

Official Journal

of the European Union

L 340

Volume 49

English edition

Legislation

6 December 2006

Contents

I Acts whose publication is obligatory

.....

II Acts whose publication is not obligatory

European Parliament

2006/808/EC, Euratom:

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for implementation of the European Union general budget for the financial year 2004, Section III — Commission** 1

2006/809/EC, Euratom:

- ★ **Decision of the European Parliament of 27 April 2006 on closing the accounts for implementation of the European Union general budget for the financial year 2004, Section III — Commission** 3

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 III — Commission 5

2006/810/EC, Euratom:

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for implementation of the European Union general budget for the financial year 2004, Section I — European Parliament** 29

2006/811/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for implementation of the European Union general budget for the financial year 2004, Section II — Council** 30

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 31

Price: 26 EUR

(Continued overleaf)

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for implementation of the European Union general budget for the financial year 2004, Section IV — Court of Justice** 33
- 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 IV — Court of Justice 34

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for implementation of the European Union general budget for the financial year 2004, Section V — Court of Auditors** 36
- 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 V — Court of Auditors 37

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for implementation of the European Union general budget for the financial year 2004, Section VI — European Economic and Social Committee** 40
- 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 VI — European Economic and Social Committee 41

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for implementation of the European Union general budget for the financial year 2004, Section VII — Committee of the Regions** 43
- 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 VII — Committee of the Regions 44

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for implementation of the European Union general budget for the financial year 2004, Section VIIIA — European Ombudsman** 46
- 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 VIIIA — European Ombudsman 47

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for implementation of the European Union general budget for the financial year 2004, Section VIIIB — European Data Protection Supervisor** 49
- 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 VIIIB — European Data Protection Supervisor 50

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for implementation of the budget of the sixth, seventh, eighth and ninth European Development Funds for the financial year 2004** 51

2006/819/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on closing the accounts for implementation of the budget of the sixth, seventh, eighth and ninth European Development Funds for the financial year 2004** 53
- Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for implementation of the budget of the sixth, seventh, eighth and ninth European Development Funds for the financial year 2004 56

2006/820/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2004** 63

2006/821/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2004** 64
- Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2004 66

2006/822/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004** 69

2006/823/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004** 70
- Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004 72

2006/824/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the European Agency for Reconstruction for the financial year 2004** 74

2006/825/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the European Agency for Reconstruction for the financial year 2004** 75
- Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Agency for Reconstruction for the financial year 2004 77

2006/826/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004** 80

2006/827/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004** 81
- Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004 83

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004** 85

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004** 86

Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004 88

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the European Environment Agency for the financial year 2004** 90

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the European Environment Agency for the financial year 2004** 91

Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Environment Agency for the financial year 2004 93

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2004** 96

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2004** 97

Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2004 100

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the Translation Centre for the bodies of the European Union for the financial year 2004** 102

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the Translation Centre for the bodies of the European Union for the financial year 2004** 103

Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the Translation Centre for the bodies of the European Union for the financial year 2004 105

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the European Medicines Agency for the financial year 2004** 107

2006/837/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the European Medicines Agency for the financial year 2004** 108
- Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Medicines Agency for the financial year 2004** 110

2006/838/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of Eurojust for the financial year 2004** 112

2006/839/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of Eurojust for the financial year 2004** 113
- Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of Eurojust for the financial year 2004** 115

2006/840/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the European Training Foundation for the financial year 2004** 117

2006/841/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the European Training Foundation for the financial year 2004** 118
- Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Training Foundation for the financial year 2004** 120

2006/842/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the European Maritime Safety Agency for the financial year 2004** 123

2006/843/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the European Maritime Safety Agency for the financial year 2004** 124
- Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Maritime Safety Agency for the financial year 2004** 126

2006/844/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the European Aviation Safety Agency for the financial year 2004** 128

2006/845/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the the European Aviation Safety Agency for the financial year 2004** 129
- Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Aviation Safety Agency for the financial year 2004** 131

2006/846/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the discharge for the implementation of the budget of the European Food Safety Authority for the financial year 2004** 134

2006/847/EC:

- ★ **Decision of the European Parliament of 27 April 2006 on the closure of the accounts of the European Food Safety Authority for the financial year 2004** 135

Resolution of the European Parliament with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Food Safety Authority for the financial year 2004 137

II

(Acts whose publication is not obligatory)

EUROPEAN PARLIAMENT

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the discharge for implementation of the European Union general budget for the financial year 2004, Section III — Commission

(2006/808/EC, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2004 ⁽¹⁾,
- having regard to the final accounts of the European Communities for the financial year 2004, Volume I — Consolidated reports on implementation of the budget and consolidated financial statements (SEC(2005)1158 — C6-0352/2005 — SEC(2005)1159 — C6-0351/2005) ⁽²⁾,
- having regard to the Commission's report on the follow-up to 2003 Discharge Decisions (COM(2005)0449 and COM(2005)0448) and the Commission staff working paper — Annex to the Report from the Commission to the European Parliament on the follow-up to 2003 Discharge Decisions (SEC(2005)1161),
- having regard to the Commission communication on 2004 Synthesis (COM(2005)0256),
- having regard to the Commissions's Annual Report to the Discharge Authority on Internal Audits carried out in 2004 (COM(2005)0257),
- having regard to Opinion No 2/2004 of the Court of Auditors on the 'single audit' model (and a proposal for a Community internal control framework) ⁽³⁾,
- having regard to the communication from the Commission to the Council, the European Parliament and the European Court of Auditors of 15 June 2005 on a roadmap to an integrated internal control framework (COM(2005)0252),
- having regard to the communication from the Commission to the Council, the European Parliament and the European Court of Auditors — Commission Action Plan towards an Integrated Internal Control Framework (COM(2006)0009),
- having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽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⁾,

⁽¹⁾ OJ L 53, 23.2.2004.

⁽²⁾ OJ C 302, 30.11.2005, p. 1.

⁽³⁾ OJ C 107, 30.4.2004, p. 1.

⁽⁴⁾ OJ C 301, 30.11.2005, p. 1.

⁽⁵⁾ OJ C 302, 30.11.2005, p. 100.

- having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - having regard to Articles 274, 275 and 276 of the EC Treaty and Articles 179a and 180b 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 ⁽¹⁾, and in particular Articles 145, 146 and 147 thereof,
 - having regard to Rule 70 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A6-0108/2006),
- A. whereas under Article 274 of the EC Treaty the Commission implements the budget on its own responsibility, having regard to the principles of sound financial management,
1. Grants discharge to the Commission for implementation of the European Union general budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors and the European Investment Bank and to the national and regional audit institutions of the Member States and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ L 248, 16.9.2002, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on closing the accounts for implementation of the European Union general budget for the financial year 2004, Section III — Commission**

(2006/809/EC, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2004 ⁽¹⁾,
- having regard to the final accounts of the European Communities for the financial year 2004, Volume I — Consolidated reports on implementation of the budget and consolidated financial statements (SEC(2005)1158 — C6-0352/2005 — SEC(2005)1159 — C6-0351/2005) ⁽²⁾,
- having regard to the Commission's report on the follow-up to 2003 Discharge Decisions (COM(2005)0449 and COM(2005)0448) and the Commission staff working paper — Annex to the Report from the Commission to the European Parliament on the follow-up to 2003 Discharge Decisions (SEC(2005)1161),
- having regard to the Commission communication on 2004 Synthesis (COM(2005)0256),
- having regard to the Commissions's Annual Report to the Discharge Authority on Internal Audits carried out in 2004 (COM(2005)0257),
- having regard to Opinion No 2/2004 of the Court of Auditors on the 'single audit' model (and a proposal for a Community internal control framework) ⁽³⁾,
- having regard to the communication from the Commission to the Council, the European Parliament and the European Court of Auditors of 15 June 2005 on a roadmap to an integrated internal control framework (COM(2005)0252),
- having regard to the communication from the Commission to the Council, the European Parliament and the European Court of Auditors — Commission Action Plan towards an Integrated Internal Control Framework (COM(2006)0009),
- having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽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 the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
- having regard to Articles 274, 275 and 276 of the EC Treaty and Articles 179a and 180b 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⁾, and in particular Articles 145, 146 and 147 thereof,
- having regard to Rule 70 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A6-0108/2006),

⁽¹⁾ OJ L 53, 23.2.2004.⁽²⁾ OJ C 302, 30.11.2005, p. 1.⁽³⁾ OJ C 107, 30.4.2004, p. 1.⁽⁴⁾ OJ C 301, 30.11.2005, p. 1.⁽⁵⁾ OJ C 302, 30.11.2005, p. 100.⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.

- A. whereas under Article 275 of the EC Treaty the Commission is responsible for drawing up the accounts,
1. Approves closing the accounts for implementation of the European Union general budget for the financial year 2004;
 2. Instructs its President to forward this decision to the Council, the Commission, the Court of Justice, the Court of Auditors and the European Investment Bank and to the national and regional audit institutions of the Member States and to have it published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

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 III — Commission

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2004 ⁽¹⁾,
 - having regard to the final accounts of the European Communities for the financial year 2004, Volume I — Consolidated reports on implementation of the budget and consolidated financial statements (SEC(2005)1158 — C6-0352/2005 — SEC(2005)1159 — C6-0351/2005) ⁽²⁾,
 - having regard to the Commission's report on the follow-up to 2003 Discharge Decisions (COM(2005)0449 and COM(2005)0448) and the Commission staff working paper — Annex to the Report from the Commission to the European Parliament on the follow-up to 2003 Discharge Decisions (SEC(2005)1161),
 - having regard to the Commission communication on 2004 Synthesis (COM(2005)0256),
 - having regard to the Commissions's Annual Report to the Discharge Authority on Internal Audits carried out in 2004 (COM(2005)0257),
 - having regard to Opinion No 2/2004 of the Court of Auditors on the 'single audit' model (and a proposal for a Community internal control framework) ⁽³⁾,
 - having regard to the communication from the Commission to the Council, the European Parliament and the European Court of Auditors of 15 June 2005 on a roadmap to an integrated internal control framework (COM(2005)0252),
 - having regard to the communication from the Commission to the Council, the European Parliament and the European Court of Auditors — Commission Action Plan towards an Integrated Internal Control Framework (COM(2006)0009),
 - having regard to the Court of Auditor's annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽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 the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - having regard to Articles 274, 275 and 276 of the EC Treaty and Articles 179a and 180b 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⁾, and in particular Articles 145, 146 and 147 thereof,
 - having regard to Rule 70 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A6-0108/2006),
- A. whereas high quality financial information is associated with a capacity for high quality financial management, and whereas high quality financial management generates real economic benefits;
- B. whereas the assigning of clear responsibilities within the Commission for the production of financial information and requiring appropriate sign-offs at central level in relation to that information will contribute to the quality of the information reported,

⁽¹⁾ OJ L 53, 23.2.2004.

⁽²⁾ OJ C 302, 30.11.2005, p. 1.

⁽³⁾ OJ C 107, 30.4.2004, p. 1.

⁽⁴⁾ OJ C 301, 30.11.2005, p. 1.

⁽⁵⁾ OJ C 302, 30.11.2005, p. 100.

⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.

- C. whereas, in its 2003 discharge resolution of 12 April 2005 ⁽¹⁾, Parliament proposed that each Member State should provide an *ex ante* disclosure statement and an annual *ex post* statement of assurance (DAS ⁽²⁾) as regards its use of EU funding,
- D. whereas procedures to this end have been established in Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds ⁽³⁾ and implemented through Commission Regulation (EC) No 438/2001 ⁽⁴⁾, and through Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy ⁽⁵⁾ as regards European Agricultural Guidance and Guarantee Fund (EAGGF) and European Agricultural Fund for Rural Development (EAFRD),
- E. whereas Regulation (EC) No 1290/2005 imposes a system of three levels of annual *ex post* declarations by Member States, as follows: firstly, the annual accounts of the paying agency; secondly, the DAS of the paying agency; and thirdly, the certification of the previous declarations by a certification body; whereas these signatures of the Member State are complementary to others demanded for monthly payments and *ex ante* evaluations,
- F. whereas Article 38(1)(f) of Regulation (EC) No 1260/1999 and Article 15 of Regulation (EC) No 438/2001 foresee a final winding-up Member State declaration on each Community intervention from an authority that must be independent of the various managing and payments authorities,
- G. whereas the ECOFIN Council on 8 November 2005 did not accept Parliament's proposal regarding national level declarations ⁽⁶⁾,
- H. whereas the overriding principle sought by Parliament is that the relevant political authorities within the Member States take responsibility for the funds put at their disposal,
- I. whereas 80 % of Community expenditure is de facto controlled by the Member States and the absence of adequate accountability at central Member State level will be a permanent barrier to obtaining a positive DAS,
- J. whereas the work of its Committee on Budgetary Control in general and the discharge procedure in particular is a process which aims at establishing full accountability from the Commission as a whole, as well as from all other relevant actors in accordance with the Treaty, at creating an environment to facilitate this and at improving financial management in the EU and thereby creating a more solid basis for decision-taking in the light of the Court of Auditors' audit results,
- K. whereas there can only be good governance in an organisation if top management provides a good example,
- L. whereas good governance also means that a sound system of checks and balances is established between controllers, accountants and internal auditors on the one hand and operational management on the other,
- M. whereas effective and efficient internal control should be included as a budgetary principle ⁽⁷⁾ in the Financial Regulation, as proposed by the Commission in its above mentioned communication on an Action Plan towards an Integrated Internal Control Framework,

⁽¹⁾ *Texts Adopted*, P6_TA(2005)0092.

⁽²⁾ Abbreviation of the French term 'Déclaration d'assurance'.

⁽³⁾ OJ L 161, 26.6.1999, p. 1. Regulation as last amended by Regulation (EC) No 173/2005 (OJ L 29, 2.2.2005, p. 3).

⁽⁴⁾ OJ L 63, 3.3.2001, p. 21. Regulation as amended by Regulation (EC) No 2355/2002 (OJ L 351, 28.12.2002, p. 42).

⁽⁵⁾ OJ L 209, 11.8.2005, p. 1.

⁽⁶⁾ See ECOFIN Council conclusions of 8 November 2005 on http://www.fco.gov.uk/Files/kfile/EcofinConclusions_08nov.pdf.

⁽⁷⁾ The current budgetary principles as set out in Article 3 of the Financial Regulation are 'unity, budgetary accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency'.

- N. whereas the Commission's directives and recommendations for private sector accounting and auditing suggest that the Commission believes in the importance of high-quality financial reporting and auditing,
- O. whereas the most powerful way that the Commission can demonstrate its real commitment to transparency and high quality financial information and reporting is by leading by example and by obtaining a positive DAS from the Court of Auditors,

HORIZONTAL ISSUES

Reliability of the accounts

- 1. Notes, as last year, that, except for the effects of the absence of effective internal control procedures for miscellaneous revenues and advances, the Court is of the opinion that the consolidated annual accounts of the European Communities and the notes thereto faithfully reflect the revenue and expenditure of the Communities for the year 2004 and their financial position at the year-end (DAS, paragraphs II and III);
- 2. Notes that the Commission is of the opinion that the problems will be addressed by the new accounting system in 2005 (paragraph 1.17 of the Court's annual report);

The opening balance sheet

- 3. Notes the progress made towards the implementation of the new accounting framework; is however deeply concerned about the Court's remarks regarding the delay in the establishment of the opening balance for 2005; invites the Commission to address urgently the shortcomings identified by the Court in order to avoid consequences for the reliability of the 2005 financial statements;
- 4. Notes that it is the authorising officers who have to validate the figures needed for the establishment of the opening balance 2005 and that it is the accounting officer who has to present this financial information and be sure that it gives a 'true and fair view' (paragraph 1.45 of the Court's annual report), thus enabling the President of the Commission to sign the accounts on behalf of the Commission as a college and in accordance with the Treaty;
- 5. Finds the uncertainty about who has final responsibility for the establishment of these figures unacceptable; expects that these difficulties will be resolved in 2006 and that the delay is not to be seen as a dysfunction between authorising officers and the accounting officer;
- 6. Expects that the results of the review of unknown bank accounts related to Commission activities launched by the Commission in October 2005 will be made known completely to Parliament and be followed-up;
- 7. Expects that the accounts thereby established will be audited and the funds credited to the accounts will be entered in the general budget;

Pre-financing

- 8. Notes that the amount of pre-financings, that is, money which is disbursed but still not yet finally accepted as eligible or used, is estimated to be approximately EUR 64 000 million (paragraph 1.30 of the Court's annual report), which correspond to about two thirds of the budget;
- 9. Considers that the Commission should ensure a sound policy (avoiding excessively generous advances and excessively long delays for closing programmes and projects) as regards pre-financing in order to limit the financial importance of unused amounts and/or amounts not yet finally accepted as eligible expenditure; calls on the Commission to put forward a proposal to Parliament's responsible committee on how it plans in future to manage pre-financing in line with the above comments;

Towards an integrated internal control framework

10. Welcomes the above mentioned Opinion No 2/2004 of the Court of Auditors, which includes a proposal for a Community internal control framework as a framework within which to analyse weaknesses in financial controls and identify the remedial actions required, and recalls its main principles as set out in paragraph 57:
 - ‘common principles and standards ... (are) to be applied at all levels of administration in the institutions and Member States alike’,
 - internal control should ‘provide reasonable’ — not absolute — ‘assurance, on the legality and regularity of transactions, and compliance with the principles of economy, efficiency and effectiveness’,
 - the ‘cost of the controls should be in proportion to the benefits they bring in both monetary and political terms’,
 - the ‘system should be based around a logical chain structure where controls are undertaken, recorded and reported to a common standard, allowing reliance to be placed on them by all participants’;
11. Welcomes the Barroso Commission’s making it a strategic objective to strive for a positive DAS from the Court of Auditors, as set out in the communication from the Commission of 26 January 2005 on Strategic Objectives 2005-2009, Europe 2010: A Partnership for European Renewal: Prosperity, Solidarity and Security (COM(2005)0012);
12. Welcomes equally the above mentioned communication from the Commission on a roadmap to an integrated internal control framework, the panel of experts and the Action Plan which followed it as a response to Parliament’s 2003 discharge resolution and as a follow-up to Opinion No 2/2004 of the Court;
13. Supports the Commission in its effort to give priority to this matter; recognises however that whilst the Commission has sole responsibility under the Treaty for implementing the budget, four out of every five euros in the budget are in reality handled by the Member States under shared management; underlines, therefore, that it is essential that Member States take an active part in the initiative and that Council presidencies make it first priority and include it as a separate subject in their semi-annual working programmes;
14. Emphasises that if the Commission is to be accountable for expenditure, it must have mechanisms that enable it to deliver on that accountability and that if those mechanisms are not made available to it, its accountability should be changed;
15. Stresses that the shortcomings in the European Union’s financial management cannot simply be reduced to a question about a positive or negative DAS; warns, therefore, against obtaining a positive DAS without a corresponding improvement in the quality of the financial management;
16. Underlines that the responsibility for financial management lies with the Commission and the Member States and that it is for the Commission and the Member States together to ensure that the Court will be able to find audit evidence of progress towards an adequate management of the risk of error;
17. Takes the view that the move towards improvement of financial management in the Union must be supported and given momentum by a close monitoring of progress in the Commission and in the Member States;
18. Notes that Member States must be held accountable for their use of EU funds and that the primary means of accountability must be their national parliaments and media; urges the Court of Auditors and national audit bodies to take further steps to make available to them high quality and easily accessible information about the weaknesses of local financial controls;

Scoreboard for the implementation of an integrated internal control framework

19. Calls on the Commission to publish and to present to its Committee on Budgetary Control a detailed scoreboard for each area of the financial perspectives with precise targets to be achieved in a set timeline for the implementation of measures identified as necessary for establishing an integrated internal control framework and to report on progress to its competent committee every six months; furthermore expects the integrated control framework to be implemented as from 1 May 2009, allowing the Commission to set a target date for a positive DAS;
20. Requests further detailed information at Commission level and Member State level, and at regional level if needed, on measures implemented and not implemented, reasons for delays, deadlines, effectiveness of implementation and such like, so as to be allowed to have a complete overview of results obtained and outstanding issues still to be dealt with; calls on the Commission to submit to it this information as part of the preparation of the 2005 discharge procedure;
21. Invites the Court of Auditors to:
 - follow and examine the implementation of the Action Plan proposed, based on the Commission's gap assessment, and test the effectiveness of the supervisory and control systems in managing the risk of error over a five year rolling audit programme,
 - assess the related assurance which the Directorates-General give annually on the effective operation of the supervisory and control systems and the adequacy of the supplementary measures taken when they do not operate effectively, in particular in the Member States;
22. Welcomes the 16 concrete actions foreseen in the Action Plan; urges the Commission to ensure a successful outcome in the interests of the European Union and its citizens; underlines that an *ex ante* approval by Parliament of efforts and intentions in the form of an agreement or convergence of positions is in contradiction with its role as independent discharge authority and that it as such only can judge the Commission *ex post* on the results achieved;

Declaration of Assurance

23. Notes that the current single declaration of assurance does not adequately describe areas of success and areas of failure; notes that many equivalent national audit systems are compiled on a department by department basis; suggests that a review of the DAS system be undertaken by the Court of Auditors in order to establish specific statements of assurance for individual Directorates-General within the Commission within an overall DAS;
24. Notes that such a system, coupled with an equivalent system of national statements, would create a matrix identifying areas of most concern both horizontally, regarding Commission programmes, and vertically, concerning Member State responsibilities;

Simplification

25. Welcomes the Commission's initiative to simplify the regulatory environment, which should aim especially at reducing bureaucratic demands on inter alia individuals and small and medium sized enterprises; believes that the final objective of the integrated internal control framework will only be achieved if the burden of managing too much and too heavy regulation is reduced significantly;
26. Underlines that simplicity and transparency are two of the most important principles of financial control; insists that the Commission when designing schemes and programmes should consider the relationship between the desired outcomes of a particular scheme, the complexity of the rules governing it and the likelihood of an error occurring;

27. Asks the Commission to produce a report on the effectiveness of the existing regulatory framework regarding management, assurance and certification systems of declarations of the Member States' various bodies, taking into consideration:
- the precise degree of implementation of the existing legislation by Member States and the regulatory mechanism;
 - its bureaucratic and administrative cost to the European taxpayers;
 - its value added in the prevention of misadministration and the recovery of Community funds;
 - its influence in the correct attribution of responsibilities;
 - the coherence of the various existing declaration systems;
 - the advantages of instituting a single Member State declaration procedure in the context of the Financial Regulation instead of disperse sectoral legislation;
- depending on the results of the above mentioned analysis, invites the Commission to proceed with the appropriate legislative proposals;

National management, assurance and certification declarations

28. Deplores the decision of the Council to refuse to discuss national political level ex ante statements and ex post declarations; invites therefore national public accounts committees as well as national parliaments to seek information from their governments and to have a parliamentary debate on their government's position on paragraph 12 of the above mentioned ECOFIN Council's conclusions, which reads as follows:
- 'Taking into account the need not to put into question the existing balance between the Commission and the Member States or to compromise responsibility and accountability at the operational level, the Council believes existing operational-level declarations can provide an important means of assurance for the Commission and ultimately the Court of Auditors and should be useful and cost effective and be taken into account by the Commission and ultimately the Court of Auditors to attain a positive DAS';
29. Rejects the conclusion of the Council that the instruments proposed by Parliament would 'put into question the existing balance between the Commission and the Member States' since they simply underline Member States' responsibility as stated in the second sentence of the first paragraph of Article 274 of the Treaty;
30. Welcomes the initiatives taken by the Council to reinforce the responsibility of the Member States for improving the control of actions under shared management, with the aim of achieving a positive DAS, and especially the commitment by the Council to producing an annual summary at the appropriate national level of the available audits and declarations;
31. Recalls that whilst the Commission is responsible under Article 274 of the Treaty for the implementation of the budget, the Member States have responsibility for the controls over funds in shared management which are defined in the sector regulations and in their detailed rules;
32. Draws attention to the fact that Member States are free to organise these controls in the way each considers best, given their institutional and administrative structures and the international standards applying and taking into account that Member States, like the Commission, should respect international standards, and that in practice, responsibilities are allocated to a large number of different bodies reporting to ministries of the national government or to regional governments;
33. Believes that the Commission should strive for the same geographical location of paying agencies (Common Agricultural Policy — CAP) and managing authorities (Structural Funds) and whenever possible combine the two in each Member State in order to enable it to keep a good track of where, when and how EU funds are being spent in each Member State;

34. Considers that, as responsibilities are entrusted to so many existing audit bodies, initiatives aimed at bringing about standardisation of audit arrangements should be welcomed and supported;
35. Stresses that Article 274 of the Treaty also requires that Member States cooperate with the Commission to ensure that appropriations are used in accordance with the principles of sound financial management;
36. Finds, therefore, that the Commission should be able to request assurance from each Member State that these control responsibilities have been fully met, and in particular that the risk of error in the underlying transactions is being sufficiently managed;
37. Believes that a declaration at political level covering all Community funds in shared management and signed by finance ministers, as proposed in its above mentioned 2003 discharge resolution, is still a necessity and would be a big step forward;
38. Notes with satisfaction that the Council and the Commission agree on the importance of strengthening internal control; takes the view that this objective must be reached without adding to the administrative burden and that simplification of the underlying legislation is therefore a prerequisite; believes that to achieve a positive DAS, priority should be given to sound financial management for funds under shared management; considers that provisions to this end could be laid down, as appropriate, in the basic legislative acts concerned; notes that as part of their enhanced responsibilities for structural funds and in accordance with national constitutional requirements, the relevant audit authorities in the Member States will produce an assessment concerning the compliance of management and control systems with the regulations of the Community; welcomes the fact that Member States have therefore undertaken to produce an annual summary at the appropriate national level of the available audits and declarations;
39. Draws attention to the fact that the level of a possible signature at Member State level is not mainly a matter of form but first and foremost a signal showing the expected quality of the supervisory and control systems operating under the signature; recalls its resolution of 2 February 2006 on national management declarations ⁽¹⁾ which recognised that in practice these national declarations might comprise 'several declarations within a national framework, rather than one alone, in order to acknowledge the federal and decentralised political systems in existence in some Member States';
40. Notes Member States' resistance and wants to be pragmatic and constructive and stresses that the important thing is to find a way of identifying the weaknesses in the current control and supervisory systems and to undertake appropriate remedial action with a view to achieving better financial management of EU funds;
41. Welcomes a discussion about which authority might be the best for the purpose and invites the Commission and the Council to consider the alternative approach inspired by the Council's interest in declarations at sector level as expressed in paragraph 9 of the ECOFIN Council conclusions ⁽²⁾;

Ex ante and ex post declarations for each area of the financial perspectives

42. Draws attention to the following figures:
 - for the 1994-1999 period the Commission approved 1 104 Structural Funds programmes and 920 Cohesion Fund projects (paragraph 5.4 of the Court of Auditors' annual report);
 - for the 2000-2006 period there are 606 Structural Funds programmes, 1 163 Cohesion Fund projects and 72 instruments for structural policy for pre-accession projects (paragraph 5.4 of the Court of Auditors' annual report);

⁽¹⁾ *Texts adopted*, P6_TA(2006)0043.

⁽²⁾ 'The Commission, working with the Member States, should provide an assessment of the present controls at sector and regional level and the value of existing statements and declarations.'

- each programme may contain several thousand projects (paragraph 5.10 of the Court of Auditors' annual report);
 - under the CAP there are 91 Paying Agencies (table 4.2 in the Court of Auditors' annual report);
43. Agrees fully with the Court when it states that the 'main inherent risks to the legality and regularity of expenditure for structural measures arise from the variety of bodies and authorities which intervene in the management process, the large number of programmes and projects to be implemented over a period of years and the scope for potential weaknesses in the management and control systems'; also agrees with the statement that 'there are a large number of conditions governing the eligibility of expenditure which are not always clear, giving rise to the risk of divergent interpretations' (paragraph 5.10 of the Court of Auditors' annual report);
44. Underlines that neither the Commission, nor, ultimately, the Court, is in a position to scrutinize every individual certificate and/or audit report emanating from primary or secondary control level due to the very high number of projects, programmes and paying agencies;
45. Takes the view therefore that the existing high number of individual certificates and/or audit reports within each major sector should be consolidated at central Member State level, whereby the quality of the information in the individual declarations issued at lower level should be guaranteed; suggests that Member States should thus participate actively in enhancing the usability of independent audit results in the chain of control; believes that this approach would aid simplification considerably and that it would give a valuable overview of the legality and regularity of the transactions at national level and accordingly contribute to the assurance to be drawn;
46. Invites the Commission to present proposals as regards the form and content of these complementary arrangements in the context of the implementation of the above mentioned Action Plan towards an Integrated Internal Control Framework and as a temporary measure invites the Member States to identify the body at central Member State level to be responsible and accountable for issuing the declarations and to inform the Commission accordingly thereof;

Ex ante disclosure statement

47. Repeats that the ex ante formal disclosure statement should confirm that the organisational structures put in place by the Member State comply with the requirements of Community legislation and are expected to be effective in managing the risk of fraud and error in the underlying transactions in accordance with the principle of subsidiarity;
48. Takes the view that the ex ante disclosure statement at central Member State level could be backed up by equivalent statements from the Director of each paying agency (CAP) and managing authority (Structural Funds) responsible for the management and control of Community funds;

Ex post declaration of assurance

49. Notes that the ex post declaration of assurance at central Member State level could take into account the multi-annual dimension in the accountability process and the multi-annual nature of most Community programmes and at the same time give assurance that the control systems worked effectively during the year in question;
50. Expects the ex post declaration at central Member State level to be built on declarations from the Director of each paying agency (CAP) and managing authority (Structural Funds) and on the certification reports issued by the Directors of the certifying bodies;

Article 53(5) of the Financial Regulation

51. Insists that until such a sectoral consolidation at central Member State level for each area of the financial perspectives has been put in place and having noted Member States' unwillingness to give the Commission the assurance it needs, the Commission should fully apply Article 53(5) of the Financial Regulation under which it shall assume final responsibility for the implementation of the budget in accordance with Article 274 of the Treaty through 'clearance-of-accounts procedures or financial correction mechanisms';

52. Invites Member States to issue a voluntary declaration at national level in the sense described in paragraph 45; recommends that any Member State giving such a declaration be subject to a reduced audit programme if the Commission feels that it would present in fact a lower risk of error than a Member State not issuing such a declaration;
53. Invites, therefore, the Commission to set up a more intense programme of ex post clearance-of-accounts audits and fully to make use of suspension of payments or financial corrections whenever it cannot obtain assurance from the Member States;
54. Warmly invites national parliaments (in particular national public accounts committees and committees forming part of the Conference of Committees for European and Community Affairs of the European Union Parliaments — COSAC) to discuss this matter with their national governments;
55. Invites the Commission and the Court to confirm on the basis of concrete evidence that consolidation at central Member State level and for each area of the financial perspective by which the quality of individual reports and/or audit reports is guaranteed will be an effective measure in support of an overall declaration at political level covering all Community funds in shared management;

Transparency

56. Welcomes the Commission's transparency initiative and expects it to lead to concrete actions and legislative initiatives that will lead to transparency regarding the way EU funds are spent and managed;
57. Invites the Commission to do everything in its power to induce Member States to give public access to information about the projects and beneficiaries of EU funds in shared management;
58. Feels that the current situation where most Member States have not given the public access to information about projects and beneficiaries of EU funds in shared management does not benefit overall transparency in the EU; strongly urges therefore the Commission and the Member States to resolve this anomaly;
59. Stresses that there are problems with the current manner in which the Commission is applying the rules of ex ante and ex post publicity to the funds managed under centralised direct management, in that retrieving the information is difficult because the Directorates-General have different ways of publicising the data on the internet;
60. Draws attention to the need for more openness with regard to the different types of expert groups advising the Commission and also the committees working within the comitology procedure;
61. Demands that the Commission makes information easily available to the public about the different types of expert groups, including data about the activities and membership of those groups;

The possible role of national audit offices

62. Recalls that in its above mentioned 2003 discharge resolution it considered it essential 'to examine how national audit institutions can play a more operational role in the process' (paragraph 77);
63. Believes that national audit institutions have an interest in knowing, and hence a responsibility to investigate, whether or not there are no actual or contingent liabilities in the national accounts emanating from sub-standard compliance with EU regulations;
64. Believes that national audit institutions could audit the internal control systems set up by the national administration as well as the regularity and legality of the underlying transactions effected in their own country;

65. Calls on national audit bodies to assume responsibility for controlling the local use of EU funds, so as to make any consideration of establishing national offices of the Court of Auditors unnecessary;
66. Believes that such an audit — focused on national level activities — could contribute to greater awareness of the need for effective control and guide national parliamentarians in shaping their government's position in ECOFIN; further invites national public accounts committees to discuss this matter with their national audit office;
67. Suggests that consideration be given to inviting representatives of national audit bodies and national parliamentary budgetary control committees to the presentation of the Court of Auditors' annual report to the Parliament's relevant committee;

Commission's internal control system

Annual activity reports and declarations

68. Notes that despite some progress, the Court continues to report that there remains scope for improvement;
69. Calls on the Member States, in line with the good practices of some of them, to ensure that national audit institutions, and where applicable regional ones, publish an annual audit report on EU funds spent;
70. Is concerned that the Court continues to report that 'the design and use of indicators by the Commission is still not sufficient to continuously monitor the quality of internal control systems and the legality and regularity of underlying transactions' (paragraph 1.53); fully shares the Court's consideration — based on INTOSAI standards — that management is responsible for the development of indicators which allow for a precise assessment of progress;
71. Expects the Commission, and in particular the central departments responsible for the guidelines for annual activity reports and declarations, to give priority to the elaboration of indicators which have a direct link to legality and regularity;
72. Welcomes the Court's follow-up to the reservations expressed in 2003 and 2004 by the Directors-General (table 1.2), and notes:
 - that for five of the seven sectors in the financial perspectives the Court identified weaknesses which had not been included in the declarations of the Directors-General,
 - that for three sectors the declarations were not relevant to the Court's audit conclusions,
 - that for two sectors the declarations were relevant after corrections,
 - that for two sectors the declarations were of immediate relevance;
73. Invites the Commission's Directorates-General to better describe the source of their assurance and ensure that their declarations give a true and fair view of the adequacy of their management of the risk of error in the underlying transactions;

Synthesis report

74. Recalls that in its 2003 discharge resolution it invited the Commission 'to convert the Annual Synthesis Report into a consolidated assurance statement on the Commission's management and financial controls as a whole' (paragraph 62);
75. Notes with disappointment that the Commission 'will not be taking the recommended action' on the grounds that, as set out in the above mentioned Annex to the Report from the Commission to the European Parliament on the follow-up to 2003 Discharge Decisions,

'[t]he Synthesis is an act through which the Commission exercises its political responsibility, by analysing the annual activity reports and their declarations and by adopting a position on major horizontal issues, including appropriate actions for issues requiring remedy at Commission level. This approach is based on the reform, which decentralised the management responsibilities to Directors-General and Heads of Service, under the political supervision of the relevant Commissioner';

76. Underlines that whilst ultimate responsibility for transactions after the reform lies now — and rightly so — with line managers (Directors-General), final responsibility for control systems must be anchored in the centre, not in the periphery; notes that the Court of Auditors supports this view and made a clear recommendation in that respect (paragraph 1.57);
77. Is not convinced that risks are under control and takes the view that the Commission does not have a sufficient basis for declaring that the situation is 'globally satisfactory', as it did at page 7 of its above mentioned communication on 2004 Synthesis;
78. Notes that annual activity reports as well as the above mentioned communication on 2004 Synthesis are elements in the internal control system and that internal control in the Commission will never be stronger than the political will behind it;
79. Considers — without prescribing one single solution — the following measures to be the minimum required in order to place the College in a position whereby it can comply with the requirements of Article 274 of the Treaty as regards the situation in the Commission as an institution:
- since the internal control system is designed by the Central Financial Service in the Directorate-General for Budget, and since the decentralisation of financial controls requires strong central supervision of the control systems operating in individual departments, the Director-General of this Directorate-General should give a formal opinion on the quality and efficiency of the internal control systems,
 - since the Synthesis report is drawn up by the Secretary-General of the Commission, and in order to assist the Commission as an institution in adopting a position on the content of the Synthesis report, the Secretary-General, who has ultimate operational executive responsibility for the bureaucracy, should give a formal declaration of assurance as regards the quality of the individual declarations from the line managers (Directors-General),
 - the internal auditor of the Commission should give his assessment of the quality and effectiveness of the controls as described in the management's annual activity reports and Synthesis report in the form of an audit opinion as regards the adequacy of the Secretary-General's assurance statement,
 - the responsible Commissioner should co-sign, possibly in the form of a negative assurance so as to avoid any undermining of the responsibilities attributed to the authorising officers, the declaration given by the Director-General, as this would bridge the gap between the Director-General's individual assurance declarations and the College's institutional assurance declaration;
80. Invites, therefore, the Commission to forward its position on these considerations to its competent committee in the form of a detailed and comprehensive report explaining and discussing all relevant issues; expects the Commission, in case it disagrees with the above considerations, to explain thoroughly how it will be able otherwise to obtain the assurance required to fulfil its responsibility under Article 274 of the Treaty;

The accounting officer

81. Recalls that in paragraph 10 of its above mentioned 2003 discharge resolution, it invited the Commission to upgrade the current accounting officer to Chief Financial Officer (CFO) to assume the role of the management's institutional counterweight to its 39 services; regrets that the proposed modification of the Financial Regulation is a long way from satisfying this recommendation; fully agrees with the Court of Auditors when it states at paragraph 53 of its Opinion No 10/2005 on the draft Council Regulation amending Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities that 'the amendments proposed [concerning the role of the accounting officer] are not radical enough to resolve the problems to which they are trying to respond';
82. Underlines that the role of a professional accounting officer extends beyond the compilation or aggregation of figures received from the authorising officers; draws attention to the fact that the simple signature of the accounting officer will be nothing more than a purely cosmetic improvement as long as he is not able to declare on his own account, and not only on the basis of information received from the Directors-General, that the accounts present a true and fair view;

83. Repeats its recommendation, which is in line with private sector best practice, that the accounting officer be upgraded to CFO with special responsibility for the quality of the Commission's financial reporting and its system of internal control as a whole;
84. Underlines that a CFO accountable for the quality of the Commission's financial reporting and its system of internal control must have the necessary competence and adequate resources to ensure such quality, and that this includes a means of testing the assurances given by the Directors-General;
85. Welcomes the Commission's initiatives aimed at raising Member States' awareness of their responsibilities under Article 274 of the Treaty, but is unhappy with the Commission's reluctance to look critically at its own responsibilities under that Article; invites therefore the Court to issue an opinion on the Commission's compliance with Article 274 and on the position and the role of the accounting officer and a future CFO in an accruals accounting environment;
86. Would also like to know whether in the Court's opinion the Commission's internal control structures match the recommendations the Commission is proposing for the private sector, as for example in its Communication to the Council and the European Parliament on Modernising Company Law and Enhancing Corporate Governance in the European Union — A Plan to Move forward (COM(2003)0284), and whether this is desirable;
87. Invites the Court to inform its competent committee before the end of the second month following the adoption of this resolution whether it will accept the invitation to issue such an opinion and, in the case of a positive decision, to present an indicative timetable for the work to be carried out;

Networking

88. Invites the Commission to set up a network for financial control organisations and bodies, including an annual meeting in the presence of the members of its Committee on Budgetary Control, to discuss and exchange experiences as regards general EU internal control systems (including internal audit) and accountability issues and thereby foster more effective cooperation between Member States and the European Union;
89. Invites its competent committee to provide specific resources from the EU budget for such a network;

Error rates, tolerable risk of error and cost-benefit analysis

90. Believes that a global error rate will only give an indication that something is wrong but will not indicate what the problem is and that what is needed is precise information on the origin, frequency, nature and financial impact of errors and factors on which action should be taken in order to prevent new errors in the future;
91. Welcomes the Court's refocusing of its DAS approach so that the central question now is whether the supervisory systems and controls that have been implemented at Community and national level provide the Commission with reasonable assurance as regards the legality and regularity of the underlying transactions;
92. Takes the view that the definition of an ex ante tolerable risk of error is a necessary step in the context of defining an efficient and effective internal control framework;
93. Believes further that a tolerable error rate in the underlying transactions can only be established when knowing the costs to be devoted to checking expenditure; welcomes therefore the actions launched through the above mentioned Action Plan towards an Integrated Internal Control Framework to assess the costs and benefits of checks;
94. Considers, as stated by the Court of Auditors at paragraph 55 of its above mentioned Opinion No 2/2004, that the relation between the costs of controls and the benefits they bring is a critical aspect of the control strategy for a programme or a policy and that it therefore must be 'open and transparent';

95. Believes therefore that the balance between costs and benefits of controls shall be approved by the political and budgetary authorities (Parliament and Council) based on a detailed proposal of the Commission, thereby accepting a certain level of tolerable risk of error; supports therefore the Commission's initiative to launch an interinstitutional dialogue in 2006;
96. Further believes that different budgetary areas could be subject to different tolerable risks of error depending on type and risks of the transactions concerned;
97. Invites the Commission to indicate — in as much detail as possible — which areas of the budget it considers HR (High Risk), MR (Medium Risk) and LR (Low Risk) and to adapt its control and audit activities accordingly;
98. Invites the Court of Auditors to take into consideration, when establishing its audit opinion, the risk acceptance decided by the budgetary and political authorities;

Court of Auditors

99. Recalls that the President of the Court of Auditors, in his speech to its competent committee in Strasbourg on 14 November 2005, said that the Court was 'in the process of preparing a self-assessment of its organisation and methods to be followed by a peer review'; notes that no independent review of the Court's work has taken place since it was set up in 1977; welcomes the initiative and understands that the peer review will be an external review, as currently exercised in some Member States, and that the objective is to test the quality and relevance of what the Court is doing and clearly to indicate where the Court could learn from others, including both Member States and other states such as the United States and New Zealand;
100. Calls for this review to give consideration to the question of whether the resources of the Court are sufficient to achieve its objectives;
101. Invites the Court, as part of the preparation of the peer review, to send its competent committee a report in which the Court critically and professionally describes its strengths and weaknesses and whether its governance set-up allows it to meet present standards regarding efficiency, effectiveness, ownership and leadership; further invites the Court to keep its competent committee and main client informed on all major steps in this process and to present the final as well as intermediary reports to this committee;
102. Calls for the Court to give serious and detailed consideration in this report to introducing into its work programme enhanced techniques for measuring and assessing progress in establishing effective financial controls;
103. Welcomes the Court's efforts to improve the presentation of its audit results and in particular the use of tables and indicators such as the assessment of the implementation in the Member States of management and control systems as regards structural measures (Annex 2 to Chapter 4 and Annex 1 to Chapter 5 in the annual report); expresses its hope that the use of such tables and indicators be expanded in future reports;
104. Finds that benchmarking can be an effective tool in evaluating efforts by Member States to improve management of EU funds; demands therefore that information about the strengths and weaknesses of the Member States' control systems be made public both by the Commission and the Court;
105. Regrets that the table in Annex 1 to Chapter 5 includes only a limited number of Member States and invites the Court to find ways to include more explicit and specific information on weaknesses in the different sectors and Member States;
106. Recalls that in its discharge report for 2003 the Parliament already asked for the DAS methodology to be further developed in order to obtain information on improvements in each sector from year to year in the different Member States;
107. Reminds the Court that its operational services could be significantly increased by reducing Members' cabinets to one person;

SECTORAL ISSUES

Revenue

108. Notes that contributions calculated on the basis of gross national income (GNI) are now by far the most important source of revenue for the Community (two thirds of all revenue in 2004) and is concerned that the Court reports significant differences in the supervisory and control systems at statistical offices in Member States (paragraph 3.48) because this could impact on the quality of the data being used for calculating Member States' contributions;
109. Invites the Commission to inform its competent committee on which measures it has or will take to improve the reliability, comparability and exhaustiveness of national accounts;

The common agricultural policy

110. Notes with satisfaction that the Court for the first time has issued a positive statement on expenditure under the Integrated Administrative and Control System (IACS) and that it considers this system, when effectively implemented, to be a strong instrument in reducing risk of irregular expenditure;
111. Also notes that the system is still not fully implemented in Greece, as it should have been since 1993, and that the Court, also for the first time, has indicated the reason, namely that 'farmers unions control the input of all data into the computer'; further notes that 'these irregular changes have an estimated financial impact of at least 10 million euros, and that the impact over the whole claim period could be significantly more' (paragraph 4.8); notes that the government of Greece has refuted these claims and in November 2005 opened negotiations with the Commission in order to settle the issue; feels that the government of Greece should control the data input and not the farmers unions;
112. Notes that under the current system corrections are too often paid by taxpayers and not by the final beneficiary who committed the error; takes the view that corrections therefore only have a limited preventive and dissuasive effect on beneficiaries and managers;
113. Notes the Court's discontent with the scope of the work of the certifying bodies (paragraph 4.60) on the grounds that it does not provide direct assurance that the information supplied by claimants, and used by paying agencies to calculate the payment due, is correct and therefore that payments are legal and regular; invites the Commission explicitly to require certifying bodies to test the operation of the primary-level controls;
114. Fully supports the Court's point of view that the Commission's post-payment checks involving visits to only three Member States is too limited to enable the Commission to state that it has 'reasonable assurance as to the compliance with Community legislation of the expenditure' (paragraph 4.58);

Special Report No 9/2004 concerning Forestry Measures within Rural Development Policy

115. Shares the Court's criticism that there is no commonly applied definition of forest and other wooded land in the EU although the UN already established general definitions of forest and wooded land 10 years ago; strongly recommends that the Commission introduce a minimum of common terminology, such as a set of definitions according to the different climate zones in the Union; requests that the Commission use these common definitions in order better to target EU forestry measures and spending;
116. Finds it unacceptable that the accreditation of the EAGGF paying agencies in some new Member States has been incomplete since accession; calls on the Commission to complete its work as soon as possible, as significant amounts will be charged to the EAGGF in the coming years and further prolongation will definitely cause late or delayed payments for these Member States;

117. Observes a lack of coherence between the 7 years' programming period from 2000 to 2006 for EU afforestation measures and the funds allocated to this period on the one hand and, on the other hand, the major instrument for afforestation which consists of an annual premium per hectare for beneficiaries paid over 20 years to compensate the loss of income if they convert agricultural land into forest; is worried about the Court's finding that the amount of premiums largely exceeds the funds allocated to the programme; is concerned that, as a consequence, the Commission's human resources are not focussed on current objectives but have to deal with the administration of the premiums; considers Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) ⁽¹⁾ as a first step into the right direction, as it reduces the compensation scheme from 20 to 15 years; asks the Commission to table further proposals in order to remedy the situation;

Special Report No 3/2005 concerning the Rural Development: The Verification of Agri-Environment expenditure

118. Notes that agri-environment measures form an integral part of the EU's reformed CAP, although the verification of environmental expenditure can pose particular problems due to its labour-intensive character and the requirement of highly specialised knowledge;
119. Points out that good national practices could serve as a template for all Member States, such as the German 2-step method for verifying Good Farming Practice (GFP), with a general check of 5 % of farmers and an additional, more detailed check of 1 % of farmers; calls upon the responsible authorities to improve and make better use of local knowledge and indicators, possibly through the partial use of funds for technical assistance in the new Rural Development Regulation to increase such knowledge;
120. Urges the Commission, in order better to discharge its responsibilities, to evaluate the verifiable character of sub-measures at the time of approving the rural development programmes;
121. Attaches the greatest importance to an efficient and responsible use of the EU budget and the application of the principle that an initiative that is insufficiently verifiable should not be financed by public money;
122. Therefore considers that the Commission, the Council and Parliament should ensure that this principle is better respected when implementing the proposals for agri-environment expenditure in the 2007 to 2013 planning period, without increasing control costs and bureaucracy;

Structural measures

123. Agrees fully with the Court when it states that 'Member States are responsible in the first instance for the management of operations and control of expenditure and for ensuring the correctness and legality of the underlying transactions through the functioning of systems verified by national audit bodies' (paragraph 5.7); reminds the Commission as well as the Court that in the absence of an adequate audit trail of structural programmes, there is no straightforward and transparent basis for certification of expenditure by Member States;
124. Is in view of this concerned about the Court's very serious findings, as follows (paragraph 5.48):
- 'weaknesses in the management and control systems across all the programmes in its sample for both the 1994-1999 and the 2000-2006 periods',
 - concerning the 2000-2006 period that 'most of the systems examined need varying degrees of improvement in order to fully comply with the fundamental regulatory requirements for effective day-to-day management checks and/or independent sample checks of operations',
 - 'numerous errors of legality and regularity in the expenditure included in the declarations leading to payments by the Commission in 2004';

⁽¹⁾ OJ L 277, 21.10.2005, p. 1.

125. Invites the Commission and the Member States immediately to take all necessary measures in order to bring 'day-to-day management' up to the required standard;
126. Points out that in the context of the CAP, the paying agencies can assign certain tasks to delegated bodies, but that actual payments may never be subject to any delegation; notes that in this way the paying agency remains primarily responsible for all the decisions which result in an actual payment; feels that the current situation in relation to structural measures, where managing authorities are allowed to delegate actual payment decisions, undermines efficient checks and balances; asks therefore the Commission to address this problem swiftly and adequately;
127. Believes that what is needed are better controls and not more controls and that assurance for the regularity and legality of underlying transactions has to come from better primary controls before approval of applications, during implementation of operations and before final payment, and not via more Commission on-the-spot controls;
128. Calls on Member States to ensure that adequate resources are invested in these controls and that proper guidance is provided; calls on the Commission to support these actions by the dissemination of good practices in this area;
129. Urges Member States to invest more in information activities directed at beneficiaries to make them aware of funding conditions, the probability of checks being made on them and the consequences of breaches;
130. Notes that the high number of national, regional and local offices and departments in the Member States involved in the management and control of structural measures makes the consolidation of audit reports as proposed at central Member State level a necessary and efficient way of facilitating better controls;
131. Notes that in the future structural measures could account for nearly half the appropriations in the Community budget and urges therefore the Commission and the Member States to implement the proposed sectoral declarations at central Member State level;
132. Believes that the independence of management and control bodies is of fundamental importance and invites the Commission to make arrangements for Commission approval of management and control bodies set up at national level;
133. Invites the Commission to present as soon as possible a proposal which would require the audit body proposed in the 2007-2013 regulations to certify the claims made on all structural funds in the course of any given year, and not just the claims under the 2007-2013 programmes, because 2000-2006 expenditure continues until 2010;
134. Underlines that the Commission, in cooperation with the Member States, should ensure that the lessons drawn from the closing of programmes for the 1994 to 1999 period are applied for the 2000 to 2006 period and future periods of the implementation of Structural Fund programmes and Cohesion Fund projects; notes that this also requires that the Member States ensure an adequate and timely submission of national closure documents;
135. Invites the Commission to present every six months a scoreboard showing Member States' progress as regards efficient implementation of supervisory and control systems as described in the regulations;

Internal policies, including research

136. Asks the Commission to work towards a maximum of standardised procedures in internal policies, thereby facilitating financial controls and reducing the administrative burden for beneficiaries; in particular, urges the Commission to follow the Court's repeated advice to establish a common or integrated IT system for the management of the fifth, sixth and further framework programmes for research, technological development and demonstration activities;

137. Notes that the Commission shares the Court's concerns as regards the persistent high risk of errors caused by incorrect declarations of costs by final beneficiaries; is convinced that simplification of procedures would help to remedy this problem; asks therefore the Commission thoroughly to consider the Court's suggestions in this respect;

Employment and social affairs

138. Notes the fact that, with regard to structural measures, the Court found further shortcomings in management and control systems and calls specifically on the Member States to undertake improvements as a matter of urgency with the assistance of national audit bodies and the relevant independent authorities;
139. Agrees with the recommendation of the Court that the number of on-site project assessments should be increased; regrets, in that connection, that the Directorate-General for Employment has not carried out any adequate assessments in order to substantiate the conclusions regarding management and control systems in the Member States for the 2000 to 2006 period;
140. Calls on the Member States, the Commission and in particular the relevant Directorates-General to work together effectively, according to the principles of good faith and sound financial management, to ensure that appropriations from the Structural Funds in particular are properly allocated;
141. Agrees that the electronic system introduced by the Directorate-General for Employment for monitoring recommendations concerning controls cannot be considered effective and encourages the Commission to issue a memorandum concerning good practice as regards controls on management of national expenditure and assessing the results of all kinds of financial resources;
142. Is generally satisfied with the progress made with regard to utilisation rates; notes that this may also be attributed to the application of the n+2 rule;
143. Agrees with the lessons learned concerning the evaluation of the Community initiative INTEGRA on social exclusion at the workplace and therefore calls on the Member States and the Commission to continue their efforts to ensure greater social cohesion;
144. Is generally satisfied with the utilisation rates in the budget lines devoted to employment and social affairs, which are to be attributed to improved management by the Commission;
145. Notes that, in internal policy areas, there is still, unfortunately, no adequate DAS as regards the legality and regularity of payments; calls on the Commission continuously to verify whether its cost-reimbursement systems could not be simplified and the procedures and instructions governing the various programmes not be formulated more clearly;
146. Calls on the Commission, in view of the uncertainty regarding the adoption of proposals for participation in Community programmes, to take practical measures to facilitate procedures;

Environment, public health and food safety

147. Considers the overall implementation rates of the budget headings for environment, public health and food safety satisfactory;
148. Calls on the Commission to develop further assistance to applicants in the context of multi-annual programmes; welcomes the efforts better to focus calls for tenders and to provide more assistance to applicants in order to avoid the submission of project applications which are clearly not eligible for funding or of poor quality, but notes that further work is needed in order to obtain a satisfactory situation;

149. Notes that the payment rates for the environment, health and food safety policy areas were all below 80 %; acknowledges the difficulties in planning payment appropriation needs, as the submission of bills by beneficiaries and contractors is largely outside the Commission's control; calls on the Commission, however, to examine its own procedures carefully to see if the implementation of payment appropriations could be improved;
150. Points out that compliance with the administrative and financial provisions of the Financial Regulation should not lead to unnecessary delays in awarding grants or selecting projects to be financed;

Internal market and consumer protection

151. Welcomes the steps that the Commission has taken to date to obviate the risk of errors in grant management, with the result that consumer actions are not singled out in the Court's observations; equally, welcomes the absence of critical observations on both internal market policy actions and customs policy;
152. Recognises the practical difficulty that the Commission faces in trying to reconcile demands that the administrative burden placed on grant applicants under the relevant programmes be as light as possible with the obligation to ensure sound financial management consistent with the implementing rules for the Financial Regulation;
153. Stresses that proper implementation of annual calls for proposals for specific consumer protection projects needs to be ensured; calls on the Commission to translate the lessons learnt during the execution of the current consumer programme in designing the new programme for 2007-2013, allowing for alternative beneficiaries that would be better equipped to undertake the actions envisaged;
154. Emphasises the importance it attaches to effective follow-up of observations by the Court concerning internal audit capabilities and failures to meet accepted standards;

Transport and tourism

155. Notes that in its annual report the Court found that there had been a substantial increase in internal audit activity in the Directorate-General for Energy and Transport (DG TREN), where the value of audited contracts rose from EUR 52 920 000 in 2003 to EUR 504 000 000 and the total value of adjustments in the Commission's favour rose from EUR 2 530 000 in 2003 to EUR 14 910 000;
156. Notes also that in the Court's view DG TREN should take further action to reach its audit target of 20 % of projects and 35 % of total project costs, define model costs statements and distinguish between studies and works for audit purposes;
157. Welcomes the fact that, following the Court's remarks in its previous annual reports, a new model Commission decision was adopted in 2004 which gives a tighter definition of eligible and ineligible costs;
158. Is concerned that while 93 % of commitment appropriations for transport safety were used, only 60 % of the payment appropriations were deployed;
159. Expresses its disappointment that only 25 % of commitments and 11 % of payments available for protecting passengers' rights were used;
160. Notes that another area where implementation has been low is Marco Polo payment appropriations, and this for reasons outside the control of the Community, and that a number of advance payments were not executed because some projects were not ready to deliver the required bank guarantee or used the wrong bank guarantee forms;

161. Notes with great satisfaction that, of the appropriations available for the important TEN-T budget item, 100 % of commitments and 95,82 % of payments have been taken up, showing that it is essential to increase the appropriations for this item in future;

Culture and education

162. Endorses the recommendations made by the Court in Chapter 6 of its annual report on internal policies concerning the need to reduce the risk of errors, particularly in the light of the specificities characterising beneficiaries of grants within EU programmes on education, culture, youth and the media;
163. Welcomes the replies provided by the Commission to continue its efforts to improve its internal control systems by implementing the actions provided for in the above mentioned communication on a roadmap to an integrated internal control framework;
164. Underlines the importance that the Commission capitalise on the procedural difficulties and bottlenecks in the management of projects encountered by beneficiaries of grants; invites the relevant Commission services to identify solutions and present them in the form of lessons to be learnt by and disseminated among beneficiaries, as well as to be used for improving inputs for internal procedures;
165. Recalls that it will attach great importance to the interim and ex post evaluation reports on the future Lifelong Learning, Culture, Media, Youth and Citizens for Europe Programmes, and advocates a wider use of assessment indicators;
166. Emphasises the importance of strengthening multi-lingual procedures in relation to calls for proposals addressed to citizens and potential beneficiaries of EU programmes;
167. Notes the low implementation rate of some key press and communication-related budget lines and considers that this undermines any effective communication policy capable of adequately reflecting the current need for debate about the future of the Union;

Gender equality

168. Notes that 2004 was the year of enlargement, and the main priority for the budget was to proactively ease the process of integration of the ten new Member States;
169. Regrets the fact that the discharge report does not give enough relevant information as to how the budget has achieved this priority, especially as regards equal opportunities for women in the enlarged Union;
170. Reminds the Commission that the provisions of the Treaty of Nice imply that a very broad range of Community policies and measures have to be looked at from the point of view of equal opportunities;
171. Reiterates its request to the Commission made in its resolution of 3 July 2003 on gender budgeting⁽¹⁾ and regrets that the discharge report does not give it the possibility to assess the impact of the budget from a gender perspective; regrets the lack of budgetary data concerning funding allocated to the promotion of gender equality in the context of different budget lines;
172. Demands that relevant information on gender mainstreaming policies be included in every discharge report; regrets that the Commission has not delivered this information; repeats its demand for gender-specific data in the discharge reports;
173. Welcomes the progress achieved in the implementation of the 2004 budget with regard to all the objectives and the programming period for the Structural Funds, which translates into a payment implementation rate of 99 %, well above that achieved in 2003 (89 %);

⁽¹⁾ OJ C 74 E, 24.3.2004, p. 746.

174. Notes the low payment implementation rate as regards the 'Daphne' programme while accepting the Commission's reasoning regarding maintaining high quality standards for the projects supported by the programme;
175. Calls on the Member States, the Commission and the Commission's Directorates-General concerned to collaborate effectively and in keeping with the rules of good faith and sound financial management with a view to the proper implementation of appropriations committed, particularly as regards Structural Funds;
176. Calls on the Commission, in view of the uncertainty that exists regarding the acceptance of proposals to participate in the different Community programmes, to take practical measures aimed at making the process easier and at reducing the expenditure incurred during submission of such proposals;

Area of freedom, security and justice

177. Welcomes the fact that some progress has been made in the implementation of the budget for an area of freedom, security and justice; deeply deplores, however, the still very low level of implementation of payments (83,8 % according to the Court, in comparison to 68 % in 2003), which leads to a considerable increase of outstanding commitments (*reste à liquider* — RAL) from EUR 160 000 000 to 238 000 000; calls on the Directorate-General Justice, Freedom and Security further to improve the implementation of the budget and to reduce RAL;
178. Regrets that the Court in its annual report had to repeat its concerns about the implementation of the Refugee Fund by Member States and in particular the weaknesses of control systems; stresses that adequate control mechanisms by the Member States need to be put in place to ensure proper implementation of the programmes within the new financial perspective by shared management; calls on the Commission to provide appropriate training for Member States' officials in time for the new programmes;
179. Regrets that the financial regulation of Eurojust has still not been approved by the Commission;

External actions

180. Requests that the Commission, in line with the Court's recommendation, clarify with the UN agencies the Court's right of access to projects managed by such agencies in order to enable the Court to carry out the necessary on-the-spot checks;
181. Requests that the Commission inform its competent committee when and why it contributes in a substantial way to UN agencies;
182. Requests that the Court report on how EU contributions can retain their own identity in the UN family and requests that the Court report on the advantages of financing actions through the UN instead of through the Commission's actions in the field of external relations;
183. Expresses its concerns as regards the Court's observations on the project implementing organisations, namely weaknesses in internal controls and a considerable number of errors in transactions; calls on EuropeAid to pay particular attention to the implementing level in its overall risk assessment and to intensify its audits of implementing organisations;
184. Asks the Commission to ensure that information on all audits, including those contracted by delegations and implementing organisations, is introduced in EuropeAid's CRIS financial information system, thereby linking it to the respective project monitoring information and making it available for the headquarters' services; welcomes the Commission's willingness to examine this proposal but urges however the Commission to implement this recommendation of the Court as soon as possible;

185. Regrets, while recognising that EuropeAid has reacted to its request for greater transparency and fully supporting the need for a better system of checks, the vastly increased complexity of the new procedures, which are cumbersome and take far too long to implement; points out the need for real simplification, while not losing sight of the original objective; welcomes, therefore, the decision by EuropeAid to simplify as from 1 February 2006 the procedure for evaluating proposals submitted to it, in order to reduce the burden on applicant organisations of producing supporting documentation and guarantees of eligibility;
186. Insists that equal emphasis be placed on both programme quality and commitment and disbursement rates;
187. Invites the Commission to inform its competent committee on its current concrete measures and future plans to reduce the risks of implementing and funding projects in a notably highly corruption-prone environment with feeble checks and balances and governance structures; would also appreciate the Commission's view on whether and to what degree the resulting risks are manageable under the provisions of the Treaty;
188. Reiterates its view that the considerable additional costs entailed by deconcentration need to be justified by tangible results; as such, welcomes the Court's evaluation of how effectively deconcentration has been working in the delegations, as called for by Parliament's Committee on Foreign Affairs in its opinion on the 2002 discharge; notes, however, the Court's assertion that 'some problem areas' in the planning process 'need further attention';
189. Recognises the difficulty of reporting a single donor's results in a multi-donor environment; deplores, however, the Commission's intention to move to a 'results-based approach' to development policy without establishing a methodology to measure the specific results of Community cooperation against the key objectives of the Millennium Development Goals (MDGs);
190. Agrees with the Court on the need for objective, useful and comprehensive indicators to measure the output of aid (Special Report No 4/2005, paragraph 63); trusts that these will be put in place for the period 2007-2013;
191. Regrets that the Commission's total reported allocation for basic education and basic health in 2004 was only 4,98 %, which was far from meeting the 20 % benchmark established by Parliament; calls for a meaningful dialogue with the Commission on how this figure may be improved;
192. Insists that greater priority be given to the main MDG sectors of health and education in the next round of Country Strategy Papers;
193. Welcomes the identification of sector budget support ⁽¹⁾ as a means of increasing the level of financing for education and health; considers this option more effective than general budget support, even when linked to progress in these sectors;
194. Appreciates the Commission's contribution to the Public Expenditure and Financial Accountability (PEFA) programme, which is helping to reduce the inherent risks of budget support; notes, however, the finding of the Court that the shared responsibility for public finance management between the EuropeAid Cooperation Office and the Development Directorate-General 'only works because of good interpersonal relations' (Special Report No 2/2005, paragraph 65);
195. Congratulates the Commission on increasing both commitment and payment levels each year since the reform of the management of external assistance and for reorganising EuropeAid to provide better support to deconcentrated delegations; shares the Commission's concern ⁽²⁾ over the timely availability of competent staff in delegations, especially in relation to finance, contracts and audit;

⁽¹⁾ Reply to question 1.4, DEVE questionnaire.

⁽²⁾ Reply to question 5.2, DEVE questionnaire.

196. Welcomes the increase in average staff per EUR 10 000 000 managed from 4,1 in 1999 to 4,8 in 2004; regrets that this figure remains well below the average for European donors and is now falling;
197. Calls on the Commission to ensure that administrative capacity for development policy in Bulgaria and Romania is strengthened before they accede to the EU;

Special Report No 10/2004 concerning the Devolution of EC external aid management to the Commission delegations

198. Calls on the Commission to improve its cost indicators and speed up its work on the development of indicators on the speed and quality of aid delivery, in order to allow a better assessment of the costs and benefits of the devolution process;
199. Encourages the Commission further to improve the quality of support provided by headquarters to the delegations;
200. Encourages the Commission to continue its efforts to ensure that staffing needs both at headquarters and in the delegations are met, and to further enhance training;
201. Urges the Commission to increase its efforts to try to reduce delays in project implementation which occur outside the delegations;
202. Welcomes the steps taken by the Commission to simplify and harmonise financial and contractual procedures;
203. Stresses that the 24 internal control standards in place in the delegations must be applied effectively;
204. Requests from the Court a report on how non-governmental organisations (NGOs) are financed dealing with the definition of NGO in the Court's view, which percentage of NGOs' resources the Commission finances and which part comes from private entities not attached to any governmental body and the advantages of having projects implemented by NGOs rather than by private undertakings;
205. Further requests the Court to provide a separate examination of the proper implementation in its totality of budget line 19-04 European Initiative for Democracy and Human Rights (EIDHR), as established by Parliament in 1992;

Special Report No 4/2005 concerning the Commission's management of economic cooperation in Asia

206. Welcomes the Court's Special Report on the Commission's management of economic cooperation in Asia; takes note of the Court's finding that there has been a lack of focus in expenditure and, equally, that Asia-wide projects have suffered from an overly complex application procedure; welcomes the statement that the projects audited reached a sizeable number of beneficiaries; endorses the recommendations made that the Commission should ensure that application procedures are not unnecessarily complex, that delegations give adequate assistance to applicants and that there be a greater focus on the sustainability of projects;
207. Invites the Commission to clarify the operational framework for EU aid to Asia, focussing on a small number of better defined key priorities which in turn would help to improve effective aid implementation and enable a more result and impact-oriented approach;
208. Calls on the Commission to step up its work in developing the appropriate indicators against which to measure progress made and to ensure the necessary monitoring in order to evaluate the results obtained;

209. Expects the Commission to introduce in the current review of the Financial Regulation and Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽¹⁾ an adequate simplification of contractual procedures and of procedures for grants, as regards in particular small-scale projects, so that flexibility may be achieved in the application of the rules, along with efficiency and sound financial management;

Pre-accession strategy

210. Invites the Commission to rethink the design of pre-accession projects in terms of better targeting and simplifying objectives and conditions; agrees with the Court that this would reduce the risk of errors in implementation; is convinced that simplifying project design would also facilitate the assessments of results;
211. Acknowledges that the Commission has to support the accession countries' authorities in controlling EU spending in a fully decentralised way; observes that, at the same time, the Commission still has to compensate weaknesses in the accession countries' financial management by keeping ex ante controls in the hands of the delegations; feels that proper risk management in this area implies that the Commission strike a balance between these two poles;
212. Notes the Court's finding that weaknesses in the management capacity of Bulgaria and Romania remain, welcomes the improvements that have already been made and urges the Bulgarian and Romanian authorities to continue enhancements in the supervision of pre-accession assistance in order to prepare themselves for more efficient use of Structural Funds; at the same time, urges the Commission to improve its management and targeting of those funds;

Administrative expenditure

Issues concerning the agencies

213. Is pleased to note that the Commission has come forward with a proposal for an Interinstitutional Agreement on the Agencies, as requested by Parliament in its 2003 discharge reports on the agencies; calls on the Council to begin negotiations as soon as possible with a view to concluding an agreement on the basis of the Commission's draft text, taking account of the principles set out by Parliament in its resolution of 13 January 2004 on The Operating Framework for the European Regulatory Agencies ⁽²⁾ and in its resolution of 1 December 2005 on European Regulatory Agencies ⁽³⁾;
214. Notes that the Financial Regulation was designed primarily for the Commission; is aware that the agencies' framework Financial Regulation ⁽⁴⁾ and the subsequent individual financial regulations for each agency ⁽⁵⁾ were all designed to follow as closely as possible the general Financial Regulation; points out that a financial regulation fitting for the Commission might not always suit the much smaller agencies; asks the Commission to ensure that the needs of the agencies are properly addressed in the current reform of the Financial Regulation;
215. Finds it necessary to improve the agencies' responsibility for the efficient use of EU taxpayers' money and therefore considers that the agencies have to be accountable to Parliament's respective committees;

⁽¹⁾ OJ L 357, 31.12.2002, p. 1.

⁽²⁾ OJ C 92 E, 16.4.2004, p. 119.

⁽³⁾ *Texts adopted*, P6_TA(2005)0460.

⁽⁴⁾ Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 357, 31.12.2002, p. 72).

⁽⁵⁾ OJ L 245, 29.9.2003, p. 1.

216. Considers that the agencies probably need more help with recruitment than the bigger institutions, which are likely to have a larger, more experienced administration to draw on to help with such tasks; urges the European Personnel Selection Office (EPSO) to respond positively to requests for assistance with recruitment from the agencies; asks the Commission to make other horizontal services in addition available to the agencies, such as training and the legal service;
 217. Asks the Commission to report on the state of play concerning internal audit in the agencies, describing the internal audit capability available within each agency and the internal audit services provided by the Commission in terms of provision both of guidance and of internal audits;
 218. Notes the UN's apparent failure properly to apply the financing agreement signed between the Commission and it regarding the European Agency for Reconstruction, leaving the Court frequently unable to carry out adequate financial control of payments and underlying documents concerning contracts managed or overseen by the United Nations Mission in Kosovo (UNMIK); notes the statement by the Deputy Special Representative of the Secretary-General of the United Nations to grant full access to all files at the request of the Court; urges however the Commission to review the financing agreement with the UN; is of the opinion that a possible phasing out of the European Agency for Reconstruction should not be done according to a pre-set timetable but should depend on economic and political criteria and developments, making full use of the added value of the Agency in terms of expertise and know-how developed over the years, and asks the Commission to bring forward a proposal after a proper final evaluation to see whether the mandate of the reconstruction agency could be altered in such a way that that existing expertise and know-how could be used to provide reconstruction assistance wherever needed, for example in Iraq, Afghanistan, Pakistan, India and the countries affected by the Tsunami, as a second stage after immediate humanitarian needs have been addressed by the Humanitarian Aid Office;
 219. Urges the Commission to help the European Environment Agency resolve the dispute with the Danish authorities concerning reimbursement of inappropriately paid taxes;
 220. Is disappointed to note that the conflict between the Commission and the Translation Centre for the bodies of the European Union concerning payment of employer's pension contributions has still not been resolved; urges the Commission to step up its efforts to settle this dispute.
-

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the discharge for implementation of the European Union general budget for the financial year 2004, Section I — European Parliament

(2006/810/EC, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2004 ⁽¹⁾,
 - having regard to the revenue and expenditure account and balance sheet in respect of the financial year 2004 (C6-0357/2005),
 - having regard to the Internal Auditor's annual report,
 - having regard to the Annual Report of the Court of Auditors on the Implementation of the Budget, together with the institutions' replies ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to Articles 272(10) and 275 of the EC Treaty 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 ⁽⁴⁾, and in particular Articles 145, 146 and 147 thereof,
 - having regard to Article 13 of the Internal Rules for the implementation of the European Parliament's budget ⁽⁵⁾,
 - having regard to Article 147(1) of the Financial Regulation, pursuant to which each Community institution is required to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,
 - having regard to Rules 71 and 74(3) of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0119/2006),
- A. whereas the Court of Auditors pointed to weaknesses in supervisory and control systems (paragraph 9.16), albeit mostly of a formal nature; whereas, according to the Court, the errors did not materially affect the legality and regularity of the transactions underlying administrative expenditure (paragraph 9.27),
- B. whereas the Financial Regulation and Parliament's Rules of Procedure as amended on 23 October 2002 ⁽⁶⁾ apply with effect from 1 January 2003 as regards the procedural rules governing the discharge,
- C. whereas Parliament's Rules of Procedure were amended on 23 October 2002 to provide that discharge is to be given to the President rather than to the Secretary-General,
1. Postpones the decision to grant its President discharge for implementation of the budget for the financial year 2004;
 2. Instructs its President to forward this decision to the Council, the Commission, the Court of Justice, the Court of Auditors and the European Ombudsman and to have it published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 105, 30.4.2004.⁽²⁾ OJ C 301, 30.11.2005, p. 1.⁽³⁾ OJ C 302, 30.11.2005, p. 100.⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.⁽⁵⁾ PE 349.540.⁽⁶⁾ OJ C 300 E, 11.12.2003, p. 303.

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for implementation of the European Union general budget for the financial year 2004, Section II — Council**

(2006/811/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - 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 ⁽²⁾,
 - 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 ⁽³⁾,
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - 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. Grants the Secretary-General of the Council discharge in respect of the implementation of the budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ L 53, 23.2.2004.⁽²⁾ OJ C 301, 30.11.2005, p. 1.⁽³⁾ OJ C 301, 30.11.2005, p. 9.⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

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 ⁽¹⁾,
 - 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 ⁽²⁾,
 - 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 ⁽³⁾,
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - 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;

⁽¹⁾ OJ L 53, 23.2.2004.

⁽²⁾ OJ C 301, 30.11.2005, p. 1.

⁽³⁾ OJ C 301, 30.11.2005, p. 9.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ 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 ⁽¹⁾ 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.
-

⁽¹⁾ *Texts Adopted*, P6_TA(2005)0410.

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for implementation of the European Union general budget for the financial year 2004, Section IV — Court of Justice**

(2006/812/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0360/2005),
 - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - 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 (A6-0112/2006),
1. Grants the Registrar of the Court of Justice discharge in respect of the implementation of the budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ L 53, 23.2.2004.⁽²⁾ OJ C 301, 30.11.2005, p. 1.⁽³⁾ OJ C 301, 30.11.2005, p. 9.⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

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 IV — Court of Justice**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0360/2005),
 - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - 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 to the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0112/2006),
1. Notes that in 2004 the European Court of Justice (ECJ) administered a budget of EUR 235 041 565, with a utilisation rate of 94 %;
 2. Notes that as a consequence of enlargement the number of staff at the ECJ increased in 2004 by some 40 % ⁽⁶⁾;
 3. Notes with disapproval that in 2004 the ECJ again failed to implement several internal control standards;
 4. Points to the finding set out by the Court of Auditors in paragraph 9.13 of its annual report that the ECJ's internal auditor exercises the function of head of the 'verification unit', which performs ex ante controls on the authorising officer's operations; agrees with the Court of Auditors that such involvement in the carrying out of financial operations is not compatible with the tasks of an independent internal auditor; criticises the fact that since his appointment in 2003 the internal auditor has not completed any of the audits in his work programme; urges the ECJ to enlist outside support to ensure timely completion of the outstanding audits in the work programme;
 5. Regrets that the ECJ's annual activity report could not be taken into consideration in the preparation of the Court of Auditors' annual report as it had not been finalised before the Court of Auditors' audit was concluded; understands that this issue has been resolved with regard to the 2005 annual activity report;

⁽¹⁾ OJ L 53, 23.2.2004.

⁽²⁾ OJ C 301, 30.11.2005, p. 1.

⁽³⁾ OJ C 301, 30.11.2005, p. 9.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

⁽⁶⁾ Source: annual activity report.

6. Notes that the ECJ, unlike most of the institutions, does not attach to its annual activity report a declaration of assurance signed by its authorising officer by delegation; notes that the Registrar nonetheless drew up and signed a memorandum dated 21 June 2005 assuring the ECJ's President of the regularity of its 2004 accounts; asks the ECJ to draw up such a declaration in future years and hopes that this matter will be regulated in the current review of the Financial Regulation;
7. Congratulates the ECJ on the design, content and legibility of its annual activity report and, in particular, the analysis at the end of each chapter of the type and degree of risk attaching to the operations described therein; believes that the usefulness of annual activity reports could be increased if all institutions followed this example;
8. Welcomes the reduction in the average duration of cases before the ECJ from 25 months in 2003 to 20 months in 2004 against the background of a steadily rising number of cases brought; considers that 20 months per case is still too long; calls on the ECJ to reduce the duration of cases further;
9. Notes that no ex-post verification was carried out in 2004 because of the need for the ex-ante verification service to concentrate on setting up the new financial circuit;
10. Notes that the ECJ is currently managing a substantial project for the construction of new buildings comprising two towers and a 'ring' with accommodation for staff to be needed following future enlargements, together with up to 40 judges and their cabinets, at an estimated cost of EUR 296 924 590 (at 2000 prices); asks the ECJ for a written description of the arrangements for checking invoices and auditing the project, as well as for an explanation as to which of the parties involved will bear the risk of possible cost overruns; calls on the ECJ to create appropriate control bodies that have permanent responsibility for this large project and for checking that deadlines are met, for monitoring costs and for making any adjustments required;
11. Points out that, according to a comparison of costs between the institutions in the matter of buildings drawn up by the Commission services in June 2005, the ECJ has the highest cost per occupant (EUR 250/m², which is explained however by the shorter than average repayment period chosen by the ECJ, namely 15 years;
12. Believes that, in the interests of transparency, wider publicity should be given to Regulation No 422/67/EEC, 5/67/Euratom of the Council of 25 July 1967 determining the emoluments of the President and members of the Commission and of the President, Judges, Advocates-General and Registrar of the Court of Justice and of the President, Members and Registrar of the European Union Civil Service Tribunal ⁽¹⁾ laying down the emoluments of the ECJ's judges, possibly by publishing it on the ECJ's website;
13. Notes that the ECJ currently imposes no obligation on judges to declare financial interests, such as share holdings, directorships and consultancy contracts; points out that both Commissioners and Members of the European Parliament are required to declare such interests in a public register and that Members of the Court of Auditors deposit a declaration of their financial interests with the Court's President; recommends that, in the interests of transparency, even in the absence of a legal requirement at present, the ECJ should ask for binding rules of this kind to be drawn up;
14. Recalls, as regards official cars for use by the ECJ, that its resolution of 27 October 2005 ⁽²⁾ called on the ECJ to amend by 1 November 2005 its administrative decision of 31 March 2004 in such a way as to rule out the private use of official cars.

⁽¹⁾ OJ L 187, 8.8.1967, p. 1. Regulation as last amended by Regulation (EC, Euratom) No 202/2005 (OJ L 33, 5.2.2005, p. 1).

⁽²⁾ *Texts Adopted*, P6_TA(2005)0410.

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the discharge for implementation of the European Union general budget for the financial year 2004, Section V — Court of Auditors

(2006/813/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0361/2005),
 - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0113/2006),
1. Grants the Secretary-General of the Court of Auditors discharge in respect of the implementation of the budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman, the European Data Protection Supervisor and the government of the Grand-Duchy of Luxembourg and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ L 53, 23.2.2004.⁽²⁾ OJ C 301, 30.11.2005, p. 1.⁽³⁾ OJ C 301, 30.11.2005, p. 9.⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

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 V — Court of Auditors

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0361/2005),
 - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0113/2006),
1. Notes that in 2004 the European Court of Auditors (ECA) administered a budget of EUR 96 925 410, with a utilisation rate of 81,5 %;
 2. Recalls that the 2004 accounts of the ECA were audited by an external firm, KPMG ⁽⁶⁾, which concluded that

'[i]n our opinion the (...) accounting data and financial statements give a true and fair view, in accordance with the Financial Regulation, the implementing rules, generally accepted accounting principles and the European Court of Auditor's Internal Rules, of the assets and the financial position of the European Court of Auditors at 31 December 2004 and of the economic result and the revenue and expenditure for the financial year then ended.';
 3. Notes with interest the terms of the certificate ⁽⁷⁾ issued by ECA's auditors, KPMG drawing attention for the first time:

'to the information given in note 1 of the Annex to the financial statements, to the effect that, in accordance with accounting standard No 12 (Employee benefits), which was adopted on 28 December 2004 by a decision of the Commission's accounting officer pursuant to Article 133 of the Financial Regulation applicable to the general budget of the European Communities on 31 December 2004 for the first time the Court recorded a provision for its Members' pensions combined with a long-term claim on the Member States to the value of EUR 43 689 621. The amount of the provision was calculated on the basis of an actuarial analysis carried out by the European Commission.';

⁽¹⁾ OJ L 53, 23.2.2004.

⁽²⁾ OJ C 301, 30.11.2005, p. 1.

⁽³⁾ OJ C 301, 30.11.2005, p. 9.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

⁽⁶⁾ Report by the external auditor on the Court of Auditor's accounts for the financial year 2004 (OJ C 299, 29.11.2005, p. 1).

⁽⁷⁾ Report by the external auditor on the Court of Auditor's accounts for the financial year 2004 (OJ C 299, 29.11.2005, p. 1).

4. Notes that the extension to the ECA's headquarters building in Luxembourg, under construction since 2001, was occupied in October 2003, ahead of the scheduled date of June 2004; notes also that the accounts for the project are in the process of being closed and that a full report will be provided to the budgetary authority in due course;
5. Notes further a reference in the KPMG report under off-balance sheet commitments to an undertaking by the ECA to acquire land for a further extension (the K3 project); notes that the K3 project is intended to meet the ECA's expected needs arising from the future accession of Bulgaria, Romania and one other country at an estimated cost of EUR 26 450 000 (April 2003 prices) ⁽¹⁾; notes the ECA's wish 'to distribute the risks associated with such a project more widely, so that these are not ultimately borne to such a large degree by the European taxpayer'; asks to be informed about how this aim will be achieved, with special reference to financial liability for cost overruns;
6. Approves the holding at regular intervals of calls for tender for the appointment of an external firm to audit the ECA's accounts, while expressing concern at the dominant position occupied by a small number of large accountancy practices in Luxembourg and elsewhere; calls for a tender procedure for the appointment of external auditors that is transparent, fair and intelligible to Parliament;
7. Notes that following the latest enlargement in 2004 and its expansion to 25 Members, the ECA has reorganised its structure into four audit groups and a coordination group; queries whether a structure involving 25 Members and their cabinets is the most effective one possible; calls on the ECA to examine the possibility of reducing the number of Members to one third of the number of Member States;
8. Recalls the view expressed by the House of Lords Select Committee on the European Union in relation to the negotiations over the Convention on the future of Europe that

'[t]he ECA's present structure of 15 members of equal status, one from each Member State, who act as a college, is in need of change and, come enlargement, will have to change. A Court with over 20 full-time executive members would be unwieldy, sluggish and ineffective. The proposal for a system of "chambers", a concept now incorporated by the Nice Treaty, appears to be merely a mechanism to absorb members without improving efficiency and is not radical enough to solve this problem.';
9. Recalls that Mr Weber, President of the ECA, in a speech in Strasbourg on 14 November 2005 told the Committee on Budgetary Control that the ECA was carrying out a self-assessment of its organisation and methods to be followed by a 'peer review'; hopes that it will be possible to devise a more rational structure for the ECA before the next enlargement;
10. Suggests that this review of the ECA's working methods could include as one of the possible options the proposal by the House of Lords to replace the current structure by 'a highly qualified chief executive supported by a strong auditing staff, and reporting to a part-time, non-executive board of representatives from each of the Member States';
11. Welcomes the forwarding to the discharge authority of the annual activity report together with the signed declaration by the authorising officer by delegation;
12. Is grateful for the transmission to the discharge authority of the annual report on the internal audit function but regrets that despite the request contained in paragraph 15 of its resolution of 12 April 2005 ⁽²⁾ this one-page report still does not provide a clear picture of the current control environment;
13. Recalls, as regards official cars for use by ECA Members, that its resolution of 27 October 2005 ⁽³⁾ calls on the ECA to amend by 1 November 2005 its administrative decision of 15 June 2004 in such a way as to rule out the private use of official cars;

⁽¹⁾ Source: The buildings policy of the ECA, overview and state of play, September 2003.

⁽²⁾ OJ L 196, 27.7.2005, p. 47.

⁽³⁾ Texts Adopted, P6_TA(2005)0410.

14. Invites the ECA to consider publishing Members' declarations of financial interests on its website, thereby contributing to the greater transparency of the institutions; believes that it would improve transparency if greater publicity were given to Council Regulation (EEC, Euratom, ECSC) No 2290/77 determining the emoluments of the Members of the Court of Auditors⁽¹⁾, possibly by publishing it on the ECA's website;
 15. Recalls that, following an investigation by OLAF, legal proceedings against a former Member of the ECA have been pending before the courts of the Grand-Duchy of Luxembourg for some considerable time; regrets that all too often final case reports forwarded by OLAF to the Member States' authorities are simply filed without further action; believes that judicial delay is not an acceptable response to a potentially embarrassing dossier; will follow attentively the Luxembourg judicial authorities' hearing of the above case.
-

⁽¹⁾ OJ L 268, 20.10.1977, p. 1. Regulation as last amended by Regulation (EC, Euratom) No 1293/2004 (OJ L 243, 15.7.2004, p. 26).

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the discharge for implementation of the European Union general budget for the financial year 2004, Section VI — European Economic and Social Committee

(2006/814/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0362/2005),
 - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0114/2006),
1. Grants the Secretary-General of the European Economic and Social Committee discharge in respect of the implementation of the budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ L 53, 23.2.2004.

⁽²⁾ OJ C 301, 30.11.2005, p. 1.

⁽³⁾ OJ C 301, 30.11.2005, p. 9.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

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 VI — European Economic and Social Committee**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0362/2005),
 - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0114/2006),
1. Notes that in 2004 the European Economic and Social Committee (EESC) administered a budget of EUR 103 000 000 with a utilisation rate of 88,56 % (2003: 98,12 %);
 2. Notes, as stated in paragraph 9.23 of the Court of Auditors' annual report, that the internal control standards were approved in July 2004 but that not all the measures needed to achieve full compliance with them have yet been taken;
 3. Notes in relation to the Court of Auditor's findings at paragraph 9.7 of its annual report concerning the transfer of part of staff emoluments with the application of a weighting coefficient the significant number of cases not supported by adequate evidence of the officials' right to the transfers requested; notes that according to information provided by the EESC corrective measures were taken in 2005;
 4. Recalls the EESC's assurance given in 2004 that there had been no further irregularities whatsoever with regard to the payment of its Members' travel expenses ⁽⁶⁾; points out that the Court of Auditors nevertheless referred in its annual report on the 2003 financial year, published in November 2004, to three cases in which the travel allowance paid to Members was twice the amount set out in the Committee's own rules; notes that the Belgian prosecution service has opened a formal investigation based on a finding by OLAF of strong prima facie evidence that up to EUR 45 000 in expenses was wrongfully claimed by an EESC Member over a six-year period; is aware that the EESC voted to lift the immunity of the Member concerned and that a judgment of the competent Belgian court is expected before the end of 2006;
 5. Notes that in 2004 the EESC changed its internal rules so as to designate a vice-president to be responsible for budgetary matters and for relations with Parliament;

⁽¹⁾ OJ L 53, 23.2.2004.

⁽²⁾ OJ C 301, 30.11.2005, p. 1.

⁽³⁾ OJ C 301, 30.11.2005, p. 9.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

⁽⁶⁾ See paragraph 3 of the European Parliament resolution containing the comments accompanying the decision concerning discharge in respect of the implementation of the general budget of the European Union for the 2002 financial year — Section VI — European Economic and Social Committee (OJ C 104 E, 30.4.2004, p. 698).

6. Welcomes the fact that the EESC has forwarded the annual activity report, including a report by the internal auditor and accompanied by the statement of assurance by the authorising officer by delegation;
7. Notes the EESC Secretary-General's reservation regarding the assurance of salary calculations through new payroll application (NAP) software during the 2004 financial year, and that this matter is also described in paragraph 9.5 of the Court of Auditor's report;
8. Points to the following findings arising from the annual activity report:
 - the increase in the number of Members from 222 to 317 (an increase of 42,79 %) following enlargement on 1 May 2004;
 - the closure and replacement of the imprest account office from 1 January 2004 with direct processing of payment orders in the Si2 computer programme;
 - an increase in translation requests of 33,5 % in comparison with 2003;
 - a 35 % increase in the number of meetings;
 - problems with NAP as well as difficulties in recruiting all staff needed in 2004;
9. Notes that in addition to its move to the recently completed Belliard building, the EESC, together with the Committee of the Regions, has a buildings programme comprising four other buildings (Belliard 68, Belliard 96, Trèves and Remorqueur) and will require further office accommodation for future enlargements;
10. Awaits the results of the Court of Auditors' audit of the acquisition and renovation procedures for all buildings shared by the Committee of the Regions and the EESC, including the Belliard I and II buildings; believes there should be an audit of the Montoyer renovation as well; points out that renting buildings would significantly reduce the risks involved for small institutions and that this solution should be considered as a serious alternative for future building projects; approves the fact that, as a result of the policy on sensitive functions, the head of the infrastructure unit has changed position and that a new recruitment process for this post is ongoing;
11. Welcomes the fact that the annual activity report includes the results of ex-post controls in accordance with Article 52 of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽¹⁾, which provides as follows:

'The result of the ex post verifications shall, with other matters, be set out in the annual activity report submitted by the authorising officer by delegation to his institution';
12. Believes that in this respect the EESC's example could usefully be followed by other institutions.

⁽¹⁾ OJ L 357, 31.12.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the discharge for implementation of the European Union general budget for the financial year 2004, Section VII — Committee of the Regions

(2006/815/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0363/2005),
 - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0115/2006),
1. Grants discharge to the Secretary-General of the Committee of the Regions in respect of the implementation of the budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ L 53, 23.2.2004.

⁽²⁾ OJ C 301, 30.11.2005, p. 1.

⁽³⁾ OJ C 301, 30.11.2005, p. 9.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

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 VII — Committee of the Regions**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0363/2005),
 - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0115/2006),
1. Notes that in 2004 the Committee of the Regions (CoR) administered a budget of EUR 59 413 031 with a utilisation rate of 83,57 %;
 2. Observes the remark at paragraph 9.24 of the Court of Auditors' annual report that internal control standards were approved only in November 2004; especially notes the insufficient number of ex-post controls and verifications carried out in 2004;
 3. Underlines that the CoR appears in the Court of Auditors' annual report to be the institution with the highest number of criticisms of all the other institutions (paragraphs 9.4, 9.5, 9.6, 9.7, 9.9, 9.11a and b and 9.13 of the report);
 4. Criticises the fact that the internal audit function was carried out by a temporary member of staff employed on the basis of renewable contracts of short duration; welcomes the solution now found;
 5. Notes that according to the information given at the hearing of the other institutions organised by the Committee on Budgetary Control on 25 January 2006 certain matters are now the subject of an investigation by OLAF;
 6. Notes that the CoR trade unions contest the CoR's recent reorganisation exercise, which has been carried out despite some controversy as already pointed out in previous discharge resolutions;
 7. Finds it regrettable that the Court of Auditors was unable to take account of the CoR's annual activity report as it had not been produced before the Court's audit was concluded;

⁽¹⁾ OJ L 53, 23.2.2004.

⁽²⁾ OJ C 301, 30.11.2005, p. 1.

⁽³⁾ OJ C 301, 30.11.2005, p. 9.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

8. Awaits the results of the Court of Auditors' audit of the acquisition and renovation procedures for all buildings shared by the CoR and the European Economic and Social Committee (EESC), including the Belliard I and II buildings; believes there should also be an audit of the Montoyer renovation; notes that at the time Parliament recommended purchase; points to the fact that renting buildings would significantly reduce the risks involved for small institutions and that this solution should be considered as a serious alternative for future building projects; approves the fact that, as a result of the policy on sensitive functions, the head of the infrastructure unit has changed position and a new recruitment process for this post is ongoing;
 9. Invites the Court of Auditors, in the light of the CoR's financial management problems, to draw up a detailed analysis of the CoR's managerial practice in relation to off-budget accounts as compared to the practice in other institutions;
 10. Notes that while the authorising officer by delegation did not enter any formal reservations in his statement of assurance, he did annex to it a number of remarks, as follows:
 - due to difficulties in recruiting staff with the necessary skills and because no audits were produced in 2003, the authorising officer by delegation (the CoR's new Secretary-General) did not receive the full benefit of advice and support from the internal audit service in 2004;
 - the process for the acquisition of the two committees' (EESC and CoR) new buildings was virtually complete when the new Secretary-General took over in late 2003; this being so, the decisions on contractual matters and fitting-out had already been taken;
 - due to weaknesses in the new payroll application (NAP) managed by the Commission, the sub-delegated authorising officers and their ex-ante verifiers were unable to guarantee the accuracy of all staff salary calculations;
 - the extensive checking of weighted transfers requested before the entry into force of the new Staff Regulations;
 11. Acknowledges that weaknesses in the NAP were a problem for all institutions and not a specific problem for the CoR; expects that after this year of transition following the introduction of the system the NAP will run smoothly;
 12. Considers that the CoR should have focused on the importance of setting up a fully functioning internal audit service in 2004, knowing the challenges resulting from enlargement; notes the following as particular challenges: a substantial increase in the budget in 2004 (up 50 %); growth in staff numbers (up 63 %); the arrival of new members (up 43 %); the financial and regulatory impact of the new Staff Regulations; and the continuing implementation of the new Financial Regulation, together with the move of most of the CoR's services to the new buildings (Belliard 99-101 and Belliard 68), which took place in June 2004;
 13. Notes that during 2004 the CoR amended its rules on the refunding of travel expenses and the payment of travel and meeting allowances for its members, and that in addition it reformed its Committee for Financial and Administrative Affairs, reducing the membership from 15 to eight, as the political body within the CoR responsible for significant financial or administrative decisions, such as budgets, discharge and internal rules;
 14. Recalls that, in relation to OLAF's findings, the public prosecutor at the Brussels Court of Appeal concluded in March 2005 that there was insufficient evidence to bring a prosecution and therefore decided to close the file without further action, but demands nevertheless, given the lack of follow-up in 2004 to the OLAF report on fraud and irregularities at the CoR, that the CoR abolish the imprest account system for the reimbursement of members' travel expenses and adopt the same system as the EESC.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for implementation of the European Union general budget for the financial year 2004, Section VIIIA — European Ombudsman**

(2006/816/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0364/2005),
 - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0116/2006),
1. Grants the European Ombudsman discharge in respect of the implementation of the budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ L 53, 23.2.2004.⁽²⁾ OJ C 301, 30.11.2005, p. 1.⁽³⁾ OJ C 301, 30.11.2005, p. 9.⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

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 VIIIA — European Ombudsman**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0364/2005),
 - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-92/2006),
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0116/2006),
1. Notes that in 2004 the European Ombudsman (the Ombudsman) administered a budget of EUR 5 782 988 with a utilisation rate of 88,05 %; notes further that 2004 was the first year in which the Ombudsman's office experienced full autonomy and therefore had full responsibility in financial matters;
 2. Points out that the Court of Auditors in its annual report for the financial year 2004 indicates that the audit did not give rise to any observations as regards the Ombudsman;
 3. Remarks that the statement of assurance signed by the Ombudsman and attached to his annual activity report contains no reservations or observations concerning management or control issues;
 4. Notes that following the entry into force in 2003 of the new Financial Regulation the Ombudsman as an institution with an independent budget had to comply with the rules concerning the separation and independence between the various actors involved in financial operations, to guarantee the economic effectiveness and efficiency of operations and to establish appropriate internal control mechanisms;
 5. Recalls that the Ombudsman, therefore, asked for and received authorisation from the budgetary authority to increase in the year 2004 the number of administrative staff dealing with financial and administrative matters; recalls furthermore that these new members of staff enabled the Ombudsman's office to perform during 2004 all the financial tasks that, until the end of 2003, had been provided by Parliament's services under the co-operation agreements; notes that these tasks included, *inter alia*, the management, calculation and processing of missions and the preparation of payment orders concerning staff salaries and also the Ombudsman's emoluments;
 6. Notes that in 2004 the Ombudsman had full control over the financial transactions relating to his section of the budget;

⁽¹⁾ OJ L 53, 23.2.2004.

⁽²⁾ OJ C 301, 30.11.2005, p. 1.

⁽³⁾ OJ C 301, 30.11.2005, p. 9.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

7. Notes that the internal auditor's appraisal of the Ombudsman's office in relation to budgetary transactions in 2004 did not identify any areas of significant risk, but that a series of action plans was agreed with the management to reduce risk further and to enhance the existing systems, especially in the area of public procurement;
 8. Notes that 2004 saw an unprecedented rise of 51 % in complaints to the Ombudsman, the total in 2004 being 3 688 such complaints, which represents a clear sign of increasing awareness of the service provided by the Ombudsman and the greater degree of information provided by the institutions; notes that half of that increase was accounted for by complaints from the ten new Member States;
 9. Observes that on the Ombudsman's own estimate, 74,8 % of those complaints fell outside the scope of his mandate; notes that in 2004 the Ombudsman nevertheless initiated 351 inquiries, the great majority of which concerned the Commission, with the main type of maladministration alleged being lack of transparency, including refusal of information (22 %);
 10. Believes that the Ombudsman could serve as a model for other institutions, both as regards a clearly defined scope of competence and a well administered budget.
-

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the discharge for implementation of the European Union general budget for the financial year 2004, Section VIII B — European Data Protection Supervisor

(2006/817/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0365/2005),
 - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - 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 (A6-0117/2006),
1. Grants the European Data Protection Supervisor discharge in respect of the implementation of the budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ L 53, 23.2.2004.

⁽²⁾ OJ C 301, 30.11.2005, p. 1.

⁽³⁾ OJ C 301, 30.11.2005, p. 9.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

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 VIIB — European Data Protection Supervisor**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2004, Volume III (N6-0027/2005 — C6-0365/2005),
 - having regard to the Court of Auditors' annual report for the financial year 2004, accompanied by the replies of the institutions audited ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5971/2006 — C6-0092/2006),
 - 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 ⁽⁴⁾, 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 ⁽⁵⁾,
 - 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 (A6-0117/2006),
1. Notes that in 2004 the European Data Protection Supervisor (EDPS) administered a budget of EUR 1 942 279 with an utilisation rate of 54,67 %;
 2. Notes that the audit of the EDPS by the Court of Auditors did not give rise to any observations (paragraph 9.24 of the Court of Auditors' annual report);
 3. Notes that on 24 June 2004 the Secretaries-General of the Commission, Parliament and the Council signed, together with the EDPS, an administrative cooperation agreement to assist the EDPS for a start-up period of three years under which:
 - the Commission's accounting officer and internal auditor are appointed as the EDPS's accounting officer and auditor;
 - Commission departments shall provide assistance for all tasks concerning the management of persons linked to the institution, such as recruitment of staff, determination of entitlements, payment of salaries, reimbursement of medical costs, mission payments and so on;
 - Commission departments shall also provide assistance to the EDPS in establishing and implementing the budget;
 - the EDPS shall be installed in the Parliament's premises; Parliament's departments shall assist the EDPS as regards material facilities and know-how relating to that installation (security of the buildings, mail, computers, telephones, offices and supplies);
 4. Believes that a renewal of the cooperation agreement would be desirable considering the small size of the EDPS' administration;
 5. Calls on the EDPS to continue the setting-up of the institution with full respect for the basic principles of legality, regularity and sound financial management.

⁽¹⁾ OJ L 53, 23.2.2004.

⁽²⁾ OJ C 301, 30.11.2005, p. 1.

⁽³⁾ OJ C 301, 30.11.2005, p. 9.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 356, 31.12.1977, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for implementation of the budget of the sixth, seventh, eighth and ninth European Development Funds for the financial year 2004**

(2006/818/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the Commission's report on the follow-up to 2003 Discharge Decisions (COM(2005)0449),
- having regard to the Commission communication on the Annual accounts for the financial year 2004 of the 6th, 7th, 8th and 9th European Development Funds (COM(2005)0485 — C6-0430/2005),
- having regard to the Commission communication on the Financial Management Report on the 6th, 7th, 8th and 9th European Development Funds for the year 2004 (COM(2005)0307),
- having regard to the Court of Auditors' Annual Report on the activities funded by the sixth, seventh, eighth and ninth European Development Funds (EDFs), together with the institutions' replies ⁽¹⁾,
- 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 ⁽²⁾,
- having regard to Court of Auditors' Special report No 2/2005 concerning EDF budget aid to ACP countries: the Commission's management of the public finance reform aspect, together with the Commission's replies ⁽³⁾ (submitted pursuant to Article 248(4), second subparagraph, of the EC Treaty),
- having regard to the Council's recommendations of 22 February 2006 (5677/2006 — C6-0094/2006, 5679/2006 — C6-0095/2006, 5680/2006 — C6-0096/2006, 5681/2006 — C6-0097/2006),
- having regard to Article 33 of the Internal Agreement of 20 December 1995 between the representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ⁽⁴⁾,
- having regard to Article 32 of the Internal Agreement of 18 September 2000 between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ⁽⁵⁾,
- having regard to Article 276 of the EC Treaty,
- having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽⁶⁾,
- having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ⁽⁷⁾,
- having regard to Rule 70 and the third indent of 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 Development (A6-0110/2006),

⁽¹⁾ OJ C 301, 30.11.2005, p. 249.⁽²⁾ OJ C 301, 30.11.2005, p. 261.⁽³⁾ OJ C 249, 7.10.2005, p. 1.⁽⁴⁾ OJ L 156, 29.5.1998, p. 108.⁽⁵⁾ OJ L 317, 15.12.2000, p. 355.⁽⁶⁾ OJ L 191, 7.7.1998, p. 53.⁽⁷⁾ OJ L 83, 1.4.2003, p. 1.

- A. whereas, in its statement of assurance on the European Development Funds (EDF), the Court of Auditors concluded that, with certain exceptions, the accounts for the financial year 2004 reliably reflect the revenue and expenditure for the financial year and the financial situation at the end of the year,
 - B. whereas the Court of Auditors' conclusion on the legality and regularity of the underlying transactions is based *inter alia* on the audit of a sample of transactions,
 - C. whereas the Court of Auditors, on the basis of the documentation examined, is of the opinion that the revenue entered in the accounts, the EDF allocations and the commitments and payments are, taken as a whole, legal and regular,
- 1. Grants discharge to the Commission for the implementation of the budget of the sixth, seventh, eighth and ninth EDF for the financial year 2004;
 - 2. Sets out its comments in the resolution below;
 - 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors and the European Investment Bank and to have them published in the *Official Journal of the European Union* (L series).

The President

Joseph BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on closing the accounts for implementation of the budget of the sixth, seventh, eighth and ninth European Development Funds for the financial year 2004

(2006/819/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the Commission's report on the follow-up to 2003 Discharge Decisions (COM(2005)0449),
- having regard to the Commission communication on the Annual accounts for the financial year 2004 of the 6th, 7th, 8th and 9th European Development Funds (COM(2005)0485 — C6-0430/2005),
- having regard to the Commission communication on the Financial Management Report on the 6th, 7th, 8th and 9th European Development Funds for the year 2004 (COM(2005)0307),
- having regard to the Court of Auditors' Annual Report on the activities funded by the sixth, seventh, eighth and ninth European Development Funds (EDFs), together with the institutions' replies ⁽¹⁾,
- 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 ⁽²⁾,
- having regard to Court of Auditors' Special report No 2/2005 concerning EDF budget aid to ACP countries: the Commission's management of the public finance reform aspect, together with the Commission's replies ⁽³⁾ (submitted pursuant to Article 248(4), second subparagraph, of the EC Treaty),
- having regard to the Council's recommendations of 22 February 2006 (5677/2006 — C6-0094/2006, 5679/2006 — C6-0095/2006, 5680/2006 — C6-0096/2006, 5681/2006 — C6-0097/2006),
- having regard to Article 33 of the Internal Agreement of 20 December 1995 between the representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ⁽⁴⁾,
- having regard to Article 32 of the Internal Agreement of 18 September 2000 between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ⁽⁵⁾,
- having regard to Article 276 of the EC Treaty,
- having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽⁶⁾,
- having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ⁽⁷⁾,
- having regard to Rule 70 and the third indent of 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 Development (A6-0110/2006),

1. Notes that the financial situation of the sixth, seventh, eighth and ninth European Development Funds (EDF) as at 31 December 2004 was as follows:

⁽¹⁾ OJ C 301, 30.11.2005, p. 249.

⁽²⁾ OJ C 301, 30.11.2005, p. 261.

⁽³⁾ OJ C 249, 7.10.2005, p. 1.

⁽⁴⁾ OJ L 156, 29.5.1998, p. 108.

⁽⁵⁾ OJ L 317, 15.12.2000, p. 355.

⁽⁶⁾ OJ L 191, 7.7.1998, p. 53.

⁽⁷⁾ OJ L 83, 1.4.2003, p. 1.

Cumulative utilisation of EDF resources as at 31 December 2004

(EUR million)

	Situation at end of 2003 ⁽³⁾		Budgetary implementation during the financial year 2004 ⁽³⁾					Situation at end of 2004 ⁽³⁾					
	Global amount	Implementation rate % ⁽²⁾	6 th EDF	7 th EDF	8 th EDF	9 th EDF	Global amount	6 th EDF	7 th EDF	8 th EDF	9 th EDF	Global amount ⁽³⁾	Implementation rate % ⁽²⁾
A — RESOURCES ⁽¹⁾	43 408,7		-32,2	-58,4	- 172,3	656,0	393,1	7 439,4	10 867,7	11 590,6	13 904,1	43 801,8	
B — UTILISATION													
1. Financial commitments	33 317,0	76,8	-32,2	-58,4	- 172,3	2 638,1	2 375,2	7 439,4	10 867,7	11 590,6	5 794,5	35 692,2	81,5
2. Individual legal commitments	27 566,9	63,5	28,7	121,4	848,7	1 747,5	2 746,3	7 378,3	10 418,5	9 775,2	2 741,2	30 313,2	69,2
3. Payments ⁽²⁾	23 504,1	54,1	30,0	244,5	1 191,9	947,6	2 413,9	7 312,1	9 849,6	7 531,1	1 225,2	25 918,0	59,2
C — Outstanding payments (B1-B3)	9 812,9	22,6						127,3	1 018,1	4 059,5	4 569,3	9 774,1	22,3
D — Available balance (A-B1)	10 091,7	23,2						0,0	0,0	0,0	8 109,6	8 109,6	18,5

⁽¹⁾ Initial allocations to the 6th, 7th, 8th and 9th EDFs, interest, sundry resources and transfers from previous EDFs.⁽²⁾ As a percentage of resources⁽³⁾ With a view to ensuring consistency with the financial statements and budget implementation statements drawn up by the Commission, these figures do not include operations now managed autonomously by the EIB (at end of 2003: resources: € 2 245 million; financial commitments: € 366 million; individual legal commitments: € 140 million; payments: € 4 million).

Source: Court of Auditors, Annual Report on the activities funded by the sixth, seventh, eighth and ninth European Development Funds (EDFs) in the financial year 2004 (OJ C 301, 30.11.2005, p. 257).

2. Approves closing the accounts for implementation of the budget of the sixth, seventh, eighth and ninth EDF for the financial year 2004;
3. Instructs its President to forward this decision to the Council, the Commission, the Court of Auditors and the European Investment Bank and to have it published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT

with comments forming an integral part of the decision on the discharge for implementation of the budget of the sixth, seventh, eighth and ninth European Development Funds for the financial year 2004

THE EUROPEAN PARLIAMENT,

- having regard to the Commission's report on the follow-up to 2003 Discharge Decisions (COM(2005)0449),
- having regard to the Commission communication on the Annual accounts for the financial year 2004 of the 6th, 7th, 8th and 9th European Development Funds (COM(2005)0485 — C6-0430/2005),
- having regard to the Commission communication on the Financial Management Report on the 6th, 7th, 8th and 9th European Development Funds for the year 2004 (COM(2005)0307),
- having regard to the Court of Auditors' Annual Report on the activities funded by the sixth, seventh, eighth and ninth European Development Funds (EDFs), together with the institutions' replies ⁽¹⁾,
- 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 ⁽²⁾,
- having regard to Court of Auditors' Special report No 2/2005 concerning EDF budget aid to ACP countries: the Commission's management of the public finance reform aspect, together with the Commission's replies ⁽³⁾ (submitted pursuant to Article 248(4), second subparagraph, of the EC Treaty),
- having regard to the 2005 United Nations Millennium Development Goals Report ⁽⁴⁾,
- having regard to its resolution of 1 March 2001 on the Commission communication to the Council and the European Parliament on the European Community's Development Policy ⁽⁵⁾,
- having regard to its resolution of 9 March 2005 on the work of the ACP-EU Joint Parliamentary Assembly in 2004 ⁽⁶⁾,
- having regard to its resolution of 8 June 2005 on Policy Challenges and Budgetary Means of the enlarged Union 2007-2013 ⁽⁷⁾,
- having regard to its resolution of 17 November 2005 on a development strategy for Africa ⁽⁸⁾,
- having regard to the EuropeAid Cooperation Office's annual activity report 2004,
- having regard to the Commission communication on the Annual Report 2005 on the European Community's Development Policy and the Implementation of External Assistance in 2004 (COM(2005)0292),
- having regard to the Council's recommendations of 22 February 2006 (5677/2006 — C6-0094/2006, 5679/2006 — C6-0095/2006, 5680/2006 — C6-0096/2006, 5681/2006 — C6-0097/2006),
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou, Benin, on 23 June 2000 ⁽⁹⁾ (the Cotonou Agreement),

⁽¹⁾ OJ C 301, 30.11.2005, p. 249.

⁽²⁾ OJ C 301, 30.11.2005, p. 261.

⁽³⁾ OJ C 249, 7.10.2005, p. 1.

⁽⁴⁾ Published by the United Nations Department of Public Information, DPI/2390 — May 2005, <http://millenniumindicators.un.org>.

⁽⁵⁾ OJ C 277, 1.10.2001, p. 130.

⁽⁶⁾ OJ C 320 E, 15.12.2005, p. 142.

⁽⁷⁾ *Texts Adopted*, P6_TA(2005)0224.

⁽⁸⁾ *Texts Adopted*, P6_TA(2005)0445.

⁽⁹⁾ OJ L 317, 15.12.2000, p. 3.

- having regard to Article 33 of the Internal Agreement of 20 December 1995 between the representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ⁽¹⁾,
 - having regard to Article 32 of the Internal Agreement of 18 September 2000 between Representatives of the Governments of the Member States, meeting within the Council ⁽²⁾, on the Financing and Administration of Community Aid under the Financial Protocol to the Cotonou Agreement and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies,
 - having regard to Article 276 of the EC Treaty,
 - having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽³⁾,
 - having regard to Articles 119 and 120 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ⁽⁴⁾,
 - having regard to Rule 70 and the third indent of 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 Development (A6-0110/2006),
- A. whereas Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund requires the Commission to take all appropriate steps to act on the observations accompanying the decision giving discharge and to report, at the request of the European Parliament, on the measures taken in the light of those observations and comments,
- B. whereas the reform of the management of the EC's external assistance was launched in May 2000 ⁽⁵⁾ and the reform of the EC's development policy in November 2000 ⁽⁶⁾,
- C. whereas the Cotonou Agreement entered into force on 1 April 2003,

EDF and Millennium Development Goals (MDGs)

1. Takes the view that development policy is an essential component of the Union's external action, the aims of which are to eradicate poverty by means of economic and social reform and by bolstering social, educational and health-related infrastructure, increasing the production capacity of poor populations, ensuring environmental sustainability and granting support to the countries concerned to enable them to increase growth and local potential; welcomes the fact that the Commission is continuing to seek to achieve the MDGs on this basis;
2. Takes the view that the European Development Fund (EDF) is an important tool for carrying out this policy in the African, Caribbean and Pacific (ACP) countries and that it must be made more effective through a focus on actions aimed at poverty eradication and through swift implementation characterised by transparency, accountability and compliance with the principles of sound financial management;
3. Recognises the problems of measuring the impact of Community assistance on the achievement of the MDGs in multi-donor environments; calls on the Commission to make greater efforts to establish an appropriate mechanism to measure such an impact and not to confine itself to measuring the progress of the developing countries towards the MDGs;
4. Agrees with the Court of Auditors ⁽⁷⁾ on the need for objective, useful and comprehensive indicators to measure the output of aid; trusts that these will be put in place for the period 2007-13;

⁽¹⁾ OJ L 156, 29.5.1998, p. 108.

⁽²⁾ OJ L 317, 15.12.2000, p. 355.

⁽³⁾ OJ L 191, 7.7.1998, p. 53.

⁽⁴⁾ OJ L 83, 1.4.2003, p. 1.

⁽⁵⁾ Commission communication on reform of the management of external assistance, adopted by the Commission on 16 May 2000.

⁽⁶⁾ Declaration of the Council and the Commission on the European Community's development policy, adopted by the General Affairs (Development) Council on 10 November 2000.

⁽⁷⁾ Special Report No 4/2005, paragraph 63.

5. Notes that, in 2004, out of a total of EUR 2 723 million in funding provided by EuropeAid to ACP countries (EDF and EU general budget), 41 % (EUR 1 129 million) was committed for infrastructure and social services; deplores the fact that only EUR 12 million (0,4 %) was earmarked for basic education and EUR 74 million (2,7 %) for basic health, despite the recommendation at paragraph 6 of its previous discharge resolution ⁽¹⁾; urges the Commission to increase funding for these sectors and calls for the percentage of European Union development cooperation spending earmarked for basic education and health in the developing countries to be substantially increased;
6. Insists that greater priority be given to the main MDG sectors of health and education in the next round of Country Strategy Papers;
7. Welcomes the identification of sector budget support ⁽²⁾ as a means of increasing the level of financing for education and health; considers this option more effective than general budget support, even when linked to progress in these sectors;
8. Supports the Commission in its efforts to put the provisions of the Cotonou Agreement into practice; notes, however, that the Commission has not promoted fair trade appropriately, though this is stipulated in Article 23(g) of the Agreement; calls on the Commission to support all provisions in the Cotonou Agreement, in particular Article 23(g) concerning trade development, including the promotion of fair trade;
9. Takes the view that democratisation, good governance, human rights, equal opportunities (with particular reference to respect for women's rights), consolidation of the rule of law and judicial and civil administrative capacity building are not just important values in themselves, to be pursued as external aid objectives, but can also have a beneficial effect in terms of sound management of external aid projects;

Accounts

10. Expresses concern at the fact that modernisation of the EDF accounts was not completed within the deadlines set and that, for the moment, the existing On-line Accounting System (OLAS) is being used to keep the accounts; asks to be kept informed every six months on progress with modernisation of the new integrated IT system (ABAC-FED) and its implementation at head office and within the delegations;
11. Notes that although EDF funds managed by the European Investment Bank (EIB) are not audited by the Court of Auditors or controlled by Parliament as part of the discharge procedure, they are included in the EDF accounts; considers that transparency would be enhanced if information on these funds (amounts by type of use, overview of results) were provided to the discharge authority which is responsible for signing off the EDF accounts; calls on the EIB and the Commission to provide such information and to include it in their reports on the EDF;

Statement of assurance

12. Notes that, with the exception of problems relating to the following ⁽³⁾, the Court of Auditors is of the opinion that the accounts reliably reflect the revenue and expenditure relating to the sixth, seventh, eighth and ninth EDFs:
 - (a) the incompleteness of the assets, as the Commission has not sufficiently investigated which part of the outstanding advances are to be reimbursed by the debtors to the EDF;
 - (b) the incompleteness of the provisions on doubtful debts, which do not reflect the real level of bad debts;

⁽¹⁾ OJ L 196, 27.7.2005, p. 155.

⁽²⁾ Reply to question 1.4 of the questionnaire of the Committee on Development (DEVE).

⁽³⁾ Court of Auditors, Annual Report concerning the financial year 2004, p. 261.

- (c) the unreliability of the balance of Stabex funds disclosed in a report attached to the financial statements (EUR 832 million);
13. Notes that, according to the Court of Auditors' annual report, the EuropeAid Director-General's activity report makes no mention of major internal control weaknesses; notes that these weaknesses consist mainly of insufficient audits and follow-up and that weaknesses in national authorising officers' management capability result in a heavier workload for the delegations; calls on the Commission to take appropriate action and to report on that action;
14. Notes that, with regard to the underlying transactions, the Court of Auditors is of the opinion that the revenue entered in the accounts, the EDF allocations and the commitments and payments for the financial year are, taken as a whole, legal and regular;
15. Points out that in its annual report the Court of Auditors stresses that the cases of deliberate irregularity and corruption committed outside the Commission's control environment cannot, by their nature, be systematically detected through application of the Court's auditing policies and standards; considers that, in all its external aid-related activities, the Commission should endeavour to ensure that:
- its control environment is protected, extended, strengthened or made more effective,
 - protection is provided for anyone reporting fraud, irregularities and maladministration both within the Commission and its intermediary organisations and within national authorising services and beneficiary organisations, with due reference to the recommendation at paragraph 9 above;

Financial Management Report

16. Welcomes the improvement in the quantity and quality of information contained in the Financial Management Report but, like the Court of Auditors, calls on the Commission to provide more details in future reports, particularly so as to enable comparisons to be made of the amounts allocated to projects, budgetary support and non-programmable aid coming under the ninth EDF to those for previous EDFs and in order to have an overview of the related administrative expenditure;
17. Welcomes the increase in average staff per EUR 10 million managed from 4,1 in 1999 to 4,8 in 2004; regrets that this figure remains well below the average for European donors and is now falling;

Accountability

18. Notes that while the Commissioner for Development and Humanitarian Aid is responsible for EDF policy and for specific matters concerning the related projects and programmes managed by EuropeAid, the Commissioner for External Relations and European Neighbourhood Policy is responsible for all general policy and management matters concerning the functioning of EuropeAid, which implements the EDF; remains concerned that the lack of clarity over responsibility may create ambiguities and disrupt operations; calls on the Commission to clarify the breakdown of responsibilities for the EDF and external aid;

Implementation and RAL

19. Notes that EuropeAid quotes a figure as at the end of 2004 of EUR 9 776 million in outstanding commitments (reste à liquider — RAL) for the EDF and a figure of EUR 11 607 million for the budget lines which it manages; considers these figures to be far too high and urges the Commission to speed up implementation of external aid;
20. Points out that, while desirable, more rapid implementation is not of itself sufficient to conclude that the performance of the EDFs has improved, and that better achievement of objectives is also required; notes the comparison between objectives and achievements included in the Financial Management Report, but asks the Commission to make more effort to set quantifiable objectives as defined in the Financial Regulation;

21. Calls on the Commission to look into the feasibility of administrative, legislative, technical and other measures to ensure that, before further increases are planned, RAL in the field of external aid is better kept under control and reduced, and to report thereon;

Budgetary support for ACP countries

22. Notes the increasing significance of budget support, with EUR 624 million disbursed in 23 ACP countries in 2004; acknowledges that budget support can contribute effectively towards realising the objectives of reducing poverty and improving public financial management in recipient countries, in particular by giving them a greater sense of 'ownership'; calls on the Commission to adjust its instruments to assess economic reforms and the quality of public financial management as conditions for eligibility for budget support within the meaning of Article 61(2) of the Cotonou Agreement ⁽¹⁾;
23. Supports the Commission's efforts to introduce and improve the necessary instruments for monitoring and assessing progress made in implementing public finance reform in beneficiary countries; expects decisions and funding agreements, as well as how appropriate tools are used to monitor implementation of reforms, henceforth to be presented in a more structured manner, so as clearly to indicate whether the public finance reforms in beneficiary countries are going in the right direction;
24. Expects the Commission to pay special attention to the collection of domestic revenue and action to combat fraud and corruption in beneficiary countries and to make further efforts to take due account of such issues in connection with the implementation of public finance reforms;
25. Calls on the Commission to improve, where possible, its relations at local level with other donors, particularly as regards information on the allocation and disbursement of budgetary assistance, with a view to improving the design and programming of public finance reforms and, thereby, the assessment of the quality and effectiveness of such reforms;
26. Urges the Commission to step up and place on a more systematic footing its cooperation with supreme audit institutions and, where possible, to call on governments of beneficiary countries to secure more active parliamentary involvement in audit and the public finance reform process;

Supreme audit institutions

27. Recalls the importance attached by Parliament, the Council and the Court of Auditors to involving ACP states' supreme audit institutions in EDF control ⁽²⁾;
28. Notes that the Commission is considering different modalities for supporting and promoting the role of the supreme audit institutions in the ACP states; asks for an assessment of the various options under consideration and of progress in their implementation to be submitted in time for the next discharge exercise;

Budgetisation

29. Considers that budgetisation of the EDF would remove many of the complications and difficulties of implementing successive EDFs, help speed up disbursement and eliminate the current democratic deficit;

⁽¹⁾ 'Direct budgetary assistance in support of macroeconomic or sectoral reforms shall be granted where:

(a) public expenditure management is sufficiently transparent, accountable and effective;
(b) well defined macroeconomic or sectoral policies established by the country itself and agreed to by its main donors are in place; and
(c) public procurement is open and transparent.'

⁽²⁾ See paragraphs 21 to 24 in the resolution containing the comments accompanying the decision concerning discharge to the Commission in respect of the implementation of the budget of the sixth, seventh and eighth European Development Funds for the 2002 financial year (OJ L 330, 4.11.2004, p. 128).

30. Draws attention to the following statement made in its above mentioned resolution of 8 June 2005:

'European Development Fund (EDF):

recalls that the European Parliament has strongly supported the integration of the EDF into the general budget on the basis of the principle of the unity of the budget and for reasons of transparency, but observes that, in financial terms, the budgetisation should not jeopardise other policies; underlines therefore that the budgetisation is only acceptable if the overall ceiling of the financial framework brings additional resources into the general budget; points out that the appropriations budgeted should be ring-fenced to avoid any negative effect on the ACP countries; stresses that the principle of partnership with the ACP countries must be respected when the EDF is integrated into the general budget';

31. Regrets that at its meeting in Brussels on 15 and 16 December 2005 the European Council did not agree to the budgetisation of the EDF, but welcomes the fact that the Member States did agree to allocate EUR 22 682 million at current prices to cooperation with the ACP states over the period 2008-2013; calls, nonetheless, on the Council and Commission to continue to work on incorporating the EDF into the general budget; is awaiting the final decision on the financial perspective 2007-2013 which depends on agreement between Parliament and the Council on the new interinstitutional agreement;

Devolution of management of aid and support

32. Supports the Commission's devolution of resources and decision-making powers to the delegations of the Commission; expects that this new organisational structure will contribute to even swifter implementation of commitments and payments and to better project follow-up;
33. Notes the risks of the process of devolution to the Commission delegations in ACP countries, such as difficulties in finding appropriate staff and the possibility of incoherent interpretation of rules between Commission delegations; underlines the need to improve the rules and to find a balance between reinforced control mechanisms and the need for reporting on one hand, and efficient and speedy decision-making locating the main decisions on projects in the delegations on the other;
34. Welcomes the fact that the devolution process has now extended to almost all delegations; seeks confirmation that appropriate staff training and controls are accompanying the devolution of resources and decision-making powers to delegations; asks for a report outlining the state of play of the devolution process, describing the expected benefits with quantifiable indicators and setting out the benefits so far achieved and detailing the control structures in place in delegations, including the state of implementation of internal control standards;

Stabex funds

35. Notes that the Commission completed the inventory of Stabex funds in 2004, showing that some ACP states do not supply the required financial statements and that, as a result, an unknown portion of the declared bank balance of EUR 832 million has not been certified by the Commission on the basis of reliable supporting documents; reiterates the request it made to the Commission last year to work with the beneficiary countries to enhance monitoring and ensure that the outstanding funds are committed as rapidly as possible;

Internal control standards

36. Welcomes the internal control efforts made by the Commission; expresses concern, nonetheless, at the fact that the Commission is complying with only the minimum requirements for certain control standards; asks the Commission to report on compliance with control standards;

Visibility and transparency

37. Urges the Commission, in the interests of greater transparency and better information as to reliability and sound management in connection with implementation of the sixth, seventh, eighth and ninth EDF, to clarify its reply to the request for additional explanations on key issues made by the Court of Auditors in paragraph 8(a) of Chapter 1 of its annual report covering the increase in resources for the ninth EDF, with specific reference to the item concerning aid granted to the Democratic Republic of Congo;
 38. Acknowledges the progress made by the Commission in ensuring a higher profile for Community external aid action and urges it to continue the efforts currently being made; deplores, however, the fact that the public is not aware of the European Union's close involvement in many projects and programmes conducted jointly with the United Nations and other organisations; calls on the Commission to make representations to these organisations with a view to:
 - ensuring public awareness of EU contributions and involvement;
 - laying down provisions enabling proper assessment, audit and control operations to be carried out, including in connection with projects and programmes conducted jointly with or through these international organisations or NGOs.
-

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the discharge for the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2004

(2006/820/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2004, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 337/75 of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0094/2006),
1. Grants discharge to the Director of the European Centre for the Development of Vocational Training for the implementation of the Centre's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 29.⁽²⁾ OJ C 332, 28.12.2005, p. 60.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 39, 13.2.1975, p. 1. Regulation as last amended by Regulation (EC) No 2051/2004 (OJ L 355, 1.12.2004, p. 1).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2004

(2006/821/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2004 ⁽¹⁾,
- having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2004, together with the Centre's replies ⁽²⁾,
- having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- 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 ⁽³⁾, and in particular Article 185 thereof,
- having regard to Council Regulation (EEC) No 337/75 of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽⁴⁾, and in particular Article 12a thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary (A6-0094/2006),

1. Notes the following figures for the accounts of the European Centre for the Development of Vocational Training for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003

	(1 000 EUR)	
	2004	2003
Revenue		
Commission subsidies	13 700	14 500
Revenue from previous financial years	0	0
Miscellaneous revenue	42	3
Assigned revenue (Phare and third countries)	724	792
Financial revenue	0	0
Total revenue (a)	14 466	15 295

⁽¹⁾ OJ C 269, 28.10.2005, p. 29.

⁽²⁾ OJ C 332, 28.12.2005, p. 60.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 39, 13.2.1975, p. 1. Regulation as last amended by Regulation (EC) No 2051/2004 (OJ L 355, 1.12.2004, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

	(1 000 EUR)	
	2004	2003
Budgetary expenditure for the financial year		
<i>Staff— Title I of the budget</i>		
Payments	8 579	7 554
Appropriations carried over	466	443
<i>Administration — Title II of the budget</i>		
Payments	768	778
Appropriations carried over	542	358
<i>Operating activities — Title III of the budget (except for assigned revenue)</i>		
Payments	2 508	2 381
Payments against RAL (outstanding commitments) at 31.12.2003	2 702	
Appropriations carried over	0	3 138
<i>Assigned revenue (Phare and third countries)</i>		
Payments	416	546
Appropriations carried over	309	246
Total expenditure (b)	16 290	15 444
Outturn for the financial year (a — b)	- 1 824	- 149
Balance carried over from the previous financial year	- 993	- 545
Appropriations carried over and cancelled	56	399
Neutralisation of the carry-over n-1 in Title 3 linked to the change to differentiated appropriations	3 138	
Sums for reuse from the previous financial year not used	1	10
Refunds to the Commission		- 716
Exchange-rate differences	- 4	8
Balance for the financial year	374	- 993

2. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2004;
3. Instructs its President to forward this decision to the Director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President
Josep BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT**with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2004**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2004, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 337/75 of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0094/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that, except for a number of irregularities noted in the award of contracts, the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
- C. whereas on 12 April 2005 Parliament gave discharge to the Director in respect of the implementation of the Centre's budget for the 2003 financial year ⁽⁶⁾ and in its resolution containing the comments accompanying the discharge decision ⁽⁷⁾ it inter alia urged the Centre to complete changes to its financial organisation during 2005,

⁽¹⁾ OJ C 269, 28.10.2005, p. 29.

⁽²⁾ OJ C 332, 28.12.2005, p. 60.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 39, 13.2.1975, p. 1. Regulation as last amended by Regulation (EC) No 2051/2004 (OJ L 355, 1.12.2004, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

⁽⁶⁾ OJ L 196, 27.7.2005, p. 68.

⁽⁷⁾ OJ L 196, 27.7.2005, p. 69.

1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;
2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Centre's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Centre; asks the Court to verify the contents of table 1;
3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
7. Urges the Centre to adapt future budgets to ensure that differentiated appropriations are properly presented;
8. Is pleased to note the significant reduction in carryovers achieved by the Centre in 2004 compared to previous years, allowing the budget implemented by the Centre to reflect more closely the budget approved by the budgetary authority;
9. Stresses that the Centre must ensure that the accounts are complete and that all activities, including the staff canteen's purchases and sales, are properly monitored;
10. Is concerned by the irregularities noted by the Court of Auditors in the contract award procedure; notes the steps taken by the Centre to ensure that such irregularities will not be repeated; calls on the Centre to ensure that tendering specifications and competition rules are strictly applied;

11. Notes the Court of Auditors' comments on inconsistencies in recruitment procedure; stresses the need for fairness, openness and transparency in recruitment; welcomes the Centre's intention to prepare a guide on recruitment procedures in 2005;
 12. Notes the Centre's observation in the comments accompanying the 2004 annual accounts that 'not all stages of the modernisation process have been completed'; expects a fuller report accompanying the 2005 accounts confirming whether changes to its financial organisation have been completed and, if this is not the case, explaining why this is so, and what remains to be done and indicating the expected timetable for completion;
 13. Welcomes the information supplied on internal audits; notes the recommendation of the Governing Board in its opinion on the 2004 accounts that the Centre ensure full implementation of the internal control standards; asks the Centre to report on progress in this regard in its report on the 2005 accounts, as well as on progress in establishing a specific internal audit function and in recruiting its own internal auditor;
 14. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 15. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the discharge for the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004

(2006/822/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004, together with the Foundation's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1365/75 of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0093/2006),
1. Grants discharge to the Director of the European Foundation for the Improvement of Living and Working Conditions for the implementation of the Foundation's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 40.⁽²⁾ OJ C 332, 28.12.2005, p. 82.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 139, 30.5.1975, p. 1. Regulation as last amended by Regulation (EC) No 1111/2005 (OJ L 184, 15.7.2005, p. 1).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004

(2006/823/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004, together with the Foundation's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1365/75 of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control (A6-0093/2006),
1. Notes the following figures for the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003

(1 000 EUR)

	2004	2003
Revenue		
Commission subsidies	18 000	17 090
Miscellaneous revenue	85	47
Financial revenue	0	35
Total revenue (a)	18 085	17 172

⁽¹⁾ OJ C 269, 28.10.2005, p. 40.⁽²⁾ OJ C 332, 28.12.2005, p. 82.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 139, 30.5.1975, p. 1. Regulation as last amended by Regulation (EC) No 1111/2005 (OJ L 184, 15.7.2005, p. 1).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

	(1 000 EUR)	
	2004	2003
Expenditure		
<i>Staff— Title I of the budget</i>		
Payments	8 606	8 927
Appropriations carried over	132	109
<i>Administration — Title II of the budget</i>		
Payments	1 267	968
Appropriations carried over	489	224
<i>Operating activities — Title III of the budget</i>		
Payments	5 056	3 733
Appropriations carried over	2 522	2 817
Total expenditure (b)	18 072	16 778
Outturn for the financial year (a — b)	13	394
Balance carried over from the previous financial year	- 1 296	- 1 836
Appropriations carried over and cancelled	35	118
Sums from the previous financial year for reuse that were not used	17	19
Exceptional result from previous years	2	0
Phare appropriations carried over and cancelled	8	0
Phare revenue collected	0	639
Phare revenue to be collected	0	361
Phare expenditure	0	- 1 000
Exchange-rate differences	- 4	9
Balance for the financial year	- 1 225	- 1 296

2. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004;
3. Instructs its President to forward this decision to the Director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President
Josep BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT**with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2004, together with the Foundation's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1365/75 of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0093/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;

⁽¹⁾ OJ C 269, 28.10.2005, p. 40.

⁽²⁾ OJ C 332, 28.12.2005, p. 82.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 139, 30.5.1975, p. 1. Regulation as last amended by Regulation (EC) No 1111/2005 (OJ L 184, 15.7.2005, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Foundation's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Foundation; asks the Court of Auditors to verify the contents of table 1;
 3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
 4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
 5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
 6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
 7. Notes the Court of Auditors' finding that 37 % of appropriations carried over into 2005 related to commitments entered into in December 2004 and that the majority of these related to contracts for studies to be carried out in 2005; reminds the Foundation of the principle of budget annuality and urges it to respect this principle in order to allow correct and transparent implementation of the budgets set by the budgetary authority;
 8. Welcomes the steps taken by the Foundation to improve the completeness and sound management of the inventory in response to the Court of Auditors' findings;
 9. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 10. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for the implementation of the budget of the European Agency for Reconstruction
for the financial year 2004**

(2006/824/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Reconstruction for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Reconstruction for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2667/2000 of 5 December 2000 on the European Agency for Reconstruction ⁽⁴⁾, and in particular Article 8 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0095/2006),
1. Grants discharge to the Director of the European Agency for Reconstruction for the implementation of the Agency's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Director of the European Agency for Reconstruction, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 332, 28.12.2005, p. 19.⁽²⁾ OJ C 332, 28.12.2005, p. 15.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 306, 7.12.2000, p. 7. Regulation as last amended by Regulation (EC) No 2068/2004 (OJ L 358, 3.12.2004, p. 2).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the closure of the accounts of the European Agency for Reconstruction for the financial year 2004

(2006/825/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Reconstruction for the financial year 2004 ⁽¹⁾,
- having regard to the Court of Auditors' report on the annual accounts of the European Agency for Reconstruction for the financial year 2004, together with the Agency's replies ⁽²⁾,
- having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- 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 ⁽³⁾, and in particular Article 185 thereof,
- having regard to Council Regulation (EC) No 2667/2000 of 5 December 2000 on the European Agency for Reconstruction ⁽⁴⁾, and in particular Article 8 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A6-0095/2006),

1. Notes the following figures for the accounts of the European Agency for Reconstruction for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003 ⁽¹⁾

(1 000 EUR)

	2004	2003
Revenue		
EC subsidy	231 909	274 221
Recovery of expenses (reuse Title III)	1 229	1 318
Revenues from administrative operations (reuse Titles I and II)	181	199
Other operating revenue	6 113	28 413
Total operating revenue	239 432	304 151

⁽¹⁾ OJ C 332, 28.12.2005, p. 19.

⁽²⁾ OJ C 332, 28.12.2005, p. 15.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 306, 7.12.2000, p. 7. Regulation as last amended by Regulation (EC) No 2068/2004 (OJ L 358, 3.12.2004, p. 2).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

	(1 000 EUR)	
	2004	2003
Expenditure		
<i>Administrative expenses</i>		
— Staff expenses	17 575	17 333
— Other administrative expenses	6 290	6 475
<i>Operational expenses</i>		
— Centralised direct management	268 965	297 168
Total administrative and operational expenditure	292 830	320 976
Surplus/(Deficit) from operating activities	- 53 398	- 16 825
Extraordinary gains	738	0
Extraordinary losses	- 1 269	- 4 118
Economic result of the year	- 53 929	- 20 943

(¹) The figures for 2003 have been adjusted from those previously presented to reflect a change in accounting practices.

NB: Any discrepancies in totals are due to the effects of rounding.

Source: The Agency's data — This table summarises the data provided by the Agency in its annual accounts.

2. Approves the closure of the accounts of the European Agency for Reconstruction for the financial year 2004;
3. Instructs its President to forward this decision to the Director of the European Agency for Reconstruction, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President
Josep BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT

with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Agency for Reconstruction for the financial year 2004

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Reconstruction for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Reconstruction for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2667/2000 of 5 December 2000 on the European Agency for Reconstruction ⁽⁴⁾, and in particular Article 8 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0095/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that, except for an inability to be certain that long-term receivables had been recorded completely, the annual accounts for the financial year ended 31 December 2004 were reliable and that, except for anomalies in the award of contracts due to inappropriate selection criteria, the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;

⁽¹⁾ OJ C 332, 28.12.2005, p. 19.

⁽²⁾ OJ C 332, 28.12.2005, p. 15.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 306, 7.12.2000, p. 7. Regulation as last amended by Regulation (EC) No 2068/2004 (OJ L 358, 3.12.2004, p. 2).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Agency's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Agency; asks the Court of Auditors to verify the contents of table 1;
3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with the appropriate means being used to explain as often as is necessary the *raisons d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
7. Is pleased to note that the Court of Auditors has been able to give the Agency a positive statement of assurance for the financial year 2004; praises the Agency for the progress made; notes, however, that the Court of Auditors entered reservations qualifying its statement of assurance on the grounds of uncertainties concerning the completeness of the accounts and problems in the contract award procedure; urges the Agency to keep up its efforts to improve financial management and control, particularly in the areas of weakness highlighted by the Court of Auditors;
8. Urges the Agency to seek guidance to improve its treasury management policy in order to make best use of the often considerable sums maintained in current bank accounts;
9. Notes with concern the reservation concerning the accounts expressed by the Court of Auditors on the grounds that it cannot be certain that the transactions relating to counterpart funds, credit line schemes and special funds have been completely recorded in the absence of effective internal control procedures for long-term receivables; insists that all transactions be capable of verification by the Court of Auditors;
10. Welcomes the statement made to a delegation of Parliament by the Deputy Special Representative of the Secretary-General of the United Nations that certified copies of all documents related to projects and programmes financed from funds of the Agency will be available for verification upon request by the Court of Auditors; calls on the Court to discuss and agree with the United Nations Interim Administration Mission in Kosovo (UNMIK) the detailed arrangements for such verifications;
11. In order to improve the reliability and supervision of the management of the budget as regards programmes that are shared with other bodies (UNMIK, IOM, etc.), urges the Court of Auditors, the Commission and those responsible for the UN in Kosovo to act as soon as possible to review and improve the implementation of the Financial and Administrative Framework Agreement signed by the Commission and the UN on 29 April 2003 and to keep Parliament informed as to progress made;

12. In order to address the serious problems of unreliability and accusations of corrupt practices currently surrounding award of public procurement contracts and concessions for highly sensitive projects such as mobile telephony, urges the Commission and the Agency, in close cooperation with UNMIK and its Financial Investigation Unit (FIU), to lay down clear and transparent public procurement rules, to establish internal and supreme audit institutions and to keep Parliament informed as to progress made;
 13. With a view to maximising transparency and improving budgetary control, calls on the Commission and the Court of Auditors to include within the annual report on the European Agency for Reconstruction a chapter on the activities of both OLAF and the FIU in respect of programmes and projects carried out in Kosovo that have received Community funding;
 14. Notes the Commission's intention to end the Agency's mandate at the end of 2008 and to hand over the Agency's activities to the Commission's own delegations and local offices; takes the view that, under its mandate, the Agency has achieved positive results despite both numerous criticisms from the Court of Auditors throughout its existence and a lack of support from the Commission; takes the view that the know-how acquired by the Agency's staff could be used once again by the Commission; calls on its competent committee to see whether phasing out the Agency would not have a negative impact on the economic and political progress needed and whether the Commission's own delegations and local offices can perform the same tasks as defined in the Agency's mandate;
 15. Notes the problems faced by the Agency in recruiting suitable staff because of the short-term mandate of the Agency; considers that instead of phasing out the Agency according to a pre-set timetable, the time span of the mandate should depend on political and economic criteria and developments; considers furthermore that the mandate should be lengthened and broadened for policy reasons and notes that this would also help to improve the Agency's ability to recruit and keep suitably qualified and experienced staff; considers that experience gained by and with the reconstruction agency could be used to provide reconstruction assistance wherever needed, for example in Iraq, Afghanistan, Pakistan, India and the countries affected by the Tsunami, as a second stage after immediate humanitarian needs have been addressed by the Humanitarian Aid Office;
 16. Is disappointed to note that the Court of Auditors has again discovered anomalies in the award of contracts due to inappropriate selection criteria; urges the Agency to set more realistic, appropriate selection criteria and to apply them strictly in order to guarantee transparent and fair treatment of tenderers; notes the Agency's assurances that improvements will be seen in the 2005 audit exercise;
 17. Urges the Agency to introduce a standardised system for dealing with payment requests as soon as possible, as recommended by the Court of Auditors;
 18. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 19. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for the implementation of the budget of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004**

(2006/826/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1035/97 of 2 June 1997 establishing a European Monitoring Centre on Racism and Xenophobia ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0096/2006),
1. Grants discharge to the Director of the European Monitoring Centre on Racism and Xenophobia for the implementation of the Centre's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Director of the European Monitoring Centre on Racism and Xenophobia, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 48.⁽²⁾ OJ C 332, 28.12.2005, p. 97.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 151, 10.6.1997, p. 1. Regulation as amended by Regulation (EC) No 1652/2003 (OJ L 245, 29.9.2003, p. 33).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the closure of the accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004

(2006/827/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1035/97 of 2 June 1997 establishing a European Monitoring Centre on Racism and Xenophobia ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0096/2006),
1. Notes the following figures for the accounts of the European Monitoring Centre on Racism and Xenophobia for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003

	(1 000 EUR)	
	2004	2003
Revenue		
Community subsidies	5 675	7 318
Other revenue	421	374
Sundry revenue	35	
Financial revenue	21	1
PHARE revenue	82	676
Total revenue (a)	6 234	8 369

⁽¹⁾ OJ C 269, 28.10.2005, p. 48.⁽²⁾ OJ C 332, 28.12.2005, p. 97.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 151, 10.6.1997, p. 1. Regulation as amended by Regulation (EC) No 1652/2003 (OJ L 245, 29.9.2003, p. 33).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

	(1 000 EUR)	
	2004	2003
Expenditure		
<i>Staff — Title I of the budget</i>		
Payments	2 645	2 618
Appropriations carried over	85	64
<i>Administration — Title II of the budget</i>		
Payments	447	412
Appropriations carried over	37	51
<i>Operating activities — Title III of the budget</i>		
Payments	2 352	1 678
Appropriations carried over	745	1 162
Assigned revenue (Phare and other)		
Payments	7	377
Appropriations carried over	0	694
Total expenditure (b)	6 318	7 055
Outturn for the financial year (a - b)	- 84	1 334
Balance carried over from the previous financial year	98	-1 579
Appropriations carried over, cancelled	241	301
Appropriations for reuse from the previous financial year, not used	0	38
Amounts due written off	- 23	0
Exchange-rate differences	- 1	5
Amounts refunded to the Commission		0
Balance for the financial year	231	98

NB: Totals may include differences due to rounding.

2. Approves the closure of the accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004;
3. Instructs its President to forward this decision to the Director of the European Monitoring Centre on Racism and Xenophobia, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President
Josep BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT

with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2004, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1035/97 of 2 June 1997 establishing a European Monitoring Centre on Racism and Xenophobia ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0096/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that, except for irregularities noted in the award of contracts, the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;

⁽¹⁾ OJ C 269, 28.10.2005, p. 48.

⁽²⁾ OJ C 332, 28.12.2005, p. 97.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 151, 10.6.1997, p. 1. Regulation as amended by Regulation (EC) No 1652/2003 (OJ L 245, 29.9.2003, p. 33).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Centre's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the European Monitoring Centre on Racism and Xenophobia; asks the Court of Auditors to verify the contents of table 1;
 3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
 4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
 5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
 6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
 7. Is pleased to note that the Court of Auditors has been able to obtain reasonable assurance that the annual accounts for the financial year ended 31 December 2004 are reliable and that the underlying transactions, taken as a whole, are legal and regular;
 8. Expresses its concern about the high level of cancelled carry-overs, in particular in title I (staff expenditure);
 9. Is pleased to note that the level of carry-overs decreased significantly; welcomes the Centre's assurances that it has taken measures to further reduce the level of carry-overs; encourages the Centre to improve the way carry-overs are established in order to avoid the high percentage of cancellations of appropriations;
 10. Is pleased to note the Centre's assurance that risk analysis of internal control standards has been carried out and that the ex-ante verification checklists have been reviewed;
 11. Is concerned by the irregularities noted by the Court of Auditors in contract tendering and awards; urges the Centre to improve procedures as soon as possible with a view to avoiding similar irregularities in future;
 12. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 13. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004**

(2006/828/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 302/93 of 8 February 1993 on the establishment of a European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 11a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0097/2006),
1. Grants discharge to the Director of the European Monitoring Centre for Drugs and Drug Addiction for the implementation of the Centre's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 44.⁽²⁾ OJ C 332, 28.12.2005, p. 89.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 36, 12.2.1993, p. 1. Regulation as last amended by Regulation (EC) No 1651/2003 (OJ L 245, 29.9.2003, p. 30).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004

(2006/829/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 302/93 of 8 February 1993 on the establishment of a European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 11a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0097/2006),
1. Notes the following figures for the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003

(1 000 EUR)

	2004	2003
Revenue		
Subsidies from the Commission	11 730	9 300
Subsidies from Norway	514	421
Assigned revenue	211	335
Miscellaneous revenue	33	67
Total revenue (a)	12 488	10 122

⁽¹⁾ OJ C 269, 28.10.2005, p. 44.⁽²⁾ OJ C 332, 28.12.2005, p. 89.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 36, 12.2.1993, p. 1. Regulation as last amended by Regulation (EC) No 1651/2003 (OJ L 245, 29.9.2003, p. 30).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

	(1 000 EUR)	
	2004	2003
Budgetary expenditure for the financial year		
<i>Staff — Title I of the budget</i>		
Payments	5 832	5 189
Appropriations carried over	122	80
<i>Administration — Title II of the budget</i>		
Payments	1 088	555
Appropriations carried over	355	267
<i>Operating activities — Title III of the budget (except assigned revenue)</i>		
Payments against payment appropriations for the financial year	2 342	2 057
Appropriations carried over	1 260	1 469
Assigned revenue (Phare and third countries)	201	500
Total expenditure (b)	11 200	10 117
Outturn for the financial year (a — b)	1 288	5
Balance carried over from the previous financial year	295	1 626
Appropriations carried over and cancelled	245	221
Sums for reuse from the previous financial year not used	15	21
Refunds to the Commission	- 3	- 1 584
Refunds to Norway	81	
Exchange-rate differences	- 1	6
Balance for the financial year	1 920	295

2. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004;
3. Instructs its President to forward this decision to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President
Josep BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT**with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2004, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 302/93 of 8 February 1993 on the establishment of a European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 11a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0097/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;

⁽¹⁾ OJ C 269, 28.10.2005, p. 44.

⁽²⁾ OJ C 332, 28.12.2005, p. 89.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 36, 12.2.1993, p. 1. Regulation as last amended by Regulation (EC) No 1651/2003 (OJ L 245, 29.9.2003, p. 30).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Centre's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the European Monitoring Centre for Drugs and Drug Addiction; asks the Court of Auditors to verify the contents of table 1;
 3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
 4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly using whatever means it considers necessary;
 5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
 6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
 7. Is pleased to note that the Court of Auditors has been able to obtain reasonable assurance that the annual accounts for the financial year ended 31 December 2004 are reliable and that the underlying transactions, taken as a whole, are legal and regular;
 8. Regrets the very high level of transfers made; urges the Centre to respect more closely the budget originally set by the budgetary authority;
 9. Notes the Court of Auditors' finding of a number of anomalies in the management of contracts; welcomes the steps taken by the Centre to improve the management of contracts;
 10. Agrees with the Court of Auditors that bank balance and accounts should be reconciled to allow detection of errors in the amounts to be paid and that instructions to the bank should be countersigned; welcomes the measures taken by the Centre to implement the Court of Auditors' recommendations; is pleased to note the Centre's assurance that a countersigning system will be implemented;
 11. Encourages the Centre to avoid in future the use of electronic calculation sheets in order to guarantee the integrity of the data recorded, as recommended by the Court of Auditors; welcomes the Centre's introduction of a new, more effective inventory system;
 12. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 13. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the discharge for the implementation of the budget of the European Environment Agency for the financial year 2004

(2006/830/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation network ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾ and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0098/2006),
1. Grants discharge to the Executive Director of the European Environment Agency for the implementation of the Agency's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 13.

⁽²⁾ OJ C 332, 28.12.2005, p. 37.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 120, 11.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1641/2003 (OJ L 245, 29.9.2003, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT
of 27 April 2006
on the closure of the accounts of the European Environment Agency for the financial year 2004
(2006/831/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation network ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0098/2006),
1. Notes the following figures for the accounts of the European Environment Agency for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003

(1 000 EUR)		
	2004	2003
Revenue		
EC subsidy	28 658	28 723
Subventions	1 998	1 080
Bank interest	128	89
Total revenue (a)	30 784	29 891

⁽¹⁾ OJ C 269, 28.10.2005, p. 13.

⁽²⁾ OJ C 332, 28.12.2005, p. 37.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 120, 11.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1641/2003 (OJ L 245, 29.9.2003, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

	(1 000 EUR)	
	2004	2003
Expenditure		
<i>Total expenditure for Title 1</i>		
Payments	12 447	11 123
Payments — Grants	2	
Appropriations carried over	435	315
Appropriations carried over — Grants	66	
<i>Total expenditure for Title 2</i>		
Payments ⁽¹⁾	3 451	2 447
Appropriations carried over	394	395
<i>Total expenditure for Title 3</i>		
Payments	9 534	5 997
Payments — Grants	14	
Appropriations carried over	4 845	7 008
Appropriations carried over — Grants	2 419	
Total expenditure (b)	33 606	27 284
Net result for the year (a — b)	- 2 822	2 607
Appropriations carried over and cancelled	508	295
Refunds carried over and cancelled	0	36
Balance carried over from the previous year	- 4 190	- 7 427
Grants cancelled	98	322
Exchange rate differences	3	- 4
Regularisation regarding previous years	43	- 18
Balance carried forward	- 6 360	- 4 190

⁽¹⁾ Includes 905 823 euros of property taxes paid to the Danish government. The Agency is of the opinion that the amount should be refunded. The issue is currently negotiated with the Danish government.

NB: The totals may include differences due to rounding.

2. Approves the closure of the accounts of the European Environment Agency for the financial year 2004;
3. Instructs its President to forward this decision to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President
Josep BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT**with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Environment Agency for the financial year 2004**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation network ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0098/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;

⁽¹⁾ OJ C 269, 28.10.2005, p. 13.

⁽²⁾ OJ C 332, 28.12.2005, p. 37.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 120, 11.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1641/2003 (OJ L 245, 29.9.2003, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Agency's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Agency; asks the Court of Auditors to verify the contents of table 1;
3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raisons d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
7. Notes the Court of Auditors' finding that surplus appropriations in 2004 were committed for operations to be carried out in 2005 and that appropriations relating to staff expenditure were carried over; insists that the Agency respect the principle of budget annuality as defined in the Financial Regulation and the rule prohibiting carry over of appropriations relating to staff expenditure in order to allow a correct and transparent implementation of the budgets set by the budgetary authority;
8. Notes the weaknesses in checking and the omissions found by the Court of Auditors in its audit of the inventory; urges the Agency to rectify these shortcomings without delay;
9. Welcomes the Agency's assurance that problems discovered by the Court of Auditors concerning the amendment of contracts will be remedied;
10. Supports the Agency's efforts to obtain reimbursement of unwarranted payment of taxes to the City of Copenhagen;
11. Expresses its satisfaction with the effective implementation of the 2004 budget;
12. Considers the Agency to be a source of important environmental information for all EU institutions and policy-making; notes with satisfaction that the Agency has been able to transform some complicated data into user-friendly information and to communicate its conclusions to the public; congratulates the Agency on its informative website;
13. Encourages the Agency to continue its efforts to further develop its communication methods in order to attract more media coverage for its findings and thus feed public debate on important environmental issues, such as climate change;
14. Points out that the impact of environmental programmes is often hampered by the lack of assessment of environmental impacts of other Community policies; invites the Agency further to develop its work in the field of environmental impact assessment;

15. Emphasises the role of the Agency in the evaluation of the implementation of EU environmental legislation;
 16. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 17. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2004**

(2006/832/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0099/2006),
1. Grants discharge to the Director of the European Agency for Safety and Health at Work for the implementation of the Agency's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 1.⁽²⁾ OJ C 332, 28.12.2005, p. 23.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 216, 20.8.1994, p. 1. Regulation as last amended by Regulation (EC) No 1112/2005 (OJ L 184, 15.7.2005, p. 5).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2004

(2006/833/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0099/2006),
1. Notes the following figures for the accounts of the European Agency for Safety and Health at Work for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003

(1 000 EUR)

	2004	2003
Revenue		
Community subsidies	9 542	11 641
Other subsidies	66	66
Other revenue	111	157
Phare revenue	121	824
Total revenue (a)	9 840	12 688

⁽¹⁾ OJ C 269, 28.10.2005, p. 1.⁽²⁾ OJ C 332, 28.12.2005, p. 23.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 216, 20.8.1994, p. 1. Regulation as last amended by Regulation (EC) No 1112/2005 (OJ L 184, 15.7.2005, p. 5).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

	(1 000 EUR)	
	2004	2003
Expenditure		
<i>Staff — Title 1 of the budget</i>		
Payments	3 379	3 245
Appropriations carried over	60	87
<i>Administration — Title II of the budget</i>		
Payments	966	1 146
Appropriations carried over	248	186
<i>Operating activities — Title III of the budget</i>		
Payments (⁽¹⁾)	2 426	2 559
Appropriations carried over	2 549	5 859
<i>Phare expenditure</i>		
Payments	0	548
Appropriations carried over	0	502
Total expenditure (b)	9 628	14 131
Outturn for the financial year (c = a - b) (⁽²⁾)	212	- 1 443
Balance carried over from the previous financial year	- 1 987	- 1 108
Appropriations carried over from the previous financial year and cancelled	887	766
Sums to be re-used carried over from the previous financial year and not used	0	1
RO (Pharell)	144	0
Payments against commitments cancelled in 2002	0	- 191
Exchange-rate differences	0	4
Phare amount to be refunded to the Commission	- 39	0
Adjustment entries	3	- 16
Outturn for the financial year before economic adjustments (d)	- 779	- 1 987
Budget revenue to be recovered	0	850
Other revenue to be recovered	0	3
Acquisitions of fixed assets	58	207
Depreciation	- 175	- 186
Stock	- 6	0
Scrapping of fixed assets	- 91	0
Depreciation	88	0
Miscellaneous expenditure	- 34	- 1
Economic adjustments (e)	- 161	873
Balance for the financial year (d + e)	- 940	- 1 113

(¹) This sum includes payments made from the appropriations to be reused in 2004 (EUR 18 573).

(²) Calculation according to the principles of Article 15 of Council Regulation (EC, Euratom) No 1150/2000 of 22 May 2000 (OJ L 130, .31.5.2000, p. 8).

NB: Differences in totals are due to the effects of rounding.

2. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2004;
3. Instructs its President to forward this decision to the Director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT**with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2004**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0099/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;

⁽¹⁾ OJ C 269, 28.10.2005, p. 1.

⁽²⁾ OJ C 332, 28.12.2005, p. 23.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 216, 20.8.1994, p. 1. Regulation as last amended by Regulation (EC) No 1112/2005 (OJ L 184, 15.7.2005, p. 5).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Agency's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Agency; asks the Court of Auditors to verify the contents of table 1;
 3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
 4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this via, with appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
 5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
 6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
 7. Welcomes the reduction in carry-overs achieved; encourages the Agency to continue its efforts to further reduce carry-overs;
 8. Urges the Agency to put in place detailed rules for the implementation of its new financial regulation and internal control procedures based on risk analysis as soon as possible;
 9. Insists that the Agency respect the rules concerning the duration of framework contracts;
 10. Expects the Agency, in future, to include negative balances at year end in amending budgets for the following financial year;
 11. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 12. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for the implementation of the budget of the Translation Centre for the bodies of the European Union for the financial year 2004**

(2006/834/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2004, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for the bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0100/2006),
1. Grants discharge to the Director of the Translation Centre for the bodies of the European Union for the implementation of the Centre's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Director of the Translation Centre for the bodies of the European Union, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 25.⁽²⁾ OJ C 332, 28.12.2005, p. 53.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 314, 7.12.1994, p. 1. Regulation as last amended by Regulation (EC) No 1645/2003 (OJ L 245, 29.9.2003, p. 13).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the closure of the accounts of the Translation Centre for the bodies of the European Union for the financial year 2004

(2006/835/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2004, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for the bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0100/2006),
1. Notes the following figures for the accounts of the Translation Centre for the bodies of the European Union for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003

(1 000 EUR)

	2004	2003
Operating revenue		
Invoicing for the financial year	23 423	22 075
Miscellaneous revenue	150	223
Total (a)	23 573	22 298
Operating expenditure		
Current expenses	11 929	10 347
Buildings, equipment and sundry operating expenditure	2 734	2 095
Operational expenditure	5 919	3 618
Allocation to provisions	1 410	2 195
Total (b)	21 992	18 255
Operating result (c = a - b)	1 581	4 043

⁽¹⁾ OJ C 269, 28.10.2005, p. 25.

⁽²⁾ OJ C 332, 28.12.2005, p. 53.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 314, 7.12.1994, p. 1. Regulation as last amended by Regulation (EC) No 1645/2003 (OJ L 245, 29.9.2003, p. 13).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

	(1 000 EUR)	
	2004	2003
Financial income		
Bank interest	387	387
Exchange-rate gain	1	1
Total (d)	388	388
Financial expenses		
Bank charges	7	10
Total (e)	7	10
Financial result (f = d - e)	381	378
Result for ordinary activities (g = c + f)	1 962	4 421
Exceptional income (h)	2 230	19
Exceptional expenses (i)	0	9
Exceptional result (j = h - i)	2 230	10
Result for the financial year (g + j)	4 192	4 431

2. Approves the closure of the accounts of the Translation Centre for the bodies of the European Union for the financial year 2004;
3. Instructs its President to forward this decision to the Director of the Translation Centre for the bodies of the European Union, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President
Josep BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT**with comments forming an integral part of the decision on the discharge for the implementation of the budget of the Translation Centre for the bodies of the European Union for the financial year 2004**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2004, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for the bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0100/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that, except for a number of irregularities noted in the award of contracts, the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
- C. whereas on 12 April 2005 Parliament gave discharge to the Director in respect of the implementation of the Centre's budget for the 2003 financial year ⁽⁶⁾ and in its resolution containing the comments accompanying the discharge decision ⁽⁷⁾ it *inter alia* urged the Centre to make further efforts to resolve the problems concerning pension contributions,

⁽¹⁾ OJ C 269, 28.10.2005, p. 25.

⁽²⁾ OJ C 332, 28.12.2005, p. 53.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 314, 7.12.1994, p. 1. Regulation as last amended by Regulation (EC) No 1645/2003 (OJ L 245, 29.9.2003, p. 13).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

⁽⁶⁾ OJ L 196, 27.7.2005, p. 100.

⁽⁷⁾ OJ L 196, 27.7.2005, p. 101.

1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;
 2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Centre's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Centre; asks the Court of Auditors to verify the contents of table 1;
 3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
 4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
 5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
 6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
 7. Notes the high level of appropriations cancelled by the Centre in 2004; insists that the Centre improve its estimates in order that the budget as implemented more closely resembles the budget adopted by the budgetary authority;
 8. Is disappointed to note that the conflict concerning payment of employer's pension contributions has still not been resolved; urges the Centre to step up its efforts to settle this dispute;
 9. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 10. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the discharge for the implementation of the budget of the European Medicines Agency for the financial year 2004

(2006/836/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ⁽⁴⁾, and in particular Article 68 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0101/2006),
1. Grants discharge to the Executive Director of the European Medicines Agency for the implementation of the Agency's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Executive Director of the European Medicines Agency, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 17.⁽²⁾ OJ C 332, 28.12.2005, p. 8.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 136, 30.4.2004, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT
of 27 April 2006
on the closure of the accounts of the European Medicines Agency for the financial year 2004
(2006/837/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ⁽⁴⁾, and in particular Article 68 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0101/2006),
1. Notes the following figures for the accounts of the European Medicines Agency for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003

(1 000 EUR)

	2004	2003
Revenue		
Fees relating to marketing authorisations	68 412	58 657
Commission subsidy including subsidies received from the EEA	20 529	19 786
Community subsidy for orphan medicines	4 026	2 814
Contributions for Community programmes	0	1 208
Administrative revenue	1 973	1 703
Sundry revenue	1 473	1 788
Total (a)	96 413	85 956

⁽¹⁾ OJ C 269, 28.10.2005, p. 17.

⁽²⁾ OJ C 332, 28.12.2005, p. 8.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

	(1 000 EUR)	
	2004	2003
Expenditure ⁽¹⁾		
Staff expenditure	34 333	29 663
Administrative expenditure	11 224	10 835
Operating expenditure	38 573	32 838
Depreciation	3 650	2 364
Other expenditure	280	0
Total (b)	88 060	75 700
Surplus from operating activities (c = a - b)	8 353	10 256
Financial operations (e)	1 160	676
Economic result (f = c + e)	9 513	10 932

⁽¹⁾ The portion of the appropriations carried over which is to be regarded as expenditure for the financial year has been evaluated on an overall basis rather than on the basis of examining individual transactions.

2. Approves the closure of the accounts of the European Medicines Agency for the financial year 2004;
3. Instructs its President to forward this decision to the Executive Director of the European Medicines Agency, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President
Josep BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT**with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Medicines Agency for the financial year 2004**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ⁽⁴⁾, and in particular Article 68 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0101/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;

⁽¹⁾ OJ C 269, 28.10.2005, p. 17.

⁽²⁾ OJ C 332, 28.12.2005, p. 8.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Agency's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Agency; asks the Court of Auditors to verify the contents of table 1;
 3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
 4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with the appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
 5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
 6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
 7. Notes the Court of Auditors' finding that contracts concluded with banks have been in force for over five years, in contravention of the Agency's financial regulation implementing rules, which require a new invitation to tender at least every five years; notes the Agency's reply explaining the reasons for the delay in launching a call for tender and setting out the benefits achieved through direct negotiation with the bank and will bear this in mind when considering revisions to the Financial Regulation;
 8. Notes that the implementation of both the operating and the administrative budget was lower in 2004 than in 2003; is very pleased with the full implementation of the orphan drugs budget line;
 9. Points out that the new pharmaceuticals legislation, which was adopted in 2004, had a considerable impact on the Agency's work and management structures; congratulates the Agency on its successful adaptation to the new regulatory environment;
 10. Notes that the implementation by Member States of the Europe-wide pharmacovigilance reporting system (the EudraVigilance database) was slower than expected; is, however, satisfied with the recent announcement by the Executive Director that the situation has substantially improved during 2005;
 11. Invites the Agency to improve contacts with consumer protection organisations in order to improve awareness concerning toxic and potentially harmful products in medicinal products; underlines the Agency's duty to act in the public interest;
 12. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 13. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT
of 27 April 2006
on the discharge for the implementation of the budget of Eurojust for the financial year 2004
(2006/838/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2004, together with Eurojust's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, in particular Article 276 thereof, and the EU Treaty, in particular Article 41 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0092/2006),
1. Grants discharge to the Administrative Director of Eurojust for the implementation of Eurojust's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President
Josep BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 33.

⁽²⁾ OJ C 332, 28.12.2005, p. 68.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 63, 6.3.2002, p. 1. Decision as amended by Decision 2003/659/JHA (OJ L 245, 29.9.2003, p. 44).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT
of 27 April 2006
on the closure of the accounts of Eurojust for the financial year 2004
(2006/839/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2004 ⁽¹⁾,
- having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2004, together with Eurojust's replies ⁽²⁾,
- having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
- having regard to the EC Treaty, in particular Article 276 thereof, and the EU Treaty, in particular Article 41 thereof,
- 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 ⁽³⁾, and in particular Article 185 thereof,
- having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0092/2006),

1. Notes the following figures for the accounts of Eurojust for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003

(1 000 EUR)

	2004	2003 ⁽¹⁾
Operating revenue		
Community subsidies	8 726	6 441
Miscellaneous revenue	397	12
Total (a)	9 123	6 453
Operating expenditure		
Purchases of goods and services	4 476	3 228
Staff costs	4 142	2 112
Depreciation	332	211
Total (b)	8 950	5 551
Outturn for the financial year (a — b)	173	902

⁽¹⁾ The 2003 financial statements have been restated to account for the repayable amounts on the positive budgetary outturn to the European Commission for 2003 and 2002.

⁽¹⁾ OJ C 269, 28.10.2005, p. 33.

⁽²⁾ OJ C 332, 28.12.2005, p. 68.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 63, 6.3.2002, p. 1. Decision as amended by Decision 2003/659/JHA (OJ L 245, 29.9.2003, p. 44).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Approves the closure of the accounts of Eurojust for the financial year 2004;
3. Instructs its President to forward this decision to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT**with comments forming an integral part of the decision on the discharge for the implementation of the budget of Eurojust for the financial year 2004**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2004, together with Eurojust's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, in particular Article 276 thereof, and the EU Treaty, in particular Article 41 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0092/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;
 2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises Eurojust's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by Eurojust; asks the Court of Auditors to verify the contents of table 1;

⁽¹⁾ OJ C 269, 28.10.2005, p. 33.

⁽²⁾ OJ C 332, 28.12.2005, p. 68.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 63, 6.3.2002, p. 1. Decision as amended by Decision 2003/659/JHA (OJ L 245, 29.9.2003, p. 44).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
 4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raisons d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
 5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
 6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
 7. Is pleased to note that the Court of Auditors has been able to obtain reasonable assurance that the annual accounts for the financial year ended 31 December 2004 are reliable and that the underlying transactions, taken as a whole, are legal and regular;
 8. Wishes to be kept fully informed of the intentions of the Dutch host authorities regarding any new premises for Eurojust; in particular, wishes to be informed of the possibilities for Eurojust and Europol to occupy the same premises and of the conditions of such a move and the financial support that the host state will grant to Eurojust in that respect;
 9. Notes that Eurojust implemented a different budget from the one set by the budgetary authority; insists that Eurojust follow the correct procedures and await approval from the budgetary authority before implementing any such change in future;
 10. Stresses that the principle of the segregation of the duties of authorising officer and accounting officer should be respected and that there should be no repetition of the situation which occurred in 2004, when one member of staff filled both roles;
 11. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 12. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for the implementation of the budget of the European Training Foundation for the financial year 2004**

(2006/840/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2004, together with the Foundation's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 11 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0102/2006),
1. Grants discharge to the Director of the European Training Foundation for the implementation of the Foundation's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 36.⁽²⁾ OJ C 332, 28.12.2005, p. 75.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 131, 23.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1648/2003 (OJ L 245, 29.9.2003, p. 22).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT
of 27 April 2006
on the closure of the accounts of the European Training Foundation for the financial year 2004
(2006/841/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2004, together with the Foundation's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 11 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0102/2006),
1. Notes the following figures for the accounts of the European Training Foundation for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003 ⁽¹⁾

(1 000 EUR)

	2004	2003
Revenue		
Commission subsidies	17 600	18 100
Other donors	800	523
Miscellaneous revenue	80	17
Financial revenue	—	—
Total revenue (a)	18 480	18 640

⁽¹⁾ OJ C 269, 28.10.2005, p. 36.

⁽²⁾ OJ C 332, 28.12.2005, p. 75.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 131, 23.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1648/2003 (OJ L 245, 29.9.2003, p. 22).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

	(1 000 EUR)	
	2004	2003
Expenditure		
<i>Staff — Title I of the budget</i>		
Payments	11 122	10 771
Appropriations carried over	123	329
<i>Administration — Title II of the budget</i>		
Payments	1 213	1 076
Appropriations carried over	247	310
<i>Operating activities — Title III of the budget</i>		
Payments	3 449	3 396
Appropriations carried over	1 168	1 087
<i>Earmarked revenue</i>		
Payments	260	237
Appropriations carried over	540	286
Total expenditure (b)	18 122	17 492
Outturn for the financial year (a - b)	358	1 148
Balance carried over from the previous financial year	- 1 318	- 2 155
Appropriations carried over and cancelled	204	375
Reimbursements to the Commission	0	- 703
Exchange-rate differences	- 4	17
Balance for the financial year	- 759	- 1 318

(¹) The revenue and expenditure account and balance sheet only take account of the Foundation's specific activities: they do not include programmes managed on behalf of the Commission.

2. Approves the closure of the accounts of the European Training Foundation for the financial year 2004;
3. Instructs its President to forward this decision to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President
Josep BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT**with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Training Foundation for the financial year 2004**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2004, together with the Foundation's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 11 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0102/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that, except for a failure to include expenditure incurred within the framework of the Tempus programmes, the annual accounts for the financial year ended 31 December 2004 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
- C. whereas on 12 April 2005 Parliament gave discharge to the Director in respect of the implementation of the Foundation's budget for the 2003 financial year ⁽⁶⁾ and in its resolution containing the comments accompanying the discharge decision ⁽⁷⁾ it *inter alia* noted that the Court of Auditors had again criticised the Foundation for a failure to properly present in its accounts expenditure related to the Tempus programme and expected to be fully informed in the Foundation's 2004 annual activity report about a solution, agreed with the Commission, regarding the correct presentation in the accounts of this expenditure,

⁽¹⁾ OJ C 269, 28.10.2005, p. 36.

⁽²⁾ OJ C 332, 28.12.2005, p. 75.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 131, 23.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1648/2003 (OJ L 245, 29.9.2003, p. 22).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

⁽⁶⁾ OJ L 196, 27.7.2005, p. 113.

⁽⁷⁾ OJ L 196, 27.7.2005, p. 114.

1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;
2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Foundation's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Foundation; asks the Court of Auditors to verify the contents of table 1;
3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
7. Is disappointed to note that the Foundation has still not solved the problem concerning the correct presentation in its accounts of expenditure related to the Tempus programme; notes that this problem has persisted despite repeated criticisms from the Court of Auditors in annual reports since 1999 and that the Court of Auditors has now entered a reservation concerning the Foundation's accounts as a consequence; insists that the accounts of the Foundation respect the principles of unity and budget accuracy;
8. Insists that the Agency comply with the regulations in force concerning the publication of a budget subdivided into articles and items and including an establishment plan; will nevertheless bear in mind the Agency's comments on the disproportionate cost of publication and assurances of transparency when considering revisions to the Financial Regulation;
9. Welcomes the detailed information on the development of internal auditing by the Foundation included in the 2004 annual activity report; looks forward to a progress report in the 2005 annual activity report and to the summary report on internal audits in 2005 as required by Article 72(5) of the framework Financial Regulation;

10. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 11. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for the implementation of the budget of the European Maritime Safety Agency
for the financial year 2004**

(2006/842/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0103/2006),
1. Grants discharge to the Executive Director of the European Maritime Safety Agency for the implementation of the Agency's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Executive Director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Joseph BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 9.⁽²⁾ OJ C 332, 28.12.2005, p. 30.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 208, 5.8.2002, p. 1. Regulation as last amended by Regulation (EC) No 724/2004 (OJ L 129, 29.4.2004, p. 1).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT
of 27 April 2006
on the closure of the accounts of the European Maritime Safety Agency for the financial year 2004
(2006/843/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0103/2006),
1. Notes the following figures for the accounts of the European Maritime Safety Agency for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003

	(1 000 EUR)	
	2004	2003 ⁽¹⁾
Revenue		
Community subsidies	12 800	2 630
Other revenue	5	2
Total budget revenue (a)	12 805	2 632

⁽¹⁾ OJ C 269, 28.10.2005, p. 9.

⁽²⁾ OJ C 332, 28.12.2005, p. 30.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 208, 5.8.2002, p. 1. Regulation as last amended by Regulation (EC) No 724/2004 (OJ L 129, 29.4.2004, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

	(1 000 EUR)	
	2004	2003 ⁽¹⁾
Expenditure		
<i>Staff— Title I of the budget</i>		
Payments	3 594	647
Appropriations carried over	143	66
<i>Operating expenditure — Title II of the budget</i>		
Payments	635	238
Appropriations carried over	684	315
<i>Operational expenditure — Title III of the budget</i>		
Payments	437	13
Appropriations carried over	2 074	155
Total budget expenditure (b)	7 567	1 434
Balance (c = a - b)	5 238	1 198
Appropriations carried over and cancelled	251	—
Exchange-rate differences	- 1	0
Balance of the budget implementation for the financial year (d)	5 488	1 198
Variation in automatic carry-overs of appropriations and invoices to be received	2 089	399
Variation in investments for the financial year	242	11
Variation in debts (Commission)	- 5 489	- 1 198
Depreciation for the financial year	- 43	- 3
Variation in advances to suppliers	56	—
Outturn of the economic adjustments for the financial year (e)	2 343	407

(¹) The data for the financial year 2003 have been restated in order to comply with the principle of accruals-based accounting.
NB: Variations in totals are due to the effects of rounding.

2. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2004;
3. Instructs its President to forward this decision to the Executive Director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President
Joseph BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT**with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Maritime Safety Agency for the financial year 2004**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0103/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;

⁽¹⁾ OJ C 269, 28.10.2005, p. 9.

⁽²⁾ OJ C 332, 28.12.2005, p. 30.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 208, 5.8.2002, p. 1. Regulation as last amended by Regulation (EC) No 724/2004 (OJ L 129, 29.4.2004, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Agency's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Agency; asks the Court of Auditors to verify the contents of table 1;
 3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
 4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
 5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
 6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
 7. Welcomes the fact that the Court of Auditors found the Agency's accounts for 2004 to be reliable and the underlying transactions, taken as a whole, to be legal and regular;
 8. Stress that the Agency must make a clear distinction between commitment and payment appropriations in its budget; is pleased to note that the Agency is in contact with the Commission with a view to drawing up appropriate presentation models for its budget data, and expects future budgets to be presented in the appropriate form;
 9. Notes the low level of implementation of the 2004 budget and the high level of carry-overs; notes the Agency's explanation that this was due to late launching of calls for tender due to a lack of operational managerial staff; hopes that staffing problems have been resolved;
 10. Notes the Court of Auditors' finding of a number of failures in the internal control system; is pleased to note the steps taken by the Agency to strengthen its internal control system and to avoid such problems in the future;
 11. Regrets the little use made of appropriations for maritime anti-pollution measures, namely that only EUR 200 000 of the EUR 700 000 available in both commitment and payment appropriations was used, representing a rate of 28 %; recalls that anti-pollution measures are a key aspect of the Agency's activities and insists that funds made available be effectively deployed in the future;
 12. Notes that the Community subsidy for the Agency rose from EUR 2 630 000 in 2003 to EUR 12 800 000 in 2004 and that in 2004 the Agency implemented less than 60 % of such subsidy in expenditure;
 13. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 14. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for the implementation of the budget of the European Aviation Safety Agency
for the financial year 2004**

(2006/844/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1592/2002 of the European Parliament and of the Council of 15 July 2002 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency ⁽⁴⁾, and in particular Article 49 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0104/2006),
1. Grants discharge to the Executive Director of the European Aviation Safety Agency for the implementation of the Agency's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Executive Director of the European Aviation Safety Agency, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 5.⁽²⁾ OJ C 332, 28.12.2005, p. 1.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 240, 7.9.2002, p. 1. Regulation as last amended by Commission Regulation (EC) No 1701/2003 (OJ L 243, 27.9.2003, p. 5).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT

of 27 April 2006

on the closure of the accounts of the the European Aviation Safety Agency for the financial year 2004

(2006/845/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1592/2002 of the European Parliament and of the Council of 15 July 2002 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency ⁽⁴⁾, and in particular Article 49 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0104/2006),
1. Notes the following figures for the accounts of the European Aviation Safety Agency for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003 ⁽¹⁾

(1 000 EUR)

	2004	2003
Operating revenue		
Community subsidies	7 777	3 725
Other subsidies	248	0
Reimbursement of expenditure	3	0
Other revenue	350	0
Total (a)	8 378	3 725

⁽¹⁾ OJ C 269, 28.10.2005, p. 5.⁽²⁾ OJ C 332, 28.12.2005, p. 1.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 240, 7.9.2002, p. 1. Regulation as last amended by Commission Regulation (EC) No 1701/2003 (OJ L 243, 27.9.2003, p. 5).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

	(1 000 EUR)	
	2004	2003
Operating expenditure		
Staff	5 556	662
Buildings and related expenditure	689	92
Other administrative expenditure	743	82
Allocation to provisions	89	1
Operating expenditure	2 081	261
Total (b)	9 158	1 098
Operating outturn (c = a — b)	- 780	2 627
Financial income (d)	0	0
Financial expenses (e)	2	0
Financial outturn (f = d — e)	- 2	0
Outturn for the financial year (g = c + f)	- 782	2 627

(¹) The data for the financial year 2003 have been restated to make them comparable, following the transition to accruals-based accounting.

2. Approves the closure of the accounts of the European Aviation Safety Agency for the financial year 2004;
3. Instructs its President to forward this decision to the Executive Director of the European Aviation Safety Agency, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President
Josep BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT**with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Aviation Safety Agency for the financial year 2004**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2004, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1592/2002 of the European Parliament and of the Council of 15 July 2002 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency ⁽⁴⁾, and in particular Article 49 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0104/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;

⁽¹⁾ OJ C 269, 28.10.2005, p. 5.

⁽²⁾ OJ C 332, 28.12.2005, p. 1.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 240, 7.9.2002, p. 1. Regulation as last amended by Commission Regulation (EC) No 1701/2003 (OJ L 243, 27.9.2003, p. 5).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Agency's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Agency; asks the Court of Auditors to verify the contents of table 1;
3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
7. Welcomes the fact that the Court of Auditors found the Agency's accounts for 2004 to be reliable and the underlying transactions, taken as a whole, to be legal and regular;
8. Notes the Court of Auditors' remark that the Agency's initial budget and its amending budgets as published in the Official Journal do not give a breakdown of appropriations in term of articles and items as required by Article 22 of Regulation (EC, Euratom) No 2343/2002; reminds the Agency of the principle of specification and urges it to respect this principle in order to allow the clear and transparent implementation of the budgets set by the budget authority;
9. Notes that the Agency did not record the loss on the 2003 budget as an amending budget in 2004 in accordance with the rules; expects the Agency, in future, to include negative balances at year end in amending budgets the following financial year;
10. Is concerned by the anomalies noted by the Court of Auditors in budgetary management, including a lack of any indication in the amending budgets about transfers carried out or about the reasons for these transfers and a failure to inform the Management Board about transfers and payment of advances outside the budget; welcomes the steps taken by the Agency to improve budgetary management;
11. Notes that in 2004 the Agency had not yet adopted the implementing rules for its financial regulation and had not carried out any risk analysis or prepared any internal control standards; welcomes the Agency's adoption in June 2005 of the implementing rules for its financial regulation and the recruitment of a risk manager/internal auditor;
12. Notes that staff selection procedures at the Agency have varied from one round of selections to another and urges the Commission and the Agency to agree on a transparent and coherent recruitment procedure consistent with the Agency's needs in terms of specifically qualified personnel;

13. Is pleased to note the Agency's assurance that recruitment procedures will be formalised by the drawing up of manuals of procedure in order to improve the transparency of decisions taken in this regard and to avoid apparently arbitrary variations in staff selection procedures, as stressed by the Court of Auditors;
 14. Notes that over 70 % of the Commission's subsidy to the Agency was implemented under titles I and II, which concern personnel and administrative expenses only, and that, in operational expenditure, the Agency spent only about 10 % of the Commission's subsidy; also notes that the increase from 2003 to 2004 in expenditure on personnel and administration was much greater than the increase in operational expenditure;
 15. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 16. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 27 April 2006****on the discharge for the implementation of the budget of the European Food Safety Authority for the financial year 2004**

(2006/846/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2004, together with the Authority's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0105/2006),
1. Grants discharge to the Executive Director of the European Food Safety Authority for the implementation of the Authority's budget for the financial year 2004;
 2. Sets out its comments in the resolution below;
 3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors and to have them published in the *Official Journal of the European Union* (L series).

The President

Josep BORRELL FONTELLES

The Secretary-General

Julian PRIESTLEY

⁽¹⁾ OJ C 269, 28.10.2005, p. 21.⁽²⁾ OJ C 332, 28.12.2005, p. 45.⁽³⁾ OJ L 248, 16.9.2002, p. 1.⁽⁴⁾ OJ L 31, 1.2.2002, p. 1. Regulation as amended by Regulation (EC) No 1642/2003 (OJ L 245, 29.9.2003, p. 4).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

DECISION OF THE EUROPEAN PARLIAMENT
of 27 April 2006
on the closure of the accounts of the European Food Safety Authority for the financial year 2004
(2006/847/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2004, together with the Authority's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0105/2006),
1. Notes the following figures for the accounts of the European Food Safety Authority for the financial years 2004 and 2003:

Revenue and expenditure account for the financial years 2004 and 2003

(1 000 EUR)

	2004	2003 ⁽¹⁾
Operating revenue	20 591	10 171
Total operating revenue	20 591	10 171
Administrative expenditure		
Staff expenditure	- 7 564	- 3 213
Buildings and related expenditure	- 4 192	- 781
Other expenditure	- 1 263	- 536
Depreciation and write-off	- 333	- 204
Operating expenditure	- 6 431	- 2 159
Total operating expenditure	- 19 783	- 6 894
Total operating profit/loss	808	3 277

⁽¹⁾ OJ C 269, 28.10.2005, p. 21.

⁽²⁾ OJ C 332, 28.12.2005, p. 45.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 31, 1.2.2002, p. 1. Regulation as amended by Regulation (EC) No 1642/2003 (OJ L 245, 29.9.2003, p. 4).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

(1 000 EUR)		
	2004	2003 ⁽¹⁾
Revenue from financial operations	0	1
Expenditure from financial operations	- 7	- 3
Profit/(loss) on financial operations	- 6	- 2
Current profit/(loss)	802	3 275
Extraordinary revenue		402
Extraordinary expenditure	- 27	
Extraordinary profit/(loss)	- 27	402
Economic outturn for the financial year	775	3 677

⁽¹⁾ The data for the financial year 2003 have been restated to make them comply with the principle of accruals-based accounting.

NB: Variations in totals are due to the effects of rounding.

2. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2004;
3. Instructs its President to forward this decision to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Union* (L series).

The President
Josep BORRELL FONTELLES

The Secretary-General
Julian PRIESTLEY

RESOLUTION OF THE EUROPEAN PARLIAMENT

with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Food Safety Authority for the financial year 2004

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2004 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2004, together with the Authority's replies ⁽²⁾,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 — C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0105/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that, except for irregularities in staff recruitment and contract awards, the underlying transactions, taken as a whole, were legal and regular,
- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;

⁽¹⁾ OJ C 269, 28.10.2005, p. 21.

⁽²⁾ OJ C 332, 28.12.2005, p. 45.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 31, 1.2.2002, p. 1. Regulation as amended by Regulation (EC) No 1642/2003 (OJ L 245, 29.9.2003, p. 4).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Authority's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Authority; asks the Court of Auditors to verify the contents of table 1;
3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
7. Notes the Court of Auditors' comments on the anomalies regarding the declarations of the authorising officers on which carry-overs of appropriations are partly based; welcomes the Authority's assurance that the system designed to inform the accounting officer of expenditure will be more accurate and reliable;
8. Is disappointed to note that the Court of Auditors has again discovered anomalies in the application of the rules concerning staff recruitment; urges the Authority to apply with more transparency the rules regarding selection procedures; is pleased to note the Authority's assurance that selection procedures and recruitment decisions have been improved in order to improve transparency; urges the Authority to keep up its efforts to improve the regularity of staff recruitment procedures;
9. Is concerned by the irregularities noted by the Court of Auditors in contract award procedures; welcomes the measures undertaken by the Authority with the aim of avoiding such problems in the future; urges the Authority to improve by any means necessary the transparency of its decisions on the award of contracts in order to avoid any suspicion of bias, as stressed by the Court of Auditors;
10. Notes that 2004 was the second operating year for the Authority; recalls that, due to the delayed decision by the Council on its permanent seat, the Authority continued operating on a transitional basis;
11. Notes that the Authority was not able to complete its establishment plan largely due to the announced move to Parma in 2005; considers it understandable, therefore, that with fewer staff it was not possible fully to implement all actions in the operating budget;
12. Expresses its satisfaction with the full implementation of the commitment appropriations for both the operating and the administrative budget;
13. Insists that the Authority act in compliance with Article 14(4) of Regulation (EC) No 178/2002, especially regarding the probable short and long-term effects on the health of consumers of new foods such as GMOs;

14. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
 15. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.
-