RESOLUTION

of the European Parliament containing the comments accompanying the decision concerning discharge in respect of the implementation of the general budget of the European Union for the 2002 financial year — Section VII — Committee of the Regions

THE EUROPEAN PARLIAMENT,

— having regard to the revenue and expenditure account and balance sheet for the 2002 financial year (I5-0034/2003 — C5-0088/2004),

— having regard to the annual report of the European Court of Auditors for the 2002 financial year, together with the replies of the institutions (C5-0583/2003) ([1]),

— having regard to the statement of assurance by the European Court of Auditors, pursuant to Article 248 of the EC Treaty, as to the reliability of the accounts and the legality and regularity of the underlying transactions (C5-0583/2003),

— having regard to the Council's recommendation of 9 March 2004 (C5-0145/2004),

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

— having regard to Article 22(2) and (3) of the Financial Regulation of 21 December 1977 ([2]) and Article 50 of the Financial Regulation of 25 June 2002 ([3]),

— having regard to Rule 93 *a* of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A5-0228/2004),

1. Notes the replies given by the President of the Committee of the Regions on 16 December 2003 to the questionnaire sent by the Committee on Budgetary Control on 26 November 2003;

2. Notes that in its report concerning the financial year 2002 the Court of Auditors established the same irregularities as the Anti-Fraud Office (paragraph 9.23);

3. Points out that Parliament did not grant the Committee of the Regions discharge in respect of financial management in 2001 until 29 January 2004 ([4]) and, in the resolution accompanying the discharge decision, called on the Committee of the Regions 'to provide a full report on the current discharge decision in good time for it to be taken into account in the context of the discharge procedure for the 2002 financial year' (paragraph 21);

4. Welcomes the setting up of working groups, with the involvement of staff of the institution and an external advisor, to examine and propose solutions to the various structural, administrative and financial problems; remains however to be convinced that they will lead to significant improvements as long as the administrative culture remains the same; points out that, following the example of the Commission in the Eurostat affair, a root and branch overhaul of senior management, working methods and respect for internal audit is essential to create a climate of reform and renewal;

5. Awaits confirmation that the Committee has strengthened its internal audit unit with the A 7 and B 5 posts agreed by Parliament and seeks a justification for any further delay in recruitment procedures;

([1]) OJ C 286, 28.11.2003, p. 1.

([2]) OJ L 356, 31.12.1977, p. 1.

([3]) OJ L 248, 16.9.2002, p. 1.

([4]) OJ L 57, 25.2.2004, p. 8.

6. Expresses its general surprise at the dismissal of the OLAF findings and recommendations and suggests that real reform can only begin by acknowledging past mistakes and weaknesses;

7. Notes that the European Parliament in its resolution on the Committee of the Regions [1] was very critical of the Institution; deplores the treatment of the Financial Controller, as stated in the OLAF report;

8. Notes that, on 17 February 2004, the President of the Committee of the Regions forwarded a work plan on administrative reform to the committee chairman and rapporteur which must be implemented over the next few months; points out at this early juncture that implementation of the measures will be verified during the budget discharge procedure for 2003; points out that improvements must be introduced in such a way that the progress achieved can be gauged;

9. Thanks the European Economic and Social Committee (EESC) and the Committee of the Regions for the progress report of 26 June 2003 [2] on renovating the Belliard Building, according to which it will be handed over on 31 May 2004;

10. Criticises the Committee of the Regions for failing to replace the staff of the Financial Controller or to give him the necessary information to carry out an audit report in 2002;

11. Notes with satisfaction that the Committee of the Regions will take over the standard decision on the conditions and arrangements for internal investigations to combat fraud, corruption and other unlawful actions harmful to the Communities' interests;

12. Asks the Committee of the Regions to take the necessary steps to ensure the total independence of the Internal Auditor;

13. Welcomes in this connection the Bureau's decision of 10 February 2004 to bring its 'whistleblowing' provisions into line with rules currently in force in the Commission which make it possible for officials to turn to a body outside their Institution, so as to ensure that their anonymity remains intact;

14. Notes that such a doctrine is only truly effective if staff members are aware of it; encourages the Committee of Regions to ensure that this information is freely available to its staff;

15. Points out that on 18 November 2003 the President of the Committee of the Regions called on the acting Secretary-General to clarify whether disciplinary proceedings ought to be instituted against staff; criticises the fact that, on the one hand, the administrative inquiry is not to be concluded until April, but that, on the other, the Administration has already been able to establish that the Internal Auditor has not been intimidated or harassed at all;

16. Recalls Parliament's abovementioned resolution of 29 January 2004 and paragraph 22 thereof in particular, which stresses that the President of the Committee of the Regions must ensure that the office and person of the Internal Auditor are respected and that his advice and counsel are taken seriously;

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[1] Texts adopted, 29 January 2004, P5_TA(2004) 0048.

[2] Note to the Committee on Budgetary Control, Belliard Building progress report, 26 June 2003.

17. Notes that the Committee of the Regions introduced a new staff policy in 2003; will return to this in its discharge report for the 2003 financial year;

18. Notes that the Committee of the Regions spent some EUR 100 000 on studies in 2002; asks how the topics were selected and to what use the studies were put; asks whether an assessment was made of their usefulness.