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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 VI — European Economic and Social Committee (C6-0019/2005 — 2004/2045(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 (C6-0019/2005),

— 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 Economic and Social Committee (EESC) administered a budget of EUR 81 166 960, of which 98,12 % (EUR 79 642 494) had been committed and 92,77 % (EUR 73 889 949,11) 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 a number of provisions enabling the supervisory and control environment to function properly were not in place before 2004;

4. Notes the explanation given by the EESC that "… priority had to be given to setting up the basic components of the regulatory framework (e.g. the EESC's internal financial rules) and to the nomination of financial actors"; records that the internal financial rules were adopted on 8 January 2003;

5. Notes that in the area of procurement several requirements of the Financial Regulation were not complied with in 2003; calls on the Court of Auditors to verify announced improvements in its 2004 audit report;

6. Welcomes the fact that a new personnel management and payroll system was put in place in early 2004;

7. Welcomes the fact that the EESC, albeit belatedly, abolished the imprest account for the payment of members' allowances in early 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.

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8. Reminds the EESC that it gave a public assurance during last year's discharge procedure that "… there have been no further irregularities whatever with regard to the settlement of travel expenses" [1]; criticises the EESC therefore for the fact that the Court has found proof that in three cases the travel allowance paid to members was twice the amount provided for in the committee's own rules; notes that the EESC, in the meantime, has clarified the travel reimbursement rules; calls on the European Court of Auditors to follow up its findings in its 2004 discharge report;

9. Notes that the European Anti-Fraud Office (OLAF) has completed an investigation into allegations concerning the possible misuse of the committee's travel reimbursement scheme by a member; OLAF has found evidence of "double reimbursement" and, therefore, forwarded its findings to the Belgian public prosecutor; throughout the investigation the EESC fully co-operated with OLAF; OLAF did not question the EESC's financial management system;

Follow-up to the 2002 discharge procedure

10. Notes, with regard to the Belliard building, that an internal auditor's report "… did not reveal any acts of fraud …. It also recognised the value of the building project for the Committees and the correct price level at which the building was acquired" [2]; the audit did however identify some weaknesses in the management of specific works;

11. Welcomes the EESC's readiness to report back on the follow-up given to the internal auditor's recommendations; in addition the EESC will forward to Parliament's competent committee the 9th progress report on the Belliard building;

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

12. Welcomes the fact that the EESC forwarded the authorising officer's annual report, which was accompanied by a signed statement of assurance;

13. Welcomes the fact that the EESC has forwarded a synopsis of the internal auditor's annual report to the Committee on Budgetary Control; notes in this context that the internal auditor has

— established a check-list for implementation of the provisions of the Financial Regulation,

— recommended the reinforcement of the nomination procedure for financial actors,

— recommended the establishment of quarterly spending plans,

— recommended the establishment of complete financial and contractual files,

— recommended the publication on the intranet of the complete financial and legal framework to simplify financial management;

— established specific recommendations for sectors with budgetary activities including action plans for 2004;

14. Will follow up these recommendations in its 2004 discharge report;

Other remarks

15. Calls on the EESC to further improve its public profile as a body representing civil society; calls on the EESC to use benchmarking with a view to achieving measurable progress;

16. Congratulates the EESC on the comprehensive preparatory work undertaken in 2003 to prepare for enlargement; will follow up the measures taken in its 2004 discharge report;

17. Asks the EESC to evaluate the implications of the new Financial Regulation for its administrative and political work in time for its review in 2005/2006 and to report its findings to the European Parliament.

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[1] Texts Adopted, 21.4.2004, P5_TA(2004)0342.

[2] Reply to written question No 3.