It-Tlieta, 12 ta' April 2005

1. Grants the Registrar of the Court of Justice discharge in respect of the implementation of the budget for the 2003 financial year;

2. Records its comments in the accompanying resolution;

3. Instructs its President to forward this decision and the accompanying resolution to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions and the Ombudsman and to have them published in the Official Journal of the European Union (L series).

2.

European Parliament resolution containing the comments which form part of the decision on the discharge for implementing the general budget of the European Union for the financial year 2003, Section IV — Court of Justice (C6-0017/2005 — 2004/2043(DEC))

The European Parliament,

— having regard to the general budget of the European Union for the financial year 2003 ([1]),

— having regard to the revenue and expenditure account and balance sheet for the 2003 financial year (C6-0017/2005),

— having regard to the annual report of the European Court of Auditors concerning the financial year 2003, together with the institutions' replies ([2]),

— having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions, provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ([3]),

— having regard to Articles 272(10), 275 and 276 of the EC Treaty,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([4]), in particular Articles 50, 86(4),145, 146 and 147 thereof,

— having regard to the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities ([5]),

— having regard to Rule 71 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A6-0066/2005),

The European Court of Auditors annual report

1. Notes that the European Court of Justice (ECJ) administered a budget of EUR 150 599 614, of which 99,34 % (EUR 149 598 960,09) had been committed and 93,32 % (EUR 146 842 346,23) spent by 31 December 2003;

2. Welcomes the fact that the Court of Auditors, for the first time, has evaluated the control environment of all institutions individually and has published their observations in a separate part;

3. Notes that some of the most important requirements (minimum control standards, charters for financial actors, scope of the internal auditor's mission) of the Financial Regulation were not fully implemented in 2003;

4. Recognises in this context that the ECJ nevertheless adopted its new internal financial rules in January 2003 and that it preferred to draft detailed provisions and charters once some experience was gained with the operation of the new system; the documents required by the Court of Auditors were adopted in March 2004;

([1]) OJ L 54, 28.2.2003.
([2]) OJ C 293, 30.11.2004, p. 1.
([3]) OJ C 294, 30.11.2004, p. 99.
([4]) OJ L 248, 16.9.2002, p. 1.
([5]) OJ L 356, 31.12.1977, p. 1.

5. Is concerned about the ECJ's statement that "… there was available to the institution for the application of the new provisions only an extremely limited number of persons with a thorough knowledge of financial systems and backgrounds";

6. Is also concerned that the internal auditor could not carry out his work programme in 2003 owing to a lack of staff; welcomes the ECJ's readiness to forward a copy of the internal auditor's 2004 work programme; calls on the ECJ to remedy this staff shortage without delay and within the assigned budgetary means; considers that an internal audit capability constitutes a natural and obligatory component of any sound administration;

7. Notes that, following the observations made by the Court of Auditors, the verification and audit functions in the ECJ have been separated;

8. Notes that the ECJ negotiated the purchase of site licences for the use of software by restricted procedure without prior publication of a notice, thereby infringing legal provisions currently in force; the ECJ has admitted its mistake;

Follow-up to the 2002 discharge procedure

9. Remains alarmed about the growing backlog of cases in 2003, although initial indicative figures for 2004 show, with regard to the ECJ, a slight improvement ([1]):

European Court of Justice:	2000	2001	2002	2003	*2004*
cases completed	526	434	513	494	*665*
new cases	503	504	477	561	*531*
cases pending	873	943	907	974	*840*
The main areas concerned were: environment and consumers, agriculture, approximation of laws, social policy and taxation; cases lasted on average two years.					

Court of First Instance	2000	2001	2002	2003	*2004*
cases completed	344	340	331	339	*361*
new cases	398	345	411	466	*536*
cases pending	786	792	872	999	*1 174*
The main areas concerned were: actions for annulment, staff cases and intellectual property; cases lasted on average a year and a half.					

welcomes the following improvements:
— smaller chambers delivered judgments,
— fewer opinions presented by the Advocates-General,
— creation of a Civil Service Tribunal (26 % of the cases before the Court of First Instance),
— simplification of the reports for the hearing drawn up by the Judge-Rapporteurs;

expects the ECJ to set performance targets and to establish action plans to achieve them, with a view to reducing the time span needed to bring pending cases to a conclusion in the years to come;

10. Will make this issue one of the focal points in the 2004 discharge procedure;

11. Welcomes the measures taken by the ECJ with regard to the use of official cars for members, as outlined in its administrative decision of 31 March 2004; recognises that the new provisions are transparent and represent an improvement of the situation; notes that, with a view to reducing the administrative burden, the Court also defrays the cost for 15 000 km, in addition to journeys authorised by travel order, and that the professional use of the car is recorded in the driver's log;

([1]) Figures taken from the 2003 Annual Report; the figures for 2004 are preliminary and were supplied by the ECJ's administration.

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12. Notes that Article 6 of the abovementioned decision provides that, where the members use their official cars for journeys other than those referred to in Article 5 [i.e. journeys undertaken in the performance of official duties covered by a travel order, or based on a standard rate of 15 000 km/year], they are responsible for any related expenditure (tolls, fuel costs and any additional rental charge resulting from mileage in excess of the overall figure of 45 000 km per year stipulated in the framework contract); is of the opinion that the private use of an official car represents an undisclosed benefit-in-kind, which Parliament considers to be inappropriate;

Annual activity report of the authorising officer and annual report of the internal auditor

13. Notes the reply of the ECJ Registrar, according to which he is unable to forward the report under Article 86(4) or the internal auditor's report as no internal audit report was finalised [1]; will therefore pay special attention to these two documents in the 2004 discharge procedure;

14. Notes that the 2003 annual activity report of the authorising officer was only submitted in July 2004 and does not contain a statement of assurance; is of the opinion that the annual activity report should be ready in time for the Court of Auditors' audit containing a signed statement of assurance as a visible sign of financial responsibility;

Other remarks

15. Congratulates the ECJ on the comprehensive preparatory work undertaken in 2003 to prepare for enlargement, as shown in the report of the working group; will follow up the measures taken in its 2004 discharge report;

16. Asks the ECJ to evaluate the implications of the new Financial Regulation for its administrative and judicial work in time for its review in 2005/2006, which should be forwarded to the European Parliament for its consideration;

17. Notes that the ECJ agreed, during the discussion on 19 January 2005, to answer a number of additional questions in writing in time for the answers to be considered during the 2003 discharge procedure.

[1] Answer to question No 3.

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2003 discharge: Section V of the general budget

1.

European Parliament decision on the discharge for implementing the general budget of the European Union for the financial year 2003, Section V — Court of Auditors (C6-0018/2005 — 2004/2044(DEC))

The European Parliament,

— having regard to the general budget of the European Union for the financial year 2003 [1],

— having regard to the revenue and expenditure account and balance sheet for the 2003 financial year (C6-0018/2005),

— having regard to the annual report of the European Court of Auditors concerning the financial year 2003, together with the institutions' replies [2],

— having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions, provided by the Court of Auditors pursuant to Article 248 of the EC Treaty [3],

[1] OJ L 54, 28.2.2003.
[2] OJ C 293, 30.11.2004, p. 1.
[3] OJ C 294, 30.11.2004, p. 99.