

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 29 April 2015****with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2013, Section V — Court of Auditors**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2013, Section V — Court of Auditors,
 - having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0113/2015),
1. Notes that the Court of Auditors' annual accounts are audited by an independent external auditor — PricewaterhouseCoopers SARL — in order to apply the same principles of transparency and accountability that it applies to its auditees; takes note of the auditor's opinion that 'the financial statements give a true and fair view of the financial position of the Court';
 2. Emphasises that in 2013, the Court of Auditors' final appropriations amounted to a total of EUR 142 761 000 (EUR 142 477 000 in 2012) and that the overall rate of implementation for the budget was 92 %; regrets the decrease of the utilisation rate in 2013 when compared to 96 % in 2012;
 3. Stresses, however, that the Court of Auditors' budget is purely administrative, with a large amount being used on expenditure concerning persons working within the institution; takes note of the justification for the utilisation rate decrease stated in the Court of Auditors' report on budgetary and financial management for 2013;
 4. Takes note of the Court of Auditors' new strategy for 2013-2017 to maximise its role as the external auditor of the Union; endorses the plan established for 2013 and its intention to improve the quantity and quality of the performance audit reports by increasing efficiency and the resources earmarked for them; takes note, furthermore, of the 60 % increase in the number of such reports since 2008 and insists that quantity should not come at the expense of quality;
 5. Reminds the Court of Auditors that Parliament, the Council and the Commission agreed in point 54 of the Common Approach on decentralised agencies from 2012 that all aspects of outsourced external audits 'remain under the full responsibility of the ECA, which manages all administrative and procurement procedures required and finances these, as well as any other costs associated with outsourced external audits, from its own budget'; expects the Court of Auditors to follow this Common Approach and contract and pay for agencies' external auditors;
 6. Asks the Court of Auditors to conduct an audit on the effects of a consolidation of the registries of the Court of Justice into one registry in order to ensure the better coordination of procedural actions between the Courts;
 7. Welcomes the Court of Auditors' internal reform programme which is included in its strategy for 2013-2017 and is based on the 2014 peer report, Parliament's report on the future of the Court of Auditors and the Court of Auditors' own internal analysis; calls on the Court of Auditors to report to Parliament regularly on the development and implementation of the reform;
 8. Believes that a certain degree of flexibility in the Court of Auditors' work programme is needed to ensure that it swiftly adapts to unexpected major events that may require specific auditing or attention and that it is able to disregard items on the programme that are no longer relevant; considers it also important that the Court of Auditors should achieve a certain level of diversification and balance, rather than concentrating too much and too

often on certain areas of activity; draws the Court of Auditors' attention to the political priorities of the legislators and the issues of major interest to Union citizens as communicated by Parliament's Committee on Budgetary Control;

9. Supports the Court of Auditors in its efforts to devote more resources to performance audits; recalls that the Court of Auditors should ensure that auditors assigned to performing specific audits possess the necessary technical knowledge and methodological skills;
10. Reminds the Court of Auditors of the need to improve time plans, in particular in the case of the Court of Auditors' Special Reports, without compromising the quality of these reports; regrets that the timeliness of the audit findings continue to be far from the long-term target; recommends that the Court of Auditors set the objective of reducing the duration of every phase of the performance audit plan;
11. Notes that the Court of Auditors' methodology must be consistent and applied to all areas of management; understands that further alignment could lead to inconsistencies in the Court of Auditors' definitions of illegal transactions in direct and shared management;
12. Notes that the average time to produce a Special Report continues to be 20 months, as it was in 2012; regrets that the Court of Auditors did not reach the strategic goal of an average production time of 18 months for Special Reports; calls on the Court of Auditors to attach to each Special Report details about the background to it and details about the various drafting stages;
13. Finds that the Special Reports' recommendations should be clearer and should consistently disclose the positive and the negative conducts of the concerned countries;
14. Notes that the latest changes to Parliament's Rules of Procedure, geared towards increasing the involvement of the parliamentary committees in different areas as regards Special Reports, have not lived up to expectations; endeavours to look into ways of improving the parliamentary procedures that apply to Special Reports from the Court of Auditors;
15. Supports the continued reinforcement of audit posts in 2013; takes note of the successful recruitment of new staff to audit posts and of the reduction of vacant posts at the end of 2013, compared to 2012;
16. Notes that the Court of Auditors states that it does not take geographical criteria into account in appointing staff to management posts; calls on the Court of Auditors, in this regard, to do what is necessary to remedy the current major imbalance at the Court of Auditors in the future, especially as regards management posts;
17. Regrets that the equal opportunities plan launched by the Court of Auditors in 2012 to guarantee gender balance has not delivered as expected, especially where management posts are concerned; notes that among 70 management and head of unit posts, only 21 are occupied by women, and that, furthermore, the majority of these posts are in the translation and administration directorates; highlights and welcomes the increase in the number of female auditors, which will doubtless have an effect on the number of women in management posts in auditing; takes note of the Court of Auditors' commitment to act quickly to review the equality plan with a view to identifying effective solutions that make it possible to attain the targets set in this area as soon as possible;
18. Calls on the Court of Auditors to include an overview of staff holding management positions sorted by nationality, gender and position in the annual activity report;
19. Notes with satisfaction the completion of the K3 building on schedule and within budget;
20. Demands that the Court of Auditors' building policy be attached to its annual activity report, especially given that it is important that the costs of such a policy are properly rationalised and that such costs are not excessive;
21. Takes note of the substantial pricing variation of translation cost per language (with variations of up to more than EUR 100 per page, depending on the language) at the Court of Auditors; is of the opinion that such a high discrepancy in costs, even including indirect costs, should be analysed and corrected;

22. Notes with concern the enormous disparities in translation costs among the various Union institutions; calls, therefore, on the Interinstitutional Working Party on Translation to identify the causes of those disparities and put forward solutions that will put an end to the imbalance and harmonise translation costs while ensuring full respect for quality and linguistic diversity; notes with this in mind that the working party should re-launch cooperation among the institutions in order to share best practices and outcomes and to identify areas in which cooperation or agreements between institutions can be strengthened; notes that the working party should also aim to establish a unified methodology for the presentation of translation costs which all the institutions can use in order to make it simpler to analyse and compare costs; notes that the working party should present those findings before the end of 2015; calls on all the Union institutions to play an active role in the work of the Interinstitutional Working Party; recalls in this regard the fundamental importance of respect for multilingualism in the Union institutions in order to guarantee equal treatment and equal opportunities for all Union citizens;
23. Considers that at a time of crisis and budgetary cuts in general, the cost of 'away days' for staff of the Union institutions has to be reduced and that they should take place, where possible, on the institutions' own premises, as the added value derived from 'away days' does not justify such high costs;
24. Recognises that the Court of Auditors has made improvements with regard to defining and clarifying the competences and responsibilities of the Chamber for coordination, evaluation, assurance and development; calls on the Court of Auditors to press ahead with these efforts and asks to be informed of the measures taken to improve the Chamber's performance;
25. Takes note that in 2013, the Court of Auditors reported a total of 14 cases of suspected fraud arising from its audit work and 10 cases arising from communications to the European Anti-Fraud Office (OLAF); notes that OLAF decided to open an enquiry in seven of the 14 cases and in the other cases, the information was sent to another authority for follow-up action;
26. Calls on the Court of Auditors to include in its annual activity reports, in compliance with the existing rules on confidentiality and data protection, the results and consequences of closed OLAF cases, where the institution or any of the individuals working for it were the subject of the investigation;
27. Endorses the internal auditor's 2013 follow-up review and the progress made in identifying and prioritising the financial and operational risks and in designing appropriate mitigating controls;
28. Notes that the information security policy needs a coordinated and harmonised corporate security strategy; points out that management efficiency and internal controls can be improved in the main areas of the Court of Auditors' governance;
29. Takes note of the introduction at the Court of Auditors of a new Audit Support System (ASSYST) application as an in-house audit tool; asks to be informed of the performance targets set for this application;
30. Takes notes that the Court of Auditors has made assurances that it takes every possible measure to ensure that mission appropriations are used in strict compliance with principles of economy, efficiency and effectiveness;
31. Takes note furthermore of the introduction of new software applications to improve the language training administration; expects that these tools will further enhance the management of language training;
32. Understands the interest of the Court of Auditors in assessing its presence in the media; considers, however, that it needs to improve the clarity of its messages; suggests, therefore, that the editorial quality of all of the Court of Auditors' texts be submitted in a centralised process;
33. Appreciates the cooperation between the Court of Auditors and Parliament's Committee on Budgetary Control and welcomes regular feedback on the basis of Parliament's demands; calls on the Court of Auditors to include in its annual activity report a specific section on the action it has taken in response to Parliament's discharge recommendations concerning the Court of Auditors for the previous financial year, as most of the other institutions do; asks however that the Court of Auditors and the discharge authorities improve their cooperation again in order to make their work more efficient and more effective;

34. Considers that Court of Auditors' reports, and particularly the special reports, are an important contribution to move towards an improved spending approach with regards to the Union funds; is of the opinion that the Court of Auditors' reports could have even more added value if they were complemented by a certain number of corrective measures to be taken by the Union, and an expected timing to implement them, in order to reach the goals and objectives defined by the Union programme, fund, or policy; considers that this enhanced focus on outputs, and in particular long-term outcomes, according to the efficiency and effectiveness principles, would therefore improve the needed follow-up process to be carried out by the Court of Auditors in which the effects of the proposed recommendations would be monitored;
 35. Calls on the Court of Auditors to examine the possibility of advancing the presentation of its annual report within the parameters set by the Financial Regulation of the Union.
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