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II

(Non-legislative acts)

DECISIONS

DECISION OF THE EUROPEAN PARLIAMENT

of 5 May 2010

on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section I — European Parliament

(2010/492/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (SEC(2009) 1089 — C7-0173/2009) ⁽²⁾,
- having regard to the report on budgetary and financial management — financial year 2008, Section I — European Parliament ⁽³⁾,
- having regard to the Internal Auditor's annual report for 2008,
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽⁴⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁵⁾,
- having regard to Article 272(10) and Article 275 of the EC Treaty, Article 314(10) and Article 318 of the Treaty on the Functioning of the European Union, and Article 179a of the Euratom Treaty,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁶⁾ (the Financial Regulation), and in particular Articles 145, 146 and 147 thereof,
- having regard to Article 13 of the Internal Rules on the implementation of the European Parliament's budget ⁽⁷⁾,

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

- having regard to Article 147(1) of the Financial Regulation, which requires each EU institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,
 - having regard to its resolution of 29 March 2007 on the guidelines for the 2008 budget procedure — Sections II, IV, V, VI, VII, VIII and IX — and on the European Parliament's preliminary draft estimates (Section I) for the 2008 budget procedure ⁽¹⁾,
 - having regard to Rules 77 and 80(3) of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0095/2010),
- A. whereas 'citizens have the right to know how their taxes are being spent and how the power entrusted to political bodies is handled' ⁽²⁾,
- B. whereas the principle of 'checks and balances' is of fundamental importance in institutions characterised by decentralised financial management and whereas that principle must be assured by sufficiently developed central responsibility for the *systemic* adequacy of the internal control framework and governance structure,
- C. whereas a condition of efficient and meaningful accountability — the obligation to explain how public funds have been used — is that citizens of the Union have access to relevant and objective information,
1. Grants its President discharge in respect of the implementation of the European Parliament budget for the financial year 2008;
 2. Sets out its observations in the resolution set out below;
 3. Instructs its President to forward this Decision and the resolution that forms an integral part thereof to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 27 E, 31.1.2008, p. 225.

⁽²⁾ The European Transparency Initiative.

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

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (SEC(2009) 1089 — C7-0173/2009) ⁽²⁾,
- having regard to the report on budgetary and financial management- financial year 2008, Section I — European Parliament ⁽³⁾,
- having regard to the Internal Auditor's annual report for 2008,
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽⁴⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁵⁾,
- having regard to Article 272(10) and Article 275 of the EC Treaty, Article 314(10) and Article 318 of the Treaty on the Functioning of the European Union, and Article 179a of the Euratom Treaty,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁶⁾ (the Financial Regulation), and in particular Articles 145, 146 and 147 thereof,
- having regard to Article 13 of the Internal Rules on the implementation of the European Parliament's budget ⁽⁷⁾
- having regard to Article 147(1) of the Financial Regulation, which requires each EU institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,
- having regard to its resolution of 29 March 2007 on the guidelines for the 2008 budget procedure — Sections II, IV, V, VI, VII, VIII and IX — and on the European Parliament's preliminary draft estimates (Section I) for the 2008 budget procedure ⁽⁸⁾,
- having regard to Rules 77 and 80(3) of and Annex VI to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A7-0095/2010),

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

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

Risk management and corporate governance in Parliament

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

⁽¹⁾ The European Transparency Initiative.

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

Reputational risks

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

⁽¹⁾ OJ L 357, 31.12.2002, p. 1.

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

The discharge process

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

The activities of its Committee on Budgetary Control

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

Improvement of administrative processes

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

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

Presentation of Parliament's accounts

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

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

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

Short-term receivables

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

Public procurement

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

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

Reform of the Financial Regulation

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

Annual report on contracts awarded

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

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

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

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

⁽¹⁾ available at:

<http://www.europarl.europa.eu/document/activities/cont/200911/20091120ATT64961/20091120ATT64961EN.pdf>

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

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

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

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

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

Exceptional negotiated procedures

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

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

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

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

Article 54 of the Implementing Rules ⁽¹⁾

48. Recalls that Article 54 of the Implementing Rules provides: 'If the proportion of negotiated procedures in relation to the number of contracts awarded by the same authorising officer by delegation increases appreciably in relation to earlier years or if that proportion is distinctly higher than the average recorded for the institution, the authorising officer responsible shall report to the institution setting out any measures taken to reverse that trend';
49. Takes the view that the increase registered between 2007 and 2008 clearly obliges the authorising officers to take measures to 'reverse the trend'; invites the Secretary-General to report to its Committee on Budgetary Control on measures taken before 1 September 2010;
50. Invites the authorising officers to present to the discharge authority — for the financial year 2009 and onwards — more information allowing for a more thorough supervision of the Parliament's use of exceptional negotiated procedures (Articles 126 and 127 of the Implementing Rules) by including in their Annual Activity Report an annex providing clear information as regards:

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

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

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

— the criteria for the acceptability of the offer;

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

Management representations in Parliament

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

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

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

— noted that no authorising officer had entered formal qualifications in his/her declaration, and

— certified that he had a reasonable assurance that Parliament's budget had been implemented in accordance with the principles of sound financial management and that the control framework put in place provides the necessary guarantees as to the legality and regularity of the underlying operations;

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

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

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

Not all annual activity reports complied with the financial regulation

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

Reporting requirements too loose?

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

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

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

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

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

⁽¹⁾ Available at:

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

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

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

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

Multiplication factor applicable to salaries

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

Reimbursement of accommodation costs incurred on mission

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

Allowances for assistance to Members

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

Members as public persons

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

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

Additional pension scheme for Members

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

Reports of the Parliament's Internal Auditor

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

Audit of the Internal Control Framework

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

Remaining open actions

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

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

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

The European Parliament's prizes

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

Political groups (budget item 4 0 0 0)

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

(in EUR)

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

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

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

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

Additional appropriations

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

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

Closure of the accounts — without debate?

96. Notes that pursuant to point 2.7.3 of the Rules on the use of appropriations from budget item 4 0 0 0 ⁽¹⁾, the President forwarded the audited reports submitted by the political groups on the use of appropriations to the Committee on Budgetary Control on 8 July 2009 (letter 311812);
97. Points out that the Secretary-General in his note to the members of the Bureau of 15 June 2009 (D(2009)28076) stated that '[in] all the reports the auditors have certified without reserve that the accounts submitted complied with the rules';
98. Notes that at its meeting of 16 June 2009 (Minutes of the meeting of 16 June 2009, PE 426.193/BUR):

— when considering its decision on the closure of accounts of the political groups 2008, the Bureau noted and approved the documents submitted by the groups,

— when considering its decision on the closure of the ITS Group's accounts, the Bureau endorsed the conclusions contained in the Secretary-General's note on the matter,

— the Bureau instructed the Secretary-General to establish the definitive claim against a Member and carry out any regularisations required;

99. Recalls that in accordance with point 2.2.3 of the Rules on the use of appropriations from budget item 4 0 0 0 each group is required to maintain an internal control system;

European political parties

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

(in EUR)

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

⁽¹⁾ PE 335.475/BUR/Rev2.

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

⁽¹⁾ OJ L 255, 26.9.2009, p. 3.

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

⁽³⁾ OJ L 297, 15.11.2003, p. 1.

European political foundations

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

(in EUR)

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

(*) Final report not yet approved.

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

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

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

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

...

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

Implementation of the statutes for Members and assistants

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

Vacancies

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

Buildings policy

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

Eco-Management and Audit Scheme (EMAS)

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

⁽¹⁾ Texts adopted, P7_TA(2009)0052.

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

Transport

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

Coordination of studies

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

Access to databases

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

Reimbursement of the costs of visits by sponsored groups

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

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

DECISION OF THE EUROPEAN PARLIAMENT**of 19 May 2010****on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section II — Council**

(2010/493/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0174/2009) ⁽²⁾,
 - having regard to the Council's annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Decision No 190/2003 of the Secretary-General of the Council/High-Representative for the Common Foreign and Security Policy concerning reimbursement of travel expenses of delegates of Council Members ⁽⁶⁾,
 - having regard to the Interinstitutional Agreement between the European Parliament, the Council and the Commission, of 17 May 2006, on budgetary discipline and sound financial management ⁽⁷⁾,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0096/2010),
1. Grants discharge to the Secretary-General of the Council in respect of the implementation of the Council's budget for the financial year 2008;
 2. Sets out its observations in the resolution that forms an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section II — Council;

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 269, 10.11.2009, p. 1.⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ Decision stemming from the Rules of Procedure of the Council of 22 July 2002 (OJ L 230, 28.8.2002, p. 7).⁽⁷⁾ OJ C 139, 14.6.2006, p. 1.

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 of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 16 June 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section II — Council**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0174/2009) ⁽²⁾,
 - having regard to the Council's annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Decision No 190/2003 of the Secretary-General of the Council/High-Representative for the Common Foreign and Security Policy concerning reimbursement of travel expenses of delegates of Council Members ⁽⁶⁾,
 - having regard to the Interinstitutional Agreement between the European Parliament, the Council and the Commission, of 17 May 2006, on budgetary discipline and sound financial management ⁽⁷⁾ (IIA),
 - having regard to its resolution of 25 November 2009 with observations forming an integral part of the Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section II — Council ⁽⁸⁾,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0096/2010),
- A. whereas the Council, represented by the Spanish Presidency, has agreed to reassess the alleged gentlemen's agreement dating back to 1970,

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 269, 10.11.2009, p. 1.⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ Decision stemming from the Rules of Procedure of the Council of 22 July 2002 (OJ L 230, 28.8.2002, p. 7).⁽⁷⁾ OJ C 139, 14.6.2006, p. 1.⁽⁸⁾ OJ L 19, 23.1.2010, p. 9.

- B. whereas 'citizens have the right to know how their taxes are being spent and how the power entrusted to political bodies is handled' ⁽¹⁾,
- C. whereas the conclusions of the European Council of Cologne of 3 and 4 June 1999 envisage giving operational capacities to the Council in the field of a strengthened common European security and defence policy (CESDP),
- D. whereas Council Decision 2004/197/CFSP ⁽²⁾ established a mechanism for administering the financing of the common costs of EU operations having military or defence implications, called ATHENA, and whereas that Decision, together with the Decision 2004/582/EC of the Representatives of the Governments of the Member States, meeting within the Council of 28 April 2004 concerning privileges and immunities granted to ATHENA ⁽³⁾, grants privileges and immunities to ATHENA and gives operational power to the Council,
- E. whereas Council Decision 2000/178/CFSP of 28 February 2000 on the rules applicable to national experts in the military field on secondment to the General Secretariat of the Council during the interim period ⁽⁴⁾ and Council Decision 2001/80/CFSP of 22 January 2001 on the establishment of the Military Staff of the European Union ⁽⁵⁾ specify that expenditure arising from the secondment of military experts is to be charged to the Council budget,
1. Notes that in 2008 the Council had available commitment appropriations amounting to a total of EUR 743 million (2007: EUR 650 million), with a utilisation rate of 93,31 %, considerably higher than in 2007 (81,89 %), but still below the average of the other institutions (95,67 %);
 2. In view of the problems encountered in the 2007 and 2008 discharge procedures, reaffirms its position taken in its decision of 25 April 2002 on discharge in respect of the financial year 2000 ⁽⁶⁾ that '[...] the European Parliament and the Council have not, in the past, scrutinised the implementation of their respective sections of the budget; considers that in view of the increasingly operational nature of expenditure, financed under the Council's administrative budget, in the fields of foreign affairs, security and defence policy, and justice and home affairs, the scope of this arrangement should be clarified with a view to distinguishing traditional administrative expenditure from operations in these new policy areas';
 3. Considers that in view of the increases in administrative expenditure and especially due to the possible presence of expenditure of an operational nature, the expenditure of the Council ought to be scrutinised in the same way as that of the other EU institutions as part of the discharge procedure provided for by Article 319 of the Treaty on the Functioning of the European Union;
 4. Considers that such scrutiny is based on the following written documents submitted by all institutions:
 - accounts of the preceding financial year relating to the implementation of the budget,
 - a financial statement of the assets and liabilities,
 - annual activity report on their budget and financial management,
 - annual report of the internal auditor,as well as an oral presentation given in the meeting of the Committee responsible for the discharge procedure;
 5. Expects the future presence of all institutions, represented at appropriate level, during the plenary debate on discharge;

⁽¹⁾ The European Transparency Initiative.

⁽²⁾ OJ L 63, 28.2.2004, p. 68.

⁽³⁾ OJ L 261, 6.8.2004, p. 125.

⁽⁴⁾ OJ L 57, 2.3.2000, p. 1.

⁽⁵⁾ OJ L 27, 30.1.2001, p. 7.

⁽⁶⁾ OJ L 158, 17.6.2002, p. 66.

6. Rejects the Council's suggestion that the fact that Parliament and the Council have not, in the past, scrutinised the implementation of their respective sections of the budget was the result of a 'gentlemen's agreement' (Resolution recorded in the minutes of the Council meeting of 22 April 1970); considers the gentlemen's agreement not to be a binding document, and the interpretation attributed to it by the Council to be exceedingly wide;
7. Believes that the preparation of the budget and the discharge of the budget are two separate procedures and that the gentlemen's agreement between Parliament and the Council over the preparation of their respective sections of the budget must not absolve the Council of its responsibility to be fully accountable to the public for the funds placed at its disposal;
8. Believes that the 2008 discharge takes place at a crucial time, when a formal agreement on the discharge process for the new European External Action Service (EEAS) must be set out clearly to ensure credibility through full transparency, and calls on Council to ensure that it submits to Parliament, before the end of the 2008 discharge procedure, concrete, detailed and all-encompassing plans for the staffing, organisational and control structures of the EEAS, including EU military staff, the Situation Centre, the GSC's Crisis Management and Planning Directorate, the Civilian Planning and Conduct Capability, as well as all staff in the General Secretariat working on Foreign and Security Policy, showing in particular the increase and allocation of staff and the budgetary implications provided for and to immediately take part in the negotiations with the budgetary authority on the basis of the proposals submitted;
9. Stresses that this year's granting of discharge cannot be taken into account for granting of discharge in the years to come unless the Council makes considerable progress in the areas of concern referred to in paragraph 5 of Parliament's resolution of 25 November 2009;
10. Reiterates that Council should be present at the Parliament for the presentation of the Court of Auditors' Annual Report and for the budget discharge debate each year;
11. Calls on the Council together with the European Parliament, in their capacity as joint budgetary authorities, to establish, with a view to improving the exchange of information on their respective budgets, an annual procedure within the discharge procedure; under this procedure, the President of the Council, accompanied by the Secretary-General of the Council, would meet officially with the Committee on Budgetary Control or a delegation thereof made up of its chair, the coordinators and the rapporteur, with a view to providing all the information needed regarding the execution of the Council's budget; suggests also that the chair of the competent committee should regularly and in an appropriate form provide that committee with information regarding those discussions;
12. Encourages the Spanish Presidency to review the informal arrangement covering the Council budget discharge and calls for an undertaking for this to be included in the review of the Financial Regulations and to be in place for the start of the new financing period after 2013 and calls for discussions to be concluded before 15 October 2010;
13. Reminds the Council of its position as expressed in paragraph 12 of its resolution of 24 April 2007 ⁽¹⁾ on the discharge for the financial year 2005, as follows: 'Calls for maximum transparency in the area of Common Foreign and Security Policy (CFSP); requests the Council, in accordance with point 42 of the Interinstitutional Agreement [...], to make sure that no operating CFSP expenditure appears in the Council's budget; reserves the right to take the necessary steps, where appropriate, if the agreement is infringed';
14. Acknowledges the fact that the Council has provided for various formats for consulting and keeping Parliament informed on the development of the CFSP; considers, however, that the annual report from the Council on the main aspects and basic choices of the CFSP, presented to Parliament in application of point 43 of the IIA, is restricted in its scope to a description of CFSP common positions, joint actions and implementing decisions and that more extensive information should be provided in future years for the discharge exercise;

⁽¹⁾ OJ L 187, 15.7.2008, p. 21.

15. Reiterates its request to the Council to provide detailed information on the nature of expenses, within its Title 3 (Expenditure arising out of the institution's performance of its specific missions), in order to enable Parliament to verify that all the expenditure is in conformity with the IIA and that none of the expenditure is of an operational nature;
 16. Is concerned by the lack of transparency of the cost incurred by the activities, in particular the missions carried out by the special representatives and asks for a detailed breakdown of the expenditure of the special representatives and their missions budget to be published on the internet;
 17. Asks the Court of Auditors why there is no mention of the unresolved problems, as pointed out in Parliament's above-mentioned resolution of 25 November 2009, in its Annual Report on 2008 concerning the Council;
 18. Notes the comment made by the Court of Auditors in paragraph 11.10 of its 2008 Annual report on the lack of compliance with the provisions of Article 5(3) of the Financial Regulation as regards continued (2005–2008) over-budgeting of the Secured European System of Automatic Messaging (SESAME); takes note of the Council's reply and its intention to improve the coordination on structures for the governance of major IT projects;
 19. Welcomes the audits carried out by the Council's internal audit service in 2008 (eight financial audits and one mixed audit), as well as the considerable share of their recommendations which have been accepted; points out, however, that the note on this issue which was submitted to the discharge authority was of a rather general nature, and requests more detailed information on the implementation of audit recommendations;
 20. Welcomes the new integrated system for management and financial control (SAP), in operation since 1 January 2008, which has enabled budget savings and gains in efficiency to be made for the three institutions involved (the Council, the Court of Auditors and the Court of Justice);
 21. Welcomes the achievements on consolidation of the organisation after the EU enlargements of 2004 and 2007, notably centralisation of the translation units and the recruitment of officials from the new Member States; welcomes also the introduction of the flexible time system, which contributes to a better balance between work and private life; notes, however, the low occupancy rate of the posts in the establishment plan (on average 90 %; in 2007 — 86 %);
 22. Notes that the considerable increase in advance payments for the Residence Palace (EUR 70 million instead of EUR 15 million as envisaged, with an aim of subsequent reduction of the overall cost of the acquisition) was made possible by the global under-spending of the budget (85,7 % implementation rate), and calls for buildings policy to be detailed in future annual reports to allow proper scrutiny in the discharge process;
 23. Is of the opinion that the annual budget for the permanent President of the European Council should be separated from the Council's budget and presented as a new budget section as from 2012;
 24. Welcomes the undertakings of the Spanish Presidency on clarification of the discharge procedure to show full accountability of the Council's administrative budget to Parliament, and asks for a firm commitment of the successive presidencies to carry on with this work in the same spirit.
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DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III — Commission**

(2010/494/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (SEC(2009) 1089 — C7-0172/2009) ⁽²⁾,
- having regard to the Commission's annual report to the European Parliament on the follow-up to 2007 discharge decisions (COM(2009) 526), and to the Commission staff working document accompanying that report (SEC(2009) 1427),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2008' (COM(2009) 256),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2008 (COM(2009) 419), and to the Commission staff working document accompanying that report (SEC(2009) 1102),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2008 annual report (SEC(2010) 0178 and SEC(2010) 196),
- having regard to the Green Paper on the European transparency initiative, adopted by the Commission on 3 May 2006 (COM(2006) 194),
- 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 Commission communication on a roadmap to an integrated internal control framework (COM(2005) 252),
- having regard to the Commission action plan towards an Integrated Internal Control Framework (COM(2006) 9), the report on the Commission action plan towards an integrated internal control framework (COM(2008) 110), and the Commission staff working document accompanying that report (SEC(2008) 259),
- having regard to the Impact Report on the Commission action plan towards an integrated internal control framework (COM(2009) 43),
- having regard to Opinion No 6/2007 of the Court of Auditors on the annual summaries of Member States; 'national declarations' of Member States; and audit work on EU funds of national audit bodies ⁽⁴⁾,

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 107, 30.4.2004, p. 1.⁽⁴⁾ OJ C 216, 14.9.2007, p. 3.

- having regard to the Commission's action plan to strengthen the Commission's supervisory role under shared management of structural actions (COM(2008) 97) and the interim report on the follow-up to that action plan (SEC(2009) 1463),
 - having regard to the Commission's report on progress in Bulgaria under the Cooperation and Verification Mechanism (COM(2009) 402) and the supporting document accompanying that report (SEC(2009) 1074),
 - having regard to the Commission's report on progress in Romania under the Cooperation and Verification Mechanism (COM(2009) 401) and the supporting document accompanying that report (SEC(2009) 1073),
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽¹⁾, and to the Court of Auditors' special reports,
 - 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 the Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
 - having regard to the Council's recommendation of 16 February 2010 on the discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2008 (5826/2010 — C7-0054/2010),
 - having regard to Articles 274, 275 and 276 of the EC Treaty, Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Articles 179a and 180b of the Euratom Treaty,
 - having regard to international audit standards and international accounting standards, in particular those applying to the public sector,
 - 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 Articles 145, 146 and 147 thereof,
 - having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0099/2010),
- A. whereas under Article 317 of the Treaty on the Functioning of the European Union the Commission implements the budget in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
1. Grants the Commission discharge in respect of the implementation of the European Union general budget for the financial year 2008;

⁽¹⁾ OJ C 269, 10.11.2009, p. 1.

⁽²⁾ OJ C 273, 13.11.2009, p. 122.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

2. Sets out its observations in the resolution that forms an integral part of the Decisions on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III — Commission and executive agencies;
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 of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency for the financial year 2008**

(2010/495/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (SEC(2009) 1089 — C7-0172/2009) ⁽²⁾,
- having regard to the final annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2008,
- having regard to the Commission's annual report to the European Parliament on the follow-up to 2007 discharge decisions (COM(2009) 526), and to the Commission staff working document accompanying that report (SEC(2009) 1427),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2008' (COM(2009) 256),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2008 (COM(2009) 419), and to the Commission staff working document accompanying that report (SEC(2009) 1102),
- having regard to the Court of Auditors' report on the annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2008, together with the Agency's replies ⁽³⁾,
- 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 ⁽⁴⁾,
- having regard to the Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
- having regard to the Council's recommendation of 16 February 2010 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2008 (5828/2010 — C7-0055/2010),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 304, 15.12.2009, p. 65.⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽¹⁾, and in particular Article 14(3) thereof,
 - having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽²⁾, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Decision 2005/56/EC of 14 January 2005 setting up the Education, Audiovisual and Culture Executive Agency for the management of Community action in the fields of education, audiovisual and culture in application of Council Regulation (EC) No 58/2003 ⁽³⁾,
 - having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0099/2010),
- A. whereas under Article 317 of the Treaty on the Functioning of the European Union the Commission implements the budget in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
1. Grants the Director of the Education, Audiovisual and Culture Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations in the resolution that forms an integral part of the Decisions on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III — Commission and executive agencies;
 3. Instructs its President to forward this Decision, together with the Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III — Commission and the resolution that forms an integral part of those Decisions, to the Director of the Education, Audiovisual and Culture Executive Agency, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 11, 16.1.2003, p. 1.

⁽²⁾ OJ L 297, 22.9.2004, p. 6.

⁽³⁾ OJ L 24, 27.1.2005, p. 35.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the Executive Agency for Competitiveness and Innovation for the financial year 2008**

(2010/496/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (SEC(2009) 1089 — C7-0172/2009) ⁽²⁾,
- having regard to the final annual accounts of the Executive Agency for Competitiveness and Innovation for the financial year 2008,
- having regard to the Commission's annual report to the European Parliament on the follow-up to 2007 discharge decisions (COM(2009) 526), and to the Commission staff working document accompanying that report (SEC(2009) 1427),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2008' (COM(2009) 256),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2008 (COM(2009) 419), and to the Commission staff working document accompanying that report (SEC(2009) 1102),
- having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for Competitiveness and Innovation for the financial year 2008, together with the Agency's replies ⁽³⁾,
- 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 ⁽⁴⁾,
- having regard to the Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
- having regard to the Council's recommendation of 16 February 2010 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2008 (5828/2010 — C7-0055/2010),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 304, 15.12.2009, p. 77.⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽¹⁾, and in particular Article 14(3) thereof,
 - having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽²⁾, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Decision 2004/20/EC of 23 December 2003 setting up an executive agency, the 'Intelligent Energy Executive Agency', to manage Community action in the field of energy in application of Council Regulation (EC) No 58/2003 ⁽³⁾,
 - having regard to Commission Decision 2007/372/EC of 31 May 2007 amending Decision 2004/20/EC in order to transform the Intelligent Energy Executive Agency into the Executive Agency for Competitiveness and Innovation ⁽⁴⁾,
 - having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0099/2010),
- A. whereas under Article 317 of the Treaty on the Functioning of the European Union the Commission implements the budget in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
1. Grants the Director of the Executive Agency for Competitiveness and Innovation discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations in the resolution that forms an integral part of the Decisions on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III — Commission and executive agencies;
 3. Instructs its President to forward this decision, together with the Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2008, section III — Commission and the resolution that forms an integral part of those Decisions, to the Director of the Executive Agency for Competitiveness and Innovation, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 11, 16.1.2003, p. 1.

⁽²⁾ OJ L 297, 22.9.2004, p. 6.

⁽³⁾ OJ L 5, 9.1.2004, p. 85.

⁽⁴⁾ OJ L 140, 1.6.2007, p. 52.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the Executive Agency for Health and Consumers for the financial year 2008**

(2010/497/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (SEC(2009) 1089 — C7-0172/2009) ⁽²⁾,
- having regard to the final annual accounts of the Executive Agency for Health and Consumers for the financial year 2008,
- having regard to the Commission's annual report to the European Parliament on the follow-up to 2007 discharge decisions (COM(2009) 526), and to the Commission staff working document accompanying that report (SEC(2009) 1427),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2008' (COM(2009) 256),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2008 (COM(2009) 419), and to the Commission staff working document accompanying that report (SEC(2009) 1102),
- having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for Health and Consumers for the financial year 2008, together with the Agency's replies ⁽³⁾,
- 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 ⁽⁴⁾,
- having regard to the Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
- having regard to the Council's recommendation of 16 February 2010 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2008 (5828/2010 — C7-0055/2010),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 304, 15.12.2009, p. 83.⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽¹⁾, and in particular Article 14(3) thereof,
 - having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽²⁾, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Decision 2004/858/EC of 15 December 2004 setting up an executive agency, the 'Executive Agency for the Public Health Programme', for the management of Community action in the field of public health — pursuant to Council Regulation (EC) No 58/2003 ⁽³⁾,
 - having regard to Commission Decision 2008/544/EC of 20 June 2008 amending Decision 2004/858/EC in order to transform the Executive Agency for the Public Health Programme into the Executive Agency for Health and Consumers ⁽⁴⁾,
 - having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0099/2010),
- A. whereas under Article 317 of the Treaty on the Functioning of the European Union the Commission implements the budget in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
1. Grants the Director of the Executive Agency for Health and Consumers discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations in the resolution that forms an integral part of the Decisions on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III — Commission and executive agencies;
 3. Instructs its President to forward this Decision, together with the Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III — Commission and the resolution that forms an integral part of those Decisions, to the Director of the Executive Agency for Health and Consumers, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 11, 16.1.2003, p. 1.

⁽²⁾ OJ L 297, 22.9.2004, p. 6.

⁽³⁾ OJ L 369, 16.12.2004, p. 73.

⁽⁴⁾ OJ L 173, 3.7.2008, p. 27.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the Trans-European Transport Network Executive Agency for the financial year 2008**

(2010/498/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (SEC(2009) 1089 — C7-0172/2009) ⁽²⁾,
- having regard to the final annual accounts of the Trans-European Transport Network Executive Agency for the financial year 2008,
- having regard to the Commission's annual report to the European Parliament on the follow-up to 2007 discharge decisions (COM(2009) 526), and to the Commission staff working document accompanying that report (SEC(2009) 1427),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2008' (COM(2009) 256),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2008 (COM(2009) 419), and to the Commission staff working document accompanying that report (SEC(2009) 1102),
- having regard to the Court of Auditors' report on the annual accounts of the Trans-European Transport Network Executive Agency for the financial year 2008, together with the Agency's replies ⁽³⁾,
- 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 ⁽⁴⁾,
- having regard to the Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
- having regard to the Council's recommendation of 16 February 2010 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2008 (5828/2010 — C7-0055/2010),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 304, 15.12.2009, p. 71.⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽¹⁾, and in particular Article 14(3) thereof,
 - having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽²⁾, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Decision 2007/60/EC of 26 October 2006 establishing the Trans-European Transport Network Executive Agency pursuant to Council Regulation (EC) No 58/2003 ⁽³⁾,
 - having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0099/2010),
- A. whereas under Article 317 of the Treaty on the Functioning of the European Union the Commission implements the budget in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
1. Grants the Director of the Trans-European Transport Network Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations in the resolution that forms an integral part of the Decisions on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III — Commission and executive agencies;
 3. Instructs its President to forward this Decision, together with the Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III — Commission and the resolution that forms an integral part of those Decisions, to the Director of the Trans-European Transport Network Executive Agency, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ L 11, 16.1.2003, p. 1.

⁽²⁾ OJ L 297, 22.9.2004, p. 6.

⁽³⁾ OJ L 32, 6.2.2007, p. 88.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decisions on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III — Commission and executive agencies**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (SEC(2009) 1089 — C7-0172/2009) ⁽²⁾,
- having regard to the Commission's annual report to the European Parliament on the follow-up to 2007 discharge decisions (COM(2009) 526), and to the Commission staff working document accompanying that report (SEC(2009) 1427),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2008' (COM(2009) 256),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2008 (COM(2009) 419), and to the Commission staff working document accompanying that report (SEC(2009) 1102),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2008 annual report (SEC(2010) 178 and SEC(2010) 196),
- having regard to the Green Paper on the European transparency initiative, adopted by the Commission on 3 May 2006 (COM(2006) 194),
- 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 Commission communication on a roadmap to an integrated internal control framework (COM(2005) 252),
- having regard to the Commission Action Plan towards an Integrated Internal Control Framework (COM(2006) 9), the report on the Commission action plan towards an integrated internal control framework (COM(2008) 110), and the Commission staff working document accompanying that report (SEC(2008) 259),
- having regard to the Impact Report on the Commission action plan towards an integrated internal control framework (COM(2009) 43),
- having regard to Opinion No 6/2007 of the Court of Auditors on the annual summaries of Member States; 'national declarations' of Member States; and audit work on EU funds of national audit bodies ⁽⁴⁾,

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 107, 30.4.2004, p. 1.⁽⁴⁾ OJ C 216, 14.9.2007, p. 3.

- having regard to the Commission's action plan to strengthen the Commission's supervisory role under shared management of structural actions (COM(2008) 97) and the interim report on the follow-up to that action plan (SEC(2009) 1463),
- having regard to the Commission's report on progress in Bulgaria under the Cooperation and Verification Mechanism (COM(2009) 402) and the supporting document accompanying that report (SEC(2009) 1074),
- having regard to the Commission's report on progress in Romania under the Cooperation and Verification Mechanism (COM(2009) 401) and the supporting document accompanying that report (SEC(2009) 1073),
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽¹⁾, and to the Court of Auditors' special reports,
- 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 the Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
- having regard to the Council's recommendation of 16 February 2010 on the discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2008 (5826/2010 — C7-0054/2010),
- having regard to the Council's recommendation of 16 February 2010 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2008 (5828/2010 — C7-0055/2010),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Articles 179a and 180b of the Euratom Treaty,
- having regard to international audit standards and international accounting standards, in particular those applying to the public sector,
- 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 Articles 55, 145, 146 and 147 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁴⁾, and in particular Article 14(2) and (3) thereof,
- having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0099/2010),

⁽¹⁾ OJ C 269, 10.11.2009, p. 1.

⁽²⁾ OJ C 273, 13.11.2009, p. 122.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 11, 16.1.2003, p. 1.

- A. whereas Article 317 of the Treaty on the Functioning of the European Union provides that responsibility for implementation of the Union budget lies with the Commission, in cooperation with the Member States, who are to cooperate with the Commission in order to ensure that the appropriations are used in accordance with the principles of sound financial management,
- B. whereas the second subparagraph of Article 287(1) of the Treaty on the Functioning of the European Union requires the Court of Auditors to provide Parliament and the Council with a statement of assurance as to the legality and regularity of the underlying transactions, adding that the statement may be supplemented by specific assessments for each major area of Union activity,
- C. whereas the implementation of major EU policies is characterised by the 'shared management' of the Community budget by the Commission and the Member States, under which 80 % of Community expenditure is administered by the Member States,
- D. whereas improvement of the financial management in the Union must be supported by a close monitoring of progress in the Commission and in the Member States, and whereas Member States should assume responsibility in the management of EU funds, ensuring the completion of an EU integrated internal control framework with the aim of obtaining a positive Statement of Assurance (DAS),
- E. whereas in its last five annual discharge resolutions Parliament drew attention to the urgent need to introduce national declarations at an appropriate political level, covering all EU funds coming under shared management, in order that each Member State take responsibility for the management of EU funds received,
- F. whereas the implementation of point 44 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management ⁽¹⁾ (the IIA) and of Article 53b(3) of the Financial Regulation, concerning annual summaries of the audits and declarations available, should make a substantial contribution towards improving management of the EU budget,
- G. whereas the Court of Auditors, in its abovementioned Opinion No 6/2007, also stresses that national declarations may be regarded as a new element of internal control of EU funds, and that they could stimulate improved control of EU funds in shared management areas,
- H. whereas the work of Parliament's Committee on Budgetary Control in general and the discharge procedure in particular form part of a process seeking to establish full accountability on the part of the Commission as a whole and individual Members of the Commission, as well as all other relevant actors, of which Member States are the most important part, for financial management in the EU, in accordance with the Treaty on the Functioning of the European Union, and thereby to create a more solid basis for decision-taking,
- I. whereas Parliament's Committee on Budgets should take due account of the 2008 discharge results and recommendations during the next budgetary procedure,
- J. whereas the Council recommendation on discharge should, in order to serve a constructive purpose, aim to strengthen the reform efforts and the responsibility of the Member States to remedy the problems identified by the Court and secure improved financial management in the European Union,
- K. whereas the current discharge schedule is much too long in view of the need to introduce as quickly as possible the corrective measures and reforms called for by Parliament in its control capacity; whereas the annual accounts must be drawn up before the end of the first quarter of the year following the financial year under review, so that the Court of Auditors can deliver its report before the end of the second quarter of the year following the year under review,

⁽¹⁾ OJ C 139, 14.6.2006, p. 1.

- L. whereas Article 83 of Regulation (EEC, Euratom, ECSC) No 259/68 of the Council of 29 February 1968 laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities ⁽¹⁾ stipulates that pensions are charged to the budget and that the Member States jointly guarantee payment of such benefits in accordance with the scale laid down for financing such expenditure; whereas staff pay back to the general budget a share of their salaries to contribute to the funding of the pension scheme,
- M. whereas Article 83 of Regulation (EEC, Euratom, ECSC) No 259/68 establishes a joint guarantee by the Member States, which means that the guarantee is applicable in the event of the default of one or more Member States, and makes it possible to consider that the Union has a claim on the Member States that have underwritten that commitment,

HORIZONTAL ISSUES

Overriding concerns and targets to be achieved

1. Remains concerned, at the start of the new Commission's term of office, about accumulated problems deriving from the previous Commission, notably:
 - continuing high rates of error in payments,
 - slowness in recoveries of undue payments, and
 - carryovers at unprecedented high levels;
2. Welcomes the initial signs of a collegial approach from the new Commission, as demonstrated in the engagement of Commissioners László Andor, Johannes Hahn and Algirdas Šemeta in discussions with Parliament's Committee on Budgetary Control, and expects a strong statement from Commissioners Janusz Lewandowski and Algirdas Šemeta promising action in the areas of: Member State statements of assurance, proposals for tolerable risk of error, simplification and transparency, and trust funds covering external actions, and further believes that this must cover further action in the area of corrections and recoveries, and internal control systems;
3. Believes that errors in expenditure hinder effectiveness in achieving EU policy targets, and reiterates that policy groups with an error rate below 2 % still account for only 47 % of the EU budget, representing an increase of just 9 % from 2005 to 2008; considers that this is still an inadequate level of improvement year on year and points out that, despite some areas of improvement, an error rate above 5 % remains in policy groups which account for 31 % of the budget, and a rate of between 2 % and 5 % for a further 22 %;
4. Calls on the Commission to prepare and submit to Parliament a new Agenda for 2010 onwards, providing for an acceleration in the reduction of error rates so as to ensure that a further 20 % of the budget can be given a 'green' classification from the Court of Auditors by 2014, with interim changes called for from the Court of Auditors for a new methodology to show specific error rates within the Cohesion budget chapter and differentiating between payments made under the 2000-2006 and the 2007-2013 legislation; considers that reaching this target is an essential part of getting full value for EU expenditure in the future and progressing towards a positive DAS;
5. Calls on the Commission President to inform Parliament about how the Commission will operate in a more coordinated way, so as to address remaining weaknesses in the financial systems and significantly reduce error rates as indicated above;

Reliability of the accounts and legality of the underlying transactions

6. Notes with satisfaction the Court's positive opinion concerning the reliability of the final annual accounts and the Court's statement that the accounts present fairly, in all material respects, the financial position of the Communities and the results of their operations and cash flows as at 31 December 2008;

⁽¹⁾ OJ L 56, 4.3.1968, p. 1.

7. Considers it abnormal that the annual accounts should be presented with negative own capital of EUR 51 400 000 000 and wonders whether the amounts to be called on from the Member States should not be shown as assets, since this involves a certain commitment concerning pensions payable to staff and estimated at EUR 37 000 000 000; notes the explanations by the Commission's accountant to the effect that the international accounting standards applicable to the public sector were duly applied; proposes that consideration be given to creating a Community pension fund to externalise financial commitments of this kind concerning staff;
8. Expresses nonetheless its concern at the Court's observations regarding weaknesses identified in certain bodies and Directorates-General of the Commission in the accounting system for invoices/cost statements and pre-financing which put at risk the quality of financial information;
9. Welcomes the unqualified opinion given by the Court on revenue, commitments for all policy groups and payments underlying the accounts for the policy groups 'Education and Citizenship' and 'Administrative and other expenditure', which are in all material respects legal and regular;
10. Calls on the Court of Auditors to provide at the next discharge the statement of assurance as to the legality and regularity of the underlying transactions as required in the second subparagraph of Article 287(1) of the Treaty on the Functioning of the European Union, just as it does for the reliability of the accounts;
11. Welcomes the Commission's efforts to promote and apply improved control and management procedures which lead to an improvement compared to previous years with a reduction in the level of error found by the Court in underlying transactions in certain expenditure areas (the policy areas 'Agriculture and natural resources', 'Research, energy and transport' and 'Education and citizenship');
12. Regrets that the DAS still remains qualified (negative) in extremely important Community spending areas of the budget for the 2008 financial year (Rural development, Structural measures, Research, energy and transport, External actions at the level of implementing organisations and Enlargement), where payments are still affected by large-scale material errors;
13. Acknowledges that in its Communication on the impact of the action plan to strengthen the Commission's supervisory role under shared management of structural actions, the Commission indicates that the steps outlined in it have been completed; notes that the preliminary results show an error rate in expenditure of around 5 % for the 2007-2013 period; awaits, however, the wider benefits to cohesion policy, where there are still very large problems despite the progress made by the Commission towards a more efficient use of EU funds and the overall control environment;
14. Considers likewise, as regards Research, energy and transport and External aid, development and enlargement, that the Commission Action Plan towards an Integrated Internal Control Framework should already bring benefits and that the Commission should be able to provide a series of indicators and descriptors to measure the impact of this Action Plan;
15. Notes, however, the Court's observation that it is not yet possible to determine whether the Action Plan has had a measurable impact on the supervisory and control systems and ultimately on the regularity of transactions (point 2.28 of the 2008 Annual Report), and urges the Commission to take appropriate action to ensure that, for the 2009 discharge, indicators are in place to measure the impact of that Action Plan;
16. Calls on the Commission to put forward proposals for shortening the periods involved in the discharge process, so that the vote in plenary can be held in the year following the financial year under review;

Information and framework of the DAS

17. Welcomes the work done by the Court to further improve the clarity of the DAS approach as regards factors contributing to more efficient and effective control systems in each sector from year to year and the quality of specific parts of the Court's report, such as that dealing with structural measures, and invites the Court to continue to keep Parliament regularly informed;
18. Considers that the Court's assessment, made each year since the Maastricht Treaty, on how the Commission manages the EU funds has proven to be a useful tool for improving the management of these funds, and recognises that the Commission has made great efforts to improve management; calls on the Member States, however, to show a greater commitment to improving the spending of funds;
19. Points out the improvement achieved since the entry into force of the Nice Treaty, inasmuch as the Court's statement of assurance of the reliability of the accounts and of the legality and regularity of the underlying transactions may be supplemented by specific assessments for each major area of Union activity (now Article 287(1) of the Treaty on the Functioning of the European Union);
20. Nevertheless, considers also that having only one global and annual assessment does not reflect the complex structure of the European Communities' finances, and further considers that to continue to have a negative annual assessment after 15 consecutive years may have negative repercussions amongst citizens who do not understand why the Court always gives a negative opinion;

Revision of the Treaties: reform of the DAS

21. Notes that, according to Article 48(2) of the EU Treaty, as modified by the Lisbon Treaty, Parliament has an enhanced role in the procedure of revision of the Treaties, having secured the right of initiative to submit to the Council proposals for the amendment of the Treaties, i.e. of the statement of assurance;
22. Calls for reflection on the feasibility of separate statements of assurance in the future, to be provided both by sector/policy area and by multiannual programme, in order to provide a better match between the Court's methodology and the multiannual and sectoral nature of the European Communities' finances;
23. Notes that the Commission has persistently claimed that the 'multiannual nature' of the expenditure concerned means that most errors can be detected and corrected before the closure of the relevant programmes; further notes that the Court considers that there is, at present, insufficient information available to support this claim;

Budgetary management

24. Is concerned that outstanding budgetary commitments (unused commitments carried forward to be used in future years), mainly on multiannual programmes, increased in 2008 by EUR 16,4 billion (11,8 %) to EUR 155,0 billion (point 3.9 of the 2008 Annual Report), whilst acknowledging that this is due in certain cases to delays in the start-up phase of the new programmes while in others it reflects a poor budget planning process; is concerned that unused funds each year represent lost opportunities for implementation of EU policies and programmes;
25. Takes note, however, that, even though outstanding budgetary commitments on differentiated expenditure remain at a very high level exceeding the total budgetary commitment appropriations for 2008, the Court also points out that most outstanding budgetary commitments are now from 2007 and 2008 and therefore related to the current financial framework (point 3.15 of the 2008 Annual Report);
26. Welcomes the fact that automatic de-commitment should prevent problems in the current funding period but remains concerned that the highest proportion of outstanding budgetary commitments ('RAL') is related to the cohesion area associated with the lack of any de-commitment procedure for the 2000-2006 period;

27. Asks the Member States to transmit the remaining compliance assessment documents of the Management and Control Systems as soon as possible and in sufficient quality in order to avoid further delays regarding the interim payments and a further increase of outstanding budgetary commitments;
28. Calls on the Commission to provide Parliament with an overview of budgetary support granted, by country and by fund, for the years 2005 to 2009;

Recoveries

29. Notes some improvement in recoveries, but nevertheless remains concerned about the problems which subsist regarding irregularly disbursed Community funds and the poor quality of the information supplied on the correction mechanism applied at Member State level; draws attention to the urgent need to aim for a 100 % recovery rate in respect of funds that have been falsely issued;
30. Welcomes the information given by the Commission on financial corrections, by Member State, up to September 2009, but is concerned that the annual nature of the Court's report means a mismatch with cumulative data supplied by the Commission, thus making a complete assessment of performance for the single year in question, 2008, impossible;
31. Calls on the Commission to enhance the efficiency and effectiveness of multiannual recovery systems, including at Member State level, and to consolidate data on recoveries and financial corrections in order to provide reliable figures which can be compared between the various policy areas and fund management procedures; calls on the Commission to report to Parliament in the notes accompanying the annual accounts, so that an overview can be obtained;
32. Requests the Commission to present complete and reliable figures for financial corrections and, in particular, recoveries, specifying the Member State concerned, the exact budget line and the year to which the individual recoveries relate (as already specified in the Discharge Report for 2006 ⁽¹⁾), given that any other presentation makes serious control impossible;
33. Recalls its demand that the Commission produce an annual fund-by-fund grading per Member State, specifying the error rate established — both with and without the impact of corrective mechanisms — and that it forward this to Parliament in an active, transparent and easily accessible manner;
34. Invites the Court of Auditors to make its comments on such list, based on its own findings;

Suspension of payments

35. Points out the importance of the final decisions and corrective measures taken with the aim of removing EU funding from expenditure which has not been carried out in conformity with EU legislation, and restates its call for the precise budget heading and the year to which individual recoveries relate to be specified;
36. Assures the Commission of its full support in the rigorous application of the legislation on suspension of payments, and welcomes the measures already initiated for the non-transfer of funds where the Commission has no absolute guarantee of the reliability of the management and control systems of the Member State which is the beneficiary of those funds;
37. Draws attention to the example of Greece, where significant financial corrections brought about by Commission decision appear to have resulted in better performance in some areas; invites the Commission to identify these areas and recalls that, as regards the Integrated Administration and Control System (IACS), no evidence has been provided that the action plan set up and implemented by the Greek authorities was effective (2008 Annual Report, point 2.5);

⁽¹⁾ OJ L 88, 31.3.2009, p. 25.

38. Believes that, in the case of recurrent reserves for expenditure programmes in a particular Member State, suspension of payments, as a means of pressure, will contribute to greater involvement of the Member States in the correct use of EU funds received;
39. Calls on the Commission to simplify the rules and apply the existing legislation on suspension of payments wherever necessary, and to inform Parliament, the Council and the Court of Auditors in good time concerning suspensions of payments and their results;

Annual summaries

40. Considers that the annual summaries which Member States have to provide of available audits and declarations, pursuant to the IIA and Article 53b(3) of the Financial Regulation, should be the first step towards the introduction of national management declarations in all Member States;
41. Welcomes the statement by the Interparliamentary Conference on 'Improving National Accountability of EU funds' held in The Hague on 28-29 January 2010, recommending that national policy instruments be implemented or strengthened to contribute to the improvement of the control and management of EU expenditure in Member States, and that instruments used for the management and accountability of EU funding, such as the annual reports, should contain elements of a common EU framework in order to make comparisons and identify 'best practices', as well as taking a step forward to national management declarations;
42. Stresses the need to strengthen the role of annual summaries in the upcoming review of the Financial Regulation as well as to improve the quality, homogeneity and comparability of the data provided by Member States so as to ensure their added value in the field of the control of EU funds;
43. Welcomes the information provided to Parliament by the Commission on the annual summaries received in 2009 and calls on the Commission to make all annual summaries of all Member States public in order to enhance transparency and public accountability; invites the Commission, on the basis of the annual summaries received, to analyse the strengths and weaknesses of each Member State's national system for the administration and control of EU funds;
44. Considers that it is of the utmost importance for the Commission to report on the quality of those annual summaries and to add value to the process by identifying common problems, possible solutions or best practices, using this information in its supervisory role;
45. Considers that a comparative analysis should be forwarded to Parliament, the Council and the Court by late 2010 and should be made public soon thereafter;
46. Calls on the Commission to ensure that the general Guidance Note concerning the annual summaries requires a uniform methodology and analytical scope from all Member States; notes the intention of the Commission to revise its Guidance Note in such a way as to simplify the reporting requirements and provide more guidance on good practice; requires the Commission to take this opportunity to include in the Guidance Note a framework for national management declarations for those Member States that decide to introduce them and to develop its incentive-based approach;

National management declarations

47. Welcomes the voluntary initiatives taken by Denmark, the Netherlands, Sweden and the United Kingdom to draw up national management declarations; notes, however, the big differences between the four national initiatives; warmly welcomes the letter from the Dutch and Swedish Governments inviting the Commission to issue guidance on the definition of key aspects of national declarations, which could also serve as a valuable source of information for other Member States; regrets the fact that, despite those initiatives, most other Member States have yet to introduce them;

48. Recalls its demand for the introduction of national management declarations (paragraph 32 of its resolution of 23 April 2009 ⁽¹⁾ accompanying its decision on discharge for 2007);
49. Draws attention to the first paragraph of Article 317 of the Treaty on the Functioning of the European Union (ex Article 274 of the EC Treaty), which now provides that the Commission 'shall implement the budget in cooperation with the Member States', and remains convinced that progress will be made by obtaining national management declarations covering all EU funds coming under shared management, as requested by Parliament in its last five annual discharge resolutions;
50. Points to the second paragraph of Article 317 of the Treaty on the Functioning of the European Union, which imposes certain as yet undefined control and audit obligations of the Member States and resulting responsibilities; invites the Commission to use the new wording of Article 317 to introduce mandatory national management declarations as soon as possible; also refers to Article 291 of the Treaty on the Functioning of the European Union, which provides the Commission with new tools to achieve an even and uniform implementation of legally binding Union acts;
51. Calls on the Commission to propose, within the framework of the review of the Financial Regulation, the obligation for Member States to issue national management declarations signed at an appropriate political level and certified by their national supreme audit body, as a means of administrative relief as well as improved administration of funds under shared management;
52. Calls, pursuant to Article 287(3) of the Treaty on the Functioning of the European Union, as regards shared-management controls, for cooperation to be stepped up between national audit bodies and the Court;
53. Proposes that national audit bodies, in their capacity as independent external auditors, and with due regard for international audit standards, issue national audit certificates for the management of EU funds, calls on the Commission to examine the possibility of modifying and adapting the discharge timetable in order to allow for timely audits of the national management declarations by the (national) external auditors;
54. Is deeply concerned about the proven manipulation of financial statistics and tax evasion in Greece; notes the generalised public-sector corruption throughout the administration, including in public procurement, as recognised by the Prime Minister of Greece; draws attention to the significant effect in terms of costs that this has on Greece's budget; calls on the Commission to investigate as a matter of priority the circumstances under which the Commission was provided with and effectively accepted wrong macroeconomic data for such a long period of time;

The Commission's internal control system

The Action Plan for an Integrated Internal Control Framework

55. Voices its concern at the Court's repeated criticism of the inadequate quality of controls in Member States and considers it detrimental to the image of the EU if individual Member States are able to apply different control standards;
56. Notwithstanding the progressive improvement in the DAS since 2003 (56 % of expenditure being given positive audit opinions by the Court in 2008 compared to 6 % in 2003), remains concerned by the Court's assessment that it is not yet possible to determine whether the Action Plan has had a measurable impact on the supervisory and control systems, and that the Commission is not able to demonstrate that the steps taken by it to improve supervisory and control systems have been effective in mitigating the risk of error in some areas of the budget (points 2.28 and 2.33 of the 2008 Annual Report);

⁽¹⁾ OJ L 255, 26.9.2009, p. 36.

57. Calls on the Commission to continue to present regular assessments of the integrated internal control system, and calls for even better and more explicit coverage — in the annual activity reports and the synthesis report — of the functioning of Commission departments' and Member States' shared-management systems, as is already done by the Commission's DG for Regional Policy in its annual activity report;

Analysis of the existing balance between operational expenditure and the cost of the EU funds' control system

58. Draws attention, in this context, to the importance of Action 10 of the above-mentioned Action Plan, which proposes making an 'analysis of the costs of controls', in view of the 'need to reach an appropriate balance between the costs and benefits of controls';
59. Calls on the Commission to carry out in 2010 a more complete and exhaustive evaluation of the resources given over to control systems in the areas of research, energy, transport, rural development, external aid and administrative expenditure, as requested by Parliament in its previous resolutions accompanying the discharge decisions;
60. Believes that this will be a crucial tool for assessing what future improvements can be achieved and at what cost, as recommended by the Court in its 2008 Annual Report (point 2.35(a)), and for achieving progress on the question of tolerable risk of error;

Tolerable risk of error

61. Takes note of the above-mentioned Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error as a sound methodological basis for an economic analysis of acceptable levels of risk; recalls its doubts concerning the figures provided by the Member States on control costs and calls on the Commission to update and complete the figures used in the communication; invites the Commission to address all weaknesses and shortcomings identified by the Court of Auditors, and underlines the following:
- the definition of a possible tolerable risk of error is only one of several elements to be explored with a view to improving financial management in the European Union; other elements are (1) better use of existing control systems, (2) an increase in what are generally very low control costs, (3) simplification and (4) concentration,
 - the quality of the information available from the Member States is currently not sufficient as a basis for the establishment and approval of a tolerable risk of error,
 - the Council's position on the question is not known;
62. Calls on the Commission to provide a detailed analysis of the shortcomings and weaknesses identified by the Court of Auditors⁽¹⁾, especially regarding the quality of the data available from the Member States;
63. Recalls Action 4 of the above-mentioned Action Plan, which, in line with the recommendations of Parliament, proposes the initiation of 'interinstitutional dialogue on risks to be tolerated in the underlying transactions'; notes, however, that implementation of this action has scarcely begun;
64. Considers, therefore, that the Commission, in line with the principles of proportionality and cost efficiency (value for money) of the control systems, should evaluate the relationship between, on the one hand, the resources available for each particular policy, and, on the other, the part of those resources dedicated to the control systems broken down by area of expenditure;
65. Asks the Commission to identify areas of high political sensitivity (with high 'reputational risk') where a quality approach to rates of error (rather than an economic one) should be adopted;

⁽¹⁾ <http://eca.europa.eu/portal/pls/portal/docs/1/2410290.PDF>

66. Considers that the volume of Union funds at risk because of errors should also be taken into consideration when a tolerable error rate is determined;
67. Believes also that the cost-benefit ratio existing between the resources dedicated to control activities and the results obtained by the controls should be a key element to be taken into account by the Court when it delivers its DAS;
68. Regrets that the Commission puts more effort into convincing Parliament about the need to introduce a 'tolerable risk of error' than into persuading Member States of the need for mandatory national management declarations;

Simplification

69. Emphasises that control systems are a reflection of the complexity of regulations and rules on the various, sometimes overlapping levels; urges the Commission, therefore, to speed up the simplification exercise whilst fully involving Parliament, and asks Member States and regions to make corresponding efforts to that end;

Interinstitutional debate on the current discharge procedure system

70. Calls on the Commission to organise an interinstitutional discussion involving in the initial phase, at the highest level, representatives of the Council, of the Commission, of the Court of Auditors and of Parliament, and in the second phase representatives from the Member States, of national parliaments and supreme audit institutions, with a view to embarking on a comprehensive debate on the current discharge procedure system;
71. Proposes to give the Commission, during the forthcoming budgetary procedure, the financial resources needed to organise such debate;

Political responsibility and administrative responsibility at the Commission

Annual activity reports

72. Regrets that, in the 2008 Annual Report, the Court once again stresses that some of the annual activity reports still do not include sufficient evidence for its DAS; invites the Court of Auditors to include in the different chapters of the Annual Report a detailed analysis of the corresponding annual activity reports;
73. Expresses its concern about the fact that the Court continues to find weaknesses in the operation of supervisory and control systems and in the relevant reservations on the assurance given in the declarations by the Commission's Directors-General, namely as regards their impact on the assurance concerning the legality and regularity of underlying transactions, and reminds the Member States and the Commission of their respective responsibilities in this field;

Transparency and ethics

74. Insists that the public must have access to information on all members of expert groups and working groups working with the Commission as well as disclosure concerning beneficiaries of EU funding;
75. Insists that the Commission must be responsible for ensuring the completeness, searchability and comparability of the data provided concerning the beneficiaries of EU funding, including details of recipients and their projects;
76. Welcomes the fact that the information on EU funding beneficiaries is to be published more widely and on an easily accessible and user-friendly website, and calls for standardisation of the structure and presentation of national, regional and international sites accessible from a central portal;

77. Emphasises once again the need to revise the present Code of Conduct of the Members of the Commission in order to remedy shortcomings such as: (a) the absence of any definition of the term 'conflict of interest', (b) the failure to prescribe a course of action if a conflict of interest arises, (c) a lack of clarity with regard to the acceptance of gifts and hospitality, and (d) the absence of any body designated to look into complaints as well as to relieve the President from the (possible) duty of self-assessment;
78. Expects the Commission to begin the process of consulting Parliament on revision of the present Code of Conduct of the Members of the Commission in accordance with the common understanding reached on 27 January 2010 between President José Manuel Barroso and Parliament's Working Party on the revision of the Framework Agreement between the Parliament and the Commission, and to adopt the revised version of its Code of Conduct of the Members of the Commission by August 2010 at the latest, whilst observing that this revision should have been done prior to the appointment of the new Commission;
79. Recalls the importance of complete transparency and publicity with regard to staff working in the cabinets of Members of the Commission who have not been recruited in accordance with the Staff Regulations;
80. Also recalls that the binding Code of Conduct of the Members of the Commission should incorporate the necessary ethical rules and the principal guidelines to be observed by Commissioners in the conduct of their office, in particular when appointing colleagues, especially to their cabinets;
81. Calls on the Commission to ensure that all staff are well trained and properly briefed about their obligations and rights under Articles 22a and 22b of the Staff Regulations;

Governance and administrative reform

82. Notes the small decrease (from 31,8 % in 2007 to 30,9 % in 2009) in staff allocated to 'administrative support and coordination functions', which forms only part of the overall overhead; recalls its previous demands for measures aimed at attaining a proportion of 20 % in this area (paragraph 217 of its above-mentioned resolution of 23 April 2009);
83. Urges the Commission to submit, together with the preparatory documents for the 2011 budget (formerly working documents relating to the preliminary draft budget), an establishment plan implementing a 3 % reduction in this field as a first step towards reaching the 20 % level by the end of the term of office of the Barroso II Commission;
84. Calls on the Commission, in the run-up to review of the Staff Regulations of officials and Conditions of Employment of other servants, to devise and submit alternative methods for the adjustment of the pay of officials and other servants on a proper legal and actuarial basis; considers that this should bring about a broader basis of calculation for the annual adjustment and a prompter pay adjustment, and thus more appropriately reflect general economic developments in the Member States;
85. Calls on the Commission to assess the value of placing candidates in entry pay grades solely in the light of their suitability and to put forward proposals for placing qualified staff in higher pay grades; expects also, as part of the assessment, a report on the practical use of cabinet members after they leave office and in relation to the entry conditions they were expected to fulfil;
86. Calls on the Commission to state its position on the extent to which the savings foreseen in the 2004 reform of the Staff Regulations have actually been achieved, especially with regard to the increase in contributions by officials and other servants in the areas of health care and pensions;
87. Proposes that the Commission split the hierarchical power between people with accounting responsibility and those responsible for transferring funds in application of the normal security rules for internal control in treasury management;

Management of the agencies

88. Recalls its demand (paragraphs 254 and 255 of its above-mentioned resolution of 23 April 2009) for the development and implementation of a general management system for the 'regulatory agencies' as well as for the introduction of an effective monitoring system for the Union agencies;
89. Stresses in that regard that, notwithstanding the legally independent status of certain agencies, the Commission remains responsible for the implementation of the budget (in accordance with Article 317(1) of the Treaty on the Functioning of the European Union, Articles 54, 55 and 185 of Regulation (EC, Euratom) No 1605/2002 and Article 37 and Article 41(2) of Regulation (EC, Euratom) No 2342/2002);

European Anti-Fraud Office (OLAF)

90. Is concerned at the number of investigations taking over nine months and the low level of follow-up in national judiciaries of cases investigated by OLAF, and believes that an assessment of the staffing resources in OLAF should be carried out in order to see whether increased staffing could bring improvements in these two areas;
91. Welcomes the undertakings of 15 January 2010 by the new Commission to unblock discussions in the Council about the reform of OLAF and to come forward, at the latest by July 2010, with the promised and long overdue Commission's 'reflection paper' as a basis for negotiations in the Council;
92. Reiterates the importance of taking into account Parliament's first-reading position of 20 November 2008 on a proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1073/1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) ⁽¹⁾, and wishes to re-emphasise that, for the future strength of OLAF, it should remain within the Commission whilst retaining its independence; recalls that Article 317 of the Treaty on the Functioning of the European Union places an enhanced responsibility on the Member States and thus supports Parliament's continuous call for improved cooperation by the Member States with OLAF;
93. Wishes to have early sight of the proposal for the establishment of a European Public Prosecutor's Office (EPPO) as envisaged in Article 86 of the Treaty on the Functioning of the European Union; wishes to be involved in the discussions about the establishment of an EPPO;
94. Requires the Commission to come forward, as a matter of urgency, with its promised and long-awaited 'reflection paper', and reiterates the importance of Parliament's above-mentioned first-reading position of 20 November 2008 on the subject; wishes to re-emphasise that, for the future strength of OLAF, it should remain within the Commission whilst retaining its independence; stresses its proposals regarding the post of Director-General of OLAF, as contained in Parliament's position, and calls for the successful candidate to be appointed very quickly; takes the view that the selection procedure needs to be carried out in an interinstitutional framework which fully respects Parliament's prerogatives;
95. Reaffirms its opinion that the procedure for the appointment of the interim Director General of OLAF must follow mutatis mutandis the rules contained in the act providing for OLAF's legal basis, namely Article 12 of Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) ⁽²⁾; deplores the Commission's general application of the Staff Regulations and is concerned that the Commission's position may affect OLAF's effectiveness;

⁽¹⁾ OJ C 16 E, 22.1.2010, p. 201.

⁽²⁾ OJ L 136, 31.5.1999, p. 1.

SECTORAL ISSUES**Revenue**

96. Welcomes the fact that the Court considered that, overall, the Member States' statements regarding traditional own resources sent to the Commission were reliable and free from material error and also that the VAT- and GNI-based own resources were correctly calculated and correctly collected and entered in the Community accounts by the Commission;
97. Takes note, with deep concern, of the Commission's report on the Greek government deficit and debt statistics (COM(2010) 1), which raises serious doubts concerning the reliability of the data delivered by the Greek authorities; calls on the Commission to establish by its own investigations the validity of the data made available in 2008 and to confirm the regularity and legality of the calculation and contribution of the own resources made available;
98. Asks the Commission to present its plans on the future handling of operations with the Greek administration; stresses that staff involved in the management of European funds must be excepted from cost-cutting measures in order to ensure the maintenance and integrity of the management structures;
99. Notes however, regarding the VAT-based own resources, that reservations dating back as far as 1989 continue to exist, and calls on the Commission, in cooperation with the Member States, to continue its efforts to ensure that reservations are lifted within reasonable timescales;
100. Asks the Commission, regarding GNI-based own resources, to follow the Court's recommendation in point 4.36 of its 2008 Annual Report and to communicate to Parliament details of the progress made in applying direct verification and assessing supervisory and control systems in Member States' national statistical institutes;

The common agricultural policy

101. Welcomes the positive assessment by the Court, based on its audit work, that, save as regards Rural Development, the payments for the year ended 31 December 2008 for the Agriculture and Natural Resources policy group were free from material error; is pleased to note that the average EU 27 error rate is below the 2 % threshold tolerated by the Court;
102. Notes with concern the extreme spread of on-the-spot error rates by Member State in the implementation of area aids (France 0,20 %, United Kingdom 0,24 %, Germany 0,3 %, Greece 3,70 %, Romania 12,57 %, Bulgaria approximately 6 %) and insists that the overall credibility of the system must not be jeopardised; calls for well directed, immediate measures resulting in both administrative relief for outperforming Member States and effective countermeasures;
103. Regrets the Court's finding concerning Rural Development expenditure, which is still affected by a high level of errors, although the estimated error level was lower than in previous years;
104. Welcomes the evaluation made by the Commission concerning the quality of the statements and annual summaries presented by Member States for Agriculture expenditure, which concluded that, in 2008, the majority of them complied with their legal obligations and generally followed the Commission guidelines;
105. Reiterates, as in previous years, that the IACS is generally an effective control system for limiting the risk of error or irregular expenditure, but nevertheless regrets that the Court found significant weaknesses in selected paying agencies in three Member States: Bulgaria, Romania and the United Kingdom (Scotland) (point 5.32 of the 2008 Annual Report); acknowledges, however, that steps were taken to address these weaknesses;

106. Calls for a simplification of complex rules and more precise definitions of eligibility criteria, especially for agri-environmental schemes, first of all at Commission level but also at national level, in the context of the rural development plans, and asks also for all stakeholders to be given more comprehensive and clearer instructions and guidelines, and for training actions to be organised;
107. Regrets the fact that the Land Parcel Identification System (LPIS) applied by national authorities is still not correct in some Member States in which substantial deficiencies were reported by the Court (in Bulgaria, Spain, Poland and the United Kingdom); notes that different measures have been taken at national level to address the deficiencies;
108. Also expresses its concern about the errors in respect of expenditure under the SAPARD Programme in Bulgaria and Romania, which caused the Directorate-General for Agriculture to make a reservation in its Annual Activity Report; notes the action plans already in place in response to the Commission's recommendations;
109. Emphasises the importance of prompt and thorough ex-post audits to detect ineligible expenditure and/or inadequate supporting documentation, in order to allow the necessary corrections to be made;
110. Is concerned by the shortcomings found by the Court concerning the Member States' definition of what is required to maintain land in good agricultural and environmental condition (GAEC), such that certain beneficiaries are paid aid under SPS or SAPS without doing anything with the land concerned (point 5.49 of the 2008 Annual Report);
111. Considers that these weaknesses, including the question of beneficiaries who do not meet the definition of 'farmers', as denounced by the Court in the 2008 Annual Report, should be resolved by the Commission in order to provide a greater level of assurance which can be gained from the work of the certification bodies;
112. Takes note of the conclusions of the Court and therefore urges the Commission to improve checks in those Member States which did not comply with Community legislation when allocating entitlements beyond the provisions of the regulations;
113. Notes that the Commission raised shortcomings in respect of the debtors' accounts for one quarter of the paying agencies and has proposed financial corrections amounting to some EUR 25,3 million; further notes that these corrections represent some 1,95 % of the EUR 1 295 million that are to be recovered as at the end of financial year 2008; stresses that, whilst just below the 2 % level of materiality, they indicate that a risk of material error at the overall level of the debtors' accounts exists;
114. Asks the Commission to carry out a detailed follow-up to ensure that the debts are correct and properly charged to the Community budget;

Cohesion

115. Notes that interim payments for the period 2007-2013 made in 2008 account for only 32 % of expenditure and that the comments of the Court of Auditors refer, in particular, to expenditure during the 2000-2006 programming period, which represented 68 % of cohesion payments in 2008; notes, therefore, that the effects of the reinforcement of the legal framework for the period 2007-2013 and the simplification measures adopted in 2008 and 2009 cannot be visible yet;
116. Stresses the absolute priority of further reducing global error rates, which remained high in this spending area in 2008, and of improving the Commission's supervision and the system of recoveries;

117. Is concerned that errors in the area of Cohesion funding indicate that at least 11 % of the total amount reimbursed should not have been paid out, with no improvement on 2007; regrets that financial corrections and recoveries are only partly functional; notes that the following financial corrections have been made for the 2000-2006 programming period: Spain EUR 1 535,07 million; Greece EUR 881,24 million; Italy EUR 693,90 million; France EUR 248,48 million; United Kingdom EUR 155,94 million; Portugal EUR 128,24 million; Poland EUR 88,99 million; Hungary EUR 40,62 million; Slovak Republic EUR 39,16 million; Ireland EUR 25,55 million; Germany EUR 19,33 million; Sweden EUR 11,30 million;
118. Notes with concern the difficulties encountered by Member States' authorities as regards both the transposition of the 2007-2013 regulatory requirements (such as incompatibility issues between EU and national levels, delays in the establishment of the rules, unclear rules) and the establishment of the new management and control systems (allocation of tasks for the new institutions, i.e. the managing, certifying and audit authorities);
119. Deplores the fact that the system of sanctions for Member States returning high error rates and receiving large shares of funds is inefficient since they only repay between 3 % and 5 % of the overall appropriations in recoveries; is concerned that the cost of maintaining proper control systems manifestly exceeds this amount, so that this is a negative incentive;
120. Reiterates its call for further simplification of the rules proposed by the Commission and, at the same time, for the introduction of more efficient controls at national and EU level, with a view to effective implementation of the Structural and Cohesion Funds; takes the view that an objective assessment of the effects of the simplification measures introduced in 2008-2009 is essential, and calls on the Commission to carry out this assessment by the end of 2010;
121. Takes note of the concern expressed by the Court of Auditors at the difficulties of taking a definitive and unchangeable snapshot, solely in the annual report, of the changing and progressive reality that is the Cohesion Policy budget, subject to a multiannual and dynamic schedule in which the final percentages of errors and irregularities with consequences, and the real amounts subject to recovery, can be verified only at a much later stage (the Commission has just closed the accounts for the 1994-1999 period); to that end calls on the Commission to present, in addition to the current Action Plan, a proposal in cooperation with the Court of Auditors for solving these phasing difficulties between the multiannual budgetary framework and the annual auditing system; considers that such a proposal would also be useful to ensure there is more efficient control of major European projects such as Galileo;
122. Notes that the action plan to strengthen the Commission's supervisory role under shared management of structural actions, presented in 2008, was not fully implemented in 2008 and would not have remedied the main problem, namely that of over-complex rules combined with implementation requirements which differ from one Member State to another and sometimes even between different regions; asks the Commission to provide for translation in due course of the guidelines for public authorities in the Member States; stresses moreover that its impact cannot be assessed as errors committed in previous years are still affecting the expenditure reimbursed by the Commission, as the Court has rightly pointed out in its Annual Report (point 6.34);
123. Considers that, despite the marked improvement in the management and control systems introduced by the 2008 action plan, which strengthened the Commission's supervisory role in structural actions, the fact that, as observed by the Commission, only 31 % of systems work well and that more than 60 % require improvement is unsatisfactory; therefore calls on the responsible Member States, regional authorities and managing authorities to collaborate strongly with the Commission in an effort to reverse these statistics;
124. Notes the result of the audit showing a preliminary error rate of 5 % which reflects the positive result of the simplification introduced for the 2007-2013 programming period;

125. Observes that the Commission's action plan has enabled it to take action along all the lines recommended by the Court of Auditors; welcomes the Commission's actions providing training and guidance for programmes authorities with a view to improving the functioning of the shared management system applied in relation to cohesion policy spending; encourages the Commission to further increase its efforts by providing guidance to Member States and encouraging them to strengthen recovery procedures and reporting;
126. Notes the observation of the Court of Auditors that the proportion of projects in the representative statistical sample affected by errors was 43 % and that a large number of these were over-reimbursed; considers, however, that this observation must be tempered by the Commission's assertion that it was aware of the existence of deficiencies in five of the six programmes concerned and had taken remedial action; notes the Commission's second assertion, supported by the observation of the Court of Auditors at point 6.20 of its Annual Report, that 58 % of errors concern compliance errors and would have had no effect on the reimbursement of expenditure;
127. Notes that infringement of public procurement rules is one of the most frequent reasons underlying irregularities; calls on the Commission to verify the origin of this lack of compliance with those rules; welcomes in this context the findings of the Court of Auditors and the initiatives taken by the Commission to simplify the management of the Structural Funds, and takes the view that these initiatives will contribute to a reduction in the incidence of errors;
128. Encourages the Commission to present by 2011 at the latest a proposal on tolerable risk of error in the Cohesion policy area, which has been the most error-prone area;
129. Calls on the Commission to make an initial analysis, as a matter of urgency, of the cost-benefit ratio existing between the resources dedicated to control activities in DG REGIO and DG EMPL and the results obtained by these controls;
130. Notes that the first positive effects of the reinforced control and legal framework, as well as the Commission's action plan, on the error rate for the 2007-2013 programming period are likely to be visible only from the end of 2010;
131. Is concerned that, with the 2000-2006 programming period coming to an end, national authorities, under pressure to absorb all committed funds, may have submitted an increasing number of unforeseen projects; stresses the need to ensure that this situation will not be repeated in the current programming period and calls on the Commission to strictly apply corrective and dissuasive measures (suspensions of payments and financial corrections) against Member States where appropriate;
132. Deplores in this context the slow start-up of programmes related to the 2007-2013 programming period due to the late submission by Member States of compliance assessment reports and audit strategies; shares the Court's views and is worried that this delay might increase the probability that the control systems fail to prevent and detect errors during the start-up phase; again calls on the Commission to perform its supervisory role with the utmost rigour;
133. Requests the Commission to identify and spread best practices amongst Member States in order to allow an increased absorption of funds and improved beneficiary cash-flow by amending and simplifying the Structural Funds implementing regulations at national level;
134. Notes the observation of the Court of Auditors that, for the 2007-2013 programming period, control provisions are strengthened and the respective responsibilities of the Commission and Member States clarified; in this context, appreciates the added value of the audit authority set up for each programme and shares the Commission's expectation that the annual control report and opinion submitted by the audit authority should enhance the assurance provided by national control systems;

135. Requests the Commission to provide it, in its forthcoming synthesis report and its DGs' annual activity reports, with clear information identifying those Member States the control systems of which are the least effective and producing an annual grading of Member States for each fund; moreover, invites the Court to draw up the same list on the basis of its audits;
136. Draws attention to the Court's observation, similar to that for the year 2007, that the scope and scale of the reservations in the annual activity reports understate the gravity of the problems of irregularity and ineffective control systems; takes the view, therefore, that the DGs' approach should be more prudent and the scope of the reservations consequentially greater;
137. Draws attention to the specific character of the cohesion policy spending resulting from the multi-annual management system and stresses that the financial corrections are made in subsequent years and also at the closure of the programming period, which, overall, allows the Commission to detect and correct a large number of irregularities;
138. Welcomes the quarterly reports which the Commission is providing on financial corrections and the intensification of financial corrections by the Commission in 2008 and 2009; regrets, however, that the system of financial corrections has little dissuasive effect on Member States since any ineligible expenditure identified by the Commission or the Court can be substituted for eligible expenditure by a Member State; takes the view that the Commission should make sure that, in future, only irregularities identified by Member States themselves can be substituted for other expenditure without any loss of funding for the Member State concerned;
139. Deplores the poor quality of reporting by some Member States to the Commission on recoveries and financial corrections, which limits the usefulness and completeness of the Commission's quarterly reports to Parliament; calls on the Commission to take further steps to ensure that Member States fulfil their obligations by rigorously verifying and assessing the reliability and completeness of the reported data, and looks forward to receiving the new guidance note to certifying authorities, including the Commission's recommendations for improving reporting procedures; requests the Commission to identify in its forthcoming synthesis report those Member States that are not fully complying with the reporting requirements;
140. Notes that the number of irregularities reported by the Member States to OLAF for the year 2008 varies widely: Italy 802, Spain 488, United Kingdom 483, Portugal 403, Germany 372, Poland 329, the Netherlands 262, Sweden 146, France 98, Greece 96, Czech Republic 80, Slovak Republic 62, Hungary 39, Austria 37, Belgium 35, Estonia 28, Finland 28, Lithuania 26, Latvia 22, Slovenia 13, Cyprus 4, Bulgaria 4, Ireland 2, Malta 1, Romania 0; is concerned that this does not point towards a coherent reporting system;
141. Notes that no case of fraud was communicated to the Commission in respect of projects audited and stresses that the level of errors outlined in the report of the Court of Auditors does not necessarily refer to fraud;
142. Asks the Commission to constantly monitor the plausibility of the reported numbers and to verify on the basis of its own investigations the efficiency of reporting systems where the reported number of irregularities appears to be excessively low;
143. Calls on the Commission to provide detailed information on the implementation figures and distribution schemes for payments made out of the European Union Solidarity Fund by the Greek authorities following the devastating forest fires; calls on the Commission to provide information on the ex-post controls carried out and the results thereof;

144. Welcomes the decision of the Court of Auditors to include in the 2010 Annual Work Programme the audits on the ESF and the ERDF in the field of tourism, vocational training for women and public drinking water supply, which are of particular importance for the development of local communities;
145. Invites the Court of Auditors to assess how the external evaluations in respect of the Structural and Cohesion Funds are performed by the managing authorities, and to pay particular attention to the independence of the evaluation when it is paid for by the evaluation beneficiary;
146. Invites the Court of Auditors to assess, in terms of human resources, the capacity of Member States' audit authorities to perform audits and their independence when carrying out the compliance assessment of the management control system;

Employment and social affairs

147. Welcomes the fact that, in the context of the resources allocated to the European Social Fund (ESF), the utilisation rate for commitment appropriations was 100 % (EUR 10,6 billion) and for payment appropriations 97,1 % (EUR 8,8 billion); acknowledges the Commission's efforts to improve financial management;
148. Has evidence of a lower error rate in the ESF than the 11 % reported for Structural Funds in general; encourages the Commission to put its own figure on the ESF error rate and to examine the possibility of greater autonomy for the ESF in the forthcoming financing period;
149. Recalls that it is for the Directorate-General for Employment, which administers the funds, to adopt appropriate measures to prevent fraud and corruption; welcomes the close cooperation with OLAF; calls for assurances that national judicial authorities will also continue to investigate and punish instances of fraud in the ESF;
150. Notes that the error rate does not necessarily refer solely to fraud, and calls, therefore, for a clear distinction to be made between instances of fraud and error rates in the future;
151. Welcomes the Commission's efforts to hold all Member States fully to account through annual audit control reports and summary annual reports; calls for an appraisal of the reporting requirements, with a view to ensuring that information is not sought twice; considers the failure to provide accountability reports, or the provision of incomplete reports, by national administrative and control bodies, as well as any contravention of the minimum requirements laid down in the financial regulations, to be unacceptable and punishable; calls on the Commission, therefore, to develop proposals to improve and expand the existing reporting requirements, incorporating a sanctions mechanism;
152. Notes the scope for conflicts of interest between those responsible for managing funding and beneficiaries of funding in the allocation process; calls on the Commission to take steps to enforce the rules on the prevention of conflicts of interest in the allocation process by providing national administrations with adequate resources;
153. Underlines the specific needs of target groups and project leaders in the ESF; suggests that the co-financing of projects should also include voluntary activities in non-profit-making organisations and contributions in kind; calls on project leaders to furnish an updated survey by Member State and by project on the administrative costs of the ESF;

154. Recalls the latest amendments made to the Structural Fund Regulations (Regulation (EC) No 1341/2008 ⁽¹⁾, Regulation (EC) No 284/2009 ⁽²⁾, Regulation (EC) No 396/2009 ⁽³⁾, Regulation (EC) No 397/2009 ⁽⁴⁾ and Regulation (EC) No 846/2009 ⁽⁵⁾) with the aim of simplifying administrative procedures; calls for a report on the effects of these amendments;
155. Notes that such simplification procedures are key to reducing administrative burdens at national, regional and local levels; stresses the importance of ensuring that such procedures do not lead to a higher error rate in the future;

Internal policies

Research, Energy and Transport

156. Welcomes the slight reduction in errors compared to previous years for this policy group as well as the improvement concerning late payments, the Court having found that the Commission considerably improved its performance in 2008 in making timely payments to beneficiaries;
157. Urges the Commission to do its utmost to maintain the positive 2008 trend in this area, which is under the Commission's direct financial management;
158. Nevertheless, notes with concern that, in general, as regards research, energy and transport the Court's audit once again reveals a material level of error in payments to beneficiaries and in the Commission's supervisory and control systems, which do not sufficiently mitigate the inherent risk of reimbursement of overstated costs;
159. Is especially concerned by the outstanding reservation made by the four Research family services due to the rate of residual errors affecting cost claims in the Sixth Framework Programme (FP6);
160. Notes also the systemic disparity in the treatment of the EU's funds' recipients in different sectors, programmes and management modes;
161. Is concerned that the EU's public image may suffer as a result of the stakeholders' realisation that stricter control systems are applied to the agricultural domain than to research implementation;
162. Notes that some legal provisions regarding research funding (e.g. concerning sanctions) were not applied previously, and calls on the Commission to end this state of affairs and to ensure the full and consistent application of the existing legal provisions;
163. Recalls at the same time its demands raised in its above-mentioned resolution of 23 April 2009 (paragraph 117 et al.), in particular its request for abstention from any retroactive changes and for beneficiaries' legitimate expectations to be honoured, as well as speeding up the acceptance of certificates concerning the methodology applied in relation to average personnel costs, where no visible progress has been achieved; calls on the Commission, for the purposes of good law-making, to submit realistic proposals in terms of both targets and procedures in the future;

⁽¹⁾ Council Regulation (EC) No 1341/2008 of 18 December 2008 amending Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund, in respect of certain revenue-generating projects (OJ L 348, 24.12.2008, p. 19).

⁽²⁾ Council Regulation (EC) No 284/2009 of 7 April 2009 amending Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund concerning certain provisions relating to financial management (OJ L 94, 8.4.2009, p. 10).

⁽³⁾ Regulation (EC) No 396/2009 of the European Parliament and of the Council of 6 May 2009 amending Regulation (EC) No 1081/2006 on the European Social Fund to extend the types of costs eligible for a contribution from the ESF (OJ L 126, 21.5.2009, p. 1).

⁽⁴⁾ Regulation (EC) No 397/2009 of the European Parliament and of the Council of 6 May 2009 amending Regulation (EC) No 1080/2006 on the European Regional Development Fund as regards the eligibility of energy efficiency and renewable energy investments in housing (OJ L 126, 21.5.2009, p. 3).

⁽⁵⁾ Commission Regulation (EC) No 846/2009 of 1 September 2009 amending Regulation (EC) No 1828/2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (OJ L 250, 23.9.2009, p. 1).

164. In that regard, notes with deep concern that only one certificate concerning the methodology applied in relation to average personnel costs has been approved;
165. Regrets also the lack of clear information concerning Galileo assets; asks the Commission to obtain the information needed in order to draw up an inventory, to verify the recognition criteria and to assess the valuation of the Galileo assets held by the European Space Agency; requests the Commission to send this information to Parliament before the end of 2010;
166. Is concerned that the current regulation of the existing Framework Programme does not correspond to the needs of a modern research environment and believes that further modernisation and simplification are essential for a new Framework Programme;
167. Considers that simplification of the calculation rules for claimed costs is necessary in order to improve the situation, and invites the Commission to continue its efforts to devise the most easily applicable rules for beneficiaries of the programmes; asks for a clear definition of the necessary criteria for assessing whether beneficiaries' costing methodologies comply with the regulatory requirements;
168. Stresses that the Commission must ensure rigorous application of the controls, in particular by improving the reliability of audit certificates and through effective implementation of its ex-post audit strategy, imposing penalties where appropriate and making timely recoveries or adjustments in cases of undue reimbursement of claimed costs, as recommended by the Court;
169. Also requests the Commission to reflect on the distribution of activities between the research DGs, which, combined with the absence of an integrated management information system, according to the Court renders coordination more difficult, in particular for the follow-up of audit results;

Environment, Public Health and Food Safety

170. Considers the overall implementation rates of the budgetary headings for the environment, public health and food safety satisfactory;
171. Underlines the overall rate of 95,15 % of the budget execution in the field of the environment, the 99,75 % implementation of commitment credits in the field of public health and the 98 % execution of the food safety and animal health chapter, which represents a satisfactory result;
172. Notes that under the 2008 budget six pilot projects and preparatory actions were implemented;
173. Welcomes the achievement of 99,26 % of the implementation of the LIFE + operational budget; notes that 196 projects were selected; notes that 52 % of funding granted was awarded to 'nature and biodiversity' projects; considers, however, that there is still room for improvement in the Commission's management so as to ensure the sustainability of co-financed projects;
174. Notes in that regard that improvements could be achieved by ensuring that supporting measures are already in place when calls for proposals are launched, by further improving the dissemination of knowledge generated by LIFE projects and by strengthening the systematic follow-up of projects after their closure;
175. Calls on the Commission to develop further assistance and specific training for applicants and user-friendly guidelines; stresses that immediate attention should be given to those programme parts where the level of implementation has become low and to act accordingly;
176. Underlines the importance of providing further and focused assistance to applicants engaged in implementing projects under the public health programme, in order to avoid unreasonable cost claims and incomplete financial reports, which result in lengthy procedures; additionally, considers that calls for tenders must be clear and user-friendly, in order to avoid project applications which are clearly not eligible for funding due to their size and associated high costs or which are of poor quality;

177. Notes with satisfaction the successful implementation of the Community Tobacco Fund, and is confident of the importance of that instrument;
178. Reminds the Commission of its responsibility towards the Executive Agency for Health and Consumers (EAHC); notes that the EAHC was managing 256 cost-shared projects, representing a total of EUR 119 million from the EU budget, and that it organised expert meetings as well as information days; regards the performance of the EAHC in 2008 as satisfactory;

Internal Market and Consumer Protection

179. Regrets that the annual activity reports of the Commission Directorates-General and Services are available on-line in only one language; urges the Commission to improve the situation as regards the coming year's reports;
180. Points out that, in many situations, errors made in the implementation of the budget are a consequence of the excessive complexity of expenditure rules and procedures; encourages the Commission, therefore, to make further efforts to simplify the legal framework, notably in order to solve remaining problems in some control systems;
181. Deplores the fact that the frequency of physical checks done by Member States on imports remains very low, despite the frequent recommendations of the Court of Auditors and the fact that customs duties represent a considerable amount of the total revenue for the 2008 budget; consequently, calls on the Commission to ask Member States to find an appropriate balance between physical checks at import and the post-clearance audits of operators;
182. Welcomes the improvements made to achieve an execution rate of 92 % for payment credits for the implementation and development of the internal market (budget line 12 02 01); notes the execution rate of 48 % for the SOLVIT Programme (budget line 12 02 02) which is due to use of payment credits only in the first year of the creation of this budget line; acknowledges, therefore, the fact that the execution rate for commitment credits has reached 97 %;
183. Acknowledges that an execution rate of 97 % for payment credits in the area of customs policy (budget lines 14 04 01 and 14 04 02) constitutes a considerable improvement in relation to the previous year due to an improved calculation method, and encourages the Commission to continue in this vein;
184. Appreciates the efforts made to reach an execution rate of 97 % for payment credits for the consumer programme (budget lines 17 02 01 and 17 02 02);

Transport and Tourism

185. Notes that in the 2008 budget, as finally adopted and amended during the course of the year, specifically for policies within the remit of the Committee on Transport and Tourism, a total of EUR 2 516 000 000 was included in commitment appropriations and EUR 1 703 000 000 was available in payment appropriations; notes further that, of these amounts:
- EUR 969 425 000 was available in commitment appropriations for Trans-European Networks for Transport (TEN-T) and EUR 892 308 000 in payment appropriations,
 - EUR 13 600 000 in commitment appropriations and EUR 10 000 000 in payment appropriations was available for transport safety,
 - EUR 39 080 000 in commitment appropriations and EUR 37 958 000 in payment appropriations was available for the Marco Polo programme,
 - EUR 96 160 000 was available in commitments and EUR 98 000 000 in payments for the transport agencies and the Galileo Supervisory Authority,

- EUR 468 472 000 in commitment appropriations and EUR 345 402 000 in payment appropriations was available for transport, including a priority area dedicated to sustainable urban mobility, in the Seventh Framework Programme for Research and Development,
 - EUR 5 350 000 was available in commitment appropriations for transport security, including the priority action aimed at facilitating cross-border traffic on the EU North-East external border-crossing points,
 - EUR 2 500 000 in commitment appropriations and EUR 1 500 000 in payment appropriations was available for tourism;
186. Notes that, in considering the implementation of the budget for the 2008 financial year, the Court of Auditors has chosen to focus on energy and research policies rather than on transport policy;
187. Welcomes the continuing high utilisation rates of both commitment and payment appropriations for TEN-T projects, both reaching almost 100 %, and calls on Member States to ensure that adequate funding is made available from national budgets to match this EU commitment; recalls that Parliament supported a higher level of Union funding; notes that the review of the TEN-T priority projects in 2010 will be the occasion to assess whether this expenditure has been sufficient and effective;
188. Is concerned that, for the second consecutive year, there has been a low uptake of payment appropriations for transport safety (79 %); notes that the uptake of payment appropriations for the Marco Polo II programme was particularly low (40 %) and that only 67 % of payments for the optimisation of transport systems was taken up; recalls that, in all these cases, the amount in the 2008 budget was the one proposed in the Commission's preliminary draft budget (PDB);
189. Regrets the exceptionally low take-up rate of payment appropriations for passenger rights (27 %); notes that the payments undertaken represent only 55 % of the amount proposed by the Commission in its PDB; underlines that investing in, inter alia, information to passengers on their rights is of high importance for the effective application of the rules;
190. Insists that the take-up rate of payment appropriations for the Galileo programme (50 %) is inadequate, given its importance for the sustainable logistics and transport sectors;
191. Calls on the Commission to provide a detailed explanation of this underspending and to give an account of the measures it will take to ensure that the problem does not recur in future;
192. Notes that sampling checks on transactions reveal a margin of error most probably between 2 % and 5 %; calls on the Commission to intensify its efforts to bring this figure down to below 2 %;
193. Notes with satisfaction that the Court of Auditors has taken the view that the annual accounts of the Trans-European Transport Network Executive Agency are legal and regular in all significant aspects; is concerned about the delays in recruitment and welcomes the Agency's objective of filling posts that are currently vacant;
194. Regrets the lack of data on actions in the field of tourism and welcomes the new legal and economic framework provided by the Lisbon Treaty, which allows the development of actions at the European Union level (social and cultural tourism, destinations of excellence, etc.) in this sector supported in a multiannual budgetary framework;
195. Repeats its demand to the Commission to forward to Parliament and to the Council, each year, a more detailed description of expenditure against each budget line compared with the comments/remarks made in respect of the line;

Culture and Education

196. Welcomes the Commission's efforts to achieve greater transparency and customer-friendliness, and supports further steps in that direction; requests, for the upcoming mid-term reviews of the multi-annual programmes, that an in-depth assessment be carried out of implementation and management structures; recommends the inclusion of elements to measure client satisfaction in relation to national agencies; recalls in this context that almost 70 % of the funds of the multiannual programmes are implemented through national agencies;
197. Supports the guidance provided by the Commission to national authorities as regards the supervision of the work of national agencies with a view to further facilitating programme management in Member States; encourages the Commission to continue the active monitoring of programme management by national agencies, in order to avoid interruptions in the implementation of parts of the multiannual programmes; supports the strict line taken by the Commission of suspending payments to national agencies in cases where management weaknesses are detected; calls on all parties involved to avoid the negative consequences for beneficiaries caused by such failures; calls on the Commission, in the interests of transparency and cost control, to separate the organisational and staff costs of national agencies from funds to be paid in grants;
198. Draws attention to the dangers of control measures which are disproportionate to the budgets administered; considers that the relevant control requirements must not under any circumstances result in pressure to make increases in scale which will raise the threshold for participants;
199. Calls on the Commission, in the light of the revision of the Financial Regulation, to work towards a new arrangement under which beneficiaries can be allowed to acquire more assets without having to fear that this will result in a reduction in the support allocated to them on the basis of EU co-financing;
200. Calls on the Commission, together with the national agencies, to seek a reasonable and flexible solution to the problem of interest on unspent decentralised budgets, on which withholding tax is paid in the Member States but which national agencies must repay in full;
201. Notes the significant reduction of errors related to payments; considers, however, that further improvements are needed for interim and final payments; calls on the Commission to supervise more closely the annual ex-post declaration process in respect of the Lifelong Learning Programme, by means of monitoring visits and direct verification;
202. Calls on the Commission to review the bureaucratic obstacles impeding the 'Youth in Action' Programme; calls especially for the measures under Actions 1.1 and 1.3 of the Programme to be made available as low-threshold services; emphasises that selection criteria must be transparent and comprehensible for applicants; calls on the Commission to consider the introduction of a new mode of allocation of funding under the 'Youth in Action' Programme so as to make funding available to small-scale and youth projects which are unable in the current situation to raise their own finance;

Civil Liberties, Justice and Home Affairs

203. Notes a relative decrease in the level of implementation of commitments of the budget for the Area of Freedom, Security and Justice in 2008 compared to 2007 (87,51 % in 2008 compared to 90,29 % in 2007); notes that EUR 75 000 000 have been carried over in 2009, but observes that, according to the information received from the Commission services, that amount was committed before 31 March 2009; points out that the implementation level of payments has increased as compared with 2007 (80,88 % in 2008 against 60,41 % in 2007); calls on the Directorate-General for Freedom, Security and Justice to try to continue maximising the level of implementation of commitments and payments in 2009;
204. Regrets that, within the framework of the External Borders Fund, the first pre-financing payments to Member States could not be made by the Commission until the final months of 2008, as the implementing rules were only adopted on 5 March 2008 and some Member States submitted the initial versions of Descriptions of Management and Control Systems as well as of the programming documents with substantial delays or insufficient quality;

205. Notes that in the coming years the discharge for the implementation of the budget for the agencies should be further based on the relevant committee's assessment of the Agency's performance throughout the year;

Second-generation Schengen Information System

206. Is very concerned about the delays in setting up the second-generation Schengen Information System and the implications of these delays for the EU budget and the Member States' budgets; notes that the so-called 'milestone 1 test' concerning the stability, reliability and performance of the SIS II project, carried out at the end of January 2010, was not successful;
207. Recalls the Commission's obligation under Council Regulation (EC) No 1104/2008 of 24 October 2008 on migration from the Schengen Information System (SIS 1+) to the second generation Schengen Information System (SIS II) ⁽¹⁾ and Council Decision 2008/839/JHA of 24 October 2008 on migration from the Schengen Information System (SIS 1+) to the second generation Schengen Information System (SIS II) ⁽²⁾ to submit a progress report concerning the development of SIS II and the migration from SIS I + to SIS II to Parliament and to the Council every six months and for the first time after the first six months of 2009; notes that the first progress report, covering the period from January 2009 to June 2009 (COM(2009) 555) and published on 22 October 2009, is outdated and that the second progress report is not yet available;
208. Reiterates the Council's and Parliament's request to the Commission — made by the Council in its conclusions on the further direction of SIS II of 4/5 June 2009 and by Parliament in its resolution of 22 October 2009 on progress of Schengen Information System II and Visa Information System ⁽³⁾ — that it ensure full transparency as regards the financial aspects of the development of the second-generation SIS;
209. Stresses that the Commission should comply with its reporting obligations in a more timely and transparent manner;
210. Invites the Court of Auditors to carry out an in-depth audit and to present a special report evaluating the management of the SIS II project by the Commission, from the beginning of the project starting with the initial call for tenders;
211. Reserves the right to hold in reserve the funds to be allocated for the development of SIS II in the 2011 annual budget, in order to ensure full parliamentary scrutiny and oversight of the process;

Women's Rights and Gender Equality

212. Reminds the Commission that under Article 8 of the Treaty on the Functioning of the European Union the promotion of equality between men and women is a fundamental principle of the European Union and should be respected in all European Union activities, and therefore should also be traceable in the European Union budget discharge;
213. Regrets that gender budgeting has still not been implemented; therefore reiterates its demand to the Commission to take further steps towards ensuring that gender mainstreaming becomes a reality in budgetary planning;
214. Welcomes the feasibility study ⁽⁴⁾ prepared by the Commission on gender budgeting, and calls on all partners in the European Union budgetary process to take the study into consideration when preparing, implementing or auditing the budget;

⁽¹⁾ OJ L 299, 8.11.2008, p. 1.

⁽²⁾ OJ L 299, 8.11.2008, p. 43.

⁽³⁾ Texts adopted, P7_TA(2009)0055.

⁽⁴⁾ Study to assess the feasibility and options for the introduction of elements of gender budgeting into the EU budgetary process European Commission (DG Budget Specific contract ABAC 132007, Under the Framework Contract BUDG 06/PO/01/Lot 002/ABAC-101922 Final Report May 2008 A).

215. Calls on the Commission to make further efforts to develop gender-specific data that can be included in the budget discharge reports, since the very limited data available so far do not give an appropriate overview of the situation;
216. Invites the Court of Auditors to dedicate a separate part within its discharge reports to gender equality aspects;
217. Welcomes the fact that financing mechanisms for 2007-2013 have been simplified, but regrets that, in spite of this improvement, in 2008 a large number of reimbursements to the Cohesion projects, (to which the European Social Fund and gender equality belong), were again affected by errors; therefore asks the Commission to ensure that financing mechanisms are more effective;

External actions

218. Notes from experience in 2007 and in 2008 that it is essential to ensure that transparency in this policy area continues to improve in terms of expenditure, particularly in view of the setting-up of the European External Action Service (EEAS);
219. Calls on Commission to submit, before the end of the 2008 discharge procedure, concrete, detailed and all-encompassing plans for the staffing, organisational and control structure of the EEAS, showing in particular the increase in and allocation of staff, the envisaged budgetary implications and changes to the Statute and the Financial Regulation, and to enter immediately into negotiations with the budgetary authority on the basis of the proposals submitted; rejects negotiations based on vague framework agreements;
220. Is strongly of the view that Parliament's right of scrutiny as discharge authority should in no way diminish with the setting-up of the EEAS; expects the Commission to bear this ⁽¹⁾ in mind when proposing the review of the current Financial Regulation; stresses that this latter revision should be part of the normal triennial revision; rejects the idea of a fast-track procedure as envisaged by the Commission;
221. Notes with great concern that the Court's overall assessment that the supervisory and control systems of all DGs concerned (AIDCO, RELEX, ELARG and ECHO) are still only partially effective, as well as the Court's conclusion that payments in this policy group were affected by material error; points out that, as previously, errors are to be found mainly at delegation and beneficiary level;
222. Welcomes DG AIDCO's improvements in its supervisory and control systems; however, encourages EuropeAid to make the necessary improvements to its ex-ante checks, to have recourse to external audits and to remedy the inconsistencies and shortcomings in its Annual Audit Plan, in the CRIS audit module and in the overall monitoring of audit results;
223. Urges DG RELEX to strengthen its ex-post controls and to remedy the weaknesses revealed by the Court in respect of its financial management and supervision of projects; welcomes the recognition by DG RELEX of the need to pay more attention to this problem;
224. Draws attention to the substantial number of possible fraud cases (102 cases) under investigation by OLAF in this policy group — the second highest number, just behind internal investigations; welcomes the focus by OLAF on External Aid, in investigative and preventive work and intensified cooperation activities;

⁽¹⁾ See Parliament's resolution of 22 October 2009 on the institutional aspects of setting up the European External Action Service (Texts adopted, P7_TA(2009)0057).

225. Deplores the delays in achieving transparency over EU funds administered by international organisations and especially by the UN (in 'joint management'); deplores the difficulties the Court has had to face, despite the Commission's repeated calls for observance of the Financial and Administrative Framework Agreement (FAFA), in obtaining audit reports and supporting documents from the UN; recognises and welcomes the progress made, in particular the conclusion of an agreement on terms of reference for verification missions in April 2009 and the signature of the joint guidelines on reporting;
226. Appreciates that UN organisations often possess specific experience and expertise not readily found elsewhere; none the less, expresses concern that the Commission does not convincingly demonstrate beforehand whether the choice of a UN organisation is in fact more efficient and effective than other ways of delivering aid ⁽¹⁾; calls on the Commission to implement a more transparent and objective process for selecting aid implementation channels;
227. Notes the ongoing trend of increasing contributions to the multi-donor funds and in particular to the UN, in line with the principles of good donor cooperation; however, expresses its dissatisfaction concerning the persisting problems faced by the Court of Auditors in accessing the financial documents emanating from the UN agencies; welcomes the steps taken by the Commission to facilitate the auditing processes of the Court of Auditors and calls for further measures in order to fully safeguard the financial interests of the European Union and to increase the transparency of the process including, if necessary, modifications to the FAFA;
228. Stresses in this context its deep frustration and dissatisfaction that the Commission has so far failed to act in order to create a truly European instrument for the implementation of crisis management, as it has been asked to do in previous discharge resolutions; once more insists that this should be done urgently, and calls on the new Commission to give itself the possibility of managing multi-donor trust funds itself in the forthcoming revision of the Financial Regulation;
229. Welcomes the positive developments in terms of transparency, goals and international donor coordination brought about by the establishment of the PEGASE mechanism ⁽²⁾, which was built upon the TIM ⁽³⁾ but which is wider in scope as it covers both TIM expenditure and expenses relating to the re-launching of economic activities — budgetary support, the financing of infrastructures and social issues — in line with the Palestinian Reform and Development Plan;
230. Notes the Court's recommendation that clear strategic objectives and measurable performance indicators should be established in the strategy programming documents for the European Neighbourhood and Partnership Instrument; considers that similar steps should also be taken in relation to other external instruments, which continue to be very general in scope;
231. Suggests that the Commission draw up a study assessing the scope for making external policy budgets more flexible; considers that, in view of the budget surpluses which have arisen to date and the still growing needs in this field of policy, scope for greater flexibility should be provided for in advance, although not at the expense of proper budgeting and budgetary control;

Development and humanitarian aid

232. Deplores the finding by the Court's audit that budget support commitments were affected by a high level of non-quantifiable errors; insists that the Commission should assess these payments even more rigorously; notes with satisfaction in this context the review in February 2009 of the financial circuits for this type of payments;

⁽¹⁾ See Special Report No 15/2009 of the Court of Auditors on 'EU assistance implemented through United Nations organisations: decision-making and monitoring'.

⁽²⁾ Mécanisme 'Palestino Européen de Gestion et d'Aide Socio-Economique'.

⁽³⁾ Temporary International Mechanism.

233. Notes with satisfaction the improvement in the clarity and structure of the Commission's assessments of compliance with the requirements of the DCI Agreement (Financing instrument for development cooperation); however, deplores the fact that the Court has found frequent cases in which the Commission did not demonstrate in a structured and formalised manner that public finance management was sufficiently transparent, accountable and effective, or, at least, that a credible and relevant reform programme was in place;
234. Agrees with the Court that the Commission should pursue its efforts to support its decisions on the eligibility of budget support and to ensure that all future financing agreements provide a comprehensive and clear basis for the assessment of compliance with payment conditions;
235. Calls on the Commission, as regards budget support, to bolster supervisory and control systems for ensuring the regularity of payments, to monitor more closely organisations implementing EU-funded projects, to carry out more effective audits, with rigorous follow-up, and to develop more results-oriented budget support guidelines;
236. Urges the Commission to help partner countries develop parliamentary control and audit capacities, in particular when aid is provided via budget support, and invites the Commission to report regularly on progress achieved;
237. Points out that its role as regards budget support is to hold the Commission accountable for the results of spending, and that budget support is an aid instrument which requires a paradigm shift in oversight behaviour, moving from control over inputs to the checking of results against indicators;
238. Reiterates its request that development aid in general and budget support in particular should be progressively linked to an ex-ante country disclosure statement, issued by the recipient country's government and signed by its finance minister, concerning selected issues that affect the governance and accountability structure of a beneficiary country;
239. Invites the new Commission to take the lead and to present this proposal to other international donors — in particular the World Bank — with a view to developing and implementing such an instrument in agreement with other donors; waits to be informed by the Commission about a possible timeframe for such negotiations;
240. Urges the Commission to define strategic objectives and adequate performance indicators that would allow an efficient impact assessment of EU actions;
241. Invites the Commission to place greater emphasis on women's health in developing countries in general, and improvements in maternal health in particular, as this is the area in which the MDG targets are furthest from being met;
242. Welcomes progress as regards division of labour between donors, as well as other aid effectiveness principles; feels, however, that the Commission should step up its efforts to coordinate Member States' activities in this respect;
243. Stresses the need to increase aid effectiveness and to reduce aid fragmentation; considers that the great number of projects managed by the Commission and Member States (some 40 000 projects) should be reduced by giving the priority to more effective programmes and better coordination with EU donors through a clear focus on a more limited number of priority intervention areas for each beneficiary country, whilst not excluding small but effective NGOs working in the field;

244. Notes that 63 % of funds committed so far under the 'Food Facility' have been channelled through international organisations, and recalls that Regulation (EC) No 1337/2008 ⁽¹⁾ stipulates that, as regards implementation, the Commission is obliged to maintain an 'appropriate balance' ⁽²⁾ between international organisations and 'other eligible entities';
245. Calls once again for greater involvement of parliaments and consultation of civil society ⁽³⁾ in partner countries when drawing up and reviewing DCI Country Strategy Papers;
246. Urges the Commission to ensure better visibility for EU-funded activities overseas;

Non-governmental organisations (NGOs)

247. Notes the written comments from Commissioners Maroš Šefčovič and Algirdas Šemeta dated 8 March 2010 including detailed information about financing of NGO-type organisations by the Commission and the Executive Agencies;
248. Invites the Commission to establish a public register of NGO-type bodies funded by Commission services, to harmonise its various databases on beneficiaries receiving funds from the EU budget or the European Development Fund, to indicate in its accounting system the 'not-for-profit' nature of the beneficiary entities and to look into the possibility of expanding the register of interest representatives by including information about their funding received from the EU;

Romania and Bulgaria

249. Is concerned by the weaknesses in the management of pre-accession funds by national authorities in Bulgaria and Romania and welcomes the measures implemented by the Commission, including the interruption of payments, close monitoring and cooperation with the two Member States, all of which have led to a significant improvement in the situation; however, remains concerned about the fundamental weaknesses concerning potential irregularities in the management of Phare funds by two implementing agencies in Bulgaria, even though the contracting for Phare funds has been terminated; notes the commitment on the part of the current authorities to investigate the irregularities and to reform the management of EU funding;
250. Notes that decommissioning work at the Kozloduy nuclear power station (Kozloduy blocks 1 to 4) is to be completed by 19 October 2035; notes a lack of transparency in the origin of the funds from various Directorates-General at the Commission; requests the Court of Auditors to scrutinise the funds used there;
251. Deplores the absence of substantial progress in addressing the weaknesses identified (in particular in relation to the National Road Infrastructure Fund); consequently, supports the Commission's prudent approach and its undertaking to closely monitor the situation, to follow up on the findings and to provide advice and assistance to the Bulgarian authorities with a view to addressing the weaknesses identified; urges the Commission to apply the utmost vigilance and rigour when approving the compliance assessment reports submitted for the operational programmes proposed by the Bulgarian authorities and before starting to disburse the intermediate payments in respect of the 2007-2013 programming period; notes the steps taken by Bulgaria; welcomes the positive outcome of the Commission's compliance assessment procedures for all operational programmes, whilst stressing that effective control and guidance from the Commission should be further applied;

⁽¹⁾ Regulation (EC) No 1337/2008 of the European Parliament and of the Council of 16 December 2008 establishing a facility for rapid response to soaring food prices in developing countries (OJ L 354, 31.12.2008, p. 62).

⁽²⁾ EUR 530 million out of EUR 837 million concerned joint management projects with international organisations.

⁽³⁾ Special Report No 4/2009 of the Court of Auditors on 'The Commission's management of non-state actors' involvement in EC development cooperation'. Article 19(8) and Article 20(2) of Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation (OJ L 378, 27.12.2006, p. 41) (DCI) require the Commission to consult representatives of civil society 'at an early stage' of the programming process.

252. Notes the suspension by the Commission of payments in Romania under the SAPARD programme in July 2008 due to weaknesses and irregularities identified by its services, and welcomes the action plan presented by Romania addressing these deficiencies, which allowed the Commission to withdraw the suspension of payments in July 2009;
253. Supports the suspension by the Commission of payments in Bulgaria under the three pre-accession programmes, Phare/Transition Facility, ISPA and SAPARD, made in 2008 in order to protect the financial interests of the EU in view of weaknesses and irregularities identified by its services in the management of these funds; welcomes the positive reaction from Bulgaria to all recommendations, which allowed the Commission to withdraw its payment suspensions in 2009;
254. Nevertheless, regrets the weaknesses, in particular the failure to identify irregular support applications and adequately to follow up the irregularities, and urges Bulgaria to adopt a detailed action plan in close cooperation with the Commission and under close supervision by an independent auditor;
255. Stresses that this action plan must attain specific, measurable, achievable, relevant and timed targets, in particular, where relevant, the creation of transparent procurement rules which meet international standards and do not restrict competition from international bidders by imposing huge internal administrative burdens on them; further considers that these targets must focus on the establishment and maintenance of fully operational judicial and administrative structures;
256. Welcomes the updated information from the Commission on the status of implementation of EU funds in Bulgaria and Romania; however, notes the continuous existence of inconsistencies and irregularities in the progress reports submitted; finds its efforts to evaluate progress in the judicial and administrative system frustrated by the existing designs of the progress reports; requests the Commission to continue to closely monitor those Member States' systems and the implementation of the agreed action plans, and suggests that OLAF also should maintain the support given by it to those Member States in fulfilling their obligations concerning the protection of the financial interests of the Union;
257. Demands that the reports give clear indications as to progress in the key areas of the fight against fraud and corruption; recalls its demand for a traffic-light system (red, amber and green), based on specific indicators (quantity and quality of legal and administrative measures taken to prevent, deter and punish fraud and corruption), so as to give a clear picture of the evolution of existing systems in those countries; is astonished that OLAF was not always consulted in the compilation of the reports; asks the Commission to include OLAF's comments in the upcoming progress reports;

Enlargement

258. Notes the steps taken by the Commission to improve the overall performance of pre-accession assistance in Croatia in close cooperation with the national authorities and to closely monitor the conditions for the full decentralisation of IPA funds; stresses that lessons learned from problems concerning the implementation of pre-accession funds in Bulgaria and Romania should help the Croatian authorities, with the Commission's assistance, to avoid similar difficulties when implementing the pre-accession funds in respect of their country; deplores the fact that the Commission failed to act on Parliament's request for a traffic-light system (green, amber and red) to be introduced into the progress reports, showing developments in areas of high importance for the fight against fraud such as the establishment and maintenance of stable and efficient structures for the judiciary and the administration;
259. Is disappointed by the fact that key weaknesses (lack of programming readiness and uneven performance across sectors), which have resulted in a 'moderately unsatisfactory' overall performance as regards pre-accession assistance in Turkey, continue to prevail;

260. Notes the steps taken by the Commission in the candidate countries and other countries in the Western Balkans to fight corruption, and encourages the implementation of projects strengthening the independence of the judiciary, the development of professional law enforcement and support for the fight against corruption, within the framework of the regional and national assistance; recalls that under the Thessaloniki Agenda for the Western Balkans the EU undertook to work closely with the western Balkan countries to further consolidate peace and to promote stability, democracy, the rule of law and respect for human and minority rights; stresses that this also applies to the fight against organised crime and corruption as well as to the enhancement of regional cooperation;
261. Recalls that the Court of Auditors found no clear Commission methodology by which the Commission measures progress in those areas; in particular, asks the Commission's Secretariat-General to provide Parliament with a report on the implementation of the Thessaloniki Agenda which could serve as the basis for an external evaluation of its progress; calls on the Commission to establish a clear connection between the payment of pre-accession funds and evidenced and visible achievements in the fields of the Thessaloniki Agenda;
262. Recalls that the 2009 progress report for Croatia shows deficiencies in the fields of the judiciary due to shortcomings in the transparency and application of uniform, objective criteria in the selection of judges and prosecutors; doubts, therefore, that the funds spent on Chapter 23 were spent efficiently and effectively;
263. Notes that the Regional Cooperation Council has been active for more than a year; asks the Commission to provide information with a view to strengthening regional cooperation under the decentralised implementation system and to present to the budget authority its strategic considerations in that area;
264. Recalls the need for the candidate countries to ensure effective implementation of new and reformed legal provisions by means of an ambitious, transparent, accountable, effective and efficient public service; notes with concern that — notwithstanding different developments in both countries — both in Croatia and in the former Yugoslav Republic of Macedonia (FYROM) corruption is still widespread and constitutes a very serious problem; deplores the fact that in cases of high-level corruption only limited investigation was carried out and that, overall, only a small number of investigations led to criminal charges; stresses that this indicates serious shortcomings in the judicial system;
265. Asks the Commission to continuously monitor and report to the budgetary authority on the backlog and number of new criminal charges and verdicts and the backlog and number of new court cases brought on charges of infringement of public procurement laws in Croatia and in FYROM;
266. Concludes that the need for constant, objective and transparent progress monitoring remains; in that regard, calls on the Commission in the event of accession proceedings to establish a starting-point in key areas relevant for accession and to use that starting-point as a reference and benchmark throughout the accession process; considers that the sustainability of progress in the accession process and affirmation of the aims achieved during such process are of paramount importance for the successful continuation of the Union; consequently, asks for a regular post-accession follow-up;

Administrative expenditure

267. Notes with satisfaction that the Court's audits brought to light no material errors affecting the legality and regularity of administrative expenditure.

CONCLUSIONS CONCERNING THE SPECIAL REPORTS ISSUED BY THE COURT OF AUDITORS

Part I: Special Report No 10/2008 on EC Development Assistance to Health Services in Sub-Saharan Africa

268. Invites the Commission to consider increasing its aid to the health sector during the 10th EDF mid-term review to support its commitment to the health MDGs, and to ensure that its assistance to the health sector is distributed respecting its policy priority of support to health systems;

269. Reminds the Commission of the undertaking given in the context of the Development Cooperation Instrument to devote 20 % of funds to health and basic education by 2009 in all European development policy spending, and requests it to regularly inform Parliament what percentage, broken down by country, of the total development assistance allocated to sub-Saharan Africa is committed for basic and secondary education and basic health;
270. Urges the Commission to ensure that it has sufficient health expertise to play an effective role in the health sector dialogue by ensuring that all delegations where health is a focal sector have health specialists, by working more closely in post-conflict countries with ECHO health advisers, by forming closer partnerships with World Health Organisation country offices with a view to drawing on their expertise and by entering into formal agreements with EU Member States to use their expertise; requests the Commission to communicate to Parliament the number of health and education experts respectively available in the region, at delegation level as well as in its headquarters, and an overview indicating whether it has succeeded in increasing this number;
271. Invites the Commission to continue to increase use of Sector Budget Support in the health sector, to focus its General Budget Support (GBS) on improving health services and to continue to use projects for support to policy development and capacity-building;
272. Urges the Commission to put in place mechanisms and monitoring tools to ensure that an adequate proportion of GBS aid is supporting basic needs, particularly in the health sector, to use targets that directly measure the outcome of policies, to provide support for capacity-building and to inform Parliament about the steps it has taken to that end;
273. Invites the Commission to establish clearer guidance on the use of each instrument and their combinations, as well as to work more closely and efficiently with the Global Fund in beneficiary countries;
274. Calls on the Commission, in cooperation with the Court of Auditors, to identify how the weaknesses noted in the Court's report can be addressed, and to report to Parliament on the outcome of these discussions;

Part II: Special report No 12/2008 on the Instrument for Structural Policies for Pre-accession (ISPA), 2000-2006

275. Urges the Commission to closely follow up the implementation of ex-ISPA projects, to examine how delays in the implementation of projects could be avoided or reduced in the future when implementing similar instruments (for instance, the IPA), and to take all necessary steps in order to prevent delays in the preparation of future guidance documents;
276. Calls for more rigorous and realistic planning by projects' applicants and for ways to speed up the procedures, when implementing similar instruments in the future, both at the Commission level and within national administrations of beneficiary countries;
277. Invites the Commission to continue its systems audits in order to ensure that reliable systems are created for the management of the Structural and Cohesion Funds, and to prevent potential high-risk situations in the future;

Part III: Special report No 1/2009 on banking measures in the Mediterranean area in the context of the MEDA programme and the previous protocols

278. Draws the Commission's attention to the need to improve effective coordination of assistance by the Union, the European Investment Bank (EIB) and other international and local partners, and regular exchange of information, in particular at the local level, in order to increase the consistency and complementarity of activities;
279. Notes that, although the level of monitoring subsequently improved, it was not adequate during the first years of the MEDA programme, in particular in cases where the Commission relied entirely on the monitoring performed by the EIB before 2005;

280. Underlines the importance of a management agreement concerning the referred banking measures mandated to the EIB on behalf of the Commission in order to ensure appropriate monitoring, to cover the environmental aspects, to safeguard the financial interests of the Union and to ensure that the intermediaries and promoters fulfil their financial and reporting obligations;
281. Stresses the importance of a tailor-made evaluation and monitoring programme for banking measures to be applied within the framework of the European Neighbourhood and Partnership Instrument;

Part IV: Special report No 2/2009 on the European Union's Public health Programme (2003 to 2007): an effective way to improve health?

282. Considers that the Public Health Programme (PHP) (2003 to 2007) was ambitiously set, but that its objectives were neither clear enough nor adjusted to the limited budgetary means; points out that this led to the programme having too many action areas, which in some cases were not even covered by projects; notes that this dilution has decreased the quality of the programme, at the same time as making the range of projects so wide that the Commission is not fully aware of all existing projects; therefore invites the Commission to report to Parliament on the outcome of its mapping exercises for the current PHP and stresses that the risk of dilution should be addressed in the mid-term and ex-post evaluations of the programme;
283. Notes that the Court has questioned the utility of parts of the PHP and regrets that the programme has, in some cases, financed projects (in particular under its 'health determinants' strand) in which European added value is limited;
284. Considers, therefore, that any successor PHP should focus on networks and exchange of best practice and that more use should be made of the open method of coordination with a view to encouraging the exchange of 'good practices';
285. Invites the Commission to set out an explicit intervention logic for any putative successor programme to the current PHP; stresses that this should be done in its ex-ante impact assessment which is to accompany the Commission proposal for such a programme;
286. Asks the Court of Auditors to submit a formal opinion on the Commission's ex-ante impact assessment in time for the deliberation by Parliament and the Council of the Commission's proposal for a programme decision; considers that, when preparing its opinion, the Court should take into consideration Parliament's views as set out above;

Part V: Special report No 3/2009 on the effectiveness of Structural Measures spending on waste water treatment for the 1994-1999 and 2000-2006 programme periods

287. Takes note of the under-utilisation of some treatment plants and urges the EU-funded treatment plants to maintain a cost-effective system of functioning; therefore encourages the Commission and Member States to find ways to ensure that EU-funded treatment plants are adequately connected to the sewage networks; stresses the Member States' responsibility for the operation of treatment plants and encourages the Member States to make efforts to ensure adequate effluent quality and the full use of capacities;
288. Acknowledges the Commission's efforts to bring about a revision of the relevant Directive (Council Directive 86/278/EEC ⁽¹⁾ — the Sewage Sludge Directive), encourages the speeding-up of the current revision procedure in order to incorporate recent developments and adjust Member States' different practices in this field, and urges the Member States to ensure a quality of sewage sludge that complies with EU limits;

⁽¹⁾ Council Directive 86/278/EEC of 12 June 1986 on the protection of the environment, and in particular of the soil, when sewage sludge is used in agriculture (OJ L 181, 4.7.1986, p. 6).

289. Underlines the need for a more rigorous examination of projects at the application stage in order to prevent shortcomings in anticipated effect; therefore invites the Commission to further develop internal guidelines and checklists for use in the appraisal process, in order to improve consistency of grant applications, and to ensure proper follow-up action in cases where required information or action is not forthcoming;

Part VI: Special report No 4/2009 on the Commission's management of Non-State Actors' involvement in EC Development Cooperation

290. Regrets and cannot accept the existing gap between EU policy commitments as regards the involvement of Non-State Actors (NSAs) in development corporation and actual implementation practices, and therefore expects the competent Member of the Commission to present evidence showing full political support and leadership action for an effective implementation of policy commitments vis-à-vis NSAs, on the part of both its headquarters and the Commission delegations; further regrets that the success criterion for development is reduced to 'economic development', because this approach ignores the fact that the gap between those who have and those who have not has dramatically widened; requests the Commission to see to it that, by the end of 2010, every delegation has at least one responsible full-time expert dealing with NSAs' policies, contacts and contracts;
291. Notes that those developing countries which have taken their development process into their own hands have achieved good levels of poverty reduction; underlines the key role of the State in development and invites the Commission and its delegations to further improve relationships with partner country governments in order to enable there to be more effective engagement and consultation with NSAs;
292. Finds the lack of complete and reliable data extremely regrettable and expects the Commission to take remedial action immediately in so far as reliable data is a condition for starting to measure results; therefore calls on the Commission to submit to Parliament a full financial overview of the EU funds channelled through NSAs from the different budget lines subdivided by the countries concerned before the start of the 2011 budget procedure;
293. Takes the view that quality of aid is more important than quantity of aid and invites the Commission to play an important role in addressing the evident chaos in development assistance by promoting strong and efficient donor coordination and improving the current aid architecture; requests the Commission to consider whether this may not be the right moment, taking full account of the Court's remarks, to overhaul the whole system of (co-)financing of NSAs in order to make sure that NSAs can rely on transparent and efficient rules for the purposes of participation in programmes and projects;
294. Invites the Commission to give due consideration to the fact that donors are political actors and that in some cases there might be conflicting interests between donors and recipient countries; underlines that strong democratic national institutions and a well-defined policy for distribution of wealth are preconditions of sustainability; is of the opinion that, in order to achieve a more coherent policy in programming and subsequent programmes and projects and adequate evaluation, there should be a substantial shift from co-financing projects for NSAs to a 100 % EU funding of projects;
295. Believes there is a certain overlap between the evaluation carried out for the Commission of EU aid delivery through civil society organisations⁽¹⁾ and the Court of Auditors' Special Report, and invites the Court and the evaluation units in the Commission to exchange information on planned activities and to report to Parliament on the results of this exercise;
296. Invites the Commission to present proposals for modifications of the Financial Regulation which will allow the EU to act as a strong player among other international donors;

⁽¹⁾ http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/2008/1259_docs_en.htm

Part VII: Special report No 5/2009 on the Commission's Treasury Management

297. Considers that the Commission should improve its oversight of the different treasury management activities performed and, as recommended by the Court of Auditors, meetings should take place more regularly between the two DGs concerned (DG Budget (DG BUDG) and the DG for Economic and Financial Affairs (DG ECFIN)) with a view to sharing information on risks and exchanging experiences and best practices regarding treasury and asset management activities on a Commission-wide level;
298. Considers that the Commission should continue to take all necessary action to ensure that significant financial risks are effectively and closely monitored throughout the course of the year; welcomes the fact that, in order to further improve the situation, the Commission has already proposed to and agreed with the Court of Auditors that as from the 2008 closure an official circular letter is to be sent to the financial organisations concerned in order to obtain from them accurate, complete and standardised information regarding the fiduciary accounts;
299. Invites the Commission to draw up a control plan in DG BUDG for each 12-month period on the basis of risk analysis, to carry out controls during and after the year, and to report to Parliament on the problems encountered no later than three months after the end of the year concerned;
300. Invites the Commission to move ahead with the overview of the risks related to its treasury operations (DG BUDG), which forms part of its annual accounts and which provides a clear and comprehensive summary of the risks to which it is exposed, of the ways in which such risks are managed, and of the measures which have been put in place to control, minimise or neutralise them;
301. Considers that, for the sake of transparency, the Commission should more clearly document its procedures for transferring funds between Member States' own resources accounts, and should and better document the specific selection procedure followed in each case;
302. Asks the Commission to improve its database record-keeping, to optimise cross-checks and to follow up on the Court's observation concerning the coordination improvement needed in order to take into consideration the Commission's overall risk exposure with each commercial bank when the accounts' limits for holding funds with commercial banks are established by the DGs concerned;
303. Welcomes and supports the Commission's endeavours to propose the current system for the management of provisionally cashed fines, which was subject to a review in 2008, and expects that the proposal for a Commission decision on this matter issued in early 2009 by DG BUDG will increase its security;

Part VIII: Special report No 6/2009 on European Union food aid for deprived persons: an assessment of the objectives, the means and the methods employed

304. Welcomes the Court's audit of this programme as well as the Commission's reform proposal (COM(2008) 563); refers to its position adopted on 26 March 2009 ⁽¹⁾ in which it supported the reform proposal; underlines that EU food aid action is a complement to already existing actions in the Member States;
305. Recalls that social support provided by Member State authorities rarely focuses on access to food and that food initiatives targeting socially excluded and marginal populations tend to be led by charitable organisations and run with the help of volunteers;
306. Believes that better criteria are needed to target aid at those countries and recipients that are most in need;
307. Believes that Member States participating in the programme should develop efficient measures for combating food waste;

⁽¹⁾ Texts adopted, P6_TA(2009)0188.

308. Reminds the Commission that the principle of subsidiarity in no way reduces the Commission's obligations under Article 317 of the Treaty on the Functioning of the European Union, according to which the Commission implements the budget 'on its own responsibility' and 'having regard to the principles of sound financial management';
309. Expects the Commission to implement the Court's recommendations in order to allow the budgetary authorities to have complete and objective information on the results of the programme;

Part IX: Special report No 7/2009 on the management of the Galileo programme's development and validation phase

310. Regrets that, according to the Courts' findings, the management of the development and validation phase of the Galileo programme was inadequate; notes that the technological development has been set back five years compared to the initial planning and that the cost estimates for the development and validation phase have almost doubled from EUR 1 100 000 000 to EUR 2 100 000 000;
311. Asks the Commission to follow up on the Courts' recommendation in the forthcoming Communication on the future of Galileo with a view to clarifying the Galileo programme's political objectives and translating them into strategic and operational objectives in order to establish a solid roadmap for Galileo pending full deployment;
312. Is worried by the Court's finding that the Galileo Joint Undertaking failed to achieve most of its objectives and that its activities were seriously constrained by governance issues; asks the Commission to ensure, in line with the Court's recommendation, that in the case of future joint undertakings the governance structure does not impede the activities of the joint undertaking;
313. Considers that the European taxpayers should be informed of any participation by third countries in the Galileo and EGNOS programmes; therefore requests that the Commission provide Parliament with detailed information on any kind of cooperation between the EU and third countries concerning the Galileo and EGNOS programmes;
314. Calls on the Commission and the European GNSS Supervisory Authority, in its accounts, and the Court, in its reports, to provide the discharge authority with clear and comprehensive information concerning the tangible and intangible assets created under the Galileo and EGNOS programmes, which are owned by the European Union;
315. Calls on the Commission to prepare updated figures and cost benefit analyses of the Galileo project and to inform Parliament accordingly;

Part X: Special report No 8/2009 on 'Networks of excellence' and 'Integrated projects' in Community Research policy: did they achieve their objectives?

Initial stage of proceedings

316. Notes the existence of a high 'expectation gap', i.e. the fact that fewer than 55 % of all projects reviewed ex post maintained their initial 'excellent' evaluation; asks the Commission to reconsider its evaluation procedures;
317. Recalls that the vast majority of applications do not exceed the 'excellence' threshold (only 15 % to 20 %), whereas application costs (amounting in some cases to as much as EUR 300 000) are borne by applicants; in this regard, urges the Commission to apply coherently and efficiently sensible discretion (e.g. multi-stage procedures) in order to make most efficient use of the money allocated to research instead of 'administration of research';

318. Considers it unfortunate that, depending on their eventual success in the application procedure, only 53 % to 86 % of all parties concerned fully understood the nature of the instruments applied in the Sixth Framework Programme (FP6); regrets the fact that in some cases the choice of instrument was apparently geared to fiscal rather than material considerations; notes that the existence of a high number of partners in the Networks of Excellence (NoEs), as well as the Commission's strong focus on legal integration, constitutes a specific challenge, and that the expert group on the future of NoEs has recommended that larger partnerships should be formed only in exceptional, duly justified cases ⁽¹⁾;

Formation of Networks of Excellence

319. Regrets that, notwithstanding Parliament's demands for a more service- and customer-oriented implementation of research programmes, only limited progress has been achieved in the formation of 'one-stop shops' covering the full range of Directorates-General within the research family, standardisation in terms of application procedures, prerequisite documentation and consistent communication; highlights the fact that the public regards the Commission as a single entity;
320. Demands in that respect that the Commission finally take the appropriate steps towards a pro-active approach in terms of customer support, internal quality control, including second-level standardisation, and coherent management; asks the Commission to make available on-line all legal texts on which the grants contracts are based including, where appropriate, references to Belgian law;
321. Recalls Parliament's constant demands for a reduction of the administrative burden, in particular in grants procedures ⁽²⁾; deplores the fact that the time to contract averages 13 months, representing an increase of four months compared to the FP5; with a view to the FP7, demands that the Commission make use of existing administrative tools (e.g. Personal Identification Codes (PICs) and Legal Entity Appointed Representatives (LEARs));
322. Is dissatisfied that the FP6 did not attain the objective of stronger participation of private participants, in particular SMEs; shares the Court's view that some provisions actively discouraged their participation; on the whole, takes the view that the legal provisions and rules (including model contracts and guidelines) are excessively complex and in themselves clog up the effective and efficient implementation of research policies;
323. Observes that the focus of evaluations is placed on 'input' checks rather than output assessments; shares the Court's view that the proper definition of specific, measurable, achievable, relevant and timed (SMART) objectives at the outset of the project is a key element for the purposes of determining its progress and eventual success; stresses that reporting requirements have to be designed as a purposeful tool for monitoring and assessing progress in the integration and material progress ⁽³⁾ and must not be used as a means of sanctioning or interfering with the coordinator's other discretionary managerial activities as long as they are in line with the legal provisions;

Sustainability and future development

324. Regrets that in most cases sustainable integration extending beyond the initial funding period could not be achieved and that, in the Court's assessment, the initial funding period of five years proved to be unrealistic; supports the proposal to apply highly competitive and selective criteria to the prolonged funding of NoEs that claim to be able to achieve self-sustainability ⁽⁴⁾;
325. Notes with interest the expert group's proposal to explore the possibility of coordinated calls between ERA-NETs and the FP7 combining national and Community funds ⁽⁵⁾ as well as all measures to enhance the transparency and accessibility of the Cordis database so as to ensure an exchange of research results in the ERA (exchange of best practice examples);

⁽¹⁾ Final Report of the expert group on the future of networks of excellence (September 2008 — 'ER'), p. 21.

⁽²⁾ SEC(2006) 866 — C6-0231/2006 — 2006/0900(CNS).

⁽³⁾ ER, p. 26.

⁽⁴⁾ ER, p. 28.

⁽⁵⁾ ER, p. 27.

326. Is deeply concerned by the fact that the application of the Commission's audit strategy for the FP6 has already resulted in two court cases initiated by former participants; stresses that reliability is the basis for any long-term cooperation and calls once again on the Commission, with a view to ensuring legal certainty, to refrain from recalculating the financial statements of projects under the FP6 that it has already approved and settled, by applying new interpretations to the eligibility criteria for costs established in the General Conditions (Annex II) of the FP6 model contract ⁽¹⁾; urges the Commission to reinforce its efforts to find a solution, in particular by simplifying the recovery procedures through the use of appropriate flat-rate procedures and taking into account the good faith and legitimate expectations of beneficiaries, and expresses its desire for a solution-based dialogue;
327. Asks the Commission to find solutions that ensure reliability and mid-term continuity in the implementation and planning of framework programmes, notably with a view to the FP8, and, in particular, to homogeneously apply fixed deadlines and firm rules of procedure;

Part XI: Special report No 9/2009 on the efficiency and effectiveness of the personnel selection activities carried out by the European Personnel Selection Office

328. Encourages the European Personnel Selection Office (EPSO) to take into account the Court's recommendations in its Development Programme (EDP);
329. Takes the view that EPSO and all EU institutions should improve their communication to citizens about the concept of an impartial European civil service and should enhance the image of the EU as an employer;
330. Points out in this context that EPSO should also aim at improving its communication with the public administrations in the Member States in order to exchange best practices in the areas of the provision of information/advertising to the public and of promoting job opportunities in a targeted manner so as to bring them to the attention of professionals; considers that similar communication should be undertaken with relevant international organisations;
331. Is convinced that improving cooperation with universities could be beneficial in the long term by, on the one hand, providing the EU institutions with desirable employees and, on the other hand, by assisting graduates in enhancing their career options;
332. Encourages EPSO to continue its efforts to diagnose and prevent the geographical imbalances amongst candidates and subsequently among the laureates;
333. Regrets that neither the Courts' report nor EPSO sufficiently analyses the process of recruitment of middle and higher-management personnel, and in particular the geographical imbalances in this field; suggests that in its next special report (or follow-up report) the Court should analyse this issue;
334. Takes the view that EPSO should improve the administration of the laureates' waiting lists by providing them with information on current vacancies in order to facilitate their final recruitment; at the same time, considers that efforts should be made to reduce the time spent by successful candidates waiting for employment;
335. Is not convinced that secondment of officials from the EU institutions to EPSO to serve as full-time selection board members is a realistic and cost-efficient option;
336. Calls on EPSO to avoid any ambiguity in competition notices and encourages EPSO to review its procedures for verifying compliance with eligibility requirements;

⁽¹⁾ Resolution of the European Parliament of 23 April 2009 with observations forming an integral part of the Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section III — Commission and executive agencies (OJ L 255, 26.9.2009, p. 36).

337. Also calls on EPSO to improve its appeal procedures, e.g. by assigning different panels in the first and second instance;
338. Notes that there are several cases pending against EPSO before the Civil Service Tribunal in connection with failures in the selection procedure (in particular on the issue of languages); takes the view that, once these cases are concluded, they should provide lessons to be learned and should be incorporated into the EDP by EPSO;

Part XII: Special report No 10/2009 on information provision and promotion measures for agricultural products

339. Regrets that the system in place does not make it possible to gauge the effectiveness of the measures and that, even if the impact of the policy proves to be positive, it is very difficult to measure it due to the lack of specific objectives, explicit strategy and appropriate indicators;
340. Urges the Commission to specify the policy objectives, bearing in mind the need for consistency between stated ambitions and the committed budget, and to express these objectives in a SMART way, as well as to define and monitor suitable performance indicators;
341. Calls on the Commission to continue the improvements to the selection procedure, in particular by maintaining the requirement to include in proposals information concerning the expected impact of the measures in question and on the manner in which that impact will be gauged;
342. Calls on the Member States to contribute to improvement of the selection procedure by verifying the relevance of the proposals and by increasing selectivity; also encourages the Member States to communicate to the Commission information on their national promotion aids and measures;
343. Calls on the Member States to improve the public procurement procedures used by them when selecting the implementing bodies and, in particular, to avoid very tight deadlines, to apply formal procedures systematically and to ensure that proposing organisations comply with the terms of selection;

Part XIII: Special report No 11/2009 on the sustainability and the Commission's management of the LIFE-Nature projects

344. Notes that the supervision and management of LIFE-Nature is a complex process and involves various stakeholders from the Member States; however, notes that the amount of financial resources allocated requires assurance that the investments made are cost-efficient and sustainable;
345. Invites the Commission to review its selection model in order to prioritise LIFE-Nature project proposals which can provide an assurance as to the continuity of results; also suggests to the Commission that it consider separating the management of the 'Nature' and 'Environment' strands;
346. Urges the Commission to cooperate closely with the European Environmental Agency and the European Topic Centre on Biological Diversity in defining the appropriate criteria and indicators for the selection of proposals as regards their sustainability as well as to take the necessary initiatives to improve project monitoring in respect of the results achieved, and to develop appropriate indicators and criteria for monitoring project outcomes;
347. Invites the Commission to review its communication strategy, paying particular attention to the dissemination of relevant information and lessons learned, and to ensure that beneficiaries are required to provide more technical details concerning the methods used, lessons learned and best practices identified;
348. Calls on Member States, being themselves responsible for sustainable nature conservation, to cooperate closely with the Commission and with other Member States with a view to exchanging best practices for the management of LIFE-Nature projects;

349. Calls on the Commission to introduce a follow-up scheme for post-LIFE funding in order to assess the effectiveness of the projects financed and to ensure the sustainability impact of the EU funding after the closure of the projects;
350. Calls on the Commission to develop appropriate measures to resolve the existing legal issues and implementation constraints regarding the long-term follow-up of the projects;

Part XIV: Special report No 12/2009 on the effectiveness of the Commission's projects in the area of Justice and Home Affairs for the western Balkans

351. Notices with satisfaction that, unlike in previous accession programmes, the Commission attempted to tackle important structural reforms in the area of justice and home affairs earlier in the enlargement process, and finds this prioritisation very positive; insists in this context that the Commission must continue to focus its assistance for the Western Balkans on the justice and home affairs sector, so as to carry on with those efforts;
352. Recalls that the Commission ensures the management of projects in the field of justice and home affairs in a difficult political and institutional environment; taking into consideration the Court's conclusions showing that the investment projects were more successful than the institution-building projects, expects from the Commission a significant strengthening of the link between projects aimed at the reinforcement of institutional capacities and investment projects in the region concerned;
353. Agrees with the Court that the appropriation of local actions and projects represents a determining factor for success in strengthening the rule of law, and also considers that the lack of commitment and ownership at local level weakens the sustainability of the projects; calls on the Commission to ensure that the assistance provided is accompanied by a strong will on the part of the beneficiaries actively to encourage the institutional reforms and to increase the involvement of the beneficiaries in the projects;
354. Considers, like the Court, that EU aid in the Western Balkans is generally effective, but that real risks exist regarding the sustainability of projects; notes with satisfaction that the sustainability and ownership of projects should improve under the IPA programme due to project conditionalities and co-financing by the beneficiaries; is of the opinion that maintenance plans would further increase the durability of projects, and asks the Commission to consider introducing them as a prerequisite for obtaining EU financial support;
355. Expects the Commission to ensure scrupulously that interventions related to infrastructure in the field of the integrated management of the borders are now designed and implemented in such a way as to encourage regional cooperation;
356. Calls on the Commission to do its utmost to ensure better cooperation between the various donors on the spot and more efficient coordination of their actions;
357. Considers that the visibility of the EU as the largest donor in the region needs to be significantly improved so as to match its share of contributions; awaits a proposal from the Commission in that regard;

Part XV: Special report No 13/2009 on delegating implementing tasks to executive agencies: a successful option?

358. Stresses that, in accordance with the principles of delegation, responsibility for policy and the supervision of activities remains with the Commission;
359. Regrets, however, that according to the audit the Commission's control over the agencies' activities is not fully effective, and stresses the need to develop new indicators enabling the measurement of the Agencies' performance by the supervisory DGs to be enhanced;

360. Considers that the establishment of executive agencies should be motivated not only by staff constraints but mainly by the aim of improving service in programmes where a clear separation between policy and implementing tasks would enable the Commission to concentrate its efforts on strategic issues;
361. Supports the intention of the Commission not to set up additional executive agencies unless there are new Commission competencies up to 2013, and instead to make use of the possibility of extending the mandate of existing agencies;
362. Notes that, according to the Court's report, the recruitment practice in the executive agencies is to hire at lower grades for temporary posts, and to require contract staff to have more years of experience, than is the case as regards contract staff with similar tasks in the Commission; notes that this might reduce the attractiveness of the job positions, despite the offer of renewable contracts in contrast to the maximum contract term of three years applicable to Commission contract staff, and notes that this could result in compromises in the quality of the operations of the executive agencies concerned;
363. Requests the Commission to provide information on the different contractual time periods applicable for the different contractual tasks and the duration of the different contractual employments in the executive agencies;
364. Considers that one of the major potential benefits of an executive agency is the recruitment of specialised staff, and therefore requests the Commission to take measures to improve and simplify the recruitment of the agencies' staff; moreover, requests the Commission to take the specific recruitment needs of the executive agencies into consideration;
365. Requests the Commission to present detailed information on the number of contract staff employed in the executive agencies and the tasks assigned to them and the salary levels corresponding thereto, as well as an overview on how much experience is required for each employment grade; moreover, requests the Commission to present information on the different cases in which suitable staff could not be rapidly found and on how much delay occurred in the staff recruitment, as well as an analysis of the reasons for the delay;
366. Invites the Commission to follow the recommendations of the Court and:
- (a) to collect and use reliable data on workload and productivity related to the delegation of tasks with a view to carrying out an impact assessment, both before and after externalisation;
 - (b) to identify the success factors and conclusions which led to better results at the executive agencies and to apply the lessons learned to all programmes which continue to be managed by the Commission services;
 - (c) to improve the supervision of the agencies by setting results-oriented and targeted objectives, using a limited number of relevant performance indicators, which should form the basis for objectives in respect of coming years;

Part XVI: Special report No 14/2009 entitled 'Have the management instruments applied to the market in milk and milk products achieved their main objectives?'

367. Expects the Commission, in view of the massive fluctuations and disparities on the world market, to take effective precautionary and compensatory measures to strengthen small and medium-sized businesses and to promote security of food supply through a wide range of businesses within the European Union;

368. Notes that the Court is particularly concerned about the consequences in mountain areas and less favoured areas; stresses that this concern is shared by Parliament, as efficient farms are an integral part of development in many rural regions; considers that farms in many Member States have a considerable impact on the development, stability and conservation of the countryside in rural areas;
369. Does not agree that the EU milk market should focus primarily on the internal market; but shares the Court of Auditors' view that in worldwide exports the European milk sector should be focused on the manufacture of milk products with high added value; also points out that the Commission should give a high priority to fair competition on the world market without dumping, so as to counteract the disadvantaging and financial annihilation of businesses by sudden fluctuations in world trade; calls for the funding of appropriate marketing measures and market research studies in countries outside Europe, and points out that agricultural structures or their creation in developing countries must not be destroyed by the export of agricultural goods and accompanying market measures;
370. Agrees with the Court that there is a need for continuing supervision of the development of the milk market, and calls for the Court's recommendations to be acted on, so as to identify inappropriate developments as they arise and counteract them with suitable measures at an early stage;
371. Points out, moreover, that a detailed and exhaustive debate is necessary on the objectives of the CAP.

Part XVII: Special report No 16/2009 on the European Commission's management of pre-accession assistance to Turkey

372. Welcomes the Court's sound assessment regarding the administration by the Commission of pre-accession assistance to Turkey;
373. Notes that the Court criticises the absence of a clear selection method which would ensure that the projects selected correspond to the priorities of the Accession Partnership, and welcomes the Court's conclusion that, while there were indeed some weaknesses in the Commission's management of pre-accession assistance to Turkey in the TPA period (i.e. 2002-2006), the Commission has since then taken action to improve procedures for the IPA, although the effectiveness of the changes can only be assessed in the future;
374. Is shocked at the conclusions of the special report, in which the Court of Auditors criticises the fact that the Commission did not ensure that there was an effective system for assessing individual projects in the period 2002-2008 and that it is therefore not easy to assess how the funds were managed, including whether value for money was obtained;
375. Considers it worrying that the strategic planning for 2002-2004 as well as the 236 'priorities' of the accession partnership in 2006 did not include any ranking in terms of importance or any consideration of the level/measures required concerning progress towards accession; criticises the obvious lack of efficient use of European financial aid; is disappointed that between 2006 and 2008 many priorities which were marked as 'short-term' did not achieve any significant progress;
376. Underlines the Court's call for a robust methodology with which to determine the strategic objectives for which EU financial assistance is most needed; considers that the designated measures for achieving each strategic objective need to be clearly defined; requests the Commission to ensure that the various project proposals include specific, quantifiable, realistic and relevant objectives so that their contribution demonstrably achieves strategic objectives;
377. Criticises the fact that pre-accession assistance funds were allocated to Turkey despite the fact that there were missing indicators and that progress towards fulfilment of the accession criteria could not be measured; therefore calls for funds to be concentrated on projects which are relevant to accession, actually measurable and capable of being implemented;

378. Points out that, even though the Commission has introduced measures aimed at addressing many of the weaknesses in the Decentralised Implementation System, in particular since the introduction of the new Instrument for Pre-Accession Assistance (IPA 2007-2013), the Commission still has to address the remaining weaknesses in overall programming and performance management, as recommended by the Court; also expects the Commission to make the Turkish authorities aware of this fact so that project proposals are drawn up which would allow the strategic objectives relating to the financing of the European Union to be achieved within a realistic timescale; considers that the Commission should undertake new initiatives in order to improve the design and implementation of the projects by the institutions of the Decentralised Implementation System (measures such as compulsory needs assessments and better scheduling of contracting arrangements);
379. Given the inability to measure progress towards accession goals; asks the Commission to carry out a more precise analysis of the goals and the efficiency of the Instrument for Pre-Accession Assistance, based on the remarks of the Court of Auditors, and to present this by 15 September 2010;
380. Recalls the importance of an evaluation by the Commission of the entirety of the programme for pre-accession assistance to Turkey.
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DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Union general budget for the financial year 2008,
Section III — Commission**

(2010/499/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (SEC(2009) 1089 — C7-0172/2009) ⁽²⁾,
- having regard to the Commission's annual report to the European Parliament on the follow-up to 2007 discharge decisions (COM(2009) 526), and to the Commission staff working document accompanying that report (SEC(2009) 1427),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2008' (COM(2009) 256),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2008 (COM(2009) 419), and to the Commission staff working document accompanying that report (SEC(2009) 1102),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2008 annual report (SEC(2010) 178 and SEC(2010) 196),
- having regard to the Green Paper on the European transparency initiative, adopted by the Commission on 3 May 2006 (COM(2006) 194),
- 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 Commission communication on a roadmap to an integrated internal control framework (COM(2005) 252),
- having regard to the Commission action plan towards an Integrated Internal Control Framework (COM(2006) 9), the report on the Commission action plan towards an integrated internal control framework (COM(2008) 110), and the Commission staff working document accompanying that report (SEC(2008) 259),
- having regard to the Impact Report on the Commission action plan towards an integrated internal control framework (COM(2009) 43),
- having regard to Opinion No 6/2007 of the Court of Auditors on the annual summaries of Member States; 'national declarations' of Member States; and audit work on EU funds of national audit bodies ⁽⁴⁾,

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 107, 30.4.2004, p. 1.⁽⁴⁾ OJ C 216, 14.9.2007, p. 3.

- having regard to the Commission's action plan to strengthen the Commission's supervisory role under shared management of structural actions (COM(2008) 97) and the interim report on the follow-up to that action plan (SEC(2009) 1463),
- having regard to the Commission's report on progress in Bulgaria under the Cooperation and Verification Mechanism (COM(2009) 402) and the supporting document accompanying that report (SEC(2009) 1074),
- having regard to the Commission's report on progress in Romania under the Cooperation and Verification Mechanism (COM(2009) 401) and the supporting document accompanying that report (SEC(2009) 1073),
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽¹⁾, and to the Court of Auditors' special reports,
- 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 the Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
- having regard to the Council's recommendation of 16 February 2010 on the discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2008 (5826/2010 — C7-0054/2010),
- having regard to the Council's recommendation of 16 February 2010 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2008 (5828/2010 — C7-0055/2010),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Articles 179a and 180b of the Euratom Treaty,
- having regard to international audit standards and international accounting standards, in particular those applying to the public sector,
- 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 Articles 55, 145, 146 and 147 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁴⁾, and in particular Article 14(2) and (3) thereof,
- having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0099/2010),

⁽¹⁾ OJ C 269, 10.11.2009, p. 1.

⁽²⁾ OJ C 273, 13.11.2009, p. 122.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 11, 16.1.2003, p. 1.

A. whereas under Article 318 of the Treaty on the Functioning of the European Union the Commission is responsible for drawing up the accounts,

1. Approves the closure of the accounts of the European Union general budget for the financial year 2008;
2. Sets out its observations in the resolution that forms an integral part of the Decisions on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III — Commission and executive agencies;
3. Instructs its President to forward this Decision to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section IV — Court of Justice**

(2010/500/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0175/2009) ⁽²⁾,
 - having regard to the Court of Justice's annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0079/2010),
1. Grants the Court of Justice's Registrar discharge in respect of the implementation of its budget for the financial year 2008;
 2. Sets out its observations 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 of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 71, 14.3.2008.

⁽²⁾ OJ C 273, 13.11.2009, p. 1.

⁽³⁾ OJ C 269, 10.11.2009, p. 1.

⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

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

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0175/2009) ⁽²⁾,
 - having regard to the Court of Justice's annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾ (Financial Regulation), and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0079/2010),
1. Notes that in 2008 the European Court of Justice (ECJ) had commitment appropriations available amounting to a total of EUR 297 million (2007: EUR 275 million), with a utilisation rate of 98,20 %, higher than the average of the other institutions (95,67 %);
 2. Notes that the Court of Auditors indicated in its annual report that its audit of a contract the ECJ concluded for the provision of services (following a joint open tender procurement procedure with a Member State) showed weaknesses in the internal control system for performing this tendering procedure; notes that the Court of Auditors found that these led to an overly short deadline for tenderers to obtain the tender specifications (breach of Article 98 of the Financial Regulation), the announcement in the contract notice both of the obligation to submit tenders in one language only (breach of Article 125c of the Implementing Rules ⁽⁶⁾ (IR) of the Financial Regulation) and the holding of a closed meeting for the opening of tenders (breach of Article 118(3) IR);

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 269, 10.11.2009, p. 1.⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ 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 (OJ L 357, 31.12.2002, p. 1).

3. Notes the clarification offered by the ECJ, in particular, that the timetable, although tight, observed the time limits formally prescribed by the Financial Regulation; notes that the short deadline was caused by the need to award the contract at a date enabling the successful tenderer to be operational when the new building complex was delivered, as well as the necessity to provide for a sufficient time to allow the tenderers to prepare their tender;
4. Notes also the ECJ's clarification that the contract notice provided for tenders to be submitted in French only (the custom in practice in the Member State concerned) due to a lack of coordination, whereas the contract documents provided that tenders could be submitted in any of the official languages of the European Union, as well as the clarification that, if any tenderers had wished to attend the committee meeting for the opening of tenders, they would have been allowed to do so;
5. Endorses the suggestion of the Court of Auditors that enhanced procurement procedures should be established by the ECJ in order to help authorising services organise tendering procedures and control adherence to regulatory obligations;
6. Notes that apart from the comments on the abovementioned tender procurement procedure, the annual report of the Court of Auditors did not point out any other observations as regards the ECJ;
7. Notes with satisfaction the effective operation of the recently established ECJ's Internal Audit Unit, and welcomes its recommendations on validation, authorisation and payment of expenditure, as well as the fact that the recommendations were put into operation, in particular, revision of the system of delegating and the terms of subdelegation, the self assessment of internal control systems, increased number of ex-post verifications and improvements in the documentation procedures; notes also the results of the audit on compliance with the legislative obligations in relation to reporting and disclosing budgetary and financial information, which led to measures improving the management and internal control of public contracts, as well as audits on procurement procedures for the library and on compensatory allowance;
8. Welcomes the constant reduction in the duration of proceedings before the ECJ, in particular, a significant reduction in the duration of preliminary ruling procedures; considers that this reduction is not yet satisfactory; notes the decrease in the number of cases completed (333 judgements and 161 orders compared to 379 and 172 respectively in 2007), however, takes notice that the number of preliminary ruling cases was markedly higher; also notes that in 2008 the number of cases submitted (592) was the highest since 1979, which led to a minor increase in the number of cases pending at the end of 2008 (767 cases; 741 cases at the end of 2007);
9. Welcomes the fact that the Court of First Instance in 2008 showed a 52 % increase in the number of cases decided, as well as a certain decrease in the duration of proceedings, which is not yet satisfactory; notes, however, that the number of new cases in 2008 was exceptionally high, (629 new cases compared to 522 in 2007), therefore the backlog of pending cases continued to increase also for the Court of First Instance (from 1 154 in 2007 to 1 178 in 2008);
10. Notes that while the Civil Service Tribunal, which in 2008 saw its first partial triennial renewal, closed fewer cases than in 2007, nevertheless, the number of pending cases dropped slightly (from 235 in 2007 to 217 in 2008) due to a considerably lower number of new applications (111 compared to 157 in 2007);
11. Welcomes the new integrated system for management and financial control (SAP), in operation since 1 January 2008, which has enabled budget savings and gains in efficiency for the three institutions involved (the Council, the ECJ and the Court of Auditors);
12. Welcomes the ongoing successful interinstitutional cooperation with the Court of Auditors as regards training;

13. Notes the follow-up by the ECJ of the observations made by the Parliament and the Court of Auditors in previous discharge decisions and reports, in particular, welcomes the measures taken to set up a selection procedure for the recruitment of auxiliary contract agents; however, regrets the reluctance of the ECJ to publish its members' declarations of financial interests, and requests that it implements this practice without delay;
 14. Praises the ECJ for its established practice of including in its activity report a chapter outlining the follow-up during the year to Parliament's previous discharge decisions and to reports of the Court of Auditors.
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DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section V — Court of Auditors**

(2010/501/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0176/2009) ⁽²⁾,
 - having regard to the Court of Auditors' annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0097/2010),
1. Grants the Court of Auditors' Secretary-General discharge in respect of the implementation of its budget for the financial year 2008;
 2. Sets out its observations 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 of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 71, 14.3.2008.

⁽²⁾ OJ C 273, 13.11.2009, p. 1.

⁽³⁾ OJ C 269, 10.11.2009, p. 1.

⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

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

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0176/2009) ⁽²⁾,
 - having regard to the Court of Auditors' annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0097/2010),
1. Notes that in 2008 the Court of Auditors had commitment appropriations available amounting to a total of EUR 133 million (2007: EUR 122 million; 2006: EUR 114 million), with a utilisation rate of 90,66 %, below the average of the other institutions (95,67 %);
 2. Recalls that, as regards the financial year 2008, the Court's accounts were audited by an external firm, PricewaterhouseCoopers (as well as in 2007; before that — KPMG), which reached the following conclusions:
 - (a) in relation to the accuracy of the accounts for the financial year 2008, that 'in our opinion, these financial statements give a true and fair view of the financial position of the European Court of Auditors as of 31 December 2008, and its financial performance and its cash flows for the year then ended in accordance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June, Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the said Council Regulation, and the European Court of Auditors' Accounting Rules'; and

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 269, 10.11.2009, p. 1.⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

- (b) in relation to the use of financial resources assigned to the Court and the adequacy of control procedures in place during the financial year 2008, that 'nothing has come to our attention that causes us to believe that in all material respects and based on (identified) criteria, (a) the resources assigned to the Court have not been used for their intended purposes, and (b) the control procedures in place do not provide the necessary guarantees to ensure the compliance of financial operations with the applicable rules and regulations';
3. Recalls its suggestion to consider a possibility to devise a more rational structure for the Court, and asks the Court to consider alternative models with a view to reducing the total number of members, by capping the number of members and adopting, for example, a rotation system based on the principle of equality among members;
 4. Notes the Court's efforts to improve the procedure for the publication and presentation of its annual reports; hopes that an agreed procedure for this decisive stage in the discharge process can be established for future use, with due regard for the absolute independence of the Court and the prerogatives of the committee responsible;
 5. Notes that the current procedure of the publication and presentation of the Court's special reports, while adding to the Court's identity and visibility, raises some concerns: while the Parliament fully respects the right of the Court to submit the observations in the form of special reports at any time, it considers that the current procedure, which commences with the special report's public presentation and the Court's press conference well in advance of the presentation of the special report to the Committee on Budgetary Control, may not fully reflect the Court's role as a reporting institution assisting the Parliament and Council in exercising their powers of control over the implementation of the budget;
 6. Welcomes the fact that a 'peer review' report by an international peer review team (delivered in December 2008) reached an overall conclusion, and that the report recognised that most of the recommendations had been anticipated in the framework of the action plan made prior to the review; welcomes the Court's intention to integrate the other recommendations into the 2009-2012 Audit Strategy and its endeavour to implement them during the period;
 7. Notes that although the Court recruited 97 employees in 2008 (48 officials, 18 temporary staff, 31 contract staff), the overall number of vacant posts at the end of 2008 (69) was higher than at the end of 2007 (56); takes into account that the Court obtained 22 additional posts (853 total), and the shortage of suitable laureates which prevented the Court from recruiting as many new staff as planned; requests the Court to report on its progress in shortening delays in its recruitment process;
 8. Welcomes the setting up of the Joint Committee on equal opportunities, the progress made in the areas of IT and telecommunications, and effective management of office space;
 9. Notes that the 2008 report of the Court's internal auditor was largely positive, and welcomes in this context the fact that most recommendations put forward by the internal auditor have been accepted and integrated into corrective action plans; welcomes the establishment of framework for monitoring the effectiveness of internal controls, as well as the adoption of Key Performance Indicators;
 10. Welcomes the new integrated system for management and financial control (SAP), in operation since 1 January 2008, which enabled budget savings and gains in efficiency for the three institutions involved (the Council, the Court of Auditors and the Court of Justice) while it regrets that the Court of Auditors did not implement the system before;
 11. Welcomes the ongoing successful interinstitutional cooperation with the Court of Justice of the European Union as regards training;

12. Recalls, in relation to declarations of members' financial interests, that, in compliance with the Court's Code of Conduct, Court members communicate a declaration of their financial interests to the President of the Court, who keeps them under confidential custody, and that these declarations are not published; reconfirms its position that in the interests of transparency, declarations of financial interests of members of all EU institutions should be accessible on the Internet via a public register, and calls upon the Court to take the necessary steps in this regard;
 13. Commends the Court for the quality of its annual activity report, and welcomes the inclusion of a chapter outlining the follow-up during the year to Parliament's previous discharge decisions.
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DECISION OF THE EUROPEAN PARLIAMENT

of 5 May 2010

on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section VI — European Economic and Social Committee

(2010/502/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0177/2009) ⁽²⁾,
 - having regard to the European Economic and Social Committee's annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0080/2010),
1. Grants the European Economic and Social Committee's Secretary-General discharge in respect of the implementation of its budget for the financial year 2008;
 2. Sets out its observations 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 of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 71, 14.3.2008.

⁽²⁾ OJ C 273, 13.11.2009, p. 1.

⁽³⁾ OJ C 269, 10.11.2009, p. 1.

⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section VI — European Economic and Social Committee**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0177/2009) ⁽²⁾,
 - having regard to the European Economic and Social Committee's annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0080/2010),
- A. whereas 'citizens have the right to know how their taxes are being spent and how the power entrusted to political bodies is handled' ⁽⁶⁾,
1. Notes that in 2008 the European Economic and Social Committee (EESC) had commitment appropriations available amounting to a total of EUR 118 million (EUR 116 million in 2007), with a utilisation rate of 95,64 %, the same as the average of the other institutions (95,67 %);
 2. Notes that the Court of Auditors indicated in its annual report that the audit did not give rise to any significant observations as regards the EESC;

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 269, 10.11.2009, p. 1.⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ The European Transparency Initiative.

3. Notes the minor increase in the number of permanent posts (700 posts in 2008; 695 posts in 2007) allocated to the EESC, and the fact that almost all of those posts have been filled (14 vacant posts in 2008; 8 vacant posts in 2007); welcomes the adoption and implementation of the medium-term plan (2008-2013 strategy) to promote equal opportunities and diversity in the secretariat, in particular, introducing general flexitime arrangements in the future, as well as a medium-term training plan (2008 to 2010) and developing a policy of staff mobility, and looks forward to reports on advancement in the human resources policy;
4. Points to the remark made by the Court of Auditors in Annex 11.2 of its annual report to the different approach of the EESC (as well as of the Parliament) when applying the provisions of the Staff Regulations as regards the multiplication factor; points out that the EESC thereby grants its staff a financial advantage not granted by the other institutions, and that that results in higher expenses; reiterates that the provisions of the Staff Regulations concerning the multiplication factor should be interpreted and implemented by all the institutions in the same way; notes the EESC's intention to adapt its practice in conformity with the awaited Civil Service Tribunal's ruling;
5. Welcomes the implementation of the Administrative Cooperation Agreement between the EESC and the Committee of the Regions (CoR) for the period 2008 to 2014, and invites the EESC and the CoR to communicate the progress made as regards harmonising their internal control standards, as well as relevant financial procedures relating to the Joint Services; takes note of the mutually satisfactory solution of distributing verification in the Joint services on the basis of the 'origin' of the authorising officer in charge from one Committee or the other;
6. Recalls that de-coupling resulting from the Administrative Cooperation Agreement should be budget neutral, and is looking forward to the mid-term review of the Agreement, due in 2011, and, as a part of that, to a joint analysis by the EESC and the CoR;
7. Welcomes the results of evaluation of the mini-cooperation agreements in the areas affected by de-coupling, as carried out jointly by the EESC and the CoR, in particular, their conclusions that the new governance structure has improved the administrative cooperation between the Committees, that de-coupled services have maintained quality and improved efficiency, and that no supplementary budget means were needed; also notes the conclusion that some practical aspects of the cooperation should be improved in the future;
8. Welcomes the EESC efforts in the area of interinstitutional cooperation in the domain of IT systems, in particular, the negotiations of the EESC and the CoR with the Commission on the use of the staff management system Sysper2;
9. Notes the EESC assurance regarding the controls, particularly that the EESC's internal rules foresee systematic ex-ante verification, and that this is augmented by random ex-post controls, especially in areas with high volume;
10. Welcomes the successful operation of the EESC audit committee, the audits carried out and follow-up on the agreed action plans, as well as further development of key activity and performance indicators (KAPI) in 2008, carried out by the Internal Audit Unit, and the readiness of the EESC to support other institutions with information on the experience gained in developing KAPI;
11. Recalls that members of the EESC do not declare their financial interests or disclose relevant information on declarable professional activities and remunerated posts or activities; requests that the EESC introduces this obligation for its members without delay;
12. Urges furthermore that travel expenses of members of the EESC should be based only on actual travel costs; suggests further that daily allowances should be equal to the ones received by the Members of the European Parliament; calls on the Secretary General of the EESC to report to the Committee on Budgetary Control of the European Parliament before September 2010 on the appropriate new internal rules that are to be adopted;

13. Notes the fact that the ad-hoc group of the EESC Bureau responsible for drafting proposals on revising the members' financial statute has concluded its work and the proposal is now being discussed in the appropriate bodies; urges the EESC to communicate the outcome of that process;
 14. Recalls its observation that the rules on procurement of the Financial Regulation are excessively cumbersome for smaller institutions; reminds the Commission of its request that it consult extensively with the EESC when carrying out its preliminary work prior to drawing up any future proposals for amendment to the Financial Regulation, in order to ensure that EESC concerns are fully taken into account;
 15. Praises the EESC for the quality of its annual activity report, and welcomes the inclusion of the explicit follow-up to Parliament's previous discharge decisions.
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DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section VII — Committee of the Regions**

(2010/503/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0178/2009) ⁽²⁾,
 - having regard to the Committee of the Regions' annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0082/2010),
1. Grants the Committee of the Regions' Secretary-General discharge in respect of the implementation of its budget for the financial year 2008;
 2. Sets out its observations 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 of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 71, 14.3.2008.

⁽²⁾ OJ C 273, 13.11.2009, p. 1.

⁽³⁾ OJ C 269, 10.11.2009, p. 1.

⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

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

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0178/2009) ⁽²⁾,
 - having regard to the Committee of the Regions' annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0082/2010),
- A. whereas 'citizens have the right to know how their taxes are being spent and how the power entrusted to political bodies is handled' ⁽⁶⁾,
1. Notes that in 2008 the Committee of the Regions (CoR) had commitment appropriations available amounting to a total of EUR 93 million (EUR 68,6 million in 2007; EUR 74,4 million in 2006), with a utilisation rate of 86,87 % ⁽⁷⁾;
 2. Notes that the Court of Auditors indicated in its annual report that the audit did not give rise to any significant observations as regards the CoR;

⁽¹⁾ OJ L 71, 14.3.2008.

⁽²⁾ OJ C 273, 13.11.2009, p. 1.

⁽³⁾ OJ C 269, 10.11.2009, p. 1.

⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ The European Transparency Initiative.

⁽⁷⁾ Adjusted — 98,1 %: CoR appropriations of EUR 93 million include assigned revenue in the form of EUR 10,7 million payment from the EESC in 2008, which was made to ensure that the CoR could pay the EESC part of building leases together with the CoR part, in one single payment. The leases were paid in 2009. The CoR 2008 appropriations adjusted for the 10,7 million interinstitutional transaction is EUR 82,4 million, and the adjusted CoR 2008 utilisation rate is 98,1 %.

3. Welcomes the implementation of the Administrative Cooperation Agreement between the CoR and the Economic and Social Committee (EESC) for the period 2008 to 2014, and invites the CoR and the EESC to communicate the progress made as regards harmonising their internal control standards, as well as relevant financial procedures relating to the Joint Services; takes note of the mutually satisfactory solution of distributing verification in the Joint Services on the basis of the 'origin' of the authorising officer in charge from one Committee or the other;
4. Recalls that de-coupling resulting from the Administrative Cooperation Agreement should be budget neutral, and is looking forward to the mid-term review of the Agreement, due in 2011, and, as a part of that, to a joint analysis by the CoR and the EESC;
5. Welcomes the results of the evaluation of the mini-cooperation agreements in the areas affected by de-coupling, as carried out jointly by the CoR and the EESC, in particular, their conclusions that the new governance structure has improved the administrative cooperation between the Committees, that de-coupled services have maintained quality and improved efficiency, and that no supplementary budget means (perhaps resources instead of means?) were needed; also notes the conclusion that some practical aspects of the cooperation should be improved in the future;
6. Welcomes the CoR's efforts in the area of interinstitutional cooperation in the domain of IT systems, in particular, the negotiations of the CoR and the EESC with the Commission on the use of the staff management system Sysper2;
7. Welcomes the ongoing improvements in the internal control environment of the CoR, in particular, the inventory of main administrative, operational and financial procedures of the CoR, development of a guidance note for the staff on deontology and integrity, including a self-assessment checklist regarding conflicts of interests, improvement of the vade mecum of tasks and responsibilities of CoR staff, as well as organisation of an ex-post verification exercise for 2008 in all services of the CoR;
8. Notes that the risk assessment exercise carried out in 2008 had identified two areas of concern: firstly, issues resulting from the change of the organisation chart and the consequences of the new cooperation agreement between the CoR and the EESC, where an adaptation period was still ongoing, and, secondly, personnel-related issues caused by too high job rotation, difficult and lengthy recruitment procedures and insufficient training; expects these issues to be followed up in the next annual activity report of the CoR;
9. Notes that the Internal Audit Service carried out audits on the performance of mission expenditure and on the performance of external studies, which allowed for a valid testing of the internal control environment, as well as follow-up audits on salary transfers (second follow-up), on internal control standards (first follow-up) and on the adequacy of financial circuits;
10. Welcomes the follow-up of the Parliament's earlier discharge decisions, in particular, on the Parliament's observations on the OLAF report and the administrative inquiry on weighted salary transfers, where all the amounts unduly received by the officials concerned have been paid back, disciplinary procedures have been opened, and recommendations issued by the internal auditor have been implemented or are in the process of implementation;
11. Welcomes also the follow-up on the management and control system within the own services, confirming that yearly ex-post controls on a sample basis have been carried out over several years including 2008, and the follow-up on the issue of management and control services within the EESC/CoR joint services, which demonstrated that by de-coupling several services, the management and control systems in both Committees have been improved, ensuring that there is always one Committee fully responsible for an individual expense, thus allowing for full financial and operational responsibility;

12. Requests that CoR members declare their financial interests, disclosing relevant information on declarable professional activities and remunerated posts or activities, especially since members of the CoR hold an electoral mandate or are politically accountable to an elected assembly;
 13. Praises the CoR for the quality of its annual activity report, and welcomes the inclusion of the explicit follow-up to Parliament's previous discharge decisions.
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DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section VIII — European Ombudsman**

(2010/504/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0179/2009) ⁽²⁾,
 - having regard to the European Ombudsman's annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0070/2010),
1. Grants the European Ombudsman discharge in respect of the implementation of its budget for the financial year 2008;
 2. Sets out its observations 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 of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 71, 14.3.2008.

⁽²⁾ OJ C 273, 13.11.2009, p. 1.

⁽³⁾ OJ C 269, 10.11.2009, p. 1.

⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010**

with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section VIII — European Ombudsman

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0179/2009) ⁽²⁾,
- having regard to the European Ombudsman's annual report to the discharge authority on internal audits carried out in 2008,
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
- 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 ⁽⁴⁾,
- having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A7-0070/2010),

1. Notes that in 2008 the European Ombudsman (the Ombudsman) had commitment appropriations available amounting to a total of EUR 9 million (2007: EUR 8,2 million), with a utilisation rate of 91,51 %, below the average of the other institutions (95,67 %);
2. Notes that the Court of Auditors indicated in its annual report that the audit did not give rise to any significant observations as regards the Ombudsman;
3. Notes a trend of persistent growth over the period from 2003 to 2008, during which time commitment appropriations doubled from EUR 4,4 million to EUR 9 million, and the number of posts increased from 31 to 57 (with 6 more posts in 2009), while complaints have increased from 2 436 to 3 346 and new enquiries opened from 253 to 293; notes that while the number of posts did not increase for the last three financial years, an increase to 63 in 2009 was planned; also notes that currently, after the internal restructuring of 2008, 24 out of 57 posts are assigned to analysing complaints and conducting inquiries (Legal department), and 31 are assigned to registration, distribution and follow-up of the complaints, as well as any other work not directly related to the core activity (Administration and Finance department);

⁽¹⁾ OJ L 71, 14.3.2008.

⁽²⁾ OJ C 273, 13.11.2009, p. 1.

⁽³⁾ OJ C 269, 10.11.2009, p. 1.

⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

4. Recalls that the framework cooperation agreement of indefinite duration between the Ombudsman and the Parliament, which entered into force on 1 April 2006, stipulates that the Parliament provide certain administrative services, including buildings, IT, communications, legal advice, medical services, training, translation and interpretation;
 5. Notes the priority areas identified by the Internal Audit service, in particular, audit of the public procurement process, including follow-up of uncompleted actions, the process for auditing grants, and completion and reporting on 2007 audits; welcomes the findings, in particular the observation that the procurement process had considerably improved, and that two open actions from the 2005 audit had been improved, as well as the observation that the process for awarding grants complies with the regulatory framework, principles of transparency and sound financial management;
 6. Notes, however, that the internal audit also revealed areas with scope for further improvement, in particular: procurement procedure files should include more complete information, delivery-due date modifications should only be allowed in exceptional cases, better planning of timing for tendering procedures, and inconsistent clauses in contracts to be corrected before signature; expects that the Ombudsman will follow up these issues and report to the Parliament in its activity report;
 7. Welcomes the Ombudsman's decision to publish the annual declaration of interests of the Ombudsman and the fact that the declaration is published on the Ombudsman's website;
 8. Reiterates its requests that the Ombudsman should include in its activity report a chapter giving a detailed account of the follow-up during the year to Parliament's earlier discharge decisions.
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DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section IX — European Data Protection Supervisor**

(2010/505/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0180/2009) ⁽²⁾,
 - having regard to the European Data Protection Supervisor's annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0098/2010),
1. Grants the European Data Protection Supervisor discharge in respect of the implementation of its budget for the financial year 2008;
 2. Sets out its observations 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 of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 71, 14.3.2008.

⁽²⁾ OJ C 273, 13.11.2009, p. 1.

⁽³⁾ OJ C 269, 10.11.2009, p. 1.

⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section IX — European Data Protection Supervisor**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2008 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2008 — Volume I (C7-0180/2009) ⁽²⁾,
 - having regard to the European Data Protection Supervisor's annual report to the discharge authority on internal audits carried out in 2008,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2008, together with the institutions' replies ⁽³⁾,
 - 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 ⁽⁴⁾,
 - having regard to Article 272(10) and Articles 274, 275 and 276 of the EC Treaty and Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0098/2010),
1. Notes that in 2008 the European Data Protection Supervisor (EDPS) had commitment appropriations available amounting to a total of EUR 5,3 million (2007: EUR 5 million ⁽⁶⁾), with a utilisation rate of 86,14 %, below the average of the other institutions (95,67 %);
 2. Notes the continuous increase in permanent posts from 29 in 2007 to 33 in 2008 (2006: 24 posts) allocated to the EDPS; welcomes the fact that all those posts have been filled, and notes the controlled growth and restricted expansion in both tasks and staff, ensuring that new staff are adequately integrated and trained; notes, however, that the expenditure under budgetary article 'Other staff' demonstrates that the implementation rate is below the average (51,98 %);
 3. Notes that the Court of Auditors indicated in its annual report that the audit did not give rise to any significant observations as regards the EDPS;

⁽¹⁾ OJ L 71, 14.3.2008.⁽²⁾ OJ C 273, 13.11.2009, p. 1.⁽³⁾ OJ C 269, 10.11.2009, p. 1.⁽⁴⁾ OJ C 273, 13.11.2009, p. 122.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ 2006: EUR 4,1 million.

4. Welcomes the consolidation of the management of financial and human resources, as well as the improvement in functionality and efficiency of internal control functions achieved in 2008; looks forward to future developments regarding financial and human resources as well as internal work processes, which were selected by the EDPS among its main objectives for 2009;
 5. Recalls that the administrative handling of all EDPS missions is ensured by the Paymaster's Office of the Commission (on the basis of the Administrative Cooperation Agreement between the Secretaries-General of the Commission, Parliament and the Council, signed together with the EDPS on 7 December 2006 for a further period of three years with effect from 16 January 2007);
 6. Recalls that the evaluation performed by the EDPS Internal Audit Service (that is, Commission's internal auditor on the basis of the Administrative Cooperation Agreement) had demonstrated the functionality and efficiency of the internal control system and its ability to provide reasonable assurance for the achievement of the EDPS's objectives, and awaits the results of the follow-up audit; welcomes the fact that the internal report on internal controls showed an 80 % rate of implementation of internal recommendations;
 7. Welcomes the annual publication of declarations of financial interests of the elected Members of the institution (EDPS and Assistant Supervisor), containing relevant information on remunerated posts or activities and declarable professional activities;
 8. Requests that the EDPS include in its next activity report (financial year 2009) a chapter providing a detailed account of the follow-up during the year to Parliament's earlier discharge decisions.
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DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008**

(2010/506/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the Commission report on the follow-up to the 2007 discharge decisions (COM(2009) 526 and its annex SEC(2009) 1427),
- having regard to the financial statements and revenue and expenditure accounts for the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008 (COM(2009) 397 — C7-0171/2009),
- having regard to the report on the financial management of the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008,
- having regard to the financial information on the European Development Funds (COM(2009) 310),
- having regard to the Court of Auditors' annual report on the activities funded by the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008, together with the Commission's 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 the Council's recommendations of 16 February 2010 concerning the discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2008 (5082/2010 — C7-0056/2010, 5084/2010 — C7-0057/2010, 5085/2010 — C7-0058/2010, 5086/2010 — C7-0059/2010),
- 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 on 23 June 2000 ⁽³⁾ and revised in Luxembourg on 25 June 2005 ⁽⁴⁾,
- having regard to Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community (Overseas Association Decision) ⁽⁵⁾, amended by Council Decision 2007/249/EC ⁽⁶⁾,
- 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 ⁽⁷⁾,

⁽¹⁾ OJ C 269, 10.11.2009, p. 257.⁽²⁾ OJ C 274, 13.11.2009, p. 235.⁽³⁾ OJ L 317, 15.12.2000, p. 3.⁽⁴⁾ OJ L 287, 28.10.2005, p. 4.⁽⁵⁾ OJ L 314, 30.11.2001, p. 1 and OJ L 324, 7.12.2001, p. 1.⁽⁶⁾ OJ L 109, 26.4.2007, p. 33.⁽⁷⁾ OJ L 156, 29.5.1998, p. 108.

- 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 ⁽¹⁾,
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽²⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ⁽³⁾,
 - having regard to Article 142 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ⁽⁴⁾,
 - having regard to Rules 76 and 77, third indent of and Annex VI to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A7-0063/2010),
1. Grants the Commission discharge in respect of the implementation of the budget of the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008;
 2. Sets out its observations 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 of the European Union, the Court of Auditors and the European Investment Bank and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ L 317, 15.12.2000, p. 355.

⁽²⁾ OJ L 191, 7.7.1998, p. 53.

⁽³⁾ OJ L 83, 1.4.2003, p. 1.

⁽⁴⁾ OJ L 78, 19.3.2008, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the Commission report on the follow-up to the 2007 discharge decisions (COM(2009) 526 and its annex SEC(2009) 1427),
- having regard to the financial statements and revenue and expenditure accounts for the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008 (COM(2009) 397 — C7-0171/2009),
- having regard to the report on the financial management of the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008,
- having regard to the financial information on the European Development Funds (COM(2009) 310),
- having regard to the Court of Auditors' annual report on the activities funded by the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008, together with the Commission's replies ⁽¹⁾,
- having regard to the Court of Auditors' Special Report No 15/2009 on EU assistance implemented through United Nations organisations: decision-making and monitoring,
- having regard to the Court of Auditors' Special Report No 18/2009 on the effectiveness of EDF support for Regional Economic Integration in East Africa and West Africa,
- 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 the Council's recommendations of 16 February 2010 concerning the discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2008 (5082/2010 — C7-0056/2010, 5084/2010 — C7-0057/2010, 5085/2010 — C7-0058/2010, 5086/2010 — C7-0059/2010),
- 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 on 23 June 2000 ⁽³⁾ and revised in Luxembourg on 25 June 2005 ⁽⁴⁾,
- having regard to Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community (Overseas Association Decision) ⁽⁵⁾, amended by Council Decision 2007/249/EC ⁽⁶⁾,

⁽¹⁾ OJ C 269, 10.11.2009, p. 257.

⁽²⁾ OJ C 274, 13.11.2009, p. 235.

⁽³⁾ OJ L 317, 15.12.2000, p. 3.

⁽⁴⁾ OJ L 287, 28.10.2005, p. 4.

⁽⁵⁾ OJ L 314, 30.11.2001, p. 1 and OJ L 324, 7.12.2001, p. 1.

⁽⁶⁾ OJ L 109, 26.4.2007, p. 33.

- 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, 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 ⁽²⁾,
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ⁽⁴⁾,
 - having regard to Article 142 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ⁽⁵⁾,
 - having regard to Rules 76 and 77, third indent of and Annex VI to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A7-0063/2010),
- A. whereas the European Development Fund (EDF) is the European Union's most important financial instrument for development cooperation with the African, Caribbean and Pacific States,
- B. whereas the total amount of aid channelled through the EDF will increase considerably over the coming years, since the amount of EU aid under the 10th EDF for the period 2008 to 2013 has been set at EUR 22 682 000 000, which represents a 64 % increase compared with the financial allocations under the Ninth EDF,
- C. whereas budget support is an aid instrument which requires a paradigm shift in parliamentary oversight, moving from control over inputs to the checking of results and outputs,
- D. whereas, despite Parliament's repeated request that the EDF be budgetised, the EDFs currently do not fall under the general budget of the European Union and the general Financial Regulation, but are implemented in accordance with specific financial rules,
- E. whereas it is determined to continue to develop its oversight capabilities in order to fulfil as efficiently as possible its obligations as discharge authority,

⁽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⁾ OJ L 78, 19.3.2008, p. 1.

1. Welcomes the implementation of the Lisbon Treaty, particularly the creation of the office of High Representative of the Union for Foreign Affairs and Security Policy and the creation of the European External Action Service (EEAS); is concerned that the effectiveness of European development aid could be hindered by the fragmented way in which it is managed, and points out that improvements aimed at better management of the EDFs must be maintained and not be blocked; calls on the Commission to give it a description and detailed explanation of the operation of the new system;
2. Recalls and supports the Commission's undertaking that it will fully incorporate the EDF into the budget during discussions on the next financial framework; repeats its request to the Commission to keep its Committee on Budgetary Control fully informed concerning the preparation of this initiative; takes the view that incorporation of the EDF into the general budget of the European Union would make it possible to enhance the coherence, transparency and effectiveness of the EDF and to strengthen its oversight system;
3. Asks to be kept informed concerning the mid-term review due to be held for the 10th EDF in 2010 and urges that the joint programming should be adequately strengthened to obtain a greater concentration and better coordination and division of work; takes the view that the implementation strategy for the 10th EDF should focus on a limited number of areas, without excluding non-governmental organisations (NGOs) that are effective at local level and are of crucial importance for sustainable development, in order to avoid the harmful effects arising from a proliferation of objectives; in this connection, calls on the Commission to verify whether management by the respective NGOs in the field is in fact more efficient and cost-effective than management by the Commission;
4. Repeats its invitation to the Commission, when fine-tuning its control strategy, to identify the point at which lack of results and the costs of control call for a policy change; in this connection looks forward to receiving the Commission report on the results of the tolerable risk/cost effectiveness studies on external action and the review of the EuropeAid control strategy, in good time for the 2009 discharge procedure;

Statement of assurance

5. Notes that the Court of Auditors, with the exception of the Commission's method of estimating the provision for costs incurred, takes the view that the accounts reliably reflect the revenue and expenditure relating to the Seventh, Eighth, Ninth and 10th EDFs; encourages the Commission to refine its method in the next few months for the discharge in respect of the financial year 2009;

Underlying transactions

6. Notes with satisfaction that, according to the Court of Auditors, the revenue and commitments are free from material error; is, however, concerned about the high incidence of non-quantifiable errors in budget support commitments and assessments of a material level of error in the payments;
7. Deplores and finds unacceptable the fact that the Court of Auditors was not able to obtain all the information and documentation concerning 10 sampled payments to international organisations and that consequently it is not able to express an opinion on the regularity of expenditure amounting to EUR 190 000 000, i.e. 6,7 % of the annual expenditure;
8. Calls on the Commission to take a sufficiently firm line with international organisations and draw up an ad hoc calendar ensuring that requests for information will be dealt with on time, so as to support the requests of the Court of Auditors for information/documentation and to ensure that the financial and administrative framework agreement (FAFA) is respected;

Financial implementation

9. Notes with satisfaction that the Seventh EDF was closed on 31 August 2008 and that EUR 10 381 000 000 was disbursed, amounting to 98,3 % of the EUR 10 559 000 000 allocated; notes that the balance (EUR 178 000 000) was transferred to the Ninth EDF;

10. Notes that the 10th EDF (for the period 2008-2013, for a total amount of EUR 22 682 000 000) entered into force on 1 July 2008, and welcomes the speedy implementation of the 10th EDF and the Commission's generally good performance, as regards commitments and payments and the management of outstanding commitments; encourages the Commission to continue its efforts with regard to old and dormant outstanding commitments;

The Commission's financial management of the EDFs

11. Notes with satisfaction that in the opinion of the Court of Auditors the Commission's report on the financial management of the Seventh, Eighth, Ninth and 10th EDFs for the financial year 2008 presents 'an accurate description of the achievement of the Commission's operational objectives for the financial year (...), the financial situation and the events that had a significant influence on the activities carried out in 2008' ⁽¹⁾;

Reliability of the accounts

12. Notes that, under Article 1 and Article 103(3) of the Financial Regulation of 27 March 2003 applicable to the 9th EDF and Articles 2, 3, and 4 and Article 125(3) of Regulation (EC) No 215/2008, the statement of assurance (DAS) does not extend to the part of the Ninth and 10th EDFs' resources that is managed by the European Investment Bank (EIB) (more than EUR 3 500 000 000) ⁽²⁾; takes the view that resources not covered by the DAS should regularly be the subject of an EIB report;
13. Welcomes the fact that the Court of Auditors takes the view that the final annual accounts of the Seventh, Eighth, Ninth and 10th EDFs fairly present, in all material respects, the financial position of the EDFs as at 31 December 2008;
14. Notes with satisfaction that the new accrual-based accounting system adapted to the EDF (ABAC EDF) was introduced in February 2009;

Project management and payments

15. Welcomes the record levels of commitments which were reached in 2008 and the timely implementation of the 10th EDF; stresses that speeding up implementation should not come at the expense of the quality of funded operations;
16. Notes with satisfaction that the Court of Auditors found that the advance payments were free from material error; deplores nevertheless the fact that the Court of Auditors found a material level of error affecting the amount of payments audited;
17. Can accept the argument that some of the errors (lack of invoices or other supporting documents), i.e. those relating to the occurrence of expenditure in Angola, can be explained by the particularly difficult conditions in which the audit was carried out in that country; stresses, however, that 47 % of the quantifiable errors relate to the eligibility of expenditure and therefore calls on the Commission to improve its control system so as to reduce errors ⁽³⁾; draws the Commission's attention in this connection to the recommendation of the Court of Auditors that *ex-ante* checks should be improved by focusing on key risks;
18. Calls on the Commission, when the Financial Regulation is revised, to identify any procedural problems that it has encountered during crises and to present to Parliament an effective control procedure, particularly as regards the financing of emergency aid measures by Member States, that is flexible enough not to harm the flow of funds and that ensures the transparency of the projects undertaken;

⁽¹⁾ See the Court of Auditors' 2008 annual report on the EDFs, point 8.

⁽²⁾ See the Court of Auditors' 2008 annual report on the EDFs, point 2.

⁽³⁾ See the Court of Auditors' 2008 annual report on the EDFs, point 22.

Annual activity report

19. Welcomes the finding of the Court of Auditors that the quality of the annual activity report has significantly improved and congratulates the Commission, inter alia on greater use of quantitative indicators ⁽¹⁾;

Monitoring of implementing organisations

20. Criticises the fact that, as in previous years, there are still significant weaknesses in the financial procedures and controls of implementing organisations, supervisors and National Authorising Officers (NAOs); welcomes nevertheless the efforts of EuropeAid and the delegations in particular to address those weaknesses; calls for those efforts to be stepped up in future and expects that future improvements expected in CRIS Audit will make a better result possible;
21. Stresses that democracy and the right for people to live under conditions where their human rights are not violated must be integrated goals of the implementing organisations in countries where EDF support is distributed;

Budget support

22. Notes the significant increase in the share of cumulative financing decisions accounted for by budget support and structural adjustment under the 10th EDF (over 45 %) as compared with the Eighth and Ninth EDFs (around 15 %) ⁽²⁾;
23. Deplores the fact that the Court of Auditors' audit of budget support commitments and payments found them to be affected by a high level of non-quantifiable errors; urges the Commission to evaluate those payments with even greater rigour and to tighten up its payment procedures as of now; notes with satisfaction in this context that a review of the financial circuits for these payments was carried out in February 2009;
24. Welcomes the improvement in the clarity and structure of the Commission's assessments of compliance with the Cotonou Agreement; deplores the fact, however, that the Court of Auditors still found frequent cases where the Commission did not demonstrate in a sufficiently structured and formalised manner that public finance management in the beneficiary countries was sufficiently transparent, accountable and effective or at least that those countries had a credible and relevant reform programme to this end;
25. Agrees with the Court of Auditors that the Commission must continue its efforts to substantiate its decisions on the eligibility of budget support and to ensure that all financing agreements provide a comprehensive and clear basis for the assessment of compliance with payment conditions ⁽³⁾; looks forward to receiving information on the outcome of the guidance review promised by the Commission for the end of 2009;
26. Urges the Commission to help partner countries develop parliamentary control and audit capacities and to involve parliaments, as well as civil society, in drawing up their national development strategies;
27. Recalls, as already pointed out in paragraph 79 of its resolution of 23 April 2009 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Seventh, Eighth and Ninth European Development Funds for the financial year 2007 ⁽⁴⁾ (hereinafter 'resolution of 23 April 2009'), that its role as regards budget support is to hold the Commission accountable for the results of spending, and that budget support is an aid instrument that requires a paradigm shift in oversight behaviour, moving from control over inputs to the checking of results against indicators, thus ensuring that support spending benefits the population of the recipient country;

⁽¹⁾ See the Court of Auditors' 2008 annual report on the EDFs, point 29.

⁽²⁾ See the Court of Auditors' 2008 annual report on the EDFs, Chart II, p. 266.

⁽³⁾ See the Court of Auditors' 2008 annual report on the EDFs, point 56.

⁽⁴⁾ OJ L 255, 26.9.2009, p. 98.

28. Repeats its request to the Commission to identify, with the utmost rigour, the countries or issues in budgetary support implementation where particular parliamentary attention could prove useful in improving donor accountability ⁽¹⁾ in addition to the special guidance on how to manage budget support operations in countries in a situation of fragility promised in the Commission's replies of 2 December 2009 to the Committee on Budgetary Control's written questions to Commissioner Karel De Gucht;
29. Repeats its call to the Court of Auditors to inform it of the quality of the Commission's risk assessment and management, and would welcome more performance audits assessing the results of development spending in general and budget support in particular ⁽²⁾;
30. Calls on the Commission to ensure that budget support is reduced or cancelled when clear goals are not achieved;

Disclosure statement by beneficiary states

31. Reiterates its view that development aid in general and budget support in particular should be tied to an *ex-ante* disclosure statement, issued by the recipient country's government and signed by its finance minister, concerning selected issues that affect the governance and accountability structure of a beneficiary country; does not accept the Commission's argument that sufficient information on governance is obtained from analyses carried out with the cooperation of other parties and stakeholders;
32. Calls again on the Commission to take the lead and to present a proposal along these lines to other international donors, in particular the World Bank, with a view to developing and implementing such an instrument in agreement with other donors; looks forward to being informed of a possible timeframe for these negotiations;

Human resources

33. Is very concerned at the risk of loss of institutional memory as a result of significant staff constraints (excessive turnover, and excessively high and increasing vacancy rates) disclosed in EuropeAid's annual activity report ⁽³⁾ and expresses concern that the number of EuropeAid staff has continued to decline in comparison to funds committed;
34. Reiterates its concern that there is a risk that a shortage or inadequate allocation of staff or the unavailability of specific skills and knowledge will have an impact on the effectiveness of action taken and the quality of the controls, verification and monitoring ⁽⁴⁾;
35. Supports the intention expressed by the Commission to recruit additional external staff to increase numbers at headquarters and in the delegations for the management and control of the EDF; considers such an increase in staff to be all the more necessary because of the substantial increase in commitments under the 10th EDF;

Comments on the conclusions and recommendations of the Court of Auditors

36. Notes with satisfaction that the Court of Auditors has recognised EuropeAid's efforts to make significant improvements in its supervisory and control systems; supports the Commission in its determination to continue to improve the control systems' architecture;
37. Fully agrees with the recommendations of the Court of Auditors expressed in points 55(a) to (f) and 56(a) and (b) of the annual report on the EDFs;

⁽¹⁾ See paragraph 43 of the resolution of 23 April 2009.

⁽²⁾ See paragraph 53 of the resolution of 23 April 2009.

⁽³⁾ See the Court of Auditors' 2008 annual report on the EDFs, point 30.

⁽⁴⁾ See paragraph 61 of the resolution of 23 April 2009.

38. Draws attention in particular, pending solutions to the lack of human resources, to the recommendation of the Court of Auditors on the need for the Commission to carry out a more structured risk analysis, to provide a more realistic assessment of the resources available when preparing the annual audit plans, and to closely monitor the implementation of the audit plans throughout the year;
39. Points out that, in its Special Report No 18/2009, the Court of Auditors assesses EDF support for regional economic integration in East Africa and West Africa, to which a considerable proportion — over 50 % — of EDF funding is allocated, as only partially effective; calls on the Commission to take steps to implement the measures proposed by the Court of Auditors, particularly as regards co-ordinating with and ensuring coherence with regional organisations, providing sufficient staffing, co-ordinating regional and national strategies and providing a precise clarification of tasks, responsibilities and objectives;

Development priorities and visibility

40. Calls for the Development Cooperation Instrument benchmark allocating 20 % of spending to basic and secondary education and basic health to apply also to the EDF; urges the Commission to place greater emphasis on maternal health, as this is the Millennium Development Goal for which progress has been most disappointing; urges the Commission to ensure better visibility for EU-funded activities overseas;
41. Reiterates its support for EDF budgetisation, as a means of making spending more democratic, more accountable and more transparent;

The Investment Facility

42. Notes that the EIB manages the Investment Facility, a risk-bearing instrument funded from the EDF that aims to foster private investment in the difficult economic and political context of the ACP countries; recalls its comments in its resolutions of 22 April 2008 ⁽¹⁾ and 23 April 2009 accompanying its decisions on discharge in respect of the implementation of the budget of the European Development Fund for the financial years 2006 and 2007, expressing its concern that the management of the Investment Facility by the EIB was excluded from the discharge; further recalls that EDF resources are derived from public money contributed by European taxpayers and not by the financial markets;
43. Deplores, as did the Court of Auditors in its Opinion No 9/2007 on the proposal for a Council Regulation on a Financial Regulation applicable to the 10th European Development Fund, the creation of two separate areas of management, as this limits the scope of the discharge, creates an additional need for coordination between the Commission and the EIB, and makes it difficult to obtain a complete picture of results achieved;
44. Notes that the EIB's annual report on the Investment Facility contains mainly financial information and very little — if any — information on the results of the various programmes financed;
45. Recalls that, in paragraph 24 of its above-mentioned resolution of 22 April 2008, it suggested that, during the discharge procedure, the EIB present its annual report on the implementation of the Investment Facility immediately to Parliament's Committee on Budgetary Control; proposes, in this connection, that the Committee on Budgetary Control invite the President of the EIB as soon as possible to discuss this possibility;
46. Repeats the invitation it made to the EIB in its resolution of 23 April 2009 to focus its reporting on results and to present complete, relevant and objective information as regards outcomes, objectives set, objectives achieved and reasons for possible deviation, as well as evaluations carried out and a summary of evaluation results;

⁽¹⁾ OJ L 88, 31.3.2009, p. 253.

47. Calls on the Commission to provide more comprehensive information than when following up the resolution of 23 April 2009 on the specific procedures it has established with the EIB with a view to coordinating the two institutions' efforts to achieve EU objectives relating to development, and on the efficiency of those procedures.
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DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008**

(2010/507/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the Commission report on the follow-up to the 2007 discharge decisions (COM(2009) 526 and its annex SEC(2009) 1427),
- having regard to the financial statements and revenue and expenditure accounts for the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008 (COM(2009) 397 — C7-0171/2009),
- having regard to the report on the financial management of the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008,
- having regard to the financial information on the European Development Funds (COM(2009) 310),
- having regard to the Court of Auditors' annual report on the activities funded by the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008, together with the Commission's 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 the Council's recommendations of 16 February 2010 concerning the discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2008 (5082/2010 — C7-0056/2010, 5084/2010 — C7-0057/2010, 5085/2010 — C7-0058/2010, 5086/2010 — C7-0059/2010),
- 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 on 23 June 2000 ⁽³⁾ and revised in Luxembourg on 25 June 2005 ⁽⁴⁾,
- having regard to Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community (Overseas Association Decision) ⁽⁵⁾, amended by Council Decision 2007/249/EC ⁽⁶⁾,
- 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 ⁽⁷⁾,

⁽¹⁾ OJ C 269, 10.11.2009, p. 257.⁽²⁾ OJ C 274, 13.11.2009, p. 235.⁽³⁾ OJ L 317, 15.12.2000, p. 3.⁽⁴⁾ OJ L 287, 28.10.2005, p. 4.⁽⁵⁾ OJ L 314, 30.11.2001, p. 1 and OJ L 324, 7.12.2001, p. 1.⁽⁶⁾ OJ L 109, 26.4.2007, p. 33.⁽⁷⁾ OJ L 156, 29.5.1998, p. 108.

- 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 ⁽¹⁾,
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽²⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ⁽³⁾,
 - having regard to Article 142 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ⁽⁴⁾,
 - having regard to Rules 76 and 77, third indent of and Annex VI to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A7-0063/2010),
1. Notes that the final annual accounts of the Seventh, Eighth, Ninth and 10th European Development Funds are as shown in Table 1 of the Court of Auditors' annual report;
 2. Approves the closure of the accounts of the Seventh, Eighth, Ninth and 10th European Development Funds for the financial year 2008;
 3. Instructs its President to forward this Decision to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 317, 15.12.2000, p. 355.

⁽²⁾ OJ L 191, 7.7.1998, p. 53.

⁽³⁾ OJ L 83, 1.4.2003, p. 1.

⁽⁴⁾ OJ L 78, 19.3.2008, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2008**

(2010/508/EU)

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 2008,
 - 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 2008, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 bodies of the European Union ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0071/2010),
1. Grants the Director of the Translation Centre for the Bodies of the European Union discharge in respect of the implementation of the Centre's budget for the financial year 2008;
 2. Sets out its observations 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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 107.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 314, 7.12.1994, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2008**

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 2008,
- 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 2008, together with the Centre's replies ⁽¹⁾,
- having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
- having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, 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 bodies of the European Union ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A7-0071/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Director of the Translation Centre for the Bodies of the European Union discharge in respect of the implementation of the Centre's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision, *inter alia*:
 - noted the Court of Auditors' observation in its 2006 report that the accumulated budget surplus for 2006 was EUR 16 900 000 and that, in 2007, the Centre would refund EUR 9 300 000 to its clients; agreed with the Court of Auditors that such an accumulation of surpluses suggested that the method used by the Centre to price its translations was not precise enough,
 - called on the Commission and the Centre to strive to resolve quickly the dispute over pension contributions for staff;

⁽¹⁾ OJ C 304, 15.12.2009, p. 107.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 314, 7.12.1994, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 145.

Performance

1. Congratulates the Centre on having developed an efficient IT tool, FlosysWeb, which is used by clients to send translations, with the clients choosing between different format options and receiving the translations back via the same system;

Budget surplus contrary to the Regulation establishing the Centre

2. Notes that for several years the Centre has had an accumulated budget surplus contrary to Regulation (EC) No 2965/94, and that in 2008 the surplus amounted to EUR 26 700 000 (whereas it had been EUR 16 900 000 in 2006, EUR 10 500 000 in 2005 and EUR 3 500 000 in 2004); notes that this surplus is mainly linked to the lack of precision in the forecasts for translation requests received from its clients; calls on the Centre to take more effective measures to remedy this constant rise in its surplus;
3. Notes that, in 2009, the Centre refunded EUR 11 450 000 to its clients; stresses that similarly, in 2007, the Centre had already refunded EUR 9 300 000 to its clients;
4. Notes that the Centre reported EUR 1 580 984,34 in income from interest in 2008; concludes from the financial statements and from the level of the interest payments that the Centre permanently maintains an extremely high level of cash holdings; notes that on 31 December 2008 the Centre's cash holdings amounted to EUR 48 405 006,88; asks the Commission to examine what scope there is for helping to ensure that the cash holdings are managed entirely on a needs-orientated basis, in accordance with Article 15(5) of Regulation (EC, Euratom) No 2343/2002, and what changes of approach are necessary in order to keep the Centre's cash holdings permanently as low as possible; calls on the Centre to offer its clients cost-covering services in future;

Pension contributions for staff

5. Considers it very regrettable that, although this issue has been highlighted in discharge resolutions over many years, a solution concerning the conflict between the Centre and the Commission as to the employer's share of pension contributions for staff has still not been found;
6. Notes with concern that this ongoing conflict with the Commission is costing the Centre several millions; notes in particular that in 2008 the Centre established a reserve of EUR 15 300 000 to tackle the consequences of this conflict; calls, therefore, on the Centre to inform the discharge authority of the progress of the negotiations and of staff costs (in relation to time and expenditure) incurred as a result of this conflict;

Internal audit

7. Notes that the Centre set up an internal audit function in 2006 and that that position has been occupied since February 2008;
8. Acknowledges that most of the recommendations of the Internal Audit Services (IAS) have now been implemented; considers that it is highly important for the Centre to implement fully a policy on sensitive posts and staff mobility;

Human resources

9. Observes that only 81 % of the posts provided for were occupied by officials and temporary staff in December 2008; notes that the Centre has justified this inadequate figure by pointing to a lack of office space, which made it impossible to recruit in accordance with the establishment plan; considers nonetheless that the Centre should plan its recruitment procedures more realistically and effectively in order to respect the time limits and meet all the needs arising from an increase in the Centre's staff;
10. Encourages the Centre to establish comprehensive training maps based on requisite staff skills and capabilities in order to maintain a high level of competence of its staff; furthermore, supports the Centre in the steps taken by it to effectively monitor the quality of its training courses;

11. Refers for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2008**

(2010/509/EU)

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 2008,
 - 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 2008, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 bodies of the European Union ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0071/2010),
1. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2008;
 2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 107.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 314, 7.12.1994, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2008**

(2010/510/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2008,
 - 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 2008, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0091/2010),
1. Grants the Director of the European Centre for the Development of Vocational Training discharge in respect of the implementation of the Centre's budget for the financial year 2008;
 2. Sets out its observations 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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 118.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 39, 13.2.1975, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget for the European Centre for the Development of Vocational Training for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2008,
 - 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 2008, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0091/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Director of the European Centre for the Development of Vocational Training discharge in respect of the implementation of the Centre's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision, inter alia, drew attention to observations by the Court of Auditors concerning the high proportion of carry-overs and cancellations, the need to set measurable objectives and indicators in its programming and the need to establish clear links between objectives and the budgetary resources needed to achieve them,
1. Expresses its satisfaction that the Court of Auditors has declared the Centre's annual accounts for the financial year 2008 to be legal and regular;

⁽¹⁾ OJ C 304, 15.12.2009, p. 118.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 39, 13.2.1975, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 141.

Performance

2. Congratulates the Centre on its positive statement of assurance from the Court of Auditors in relation to the financial year 2008, not only with regard to the accounts, but also with regard to the underlying transactions; notes that the Centre has made enormous progress with regard to the inventory procedure for identifying, recording and capitalising assets, to documentation on internal control processes and to procurement procedures;
3. Again stresses how important it is for the Centre to set SMART objectives and RACER indicators in its programming so as to assess its achievements; notes, however, the statement by the Centre that it has taken these observations into consideration in its 2009 programme; calls also on the Agency to consider making a Gantt diagram part of the programming for each of its operational activities, with a view to indicating in concise form the amount of time spent by each staff member on a project and encouraging an approach geared towards achieving results;
4. Welcomes, none the less, the Centre's intention to introduce a pilot system in 2010 for recording the time spent by each staff member on a Centre project;
5. Calls on the Centre to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year so as to enable the discharge authority to assess more effectively its performance from one year to the next;
6. Welcomes the close cooperation and the synergies established between the European Centre for the Development of Vocational Training and the European Training Foundation (ETF), given the two agencies' related areas of responsibility; calls on the two agencies to include a detailed follow-up report on the cooperation agreement in their 2009 activity reports.

Budgetary and financial management

7. Draws attention to the fact that the Centre has again carried appropriations forward (25 % of payment appropriations, or EUR 1 400 000); points out that this reveals weaknesses in the programming and monitoring of differentiated appropriations for operating activities;

Human resources

8. Points out that the Centre employs 128 staff and in 2009 introduced a performance measurement system; expects to be informed of the results of the introduction of that system;

Internal audit

9. Congratulates the Centre on being the first agency voluntarily to undergo a pilot audit on the ethical framework; notes that this audit was conducted from 16 to 20 February 2009 by a team of three auditors and that the Internal Audit Service (IAS) confirmed that the Centre had developed a good ethical framework;
10. Acknowledges that, since 2006, the Centre has implemented 15 recommendations out of 30 recommended by the IAS; notes that, of the 15 still not implemented, six are considered to be 'very important' and mainly relate to human resources management (e.g. staff performance, setting personal objectives and fixing the roles and responsibilities of the Staff Committee); expects progress in this area of fundamental importance to the Centre's work and asks to be kept informed;
11. Refers for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2008**

(2010/511/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2008,
 - 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 2008, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0091/2010),
1. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2008;
 2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 118.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 39, 13.2.1975, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the Community Fisheries Control Agency for the financial year 2008**

(2010/512/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the final annual accounts of the Community Fisheries Control Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0105/2010),
1. Grants the Executive Director of the Community Fisheries Control Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations 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 Community Fisheries Control Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 1.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 128, 21.5.2005, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Community Fisheries Control Agency for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the final annual accounts of the Community Fisheries Control Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0105/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Executive Director of the Community Fisheries Control Agency discharge in respect of the implementation of the Agency's budget for the financial year 2007 ⁽⁵⁾ and, in its resolution accompanying the discharge decision, noted, inter alia:
- the Court of Auditors' observation that the Agency had not established appropriate procedures in order to determine the funds to be carried over, leading to at least EUR 125 000 being carried over without legal commitments,
 - that according to the Court of Auditors the Agency had not yet sufficiently documented its internal control procedures;

⁽¹⁾ OJ C 304, 15.12.2009, p. 1.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 128, 21.5.2005, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 202.

Performance

1. Notes the Court of Auditors' observation that the Agency does not draw up a multiannual work programme; emphasises, therefore, the importance of drawing up such a document so that the Agency can make effective organisational arrangements to implement its strategy and achieve its goals; nevertheless, congratulates the Agency on its decision to develop this document in accordance with its Administrative Board's medium-term strategy;
2. Calls further on the Agency to consider making a Gantt diagram part of the programming for each of its operational activities, with a view to indicating in concise form the amount of time spent by each staff member on a project and encouraging an approach geared towards achieving results;
3. Calls on the Agency to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year so as to enable the discharge authority to assess its performance from one year to the next more effectively;

Budgetary and financial management

4. Draws attention to the need for the Agency to remedy the shortcomings in the programming of its activities so that in future the procedures for drafting the budget are sufficiently rigorous and obviate any need to increase and/or decrease the appropriations against its budget headings; emphasises that this state of affairs is also at odds with the principle of specification; notes further that contrary to the rules in force the Administrative Board was not asked to authorise the transfers or informed about them; acknowledges, however, that the Agency has undertaken to improve its budgetary planning and monitoring and, consequently, to reduce the number of budgetary modifications required;
5. Notes further the Agency's reply that stressed that, owing to its relocation to its definitive seat, 2008 was a particularly difficult year for budgetary planning;
6. Notes the Court of Auditors' observation to the effect that, contrary to the Financial Regulation, some legal commitments (a total amount of EUR 1 400 000) were entered into before the corresponding budgetary commitments had been made;

Internal audit

7. Acknowledges that the Internal Audit Service (IAS) has identified 15 recommendations for the Agency, 9 of which have been rated as 'very important' and relate to the need to develop a set of indicators covering all activities of the Agency, the internal organisation and procedural structure supporting the management assurance, the human resources management (as regards strengthening recruitment procedures and documentation systems) and the need for internal procedures to reduce the Agency's payment delays;

Human resources

8. Notes that in 2008 the rate of recruitment was much higher than originally planned and that the volume of appropriations required to pay salaries was underestimated by more than 35 % (roughly EUR 1 300 000); calls, therefore, on the Agency to improve monitoring of the implementation of its budget;
9. Refers for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the Community Fisheries Control Agency for the financial year 2008**

(2010/513/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the final annual accounts of the Community Fisheries Control Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0105/2010),
1. Approves the closure of the accounts of the Community Fisheries Control Agency for the financial year 2008;
 2. Instructs its President to forward this Decision to the Executive Director of the Community Fisheries Control Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 1.
⁽²⁾ OJ L 248, 16.9.2002, p. 1.
⁽³⁾ OJ L 128, 21.5.2005, p. 1.
⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Agency for Reconstruction for the financial year 2008**

(2010/514/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Reconstruction for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Reconstruction for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0072/2010),
1. Grants the Director of the European Agency for Reconstruction discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations 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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 43.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 306, 7.12.2000, p. 7.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Agency for Reconstruction for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Reconstruction for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Reconstruction for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0072/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Director of the European Agency for Reconstruction discharge in respect of the implementation of the Agency's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision noted, inter alia, that the Court of Auditors had, in its annual report for 2007, identified three potential risks relating to the transfer of activities from the Agency to the delegations, namely that:
- (a) due to the multiannual character of the Agency's activity, there were still unused budgetary appropriations of EUR 453 000 000 which had to be implemented in years after 2008, which was the last year of existence of the Agency,

⁽¹⁾ OJ C 304, 15.12.2009, p. 43.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 306, 7.12.2000, p. 7.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 176.

- (b) the guidance note issued by the Commission on 11 June 2008 on the transfer of files did not cover all the items on the Agency's balance sheet,
 - (c) the accumulated surplus of EUR 180 000 000 shown in the Agency's balance sheet at 31 December 2007 would also have to be taken over and managed by the Commission at the end of the Agency's mandate,
1. Notes that the memorandum of understanding of 17 December 2008 between the Commission and the European Agency for Reconstruction stipulates that the Agency's residual assets become the property of the Commission after 31 December 2008;

Budgetary and financial management

2. Notes the Court of Auditors' finding that none of the formal conditions required for the award of a direct grant of EUR 1 399 132 (0,31 % of the available operational budget) to an international organisation had been fulfilled;
3. Stresses that the relevance of the five cross-border cooperation projects audited by the Court of Auditors (worth a total of EUR 528 000 — 0,12 % of the available operational budget) was challenged on the grounds that the Evaluation Committee, comprising the Agency and a Commission delegation, had not taken account of the issues raised by local assessors; notes, nonetheless, the Agency's reply to the effect that, under the rules in force, the Evaluation Committee was not bound by the opinion of the assessors;
4. Calls, now that the Agency's work has finished, for an evaluation of the funding allocated in Kosovo to determine whether the allocation of funding there resulted in the establishment of functional, sustainable justice and administration structures;
5. Deplores the fact that the efficiently functioning Agency has been wound up and the management of the funding has been transferred to the delegations; demands that the Commission submit a report detailing how many staff the delegations have taken on to cope with the Agency's tasks; calls on the Commission to supply comprehensive and complete information on whether budget support has been provided from the funds transferred from the Agency to the delegations;
6. Refers, for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Agency for Reconstruction for the financial year 2008**

(2010/515/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Reconstruction for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Reconstruction for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0072/2010),
1. Approves the closure of the accounts of the European Agency for Reconstruction for the financial year 2008;
 2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 43.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 306, 7.12.2000, p. 7.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2008**

(2010/516/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council ⁽³⁾ establishing a European Aviation Safety Agency, and in particular Article 60 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0068/2010),
1. Grants the Executive Director of the European Aviation Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations 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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 21.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 79, 19.3.2008, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council ⁽³⁾ establishing a European Aviation Safety Agency, and in particular Article 60 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0068/2010),
- A. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Executive Director of the European Aviation Safety Agency discharge for implementation of the Agency's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- noted that the Court of Auditors had criticised several audited procurement procedures,
 - requested that the Agency keeps the promise given in its replies to the Court of Auditors to comply strictly with the procurement rules and to pay particular attention to the provision of clear information to potential bidders,

⁽¹⁾ OJ C 304, 15.12.2009, p. 21.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 79, 19.3.2008, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 122.

- noted that the Court of Auditors' observation that the 2007 establishment plan consisted of 467 temporary posts, but that budget appropriations for staff expenditure did not cover actual staff costs for these posts and that, as a consequence, the Agency had agreed with the Commission to reduce the number of its posts to a maximum of 342, of which 333 were filled at the year-end,
1. Welcomes the fact that the Court of Auditors found the Agency accounts for 2008 to be reliable and the underlying transactions, taken as a whole, to be legal and regular;
 2. Notes that the Agency received EUR 30 000 000 in commitment and in payment appropriations from the 2008 budget;
 3. Notes that the Agency's budget increased by 42 % from EUR 72 000 000 to EUR 102 000 000 from 2007 to 2008 and that staff numbers rose from 362 to 442;

Performance

4. Stresses how important it is for the Agency to set SMART objectives and RACER indicators in its programming so as to assess its achievements; notes the reply from the Agency, which gives an assurance that it has improved its work programme for 2010, establishing objectives and key performance indicators and a better resource planning system; calls, also, on the Agency to consider making a Gantt diagram part of the programming for each of its operational activities, with a view to indicating in a concise form the amount of time spent by each staff member on a project and encouraging an approach geared towards achieving results;
5. Calls on the Agency to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year so as to enable the discharge authority to assess more effectively its performance from one year to the next;

Fees and charges Regulation

6. Notes that 2008 was the first full year of implementation of certification tasks under Commission Regulation (EC) No 593/2007 of 31 May 2007 on the fees and charges levied by the European Aviation Safety Agency ⁽¹⁾;
7. Calls on the Agency to establish a monitoring system at the level of certification projects to make sure that, over the entire project duration, the fees levied do not deviate significantly from the actual cost;
8. Regrets that, in 2008, the system of annual flat fees generated income which was significantly above the actual costs of the services rendered and calls upon the Agency to put forward, as a matter of urgency, a detailed plan to guarantee that this does not recur in future years;

Carry-over of appropriations

9. Draws attention to the fact that the Agency carried forward to 2009 a high level of appropriations for operating expenditure (more than EUR 53 000 000, which is 79 % of the operating appropriations); accepts that the high level of appropriations that was carried forward to 2009 is at odds with the principle of annuality even if a certain uncertainty about the level of fees and charges is inherent in the Agency's initial business cycle; stresses also that this situation reveals weaknesses in the enterprise resource planning system resulting from a delay in signing the service contract; calls therefore, for much more realistic forecasts to be presented to the Commission and Parliament for the next financial year, allowing sufficient time for these to be analysed;

⁽¹⁾ OJ L 140, 1.6.2007, p. 3.

10. Notes that the Agency's accounts for the financial year 2008 show income from interest as an amount of EUR 1 988 000; concludes from the annual closure of accounts and the amount of interest payments that the Agency maintains enormously high cash reserves over long periods; notes that as of 31 December 2008 the Agency's cash reserves amounted to EUR 57 245 000; calls on the Commission to examine ways of ensuring that the principle of needs-based cash management, as laid down in Article 15(5) of Regulation (EC, Euratom) No 2343/2002, is implemented in full and that changes in approach are needed to ensure that the Agency's cash reserves are kept as low as possible on a long-term basis;
11. Notes that, in 2008, 15 % of staff-related expenditure was transferred to operating expenditure, which indicates unrealistic planning; is concerned about the efficiency gains arising from this transfer and will investigate further the development and follow-up costs for the implementation of the enterprise resource planning (ERP) system in this regard;

Other improvements to be made by the Agency

12. Expresses concern about the lack of coordination between the needs, staff and financial regulation of the Agency and, in particular, that the staff selection procedures make it difficult to recruit appropriately qualified personnel; considers that the interinstitutional working group on decentralised agencies could address this issue;
13. Calls on the Agency to improve its recruitment planning so as to be more realistic and to put an end to the shortcomings affecting the establishment of the budget and the monitoring of the enterprise resource planning system;

Internal audit

14. Acknowledges that the Agency has implemented 15 of the 28 recommendations made by the Internal Audit Service (IAS) since 2006; notes that, of the 13 in progress, 2 are considered to be 'critical' and 5 'very important'; notes that these recommendations concern the budgetary uncertainty, the absence of risk analysis, the absence of an appraisal and promotion policy, the cut-off procedure and the absence of a procedure for recording exceptions which have been closed;
15. Refers, for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Aviation Safety Agency for the financial year 2008**

(2010/517/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council ⁽³⁾ establishing a European Aviation Safety Agency, and in particular Article 60 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0068/2010),
1. Approves the closure of the accounts of the European Aviation Safety Agency for the financial year 2008;
 2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 21.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 79, 19.3.2008, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2008**

(2010/518/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2008,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2008, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽³⁾, and in particular Article 23 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0104/2010),
1. Grants the Director of the European Centre for Disease Prevention and Control discharge in respect of the implementation of the Centre's budget for the financial year 2008;
 2. Sets out its observations 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 Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 112.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 142, 30.4.2004, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2008,
- having regard to the Court of Auditors' report on the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2008, together with the Centre's replies ⁽¹⁾,
- having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
- having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽³⁾, and in particular Article 23 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI 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 (A7-0104/2010),

A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable, and the underlying transactions are legal and regular,

B. whereas on 23 April 2009 Parliament granted the Director of the European Centre for Disease Prevention and Control discharge in respect of the implementation of the Centre's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision, inter alia:

- noted that the Centre's budget increased from EUR 17 100 000 in 2006 to EUR 28 900 000 in 2007,

⁽¹⁾ OJ C 304, 15.12.2009, p. 112.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 142, 30.4.2004, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁵⁾ OJ L 255, 26.9.2009, p. 133.

- noted that, in 2006, the carry-over rate was nearly 45 %, and that no major improvement was made in 2007, when it was close to 43 %, which showed the Centre's difficulties in implementing its budget,
 - noted the Court of Auditors' observation that the level of budget amendments had revealed weaknesses in the monitoring of budget implementation,
1. Expresses its satisfaction with the successful fifth year of operation of the Centre; notes that the Centre's budget increased from EUR 17 100 000 in 2006 to EUR 28 900 000 in 2007 and to EUR 40 700 000 in 2008;

Performance

2. Consequently, notes that the Centre consolidated its public health functions, enhanced the capacities of its disease-specific programmes, further developed partnerships and improved its managerial structures;
3. Calls on the Centre to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year, so as to enable the discharge authority to assess its performance more effectively from one year to the next;

Carry-over of appropriations

4. Notes that the Court of Auditors points out that about EUR 16 200 000 (representing 40 % of the Centre's total budget) have had to be carried over; is consequently concerned that this situation is at odds with the principle of annuality and shows weaknesses in the programming and subsequent implementation of the Centre's budget;
5. Notes that the Centre's accounts for the financial year 2008 show income from interest of EUR 313 000 and that, in accordance with the Financial Regulation, a sum of EUR 307 000 had to be paid back to the Commission; concludes from the annual closure of accounts and the amount of interest payments that the Centre maintains enormously high cash reserves over long periods; notes that as of 31 December 2008 the Centre's cash reserves amounted to EUR 16 705 090,95; calls on the Commission to examine ways of ensuring that the principle of needs-based cash management, as laid down in Article 15(5) of Regulation (EC, Euratom) No 2343/2002, is implemented in full and what changes in approach are needed to ensure that the Centre's cash reserves are kept as low as possible on a long-term basis;
6. Takes note of the Centre's efforts to conclude procurement and contracting activities initiated in 2008 early in 2009 so as to lower the carry-over level;

The Centre's seat

7. Is concerned that as of 31 December 2008 there was still no seat agreement between the Centre and the Swedish Government as there were still many outstanding issues that needed further negotiation; points out that in its discharge for the financial year 2007, the discharge authority was already expressing concern at the Court of Auditors' observation that the Centre had disbursed EUR 500 000 on renovation works on the buildings rented for its premises, and that, as in 2006, these works had been decided upon by direct agreement between the Centre and the owner without specifying the nature of the works and the deadlines and payment conditions; nevertheless welcomes the fact that an agreement was concluded in March 2009 on personal identity numbers and supports the Centre's efforts to find definitive solutions with the Swedish government;
8. Reminds the interinstitutional working group on decentralised agencies to address this issue in general terms in its discussions;

Human resources

9. Points out that there are still weaknesses in the planning of recruitment procedures; is concerned, in particular, that by the end of 2008 only 101 of the 130 posts authorised had been filled;

10. Notes the efforts made to implement the authorised establishment plan of 130 posts in 2008; welcomes the recruitment of 54 additional staff (temporary agents, contract agents and seconded national experts), resulting in 101 occupied posts by the end of 2008, which will help to ensure the operability of the Centre and enable it to achieve the tasks assigned to it; regrets the fact that 16 recruitment procedures needed to be re-advertised; supports the Centre's measures to improve the situation; welcomes the Centre's revision of its internal organisation;

Internal audit

11. Deplores the fact that the Centre has not comprehensively fulfilled its obligation to send to the authority responsible for discharge a report drawn up by its Director summarising the number of internal audits conducted by the internal auditor as provided for in Article 72(5) of the framework Financial Regulation; acknowledges, nevertheless, that the Centre gave some information on the six recommendations still open, which are considered to be 'very important' by the Commission's Internal Audit Service; notes that these affect the quality of management (as regards scientific advice, health communication and strengthening the current procedure for urgent risk/threat assessment), follow-up action in respect of certain internal control standards (such as the setting-up of financial circuits) and the implementation of other internal control standards (such as identifying weaknesses and structuring the annual Activity Report);
12. Refers, for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2008**

(2010/519/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2008,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2008, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽³⁾, and in particular Article 23 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0104/2010),
1. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2008;
 2. Instructs its President to forward this Decision to the Director of the European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 112.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 142, 30.4.2004, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2008**

(2010/520/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council ⁽³⁾ establishing a European Chemicals Agency, and in particular Article 97 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0089/2010),
1. Grants the Executive Director of the European Chemicals Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations 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 Chemicals Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 33.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 396, 30.12.2006, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2008,
- having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
- having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
- having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council ⁽³⁾ establishing a European Chemicals Agency, and in particular Article 97 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI 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 (A7-0089/2010),

A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,

B. whereas 2008 was the Agency's first year in operation,

1. Notes that the Agency was financed in 2008 by a Community subsidy of EUR 62 200 000 in accordance with Article 185 of the general Financial Regulation, and to a minor extent by fees paid by industry for registrations of chemical substances in accordance with the REACH Regulation (Regulation (EC) No 1907/2006 of the European Parliament and the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency);

⁽¹⁾ OJ C 304, 15.12.2009, p. 33.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 396, 30.12.2006, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

Performance

2. Believes that the Agency is performing a role that the Commission is not in a position to take on, that the Agency is fully aligned with the Union's strategic priorities and that its activities are complementary to those of other agencies;
3. Notes the remarks made in the external evaluation of the EU decentralised agencies commissioned by the Commission in 2009, in which it is stated that the objectives and activities of the multiannual work programme are consistent with the Agency's mandate and that the outputs are timely, useful and of high quality;
4. Underlines, however, that the Agency would benefit from developing feedback procedures and from developing a stronger customer focus;
5. Expresses its satisfaction with the first successful year of operation of the European Chemicals Agency (ECHA), the Commission (DG Enterprise and Industry) having been responsible for the budgetary management of the Agency in 2007; emphasises, in particular, that the smooth and quite rapid establishment of the Agency is mainly due to the effective support provided by its parent directorate-general, exchanges of experience with other similar agencies and the provision of strong support by the host country;
6. Notes that Regulation (EC) No 1907/2006, under which the Agency was established, stipulates that it is subject to review every 10 years;

Budgetary and financial management

7. Notes that the Court of Auditors highlights delays in the operational activities caused by difficulties in implementing the IT system and a lack of qualified staff; notes, in particular, that 41 % of the commitment appropriations for operational activities were carried over and 37,5 % were cancelled; stresses that this situation is at odds with the annuality principle and indicates weaknesses in the planning of the Agency's activities; calls, therefore, on the Agency to take steps to improve the planning and monitoring of its resources;
8. Calls on the Agency also to improve its procedures for monitoring the use of its appropriations; notes, in this connection, that the Court of Auditors found that, in respect of a significant number of transactions, totalling more than EUR 400 000, the expenditure was not covered by a budget commitment and as such was irregular; nonetheless notes the Agency's reply to the effect that in 2009 it put adequate staff in place and reviewed and consolidated its financial and internal control procedures;
9. Notes that the Agency's accounts for the financial year 2008 show income from interest in the amount of EUR 643 007,40; concludes from the annual closure of accounts and the amount of interest payments that the Agency maintains enormously high cash reserves over long periods; notes that as of 31 December 2008 the Agency's cash reserves amounted to EUR 18 747 210,75; calls on the Commission to examine ways of ensuring that the principle of needs-based cash management, as laid down in Article 15(5) of Regulation (EC, Euratom) No 2343/2002, is implemented in full and what changes in approach are needed to ensure that the Agency's cash reserves are kept as low as possible on a long-term basis;

Human resources

10. Notes that the total number of posts in the establishment plan has more than doubled during the first year of independent operation of the Agency; welcomes the fact that at the end of the year the Agency had achieved 95 % execution of the establishment plan; recalls in this context the need for careful implementation of the recruitment procedure;

11. Deplores the shortcomings found by the Court of Auditors in the documentation summarising the deliberations of selection boards; notes, furthermore, the Court of Auditors' finding that in 14 recruitment procedures the independence of the members of the selection board (temporary staff members coming under the authority of the Agency's Director) was not guaranteed, owing to the fact that the Director himself chaired the board; commends the Agency, nonetheless, for deciding that the Director will no longer take part in the deliberations of selection boards;
12. Is aware that the large-scale rotation in key positions in the Agency entails a business continuity risk; asks the Agency therefore to put in place well-defined handover procedures in order to ensure a smooth transition of functions and a consistent handover of relevant activities, files or procedures;

Internal audit

13. Acknowledges that 2008 was the first year of intervention by the Internal Audit Service (IAS) in the Agency and that a risk assessment exercise was conducted in July 2008 in order to determine the audit priorities and the IAS audit plan for the next three years;
14. Notes that the IAS made 12 recommendations, four of which are rated as 'very important' and concern the Agency's business continuity and its recruitment procedures; acknowledges that most of those recommendations were already implemented in 2008 and that the remaining actions were concluded by 31 December 2009;
15. Refers, for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Chemicals Agency for the financial year 2008**

(2010/521/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council ⁽³⁾ establishing a European Chemicals Agency, and in particular Article 97 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0089/2010),
1. Approves the closure of the accounts of the European Chemicals Agency for the financial year 2008;
 2. Instructs its President to forward this Decision to the Executive Director of the European Chemicals Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 33.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 396, 30.12.2006, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Environment Agency
for the financial year 2008**

(2010/522/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0092/2010),
1. Grants the Executive Director of the European Environment Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations 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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 60.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 126, 21.5.2009, p. 13.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2008,
- having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
- having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
- having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI 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 (A7-0092/2010),

A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,

B. whereas on 23 April 2009, Parliament granted the Executive Director of the European Environment Agency discharge for implementation of the Agency's budget for the financial year 2007 ⁽⁵⁾ and in its resolution accompanying the discharge Parliament noted, inter alia, deficiencies in the management of grant agreements with European topic centres and called on the Agency to fully comply with the procurement rules,

1. Notes that the operating revenues of the Agency for the year 2008 amounted to EUR 37 100 000, including the Community subsidy of EUR 31 700 000; points out that this figure is over EUR 2 000 000 less than the corresponding figure in the general budget 2007; is satisfied with the overall implementation of commitment and payment appropriations;

⁽¹⁾ OJ C 304, 15.12.2009, p. 60.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 126, 21.5.2009, p. 13.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁵⁾ OJ L 255, 26.9.2009, p. 180.

2. Emphasises the role played by the Agency in evaluating the implementation of EU environmental legislation both within the Union and in neighbouring countries;

Performance

3. Takes note of the very positive main findings included in the external evaluation of the EU decentralised agencies commissioned by the Commission in 2009; in particular, congratulates the Agency on having built up a well-developed activity-based management system, a multiannual work programme, a balanced scorecard with indicators, and an integrated management control system, all of which contribute to efficient management of the Agency;
4. Notes that another independent external evaluation of the Agency's 2004-2008 five-year strategy has also revealed its effectiveness in meeting its goals and satisfying its beneficiaries;
5. Calls on the Agency to continue providing on a regular basis (i.e. every five years) an independent external evaluation on the basis of its founding regulation and the work programmes adopted by the Management Board; calls on the Agency, therefore, to inform the discharge authority of developments in the next external evaluation, for the period 2009-2013;
6. Calls on the Agency to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year, so as to enable the discharge authority to assess its performance from one year to the next more effectively;
7. Takes note of the Court of Auditors' comment concerning the grant agreements going through the Agency, calling for more clarification of the time charged for by partners; points out that, in order to mitigate the risk of unjustified payments, clearer instructions should be given to the beneficiaries for rate calculations and a clear link should be established between costs charged and costs estimated in the implementation plans;

Lease

8. Notes the Court of Auditors' observation that a tendering procedure should have been launched for the contract for refitting the premises rented by the Agency instead of paying the costs of a firm chosen by the building's owners;

Internal audit

9. Acknowledges that the Agency has implemented nine recommendations out of 27 recommended by the Internal Audit Service (IAS) since 2006; notes that, of the 17 which are still not implemented, five are considered to be 'very important' and affect the management of grants (as regards establishing financial circuits, promoting on-the-spot controls/verifications of grants, and monitoring and following up grant implementation) and the implementation of the internal control standards (as regards determining sensitive functions and improving the accounting system);
10. Refers for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Environment Agency for the financial year 2008**

(2010/523/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0092/2010),
1. Approves the closure of the accounts of the European Environment Agency for the financial year 2008;
 2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 60.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 126, 21.5.2009, p. 13.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Food Safety Authority
for the financial year 2008**

(2010/524/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2008, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council ⁽³⁾ establishing a European Food Safety Authority, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0086/2010),
1. Grants the Executive Director of the European Food Safety Authority discharge in respect of the implementation of the Authority's budget for the financial year 2008;
 2. Sets out its observations 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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 95.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 31, 1.2.2002, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2008,
- having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2008, together with the Authority's replies ⁽¹⁾,
- having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
- having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council ⁽³⁾ establishing a European Food Safety Authority, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI 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 (A7-0086/2010),

A. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,

B. whereas on 23 April 2009 Parliament granted the Executive Director of the European Food Safety Authority discharge in respect of the implementation of the Authority's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision noted, inter alia, that:

- in 2007 appropriations totalling EUR 8 600 000 (17 % of the 2007 budget) were carried over and appropriations totalling EUR 4 800 000 were cancelled,
- the underspending in 2007 was partly due to the delayed adoption and implementation of the 2007 annual work plan for grants and to the carryover of EUR 7 900 000 in appropriations from the 2006 financial year, EUR 4 500 000 of which was for operational activities,

⁽¹⁾ OJ C 304, 15.12.2009, p. 95.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 31, 1.2.2002, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁵⁾ OJ L 255, 26.9.2009, p. 185.

Performance and budgetary and financial management

1. Underlines the Authority's role in providing independent scientific advice on all matters having a direct or indirect impact on food safety, including animal health and welfare and plant protection, and the need to properly communicate scientific advice;
2. Notes that during 2008, its sixth year in operation, the Authority steadily improved its performance; notes that this improvement is clearly reflected in the performance indicators, with a 57 % increase in the number of scientific opinions and statements over 2007, together with better risk assessment methodologies and scientific network coordination (e.g. guidance documents and data collection reports), better communication of scientific advice and better dialogue with stakeholders (e.g. broader coverage in media articles and broadcasts, more press releases and a 21 % increase in the number of subscribers to the 'EFSA Highlights' bulletin over 2007); notes that this performance improvement is offset by a 27 % increase in staffing compared with 2007;
3. Notes that in 2008 the Authority reached a high level of budget execution for both commitment and payment credits: 97 % and 95 % respectively; emphasises that compared with the previous year the budget increased by EUR 9 000 000;
4. Notes, none the less, that for the third successive year the Court of Auditors has flagged up carry-overs of appropriations to the following year (23 % of the 2008 budget was carried over to 2009; 16 % of the 2007 budget was carried over to 2008; 20 % of the 2006 budget was carried over to 2007); notes that, in 2008, this situation was brought about by the late adoption and implementation of measures relating to software development, scientific cooperation with external experts, and grants for studies and data-collection projects; encourages the Authority to improve its budget management in order to reduce such high carry-over amounts;
5. Notes also that, for the second successive year, the Court of Auditors points out that commitments for operational activities carried over from the previous year had to be cancelled (37 % of commitments for operational activities carried over from 2007 and 26 % of commitments for operational activities carried over from 2006); notes that, in 2008, this situation was attributable mainly to considerable delays in the implementation of 2007 grants agreements during the year;
6. Is consequently concerned that this situation is at odds with the principle of annuality and shows weaknesses in programming, monitoring contractual deadlines, and the Authority's budget;
7. Commends the Authority for having set out in its 2008 work programme priority objectives and performance indicators for each of the main activities planned; urges the Authority, none the less, to do better in establishing SMART objectives and RACER indicators in order to promote the achievement of results and enable performance to be monitored in an effective manner; considers the Authority's introduction of a risk assessment process to be a positive development which, starting in 2009, should reinforce and allow close monitoring of the Authority's scientific and administrative activities;
8. Stresses that, in future, the Authority needs to accord greater importance in its grant agreement procedures to assessing the complexity of the service involved, with a view to setting better deadlines for the submission of tenders; notes, furthermore, that the Authority should take greater care in ensuring that contractual deadlines laid down in grant agreements are met;
9. Views the Authority's introduction of differentiated appropriations for grants in its 2009 budget as a positive development, with a view to avoiding cancellations in subsequent financial years;
10. Notes that the Authority's accounts for the financial year 2008 show income from interest amounting to EUR 485 651,33; concludes from the annual closure of accounts and the amount of interest payments that the Authority maintains enormously high cash reserves over long periods; notes that as of 31 December 2008 the Authority's cash reserves amounted to EUR 19 990 492,26; calls on the Commission to examine ways of ensuring that the principle of needs-based cash management, as laid down in Article 15(5) of Regulation (EC, Euratom) No 2343/2002, is implemented in full and what changes in approach are needed to ensure that the Authority's cash reserves are kept as low as possible on a long-term basis;

Internal audit

11. Considers that the audit committee (AC), created by the Authority in 2006, plays an important role in assisting the Management Board by ensuring that the work of the Internal Audit Services (IAS) of the Commission and of the internal audit capabilities (IAC) of the Authority is properly carried out and duly taken into consideration by the Management Board and the Executive Director; believes, therefore, that this AC within the Authority might serve as an example to other agencies;
12. Notes that 20 out of the 25 recommendations (80 %) made by the IAS and the IAC have been implemented; nevertheless, invites the Authority to provide the Parliament with further information on their level of importance and the actions taken to implement them;

Human resources

13. Notes that the Authority succeeded in filling 318 (representing recruitment of 45 temporary staff compared to 2007) of the 335 posts provided for in its establishment plan after having had difficulties in recruiting highly skilled scientific staff in Parma; notes that an additional 40 support staff (auxiliary, contractual, second national experts) have been recruited to support the Authority in its tasks;
14. Welcomes the fact that the current Court of Auditors report does not point to any shortcomings in recruitment procedures;
15. Urges the Authority to ensure that all former officials, in accordance with Article 16 of the Staff Regulations of Officials of the European Communities, inform the Authority when they take up new positions outside the institutions; if such activities could lead to a conflict with the legitimate interests of the institutions, the Authority should take the appropriate measures.
16. Takes note of the second staff survey launched in October 2008 with a view to assessing the Authority's working environment; is satisfied that the level of participation increased from 44 % in 2007 to 55 % in 2008; encourages the staff committee to conduct such a survey on a regular basis and to increase the level of participation, and expects the Authority's management to incorporate the results drawn from the survey into its staff management and daily work;

Role of coordinator of the network of agencies

17. Commends the Executive Director of the Authority on his extremely effective work as coordinator of the network of agencies between 1 March and 31 December 2009;
18. Refers, for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Food Safety Authority for the financial year 2008**

(2010/525/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2008, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council ⁽³⁾ establishing a European Food Safety Authority, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0086/2010),
1. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2008;
 2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 95.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 31, 1.2.2002, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Monitoring Centre for
Drugs and Drug Addiction for the financial year 2008**

(2010/526/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2008,
 - 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 2008, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ⁽³⁾, and in particular Article 15 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0067/2010),
1. Grants the Director of the European Monitoring Centre for Drugs and Drug Addiction discharge in respect of the implementation of the Centre's budget for the financial year 2008;
 2. Sets out its observations 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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 148.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 376, 27.12.2006, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2008,
 - 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 2008, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ⁽³⁾, and in particular Article 15 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0067/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Director of the European Monitoring Centre for Drugs and Drug Addiction discharge for implementation of the Centre's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision, inter alia:
- noted that the Centre had set up regular procedures and tools for regular supervisory and ex post controls and further developed human resources management, in particular by setting up a dedicated human resources portal on its intranet,

⁽¹⁾ OJ C 304, 15.12.2009, p. 148.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 376, 27.12.2006, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 137.

- congratulated the Centre on its close cooperation with the European Maritime Safety Agency, which is also based in Lisbon, in order to share buildings and make joint use of infrastructures and services, and noted that its move into its own premises was scheduled for the third quarter of 2009,

1. Is pleased to note that the Court of Auditors has been able to obtain reasonable assurances that the annual accounts of the Centre for the financial year ended 31 December 2008 are, in all material respects, reliable, and that the underlying transactions, taken as a whole, are legal and regular;

Performance

2. Stresses how important it is for the Centre to set SMART objectives and RACER indicators in its programming, with a view to assessing its performance; notes, however, the assertion by the Centre that it took those observations into consideration in its 2009 work programme;
3. Calls, further, on the Centre to consider making a Gantt diagram part of the programming for each of its operational activities, with a view to indicating in concise form the amount of time spent by each staff member on a project and encouraging an approach geared towards achieving results;
4. Notes that in the coming years the discharge for the implementation of the budget for the Centre should be further based on the Centre's performance throughout the year;

Internal audit

5. Acknowledges that the Centre has implemented 15 of the 41 recommendations made by the Internal Audit Service (IAS) since 2006; notes that, of the 26 that are still in progress, 14 are considered to be 'very important' and mainly concern preparedness for the move (as regards quality control of the new location, precautions against damage from flooding, a business continuity plan and investment in equipment) and the implementation of the internal control standards (as regards staff promotions, staff appraisal, risk management and the recording of exceptions);
6. Notes that the Centre's accounts for the financial year 2008 show income from interest in the amount of EUR 107 591,31; concludes from the annual closure of accounts and the amount of interest payments that the Centre maintains high cash reserves over long periods; notes that as of 31 December 2008 the Centre's cash reserves amounted to EUR 1 635 537,86 and that appropriations totalling EUR 354 051,31, which, as result of a bank book-keeping error, had been included in the Centre's accounts as an amount receivable, were credited to the Centre's bank account early in 2009; calls on the Commission to examine ways of ensuring that the principle of needs-based cash management, as laid down in Article 15(5) of Regulation (EC, Euratom) No 2343/2002, is implemented in full and what changes in approach are needed to ensure that the Centre's cash reserves are kept as low as possible on a long-term basis;
7. Refers, for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction
for the financial year 2008**

(2010/527/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2008,
 - 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 2008, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ⁽³⁾, and in particular Article 15 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0067/2010),
1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2008;
 2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 148.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 376, 27.12.2006, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2008**

(2010/528/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Medicines Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council ⁽³⁾ establishing a European Medicines Agency, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0078/2010),
1. Grants the Executive Director of the European Medicines Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations 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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 27.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 136, 30.4.2004, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council ⁽³⁾ establishing a European Medicines Agency, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0078/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable, and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Executive Director of the European Medicines Agency discharge in respect of the implementation of the Agency's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision noted, *inter alia*:
- weaknesses in budgetary management concerning the Telematics Programme,
 - weaknesses as regards procurement procedures,
 - progress towards ensuring compliance with the fee regulation,

⁽¹⁾ OJ C 304, 15.12.2009, p. 27.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 136, 30.4.2004, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 117.

1. Notes that in 2008 the Agency's budget amounted to EUR 182 900 000, compared to EUR 163 100 000 in the previous year; notes furthermore that the Agency received 2,4 % less by way of Community contribution than in 2007, the Community contribution amounting to EUR 34 000 000 in 2008;

Performance

2. Congratulates the Agency on having put in place sophisticated activity-based budgeting and user-satisfaction monitoring; also notes that the Agency is currently examining the functioning of its committee structure to enhance interactions in the light of an increase in the number of scientific committees and related scientific work;

Carry-over of appropriations

3. Is concerned that the Court of Auditors has pointed out that the budget appropriations carried over and cancelled have amounted respectively to EUR 36 000 000 (19,7 % of the budget) and EUR 9 700 000 (5,3 % of the budget); points out, as noted in previous financial years, that the high level of carry-overs for administrative expenditure — EUR 21 400 000 — was mainly due to IT expenditure for setting up a telematics programme for the regulation of medical products; is consequently concerned, as this situation has existed for a number of years and is at odds with the annuality principle;

Procurement procedures

4. Calls on the Agency to improve the quality of its procurement procedures so as to put an end to the shortcomings identified by the Court of Auditors (for instance, as regards the application of evaluation methods for the price criteria and as regards the essential need for justifications for the choice of procedures);
5. Takes note of the Agency's longstanding policy of entering into a forward foreign exchange contract in order to hedge part of its administrative budget against unfavourable fluctuations in the exchange rate of sterling; expects the Agency to manage such transactions prudently; recommends that a working group be set up to observe and closely monitor the hedging strategy;

Revenue from fees

6. Points out that the fees charged for evaluation services are the main source of the Agency's revenue, accounting for 70,2 % of its total revenue in 2008; draws attention in this context to the importance of the instrument for assigned revenue, designed for agencies whose revenue derives from fees, for dealing with unforeseeable market trends;
7. Notes that the Agency reported EUR 2 046 000 in income from interest in 2008; concludes from the financial statements and from the level of the interest payments that the Agency has a permanently extremely high level of cash holdings; notes that on 31 December 2008 the Agency's cash holdings amounted to EUR 41 887 000; asks the Commission to examine what scope there is for helping to ensure that the cash holdings are managed entirely on a needs-orientated basis, in accordance with Article 15(5) of Regulation (EC, Euratom) No 2343/2002, and what changes of approach are necessary in order to keep the Agency's cash holdings permanently as low as possible;

Human resources

8. Observes that the authorised establishment plan provided for 481 posts in 2008, of which 469 were filled by the end of 2008; notes that an additional 41 support staff (auxiliary, contractual, national experts on secondment) were recruited in 2008, and that the total number of staff thus amounted to 587;

Internal audit

9. Acknowledges that the Commission's Internal Audit Service in its audit report made one 'critical' recommendation, relating to the area of experts' conflicts of interests, and eight 'very important' recommendations, in the areas of documentation of conflicts of interest for the Agency's staff, databases used to support the administrative procedures for evaluation and development of guidelines for filing and full implementation of such guidelines;

10. Congratulates the Agency on having adopted a code of conduct setting out principles and guidance on independence and confidentiality applicable to Board and Committee members, experts and the Agency's staff;
 11. Refers, for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT
of 5 May 2010
on the closure of the accounts of the European Medicines Agency for the financial year 2008
(2010/529/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Medicines Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council ⁽³⁾ establishing a European Medicines Agency, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0078/2010),
1. Approves the closure of the accounts of the European Medicines Agency for the financial year 2008;
 2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 27.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 136, 30.4.2004, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2008**

(2010/530/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0081/2010),
1. Grants the Executive Director of the European Maritime Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations 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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 55.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 208, 5.8.2002, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0081/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Executive Director of the European Maritime Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- observed that the Court of Auditors had listed 32 budget transfers in 2007 and noted the Court of Auditors' criticism concerning the high number of transfers,
 - noted that, as in 2006, the Court of Auditors found again that legal commitments were entered into before the corresponding budgetary commitments were made,
 - called on the Agency to see to it that its recruitment procedures are transparent and non-discriminatory, in particular by ensuring the participation of the Staff Committee,

⁽¹⁾ OJ C 304, 15.12.2009, p. 55.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 208, 5.8.2002, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 172.

Performance

1. Is disappointed that the Agency failed to prepare a multiannual work programme and that its annual work programme was not related to its commitment budget; stresses how important it is for the Agency to set SMART objectives and RACER indicators in its programming so as to assess its achievements; notes, nevertheless, the reply from the Agency, which gives an assurance that it has improved its work programme for 2009, establishing objectives and key performance indicators and a better resource planning system; asks, therefore, that this strategy be presented to Parliament as soon as possible; calls also on the Agency to consider making a Gantt diagram part of the programming for each of its operational activities, with a view to indicating in concise form the amount of time spent by each staff member on a project and encouraging an approach geared towards achieving results;
2. Calls on the Agency to set out, in its table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year so as to enable the discharge authority to assess more effectively its performance from one year to the next;

Budgetary and financial management

3. Welcomes the fact that the Court of Auditors found the Agency's accounts for 2008 to be reliable and regarded the transactions underlying them, taken as a whole, as legal and regular;
4. Notes that the Agency received EUR 44 300 000 in commitment appropriations and EUR 46 890 000 in payment appropriations from the 2008 Union budget;
5. Considers it a matter for concern that the Court of Auditors has again noted a high number of budget transfers in 2008 (52 in 2008 and 32 in 2007); notes the Agency's reply mentioning that the transfers for the purpose of administrative expenditure were limited to the period 2008-2009 because of the Agency's move to its final offices; is concerned, in particular, that more than EUR 2 000 000 of appropriations for personnel expenditure was transferred to administrative expenditure budget lines between June and November 2008, which made it possible to increase the amount of appropriations carried forward to 2009 and reduce the amount to be repaid to the Commission; notes, nevertheless, the reply by the Agency, which undertakes to continue its effort to improve its planning and monitoring and consequently to reduce the number of budgetary modifications;
6. Notes that, as in 2006 and 2007, the Court of Auditors found again that legal commitments were entered into before the corresponding budgetary commitments were made; calls on the Agency therefore to step up its training and communication efforts in order to avoid this situation in future; requests, moreover, that action taken in this respect be reported in the Agency's annual activity report for 2009;
7. Notes that the Agency's accounts for the financial year 2008 show income from interest as amounting to EUR 519 598,10, of which EUR 472 251,18 have already been paid back to the Directorate-General for Energy and Transport, with the remaining EUR 47 346,92 entered in the accounts as an accrued expense; concludes from the annual closure of accounts and the amount of interest payments that the Agency maintains enormously high cash reserves over long periods; welcomes the fact that as at 31 December 2008 the Agency's cash reserves had been reduced to EUR 3 610 677,41; calls on the Commission to examine ways of ensuring that the principle of needs-based cash management, as laid down in Article 15(5) of Regulation (EC, Euratom) No 2343/2002, is implemented to the full and that changes in approach are needed to ensure that the Agency's cash reserves are kept as low as possible on a long-term basis;

Internal audit and human resources

8. Acknowledges that, at the end of 2008, the Agency has implemented 25 recommendations from the Internal Audit Service (IAS) out of 32 since 2006; notes that the recommendations considered to be 'very important' relate to: the adoption of the Staff Regulation Implementing Rules regarding the recruitment of temporary staff in accordance with the Staff Regulations; the controls in the selection procedure to ensure more transparency and equal treatment of candidates; the development of a career planning strategy (including training, coaching and mentoring activities); and better human resources planning;

9. Refers for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Maritime Safety Agency for the financial year 2008**

(2010/531/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0081/2010),
1. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2008;
 2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 55.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 208, 5.8.2002, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Network and Information Security Agency for the financial year 2008**

(2010/532/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Network and Information Security Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing the European Network and Information Security Agency ⁽³⁾, and in particular Article 17 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0087/2010),
1. Grants the Executive Director of the European Network and Information Security Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations 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 Network and Information Security Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 16.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 77, 13.3.2004, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Network and Information Security Agency for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Network and Information Security Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing the European Network and Information Security Agency ⁽³⁾, and in particular Article 17 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0087/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Executive Director of the European Network and Information Security Agency discharge in respect of the implementation of the Agency's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- noted the Court of Auditors' criticism that the implementation of operational activities was concentrated in the last quarter of 2007, with about 40 % of commitments and more than 50 % of payments concerning operational activities being executed in November and December 2007,
 - was not satisfied with the Agency's reply that in some cases appropriations carried over were calculated with some degree of approximation,

⁽¹⁾ OJ C 304, 15.12.2009, p. 16.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 77, 13.3.2004, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 153.

- expressed its concern that the Court of Auditors had found weaknesses in procurement procedures, particularly that the pre-selection of tenders was not justified, the evaluation committee had not signed the evaluation documents and files were unstructured and incomplete,

Performance

1. Congratulates the Agency on its performance in 2008, the improvement in the resilience of European electronic communication networks, development and cooperation with Member States;
2. Calls on the Agency to set out, in its table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year so as to enable the discharge authority to assess more effectively its performance from one year to the next;

Budgetary and financial management

3. Notes that the Court of Auditors found deficiencies in procurement procedures, particularly with regard to the under-estimation of the budgets of a framework contract; stresses in particular that underestimating procurement budgets constitutes an obstacle to fair competition as firms are less prone to present offers for limited amounts; notes, nonetheless, the response of the Agency, which, in the third quarter of 2009, issued a new call for tenders in order to remedy its previous deficiencies;
4. Notes that the Agency continues to take all possible measures to obtain from the tax authorities of the host Member State a refund of EUR 45 000, corresponding to the amount of VAT paid in advance by the Agency;
5. Notes that the Agency's accounts for the financial year 2008 show income from interest in the amount of EUR 143 818; concludes from the annual closure of accounts and the amount of interest payments that the Agency maintains enormously high cash reserves over long periods; notes that as of 31 December 2008 the Agency's cash reserves amounted to EUR 2 436 694; calls on the Commission to examine ways of ensuring that the principle of needs-based cash management, as laid down in Article 15(5) of Regulation (EC, Euratom) No 2343/2002, is implemented in full and what changes in approach are needed to ensure that the Agency's cash reserves are kept as low as possible on a long-term basis;

Internal audit and human resources

6. Congratulates the Agency on the fact that all eight recommendations of the Internal Audit Service considered to be 'very important' have been implemented; notes that those recommendations related to the follow-up to the implementation of the internal control standard audit and human resources management (e.g. staff policy, renewal of contracts ending in 2008, independence of the selection committees, training services and transparency in the promotion procedure);
7. Refers for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Network and Information Security Agency for the financial year 2008**

(2010/533/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Network and Information Security Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing the European Network and Information Security Agency ⁽³⁾, and in particular Article 17 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0087/2010),
1. Approves the closure of the accounts of the European Network and Information Security Agency for the financial year 2008;
 2. Instructs its President to forward this Decision to the Executive Director of the European Network and Information Security Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 16.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 77, 13.3.2004, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2008**

(2010/534/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ⁽³⁾, and in particular Article 39 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0084/2010),
1. Grants the Executive Director of the European Railway Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations 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 Railway Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 89.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 164, 30.4.2004, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ⁽³⁾, and in particular Article 39 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0084/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Executive Director of the European Railway Agency discharge for implementation of the Agency's budget for the financial year 2008 ⁽⁵⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- observed from the Court of Auditors' annual report for 2006 that the Agency's final budget for the 2007 financial year was EUR 16 600 000, including a reserve of EUR 1 900 000; observed further that at the end of 2007 EUR 3 400 000 had to be cancelled, including the reserve, and that, in addition, EUR 2 700 000 was carried over to 2008,
 - voiced concern at the Court of Auditors' conclusion that more than 35 % of final appropriations had not been used, which, according to the Court of Auditors, showed that the Agency's programming and budgeting procedures were affected by serious weaknesses,

⁽¹⁾ OJ C 304, 15.12.2009, p. 89.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 164, 30.4.2004, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 167.

— called on the Agency, on the basis of Article 15(5) of Regulation (EC, Euratom) No 2343/2002, to implement rigorous cash management in order to ensure that cash balances are limited to duly justified requirements, and to pay particular attention to improving its cash management,

1. Welcomes the fact that the Court of Auditors found the Agency's accounts for 2008 to be reliable and regarded the transactions underlying them, taken as a whole, as legal and regular;
2. Notes that the Agency received EUR 18 000 000 in commitment and payment appropriations from the 2008 Union budget;

Performance

3. Calls on the Agency to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year so as to enable the discharge authority to assess more effectively its performance from one year to the next;
4. Stresses how important it is for the Agency to set SMART objectives and RACER indicators in its programming so as to assess its achievements; notes, however, the assertion by the Agency that it has taken those observations into consideration in its 2009 programme; calls also on the Agency to consider making a Gantt diagram part of the programming for each of its operational activities, with a view to indicating in a concise form the amount of time spent by each staff member on a project and encouraging an approach geared towards achieving results;
5. Notes the Court of Auditors' finding that the Agency carries out its operations in two locations (Lille and Valenciennes), exposing it to additional costs;

Carry-over of appropriations

6. Notes that the Court of Auditors found that more than EUR 4 100 000 was carried forward to 2009, about EUR 3 900 000 of which concern administrative and operational expenditure (this being 57 % of the annual Title II and Title III appropriations); emphasises that this state of affairs reveals that the Agency had difficulties in the programming and the budgeting of its activities;

Procurement procedures

7. Expresses concern at the weaknesses in procurement procedures revealed by the Court of Auditors' audit;
8. Congratulates the Agency on having drawn up an action plan to address the weaknesses in procurement procedures identified by the Court of Auditors, which were hampering the transparency of those procedures;

Internal audit

9. Acknowledges that 32 out of the 36 recommendations made by the Internal Audit Service (IAS) have been implemented since 2006; amongst the 4 recommendations which are still in progress, 1 is considered to be 'critical' and 3 'very important'; urges the Agency, therefore, to implement certain internal control standards related to bank signatures, segregation of duties, sensitive posts and maintenance of delegation powers;
10. Refers, for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Railway Agency for the financial year 2008**

(2010/535/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2008,
- having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
- having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
- having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ⁽³⁾, and in particular Article 39 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI 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 (A7-0084/2010),

1. Approves the closure of the accounts of the European Railway Agency for the financial year 2008;
2. Instructs its President to forward this Decision to the Executive Director of the European Railway Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 89.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 164, 30.4.2004, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2008**

(2010/536/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2008, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ⁽³⁾, and in particular Article 17 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0083/2010),
1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2008;
 2. Sets out its observations 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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 136.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 354, 31.12.2008, p. 82.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2008, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ⁽³⁾, and in particular Article 17 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0083/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable, and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Director of the European Training Foundation discharge for implementation of the Foundation's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- noted the Court of Auditors' finding that the amount of assigned revenue in the amending budget was incorrect (it should have been EUR 1 200 000 and not EUR 3 400 000),
 - observed that, in her statement of assurance (attached to the annual activity report), the Director expressed the same reservations as in the previous year concerning political uncertainty in partner countries, the financial management of the Tempus convention and possible social, reputational, legal and financial implications of Tempus technical assistance in the Foundation,

⁽¹⁾ OJ C 304, 15.12.2009, p. 136.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 354, 31.12.2008, p. 82.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 149.

1. Expresses its satisfaction that the Court of Auditors has declared the annual accounts of the Foundation for the financial year 2008 to be legal and regular;

Performance

2. Notes that, in the interim evaluation of the Foundation (EAC/06/05 final report, 25 May 2006), the impact of its activities on its direct beneficiaries was in general considered positive; notes nevertheless that the impact on government institutions cannot easily be proved because of the difficulty of establishing a direct link between the results of the Foundation's projects and the institutions' activities;
3. Congratulates the Foundation which, in supporting the Commission in 2008, obtained a 97 % satisfaction rate from the Commission; points out, in particular, that the most frequent applications to the Foundation were those in the field of policies and contributions in the preparation of European Neighbourhood Instruments (32 %), followed by formulation (21 %), programming (11 %), the identification of projects (10 %) and follow-up;
4. Calls on the Foundation to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year so as to enable the discharge authority to assess its performance more effectively from one year to the next;

The Foundation's field of action

5. Notes that following the recast in 2008 of Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation ⁽¹⁾, the Foundation now has the option of developing its expertise in different sectors from those considered in previous years; notes that Regulation (EC) No 1339/2008 specifies new procedural mechanisms for approving a broadening of the Foundation's thematic and geographic scope;

Cooperation with the European Centre for the Development of Vocational Training (Cedefop)

6. Calls, in view of the fact that some areas of interest are shared, for close cooperation and synergies between the Foundation and Cedefop and calls for information to be provided regularly in the activity reports by the Directors of both agencies;

Internal audit

7. Acknowledges that 12 out of the 27 recommendations made by the Internal Audit Service (IAS) have been implemented since 2006; notes that, amongst the 15 recommendations which have still not been implemented, six are considered to be 'very important'; urges the Foundation, therefore, to put in place without delay certain internal control standards (regarding the documentation of procedures, supervision of financial transactions and continuity of operations) and certain human resources management recommendations (regarding human resources management in annual planning and activity reporting; objective setting, and time recording of the staff);

Human resources

8. Is concerned about the findings of the Court of Auditors as regards the lack of transparency in recruitment procedures and the intervention of the European Anti-Fraud Office (OLAF), which has opened an inquiry (OF/2009/0370); draws attention to the Union's Employment Guidelines and in particular Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation ⁽²⁾ with regard to selection criteria and recruitment conditions; expects all Union agencies to adhere at a minimum to those Guidelines and calls on the Foundation to set an example by implementing fair, transparent and comprehensive recruitment procedures in the future;

⁽¹⁾ OJ L 131, 23.5.1990, p. 1.

⁽²⁾ OJ L 303, 2.12.2000, p. 16.

9. Urges the Foundation to report on the allocation of its human resources; points out, in particular, that inadequate consideration of human resources in the context of annual planning and activity reporting entails a risk of inefficiency and lack of transparency in the allocation and use of the Foundation's staff; emphasises, moreover, that the objectives for individual staff members should be better aligned with the annual and strategic objectives of the Foundation and that the staff's time-recording system should also be incorporated into the framework of the annual planning and budgeting;
 10. Notes the Court of Auditors' observation that there are various weaknesses in the recruitment procedures; emphasises in particular the need for the Recruitment Assessment Boards to provide sufficient information on the procedures followed, including justifications for decisions and the dates on which they were taken, to ensure the transparency of these procedures;
 11. Notes, nevertheless, that the Foundation now says it has undertaken a thorough review of its recruitment procedures in response to the Court of Auditors' findings and in the light of an internal audit carried out by the IAS in 2008; calls on the Foundation, therefore, to inform the discharge authority of action taken and the subsequent results;
 12. Notes the Foundation's reply admitting the validity of the Court of Auditors' opinion concerning the expatriation allowance denied to certain members of staff because of an incorrect interpretation of the rules; congratulates the Foundation for promising to review the cases concerned and then make the appropriate changes;
 13. Refers for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Training Foundation for the financial year 2008**

(2010/537/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2008, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ⁽³⁾, and in particular Article 17 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0083/2010),
1. Approves the closure of the accounts of the European Training Foundation for the financial year 2008;
 2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 136.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 354, 31.12.2008, p. 82.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2008**

(2010/538/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2008,
 - 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 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0069/2010),
1. Grants the Director of the European Agency for Safety and Health at Work discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations 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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 49.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 216, 20.8.1994, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2008,
 - 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 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0069/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Director of the European Agency for Safety and Health at Work discharge in respect of the implementation of the Agency's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision drew attention, inter alia, to the fact that the Court of Auditors had issued a positive statement of assurance and had made no observations;
1. Expresses its satisfaction that the Court of Auditors has declared the Agency's annual accounts for the financial year 2008 to be legal and regular;

⁽¹⁾ OJ C 304, 15.12.2009, p. 49.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 216, 20.8.1994, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 195.

Performance

2. Congratulates the Agency on having significantly improved its financial management over the last three years; encourages it to continue to strive for the highest standards in budgetary planning, implementation and control;
3. Congratulates the Agency, in particular, on the completion of Phases I and II of the European Survey of Enterprises on New and Emerging Risks (ESENER), on the establishment of a network of European organisations which can provide occupational safety and health economic incentives, and on the establishment of a risk-assessment resource database for the Healthy Workplaces Campaign 2008/2009;
4. Calls on the Agency to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year so as to enable the discharge authority to assess its performance from one year to the next more effectively;

Governance of the Agency

5. Finds the Agency's governance costs to be not insignificant, as it has an 84-member Governing Board and employs 64 staff (figures for the 2008 financial year);

Operating appropriations carried over

6. Notes that the Agency carried forward EUR 3 400 000 (44 % of its operating appropriations) of which approximately EUR 1 000 000 concerned commitments which were entirely related to 2009; emphasises that this state of affairs is also at odds with the principle of annuality; calls, therefore, in the interests of sound financial management, for the budget forecasts to be adjusted to reflect actual needs; notes the Agency's reply, however, which argues that the complexity of the projects meant that it took much longer than originally anticipated to finalise them; congratulates the Agency nevertheless on improving its monitoring and planning of operational expenditure to avoid committing significant funds at the year-end;

Procurement procedures

7. Notes the irregularity identified by the Court of Auditors with respect to a procurement procedure (use of a framework contract beyond its maximum value); emphasises, in particular, that the Agency should have launched a new public procurement procedure for a new framework contract as soon as possible; takes note nevertheless of the Agency's justification which emphasises the need to make further use of this framework contract to replace the subsidy scheme without it impacting adversely on the Agency's activities;
8. Expects the Agency to resolve the problem of using a public procurement framework contract beyond its maximum value, in order to give effect to European budgetary law;

Human resources

9. Notes that, according to the 2008 activity report, 64 persons were employed by the Agency at the end of the year;

Internal audit

10. Acknowledges that the Agency has implemented 19 of the 33 recommendations made by the Internal Audit Service (IAS) since 2006; notes that, of the 14 which have still not been implemented, 6 are considered to be very important and concern the management of the stakeholders' expectations and the implementation of certain internal control standards (i.e. dealing with individual file problems, the annual report on internal control and promoting internal control procedures);

11. Notes that a risk-assessment exercise was conducted in the last quarter of 2008 to determine the audit priorities and the IAS audit plan for the next three years;
12. Refers, for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2008**

(2010/539/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2008,
 - 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 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0069/2010),
1. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2008;
 2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 49.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 216, 20.8.1994, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2008**

(2010/540/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ⁽³⁾ 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0076/2010),
1. Grants the Director-General of the Euratom Supply Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations 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-General of the Euratom Supply Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 6.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 41, 15.2.2008, p. 15.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ⁽³⁾ 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0076/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable, and that the underlying transactions are legal and regular,
- B. whereas, under Decision 2008/114/EC, Euratom, Euratom Supply Agency established in Luxembourg in 1958, has a new Statute and has become an Agency,
1. Notes that in 2008 the Agency did not receive any subsidy to cover its operations and the Commission bore all expenses incurred by the Agency for the implementation of the 2008 budget; notes also that the commitments carried over from the financial year 2007 were paid with the unused part of the 2007 subsidy;
 2. Notes therefore that, in the absence of an autonomous budget, the Agency is de facto integrated in the Commission;

⁽¹⁾ OJ C 304, 15.12.2009, p. 6.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 41, 15.2.2008, p. 15.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

3. Points out, nevertheless, that this situation raises the issue of the need to maintain the Agency in its current form and organisation; notes, however, the Agency's reply, claiming that the present situation reflects the balance between, on the one hand, a clear relationship with the Commission (e.g. the Commission may issue directives and it appoints the Director-General of the Agency) and, on the other hand, a degree of legal and financial autonomy;

Internal audit

4. Acknowledges that, in accordance with Article 3 of its Statutes, the Agency has selected its own internal auditor, who took up his duties only on 1 July 2009;
5. Refers for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the Euratom Supply Agency for the financial year 2008**

(2010/541/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ⁽³⁾ 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0076/2010),
1. Approves the closure of the accounts of the Euratom Supply Agency for the financial year 2008;
 2. Instructs its President to forward this Decision to the Director-General of the Euratom Supply Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 6.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 41, 15.2.2008, p. 15.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2008**

(2010/542/EU)

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 2008,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2008, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0088/2010),
1. Grants the Director of the European Foundation for the Improvement of Living and Working Conditions discharge in respect of the implementation of the Foundation's budget for the financial year 2008;
 2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 304, 15.12.2009, p. 142.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 139, 30.5.1975, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2008**

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 2008,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2008, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0088/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Director of the European Foundation for the Improvement of Living and Working Conditions discharge for implementation of the Foundation's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision, inter alia:
- deplored the fact that in 2007, as in 2006, the Court of Auditors found weaknesses in recruitment procedures; in particular, the Court of Auditors again found a case where the selection criteria were not defined in conformity with the vacancy notice,

⁽¹⁾ OJ C 304, 15.12.2009, p. 142.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 139, 30.5.1975, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 190.

— was concerned that in three procurement procedures the Court of Auditors found the following anomalies:

- (a) the financial evaluation procedure for a contract was not clearly specified in the tender documents,
 - (b) the selection criteria did not make it possible to evaluate the financial capacity of the candidates properly,
1. Expresses its satisfaction that the Court of Auditors has declared the annual accounts of the Foundation for the financial year 2008 to be legal and regular;

Performance

2. Notes that in 2007 the Foundation carried out an ex-post assessment of its 2001-2004 work programme in order to determine its impact, added value and effectiveness; congratulates the Foundation on having demonstrated, by means of that assessment, that the planned operations were duly completed; notes, further, that recent information included in the assessment of the Agencies ordered by the Commission in 2009 showed that in 2008 as well the Foundation duly completed its planned operations;
3. Congratulates the Foundation on launching another ex-post assessment exercise, in this case of its 2005-2008 work programme; calls on the Foundation, therefore, to keep it informed of the results of that assessment so that it can determine more effectively the Foundation's impact, added value and effectiveness during that specific period;
4. Calls on the Foundation to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year, so as to enable the discharge authority to assess more effectively its performance from one year to the next;

Operating appropriations carried over

5. Notes that, according to the Court of Auditors, the amount carried over represented more than 55 % of appropriations (EUR 4 900 000) for the financial year 2008; acknowledges, however, the Foundation's reply to the effect that shortcomings exist, but that the level of appropriations carried over is lower than that indicated by the Court of Auditors (10 %) by virtue of the fact that its annual programming in any case made provision for 45 % of the appropriations under Title 3 to be carried over, in view of the duration of the study contracts and the Foundation's payment schedule; stresses, nevertheless, that this state of affairs indicates shortcomings in the planning and programming of the Foundation's operational activities and is at odds with the principle of annuality; calls on the Foundation, therefore, to take action to prevent this situation recurring in future and then to inform the discharge authority of what it has done;

Budget transfers without supporting documents

6. Notes the Court of Auditors' statement that budget transfers were not properly justified, since no estimate of needs had been provided and the Administrative Board had not been informed; congratulates the Foundation, however, on having now remedied this shortcoming;

Procurement procedures

7. Calls on the Foundation to take steps to improve the monitoring of its contracts and the programming of its procurement procedures, by issuing new invitations to tender well before the corresponding contracts come to an end; in that connection, emphasises that the Court of Auditors states that in two cases the Foundation improperly extended a contract beyond the maximum authorised duration and that in another case it failed to provide any justification for using a negotiated procedure;

Human resources

8. Calls on the Foundation's management to take steps, as part of its human resources management policy and in keeping with its obligations concerning implementation of the budget, to make better provision in advance for the departure of key staff members;
9. Calls on the Foundation to enter staff numbers, including contract staff (87 persons), in the activity report in a transparent manner;
10. Congratulates the Foundation on having introduced, in 2008, recruitment procedures consistent with the recommendations made by the Court of Auditors in the last two years; in particular, notes that on this occasion the Court of Auditors no longer identifies shortcomings in the Foundation's recruitment procedures (for example, as regards the selection criteria) which were such as to undermine the transparency and non-discriminatory nature of those procedures;

Internal audit

11. Expresses concern at the fact that the Foundation's financial statements for 2008 were inadequate and inconsistent with the 2007 accounts and consequently required substantial correction in the course of the audit; notes that this state of affairs can be explained by the fact that the Foundation was forced to recruit a temporary member of staff for a short period of time in order to close the 2008 accounts and that, in addition, the handover from one accounting officer to the next was not seamless; calls on the Foundation, therefore, to take steps to ensure that such a situation does not recur in the future;
12. Acknowledges that 26 out of the 54 recommendations made by the Internal Audit Service (IAS) have been implemented since 2006; notes that, amongst the 28 which still need to be implemented, eight are considered to be 'very important'; in particular, urges the Foundation to put in place the remaining internal control standards (i.e. delegation for financial actors), to follow up the implementation of other internal control standards (i.e. effective coordination of the internal control system and compliance of procurement procedures with the Financial Regulation and its implementing rules), and to introduce an effective planning and monitoring system (e.g. by setting up a risk-assessment system in respect of the Foundation's activities, putting in place an activity-based methodology and monitoring IT tools);
13. Refers for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2008**

(2010/543/EU)

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 2008,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2008, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0088/2010),
1. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2008;
 2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 142.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 139, 30.5.1975, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of Eurojust for the financial year 2008**

(2010/544/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2008, together with Eurojust's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0093/2010),
1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2008;
 2. Sets out its observations 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 arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 131.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 63, 6.3.2002, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2008, together with Eurojust's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0093/2010),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Administrative Director of Eurojust discharge for implementation of Eurojust's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- noted the Court of Auditors' finding that in 2007 appropriations amounting to EUR 18 000 000 were committed, of which EUR 5 200 000 were carried over,
 - regretted that the Court of Auditors had again found deficiencies in procurement procedures, as in the two previous years,

⁽¹⁾ OJ C 304, 15.12.2009, p. 131.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 63, 6.3.2002, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 112.

— expressed concern that the Court of Auditors had noted that Eurojust had not succeeded in recruiting the 60 members of staff needed to fill the posts provided for in the 2007 establishment plan and that at the end of 2007 only 95 posts had been filled,

1. Is pleased to note that the Court of Auditors has been able to obtain reasonable assurances that the annual accounts of Eurojust for the financial year ended 31 December 2008 are, in all material respects, reliable, and that the underlying transactions, taken as a whole, are legal and regular;

Performance

2. Emphasises that the lack of indicators, the deficits in measurement of user satisfaction and the lack of coordination between the budget and the work programme make it difficult to evaluate Eurojust's performance;
3. Welcomes the conclusion on 24 September 2008 of the Practical Agreement on arrangements of cooperation between Eurojust and OLAF ⁽¹⁾;
4. Notes that in the coming years the discharge for the implementation of the budget for Eurojust should be further based on Eurojust's performance throughout the year;

Carry-over of appropriations

5. Notes the Court of Auditors' finding that in 2008 Eurojust still had a problem as regards carrying forward appropriations, even if it seems that the amount was lower than in the previous year (13 % of final budget appropriations, instead of the 25 % of appropriations carried over in 2007); notes with concern, however, that the level of appropriations carried over from the previous year and then cancelled (EUR 1 000 000, or 25 % of appropriations carried over) was high and that this situation is at odds with the annuality principle; calls therefore on Eurojust to take action to prevent this situation from recurring in future and to then inform the discharge authority;
6. Notes that Eurojust reported EUR 191 390,56 in income from interest in 2008; concludes from the financial statements and from the level of interest payments that Eurojust has a permanently high level of cash holdings; notes that on 31 December 2008 Eurojust's cash holdings amounted to EUR 4 612 878,47; asks the Commission to examine what scope there is for helping to ensure that the cash holdings are managed entirely on a needs-orientated basis, in accordance with Article 15(5) of Regulation (EC, Euratom) No 2343/2002, and what changes of approach are necessary in order to keep Eurojust's cash holdings permanently as low as possible;

Weaknesses in procurement procedures

7. Regrets that the Court of Auditors again found deficiencies in procurement procedures, as in the three previous years; expresses concern in particular about the Court of Auditors' finding that in 2008, first, in most procurement cases no prior estimation of the market value was made before the procedure was launched and, secondly, there were recurrent and severe weaknesses in the monitoring of contracts and the programming of procurements; points out that this situation reveals severe weaknesses in the capacity of the various Eurojust departments involved to liaise properly and indicates a lack of guidance and control by the authorising officer;
8. Notes Eurojust's reply undertaking to set up an action plan to address the weaknesses identified by the Court of Auditors; calls therefore on Eurojust to inform the discharge authority of the results of these action plans;

Human resources

9. Expresses concern at the fact that the Court of Auditors has again noted shortcomings in the planning and implementation of recruitment procedures; notes in particular that the level of vacant posts (26 %) is still too high, although less significant than in 2007 (33 %);

⁽¹⁾ OJ C 314, 9.12.2008, p. 4.

10. Agrees with the Court of Auditors that Eurojust has not respected the principle of specification, as an amount of EUR 1 800 000 was transferred from appropriations for the salaries of temporary and contract staff, mostly to increase (by 238 %) the appropriations for interim staff;
11. Notes Eurojust's reply as regards the Court of Auditors' criticisms of staff selection procedures; asks in particular that Eurojust should inform the discharge authority of its new recruitment procedure, launched in 2009, which from now on should ensure more transparency and no discrimination in the treatment of external and internal applicants;

Internal audit

12. Is concerned that none of the 26 recommendations made by the Internal Audit Service (IAS) have been fully implemented; notes that four of these are considered to be 'critical' and 12 'very important'; urges Eurojust therefore to put in place without delay the following recommendations on human resources management: preparing a short-term plan to fill the current vacancies; redefining the set-up of the Human Resources Unit; reducing the number of temporary staff; strengthening the recruitment procedure; adopting the implementing rules for career development; ensuring the independence of the members of the Selection Board; and making sure that the public procurement procedures are correctly implemented;
13. Refers for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT
of 5 May 2010
on the closure of Eurojust's accounts for the financial year 2008
(2010/545/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2008, together with Eurojust's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, 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 ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0093/2010),
1. Approves the closure of Eurojust's accounts for the financial year 2008;
 2. Instructs its President to forward this Decision to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 131.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 63, 6.3.2002, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2008**

(2010/546/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ⁽³⁾, and in particular Article 21 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0090/2010),
1. Grants the Director of the European Union Agency for Fundamental Rights discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations 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 Union Agency for Fundamental Rights, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 10.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 53, 22.2.2007, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ⁽³⁾, and in particular Article 21 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0090/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Director of the European Union Agency for Fundamental Rights discharge for implementation of the Agency's budget for the financial year 2007 ⁽⁵⁾, and in its resolution accompanying the discharge decision noted, inter alia:
- that the Agency should strive for synergies and avoid overlaps with other institutions active in the field of human rights, in particular the Council of Europe,
 - that the European Anti-Fraud Office (OLAF) had opened an investigation concerning the Agency; requested consequently that OLAF, the Agency and the Commission inform the discharge authority of the results of the investigation and possible follow-up measures as soon as possible,

⁽¹⁾ OJ C 304, 15.12.2009, p. 10.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 53, 22.2.2007, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ L 255, 26.9.2009, p. 198.

— the Court of Auditors' finding, with regard to one procurement procedure, that the published evaluation method indirectly decreased the relative importance of the price criterion, which may have deterred some potential bidders and was not in line with the principle of sound financial management,

1. Is pleased to note that the Court of Auditors has been able to obtain reasonable assurances that the annual accounts of the Agency for the financial year ended 31 December 2008 are, in all material respects, reliable and that the transactions underlying the annual accounts of the Agency, taken as a whole, are legal and regular;

Performance

2. Encourages the Agency to set SMART objectives and RACER indicators in its programming so as to improve assessment of its achievements; notes, however, the statement by the Agency that it has taken these observations into consideration in its 2009 programme;
3. Congratulates the Agency on having started in mid-2009 to implement Activity Based Budget software that will provide clear indicators on the financial and human resources allocated;
4. Congratulates the Agency on having acted on the comments by the Court of Auditors and the budgetary authority at the time of the previous discharge;
5. Notes that in the coming years the discharge for the implementation of the budget for the Agency should be further based on the Agency's performance throughout the year;

OLAF investigation

6. Notes that in 2009 OLAF finished its investigation concerning the Agency which it had opened in 2008 and has now closed it with no further action;

Internal audit

7. Acknowledges that in February 2008 the Internal Audit Service (IAS) performed a follow-up audit of the implementation of the outstanding recommendations of its 2007 report and found that only one recommendation (on supervision of recruitment by the Board) remained outstanding; notes, however, that circumstances had changed and that, after the Agency started operations and the new Director was appointed, that recommendation lost its initial purpose and may thus be considered as having been fulfilled;
8. Refers, for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2008**

(2010/547/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ⁽³⁾, and in particular Article 21 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0090/2010),
1. Approves the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2008;
 2. Instructs its President to forward this Decision to the Director of the European Union Agency for Fundamental Rights, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 10.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 53, 22.2.2007, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2008**

(2010/548/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ⁽³⁾, and in particular Article 30 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0085/2010),
1. Grants the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union discharge in respect of the implementation of the Agency's budget for the financial year 2008;
 2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 304, 15.12.2009, p. 38.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 349, 25.11.2004, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

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 Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010**

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2008

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2008,
- having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States for the financial year 2008, together with the Agency's replies ⁽¹⁾,
- having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
- having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ⁽³⁾, and in particular Article 30 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI 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 (A7-0085/2010),

- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 23 April 2009 Parliament granted the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union discharge for implementation of the Agency's budget for the financial year 2007 ⁽⁵⁾, and, in its resolution accompanying the discharge decision, *inter alia*:

⁽¹⁾ OJ C 304, 15.12.2009, p. 38.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 349, 25.11.2004, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁵⁾ OJ L 255, 26.9.2009, p. 126.

- regretted that the Court of Auditors, in its 2007 annual report, had found several weaknesses which it had already highlighted in its 2006 annual report, in particular a high level of carry-overs and cancellations (nearly 70 % of the appropriations available in 2007 not having been spent),
- noted that the Agency's 2007 budget (EUR 42 100 000) had more than doubled compared with the 2006 budget (EUR 19 200 000),
- called on the Agency to improve its financial management, especially as regards the increase in its budget for the financial years 2007 and 2008,

C. whereas 2008 was the third full year in which the Agency had been in operation,

1. Is pleased to note that the Court of Auditors has been able to obtain reasonable assurances that the annual accounts of the Agency for the financial year ended 31 December 2008 are, in all material respects, reliable, and that the underlying transactions, taken as a whole, are legal and regular;
2. Notes that the Agency's budget has increased substantially in the last three years; notes that, for the financial year 2008, the budget increased by EUR 29 000 000, or nearly 69 %, over the previous financial year, and that in 2007 (EUR 42 100 000) it had already more than doubled compared with 2006 (EUR 19 200 000);

Recurring problems since the financial year 2006

3. Is concerned that the Court of Auditors has found several weaknesses which it already highlighted in its 2006 and 2007 annual reports; regrets in particular:
 - a high level of carry-overs and cancellations (with 49 %, nearly 69 % and 55 % of the appropriations available in 2008, 2007 and 2006 respectively not spent),
 - the fact that legal commitments were entered into before the corresponding budgetary commitments,
 - the fact that, according to the Court of Auditors, recruitment procedures depart from the rules, in particular as regards the transparency and non-discriminatory nature of the procedures in question;
4. Notes that EUR 30 300 000 in appropriations for the year had to be carried over and that EUR 13 000 000 in appropriations available had to be cancelled; points out also that, of the EUR 26 800 000 in appropriations carried forward for operational expenditure (title III), EUR 850 000 related to elapsed operations and should have been de-committed; notes in this respect the reply by the Agency, however, stating that it has made corrections to the final annual financial statements and that it will also take additional measures to step up controls on commitments;
5. Points out, however, that a high level of carry-overs and cancellations is indicative of the inability of the Agency to manage so large an increase in its budget; wonders, despite the substantial progress made by the Agency as regards the use of appropriations in 2009, whether it would not be more responsible for the budgetary authorities, in future, to take greater care in deciding on increases in the Agency's budget in the light of the time needed to carry out the new activities; calls on the Agency therefore to provide it with fuller details on the feasibility of future commitments;
6. Considers that the Agency should also introduce:
 - an effective system for scheduling and monitoring the contractual deadlines laid down,
 - a risk-assessment process for its activities so that, subsequently, they can be closely monitored,

- a system of differentiated appropriations in future budgets for making grants so that, in subsequent financial years, cancellations are avoided;
7. Is concerned at the Court of Auditors' criticism of the Agency for having paid out more than EUR 17 000 000 on the basis of unilateral grant decisions signed only by the Agency, while the rules in force make no provision for this type of instrument; voices its concern, in addition, at the Court of Auditors' view that those decisions were frequently signed by the Agency after the activities had commenced or had even been completed; notes the Agency's reply, however, giving an assurance that new framework agreements have now been signed with all border authorities which are going to be participating in Agency-coordinated joint operations;
8. Is concerned at the Court of Auditors' renewed finding that legal commitments were entered into before the corresponding budgetary commitments; notes, furthermore, that 49 *ex-post* commitments (totalling more than EUR 1 000 000) had been registered in the register of exceptions by the end of the year; points out also that, despite the Agency's assurance that, by May 2009, there had already been a 50 % reduction in the number of exceptions over the same period in the previous year, the large number of exceptions is indicative of a recurring problem in the Agency's commitment system; calls on the Agency therefore to make a more effective commitment to solving this problem completely;
9. Congratulates the Agency on having introduced a treasury policy;
10. Notes that the Agency reported EUR 474 116,65 in income from interest in 2008; concludes from the financial statements and from the level of the interest payments that the Agency has a permanently high level of cash holdings; notes that on 31 December 2008 the Agency's cash holdings amounted to EUR 28 604 623,67; asks the Commission to examine what scope there is for helping to ensure that the cash holdings are managed entirely on a needs-orientated basis, in accordance with Article 15(5) of Regulation (EC, Euratom) No 2343/2002, and what changes of approach are necessary in order to keep the Agency's cash holdings permanently as low as possible;
11. Calls on the Agency to exercise its functions to the full and to continue improving its financial management, especially as regards the increase in its 2009 and 2010 budgets;

Human resources

12. Notes with concern that the Court of Auditors has again found that recruitment procedures depart from the rules and that their transparency and non-discrimination between applicants are not ensured;

Performance

13. Notes that, in June 2009, the Management Board of the Agency adopted a multiannual plan for the period 2010-2013 despite the lack of provision for this in its basic regulation; stresses the importance of that multiannual plan in enabling the Agency to plan its activities and risk-assess them more effectively; nonetheless calls on the Agency to establish a link promptly between its work programme and its financial forecasts;
14. Encourages the Director to present data on the impact of operations to the Management Board;
15. Calls on the Agency to set out, in its table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year so as to enable the discharge authority to assess more effectively its performance from one year to the next;
16. Notes that in the coming years the discharge for the implementation of the budget for the Agency should be further based on the Agency's performance throughout the year;

Transparency

17. Notes that the Agency does not publish information about its governing boards on its website; therefore recommends, as a means of increasing transparency, that a list of board members be placed on the Agency's website, with full contact details for all board members;

Cooperation with the Member States

18. Notes that utilisation and implementation of the budget partly depend on Member State involvement; encourages the Agency, accordingly, to step up its dialogue with the Member States in order to expand their involvement;
19. Calls on the Agency to improve its financial management with regard to reimbursement of costs contracted by Member States by identifying the roots of the problem, together with the Member States, so as to implement, with them, the appropriate solutions;

Internal audit

20. Acknowledges that, of the 23 recommendations issued after the initial audit carried out in 2007 by the Internal Audit Service (IAS), four have been adequately and effectively implemented, 15 are in progress and four have not yet been started; emphasises that the recommendations, which are considered to be 'very important', relate to completing job descriptions and the setting of objectives for staff members, strengthening security, improving mail registration, strengthening the grant management process and ensuring compliance with the Financial Regulation;
21. Congratulates the Agency on having recruited, at the end of 2008, an Internal Control Coordinator/Quality Manager; emphasises that this new post will help the Agency to ensure a more structured, disciplined and coherent approach towards the implementation of the IAS' recommendations;
22. Refers for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2008**

(2010/549/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States for the financial year 2008, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ⁽³⁾, and in particular Article 30 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0085/2010),
1. Approves the closure of the accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2008;
 2. Instructs its President to forward this Decision to the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 38.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 349, 25.11.2004, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European GNSS Supervisory Authority for the financial year 2008**

(2010/550/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Supervisory Authority for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Supervisory Authority for the financial year 2008, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes ⁽³⁾, and in particular Article 12 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0073/2010),
1. Grants the Executive Director of the European GNSS Supervisory Authority discharge in respect of the implementation of the Authority's budget for the financial year 2008;
 2. Sets out its observations 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 GNSS Supervisory Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 100.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 246, 20.7.2004, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget for the European GNSS Supervisory Authority for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Supervisory Authority for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Supervisory Authority for the financial year 2008, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes ⁽³⁾, and in particular Article 12 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0073/2010),
- A. whereas the Court of Auditors nuanced its statement of assurance on the reliability of the annual accounts for the financial year 2008 and on the legality and regularity of the underlying transactions,
- B. whereas the Court of Auditors, in its report on the annual accounts of the Authority for 2006, issued a positive statement of assurance,
- C. whereas the Court of Auditors states that it was unable to form an opinion on the accounts of the European GNSS Supervisory Authority for the financial year 2007 and points out that the entire architecture of the Galileo project was being revised in 2007 and that the Authority's accounts were prepared in a fragile legal environment,
- D. whereas the Authority became financially autonomous in 2006,

⁽¹⁾ OJ C 304, 15.12.2009, p. 100.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 246, 20.7.2004, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

E. whereas on 23 April 2009 Parliament granted the Executive Director of the European GNSS Supervisory Authority discharge for implementation of the Agency's budget for the financial year 2007 ⁽¹⁾, and in its resolution accompanying the discharge decision, inter alia:

- noted that the appropriations actually made available to the Authority (EUR 210 000 000) were substantially lower than had been budgeted, due to delays incurred in the Galileo Programme,
- was concerned that the Court of Auditors had found the following weaknesses with regard to budget implementation: low consumption level of commitment and payment appropriations for operational activities (63 % for commitments and 51 % for payments); absence of a clear link between the Authority's work programme and the budget; transfers neither justified nor documented; repeated late booking of recovery orders; inconsistent presentation of budget implementation,
- took note the Court of Auditors' criticism, with regard to Galileo project assets, that the Authority was unable to provide sufficient information in its accounts, as no list of the assets held by the European Space Agency (ESA) had been established by the end of 2007,

Budgetary and financial management

1. Regrets that the Court of Auditors nuanced its statement of assurance on the reliability of the annual accounts for the financial year 2008 and on the legality and regularity of the underlying transactions;
2. Notes that the Authority has decided to present the results of its activities without taking into account the fact that the Authority's management of the Galileo and EGNOS programmes would be discontinued after the finalisation of the transfer of assets and funds to the Commission scheduled for the end of the first quarter of 2008;
3. Notes that Regulation (EC) No 683/2008 of the European Parliament and of the Council of 9 July 2008 ⁽²⁾ entered into force on 25 July 2008, and that in spite of the transfer to the Commission of responsibility for management of the Galileo and EGNOS programmes, the Commission transferred EUR 95 000 000 to the Authority's bank account on 24 December 2008; regrets that no proper amending budget was established;
4. Notes that following the entry into force of Regulation (EC) No 683/2008, a very substantial reduction in the Authority's budget was adopted in 2008 (from EUR 436 500 000 in 2007 to EUR 22 700 000);
5. Is concerned that, although under Regulation (EC) No 683/2008 the Commission became responsible, from 1 January 2009, for fund management and implementation of the European satellite navigation programmes (EGNOS and Galileo), neither activities nor any assets had yet been transferred to the Commission by the end of 2008, and that the new distribution of responsibilities between the Commission and the Authority was not clearly reflected in their respective annual accounts; understands from the Court of Auditors that the Authority should accordingly have treated the amount of EUR 58 400 000 as a debt to the Commission and not shown it as prefinancing received from the Commission; notes, moreover, that the EUR 55 600 000 payable to the European Space Agency should not have appeared in the accounts, as this figure represented contributions by the Communities to the Galileo and EGNOS programmes and came under the Commission's responsibility;
6. Notes, nevertheless, the Authority's reply justifying its action by stating that the Commission had formally confirmed its agreement for the assets to be transferred only with effect from 31 July 2009, as it had not been possible to agree the transfer arrangements with the Commission until the end of June 2009;

⁽¹⁾ OJ L 255, 26.9.2009, p. 162.

⁽²⁾ Regulation (EC) No 683/2008 of the European Parliament and of the Council of 9 July 2008 on the further implementation of the European satellite navigation programmes (EGNOS and Galileo) (OJ L 196, 24.7.2008, p. 1).

7. Refers to the recommendations in Special Report No 7/2009 of the Court of Auditors addressed to the Commission as the new manager of the Galileo Programme;

Internal audit

8. Acknowledges that the Internal Audit Service (IAS) conducted its internal audit in November 2007 and its follow up audits in October 2008 and December 2009; notes that the two remaining important IAS recommendations yet to be implemented relate to sensitive posts and job descriptions;
 9. Refers, for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European GNSS Supervisory Authority for the financial year 2008**

(2010/551/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Supervisory Authority for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Supervisory Authority for the financial year 2008, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes ⁽³⁾, and in particular Article 12 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0073/2010),
1. Approves the closure of the accounts of the European GNSS Supervisory Authority for the financial year 2008;
 2. Instructs its President to forward this Decision to the Executive Director of the European GNSS Supervisory Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 100.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 246, 20.7.2004, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2008**

(2010/552/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year ended 31 December 2008, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5829/2010 — C7-0060/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ⁽³⁾, and in particular Article 5 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0094/2010),
1. Grants the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2008,
 2. Sets out its observations 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 Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 310, 18.12.2009, p. 1.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 90, 30.3.2007, p. 58.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year ended 31 December 2008, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5829/2010 — C7-0060/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ⁽³⁾, and in particular Article 5 thereof,
 - having regard to the Financial Regulation of the European Joint Undertaking for ITER and the Development of Fusion Energy, adopted by decision of 22 October 2007 of the Joint Undertaking's Governing Board (hereinafter 'ITER Financial Regulation'),
 - 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0094/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas the Joint Undertaking is in a start-up phase and had not fully established its internal control and financial reporting systems by the end of 2008,
- C. whereas under Article 75 of the ITER Financial Regulation the Joint Undertaking is required to have an internal audit service that complies with international audit standards,
- D. whereas the ITER Financial Regulation is based on the framework Financial Regulation, which was recently amended to bring it into line with changes made to the general Financial Regulation,

⁽¹⁾ OJ C 310, 18.12.2009, p. 1.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 90, 30.3.2007, p. 58.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

- E. whereas on 28 February 2008 the Joint Undertaking's Director sought the Court of Auditors' opinion on the ITER Financial Regulation,
- F. whereas in October 2008 the Court of Auditors delivered Opinion No 4/2008 on that Regulation,

Carryover of appropriations

- 1. Notes that the Court of Auditors identified a surplus of EUR 57 600 000 in the budget outturn account, which represents 38 % of the EUR 149 700 000 of accrued revenue; stresses, in particular, that part of that surplus (EUR 32 200 000) was carried over to the 2009 financial year; notes, none the less, the Joint Undertaking's reply to the effect that the under-spending to which the Court of Auditors refers stemmed from the fact that this was the Joint Undertaking's first year of financial autonomy from the Commission, and from delays in the start-up of the ITER International Organisation and the Euratom fusion programme as a whole;

Commitment irregularities

- 2. Notes that, in six cases considered by the Court of Auditors, the Joint Undertaking made budget commitments only after it had already entered into legal obligations; calls accordingly on the Joint Undertaking to comply with the Financial Regulation in this respect as well;

ITER Financial Regulation

- 3. Welcomes the Court of Auditors' finding that the ITER Financial Regulation is, in the main, founded on the principles laid down in the framework Financial Regulation and the general Financial Regulation; notes, none the less, that a number of specific changes need to be made, including as regards exceptions to the budgetary principles, the role of the Commission's Internal Audit Service, late payment of members' contributions, the rules on the award of grants and the transitional provisions set out in Article 133 of the ITER Financial Regulation;

Annual activity report

- 4. Expressly recommends that the Joint Undertaking meet the deadline agreed with the Court of Auditors for submission of its annual activity report;

Internal control systems

- 5. Expressly recommends that the Joint Undertaking carry out further work on documenting IT processes and activities and analysing IT risks;
 - 6. Notes that the Joint Undertaking's internal auditor did not take up his duties until 1 July 2009; commends ITER, none the less, on having now drawn up an action plan for the implementation of internal control standards and set up a working group to coordinate and monitor the plan's implementation; stresses, furthermore, that ITER has appointed a Data Protection Officer and the necessary steps have been taken to further develop the Business Continuity and Data Recovery Plan;
 - 7. Notes the Joint Undertaking's statement to the effect that all underlying business processes are currently being mapped;
 - 8. Notes that the Joint Undertaking reported EUR 216 304,89 in income from interest in 2008; concludes from the financial statements and from the level of the interest payments that the Joint Undertaking has a permanently high level of cash holdings; notes that on 31 December 2008 the Joint Undertaking's cash holdings amounted to EUR 58 980 569,87; asks the Commission to examine what scope there is for introducing needs-orientated management of cash holdings at the Joint Undertaking, and what changes of approach are necessary in order to keep the Joint Undertaking's cash holdings permanently as low as possible.
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DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2008**

(2010/553/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year ended 31 December 2008, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5829/2010 — C7-0060/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ⁽³⁾, and in particular Article 5 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0094/2010),
1. Approves the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2008;
 2. Instructs its President to forward this Decision to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 310, 18.12.2009, p. 1.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 90, 30.3.2007, p. 58.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2008**

(2010/554/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year ended 31 December 2008, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5829/2010 — C7-0060/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ⁽³⁾, and in particular Article 4b 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0077/2010),
1. Grants the Executive Director of the SESAR Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2008;
 2. Sets out its observations 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 SESAR Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 310, 18.12.2009, p. 9.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 64, 2.3.2007, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year ended 31 December 2008, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5829/2010 — C7-0060/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ⁽³⁾, and in particular Article 4b thereof,
 - having regard to the Financial Regulation of the SESAR Joint Undertaking adopted by the SESAR Administrative Board on 3 July 2007 (hereinafter 'SESAR Financial Regulation'),
 - 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0077/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- B. whereas the SESAR Joint Undertaking was set up in February 2007 to run the SESAR (Single European Sky Air Traffic Management Research) programme,
- C. whereas the Joint Undertaking is in a start-up phase and had not yet fully established its internal control and financial reporting systems by the end of 2008,

⁽¹⁾ OJ C 310, 18.12.2009, p. 9.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 64, 2.3.2007, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

- D. whereas the Joint Undertaking will own all the tangible and intangible assets which it creates or which are transferred to it for the development phase of the SESAR project in accordance with specific agreements with its members,
1. Welcomes the fact that the Court of Auditors found the SESAR Joint Undertaking's accounts for 2008 to be reliable and the underlying transactions, taken as a whole, to be legal and regular;
 2. Notes that the Joint Undertaking received EUR 250 000 000 in commitment appropriations and EUR 100 900 000 in payment appropriations from the European Union budget for 2008;
 3. Recognises that 2007-08 was a start-up period for the Joint Undertaking, that the new Council Regulation (EC) No 1361/2008 ⁽¹⁾, modifying the basic act of the Joint Undertaking, was only adopted on 16 December 2008, and that there was a delay in the payment of Eurocontrol's initial contribution;

Failure to respect the budgetary principle of annuality

4. Notes that in April 2008 the Joint Undertaking's Administrative Board adopted the final budget covering the period August 2007 to December 2008, and that that decision was at odds with the annuality principle;

Implementation of the budget

5. Points out that the final budget adopted by the Joint Undertaking's Administrative Board in April 2008 proved to be highly unrealistic, as is illustrated by commitment and payment appropriations take-up rates of 1 % and 17 % respectively;
6. Regrets that, in a number of instances, transaction controls did not operate correctly and that adequate internal controls for contracts and procurement had not been established;

Recognition of assets

7. Expresses its concern that, in contrast with very low utilisation rates, the Joint Undertaking had considerable sums in deposits in bank accounts at the year end, thus breaching the principle of budgetary equilibrium;
8. Expressly recommends that the Joint Undertaking formulate an accounting policy in respect of any assets generated during the project's development phase;

SESAR Financial Regulation

9. Welcomes the Court of Auditors' intention to deliver an opinion on the Financial Regulation adopted by the SESAR Administrative Board in July 2007; stresses the importance of that Regulation being in line with the framework Financial Regulation for Community bodies, and shares the Court of Auditors' opinion that the provisions relating to the implementation of the budget and presentation of the accounts, to procurement procedures and to the internal audit function need to be completed; notes, furthermore, that the Joint Undertaking needs to adopt implementing rules for its Financial Regulation;

Annual activity report

10. Expressly recommends that the Joint Undertaking meet the deadline agreed with the Court of Auditors for submission of its annual activity report;

⁽¹⁾ OJ L 352, 31.12.2008, p. 12.

Internal control systems

11. Notes that an internal audit service consistent with applicable international standards was not established until January 2009; calls on the Joint Undertaking also to establish without delay appropriate internal control systems in connection with public procurement; stresses, in particular, the importance of formulating a disaster recovery plan and a data protection policy;
 12. Notes that the Joint Undertaking's accounts for the financial year 2008 show income from interest of EUR 148 370; concludes from the annual closure of accounts and the amount of interest payments that the Joint Undertaking maintains high cash reserves over long periods; notes that as of 31 December 2008 the Joint Undertaking's cash reserves amounted to EUR 116 007 569; calls on the Commission to examine ways of ensuring that the Joint Undertaking implements the principle of needs-based cash management and what changes in approach are needed to ensure that the Joint Undertaking's cash reserves are kept as low as possible on a long-term basis;
 13. Notes, in addition, that the Administrative Board failed to establish a staff establishment plan for 2008.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2008**

(2010/555/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year ended 31 December 2008, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5829/2010 — C7-0060/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ⁽³⁾, and in particular Article 4b 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0077/2010),
1. Approves the closure of the accounts of the SESAR Joint Undertaking for the financial year 2008;
 2. Instructs its President to forward this Decision to the Executive Director of the SESAR Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President

Jerzy BUZEK

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 310, 18.12.2009, p. 9.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 64, 2.3.2007, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on discharge in respect of the implementation of the budget of the European Police College for the financial year 2008**

(2010/556/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2008, together with the College's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0075/2010),
1. Postpones its decision on granting the Director of the European Police College discharge in respect of the implementation of the College's budget for the financial year 2008;
 2. Sets out its observations 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 Police College, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 124.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 256, 1.10.2005, p. 63.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Police College for the financial year 2008**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2008, together with the College's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0075/2010),
- A. whereas the College was set up in 2001 and, with effect from 1 January 2006, was transformed into a Community body within the meaning of Article 185 of the Financial Regulation, thus coming under the provisions of the framework Financial Regulation for agencies,
- B. whereas the Court of Auditors in its report on the annual accounts of the College for the financial year 2006, qualified its opinion with regard to the legality and regularity of the underlying transactions on the grounds that the procurement procedures did not comply with the provisions of the Financial Regulation,
- C. whereas the Court of Auditors, in its report on the annual accounts of the College for the financial year 2007, qualified its opinion on the reliability of the accounts and the legality and regularity of the underlying transactions,

⁽¹⁾ OJ C 304, 15.12.2009, p. 124.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 256, 1.10.2005, p. 63.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

- D. whereas on 23 April 2009 Parliament granted the Director of the European Police College discharge for implementation of the College's budget for the financial year 2007 ⁽¹⁾, and in its resolution accompanying the discharge decision, inter alia:
- expressed deep concern at the fact that the Court of Auditors had identified cases where appropriations were used to finance the private expenditure of College staff members,
 - called on the College to adopt detailed implementing rules, including rules ensuring the transparency of its procurement procedures, in accordance with the Financial Regulation,
 - asked the Commission to closely supervise the implementation of the College's budget,
 - noted that the European Anti-Fraud Office (OLAF) had opened an internal investigation concerning the College,
- E. whereas the Court of Auditors, in its report on the annual accounts of the College for the financial year 2008, added a rider to its opinion on the reliability of the accounts, without expressly qualifying it, and qualified its opinion on the legality and regularity of the underlying transactions,
1. Considers that, overall, the College's replies to the Court of Auditors' remarks are once again inadequate and the remedial measures it puts forward are too vague and non-specific to enable the discharge authority adequately to determine whether the College is capable of improving in future;

Structural problems

2. Considers that the small size of the College calls into question its capacity to handle effectively the complexities of the EU's financial and staff regulations;
3. Notes that the College secretariat's location, in Bramshill, some 70 kilometres from London, is a disadvantage, inter alia as regards recruitment and public transport links;
4. Questions whether the College's new Director will be able to address these structural problems;
5. Wonders whether consideration should not be given to attaching the College to Europol;

College governance and transparency

6. Finds the College's governance costs to be not insignificant, given that, while employing only 24 staff, the College has a 27-member Governing Board (figures as at the start of the 2008 financial year);
7. Notes that the College does not publish information about its governing boards on its website; therefore recommends, as a means of increasing transparency, that a list of board members be placed on the website of the College, with full contact details for all board members;

Reliability of the accounts

8. Voices deep concern at the fact that the adjustments relating to the period during which a manual accounting system was used between the discontinuation of the College's old accounting system (23 May 2008) and the introduction of the new ABAC system (14 July 2008) were not all made in good time and that the financial information concerning the carry-overs from the previous year, the use of assigned revenue and the link with certain figures in the balance sheet for 2007 was insufficiently clear;

⁽¹⁾ OJ L 255, 26.9.2009, p. 157.

9. Expresses concern at the fact that, owing to the simultaneous use of two fixed-asset management systems in 2008, the College sometimes recorded the same assets twice and no labels or unique inventory numbers were used;
10. Regrets that, as the Court of Auditors points out in its comments, an ex post control by an external company was not launched even in mid-2009 (following the Court of Auditors' findings in the 2007 financial year report that there were cases of appropriations which were used to finance private expenditure); calls on the College to take all the steps needed to ensure that such a control is carried out as speedily as possible so that this shortcoming does not feature again in the report on the College's annual accounts for 2009;

Weaknesses in procurement procedures

11. Notes the irregularities in the procedure used for a public supply contract worth the equivalent of some 2 % of operational expenditure; notes, in particular, that the supply contract was based on types of framework contract intended to be used exclusively for training contracts; notes, furthermore, that the contractual provisions allow the College to renew or extend the contract without limitation;
12. Stresses as in previous years the need for the College to strictly comply with the Financial Regulation and EC public procurement legislation and to improve its financial management;

Failure to comply with the rules governing expenditure on courses

13. Voices concern at the fact that the Court of Auditors identified a large number of cases in which the administrative and financial rules governing expenditure on the organisation of courses and seminars, which accounts for a major proportion (64 %) of the College's operational expenditure, were not followed; notes that the main irregularities concerned: failure to submit supporting documents in respect of the costs incurred, failure to provide confirmation of attendance and to supply original invoices and documents necessary for the reimbursement of accommodation expenses, and failure to query travel costs for experts; considers the College's replies to the Court of Auditors' remarks and the rapporteur's questions on this matter to be excessively vague and thus unacceptable to the discharge authority; calls on the College to take steps to improve this situation;

Carry-over of appropriations

14. Notes that the Court of Auditors points out that more than EUR 2 700 000 (representing 31 % of the College's total budget) had to be carried over; is consequently concerned that this situation is at odds with the principle of annuality and shows weaknesses in the programming and subsequent implementation of the College's budget;
15. Calls on the College to introduce a system of differentiated appropriations in future budgets for grants, so as to obviate the need for cancellations;

Other irregularities

16. Notes that the Court of Auditors flagged up the absence of:

— a legal commitment in three cases covering a total of EUR 39 500,

— a budgetary commitment preceding the legal commitment in nine cases covering a total of EUR 244 200,

and calls, therefore, on the College to take steps to improve this situation and then inform the discharge authority of what it has done;

17. Notes that in the coming years the discharge for the implementation of the budget for the College should be further based on the College's performance throughout the year;

Ongoing OLAF investigation

18. Notes that, in 2008, OLAF opened an internal investigation concerning the College, in response to the findings of the Court of Auditors and the Internal Audit Service (IAS) that members of the College's staff had used public money for private purposes; notes that the information provided by the College at Parliament's request in 2009 concerned the use of mobile phones, the provision of furniture for the accommodation of staff and free shuttle services for staff members to airports and train stations; notes that, according to the College, the amounts involved and the state of play as regards recovery were as follows:

- use of mobile phones by staff: GBP 3 405 for the period April - December 2007; all costs recovered,
- use of pool cars by staff: GBP 1 157 for the period July - December 2007; all costs recovered; the cars have since been sold,
- furniture: GBP 6 625 for furniture purchased in 2007; the furniture has since been sold,
- free shuttle service for staff to airports and train stations: cost established at GBP 9 508 for 2007; the recovery process has been initiated;

19. Calls on the College and the Commission to communicate the findings of the OLAF investigation to the discharge authority without delay;

Human resources

20. Is concerned that, until now, temporary staff have been employed for financial work; notes that it was not until 2009 that the College issued a vacancy notice for the recruitment of an Internal Control Standards Coordinator and that the interviews for that post were then scheduled for early 2010;

Internal audit

21. Acknowledges that, in its audit report, the IAS listed 13 recommendations (2 of them critical and 9 very important); notes that these mainly relate to: compliance with the financial regulation on public procurement; management assurance; fixed assets (inventory system); management of delegations (delegations must be fully documented and regularly reviewed); budgetary management; compliance with accounting rules and principles; and the checklist ensuring consistency and documentation of the financial controls;

Action plan to be adopted by the Governing Board and introduced by the College's Director by 30 June 2010

22. Expects, as a first step, the Governing Board swiftly to adopt an action plan to meet the objectives set out in the annex to this resolution; asks the College's Director, in cooperation with the IAS and the parent directorate-general (DG), then to draft specific measures and a timetable for implementation of that plan and to submit them to the Governing Board for adoption; calls accordingly on the IAS and the parent DG to provide all the assistance required in order to identify indicators that will enable the progress made in implementing the measures taken by the College to be measured at regular intervals; expects the College to communicate the specific measures and indicators adopted to the discharge authority by 30 June 2010;

23. Calls on the Court of Auditors to deliver an opinion in letter form on the establishment of the College's action plan to the discharge authority at the earliest opportunity;
 24. Refers, for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 5 May 2010 ⁽¹⁾ on the performance, financial management and control of the agencies.
-

⁽¹⁾ Texts adopted, P7_TA(2010)0139. See page 241 of this Official Journal.

ANNEX

Action plan to be adopted by the Governing Board and introduced by the College's Director by 30 June 2010**BUDGETARY PROGRAMMING****1. Objective:**

Improve the College's budgetary and operational programming and monitoring.

Action:

Director to draft a multiannual plan covering the following during his term of office:

- projected measures (results and impact),
- the related financial requirements and budgetary forecasts for each year,
- the human resources required to implement the projected measures,
- the material resources required to implement the projected measures.

INTERNAL CONTROL SYSTEMS**2. Objective:**

Improve the financial management of the College's work, including in respect of programmes funded from assigned revenue (AGIS, ISEC and MEDA).

Action:

Financial management system to be reviewed (with alterations being made to the current financial circuits), to standardise the financial management of the College's various activities and make it more effective. This review is also intended to ensure the provision of better quality financial information by the various programme administrators.

3. Objective:

Formally validate all financial procedures and the new accounting system, in accordance with Article 43 of the framework Financial Regulation.

Action:

Authorising officer and authorising officers by delegation to formally document the systems which they have introduced with a view to supplying the Accounting Officer with the necessary financial information. Accounting Officer to validate the system descriptions, so as to ensure that he is provided with high-quality financial information for the purpose of drawing up the annual accounts.

4. Objective:

Improve the expenditure verification environment (point 14 of the Court of Auditors' report on the financial year 2008).

Action:

Formally adopt and implement effective procedures and/or checklists ensuring that payment requests submitted by bodies organising courses on behalf of the College comply with the applicable administrative and financial rules.

STAFF**5. Objective:**

Fill vacant posts until a 'normal' post vacancy rate (e.g. 5 %) is achieved.

Action:

- Adopt and implement annual recruitment plans for the years covered by the multiannual plan referred to at point 1 above.
- Adopt and implement recruitment guidelines.

6. Objective:

Improve the staffing situation.

Action:

All posts currently vacant (or filled by agency staff) to be filled by temporary staff by the end of the year.

PROCUREMENT**7. Objective:**

Improve the procurement control environment.

Action:

- Procurement procedures manual and checklists to be adopted and implemented in order to ensure that the correct procedures are chosen and properly implemented.
- Annual goods and services purchasing plan to be adopted and implemented.

MISCELLANEOUS**8. Objective:**

Bring the matter of appropriations used to finance private expenditure to a close.

Action:

Final report to be submitted by an external auditor, setting out the following information:

- total appropriations used to finance private expenditure,
 - amounts recovered to date,
 - the likelihood of recovering the outstanding amounts, and the timetable for their recovery.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the closure of the accounts of the European Police College for the financial year 2008**

(2010/557/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2008,
 - having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2008, together with the College's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 16 February 2010 (5827/2010 — C7-0061/2010),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) ⁽³⁾, 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 Regulation (EC, Euratom) No 1605/2002 ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0075/2010),
1. Postpones the closure of the accounts of the European Police College for the financial year 2008;
 2. Instructs its President to forward this Decision to the Director of the European Police College, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Jerzy BUZEK

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 304, 15.12.2009, p. 124.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 256, 1.10.2005, p. 63.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 5 May 2010****on the 2008 discharge: performance, financial management and control of EU agencies**

THE EUROPEAN PARLIAMENT,

- having regard to the report of 15 October 2008 from the Commission to the European Parliament on the follow-up to 2006 discharge decisions (COM(2008) 629) and the accompanying Commission Staff Working Document (SEC(2008) 2579),
 - having regard to the Commission Communication of 11 March 2008 entitled ‘European agencies — the way forward’ (COM(2008) 135),
 - having regard to its resolution of 21 October 2008 on a strategy for the future settlement of the institutional aspects of Regulatory Agencies ⁽¹⁾,
 - 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 ⁽²⁾,
 - 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 Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 96 thereof,
 - having regard to Special Report No 5/2008 of the European Court of Auditors entitled ‘The European Union’s agencies: getting results’,
 - having regard to its 2009 study on the opportunity and feasibility of establishing common support services for EU agencies,
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0074/2010),
- A. whereas this resolution contains, for each body within the meaning of Article 185 of Regulation (EC, Euratom) No 1605/2002, horizontal observations accompanying the discharge decision in accordance with Article 96 of Regulation (EC, Euratom) No 2343/2002 and Article 3 of Annex VI to Parliament’s Rules of Procedure,
- B. whereas there has been an unprecedented increase in the number of agencies over recent years, as decided by the EU legislator, and whereas this has enabled some of the Commission’s tasks to be outsourced and additional tasks to be given to agencies, at the risk of this appearing in some cases to be tantamount to a dismantlement of the Union’s administration that is jeopardising its ability to carry out its duties,
- C. whereas, following the adoption of the abovementioned Commission communication of 11 March 2008, Parliament, the Council and the Commission relaunched the project of defining a common framework for the agencies and, in 2009, set up an interinstitutional working group,

⁽¹⁾ OJ C 15 E, 21.1.2010, p. 27.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 357, 31.12.2002, p. 72.

- D. whereas the Community contributions to the decentralised agencies — excluding the now closed European Agency for Reconstruction (EAR) — increased between 2000 and 2010 by about 610 % from EUR 94 700 000 to EUR 578 874 000, and staff numbers increased by about 271 % from 1 219 to 4 794; notes, however, that the number of decentralised Agencies increased from 11 in 2000 to 29 in 2010 which corresponds to 0,102 % of the total EU budget for 2000 and 0,477 % for 2010,

I. COMMON CHALLENGES ON FINANCIAL MANAGEMENT

Carry-over and cancellation of operational appropriations

1. Notes that the Court of Auditors drew attention to a large volume of carry-overs and cancellations of operational appropriations by several agencies in the financial year 2008; stresses that this situation often points to weaknesses in agencies' resource planning systems; considers accordingly that the agencies concerned should introduce:

- an effective system for scheduling and monitoring the contractual deadlines laid down,
- a risk-assessment process for their activities so that, subsequently, they can be closely monitored,
- a system of differentiated appropriations in future budgets for grants so that, in subsequent financial years, cancellations are avoided;

2. Notes, furthermore, that some agencies have difficulties in dealing with large increases in their budgets; wonders, therefore, whether it would not be more responsible for the budgetary authorities, in future, to take greater care to decide on increases in some agencies' budgets in the light of the time needed to carry out the new activities; calls, in this connection, on the agencies that frequently experience such difficulties to provide the budgetary authority with fuller details on the feasibility of future commitments;

Cash holdings

3. Notes that many agencies record permanently high cash holdings; calls on the Commission and the agencies to work on ways of bringing the cash holdings down to an acceptable level; asks the Commission against this background also to examine alternative common plans for efficient management of cash holdings and to draw up proposals with a view to changing the structural framework conditions in order to achieve more efficient management of cash holdings; but notes also that the agencies receive payments after the authorised work has been concluded and paid for (work undertaken by rapporteurs, for example) and therefore some cash holdings are essential in each case;

Weaknesses in procurement procedures

4. Deplores the fact that the Court of Auditors again found deficiencies in procurement procedures conducted by several agencies; expresses concern in particular about the Court of Auditors' finding that in 2008, first, no prior estimate of the market value was made before the procedure was launched and, second, there were recurrent and severe weaknesses in the monitoring of contracts and the programming of procurement operations; stresses that this situation points to major failings in cooperation between the relevant departments of the agencies concerned;

Human resources

5. Voices concern at the fact that the Court of Auditors again noted shortcomings in the planning and implementation of staff recruitment procedures in some agencies; stresses, in particular, the need to narrow the gap between posts filled and posts on the establishment plan in the agencies; acknowledges the difficulties arising from the implementation of the EU Staff Regulations, especially for decentralised agencies; calls on the agencies also provide better guarantees of transparent, non-discriminatory treatment of external and internal applicants;

Host agreements

6. Notes that many of the host agreements concluded between the agencies and the host countries have shortcomings that detract from the agencies' efficiency (e.g. expensive transport links to some agencies, problems with buildings rented by some agencies, social inclusion of staff); calls accordingly, when the initial decision is taken by the Council on where an agency is to be located, for host countries to supply more detailed host agreements that will better serve the interests of the agency; is also in favour of thought being given to moving agencies in cases where the host agreement is seriously undermining the agency's effectiveness; requests the interinstitutional working group on agencies to tackle the issue and possibly to define common standards for host agreements;

Internal audit

7. Will not accept agencies recruiting interim staff to perform what are deemed to be sensitive financial duties;
8. Calls on the agencies' management boards to take account of and implement the recommendations made by the Commission's Internal Audit Service, with a view to rapidly taking the action required in order to remedy the failings that have been identified;
9. Considers that the audit committee created by the European Food Safety Authority in 2006 plays an important role in assisting the Management Board by ensuring that the work of the Commission's Internal Audit Service and the internal audit capabilities of the Authority is properly carried out and duly taken into consideration by the Management Board and the Executive Director; believes, therefore, that this audit committee within the Authority might serve as an example to other agencies;

II. AGENCIES' GOVERNANCE**Agencies' rationale**

10. Notes that some of the agencies have very similar remits; calls accordingly for the interinstitutional working group on agencies to consider whether some agencies should work closely together or even be merged;
11. Notes, furthermore, that the small agencies (with fewer than 75 staff members, such as the European Police College, the European Network and Information Security Agency, the European Agency for Safety and Health at Work, the European Union Agency for Fundamental Rights and the European GNSS Supervisory Authority) are faced with serious efficiency problems; calls accordingly on the interinstitutional working group on agencies to look into the feasibility of determining the critical mass of agencies and setting up common services providing, for example, assistance with procurement procedures, human resources procedures and the budgetary process;

Disciplinary procedures

12. Recalls that Parliament, in its 2006 and 2007 discharge resolutions, called on the agencies to consider setting up an inter-agency disciplinary board; notes that this project remains difficult to take forward, owing in particular to problems in finding staff who have the appropriate career grade to be a member of the board; nonetheless calls on the agency responsible for coordinating the network of agencies to establish a network of staff at the grade required to be a member of the disciplinary board;

Agency management boards

13. Notes that most of the agencies subject to the discharge procedure in respect of the 2008 financial year have a representative of each Member State on their management boards; finds, in particular, the small agencies' fixed governance costs to be not insignificant, as is the case with the European Police College, which has a 27-member management board and employs only 24 staff (as at the start of 2008), or the European Agency for Safety and Health at Work, which has an 84-member management board and employs 64 staff (in 2008);

14. Demands that the EU agencies' management boards achieve maximum convergence between the planning of tasks and of resources (both financial and human) through the introduction of activity-based budgeting and management (ABB/ABM), and stresses that the agencies are subject to the principle of sound financial management and budgetary discipline;
15. Calls accordingly on the interinstitutional working group on agencies to consider whether the Commission should have a blocking minority when votes are taken by management boards, with a view to ensuring that the right technical decisions are taken for the agencies;

Agency directors' role

16. Calls on the interinstitutional working group on agencies to look into the qualities and skills which a director requires in order to run an agency effectively and secure access to expert advice on the EU's budget regulations from the moment the agency is set up;

Commission's role

17. Calls on the Commission to step up its efforts to provide all necessary administrative assistance to the relatively small agencies, in particular those that were set up recently;

III. PERFORMANCE

18. Stresses that the agencies must draw up multiannual work programmes in accordance with the multi-annual Union strategy in the sector; considers that SMART objectives and RACER indicators should be laid down in the annual work programmes for performance assessment purposes; stresses that each agency's work programme should also respect the limits of the agency's budget as authorised by the budgetary authority; calls accordingly on the agencies to consider making a Gantt diagram part of the programming for each of their operational activities, with a view to indicating in concise form the amount of time spent by each staff member on a project and encouraging an approach geared towards achieving results;
19. Considers the European Food Safety Authority's introduction of a risk-assessment process to be a positive development, which, starting in 2009, should reinforce and allow close monitoring of the Authority's scientific and administrative activities; calls accordingly on the other agencies to adopt this good practice introduced by that Authority;
20. Considers the use by the European Environment Agency of a performance-driving integrated management control system consisting of interconnected IT-based management applications that enable the Agency's management to monitor project progress and resource use in real time to be good practice; notes that this integrated management control system links the following applications:
 - (i) the financial applications that provide information on the level of use of commitment and payment appropriations;
 - (ii) the career cycle management application which confirms consistency among descriptions of posts, individual performances and the deployment of corrective measures;
 - (iii) the system to record working time;
 - (iv) the steering system for publications, which links each product to an action in the work programme;
21. Considers the development by the European Foundation for the Improvement of Living and Working Conditions of a system to monitor the information which it supplies also to be good practice; stresses, in particular, that this system is employed to assess the use made of the information which the Foundation supplies to targeted bodies and its impact on decision-making by the Union institutions and the social partners;

22. Stresses the importance of including an assessment of agencies' performance in the discharge process which is made available to the competent committee dealing with its respective agencies in Parliament; calls accordingly on the Court of Auditors to look into the matter in its next reports on the agencies;
23. Calls, in this connection, on the agencies to set out, in the tables which they annex to the Court of Auditors' next reports, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year, so as to enable the discharge authority to assess more effectively their performance from one year to the next;
24. Calls, furthermore, on each agency to supply the discharge authorities with the 'logic model' to be presented in its performance audit, with a view to identifying and establishing the relationship between the socioeconomic requirements that need to be taken into account in connection with its work, its objectives, its achievements and its impact, as the results achieved by the agencies are essential and need to become more visible;

IV. INTERINSTITUTIONAL DIALOGUE ON A COMMON FRAMEWORK FOR AGENCIES

25. Welcomes the establishment of an interinstitutional working group on agencies to look into and, possibly, lay down, common minimum standards for the decentralised agencies;
 26. Instructs its President to forward this resolution to the agencies subject to this discharge procedure, the Council, the Commission and the Court of Auditors.
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2010/503/EU:

- ★ **Decision of the European Parliament of 5 May 2010 on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section VII — Committee of the Regions** 97

Resolution of the European Parliament of 5 May 2010 with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section VII — Committee of the Regions 98

2010/504/EU:

- ★ **Decision of the European Parliament of 5 May 2010 on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section VIII — European Ombudsman** 101

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