

**RESOLUTION (EU) 2016/1479 OF THE EUROPEAN PARLIAMENT****of 28 April 2016****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 2014, Section VII — Committee of the Regions**

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 2014, Section VII — Committee of the Regions,
- 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 (A8-0132/2016),

1. Notes that in its 2014 annual report, the Court of Auditors (the 'Court') observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the Committee of the Regions (the 'Committee');
2. Notes that, on the basis of its audit work, the Court concluded that the payments as a whole for the year ended 31 December 2014 for administrative and other expenditure of the institutions and bodies were free from material error;

**Budget and financial management**

3. Notes that in 2014, the Committee had an approved budget of EUR 87 600 000 (EUR 87 373 000 in 2013), of which EUR 86 300 000 were commitment appropriations with a utilisation rate of 98,5 %; welcomes the increase of the utilisation rate in 2014;
4. Notes that Objective 4 of the Directorate for Administration and Finance 'to ensure effective internal control environment and monitor the implementation of the Financial Regulations' was not achieved for two out of three impact indicators: the rate of return for correction of legal or budgetary commitments or payments falls below the 4 % target, while the number of financial exceptions increases by 6 % in 2014, instead of decreasing by 3 %;
5. Is concerned by the increase in the number of exception reports: 87 financial exceptions and three administrative exceptions; stresses that those three administrative exceptions were related to non-compliance with internal procedures; notes that four derogations were made in 2014 (compared to one in 2013) on procurement rules or contract management and that most of the derogation reports (58 out of 81) are related to absence or insufficiency of legal commitments; asks for detailed information on how those derogations occurred and on the amounts involved; requires a full report on corrective measures taken to prevent similar situations by the end of June 2016;
6. Notes the 13 transfers between budget lines during the financial year 2014; is of the opinion that the transfers concerning the political groups' communication budget and printing in the *Official Journal of the European Union* could have been foreseen in the initially approved budget;

**Savings and administrative expenditure**

7. Stresses that the Committee's budget is purely administrative, with a large amount being used for expenditure relating to persons working within the institution and the remaining amount relating to buildings, furniture, equipment and miscellaneous running costs;
8. Notes nevertheless that a total of EUR 8 277 556 was spent in 2014 only on travel and meeting allowances for members and alternate members of the Committee plus EUR 409 100 on missions and travel costs of staff; considers the number of missions to be extremely high (787), as is the expenditure generated by members for travel and meeting allowances; considers that missions undertaken by members should be clearly described in the annual activity report ('AAR'), with detailed expenses and a cost-benefit analysis; stresses that the reference to members' missions is vague, imprecise and does not provide clear figures; urges the Committee always to include data on members' missions in its AAR;

9. Considers the total amount of EUR 9 594 089 paid by the Committee for 2014 lease expenses (external lessors) to be too high; recalls that even after withdrawing the contribution of EUR 1 181 382 from the European Economic and Social Committee (the 'EESC'), the net amount paid by the Committee remained higher than the accounting share of those lease payments, the difference being recorded as building expenses (EUR 852 464); stresses that most of the liabilities of the Committee result from transactions generated by the leased buildings (95,6 % in 2014) and that at the end of 2014 the financial lease debt amounted to EUR 65 051 695; calls on the Committee to identify solutions jointly with Parliament and the Commission, such as extensive joint use of buildings and meeting and conference rooms, to reduce costs;
10. Requests that the Committee's building policy be attached to its AAR, especially given that it is important that the costs of such a policy be properly rationalised and not excessive;
11. Notes the savings made in interpretation services; regrets that thorough information on the utilisation and cancellation rate of interpretation services was not provided in the Committee's AAR; requests that those data be included in the Committee's AAR for 2015;
12. Notes with satisfaction that the Committee included information on unused interpretation services in its AAR for 2013; considers it to be positive that the unused rate of the interpretation services has decreased from 3,23 % in 2012 to 2,51 % in 2013 and believes that that rate can still be improved; calls on the Committee to plan its meetings better;
13. Notes the increased use of videoconferencing by the Committee; regrets however the delay in the introduction of portable videoconferencing facilities and asks to be informed of developments with regard thereto in the Committee's AAR for 2015; takes note that, according to the Committee, the videoconferencing tool has been used in the meetings where no interpretation is needed; encourages the Committee to use the language training effectively in order to ensure that less interpretation is needed and thus the work of the Committee is more effective and efficient; calls on the Committee to provide the discharge authority with an update in that regard by the end of June 2016;
14. Urges extensive use of videoconferencing and all related tools in order to significantly cut costs; does not understand how such a high number of missions to Greece or Italy (77 and 125, respectively) translates into added value for the citizen of those countries or other Union citizens;

#### **Cooperation and agreements**

15. Welcomes the adoption of the Charter for Multilevel Governance in Europe in 2014, launched with a commitment to developing new forms of dialogue and partnership between all public authorities within the Union, so as to optimise public policies, public spending and increase policy delivery; asks to be informed of the project's strategy in that regard and results thereof;
16. Notes that a cooperation agreement between Parliament, the Committee and the EESC was signed on 5 February 2014 with the objective of developing political cooperation; notes that an Annex on administrative cooperation was also agreed;
17. Finds that there is still room for improvement with regard to collaboration between Parliament and the Committee based on the cooperation agreement, in particular with regard to political aspects; invites both institutions to examine whether further synergies that enhance productivity in the domains covered by the cooperation agreement can be found and asks to be kept informed of developments in this regard; calls for the establishment of specific detailed provisions on the functioning of the services shared by Parliament, the Committee and the EESC;
18. Calls for Committee members to be polled on their satisfaction with the services provided for them by the European Parliamentary Research Service; asks to continue to be informed of developments with regard to the cooperation agreement;
19. Asks for a detailed breakdown per institution of the budgetary savings and increased budgetary costs resulting from the cooperation agreement to be included in the mid-term review;

20. Notes that in 2014 the Committee and the EESC had a positive budgetary position within the framework of the cooperation agreement; notes with concern that 24 officials from the Committee and 36 from the EESC, all from the translation services and for the most part very near to retirement age, were transferred under the agreement, with the result that both institutions will make significant savings in budget chapters for staff (salaries and pensions) while Parliament's costs will increase considerably both in the short term (salaries) and in the long term (pensions);
21. Takes note of the fact that a new administrative bilateral cooperation agreement between the Committee and the EESC was signed in 2015; requests that it be kept informed of that bilateral cooperation in the context of the mid-term assessment;
22. Notes the cooperation between the Committee and Parliament's Committee on Budgetary Control, in particular in relation to the discharge exercise;

#### **Human resources management**

23. Regrets that Objective 2 of the Directorate for Translation — 'improve working methods and optimise human and financial resources management' — was not achieved; is concerned at the low execution rate for budget line 1 4 2 0 (translation outsourcing and translation tools); notes, in particular, that the budget execution rate for several of the translation lines was well below the average of previous years;
24. Acknowledges the results reached by the inter-institutional committee for translation and interpretation settling a harmonised methodology which enables direct comparisons of the translation costs of all institutions; welcomes the fact that the Committee is providing data according to this methodology;
25. Notes the continued shortage of women holding senior Committee posts; calls for an equal opportunities plan to be established with regard to management positions, with the aim of correcting this imbalance as quickly as possible;
26. Regrets that fewer than 35 % of managers are women while more than 60 % of the staff is composed of women; stresses, therefore, that only 28 % of senior management posts are occupied by women; calls upon the Committee to correct this imbalanced situation concerning women;

#### **Procurement and contract management**

27. Stresses that the audit committee analysed the Committee's current procurement practices and made recommendations relating to the improvement of the financial circuits, accompanied by 15 measures to reinforce control systems; requests detailed information on the procurement quality assurance group and its effectiveness and a description and follow-up of the recommendations of the audit committee in this respect, by the end of June 2016;
28. Regrets that the number of derogations from procurement rules or contract management increased from 1 in 2013 to 4 in 2014; notes that one such derogation arose from a procedural error in a joint Committee-Parliament continuity of IT services procedure; calls on the Committee to take the necessary measures to ensure this type of situation does not recur; asks the Committee to address, without delay, the ongoing issue of all exception reports due to non-compliance with the provisions of the Financial Regulation or the internal rules of procedure; notes, however, that the number of exceptions represents only 0,4 % of the operations concerned;

#### **Internal audit**

29. Notes that the audit committee, which was created in 2013, met twice in 2014; is concerned about the results of the follow-up of the audit on the performance of IT projects; considers that the performance of IT projects and applications is a clearly identified weakness, for which little to no measures were taken; strongly regrets that only one of the 15 recommendations of the audit authority was closed; requests an impact analysis of those IT projects and their added value for the Union citizens by the end of June 2016;
30. Notes with satisfaction that 16 out of 18 recommendations made by the auditors on the performance of external written communication were closed and that, according to the second follow-up report, risks of lack of efficiency and effectiveness due to the remaining open recommendations are considered as low;

31. Notes the approval by the Secretary General in 2015 of the audit on the adequacy of the statutory rights definition system and requests supplementary information on the 19 recommendations on revision of sub-delegation procedures, improvement of risk analysis in connection with verification results, definition or revision of procedures and checklists, the application of the training policy, publication of decisions on appointments, transfer and status; urges the Committee to come up by the end of June 2016 with an action plan designed by the audited service, which should include deadlines on implementing necessary corrective measures;

#### **Rules on whistleblowing, conflicts of interest and 'revolving doors' situations**

32. Welcomes the adoption by the Committee of a decision laying down rules on whistleblowing <sup>(1)</sup>, which entered into force on 1 January 2016; considers, however, that it took too long to lay down those rules; calls on the Committee to publish them and to inform the discharge authority of its progress with regard to their implementation in its AAR; welcomes, nevertheless, the close collaboration of the Committee of the Regions with the European Economic and Social Committee in drawing up their internal whistleblowing rules since they have some services and staff in common; welcomes also the fact that those rules are being enforced retroactively;
33. Finds it unacceptable that the Committee has been dealing with the same whistleblowing case since 2003 and that, despite the Civil Service Tribunal judgments of 2013 <sup>(2)</sup> and 2014 <sup>(3)</sup>, and Parliament's discharge resolution of 29 April 2015 <sup>(4)</sup>, it has not yet complied with those judgments, recognised the plaintiff's action as being legitimate, or finally closed the case; urges the Committee to take all necessary steps to resolve this situation without further delay and to admit publicly that the whistleblower's findings were correct, as stated by the European Anti-Fraud Office and other Union bodies; calls on the Committee to inform Parliament of progress with regard to the whistleblowing case by the end of June 2016;
34. Acknowledges that, according to the Committee, no situations of conflicts of interest occurred during the financial year 2014; urges the Committee to publish CVs and declarations of interests of all members and senior staff management and to adopt an internal policy and clear rules on the prevention and management of conflicts of interest and 'revolving doors' situations, in accordance with the guidelines published by the Commission; expects the Committee to provide those CVs, declarations of interest and rules to Parliament by the end of June 2016;

#### **Overall performance, planning and strategic management**

35. Notes the Committee's efforts and achievements in stepping up its information and communication policy; encourages the Committee to boost interinstitutional cooperation in order to improve communication and visibility as well as to enhance the presence of Members of the institutions at national level; welcomes, in that regard, any further efforts on the Committee's part to improve the flow of information and, hence, transparency;
36. Stresses that the risks identified during the audits and risk analyses that have been performed, particularly in the areas of financial management and operational or organisational matters, need to be addressed without delay; requests a detailed presentation of the mitigation measures that the Committee proposes, and a clear calendar for their implementation, by the end of June 2016;
37. Calls on the Committee to notify Parliament of actions taken to 'engage participation' of Union citizens, such as in situations where mutual exchanges with citizens and their involvement have occurred and where direct results — measurable, focused and with a visible impact — have been obtained through such participation.

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<sup>(1)</sup> Decision No 508/2015 of the Committee of the Regions, of 17 December 2015, laying down rules on whistleblowing.

<sup>(2)</sup> Judgment of the Civil Service Tribunal (First Chamber) of 7 May 2013, *Robert McCoy v Committee of the Regions of the European Union* (Case F-86/11; ECLI:EU:F:2013:56).

<sup>(3)</sup> Judgment of the Civil Service Tribunal (First Chamber) of 18 November 2014, *Robert McCoy v Committee of the Regions of the European Union* (Case F-156/12; ECLI:EU:F:2014:247).

<sup>(4)</sup> 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 VII — Committee of the Regions (OJ L 255, 30.9.2015, p. 132).