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— having regard to the annual report of the Court of Auditors concerning the financial year 2003, together with the institutions' replies [1],

— 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 [2],

— having regard to Article 275 of the EC Treaty and Article 179a of the Euratom 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 [3], particularly Articles 145, 146 and 147 thereof,

— having regard to Article 147(1) of the Financial Regulation of 25 June 2002, pursuant to which each Community institution is required to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,

— having regard to the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities [4],

— having regard to Rules 71 and 74(3) of its Rules of Procedure and Annex V thereto,

— having regard to the report of the Committee on Budgetary Control (A6-0063/2005),

A. whereas the Court of Auditors in paragraph 9.15 of its annual report for the financial year 2003 found as regards the European Parliament that "the transactions audited were substantially legal and regular",

B. whereas the Financial Regulation of 25 June 2002 and the Rules of Procedure of Parliament as amended on 23 October 2002 apply with effect from 1 January 2003 as regards procedural rules governing the discharge procedure,

C. whereas Parliament's Rules of Procedure were amended on 23 October 2002 to provide that discharge is to be given to the President rather than to the Secretary-General,

1. Grants its President discharge in respect of the implementation of the budget for the financial year 2003;

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 and the Ombudsman and to have them published in the Official Journal of the European Union (L series).

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

2.

European Parliament resolution containing the comments which are an integral part of the decision on the discharge for implementing the general budget of the European Union for the financial year 2003, Section I — European Parliament (C6-0015/2005 — 2004/2041(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 in respect of the financial year 2003 (C6-0015/2005),

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

(1) OJ L 54, 28.2.2003.
(2) OJ C 293, 30.11.2004, p. 1.

— 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 ([1]),

— having regard to Article 275 of the EC Treaty and Article 179a of the Euratom 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 ([2]), particularly Articles 145, 146 and 147 thereof,

— having regard to Article 147(1) of the Financial Regulation of 25 June 2002, pursuant to which each Community institution is required to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,

— having regard to the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities ([3]),

— having regard to Rules 71 and 74(3) of its Rules of Procedure and Annex V thereto,

— having regard to the report of the Committee on Budgetary Control (A6-0063/2005),

A. whereas the Court of Auditors in paragraph 9.15 of its annual report for the financial year 2003 found as regards the European Parliament that "the transactions audited were substantially legal and regular",

B. whereas the Financial Regulation of 25 June 2002 and the Rules of Procedure of Parliament as amended on 23 October 2002 apply with effect from 1 January 2003 as regards procedural rules governing the discharge procedure,

C. whereas Parliament's Rules of Procedure were amended on 23 October 2002 to provide that discharge is to be given to the President rather than to the Secretary-General,

D. whereas its resolution of 21 April 2004 ([4]) on the discharge for 2002 should be followed up and progress in implementing its recommendations assessed,

1. Takes note of the figures with which the European Parliament's accounts for the 2003 financial year were closed, namely:

(EUR)

	Appropriations for the 2003 financial year		**Appropriations carried over from the 2002 financial year**	
Use of appropriations	**Appropriations 2003**	Appropriations from assigned revenue	**Article 9(1) and 9(4) of Financial Regulation ([1])**	**Article 9(2) and 9 (5) of Financial Regulation ([1])**
Appropriations available	1 086 644 375	34 878 401	100 300 973	3 302 900
Commitments entered into	1 075 556 058	29 685 828	—	—
Payments made	862 078 203	3 248 540	88 288 685	3 302 900
Appropriations carried over to 2004				
— Article 9 of Financial Regulation ([2])	213 477 855	—	—	—
— Article 10 of Financial Regulation ([2])	—	5 192 573	—	—
Cancelled appropriations	11 088 317	—	12 012 288	—
Balance sheet at 31 December 2003: 1 407 572 773				

([1]) **Financial Regulation of 21 December 1977**.
([2]) Financial Regulation of 25 June 2002.

([1]) OJ C 294, 30.11.2004, p. 99.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 356, 31.12.1977, p. 1.
([4]) OJ L 330, 4.11.2004, p. 160.

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2. Notes that in 2003, 98,98 % of the appropriations entered in Parliament's budget were committed with a cancellation rate of 1,02 % and that as in previous years a very high level of budget implementation was achieved;

3. Recalls, however, (without calling into question Parliament's settled policy of buying rather than renting its buildings) that this high level of implementation is partly attributable to the consistent practice since 1992 of the "ramassage" (mopping-up transfer) for the purposes of transferring any appropriations available at year end to the budget lines for buildings and, in particular, for advance payments of capital to reduce future payments of interest;

4. Recognises that the greater part of Parliament's property acquisition programme has already been completed; nevertheless urges the budgetary authorities to ensure optimum budgetary forecasting and that the amounts entered in the draft budget reflect Parliament's real requirements rather than resorting systematically to significant transfers from unrelated budget lines;

5. Considers that capital repayments on buildings should be agreed as part of the budgetary strategy in a separate budget line when the budget is established in the year N-1;

6. Believes that authorising officers by delegation should be called on to explain, in their annual activity reports, the reasons for the availability of appropriations on their respective budget items for the purposes of the "ramassage";

7. Notes that in 2003 the European Parliament received revenue amounting to EUR 98 545 334 (2002: EUR 67 256 006);

Presentation and content of the accounts and accompanying analysis of financial management

8. Notes that the analysis of budgetary management accompanying the 2003 accounts provides a useful statement of the principal financial events of the year under review as well as a succinct summary of the activity reports by the Directors-General;

9. Welcomes the publication on DG Finance's Intranet site of the report on budgetary and financial management for the financial year 2003; welcomes further the Secretary-General's proposal to draw up each year a document, which would be brief, accessible and attractive, to provide the public with more information on budgetary management in Parliament [1];

Follow-up to the 2002 discharge resolution

10. Expresses its thanks to the Secretary-General for supplying the reports requested in its resolution of 21 April 2004 on the discharge for 2002 in good time before the beginning of the following discharge cycle;

11. Recalls that Article 147(1) of the Financial Regulation requires the institutions to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision; concludes that this injunction must also apply to Parliament itself and "a fortiori" to its component bodies;

12. Stresses its attachment to the application of the principles of good corporate governance at both political and administrative level;

Implementation of the new Financial Regulation

13. Points out that much of the management activity of the Institution in 2003 was geared to adjusting to the new requirements of the Financial Regulation, setting up new systems, methodologies and working methods, devising training programmes and establishing new lines of responsibility; notes that the Court praised Parliament's efficiency in putting the new structures in place;

[1] Secretary-General's reply to paragraph 9 of Parliament's resolution of 21.4.2004.

14. Recalls the key principles of the financial reforms undertaken in 2003, namely decentralisation and the assumption of full responsibility by authorising departments on the one hand and the ending of the centralised financial control function and the establishment of a central financial service and internal auditor on the other;

15. Notes that initial experience with a strict application of the terms of the new Financial Regulation to an institution such as the Parliament with only an administrative budget to manage is perceived to have led, in some cases, to overly complex systems and financial circuits;

16. Considers that this perception illustrates that further progress is required in developing a control framework that is based on setting objectives, identifying risks to the achievement of those objectives and developing controls that address those risks; recommends that Parliament's authorities point out and rectify any shortcomings in the next review of the Financial Regulation;

17. Recalls that in December 2002 Parliament adopted the basic documents necessary to implement the new Financial Regulation, including the new internal rules for the implementation of the budget, charters for the internal audit services, the authorising officers and the accounting officer, minimum standards for internal control and a specific code of professional standards for *ex ante* verification staff, and adapted the computerised system used in managing budgetary revenue and expenditure (Finord) to the new rules;

18. Notes, however, the Court's remark that while the authorising officers could not set up fully operational control systems from the date of entry into force of the Financial Regulation (1 January 2003), the Parliament was nevertheless able in the course of 2003 to begin to implement new "Minimum Standards for Internal Control" (MSIC), a "Central Financial Service" and an internal audit function [1];

19. Points — in response to the Court's criticism of the absence of *ex post* controls — to Parliament's reply that the need for fully developed *ex post* verification will be evaluated on the basis of a more developed risk and control self-assessment by the respective authorising officers [2];

20. Notes with concern the Court's finding that the implementation of certain internal control standards, including the identification of sensitive posts and reporting improprieties, was only at an initial stage [3];

21. Observes that since the transition to decentralised financial checks the need to ensure continuity of operations and adequate supervision of the *ex ante* control function has entailed a considerable increase in the number of staff assigned to *ex ante* control tasks;

22. Recognises, in conclusion, that the transition from a highly centralised to a decentralised approach to internal control procedures in a short space of time represented a major challenge in 2003; notes with satisfaction that of the smaller institutions, Parliament — thanks to the efforts of its Administration — was one of the few to have succeeded in adopting the necessary subsidiary texts in time for the entry into force of the new Financial Regulation on 1 January 2003;

Annual activity reports

23. Points out that 2003 was the first financial year for which the Directors-General were required to draw up annual activity reports and that the Secretary-General forwarded them to the President and the Committee on Budgetary Control together with a signed declaration; notes that in that declaration the Secretary-General gave a reasonable assurance that Parliament's budget had been implemented in accordance with the principles of sound financial management and that the control framework put in place provided the necessary guarantees as to the legality and regularity of the underlying operations;

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[1] ECA report 2003, paragraphs 9.7 and 9.8.
[2] Reply to paragraph 9.9 of ECA report 2003.
[3] ECA report 2003, paragraph 9.8.

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24. Notes that none of the authorising officers by delegation entered reservations in their declarations, but that two activity reports contained observations relating to

(i) the shortage of qualified staff in the area of financial management (DG Information) and

(ii) the need for rule changes to bring certain aspects of Members' allowances into line with the Financial Regulation and for a solution to the status of political group financing (DG Finance);

25. Notes, furthermore, the Secretary-General's recognition in his declaration that the reports received thus far (i.e. by 16 March 2004) from the Internal Auditor on his review of the internal control framework indicated that there were weaknesses which needed to be addressed in the short term;

26. Notes with satisfaction that the Secretary-General's declaration is accompanied by a detailed action plan intended to remedy the deficiencies identified in the activity reports;

27. Asks the Secretary-General to report to the Committee on Budgetary Control as part of the follow-up to this resolution on the progress made in implementing the measures set out in the action plan annexed to his declaration in respect of the financial year 2003;

28. Remarks that the various activity reports differ widely in scope, length, form and the degree to which the information from the component services is integrated; invites the Secretary-General, as proposed by the Court of Auditors in paragraph 9.16 of its 2003 annual report, to harmonise the presentation and structure of the activity reports in future in order to provide greater comparability between Directorates-General; notes, however, that the difficulty of recruiting suitably qualified financial staff is a theme common to several activity reports;

29. Notes the Court's remark, in paragraph 9.16 of its 2003 annual report, that the annual activity reports should give more detailed information on the results of the controls carried out;

30. Observes, on the basis of the 2003 activity reports, that for the sake of a better understanding of the true value of the authorising officers' signed declarations, it would be desirable in future years to adopt a standardised format clearly distinguishing between those matters calling for an "observation" by the Director-General (not calling into question his declaration of assurance) and other more serious matters justifying a "reservation";

Internal audit

31. Recalls that the Internal Auditor's annual report and the declaration and activity reports of the Secretary-General and the Directors-General constitute a major part of the assessment both by the Court of Auditors and by Parliament's discharge authority;

32. Observes that the concept of internal control henceforth is deemed to refer to ensuring reasonable assurance of key control objectives, namely:

— compliance with applicable laws, regulations and decisions;

— search for economy, effectiveness and efficiency of operations;

— identification and management of risks;

— prevention and detection of fraud and error;

— keeping of quality accounting records and relevant data records;

33. Considers that the Administration should give priority to implementing the Internal Auditor's recommendations in the following areas, arising from his review of the internal control framework in 2003:

— the need to ensure the adequacy of staff numbers and of skill levels of staff responsible for initiating commitments and for "ex ante" controls;

— the placing of special emphasis on the training requirements of staff with financial management and control responsibilities in all services;

— programming of activities and risk management;

— monitoring and reporting tools;

— designation of a single central interlocutor to whom authorising departments could, as needed, address requests for advice and opinions, notably in procurement matters;

— documentation of internal control and management procedures by all departments and the communication of these to staff;

— measures aimed at ensuring compliance with the rules governing procurements and grants;

— a code of conduct for recourse to external consultants and improvements in the definition of the nature of contractual tasks;

— the drawing up of lists of sensitive posts (e.g. officials working closely with suppliers) together with precise guidelines for the definition and identification of such posts;

— model contracts incorporating safeguards for Parliament's legal and financial position to be drawn up centrally by Parliament's services and regularly updated for use in transactions with suppliers;

Governance and regulatory framework

34. Reaffirms the view expressed in its resolutions of 8 April 2003 [1] and 21 April 2004 that "the scope of the discharge procedure should cover not only the management activities of Parliament's Secretary-General and Administration, but also the decisions taken by its governing bodies, i.e. its President, Bureau and Conference of Presidents";

35. Instructs its Bureau and competent committee to respond to the request formulated in paragraphs 16 and 17 of its resolution of 21 April 2004 for proposals intended to define the precise practical meaning of the political responsibility attaching to the members of Parliament's governing bodies as regards the exercise of powers and the taking of decisions with significant financial consequences;

36. Recalls paragraphs 11 to 17 of its resolution of 21 April 2004 on accountability of Parliament's governing bodies; points out, furthermore, that this is the first discharge report, under the new Rules of Procedure, to be directed to its political rather than simply administrative authority; resolves in future to improve communication and dialogue between its Committee on Budgetary Control and members of its Bureau and Quaestors;

37. Points out that Parliament's financial management is now scrutinised in a growing number of control bodies, procedures and mechanisms involving the EP discharge report, reports by the Administration in response thereto, the annual budgetary procedure, the annual and sectoral reports of the internal auditor, the Audit Panel, the Court of Auditors, the Financial Irregularities Panel, reports by OLAF (the European Anti-Fraud Office) and the activity reports of the Directors-General, with the concomitant risk of overlap and repetition;

38. Queries whether the degree of scrutiny and the complexity of the control apparatus currently in place is wholly proportionate in the light of the Court of Auditors' conclusion that overall risk is low in the field of administrative expenditure [2];

39. Believes that a process of consolidation and tidying-up of control procedures may be appropriate in due course; asks its Secretary-General to submit a report on possible ways of synthesising all the various inputs on control matters so as to enable clear conclusions to be drawn;

40. Calls upon the Secretary-General to ensure implementation of an integral approach to risk management and risk analysis and thus ensure sound financial and administrative management;

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[1] OJ L 148, 16.6.2003, p. 62.
[2] ECA report 2003, paragraph 9.6.

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Political groups (review of accounts and procedures — budget line 3701)

41. Recalls that paragraph 2.7.3 of the rules [1] governing budget line 3701 requires the Bureau and the Committee on Budgetary Control to deal with the audited annual accounts of the political groups in accordance with the powers conferred upon them by the Rules of Procedure;

42. Reiterates that the political groups are independently responsible for the management and use of their quota of Parliament's budget and that the remit of the institution's Internal Audit Service does not extend to the conditions under which use is made of the appropriations against the 3701 budget line (approximately 3 % of Parliament's total budget);

43. Notes the difficulties that Parliament has been experiencing in applying some of the new provisions of the Financial Regulation to an essentially administrative budget and that these difficulties are equally reflected at the level of the political groups; recognises, however, that efforts have been made to bring the 3701 rules as closely into line with the requirements of the Financial Regulation as possible;

44. Notes that the political groups and the Administration have established a working group to examine the specific status of the political groups' budgets with respect to the provisions of the Financial Regulation and Implementing Rules; encourages them to use this as a regular forum for contact, where appropriate, with the Administration in keeping abreast of financial and accounting reforms;

45. Welcomes the decision by political groups to publish their internal financial rules on Parliament's website and urges early implementation; calls on the Bureau to find an appropriate solution enabling the reports and accounts of the non-attached Members to be made available for scrutiny in a transparent manner, broadly comparable with the procedure now followed by the political groups;

46. Records that in 2003 the appropriations entered on budget line 3701 were allocated pursuant to the Bureau's decision of 10 February 2003 as follows:

(EUR)

Total available	37 948 000
Non-attached Members	1 224 035
Amount available for groups	36 723 965

Group	Number of Members	Total allocated 01.01.2003	Carried over from 2002	Expenditure in 2003	Utilisation rate %	Carried forward to 2004
PPE	232	13 966 693	4 775 841	16 245 714	116,32	2 726 654
PSE	175	10 666 548	4 573 736	12 540 087	117,56	3 154 599
ELDR	54	3 348 157	1 079 435	3 354 625	100,19	1 088 560
Verts/ALE	45	2 881 352	952 607	2 945 673	102,23	980 067
GUE/NGL	50	3 234 999	1 081 653	3 583 515	110,77	1 093 911
UEN	22	1 443 719	383 067	1 459 137	101,07	369 109
EDD	17	1 182 497	465 517	1 225 090	103,60	533 015
Total	595	36 723 965	13 311 856	41 353 841	112,61	9 945 915

47. Notes the Secretary-General's proposal firstly to develop standard templates for the engagement letter to the groups' external auditors and secondly for the letter from the group chairman accompanying each group's accounts to include additional information which could take the form of a standardised annual activity report relating to the execution of the group's budget in the financial year under review [2]; invites the Bureau to take these suggestions into account when next it revises the 3701 rules;

[1] Bureau decision of 30.6.2003.
[2] Secretary-General's reply to paragraph 42 of Parliament's resolution of 21.4.2004.

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Members' allowances

48. Recalls that pending the adoption of a common statute for Members of the European Parliament, all Members receive:

— a basic salary paid by their national parliaments or governments at the same level as national parliamentarians and subject to the tax rules of the country in question;

— allowances paid directly by the European Parliament, on the basis of rules approved by the Quaestors and Bureau, to cover the costs incurred in the performance of parliamentary duties;

49. Draws attention to the increased discrepancy between salaries since enlargement and the urgent need to find a solution that establishes fair treatment for all MEPs and respects their national laws and provisions;

50. Supports in this respect the initiative undertaken by the current Presidency of the European Union to reach agreement on the Members' Statute introducing a single remuneration for Members of the European Parliament;

51. Takes note of the intent of Parliament's Bureau to pursue contacts with the Council with a view to agreeing the terms of a common statute for Members; urges all sides to bring closure to this matter at the earliest opportunity, in order to end speculation and uncertainty surrounding parliamentary remunerations;

52. Regrets that little progress has been made since its last discharge report on reviewing and reforming the system of Members' allowances; recalls an earlier decision of the Bureau on 28 May 2003 partly addressing the matter but linked to adoption of a common Statute for Members; believes that, even in the absence of a common statute, it should be possible to devise a system that is clear, transparent and fair;

53. Takes the view that Members who voluntarily repay to the Administration allowances or parts thereof corresponding to a surplus over actual costs incurred, or only want the actual costs of, for example, travel to be paid out to them, should do so on the basis of provisions clearly laid down in the Rules on Members' expenses and allowances;

General expenditure allowance

54. Requests the Quaestors to review the general rules for reimbursement of allowances to see if changes are required to be able to maximise the use of new IT capabilities;

Secretarial assistance allowance

55. Notes that on 13 December 2004 the Bureau adopted amendments to the rules [1] governing the secretarial allowance intended inter alia to ensure greater consistency between the rules and the requirements of the Financial Regulation;

56. Points out that Article 79 of the Financial Regulation and Articles 98 and 104 of the Implementing Rules [2] on the validation of expenditure require the authorising officer to verify a creditor's entitlement on the basis of supporting documents; reminds the Administration of the need to insist on the submission of invoices or fee-statements as a condition for making payments under service contracts (Article 14(6) of the Rules on Members' expenses and allowances);

57. Calls on the Bureau to propose arrangements, incorporating the results of the work of the parliamentary working party, which make Members' use of the secretarial assistance allowance more transparent; stresses, however, that the fundamentals of contractual freedom must be taken into consideration in the process;

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[1] Articles 14 to 16 of the Rules governing Members' expenses and allowances (PE 113 116).
[2] Commission Regulation (EC, Euratom) No 2342/2002 (OJ L 357, 31.12.2002, p. 1).

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58. Regrets that the Bureau's decision of 13 December 2004 changes the content of Article 14(5) and (7) point (d) of the Rules governing the payment of expenses and allowances to Members (as established by the Bureau's decision of 9 February 2004) in such a way that the provisions concerning the contractual and social security obligations of assistants and persons working under service contracts once again show a lack of clarity; calls upon the Bureau to revise the text adopted on 13 December 2004;

Travel allowance

59. Recalls that on 28 May 2003 the Bureau adopted an outline of a set of new rules governing the payment of expenses and allowances to Members providing for the reimbursement of travel expenses on the basis of actual costs but conditional on the entry into force of a Statute for Members;

60. Recalls that on certain routes actual costs are sometimes higher than the ceilings established by the Administration, owing to a lack of competitive airlines on these routes, and insists that actual costs must be reimbursed in these circumstances;

Voluntary pension scheme

61. Notes that according to the latest revised actuarial valuation dated 31 December 2003 the fund's future liabilities at that date exceeded its current assets by EUR 41 795 982 and that the actuarial funding level at the end of 2003 was 76,4 % ([1]);

62. Recalls the view of the Court of Auditors that there should be clear rules established in the scheme to define the liabilities and responsibilities of the European Parliament and of the Members of the scheme if a future actuarial valuation were to indicate a deficit ([2]); believes it necessary to clarify precisely the nature of Parliament's liability vis-à-vis future financial obligations linked to the pension fund; believes, furthermore, that Members' contributions to the Fund should be deducted from a personal source rather than the parliamentary allowance system;

63. Notes the reply of the Administration that proposals will be submitted to the Bureau with a view to defining the respective powers and responsibilities of Parliament and the not-for-profit association incorporated under Luxembourg law and managed by an elected Executive Committee ([3]);

64. Notes further that on the basis of the results of the actuarial valuation to be carried out at the start of 2005, the level of financing required for the Fund will be known; is however of the opinion that, as soon as the Statute for Members is approved, a new and separate pension instrument, equal for all Members, should be set up and that from that date all contributions from Parliament's budget to a voluntary pension fund should stop;

65. Expresses concern at the view taken by the Court of Auditors that if the present scheme is to continue, a sufficient legal basis (other than a Bureau decision) has to be created as soon as possible, and that Parliament's financial contribution to the voluntary pension scheme should be based on an act of secondary legislation adopted in conformity with Article 190(5) of the Treaty ([4]);

Procurement

66. Recalls that the Financial Regulation and implementing rules which entered into force on 1 January 2003 modified the procedures for planning, publishing and attributing procurement contracts, as well as abolishing the CCAM (advisory committee on purchasing and contracts) consultation of which was obligatory for contracts above EUR 50 000;

([1]) Source: ASBL Pension Fund — annual report and accounts 2003.
([2]) ECA report 2002, paragraph 9.20, and opinion No 5/99, paragraph 22.
([3]) ECA report 2003, table 9.3.
([4]) ECA report 2002, paragraphs 9.17 and 9.18.

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67. Notes that instead of the CCAM, Parliament's authorising officers may on an optional basis consult the Inter-service group on public contracts (GIMP) for advice; notes further that to replace the annual CCAM report on contract activity, the Secretary-General has — in response to earlier discharge resolutions — produced a report based on data supplied by the authorising officers containing the following information on contracts concluded in 2003:

Type of contract	Number	Percentage	Amount in euros	Percentage
Services	118	53 %	304 647 212	65 %
Supplies	57	25 %	11 810 813	2 %
Works	41	18 %	21 502 447	5 %
Buildings	8	4 %	131 531 314	28 %
Total	224	100 %	469 491 786	100 %

Type of procedure	Number	Percentage	Amount in euros	Percentage	Average amount in euros
Open	70	32 %	312 467 812	92 %	4 463 826
Restricted	78	36 %	5 856 513	2 %	75 084
Negotiated	68	32 %	19 636 147	6 %	288 767
Total	216	100 %	337 960 472	100 %	1 564 632

68. Welcomes the finding that a significant proportion of contracts in 2003 were concluded following an open invitation to tender;

69. Notes that the Internal Auditor is carrying out an institution-wide audit of the procurement process, for which the final report is expected to be issued in the first half of 2005; instructs its Secretary-General to inform the Committee on Budgetary Control of the content of the report in the appropriate manner, once the internal consultation process has been completed;

70. Encourages the Administration in its efforts to set up a contracts database pursuant to Article 95 of the Financial Regulation which, according to the Secretary-General's report [1], is expected to be operational at the end of 2005;

71. Notes with satisfaction that for contracts above EUR 50 000 the number and value of negotiated procedures in 2003 fell substantially by comparison with the corresponding figures for 2002;

72. Notes the Administration's concerns in the following fields:

— threshold of EUR 1 050 for competitive tendering (low-value contracts) entailing an undue management burden;

— e-procurement (exchange of information concerning calls for tender by electronic means) by the deadline set by Directive 2004/18/EC [2], having regard to the need to guarantee the security, confidentiality and integrity of electronic data;

73. Expects its competent committees to take these matters into account by proposing amendments, where necessary, in the context of the forthcoming reviews of the Financial Regulation, its implementing rules and Parliament's internal rules on the implementation of its budget;

Buildings

74. Notes that the long-running dispute between Parliament and the French authorities over the final purchase price of the Strasbourg LOW building was resolved at the end of 2003 and that purchase was completed in 2004;

[1] Secretary-General's report on contracts concluded in 2003.
[2] OJ L 134, 30.4.2004, p. 114.

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75. Recalls that the absence of a single working place results in significant extra costs for Parliament's budget; points out that the cost of siting the European Parliament in three countries is put at more than EUR 200 million per year;

The case relating to the Members' cash office

76. Notes that the procedure provided for in Article 22 of the Staff Regulations has been initiated with a view to defining responsibilities in connection with the discrepancy of BEF 4 136 125 between the cash situation and the corresponding accounts in 1982 ([1]); notes that the Disciplinary Board first met on 17 March 2003 and has now concluded its work, and instructs its Secretary-General to keep the competent committee informed of all further developments;

Environment

77. Expresses its satisfaction that a comprehensive review of Parliament's internal environmental policy, conducted by a consultancy specialising in environmental management (EMAS), will shortly be submitted to the Bureau with the ultimate objective of putting in place an environmental management system within the Institution ([2]), instructs its Secretary-General, once the consultancy's report has been discussed in the Bureau, to publish it on Parliament's website;

78. Notes that many official documents are still being distributed to Members in the form of multiple paper copies despite their availability online; calls on the College of Quaestors to find an ecological balance in providing documents in hard-copy form;

79. Calls for a system of electronic signature to be introduced, whereby a Member's signature can be applied to documents such as amendments and parliamentary questions without having to have recourse to transmission of documents on paper;

80. Urges the Bureau to take all necessary measures to speed up the recruitment of linguistic staff in order to ensure the right of all Members to express themselves in their mother-tongue by providing interpretation to and from their respective languages;

81. Recalls that in his decision of 23 January 2004 on complaint No 260/2003 the European Ombudsman made a finding of maladministration against the European Parliament for failing to take adequate measures to promote compliance with its internal rules on smoking;

82. Notes that although the Bureau on 13 July 2004 adopted revised rules on smoking they have not been fully implemented and enforced with the result that Parliament runs the risk of a further finding against it by the European Ombudsman; calls on the Bureau to take urgent action to reduce the level of smoke on its premises and to protect the health of all users of its buildings;

83. Stresses that it is the legal duty of all employers to provide their employees with a safe and healthy working environment; notes that the exception in the Bureau's rules ([3]) allowing smoking in offices results in an unacceptable level of indoor pollution due to tobacco smoke in buildings and corridors containing offices, with a concomitant risk to the health of those buildings' occupants; notes that the Institution's buildings in the three places of work are subject to national health and safety provisions; urges the College of Quaestors to designate a clearly defined and well ventilated smoking area so as to limit nuisance for non-smokers;

84. Instructs its Secretary-General to conduct a survey of staff attitudes in all three working places in order to ascertain whether a majority of Parliament's employees would wish to introduce a ban on smoking in all areas of buildings occupied by Parliament employees' offices in advance of the 2007 deadline;

([1]) Source: question 40, questionnaire PE 338 137.
([2]) Secretary-General's reply to paragraph 69 of Parliament's resolution of 21.4.2004.
([3]) Bureau decision of 13.7.2004.

85. Takes note of the information on the feasibility of equipping Parliament's chambers and committee meeting rooms with wireless technology for its computers and other related devices provided by the Secretary-General [1]; notes the warning in the Secretary-General's note as to the potential health risks if the level of electromagnetic radiation generated by wireless transmissions exceeds specified limits; requests a further report on the health aspects of wireless technology by 1 July 2005;

86. Welcomes the information that an additional internet access will be possible in all Members' offices beginning in April and May 2005, which would make great improvements to the problem of access through Mac computers; stresses however that more should be done to enable users of other known systems to log into the Parliament Intranet;

87. Calls for a thorough security analysis at regular intervals of the European Parliament's computer systems, networks, connections, hardware and software, to ensure that Parliament's "e-environment" is secure.

[1] *Source:* letter of 21.8.2003 in response to paragraph 22 of Parliament's budget resolution of 14.5.2003.

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2003 discharge: Section II 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 II — Council (C6-0016/2005 — 2004/2042(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 (C6-0016/2005),

— 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 the Council's Internal Audit Report for 2003,

— 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),

[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.