

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of the decision on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section I — European Parliament**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (SEC(2009) 1089 — C7-0173/2009) ⁽²⁾,
- having regard to the report on budgetary and financial management- financial year 2008, Section I — European Parliament ⁽³⁾,
- having regard to the Internal Auditor's annual report for 2008,
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽⁴⁾,
- 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 ⁽⁵⁾,
- having regard to Article 272(10) and Article 275 of the EC Treaty, Article 314(10) and Article 318 of the Treaty on the Functioning of the of the European Union, 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 ⁽⁶⁾ (the Financial Regulation), and in particular Articles 145, 146 and 147 thereof,
- having regard to Article 13 of the Internal Rules on the implementation of the European Parliament's budget ⁽⁷⁾
- having regard to Article 147(1) of the Financial Regulation, which requires each EU institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,
- having regard to its resolution of 29 March 2007 on the guidelines for the 2008 budget procedure — Sections II, IV, V, VI, VII, VIII and IX — and on the European Parliament's preliminary draft estimates (Section I) for the 2008 budget procedure ⁽⁸⁾,
- having regard to Rules 77 and 80(3) of and Annex VI to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A7-0095/2010),

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 127, 5.6.2009, p. 1.⁽⁴⁾ OJ C 269, 10.11.2009, p. 1.⁽⁵⁾ OJ C 273, 13.11.2009, p. 122.⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.⁽⁷⁾ PE 349.540/Bur/ann/fin.⁽⁸⁾ OJ C 27 E, 31.1.2008, p. 225.

- A. whereas 'citizens have the right to know how their taxes are being spent and how the power entrusted to political bodies is handled' ⁽¹⁾,
- B. whereas the principle of 'checks and balances' is of fundamental importance in institutions characterised by decentralised financial management and whereas that principle must be assured by sufficiently developed central responsibility for the *systemic* adequacy of the internal control framework and governance structure,
- C. whereas a condition of efficient and meaningful accountability — the obligation to explain how public funds have been used — is that citizens of the Union have access to relevant and objective information,
- D. whereas, in accordance with the usual procedure, a questionnaire was sent to the Parliament administration and replies were received and discussed by the Committee on Budgetary Control, in the presence of the Vice-President responsible for the Budget and the Secretary-General,

Risk management and corporate governance in Parliament

1. Notes with the utmost satisfaction that the discharge reports on Parliament's implementation of its budget over the last decade have played an important role and brought about very positive developments in Parliament's financial management such as the Members' statute, the assistants' statute as well as the EMAS process; is determined to continue this encouraging development towards excellence in public financial management;
2. Notes the general concept of 'corporate governance' as a set of processes, customs, policies and rules affecting the way a company or institution is directed, administered and controlled, with the aim of reducing costs and improving output;
3. Recalls that a draft report on Parliamentary control of the implementation of the budget by the policy department on budgetary affairs was issued on 12 March 2009 and recommends that a set of best practices be adopted by Parliament;
4. Stresses that key elements of good corporate governance include transparency and openness, responsibility and accountability of the persons entrusted with corporate governance in an organisation;
5. Defines accountability as the acknowledgement and assumption of responsibility for actions, decisions and policies as well as the obligation to report, explain and be answerable for resulting consequences;
6. Notes that Parliament is a complex organisation in which the boundary between political and administrative decisions is not always clear due to the multilayered character of its governance structure;
7. Is of the opinion that within an efficient and effective corporate governance system, due attention must be paid to the role of management; takes the view that Directors-General, Directors and Heads of Unit should be selected on the basis of merit, taking into account equal opportunities and geographical balance, their experience and their management capabilities;
8. Believes that more sophisticated internal control and risk management systems will improve accountability and protect the political leadership and the administrative managers from financial and non-financial risks;

⁽¹⁾ The European Transparency Initiative.

9. Invites the competent services, therefore, to review and, if necessary, reinforce the minimum internal control standards in order to incorporate lessons learned and to remain in line with developments in risk management and corporate governance; recalls that authorising departments are under an obligation to respect the standards in developing their internal control systems and implementing measures; invites the competent services to seek the opinion of its Committee on Budgetary Control before the revised minimum internal control standards are sent to the Bureau for review and approval;
10. Notes the Secretary-General's objectives for 2008-2009 as follows:
 - preparing for the coming into force of the Lisbon Treaty,
 - preparing for the 2009 European elections so as to help reverse the voter turnout trend,
 - stepping up services for Members, and
 - reforming and consolidating Parliament's General Secretariat;
11. Recalls that the financial resources of Parliament comprise taxpayers' money and that any institution using public funds has an obligation to explain how those funds have been used and to give comprehensive, objective and relevant information on the degree to which the funds have been used for the intended purposes and in accordance with the principles of sound financial management (economy, efficiency, effectiveness) and transparency;
12. Recalls that all grants are subject to the principle of transparency and equal treatment, in particular, Article 109(1) and Article 110(2) of the Financial Regulation and Article 169 of Commission Regulation (EC, Euratom) No 2342/2002 ⁽¹⁾ (the Implementing Rules); stresses that this applies to all beneficiaries of Union funds, including Parliament staff and their relatives receiving subsidies for private excursions (skiing or other); asks the administration to follow up on the examination of such payments;

Reputational risks

13. Stresses that some reputational risks are much more dangerous than financial risks and invites the Secretary-General together with the authorising officers to evaluate Parliament's risk profile fully;
14. Welcomes the creation of the post of risk manager on 24 February 2010 and asks the newly appointed risk manager to inform the competent committees at the earliest possible convenience of the concept for a risk approach and strategy to be taken in the future;
15. Notes that the role and function of a specific risk manager should be to assist Authorising Officers in their managing of risks by advice and coordination;
16. Stresses that the independence, role and functioning of a risk manager is important; notes and welcomes the fact that the risk manager will be attached directly to the office of the Secretary-General;
17. Invites the Secretary-General, as an integrated part of the discharge procedure, to send an annual report on the activities of the risk manager to its Committee on Budgetary Control;
18. Stresses that the entry into force of the Lisbon Treaty has increased Parliament's powers and the workload for its Members and their auxiliary staff; opines that the working conditions in all places of work should adequately reflect the increased need for labour and material;

⁽¹⁾ OJ L 357, 31.12.2002, p. 1.

19. In that regard recalls its findings concerning the asbestos rehabilitation works, and asks its Secretary-General to report on the operational and financial results of the works and possible future needs for consequential remedial measures;
20. Draws attention to the fact that the payments of Strasbourg renovations following the incident which took place on 7 August 2008 must not be borne by the European taxpayer;
21. Suggests that its Committee on Budgetary Control receive the buildings questionnaire and the answers thereto at the same time as its Committee on Budgets;
22. Stresses that there is very little added value of Parl-TV because of the small number of its viewers; is of the opinion that Parl-TV's financing and the whole project should be reviewed;

The discharge process

23. Stresses that the added value of the parliamentary and public procedure leading up to Parliament's discharge of itself is the additional possibility for exercising, in public, a critical scrutiny of the institution's financial management and thereby facilitating Union citizens' understanding of Parliament's particular set-up, governance structure and working methods;
24. Draws attention to the need for further risk reduction in Parliament's financial management where even non-material shortcomings may result in considerable reputational damage overshadowing Parliament's policy achievements and reminds Parliament's Members and staff of their personal responsibility in Parliament's proper financial management;
25. Stresses that critical scrutiny is necessary to ensure that Parliament's financial actors are held fully accountable, because only full and complete transparency offers citizens of the Union an insight into Parliament's financial management and its use of taxpayers' money;

The activities of its Committee on Budgetary Control

26. Stresses that Parliament, as an *institution*, has a fundamental interest in full transparency in regard to its financial management; expects its Committee on Budgetary Control, therefore, to comply fully with its specific and important parliamentary role by clearly highlighting where improvements can be made, as it does with other institutions;
27. Fully understands that objective, professional and comprehensive analysis of complex decision-making and management structures and procedures is challenging and time-consuming and recommends that its Committee on Budgetary Control be better equipped to accomplish its increasingly demanding tasks by reinforcing substantially the establishment plan for that committee's secretariat;
28. Stresses that the wording of Article 317 of the Treaty on the Functioning of the European Union (introduced by the Lisbon Treaty) presents very challenging tasks for Parliament's control activities;
29. Stresses that the reinforcement of the committee secretariats cannot be effected on the basis of purely quantitative parameters and invites the Secretary-General to include well-defined qualitative parameters;
30. Further stresses that traditional parliamentary activities such as the critical scrutiny of the use of public money must be a fully integrated part of the Parliament's core business at all levels;

Improvement of administrative processes

31. Notes the tradition in accordance with which the Committee on Budgetary Control requests the administration to provide information on various topics in its discharge reports; recommends that those reports be sent directly to the Chair of the Committee on Budgetary Control and that they be published — for the information of the members of the Committee and the citizens of the Union — on that Committee's homepage as soon as they have been received by the Chair;

32. Would appreciate it if the Secretary-General were available for an exchange of views with the competent committee on the replies given by the administration to requests contained in the discharge resolutions at that committee's ordinary meeting in September each year;

Presentation of Parliament's accounts

33. Takes note of the figures on the basis of which Parliament's accounts for the financial year 2008 were closed, namely:

(a) Available appropriations	
appropriations for 2008:	1 452 517 167
non-automatic carry-overs from financial year 2007:	43 800 036
automatic carry-overs from financial year 2007:	225 239 332
appropriations corresponding to assigned revenue for 2008:	47 551 735
carry-overs corresponding to assigned revenue from 2007:	38 325 182
Total	1 807 433 452
(b) Utilisation of appropriations in the financial year 2008	
commitments:	1 723 369 531
payments made:	1 488 856 868
payments outstanding and appropriations not committed arising from assigned revenue:	232 944 667
appropriations carried forward automatically including those arising from assigned revenue:	232 944 667
appropriations carried forward non-automatically:	8 315 729
appropriations cancelled:	70 722 045
(c) Budgetary receipts	
received in 2008:	151 054 374
(d) Total balance sheet at 31 December 2008	
	1 782 229 891

34. Notes that total payments as regards 2008 credits, including automatic and non-automatic carryovers to 2009 of those credits, correspond to 94 % of total appropriations for 2008;
35. Notes that the European Union's budget for 2008 totalled EUR 129 150 million in commitment appropriations, of which Parliament's budget accounted for EUR 1 453 million; further notes that this figure represents just over 1 % of the Union's budget and amounts to 19,48 % of the EUR 7 284 million set aside for the administrative expenditure of the EU institutions as a whole;

Short-term receivables

36. Notes that the Belgian government reimbursed EUR 85 896 389 to Parliament at the beginning of 2010; invites the Secretary-General to inform the Committee on Budgetary Control in due time on how that money will be used;

Public procurement

37. Notes that the Internal Audit Service carried out a comprehensive audit of the management and control of the public procurement process in Parliament in 2004 and 2005 and that the final report adopted on 31 March 2006 comprised 144 specific measures for implementation over the period to 31 March 2008;

38. Welcomes the fact that the Internal Audit Service in 2008 commenced a new series of audits in order to re-assess the level of achievement of the 144 specific measures and notes that those new audits were in progress at the end of 2009;
39. Draws attention to the fact that as interface between the public and the private sector, public procurement is a high-risk area which requires continuous close attention;
40. Recalls that at each stage of the procurement process — initially assessing needs, preparing the call for tender, drawing up the calls for tender and the specifications, contacting tenderers, opening of tenders, evaluating tenders, taking the award decision, concluding contracts — there are significant risks to the achievement of the abovementioned objectives as a result of a complex legal environment and factual necessities;
41. Invites the Secretary-General to ensure that the special training courses on procurement are continued and are attended by all staff dealing with procurement, that procurement is recognised as a specialised function in Parliament's register of professional skills for internal staff only and that procurement is considered as a 'sensitive post' subject to appropriate rotation and/or additional control measures;

Reform of the Financial Regulation

42. Invites the Secretary-General to take an active part in the upcoming tri-annual revision of the Financial Regulation by giving administrative advice on areas in need of reform;

Annual report on contracts awarded

43. Notes that the central services, on the basis of information provided by authorising departments, establish the annual report ⁽¹⁾ to the budgetary authority on contracts awarded in 2008 and the following breakdown of all contracts awarded in 2008 and 2007:

Type of contract	2008		2007	
	Number	Percentage	Number	Percentage
Services	240	67 %	161	65 %
Supplies	59	17 %	48	19 %
Works	44	12 %	28	11 %
Building	15	4 %	12	5 %
Total	358	100 %	249	100 %

Type of contract	2008		2007	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Services	454 672 969	67 %	218 201 103	66 %
Supplies	22 868 680	3 %	42 443 126	13 %
Works	81 247 056	12 %	16 449 758	5 %
Building	123 429 315	18 %	54 387 707	16 %
Total	682 218 020	100 %	331 481 694	100 %

(Annual report on the contracts awarded by the European Parliament, 2008, page 4)

⁽¹⁾ available at:
<http://www.europarl.europa.eu/document/activities/cont/200911/20091120ATT64961/20091120ATT64961EN.pdf>

44. Notes the breakdown of contracts awarded in 2008 and 2007 by type of procedure used as follows:

Type of procedure	2008		2007	
	Number	Percentage	Number	Percentage
Open	126	35 %	85	34 %
Restricted	14	4 %	10	4 %
Negotiated	218	61 %	154	62 %
Total	358	100 %	249	100 %

Type of procedure	2008		2007	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Open	345 415 316	51 %	162 124 519	49 %
Restricted	139 782 362	20 %	59 593 905	18 %
Negotiated	197 020 342	29 %	109 763 270	33 %
Total	682 218 020	100 %	331 481 694	100 %

(Annual report on the contracts awarded by the European Parliament, 2008, page 6)

45. Notes that of a total of 358 contracts awarded in 2008, 140, with a value of EUR 485,2 million, were based on open or restricted procedures, and 218, with a value of EUR 197 million, were based on negotiated procedures;

Exceptional negotiated procedures

46. Notes in particular the large increase in 2008 in the number of exceptional negotiated procedures as shown in the following breakdown:

	2008		2007	
	Number	% DG's total contracts	Number	% DG's total contracts
DG PRES (except DIT)	8	44,44 %	6	37,50 %
DG IPOL	0	0,00 %	0	0,00 %
DG EXPO	3	75,00 %	1	20,00 %
DG COMM (except Library Directorate)	16	16,00 %	9	13,64 %
DG PERS	0	0,00 %	1	9,09 %
DG INLO (except Interpreting Directorate)	35	34,31 %	19	21,84 %
DG INTE (formerly Interpreting Directorate)	9	56,25 %	3	33,33 %
DG TRAD (except Publishing Directorate)	0	0,00 %	1	25,00 %
DG ITEC (formerly Publishing and IT Directorates)	9	56,25 %	2	33,33 %
DG FINS	0	0,00 %	0	0,00 %
Legal Service	0	0,00 %	0	0,00 %
Parliament, total	80	22,35 %	42	16,87 %

(Annual report on the contracts awarded by the European Parliament, 2008, p. 9)

47. Notes that the proportion of exceptional negotiated procedures increased in number and proportion in the case of six authorising officers by delegation;

Article 54 of the Implementing Rules ⁽¹⁾

48. Recalls that Article 54 of the Implementing Rules provides: 'If the proportion of negotiated procedures in relation to the number of contracts awarded by the same authorising officer by delegation increases appreciably in relation to earlier years or if that proportion is distinctly higher than the average recorded for the institution, the authorising officer responsible shall report to the institution setting out any measures taken to reverse that trend';

49. Takes the view that the increase registered between 2007 and 2008 clearly obliges the authorising officers to take measures to 'reverse the trend'; invites the Secretary-General to report to its Committee on Budgetary Control on measures taken before 1 September 2010;

50. Invites the authorising officers to present to the discharge authority — for the financial year 2009 and onwards — more information allowing for a more thorough supervision of the Parliament's use of exceptional negotiated procedures (Articles 126 and 127 of the Implementing Rules) by including in their Annual Activity Report an annex providing clear information as regards:

— why it was necessary in the first place to conclude a contract under Article 126 or 127 of the Implementing Rules,

— why the authorising officer found a specific contract to fall under one of the established categories ('no suitable tenders', 'technical or artistic reasons', 'urgency', etc.) in Article 126(1) and Article 127(1),

— the number of candidates with which negotiations have been carried out, and

— the criteria for the acceptability of the offer;

51. Further, invites the Central Financial Unit to consolidate the information to be given in that new annex in the 'Annual report on the contracts awarded by the European Parliament';

Management representations in Parliament

52. Recalls that Article 8(9) to (11) of the Internal Rules on the implementation of the European Parliament's Budget provides that the Secretary-General shall, as Principal Authorising Officer by Delegation, issue a declaration as to whether Parliament's budget has been implemented in accordance with the principles of sound financial management and as to whether the control framework put in place provides the necessary guarantees concerning the legality and regularity of the underlying operations;

53. Further recalls that the declaration issued by the Principal Authorising Officer by Delegation is based on the declarations issued by the Directors-General in their capacity as Authorising Officers by Delegation;

⁽¹⁾ See also: http://ec.europa.eu/budget/library/documents/implement_control/fin_rules/syn_pub_rf_modex_en.pdf

54. Notes that the former Secretary-General in his declaration of 4 March 2009 ⁽¹⁾

- noted that no authorising officer had entered formal qualifications in his/her declaration, and
- certified that he had 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 provides the necessary guarantees as to the legality and regularity of the underlying operations;

55. Further notes that the Principal Authorising Officer by Delegation also stated that the declaration 'is based on my own judgement, on the internal audit reports received, on the central monitoring and support of financial management activities carried out on my behalf and at my behest, and on all other information at my disposal';

Article 60(4) and (7) of the Financial Regulation ⁽²⁾

56. Notes that Article 60(4) of the Financial Regulation requires each Authorising Officer by Delegation to 'put in place (...) the internal management and control procedures suited to the performance of his/her duties (...)' and that the second paragraph of Article 60(7) of the Financial Regulation requires the same person responsible in the financial management to report on 'the efficiency and effectiveness' of the systems that he/she has put in place;

Not all annual activity reports complied with the financial regulation

57. Further notes that only some Directors-General 'indicated the risks associated with their operations or reported on the working of their internal control systems' (reply to Question 4.2.1) while the Financial Regulation in the second paragraph of Article 60(7) clearly states that Authorising Officers shall indicate in the annual activity report 'the efficiency and effectiveness of the internal control system';

Reporting requirements too loose?

58. Notes that that failure was 'no doubt due to the fact that the instructions for the drafting of the 2008 annual activity reports left the Authorising Officers by delegation greater latitude in the manner in which they reported, notably on their internal control systems' (reply to Question No 4.2); is pleased however to note that the instructions in this regard for the 2009 reports were stricter and expects that all Director-Generals act accordingly;

59. Recalls that the objective of an internal control system is to ensure correct expenditure in line with the financial regulations;

60. Stresses that in any system of financial management there must be appropriate checks and balances when expenditure is authorised;

61. Invites the Secretary-General, therefore, to inform the discharge authority as soon as possible and in any event by 31 December 2010 of the precise measures — and deadlines for implementation — he has taken or will take in order to reinforce the internal control system and, in particular, as regards:

- ensuring that activity reports fully comply with Article 60(7) of the Financial Regulation from all Authorising Officers,

⁽¹⁾ Available at:

<http://www.europarl.europa.eu/document/activities/cont/200911/20091118ATT64756/20091118ATT64756EN.pdf>

⁽²⁾ See also: http://ec.europa.eu/budget/library/documents/implement_control/fin_rules/syn_pub_rf_modex_en.pdf

- achieving clearer, shorter, more precise, relevant, and professional annual activity reports aiming at providing the discharge authority with relevant information on Parliament's use of public money, adopting any other measure necessary for the Secretary-General to issue a meaningful declaration of assurance,
- performing internal controls for negotiated and restricted contracts dating back to 2008; intensifying such internal controls,
- publishing a complete annual list of all companies that were awarded negotiated and restricted contracts from 2008;

Annual Report of the Court of Auditors for the financial year 2008

Multiplication factor applicable to salaries

62. Notes that Parliament and the European Economic and Social Committee continue to apply the provisions of the Staff Regulation concerning the multiplication factor as in previous years while waiting for the Court of Justice's final ruling in cases brought in this respect by their staff;

Reimbursement of accommodation costs incurred on mission

63. Notes that, since the financial year 2004, the Court of Auditors has invited Parliament to ensure that accommodation costs incurred on mission are reimbursed in compliance with the Staff Regulations; acknowledges the efforts made by DG Personnel to simplify and rationalise the management of missions;
64. Notes the administration's reply and draws attention to the fact that a 'budgetary basis' cannot be used for overturning the regulatory framework; considers that this matter should receive special attention in the upcoming review of the Staff Regulations;
65. Expects that its principal decision-makers in this area — the Bureau, the Secretary-General and the Director-General for Personnel — take, as soon as possible after a decision has been made, the necessary measures to ensure that Parliament's internal rules and procedures as regards missions fully and consistently comply with the principle of sound financial management and the Staff Regulations;

Allowances for assistance to Members

66. Notes and congratulates the services for the considerable amount of work carried out in the regularisation exercise for parliamentary assistance expenses paid during the years 2004 to 2008;
67. Calls on the Secretary-General, the Director-General for Personnel and the Director-General for Innovation and Technological Support to look at how far use might be made of new video-conferencing technologies as a way of reducing the cost of missions; points especially to the use of Open Source software as a secure and cheap way of conducting video conferences;
68. Further notes that the new system which commenced on 14 July 2009 is expected to ensure proper compliance with the relevant rules and principles and to provide the best guarantee of transparency, legality and sound financial management of the parliamentary assistance allowance;

Members as public persons

69. Supports the right of taxpayers to scrutinise the use that Members, as public persons, make of their contribution, and invites Members to pay particular attention to the public interest in their use of European public funds;

70. Invites — having regard to the considerable reputational risks in this area of public politics — both its Internal Auditor as well as the Court of Auditors to follow closely the functioning and efficiency of the new framework and to indicate any shortcomings and/or possibilities for improving public access to information on payments to Members, including expenditure for assistance;

Additional pension scheme for Members

71. Recalls the remarks of the Court of Auditors in its 2006 and 2007 Annual Reports on the need to establish clear rules to define the liabilities and responsibilities of Parliament and of the members of the fund in the event of a deficit; calls on the Secretary-General to put forward a proposal by 31 December 2010 to resolve this, while respecting the decision by the Plenary that no additional tax money will be used to cover the deficit;
72. Notes that on 31 December 2008, the fund incurred an actuarial deficit of EUR 121 844 000 and that, on that date, the fund evaluated the remaining benefits to be paid to the members of the fund as EUR 276 984 000 (2008 Annual Report of the Court of Auditors, Annex 11.2);
73. Notes that Parliament's liabilities are reflected in the financial statements as at 31 December 2008;
74. Notes the independent auditor's report according to which 'the provision for pensions and similar obligations has been calculated based on a return of investment of 6,5 % per year', which figure is not realistic;
75. Stresses the need for full transparency concerning decisions to be taken by its governing bodies, namely, the President, the Bureau, the Quaestors and the Conference of Presidents;
76. Invites the Bureau to consider the possibility of making the information given to the Committee on Budgets on decisions with major budgetary consequences more readily accessible to the Committee on Budgetary Control in order better to satisfy the information needs of the discharge authority and the European taxpayers;
77. Takes the view that the Bureau, as the body competent within Parliament for financial and administrative decisions affecting Members and the running of the institution, has a particular responsibility for fostering democratic accountability;
78. Takes the view that amending budget proposals covering only the current budget year are insufficient as a management tool and invites the Bureau to present a five-year estimate of the expected consequences of major financial decisions;
79. Draws attention to the fact that matters concerning accountability in public politics and management of a public institution's reputational risks are issues which cannot and should not be reduced to legal considerations;

Reports of the Parliament's Internal Auditor

80. Notes that the Internal Audit Service was, since its creation, part of the Directorate-General for Finance, which accounts for about 30 % of the Parliament's budget and welcomes the fact that the Internal Audit Service is now, since 1 September 2009, following a decision of the Secretary-General, attached directly to the Secretary-General because both the effectiveness of the internal audit activity and the perception of its independent and objective role from the audited departments will be enhanced by this move;
81. Stresses that its former position within the organisation did not prevent the Internal Audit Service from performing its functions in accordance with professional and regulatory requirements; welcomes its new position and expects that it will improve the flow of essential information on risk issues from the Secretary-General and thereby facilitate the Internal Auditor's role of advising Parliament on dealing with risks;

Audit of the Internal Control Framework

82. Notes with satisfaction that the Internal Audit Service has given priority to monitoring and advising upon the implementation of the new decentralised systems of internal control introduced by the Financial Regulation, which took effect on 1 January 2003;
83. Further notes that the original review of the Internal Control Framework in 2003 and 2004 resulted in 14 audit reports covering all departments and the central services and containing 452 agreed actions;
84. Notes that a series of first follow-up audits in 2005 and 2006 showed that management had implemented 225 of the 452 original actions and that the 227 uncompleted actions included 20 deemed to be 'critical' as they addressed areas with high exposure to risk and necessitated urgent corrective action by the services concerned;

Remaining open actions

85. Also notes that following a second series of follow-up audits in 2007 and 2008 the result of end of 2008 showed that of the 452 original actions, 88 remained open, and that those actions were distributed among the different DGs as follows:

DG PRES	5
DG TRAD:	1
DG ITEC:	22 + four uncompleted <i>critical</i> actions
DG INTE:	5
DG INLO	10
DG COMM:	6
DG PERS	9
DG FINS	12
Sec-Gen	18 (central actions)

86. Welcomes the improvements in the management and internal control systems of the Directorates-General but questions the number of uncompleted actions showing an overall completion rate of only 80,53 % over a relatively long time period which should have given the responsible services sufficient time to undertake corrective action;
87. Is fully aware that some departments have been moved to other Directorates-General in the period under consideration; recalls that the 'institution shall ensure that action is taken on recommendations resulting from audits' in accordance with Article 86(3) of the Financial Regulation and finds it unsatisfactory that audit recommendations issued in 2003 and 2004 not yet have been implemented in 2008;
88. Stresses that the 88 uncompleted actions indicate the persistence of residual risks in some specific areas and recommends strongly that appropriate measures be taken swiftly to implement the outstanding recommendations as soon as possible; invites the Secretary-General to inform the competent committee on progress made;
89. Believes that a review of Parliament's internal audit office should be conducted with a view to strengthening that service and thereby further improving financial scrutiny, and all the instruments should be provided that guarantee the fulfilment of the tasks of the Committee on Budgetary Control;
90. Demands that Parliament receive — by 30 September 2010 — a complete explanation and exact answers why the new Visitors' Centre has still not been opened;

The European Parliament's prizes

91. Considers Parliament's Prize for Journalism to be inappropriate as Parliament should not award prizes to journalists whose task is critically to examine the EU institutions and their work;

Political groups (budget item 4 0 0 0)

92. Notes that in 2008 the appropriations entered under budget item 4 0 0 0 were used as follows:

(in EUR)

Total available under the 2008 budget					81 625 415			
Non-attached Members					1 485 287			
Amounts available for the groups					80 140 128			
Group	Appropriations allocated under Parliament's budget	Reallocation (*)	Supplementary allocation 2008 (**)	Own resources and carried-over appropriations of groups	Expenditure 2008	Rate of use of available appropriations	Carry-over ceiling (***)	Amounts carried over to 2009
PPE	19 457 497	- 19 262	2 256 382	9 768 471	24 057 411	76,46 %	11 985 131	7 405 677
PSE	14 417 268	45 992	1 685 892	7 254 341	16 555 599	70,74 %	8 894 526	6 847 894
ALDE	6 685 814	- 35 299	768 650	3 008 933	7 409 623	71,05 %	4 111 557	3 018 475
VERTS/ALE	2 765 269	45 912	330 540	1 070 615	3 191 911	75,78 %	1 713 175	1 020 425
GUE/NGL	2 809 780	- 2 357	325 919	971 528	2 627 939	64,02 %	1 730 809	1 476 931
UEN	2 764 733	- 26 557	315 066	968 265	2 770 796	68,90 %	1 697 433	1 250 711
IND/DEM	1 621 041	- 51 389	176 408	760 676	1 924 007	76,75 %	986 929	582 729
NI	1 226 937		141 143	117 207	1 019 401	68,63 %	754 612	392 949
Total	51 748 339	- 42 960	6 000 000	23 920 036	59 556 687	72,96 %	31 874 170	21 995 791

(*) Due to modifications in the composition of the Groups and Non-attached Members.

(**) Decision of the Bureau of 3 December 2008.

(***) In accordance with point 2.1.6 of the Rules on the use of appropriations from budget Item 4 0 0 0 and with decision of the Bureau of 15 December 2008; supplementary allocation to be used by 30 March 2009.

Additional appropriations

93. Recalls that at its meeting of 19 November 2008 the Bureau decided to enter additional appropriations totalling EUR 6 million against budget item 4 0 0 0 to fund an information campaign concerning the 2009 European elections (D(2009)28076 of 15 June 2009);

94. Notes that on 15 December 2008 the Bureau decided:

- 'that the limit of 50 % provided for in Articles 2.1.6 and 2.9.2 of the Rules on the use of appropriations from budget Item 4 0 0 0 did not apply to the additional appropriations of EUR 6 million that it had decided to reallocate at its meeting of 19 November 2008 and that, as a consequence, this supplementary amount could be carried over in full to 2009,
- nevertheless, that the groups must use these supplementary appropriations before the end of March 2009 and that any unused amounts must be repaid to Parliament's budget; and that, therefore,
- the use of these additional appropriations should be considered in connection with the closure of the accounts for the first half of 2009, given that election years are split into two six month periods' (D(2009)28076 of 15 June 2009);

95. Recalls that the President at the Bureau's meeting on 16 June 2009 'noted with concern the overall decline in turnout in these elections to 43,2 %, which (...) was a matter upon which the next Bureau would have to reflect carefully' (PE 426.193/BUR);

Closure of the accounts — without debate?

96. Notes that pursuant to point 2.7.3 of the Rules on the use of appropriations from budget item 4 0 0 0 ⁽¹⁾, the President forwarded the audited reports submitted by the political groups on the use of appropriations to the Committee on Budgetary Control on 8 July 2009 (letter 311812);
97. Points out that the Secretary-General in his note to the members of the Bureau of 15 June 2009 (D(2009)28076) stated that '[in] all the reports the auditors have certified without reserve that the accounts submitted complied with the rules';
98. Notes that at its meeting of 16 June 2009 (Minutes of the meeting of 16 June 2009, PE 426.193/BUR):
- when considering its decision on the closure of accounts of the political groups 2008, the Bureau noted and approved the documents submitted by the groups,
 - when considering its decision on the closure of the ITS Group's accounts, the Bureau endorsed the conclusions contained in the Secretary-General's note on the matter,
 - the Bureau instructed the Secretary-General to establish the definitive claim against a Member and carry out any regularisations required;
99. Recalls that in accordance with point 2.2.3 of the Rules on the use of appropriations from budget item 4 0 0 0 each group is required to maintain an internal control system;

European political parties

100. Notes that in 2008 the appropriations entered under budget item 4 0 2 0 were used as follows:

(in EUR)

Execution of 2008 budget under the agreement				
Party	Own resources	Total EP subsidies	Total revenue	Subsidies as % of eligible expenditure (max. 85 %)
PPE	1 169 574,08	3 354 754,00	4 524 328,08	79 %
PSE	859 853,00	3 027 647,00	3 887 500,00	82 %
ELDR	420 721,36	1 115 665,00	1 536 386,36	83 %
EFGP	272 909,63	641 534,00	914 443,63	70 %
GE	176 454,75	536 539,11	712 993,86	76 %
PDE	78 746,17	407 693,22	486 439,39	83 %
AEN	36 619,20	206 376,01	242 995,21	85 %
ADIE	80 187,00	303 051,35	383 238,35	85 %
EFA	65 390,25	226 600,00	291 990,25	83 %
EUD	50 094,08	153 821,06	203 915,14	85 %
Total	3 210 549,52	9 973 680,75	13 184 230,27	80 %

⁽¹⁾ PE 335.475/BUR/Rev2.

101. Notes that the Bureau at its meeting on 17 June 2009 approved, without debate, the final reports on the implementation of the respective programmes of activities and the financial statements of the seven out of 10 European political parties (Minutes of the meeting of 17 June 2009, PE 426.231/BUR);
102. Further notes that the Secretary-General in his note to the members of the Bureau — (D(2009)30444 of 15 June 2009) — gave the following information:
- ‘8. By and large, the parties’ activity reports correspond to the programmes of activities submitted by the parties when the grant was applied for. The parties made changes in relation to the original programmes, particularly as regards the subjects, dates and places of meeting or conferences. However, these changes do not affect the substance of the programmes of activities and should be accepted in order to give the parties the necessary flexibility to respond to a changing political environment during the year. The parties also made changes to their provisional budgets by means of transfers
- ...
10. In all the reports, the auditors certified unreservedly that the accounts submitted were in conformity with the statutory provisions of Regulation (EC) No 2004/2003 and that they presented a true and faithful picture of the situation of the political party at the close of the 2008 financial year’;
103. Notes that the Bureau at its meeting on 14 September 2009 approved the final reports on the implementation of the respective programmes of activities and the financial statements of the three European political parties whose reports were not available for the Bureau meeting of 17 June 2009, namely ADIE (Alliance of Independent Democrats in Europe), AEN (Alliance for Europe of the Nations) and EUD (EU Democrats) (Minutes of the meeting of 14 September 2009, PE 426.393/BUR);
104. Further notes that the Bureau established that the authorising officer was required to recover a balance of EUR 90 604,58 from the three parties concerned (ADIE, AEN and EUD), taking account of the final amount of the grants to be awarded to those parties;
105. Notes the Secretary-General’s reply to paragraph 96 in its resolution of 23 April 2009 ⁽¹⁾ concerning the follow-up to the findings in the Internal Auditor’s report on the implementation of the rules on contributions to political parties at European level ⁽²⁾ and the reference to three actions which have been ‘abandoned’;
106. Recalls that, as provided in recital 11 of Regulation (EC) No 2004/2003 ⁽³⁾, ‘It is necessary to ensure maximum transparency and financial control of political parties at European level funded from the general budget of the European Union’;
107. Stresses that ‘maximum transparency’ cannot be achieved without (i) thorough implementation, in particular by the introduction of a model structure for the description of programme activities and for the final activity reports and (ii) a sufficient number of *ex-post* on-the-spot checks of those grants by the authorising officer;
108. Is unable to understand how the Bureau can comply with its responsibility under Rule 209(2) ([to] decide whether to suspend or reduce funding and whether to recover amounts which have been wrongly paid) and Rule 209(3) ([to] approve the beneficiary political parties’ final activity reports and final financial statements) of the Rules of Procedure without introducing of the abovementioned model structures which are crucial to achieving a transparent evaluation and payment process;

⁽¹⁾ OJ L 255, 26.9.2009, p. 3.

⁽²⁾ <http://www.europarl.europa.eu/document/activities/cont/200911/20091120ATT64976/20091120ATT64976EN.pdf>

⁽³⁾ OJ L 297, 15.11.2003, p. 1.

European political foundations

109. Notes that in 2008 the appropriations entered under budget item 4 0 3 0 were used as follows:

(in EUR)

Budget item 4 0 3 0 — execution financial year 2008					
Foundation	Abbreviation	Own resources	Final grant	Total income	Subsidies as % of eligible expenditure (max. 85 %)
Centre for European Studies	CEE	262 293	1 344 892	1 607 184	84 %
Foundation for European Progressive Studies	FEPS	221 835	1 208 436	1 430 271	85 %
European Liberal Forum	ELF	39 315	172 187	211 502	81 %
Green European Institute	GEI	48 442	270 836	319 278	85 %
Transform Europe	TE	23 800	147 090	170 890	85 %
Institute of European Democrats	IED	18 079	101 108	119 188	85 %
Europa Osservatorio Sulle Politiche Dell'unione	EUROPA	61 901	232 900	294 801	84 %
Center Maurits Coppieters	CMC	21 881	106 608	128 489	83 %
Fondation Politique Europeenne Pour La Democratie	FPED	16 635	120 501	137 136	85 %
Foundation for EU Democracy (*)	FEUD				
Total		714 181	3 704 558	4 418 739	84 %

(*) Final report not yet approved.

110. Notes that the Bureau at its meeting on 17 June 2009 approved the final reports on the implementation of the programmes of activities and the financial statements of six of the 10 foundations and established that the authorising officer was required to recover the surplus of EUR 85 437,44 from the Institute of European Democrats and to pay a balance of EUR 482 544,35 to the other five foundations (Minutes of the meeting of 17 June 2009, PE 426.231/BUR);

111. Further notes that the Secretary-General in his note to the members of the Bureau — (D(2009)31289 of 15 June 2009) — gave the following information:

9. In March 2008, shortly before the deadline for submitting grant applications, most of the foundations said at an information meeting with the departments responsible in the Secretariat that they could not submit a detailed work programme, e.g. with the place, date and subject of a conference or the exact subject of a study. Consequently it was not possible to check whether the activities carried out correspond to the work programmes presented with the grant application. In cases where the application was fairly detailed, it was noted several times that major changes had been made, e.g. several events had been dropped or the subjects of studies had been changed.

10. As this is the first financial year for funding, shortly after the creation of the beneficiary foundations, it is proposed to accept the final reports. Nevertheless, it would seem useful for the Bureau to ask the President to remind the foundations, in his letter on the closure of the 2008 financial year, that in future the work programming must be improved and that any changes during the year must be justified in the final reports.

...

12. In all the reports, the auditors certified unreservedly that the accounts submitted were in conformity with the statutory provisions of Regulation (EC) No 2004/2003 and that they presented a true and faithful picture of the political foundations' situation at the close of the 2008 financial year (...);
112. Notes that the Bureau at its meeting on 14 September 2009 approved the final reports on the implementation of the programmes of activities and the financial statements of three of the four European political foundations which had been unable to send in their reports for consideration at the meeting on 17 June 2009 (European Liberal Forum — ELF, Transform Europe — TE and Fondation Politique Européenne Pour La Démocratie — FPED) (Minutes of the meeting of 14 September 2009 and note to the members of the Bureau D(2009)40444 of 9 September 2009);
113. Further notes that the Bureau also established that the authorising officer is required to recover the surplus of EUR 15 144,39 from ELF and EUR 32 178,58 from FPED and to pay a balance of EUR 21 965,56 to TE and has deferred its decision concerning closure of FEUD's financial year until a later meeting;
114. Supports fully the creation of European political parties and European political foundations and their activities; believes that full transparency as regards the financial management of the parties and foundations and their achievement of planned results is of utmost importance to the citizens of the Union;
115. Takes the view that the information presented to the discharge authority does not convincingly demonstrate that management and internal control systems operate effectively and that the information and documentation submitted by the parties and the foundations are not sufficient in order to comply with the justified expectations of citizens and taxpayers concerning transparency; expects the Authorising Officers to establish a programme of *ex-post* controls which is a major precondition for obtaining assurance;
116. Welcomes the fact that the Internal Audit Service has started a follow-up of the implementation of its recommendations from 2007 and that this new report will also include an examination of the European political foundations;

Implementation of the statutes for Members and assistants

117. Notes that the Bureau, by decision of 14 September 2009, established a temporary evaluation group on the implementation of the statutes for Members and assistants chaired by Dagmar Roth-Behrendt, Vice-President, to look at solutions to practical problems that have emerged;
118. Welcomes this initiative and draws attention to the need to carry out any adjustments of administrative procedures and current rules with due regard to possible reputational and financial risks and without generating undue additional costs;
119. Expects the Secretary-General to have identified the risks associated with the new schemes and the costs of administration and control necessary to contain those risks;

Vacancies

120. Expects the Secretary-General to take all necessary measures to limit the vacancy of posts to a strict minimum period of no more than three months and thereby significantly to contribute to improving the services to Members by allowing staff to deliver the expected quality of work;
121. Invites the Secretary-General to ensure that vacancy notices regarding Head of Unit and higher-level posts are open to officials from the other EU institutions;

Buildings policy

122. Repeats its call for Parliament to adopt a long-term strategy for property and buildings; points again to its demands in paragraph 30 of its resolution of 22 October 2009 on the draft general budget of the European Union for the financial year 2010, Section I — European Parliament, Section II — Council, Section IV — Court of Justice, Section V — Court of Auditors, Section VI — European Economic and Social Committee, Section VII — Committee of the Regions, Section VIII — European Ombudsman, Section IX — European Data Protection Supervisor⁽¹⁾; stresses in particular that any such property and buildings strategy must also take into account the rising costs of maintaining buildings purchased and the necessity over the medium term of renovating them; points out that the property and buildings strategy must ensure the sustainability of Parliament's budget; stresses that account must also be taken of the requirements created by the entry into force of the Lisbon Treaty, and expects to be kept informed of the results;
123. With regard to information offices, calls on Parliament and the Commission to agree a buildings policy for the medium and long term which plans well ahead and in particular sets out clearly the procedures for purchasing property, the role of the respective institutions and repayment periods; stresses that the need for such an agreement is greater given that Parliament and the Commission currently prefer different forms of financing for information offices;

Eco-Management and Audit Scheme (EMAS)

124. Notes with satisfaction that the International Organisation for Standardisation has awarded Parliament an ISO certificate — ISO 14001:2004 — for its environmental management systems for its three main working places;
125. Welcomes the fact that Parliament:
- is the first EU institution to have received this certificate for all its technical and administrative activities,
 - has reduced its gas and fuel consumption by almost 25 % over the last three years,
 - has decided to use 100 % green electricity in its three main places of work, which has made it possible to cut carbon dioxide (CO₂) emissions by 17 %, and
 - recycles, composts or reuses more than 50 % of all waste;
126. Invites the Secretary-General to take measures aiming at creating — *at all levels* — a greater understanding of the need to avoid unnecessary waste in general and in particular as regards the number of paper dossiers produced — but not used — for various meetings, especially in light of the great amount of effort in the field of economy and finance spent on the development of digital infrastructure; suggests, therefore, that the use of Parliament's existing digital equipment be improved;
127. Expects, as a general rule, all decision-making bodies to give a high priority to environmental requirements in all decisions concerning, inter alia, buildings (including insulation, geothermic, bio fuels and photovoltaic panels), transport and office supplies;
128. Recommends that Parliament — similarly to the practice in some Member States — participate in reimbursing staff expenses on public transport between their home and place of work against accepting losing access to Parliament's garages because such a system would reduce the number of cars driving into Brussels every morning and the corresponding carbon dioxide emissions;

⁽¹⁾ Texts adopted, P7_TA(2009)0052.

129. Fully supports the principle of multilingualism and notes Parliament's decision of 24 October 2007 ⁽¹⁾ to reinstate the complete translation of the Verbatim Report of Proceedings into all the official languages and the additional expenditure of EUR 14 840 000; calls for analyses of ways of identifying the use made of the different linguistic versions of the Verbatim Report of Proceedings;
130. Is of the opinion that the EMAS team should be functionally independent and have sufficient financial resources to carry out its activities; invites the EMAS team to forward its annual report to the Chair of the Committee on Budgetary Control;
131. Expresses its concern at the continuing cases of petty crime in the premises of Parliament; requests that the Secretary-General pay special attention to this matter in order to reduce petty crime;

Transport

132. Notes that every car purchased by Parliament in 2009 had CO₂ emissions that exceeded the average of those from new cars placed on the Union market in that year; is aware of the growing number of high-performance cars, including hybrids, now available that have emissions below that average;
133. Invites the competent authorities to renew, by 31 December 2010, the whole of Parliament's own fleet of sedan cars for protocol and representational purposes with cars with CO₂ emissions that do not exceed the Union average for the latest year in which Commission figures are available, to reserve the use of those cars to the President, political group Chairs and high-profile visitors and to ensure that the cars at the disposal of the Members in Brussels and Strasbourg are in conformity with European Emission Standard 5 by the same date;
134. Is surprised that a majority of the cars purchased in 2008 were considered to be the most environmentally friendly cars fitting the needs of the users; encourages Parliament to support Members to use public transport and to review, with a view to extending, its bicycle service for transport within Brussels; further, requests that Parliament set up its own bicycle service during plenary sessions in Strasbourg with sufficient bicycles available;

Coordination of studies

135. Notes that in 2008 DG IPOL committed EUR 7,1 million and DG EXPO EUR 499 423 for external studies (reply to Question 24); invites the responsible services to check — before commissioning any new external study — whether a similar study is already available and/or undertaken by another EU institution;
136. Calls on its Secretary-General to contact the other EU institutions in order to establish a central database for studies conducted, which is also available for consultation for the wider public;

Access to databases

137. Notes that the total costs of subscriptions to commercial electronic information services was EUR 804 987 in 2008 and EUR 970 484 in 2009; invites the competent services when renewing the contracts to improve the access conditions and thereby allow a greater number of users — including Members — to benefit from those information services.

Reimbursement of the costs of visits by sponsored groups

138. Asks that the costs of a sponsored group visit should always be reimbursed to the group leader by bank transfer and not in cash; further asks for a study to be conducted by the Parliament to examine whether the flat rate system for the reimbursement of travel expenses borne by official visitor groups is adequate with regard to their different departure points and destinations for the visits or whether the system of reimbursement of real costs — subject to a ceiling — would be more suitable for that type of group.

⁽¹⁾ European Parliament decision of 24 October 2007 on amendment of Rule 173 and insertion of Rule 173a of Parliament's Rules of Procedure on verbatim reports and audiovisual record of proceedings (O) C 263 E, 16.10.2008, p. 409).