RESOLUTION OF THE EUROPEAN PARLIAMENT

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 V — Court of Auditors

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]),

— 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 Auditors (ECA) administered a budget of EUR 77 076 689 of which 96,83 % (EUR 74 634 579,94) had been committed and 89,58 % (EUR 69 045 709,53) spent by 31 December 2003;

2 Welcomes the fact that the ECA, 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 the ECA has drawn up charters describing in detail the tasks, rights and obligations of the financial actors, and that minimum control standards were adopted in December 2003;

4. Takes note of the findings of the external KPMG audit concerning the ECA: 'In our opinion the (…) accounting data and financial statements give a true and fair view, in accordance with the Financial Regulation, the implementing rules, generally accepted accounting principles and the European Court of Auditors' Internal Rules, of the assets and financial position of the Court of Auditors on 31 December 2003, and of the economic result and the revenue and expenditure for the financial year then ended';

5. Asks to receive a copy of the evaluation report on the Court's construction policy when it has been finalised;

([1]) OJ L 54, 28.2.2003, p. 1.
([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.

Follow-up to the 2002 discharge procedure

6. Recalls that the 2002 discharge report also contained observations with regard to the Statement of Assurance and the audit system; these observations will be followed up in the 2003 Commission discharge report;

7. Points out that the investigations into Eurostat by the European Anti-Fraud Office (OLAF) have not been finalised at this stage; insists that the ECA schedule a comprehensive audit of the control and supervisory systems in place, once OLAF has completed its investigations;

8 Reiterates its recommendation in paragraphs 21 and 22 of its resolution of 21 April 2004 ([1]) on the discharge for 2002 to the effect that, following the expansion of the Court, each of its 25 Members should take on special audit responsibility for at least one Commission directorate-general, in order to identify at an early stage, and prevent, the occurrence of undesirable developments such as in the case of Eurostat;

9. Welcomes the fact that, according to the 2005 work plan, the ECA will audit the European system of accounts inventories, the GNI and the quality of the GNI;

10. Welcomes the fact that the Court has examined the new statute for Members of the European Economic and Social Committee; notes that the provisions in the statute itself do not have direct financial implications; is reassured that the Court will take up the issue in the 2004 audit exercise;

11. Notes that the European Economic and Social Committee adopted detailed arrangements and procedures for the inventory in October 2003; calls therefore on the Court to audit the inventory when preparing the 2004 Annual Report;

12. Welcomes the fact that the ECA has forwarded its decisions of 16 December 2004 on the arrangements for cooperation (concerning members, staff and access to audit information) with OLAF; regrets that these decisions were taken rather belatedly;

13. Welcomes the measures taken by the ECA with regard to the use of official cars for Members, as outlined in its administrative decision of 15 June 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;

14. Notes that Article 5 of the abovementioned decision stipulates: 'Where the Members or the Secretary-General use their official cars for journeys other than those referred to in Article 4 (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 shall be 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 kilometres 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

15. Acknowledges that the ECA has sent a one-page report (pursuant to Article 86(4) of the Financial Regulation) to the Committee on Budgetary Control; expects such a report to provide a clear picture of the current control environment, for which the improvements should be introduced in the following year;

16. Calls for the authorising officer's annual report to contain a signed Statement of Assurance;

([1]) OJ L 330, 4.11.2004, p. 144.

17. Wishes to receive a copy of the internal auditor's annual report; is aware that the ECA considers this to be an internal document; points out, however, that the internal auditor's report usually enables the discharge authority to obtain a clear picture of the control environment and the improvements scheduled for the following year; emphasises that most other institutions trust the Committee on Budgetary Control to handle this document responsibly;

18. Notes that the ECA has introduced a computerised audit support system designed to facilitate and improve the planning and standardisation of the audit process, quality control at all stages of this process, documentation, presentation of results and drawing up of reports, work at remote locations and the provision of management information;

19. Notes that, in 2003, only 50 % of the money available for exchange of civil servants and experts was used because the applicable financial provisions changed; 2003 could therefore be considered as a transition year;

20. Is of the opinion that there could be a need to analyse whether the current structure and functioning of the 'top heavy' European Court of Auditors should be reformed; recalls that at the moment the Court of Auditors has 736 employees, of whom 325 are professional auditors (A and B grades), with 275 (A and B grades) working in the audit groups and 50 (A grades) in Members' cabinets;

21. Welcomes the fact that the Court has forwarded the September 2003 report on its buildings' policy to the Committee on Budgetary Control; wishes to be kept informed of progress made in the context of the 2004 discharge procedure;

Other remarks

22. Congratulates the ECA on the network constructed with audit institutions in Member States and applicant countries (in preparation for enlargement); asks the ECA to report back to Parliament's competent committee, in time for the 2004 discharge procedure, on the progress achieved:

— in arriving at a better system of burden sharing between the ECA and national audit institutions, in particular with regard to access to national audit files, and

— in streamlining audit approaches, in particular with regard to national statements of assurance and audit systems with a view to enhanced compatibility, and

— in improving the efficiency of controls by thoroughly reviewing the quantity and quality of the controls envisaged;

23. Welcomes the ECA's readiness to supply written answers to the questions in time for the 2003 discharge;

24. Calls on the ECA to provide the Chairman of the Committee on Budgetary Control and the rapporteur on the Commission discharge with advance copies, confidential if necessary, of the annual report; in addition, wishes to know at an early stage what special reports to expect in the course of the year with a view to giving them proper consideration;

25. Asks the ECA to evaluate the implications of the new Financial Regulation for its administrative work in time for its review in 2005/2006;

26. Invites the Court of Auditors to include in its annual activity report information concerning its ability to meet production targets, the unit costs, significant areas of development and other relevant factors as regards the institution's performance; notes that such a performance report would also be an excellent way of publishing information on the modernisation of the statement of assurance and other developments in the Court's audit approach.