

**RESOLUTION OF THE EUROPEAN PARLIAMENT****with comments forming an integral part of the decision on the discharge for implementation of the European Union general budget for the financial year 2004, Section II — Council**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 <sup>(1)</sup>,
  - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0359/2005),
  - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited <sup>(2)</sup>,
  - 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 <sup>(3)</sup>,
  - having regard to Articles 272(10), 275 and 276 of the EC Treaty,
  - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities <sup>(4)</sup>, and in particular Articles 50, 86, 145, 146 and 147 thereof,
  - having regard to the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities <sup>(5)</sup>,
  - 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 and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0111/2006),
1. Notes that in 2004 the Council administered a budget of EUR 541 916 200 with a utilisation rate of 98,10 %;
  2. Takes note of the remarks made by the Court of Auditors and calls on the Council to take them into account and to continue to improve its financial management;
  3. Observes that, according to paragraph 9.4 of the Court of Auditors' annual report, the Council had in 2004 still not set up any internal control standards following the adoption of the Financial Regulation in June 2002 and that, according to the Council's reply, the internal control standards for the Council were finally adopted on 20 July 2005;
  4. Recalls that the Commission's communication of 15 June 2005 on a roadmap to an integrated internal control framework (COM(2005)0252) is equally applicable to all institutions and that therefore the Council should lead by example;
  5. Points out that according to paragraph 9.18 of the Court of Auditors' annual report additional annual leave granted before 31 December 1997 as compensation for overtime was paid on retirement if the official had not taken the additional leave; notes that the Council's reply does not explain why such payments were made to A and B grade staff, who under the Staff Regulations are not entitled to compensation for overtime;
  6. Notes the Council's recourse to the technique of the end-of-year 'mopping-up' transfer to front-load payments on the LEX building, resulting in a 333 % increase in the amount initially foreseen on budget article 2 0 6 from EUR 13 500 000 to EUR 58 449 000; notes at the same time that Parliament faces similar problems;

<sup>(1)</sup> OJ L 53, 23.2.2004.

<sup>(2)</sup> OJ C 301, 30.11.2005, p. 1.

<sup>(3)</sup> OJ C 301, 30.11.2005, p. 9.

<sup>(4)</sup> OJ L 248, 16.9.2002, p. 1.

<sup>(5)</sup> OJ L 356, 31.12.1977, p. 1.

7. Notes a 225 % increase in the initial appropriation for special advisers in the field of European security and defence policy (budget article 3 1 3);
  8. Recalls the remark made in its resolution of 27 October 2005 on the draft general budget for 2006 <sup>(1)</sup> that the other institutions' budgets should cover administrative expenditure;
  9. Finds that greater clarity with regard to spending on and by the EU Counter-terrorism Co-ordinator would enhance transparency; recalls that as a matter of principle operational expenditure should only be incurred by the Commission;
  10. Urges the Council to improve its reporting capacity by making available at an early stage to the discharge authority, as all other institutions have done, including Parliament, the annual activity report referred to in Article 60(7) of the Financial Regulation, thereby contributing to the greater transparency of the institutions;
  11. Notes that the Council is currently managing a project for the construction of the LEX building at an estimated cost of EUR 233 000 000 (at 2003 prices);
  12. Recalls that in a letter dated 18 November 2004 concerning the 2003 discharge procedure, the Council declined an invitation to attend a meeting of the Committee on Budgetary Control, citing the Gentlemen's Agreement of 22 April 1970; recalls further the Council's reluctance in previous years to give more than cursory answers to the questionnaire sent by the Committee on Budgetary Control to the other institutions by way of preparation of the discharge decision; believes that, in the context of the current compromise consisting in an informal dialogue between the Council and the competent committee's chairman and rapporteur, the competent committee should broaden the scope of its participation to include other Members wishing to contribute to this informal dialogue.
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<sup>(1)</sup> *Texts Adopted*, P6\_TA(2005)0410.