

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section VII — Committee of the Regions**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0421/2008) ⁽²⁾,
 - having regard to the Committee of the Regions' annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - 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 (A6-0153/2009),
1. Notes that in 2007 the Committee of the Regions (CoR) had commitment appropriations available amounting to a total of EUR 68,6 million (2006: EUR 74,4 million), with a utilisation rate of 96,22 %;
 2. Points out that the Court of Auditors indicated in its Annual Report that the audit did not give rise to any significant observations as regards the CoR;
 3. Welcomes the signature in December 2007 of a new Administrative Cooperation Agreement between the European Economic and Social Committee and the CoR for the period 2008 to 2014; is convinced that cooperation between the two institutions will be financially advantageous to European taxpayers; further welcomes the fact that the CoR has launched its EMAS (eco-management and audit scheme) certification;
 4. Notes with satisfaction the clear commitment of the two Committees to the aim of harmonising their internal control environment and standards, based on best practices, as well as all other relevant financial procedures relating to the Joint Services;
 5. Observes that the new Agreement keeps the most important areas (infrastructure, IT and telecommunications, as well as translation, including the production of documents) within the Joint Services' remit, while a limited number of services are decoupled, such as internal services, the sociomedical service, the library and prepress;

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

6. Insists however that this decoupling should be budget neutral and, therefore, urges the two Committees to carry out a joint analysis as part of the mid-term review of whether this shift of resources is beneficial to both; calls on the two Committees to keep Parliament informed of the evaluation in early 2009 of the mini-cooperation agreements in the areas concerned by decoupling;
7. Welcomes the service level agreement concluded between the CoR and the Commission's DG Budget on the implementation of ABAC (new financial and accounting application), deployed in January 2007;
8. Welcomes in this context the creation within the Joint Services of a Contracts Unit providing assistance to all operational departments in the Joint Services in the area of public procurement; notes that under the new Agreement, the verification service of the Joint Services has been transferred to each Committee's own services;
9. Considers it crucial that controls carried out by, for example, authorising officers, verifiers and auditors, are sufficiently rigorous; underlines in this context the importance of an adequate number of random checks in all sectors, in addition to those few strategic sectors that present a higher risk;
10. Notes with satisfaction the development by the CoR's budget service of a new budget analytical monitoring tool (BudgetWatch), providing comprehensive information on all CoR budget lines and sub-lines, including the available appropriations, monthly developments of commitments and real payments made for the year;
11. Welcomes the establishment by the CoR of a list of sensitive posts, as well as the intention of the CoR to create within the personnel unit a dedicated mobility cell which should help to develop a forward-looking approach to human resource planning;
12. Notes that the Internal Audit Service carried out three audits in 2007 (on the performance of missions expenditure, on the performance of external studies and on the adequacy of financial circuits), as well as two follow-up audits (on salary transfers with corrector coefficient and on internal control standards);
13. Recalls that the internal audit on salary transfers, which was completed in 2006 and which included an in-depth review of all existing transfers, revealed that '[w]eaknesses existed concerning the principle of separation of functions in this area (initiating functions and internal verification) and the control environment should have been given greater priority in view of the risks concerned'; further notes that a follow-up to the Internal Auditor's recommendations was carried out in February 2007 and a second follow-up took place in 2008, and that it was found that 16 out of 20 recommendations have been fully implemented; urges the CoR's administration to ensure the full implementation of all audit recommendations;
14. Recalls that, following an investigation, OLAF established with regard to eight transfers that they were not in compliance with statutory conditions and recommended recovering the amounts overpaid from the officials concerned; notes with satisfaction that all recoveries were completed by early 2007; further recalls that with regard to six staff members, OLAF recommended the opening of disciplinary proceedings, and for five of them it also submitted files to the Belgian authorities;
15. Observes that, following a request by the Belgian authorities, the CoR Appointing Authority lifted the immunity of the officials concerned on 6 July 2007, and that those officials were subsequently interviewed by the authorities; further notes that on 17 November 2008, following a request from the Public Prosecutor, the immunity of one more official was lifted by the CoR Appointing Authority;
16. Notes with satisfaction that an administrative enquiry was launched by the CoR's Secretary-General and carried out by a former deputy Director-General of the Commission; points out that in two of the five cases where the files were submitted to the authorities, the CoR Appointing Authority decided on 17 January 2008 to open disciplinary proceedings before the Disciplinary Board; understands that, in accordance with the Staff Regulations, a final decision can be taken in these cases only after a final judgment has been handed down by the Belgian court;

17. Notes that in the three other cases, the Appointing Authority will take its decision on the opening of disciplinary proceedings as soon as it has received the necessary information as to the follow-up the Belgian authorities intend to give to those files; further notes that in a further case, in which OLAF has not submitted the file to the Belgian authorities, the Appointing Authority decided, in line with the recommendations of the administrative enquiry, to address a warning to the official concerned; reiterates its demand for the strict prosecution of all cases where fraudulent behaviour can be proved;
 18. Asks the CoR to consider proportionate disciplinary measures if the outcome of the pending cases requires them;
 19. Notes that Members of the CoR either hold a regional or local authority electoral mandate or are politically accountable to an elected assembly; further notes that in those capacities, Members declare their financial interests, disclosing relevant information on such things as declarable professional activities and remunerated posts or activities, in accordance with the provisions prevailing in their regional and local bodies; suggests that the CoR introduce this obligation for all its Members; further proposes the appointment of an independent monitoring officer whose task would be to report annually and publicly on received declarations in order to ensure credible monitoring and control;
 20. Requests the CoR to include in its following activity report (financial year 2008) a chapter giving a detailed account of the follow-up during the year to Parliament's earlier discharge decisions, including possible explanations for not having followed the recommendations, and not merely a reference to the discharge decisions;
 21. Notes that, despite amendments to the Financial Regulation, its rules on procurement are still excessively cumbersome for smaller institutions, such as the CoR, especially in relation to tenders for contracts for relatively small amounts; invites the Commission — when carrying out its preliminary work prior to drawing up any future proposals for amendment to the Financial Regulation — to consult extensively with the Secretary-General of the CoR and its administration in order to ensure that their concerns are fully taken into account in the final draft.
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