opening of the headquarters to some 10 000 visitors (mostly officials and students).

Other notable points regarding the budgetary implementation of the CoR can be summarised as follows:

Title I (staff expenditure): EUR 44.285 million, 98.93% of which was committed and 91.56% paid. The Institution's budget was on the whole respected, but large differences were noted in the implementation of certain areas of the budget, such as:

- travel expenses: in 2006, the item for travel expenses required a transfer of appropriations to the amount of EUR 80 000, and almost all the appropriations made available for this item (including the transfer of appropriations) were used (98% of the amount available); the transfer of appropriations was necessary due to insufficient appropriations to meet needs and to take account of the different indexations of basic amounts (not indexed since 2004);
- entertainment and representation expenses: only 39% of expenses were actually paid (whereas 99% of appropriations provided for had been committed): these are mostly expenses of national delegations which recorded a (large) payment deficit;
- inter-institutional cooperation: in decline, with a payment rate of 28% (compared to commitments in the order of 98%). The most striking payment deficit was in the interpretation and translation services. With regard to interpretation, under-implementation is related to the reduction in the number of interpreters at meetings and the fact that distance interpretation was not used. As for translation, the costs decreased considerably compared to 2005 and were limited to EUR 71 000, of which 71.4% was used. In general, these amounts are used to tackle situations where there is an overload of work and they constitute a reserve capacity. Moreover, demand was very low for the first three quarters of the year following the renewal of the CoR and the limits on the size of documents to be translated. As this information was not known from the beginning, the rate of under-utilisation can be easily explained.

Title II (administrative expenditure): EUR 19.1 million, of which 95% was committed and 71% paid. This budgetary item was mostly characterised by a reduction in travel expenses and meeting expenses (particularly for candidate country observers ? Bulgaria and Romania ? and for speakers). The quite low rate of implementation can be explained by the fact that these observers and certain external speakers made use of low cost tickets. In this context, note that the CoR authorities have put several applications for refunds on hold due to a lack of supporting documentation (for travel costs, costs of studies or costs related to speakers' meetings).

With regard to buildings policy, 2006 was mainly characterised by the purchase of furnishings to finalise the move to new buildings (Remorqueur and Van Maerlant). A large proportion of the furnishings was delivered in 2007 (but ordered in 2006).

Once again, note a net under-implementation of costs of hiring vehicles (official cars).

Transfer of appropriations: lastly, the document notes several transfers of appropriations between budget items or articles, including: (i) a transfer of appropriations to finance the CoR's contribution to the funding of the Council crèche (which may also be used by children of CoR officials); (ii) a transfer to finance contractual agents; (iii) a transfer to finance the additional costs related to allowances for permanent or temporary staff; (iv) a transfer of appropriations (?mopping up?) in order to prepare in advance for the costs involved in fitting-out the Remorqueur building (EUR 1.2 million).

2006 discharge: EC general budget, Committee of the Regions

The Committee on Budgetary Control adopted the report by Nils LUNDGREN (ID, SE) advising the Parliament to grant the Committee of the

Regions' Secretary-General discharge in respect of the implementation of its budget for the financial year 2006.

Firstly, the parliamentary committee notes that the Committee of the Regions (CoR) had the following appropriations available to assure its functions in 2006: EUR 74 391 953 in commitment appropriations (compared to EUR 69 570 456 in 2005) with a utilisation rate of 97.94%.

Overall, MEPs welcome the signature, in December 2007, of a new Administrative Cooperation Agreement between the EESC and the CoR for the period 2008 to 2014, believing that cooperation between the two institutions will be financially advantageous for the European taxpayer. They note that the new Agreement keeps the most important areas (infrastructures, IT and telecommunications as well as translation, including the production of documents) within the Joint Services' remit, while a limited number of services are de-coupled (such as internal services, socio-medical service, the library and prepress). MEPs believe that this de-coupling should be budget neutral. They, therefore, urge the two Committees to carry out a joint analysis of this Cooperation Agreement and the decoupling of certain services as part of the mid-term review, in order to assess whether this shift of resources will have been beneficial to both. They also call on the two Committees to keep Parliament informed of the mini-cooperation agreements in the areas concerned by de-coupling.

Procurement: like the Court of Auditors, MEPs note the management and control weaknesses in relation to public procurement and, notably, the high percentage of negotiated procedures, instead of calls for tenders, even though for the majority of building-related services (that were previously awarded after negotiated procedures) new contracts have been signed after calls for tender or call for tender procedures are on-going. In this context, MEPs welcome the creation, within the Joint Services, of a Contracts Unit providing assistance to all operational departments in the Joint Services in the area of public procurement.

Building policy: MEPs note that, according to the Joint Services' answers to the rapporteur's questionnaire, with the occupation of the Remorqueur and Van Maerlant buildings in 2007, 92% of the Committees' total office space is now occupied and their needs for space have been satisfied for the coming years.

Controls: MEPs note that the verification service was transferred in 2006 from the Budget and Finance unit to the General Administration unit of the CoR, with a view to further emphasising the principle of the separation of functions and the independence of that service. The CoR also requested all its services to verify 5% of all files in 2007. Therefore, on the whole, the CoR has significantly increased its resources and capacities in its financial verification service. MEPs welcome this progress as they consider it crucial that the controls carried out are rigorous.

Members' travel expenses: MEPs return to the issue of the amounts refunded to members for travel expenditure (air tickets) on the basis of hand-written travel agency invoices, which were on average 83% higher than the price actually charged by the airline for the ticket used. MEPs note that, following this, the CoR's administration carried out a broad investigation into the matter, which was completed in July 2007 and whose results did not demonstrate that the amounts paid for administrative costs were justified. At the same time, the CoR decided to make further reimbursements subject to compliance with a number of conditions and suspended all reimbursements based on travel documents purchased under the previous arrangements. The CoR also informed OLAF about the evolution of the dossier.

Salary transfers: MEPs also consider the salary transfers made in 2006. Following an investigation, OLAF established that eight transfers were not in compliance with statutory conditions and recommended recovering the amounts overpaid from the officials concerned, as well as the opening of disciplinary proceedings for some of them. Subsequently, the files of five of them were submitted to the Belgian authorities and all the undue amounts were reimbursed. MEPs note that, following a request by the Belgian authorities, the CoR Appointing Authority lifted the immunity of the officials concerned to enable them to be interviewed by the authorities. At the same time, an administrative enquiry was launched by the CoR's Secretary-General and in two of the five cases the Appointing Authority will take its decision on the opening of disciplinary proceedings, as soon as it has received the necessary information as to the follow-up the Belgian authorities intend to give to those files. In a further case OLAF decided to address a warning to the official concerned.

Regarding the overall dossier, MEPs reiterate their demand for a strict prosecution of all cases of fraudulent behaviour. They also welcome the fact that the weaknesses observed in terms of control (shortcomings in the separation of initiation services and internal verification of controls) resulted in a positive outcome within the CoR.

2006 discharge: EC general budget, Committee of the Regions

PURPOSE: to grant discharge to the CoR for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/194/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2006 (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 2006.

This decision is in line with the European Parliament's resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).

2006 discharge: EC general budget, Committee of the Regions

The European Parliament adopted, by 623 votes in favour, 42 against and 14 abstentions, a Decision to grant the Committee of the Regions' Secretary-General discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this institution.

At the same time, the Parliament adopted by 626 votes in favour, 46 against and 15 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Nils LUNDGREN (ID, SE) on behalf of the Committee on Budgetary Control.

The Resolution recalls that the Committee of the Regions (CoR) had the following appropriations available to assure its functions in 2006: EUR 74 391 953 in commitment appropriations (compared to EUR 69 570 456 in 2005) with a utilisation rate of 97.94%.

Overall, the Parliament welcomes the signature, in 2007, of a new Administrative Cooperation Agreement between the EESC and the CoR for

the period 2008 to 2014, believing that cooperation between the two institutions will be financially advantageous for the European taxpayer. It notes that the new Agreement keeps the most important areas (infrastructures, IT and telecommunications as well as translation, including the production of documents) within the Joint Services' remit, while a limited number of services are de-coupled (such as internal services, socio-medical service, the library and prepress) - this de-coupling should be budget neutral. It urges the two Committees to carry out a joint analysis of this Cooperation Agreement as part of the mid-term review, as well as the effect of the decoupling of certain services on the resources of these two institutions.

The Parliament makes a series of observations which can be summarised as follows:

- Procurement: the Parliament notes the worryingly high percentage of negotiated procedures, instead of calls for tenders, for allocating certain services to this institution. Regretting this situation, the Parliament welcomes the creation, within the Joint Services, of a Contracts Unit providing assistance to all operational departments in the Joint Services in the area of public procurement;
- Controls: the Parliament notes that the CoR requested all its services to verify 5% of all files in 2007. Therefore, on the whole, the CoR has significantly increased its resources and capacities in its financial verification service., which is welcomed by the Parliament since it considers it crucial that the controls carried out are rigorous;
- Members' travel expenses: the Parliament returns to the issue of the amounts refunded to members for travel expenditure (air tickets) on the basis of hand-written travel agency invoices, which were on average 83% higher than the price actually charged by the airline for the ticket used. The Parliament notes that, following this, the CoR's administration carried out a broad investigation into the matter, which was completed in July 2007 and whose results did not demonstrate that the amounts paid for administrative costs were justified. At the same time, the CoR decided to make further reimbursements subject to compliance with a number of conditions and suspended all reimbursements based on travel documents purchased under the previous arrangements. The CoR also informed OLAF about the evolution of the dossier;
- Salary transfers: the Parliament also considers the salary transfers made in 2006. Following an investigation, OLAF established that eight transfers were not in compliance with statutory conditions and recommended recovering the amounts overpaid from the officials concerned, as well as the opening of disciplinary proceedings for some of them. Subsequently, the files of five of them were submitted to the Belgian authorities and all the undue amounts were reimbursed. The Parliament notes that the CoR Appointing Authority lifted the immunity of the officials concerned. More generally, the Parliament considers that there should be strict prosecution of all cases of fraudulent behaviour.