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II

(Non-legislative acts)

DECISIONS

DECISION OF THE EUROPEAN PARLIAMENT

of 10 May 2011

on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section I — European Parliament

(2011/548/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
- having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0212/2010) ⁽²⁾,
- having regard to the report on budgetary and financial management — financial year 2009, Section I — European Parliament ⁽³⁾,
- having regard to the Internal Auditor's annual report for 2009,
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 Union institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,
- having regard to its resolution of 10 April 2008 on the guidelines for the 2009 budget procedure — Sections I, II, IV, V, VI, VII, VIII and IX ⁽⁸⁾,

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 172, 30.6.2010, p. 1.⁽⁴⁾ OJ C 303, 9.11.2010, p. 1.⁽⁵⁾ OJ C 308, 12.11.2010, p. 129.⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.⁽⁷⁾ PE 349.540/Bur/Ann/fin.⁽⁸⁾ OJ C 247 E, 15.10.2009, p. 78.

- having regard to its resolution of 20 May 2008 on Parliament's estimates of revenue and expenditure for the financial year 2009 ⁽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 (A7-0094/2011),
- A. whereas the audit of the Court of Auditors stated that, as regards administrative expenditure in 2009, all the institutions satisfactorily operated the supervisory and control systems required by the Financial Regulation and the transactions tested were free from material error ⁽²⁾,
- B. whereas the Secretary-General certified, on 2 July 2010, his reasonable assurance that Parliament's budget has 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,
1. Grants its President discharge in respect of the implementation of the European Parliament budget for the financial year 2009;
 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 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 279 E, 19.11.2009, p. 163.

⁽²⁾ OJ C 303, 9.11.2010, p. 198.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****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 2009, Section I — European Parliament**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0212/2010) ⁽²⁾,
 - having regard to the report on budgetary and financial management- financial year 2009, Section I — European Parliament ⁽³⁾,
 - having regard to the Internal Auditor's annual report for 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 Union institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,
 - having regard to its resolution of 10 April 2008 on the guidelines for the 2009 budget procedure — Sections I, II, IV, V, VI, VII, VIII and IX ⁽⁸⁾,
 - having regard to its resolution of 20 May 2008 on Parliament's estimates of revenue and expenditure for the financial year 2009 ⁽⁹⁾,
 - 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 (A7-0094/2011),
- A. whereas the audit of the Court of Auditors stated that, as regards administrative expenditure in 2009, all the institutions operated satisfactorily the supervisory and control systems required by the Financial Regulation, and the transactions tested were free from material error ⁽¹⁰⁾,
- B. whereas the Secretary-General certified, on 2 July 2010, his reasonable assurance that Parliament's budget has 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,

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 172, 30.6.2010, p. 1.⁽⁴⁾ OJ C 303, 9.11.2010, p. 1.⁽⁵⁾ OJ C 308, 12.11.2010, p. 129.⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.⁽⁷⁾ PE 349.540/Bur/Ann/fin.⁽⁸⁾ OJ C 247 E, 15.10.2009, p. 78.⁽⁹⁾ OJ C 279 E, 19.11.2009, p. 163.⁽¹⁰⁾ OJ C 303, 9.11.2010, p. 198.

Major changes in Parliament's budget management during 2009

1. Acknowledges that the current financial situation necessitates that the Parliament, along with all Union institutions, finds the most cost effective ways of using financial and staff resources, including possible savings, as well as electronic tools and methods, to provide efficient services;
2. Calls for a long-term review of the Parliament's budget; asks for future potential savings to be identified in order to reduce costs and create resources for the long-term running of the Parliament as part of the legislative authority;
3. Recalls that, in its resolution of 5 May 2010 ⁽¹⁾, on discharge to Parliament for the financial year 2008, Parliament deplores the great number (88 out of 452) and significant proportion of outstanding actions in respect of the audit carried out by the Internal Auditor on the internal control framework; notes with satisfaction the replies by the Secretary-General to the discharge questionnaire according to which, in the opinion of the Directors-General, considerable progress took place in the implementation of the action items adopted by them: by the end of 2010 they considered 51 actions to have been fully implemented (including all of the 4 critical actions), 31 actions to have been partially implemented, whilst for 6 actions most of the work still needed to be done; requests however that the assessment and validation by its Internal Auditor of these self-assessments be included in its forthcoming annual report; also requests the Secretary-General to report on a six-monthly basis to the Committee on Budgetary Control on all outstanding actions;
4. Recalls that DG ITEC was the most concerned, with 22 open actions; notes with satisfaction that, according to the Internal Auditor, the Directorate for Information Technology within DG ITEC, has implemented 19 of the 22 open actions and, in the process, has made significant progress in developing its control framework; encourages all its Directorates general concerned to continue their efforts to improve their respective management and control procedures; calls on the Internal Auditor to set stricter timetables on actions to be implemented;
5. Notes that 2009 was the first year of implementation for the Statute for Members of the European Parliament and for the Statute for Accredited Parliamentary Assistants; observes a certain number of initial problems with the implementing measures for the Assistants' Statute, welcomes however the fact that a Temporary Evaluation Group, set up within the Bureau, on the Members' and Assistants' Statutes has proposed amendments to the implementing measures for the Members' Statute concerning (i) Members' travel, (ii) Members' sickness insurance and reimbursement of medical expenses, (iii) travel by assistants on mission, (iv) duration and renewal of assistants' contracts, (v) assistants' professional training, and (vi) rules concerning Members' trainees as well as other amendments to the Assistants' Statute, in particular on (i) use of the parliamentary assistance and general expenditure allowances, (ii) paying agents, and (iii) revision of the complaints and appeals procedure for Members; stresses that these amendments should be implemented at the latest by 30 November 2011;
6. Observes that current rules for payment of the General Expenditure allowance, which state that money is to be paid to a personal account of the Member but which do not require any proof of expenditure, have led to the creation of a division between those Members who account for the expenditure in full and publish details thereof and those who do not adopt such transparent procedures and who, thereby, risk the accusation that a proportion of the allowance is being used to supplement their personal income; calls on the Secretary-General to propose arrangements to ensure that expenditure of the allowance is transparent in all cases and used for the purposes intended;
7. Notes the significant increase in the workload registered by the administration, relating to the entry into force of the new Statutes; notes with concern the more complicated procedure as regards accredited assistants' missions outside the three places of work and considers that, in spite of a considerable increase in staffing, there are insufficient staff members in the Members' service and the services dealing with assistants and requests, hence, the redeployment by the administration of additional staff in order to cope with the increased workload; requests, moreover, that a comprehensive evaluation covering changes in staff as well as the development of expenditure in all areas concerned be made and forwarded to its competent committees by 30 September 2011 concerning the experience gained of the implementation of the two Statutes following the first full year of their

⁽¹⁾ OJ L 252, 25.9.2010, p. 3.

implementation, together with an action plan and an assessment of the financial implications for Parliament's budget, including the provisions to be made for possible extra office space;

8. Notes with satisfaction the improvements in the management of Parliament's services; welcomes, in particular, the Bureau decisions of 1 April 2009 on the restructuring, from 1 January 2010, of the Directorate-General for Personnel and on the restructuring and reinforcing of the Directorate-General for Infrastructure and Logistics in order to enable it to start work immediately on improving the maintenance of Parliament's premises;
9. Notes the adoption by the Bureau on 24 March 2010 of the long-awaited medium-term strategy in the IT and the buildings sectors and expects that the buildings strategy will be subject to an improved interinstitutional cooperation and that the organisations of local inhabitants will be consulted on a regular basis;
10. Notes especially the medium- and long-term property policy (buildings strategy), which takes into account Parliament's increased responsibilities under the Treaty of Lisbon, the rules governing allocation of space, the need for accommodation of certain external staff and the need for maintenance/renovation of buildings; further, requests a detailed report on future accommodation needs and on where the funding for this may come from; calls further on the Secretary-General to conduct negotiations with the Belgian authorities aimed at reducing the extra percentage (33 %) to be paid if Parliament purchases 'State' owned property;
11. Notes with satisfaction the improvements in Parliament's information and communication technologies (ICT) governance, the envisaged generalised use of open source software and the fact that urgent IT development to support both the procurement process and the management of contracts has been recognised in the recently adopted ICT Strategy, as well as the need for:
 - clear specifications at the start of projects,
 - a comprehensive management information system,
 - the avoidance of excessive outsourcing of ICT services,
 - a clearer separation of duties in the fields of development and maintenance, and
 - additional resources in DG ITEC in order to achieve tighter control of projects;
12. Asks for all Members of the European Parliament to be sent copies of key policies adopted by the Bureau during the course of this parliamentary term, such as, for example:
 - the buildings strategy,
 - the ICT strategy,
 - the Communication Action Plan,and for them to be sent such papers in the future;
13. Calls on the Bureau to send out draft papers on key subjects of common interest to all Members of the European Parliament in order to facilitate discussion within the political groups before any final decisions are taken;

Main remaining challenges

Security

14. Condemns the third consecutive robbery inside what should be Parliament's secure premises; strongly disapproves of the evident deficiencies in Parliament's security; calls on its administration to re-deploy the responsible manager to new tasks;
15. Finds it astonishing that around 900 people work in Parliament's security services, most of them as external contract staff and also points to the steady increase in total security costs (some EUR 43 000 000 in 2009); requests, in the light of recent security incidents, the overhaul of these services in order to increase their efficiency; strongly suggests that the two major contracts for security services, both physical and technical, will not be concluded with the same firm as is now the case;

16. Welcomes in this respect the establishment, from 1 January 2010, of a new Directorate in charge of Security and requests the newly established Directorate to conduct an in-depth review of Parliament's security policy and to work on proposals to adopt security solutions for Parliament which are more technology-oriented and cheaper, resulting in considerable savings in terms of staff and would like to be informed on progress made;
17. Considers that the new security policy should aim to strike a balance which is cost effective between internal staff and external agents and between security concerns, on the one hand, and accessibility and openness, on the other hand, in order to enable Parliament to remain, as much as possible, an open and accessible institution; stresses that more video surveillance is not a desirable way to proceed;
18. Notes that one of the weak spots in the security of Parliament today is that Members can enter and exit the buildings without submitting their badges to electronic control; believes that it should be mandatory for Members to show their badges when going in and out of the Parliament;
19. Observes that the arrangements for signing in Members' visitors are slow and cumbersome by comparison to those of the European Commission and those of many national parliaments, where security is of equal importance, and that this results in unnecessary delays and inconvenience for visitors, Members and their assistants; invites the Secretary-General to study the practices of parliaments elsewhere and, subsequently, to recommend adoption of improved procedures;
20. Stresses the need for a clear security strategy offering a smart, modern, state-of-the-art security service with the following possible elements:
 - (i) electronic signature for Members (instead of the current, archaic and costly system of signatures on paper with data entered manually by staff), whilst making sure that the new system leaves no room for abuse; therefore asks the Secretary-General to bring forward by 30 September 2011 different proposals for a more effective signing system including considerations about opening hours for signing;
 - (ii) technical solutions enabling security staff to deal efficiently with emergency situations by providing them with reliable data concerning the number and identity of people present on Parliament's premises;
 - (iii) an updated crisis management plan;
 - (iv) an internalised accreditation system for visitors, to provide an improved and more consistent service;
21. Notes the large quantity of cameras installed at Parliament's three places of work ⁽¹⁾; requests the Secretary-General to provide the Committee on Budgetary Control by 30 June 2011 with detailed information specifying:
 - (i) how the video recordings are used;
 - (ii) how and for how long they are stored;
 - (iii) who has access to the recordings; and
 - (iv) whether the many cameras and the video surveillance have helped to prevent, detect or resolve thefts or in general how they have helped to increase the level of security in the Parliament;
22. Notes with concern the increasing difficulties encountered by Members and staff in carrying out their work caused by a great number of visitors' groups entering Parliament's premises in the working areas, not originally intended for visitors; requests the Questors to apply the relevant rules more strictly, especially for periods where there is a heavy workload;

⁽¹⁾ 1 001 cameras in Brussels, 238 in Luxembourg and 364 in Strasbourg.

23. Deplores the lack of security in Parliament's vicinity and is of the opinion that improved communication and cooperation with local police forces would result in a more efficient use of resources; encourages the institutions to reach an agreement with the Belgian authorities on improving security within the EU district in Brussels by, inter alia, intensifying police patrols;

Job rotation

24. Requests information on any derogations of the common practice of job rotation, after seven years in the same job at the very latest, of staff, and in particular people in so-called 'sensitive posts';

Internalisation v externalisation

25. Notes with great concern the high number (some 990) of external members of staff who are accommodated in Parliament's offices; takes the view that the need for such accommodation should be written into the original specifications and the services should duly justify why they need to have external IT or buildings experts on site; is of the opinion that greater use should be made of open plan offices;
26. Deplores the overdependence on external (technical) expertise, especially in the IT and buildings sectors resulting from structural imbalances between internal and external resources and calls for a cost-effective balance to be struck between in-house and external expertise in each area of parliamentary activity; therefore considers that a cost-benefit analysis should be carried out to inform decisions regarding the hire of external expertise;

Buildings policy

27. Stresses the need to develop, in-house, the high-quality property expertise that is essential in order significantly to improve the planning and procurement of the future purchases and long-term leases of Parliament's buildings; points out the crucial importance of improved inter-institutional cooperation;
28. Asks for an estimate of the loss incurred by the sale of the old Parliament building in Brussels to the Committee of the Regions, taking into account the price per square metre of the offices which are currently being purchased or leased;
29. Calls on the Secretary-General, with the assistance of DG INLO and all DGs to carry out an in-depth analysis of the actual use of Parliament's buildings and of the need for rules applicable to all categories of users and to develop, as a matter of priority, a single, reliable database containing all relevant information about all the persons accommodated in Parliament's buildings; observes that the Bureau decision on Parliament's medium- and long-term property policy constitutes a good starting point in this respect; calls on DG INLO to scrupulously implement the action plan agreed with the Internal Auditor; calls for a comparative analysis of capital, capital service and maintenance costs per square meter of office space occupied as against the current rental cost of office space in the 'European district' in Brussels; demands that, before any more office buildings are purchased, their value must be ascertained by means of discounted cash flow (DCF) analysis;
30. Notes that a second crèche in Brussels is a priority project and therefore, requires new floor space; asks, in the context of new office space, for a survey among Members to assess whether they consider a second assistant's office necessary with regard to the employment of further assistants;
31. Considers it preferable that the Parliament's buildings are located close to each other; recalls, however, that this preference is in contradiction with the fact that there are three official places of work; stresses in this context that there is sufficient office space available for rent in the immediate vicinity of the European Parliament in Brussels, which could satisfy office space needs in the medium term and at the same time comply with the Parliament's financial and operating efficiency and environmental objectives;
32. Encourages its administration to negotiate an inter-institutional agreement with the Commission on the financial arrangements for the purchase of 'Europe Houses' (EP Information Offices), which is to include clear paragraphs on cost reductions;

Information and communication technologies (ICT) sector

33. Welcomes the more structured approach to ICT and the elaboration of a comprehensive strategy in this field; further welcomes the commitment by its administration in its answers to the questionnaire to launch a study on the possibility of replacement of external staff;
34. Highlights, in relation to the IT applications' development process, the structural problem of a high-degree of reliance on external experts which poses serious legal and operational risks; advocates therefore the need for significant changes to the management and control systems in the Directorate for Information Technologies, including the closer and earlier involvement of other DGs in all aspects of application development, which are capable of increasing users' ownership of and responsibility for each project's outcome;
35. Calls therefore on DG ITEC to scrupulously implement the action plan agreed with the Internal Auditor and to seek to achieve an adequate mix of Parliament staff and external resources as well as an appropriate balance between internal application development and deliverables-based contracting; takes note of the lack of qualified candidates on EPSO lists in the field of IT security; supports also the suggestion to urgently organise separate AD 7 competitions in this field;
36. Is appalled by the huge data roaming costs reimbursed to staff members who neglect spiralling costs when in Strasbourg and elsewhere outside Brussels; urges IT management to create a control tool whereby extremely high costs are prevented by the detection of sharp increases in an early stage;
37. Draws attention to the fact that, for Parliament, the increasing use of external companies for implementing IT projects, in addition to being financially detrimental, runs the risk that it will lose important parts of its know-how as well as its ability to manage and supervise projects delivered by external contractors; furthermore, calls for the decision to use external companies to be based on a cost-benefit analysis; moreover because of the increasing role and importance of ICT in the work of European Parliament, deems it to be important to raise the role of ICT management to a higher level, also to ensure higher security protection; strongly urges that DG ITEC provide information on the costs of externalising the computing centres in comparison to previous costs in its activity report for 2010;

Exceptional negotiated procedures

38. Recalls its view, expressed in its resolution of 5 May 2010, that the increase in the number and proportion of exceptional negotiated procedures registered between 2007 and 2008 clearly obliges the authorising officers to take measures to 'reverse the trend' and its invitation to the Secretary-General to report to its Committee on Budgetary Control on measures taken before 1 September 2010;
39. Is concerned to see the continuing upward trend in the number of exceptional negotiated procedures and reiterates its call to the Secretary-General and the authorising officers by delegation to take effective and efficient measures in order to reverse that trend and to report to its competent committee by 30 September 2011 on the measures taken; further urges its administration to continue the strict scrutiny of these procedures, in particular with respect to possible conflicts of interest, and to apply intensified and dissuasive sanctions for any irregularity found;

Rules of procedure

40. Notes that the internal organisation and distribution of powers between Parliament's internal structures is defined by its rules of procedure; stresses that this is a key element in the democratic process of good law-making;
41. Finds that the possibility of posing written questions to the other institutions should be improved by providing appropriate forms for each of the institutions as well as adapting Parliament's Rules of Procedure;

Report on budgetary and financial management

42. Notes that, in 2009, Parliament received revenue amounting to EUR 141 250 059 (EUR 151 054 374 in 2008) which included EUR 27 576 932 in assigned revenue;

Presentation of Parliament's accounts

43. Takes note of the figures on the basis of which Parliament's accounts for the financial year 2009 were closed, namely:

(in EUR)

(a) Available appropriations	
appropriations for 2009:	1 529 970 930
non-automatic carry-overs from financial year 2008:	8 315 729
automatic carry-overs from financial year 2008:	196 133 738
appropriations corresponding to assigned revenue for 2009:	27 576 932
carry-overs corresponding to assigned revenue from 2008:	36 808 922
Total:	1 798 806 251
(b) Utilisation of appropriations in the financial year 2009	
commitments:	1 670 143 804
payments made:	1 466 075 267
appropriations carried forward automatically including those arising from assigned revenue:	201 826 738
appropriations carried forward non-automatically:	10 100 000
appropriations cancelled:	120 804 246
(c) Budgetary receipts	
received in 2009:	141 250 059
(d) Total balance sheet at 31 December 2009	1 709 216 709

44. Considers that an additional column should be added to the table containing the relevant data for the previous year in order to provide better transparency and facilitate comparisons;
45. Notes with satisfaction that for the first time in 2009 no mopping-up transfer took place at the end of the financial year, after a number of years when the possibility of mopping-up was used (mostly to purchase buildings by making advance payments against the annual lease payments), which suggests better budget planning and discipline and which is to be praised; encourages its administration to pursue this objective in the future as well and to avoid, as far as possible, using the technique of mopping up;

Statement of assurance by the Secretary-General

46. Welcomes the Secretary-General's statement dated 2 July 2010 in his capacity as Principal Authorising Officer by delegation, concerning the authorising officers' annual activity reports for 2009, in which he certifies that he has a reasonable assurance that Parliament's budget has 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;

Activity reports by the Directors-General

47. Notes that, currently, each Director-General (authorising officers by delegation) prepares his or her own Annual Activity Report, and that no overall Activity Report for the Institution as a whole is drafted and adopted; invites the Secretary-General to consider issuing a more readable, consolidated version (a summary) of the Annual Activity Reports for the 2010 discharge procedure, as is already the case with other institutions, whilst making sure that the annexes of the reports are not scanned

but uploaded in such a way as to permit computer searches; takes the view that the report on budgetary and financial management is distinct from the suggested synthesis of the annual activity reports;

48. Notes that Article 8(4) to (7) of the Internal rules on the implementation of the Parliament's budget requests Authorising officers by delegation (AODs) to report to the Principal authorising officer by delegation (PAOD), on the performance of his other duties by providing three reports over the course of the year (one at the start of the financial year, the second on 15 June and the third on 15 October) in addition to the annual activity report produced for the previous year; advocates the need to lessen this reporting burden with a view to simplification, so that DGs prepare only one version of their Annual Activity Report;
49. Stresses however, that this simplification in the AODs' reporting obligations should not affect their obligation of keeping the PAOD informed about any substantial transactions likely to have financial implications for the budget and about any significant event that might jeopardise the sound management of appropriations or prevent the objectives set from being achieved;
50. Notes some weaknesses in reporting regarding the minimum Internal Control Standards in the annual activity reports; proposes, in order to improve reporting, to review those standards and to establish an integrated internal reporting system;
51. Reiterates its request ⁽¹⁾ that the Secretary-General inform the Committee on Budgetary Control of the precise measures, including the deadlines for implementation, that he has taken or will take in order to reinforce Parliament's internal control system; recalls that the provision of this information has been due since 31 December 2010;
52. Suggests that, in order to increase transparency within Parliament, the mission statements, the work programme and the organigram of Parliament's administrative entities, including units and services, should be made available on Parliament's internal website as is already the case at the Commission;
53. Notes that finding out where the money from different budget headings is actually flowing or how it is being used, demands great extra efforts on the part of Members and the public; therefore, in order to increase transparency, proposes the creation of a user-friendly tool on the Internet showing money flows not only in figures, but also through lines of different sizes, reflecting those figures and making the necessary connections from one actor in the chain to another, at the various different levels of action, so that those money flows may be easily recognised and traced to as concrete a level of the usage of money as possible, whilst always taking into account the protection of privacy;

Annual report on contracts awarded

54. Notes that central services established, on the basis of information provided by authorising departments, the annual report ⁽²⁾ to the budgetary authority on contracts awarded in 2009 and the following breakdown of all contracts awarded in 2009 and 2008:

Type of contract	2009		2008	
	Number	Percentage	Number	Percentage
Services	157	62 %	241	67 %
Supplies	56	22 %	59	17 %
Works	34	14 %	44	12 %
Building	5	2 %	15	4 %
Total	252	100 %	359	100 %

⁽¹⁾ Point 61 of its resolution of 5 May 2010 (OJ L 252, 25.9.2010, p. 11).

⁽²⁾ Available at: <http://www.europarl.europa.eu/document/activities/cont/201009/20100901ATT80830/20100901ATT80830FR.pdf>

Type of contract	2009		2008	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Services	415 344 963	75 %	454 987 532	67 %
Supplies	34 980 727	6 %	22 868 681	3 %
Works	36 045 314	6 %	81 247 056	12 %
Building	70 394 138	13 %	123 429 315	18 %
Total	556 765 142	100 %	682 532 584	100 %

(Annual report on the contracts awarded by the European Parliament, 2009, pages 3-4)

55. Stresses that the value of procurement contracts amounts approximately to a third of Parliament's overall budget and that public procurement is the area most vulnerable to mismanagement; therefore repeats its request to regularly evaluate the procurement systems and in particular to perform internal controls on the contracts awarded in negotiated and restricted procedures;
56. Asks the Secretary-General to report whether the increase of the ceiling for low-value contracts from EUR 25 000 to EUR 60 000 in 2007 has facilitated access by small companies as intended, without substantially weakening scrutiny of the procurement process; notes that these contracts made up only 0,76 % in value but 39,29 % in number of the total contracts awarded;
57. Notes the breakdown of contracts awarded in 2009 and 2008 by type of procedure used as follows:

Type of procedure	2009		2008	
	Number	Percentage	Number	Percentage
Open	73	29 %	126	35 %
Restricted	13	5 %	14	4 %
Negotiated	166	66 %	219	61 %
Total	252	100 %	359	100 %

Type of procedure	2009		2008	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Open	415 996 418	75 %	345 415 316	51 %
Restricted	9 458 434	2 %	139 782 362	20 %
Negotiated	131 310 290	23 %	197 334 906	29 %
Total	556 765 142	100 %	682 532 584	100 %

(Annual report on the contracts awarded by the European Parliament, 2009, p. 5)

Exceptional negotiated procedures

58. Notes, in particular, the steady increase in 2009 (although at a slower pace than in 2008 as compared to 2007) in the number of exceptional negotiated procedures as shown in the following breakdown; expects that this trend will be substantially reversed in the coming years:

General Directorate	2009		2008	
	Number	% of DG's total contracts	Number	% of DG's total contracts
DG PRES (except DIT)	14	53,85 %	8	44,44 %
DG IPOL	0	0,00 %	0	0,00 %
DG EXPO	1	50,00 %	3	75,00 %
DG COMM (except Library Dir.)	29	42,03 %	16	16,00 %
DG PERS	1	16,67 %	0	0,00 %
DG INLO (except Interpreting Dir.)	37	38,14 %	36	34,95 %
DG INTE (formerly Interpreting Dir.)	3	21,43 %	9	56,25 %
DG TRAD (except Publishing Dir.)	0	0,00 %	0	0,00 %
DG ITEC (formerly Publishing and IT Directorates)	4	36,36 %	9	56,25 %
DG FINS	0	0,00 %	0	0,00 %
Legal Service	0	0,00 %	0	0,00 %
Parliament, total	89	35,32 %	81	22,56 %

(Annual report on the contracts awarded by the European Parliament, 2009, p. 9)

Annual Report of the Court of Auditors for 2009

General findings

59. Notes that the audit of the Court of Auditors found the payments as a whole to be free from material error and that the Court of Auditors found no material weaknesses when assessing the compliance of supervisory and control systems with the Financial Regulation;

Engagement of temporary and contractual agents

60. Notes the finding of the Court of Auditors that, in five cases out of 20, documents providing evidence of compliance with the rules relating to the classification of staff as members of the temporary or of the contractual staff and to the fulfilment of linguistic, military and other obligations were not provided; takes note of the responses given by Parliament in the contradictory procedure with the Court of Auditors;

Allowances for staff

61. Notes that the Court of Auditors found ⁽¹⁾ that in 16 cases out of 30, information available to Parliament's services in order to ensure that allowances provided for by the Staff Regulations are paid to staff in compliance with relevant Community regulations and national legislation was not up-to-date; agrees with the Court of Auditors that there is therefore a risk of making incorrect and undue payments if the circumstances of the individual have changed;
62. Notes with satisfaction the replies of Parliament's administration to the effect that, in 2009, a campaign was launched in order to verify whether the benefit of the household allowance to personnel not having dependent children was still justified and that it now proceeds to a regular verification of the situation of its staff and that, from 2010, this verification was automated (through use of a 'fiche électronique') which makes at least an annual verification of the staff personal and administrative data possible;

⁽¹⁾ Point 9.14 of the 2009 Annual Report (OJ C 303, 9.11.2010, p. 199).

Organisation and functioning of political groups

63. Notes that Article 12(9) of the Parliament's Internal Rules for the implementation of the budget, adopted on 27 April 2005, provide that the Internal Auditor's area of competence does not include the appropriations from Parliament's budget managed by political groups; further notes that the specific rules on the use of those appropriations require each political group to establish its own internal financial rules and to implement an internal control system;
64. Stresses that all political groups have to have a yearly external audit and have to present an external audit certificate;
65. Stresses that it is the responsibility of the political groups to put in place their internal control system and that this should not be the responsibility of Parliament's Internal Auditor and calls on the Bureau to consult the political groups on how further audit provisions can be developed;
66. Welcomes the fact that the calculation of the carry forward was made in the same manner as for the election year 2004, when the 50 % rule was applied for the aggregated figures for the two six-month periods;

Follow-up by the Secretary-General to the 2008 discharge resolution

67. Notes with satisfaction the good quality of written answers to the 2008 discharge resolution provided to the Committee on Budgetary Control on 19 November 2010; regrets however that it was not possible to receive those answers before the start of the 2009 discharge exercise; expects that for the 2010 discharge exercise an exchange of views between the Secretary-General and the Committee on Budgetary Control can take place before the end of October 2011;
68. Recalls its request, in its resolution of 5 May 2010, that the Secretary-General contact the other EU institutions in order to establish a central database for the studies that they are conducting and to make those studies available also for consultation by the wider public; encourages its Secretary-General to follow up on this request, in particular by proposing to the Commission that that institution establish such a central database; requests that it be duly informed of this initiative and expects, in the meantime, that the studies conducted by Parliament are published in full on Parliament's website;
69. Notes with satisfaction that the Secretary-General has sent letters reminding the Directors-General to implement the critical actions agreed between the Internal Auditor and their services;
70. Is satisfied with the actions taken following its criticism in its discharge resolution of 5 May 2010 of the skiing holidays organised by the Staff Committee; recalls that according to the new rules, Parliament's financial contribution can only be granted for children of officials in grades up to AST 4 and that the subsidy is now dependent on the number of children ⁽¹⁾;

The Internal Auditor's annual report

71. Welcomes the fact that, with effect from 1 September 2009, the Internal Audit Service has been attached, for administrative purposes, to the Secretary-General; notes with satisfaction that this important change is in line with the professional standards on the organisational independence of the Internal Audit Service and it enhances both the effectiveness of the internal audit activity and the perception of its independent and objective role by the audited departments;
72. Notes that, at the competent committee's meeting held on 13 January 2011, the Internal Auditor presented his annual report and explained that, in 2009, he performed the following audit work:
 - audits of the public procurement process in DG Presidency, DG Infrastructure and Logistics and DG Finance as well as follow-up of the central actions from Internal Audit Report No 05/02 adopted on 31 March 2006,
 - an audit of Building Policy: Planning, Assessment and Management of Accommodation Needs,
 - the second follow-up of the uncompleted actions from the audits of imprest accounts, inventory and budgetary management in certain Information Offices,

⁽¹⁾ Minutes of the meeting of the Bureau of 19 April 2010, PE 439.765/BUR.

- the third follow-up to the review of the Institution's Internal Control Framework,
 - an audit of the IT Applications' Development Process, and
 - the follow-up to the review of contributions to political parties at European level and New Review of political foundations and of the application of the rules on reserves and carry-over of surpluses;
73. Notes and supports the views expressed by the Internal Auditor as to:
- the general need to improve the preparation and planning of procurement procedures and the prior assessment of needs,
 - the fact that, in spite of improvements to the central guidance and support for the procurement process, and the useful tools and standard documents devised, departments are not using these systematically,
 - the fact that there is also a need for urgent IT development to support both the procurement process and the management of contracts,
 - the need, as a prerequisite for any IT project, for compulsory business process modelling by user departments, which would help to improve the efficiency and effectiveness of the departments' internal control frameworks and risk management processes,
 - the importance of risks associated with overdependence on external service providers of consulting and specialised technical expertise;
74. Is of the opinion that the internal audit reports should be made available, under specific conditions, to the Members of the Committee on Budgetary Control; urges the Chair of that committee to agree with the Secretary-General on those conditions;

Risk Manager

75. Notes with satisfaction that the Risk Manager took up his functions on 1 June 2010 and reports directly to the Secretary-General; understands that it is not possible to staff the service fully in 2011 and that the first risk profile is expected to be presented during the first half of 2011 and the approach and strategy for risk management will be developed under the authority of the Secretary-General by summer 2011; expects its competent committee to be fully informed of any new development and strategic document regarding Parliament's risk management and to be provided with the Risk Manager's annual activity report from the 2010 discharge exercise;
76. Takes the view that, even if there is no financial risk, Parliament should, as far as possible, aim to avoid reputational risks, to identify strategic risks (in particular in its IT and buildings sectors), to ensure that an effective risk management system is in operation at central level, with an agreed procedure to identify and assess risks, to formulate and to report on the responses to those risks, and to guarantee the oversight and decision-making bodies that risk management is effective and that all responses to risks, including internal controls, are appropriate;
77. Urges the Secretary-General to establish, with the assistance of the Risk Manager, a consistent institution-wide approach to the identification and management of sensitive posts;

MANAGEMENT OF PARLIAMENT'S ADMINISTRATION

DG Presidency

78. Notes the high cost of measures to prevent a possible H1N1 influenza outbreak implemented between mid-September 2009 and the end of March 2010, amounting to some EUR 1 261 000; stresses the need to evaluate the number of people who are likely to request the vaccine before purchasing vaccine in the future;

DG Internal Policies (IPOL) and External Policies (EXPO)

79. Points to the costs of parliamentary delegations (DG EXPO) in 2009 which amounted to some EUR 4 301 000;
80. Stresses the fundamental importance of specific knowledge management, in particular in the work of the committees, and the need for permanent and up-to-date knowledge in their fields of operation; recalls the high number of newly elected Members in recent parliamentary terms; asks the Bureau to reflect on the possibility of providing further specific information and training for Members including specific measures for the new additional 18 Members ⁽¹⁾ and the future observers from Croatia;
81. Welcomes the establishment of a support system for the security of delegations outside the three places of work of which the main objective is to furnish Parliament's hierarchy with all the relevant information needed to provide assistance to delegation members in case of an emergency situation; points out the importance of the 24/7 Hotline, the post of Security Unit Duty Officer and appropriate security training and security briefings, as well as the creation of a future crisis cell; would like be informed of the total costs of this operation;

DG Communication

82. Notes that the human resources available to DG Communication consisted of 722 posts as at 31 December 2009 and the final appropriations managed amounted to EUR 80 935 000; asks to review the number and location of posts and give a detailed explanation of the underlying need for these posts with analysis of the effect and results by DG Communication;
83. Questions whether the DG needs a 'Performance and Strategic Management Unit', as well as both a 'Policy Unit' and 'Resources Unit'; requests the Secretary-General to review these structures and to consider whether the creation of such a unit could be seen as the start of a process of establishing large and unnecessary 'cabinets' for Directors-General;
84. Notes that most heads of Parliament's information offices have written a joint letter questioning aspects of the budgetary management of the DG and asks the Secretary-General to investigate the situation and to ascertain whether the creation of central units in the DG such as the 'Performance and Strategic Management' and 'Policy' Units are removing staff from frontline activities such as budgetary management with a cost in terms of the effectiveness of the DG;
85. Insists that, within budget line 3 2 4 2, specific activities and their associated costs should be clearly and transparently itemised;

Visitors centre

86. Deplores the very long delay in the opening of the Visitors' Centre (originally foreseen for the 2009 European elections) and the poor planning and insufficient support in the start phase from the administration; notes the opening date that is currently envisaged of October-November 2011; reiterates its request for a detailed explanation of the specific reasons, including a detailed analysis of the procurement procedures, for such a considerable delay and the precise increase in the cost of the project;
87. Stresses the need to ensure an easy link (a corridor) for visitors groups between the Visitors' Centre, the Hemicycle and the future House of European History; requests the Secretary-General to provide its Committee on Budgetary Control, by 30 September 2011, with concrete plans to realise such a link, with an estimated maximum of the costs involved;

House of European History

88. Regrets that decisions with regard to the House of European History were only taken by the Parliament's Bureau; calls for the inclusion of the relevant committees of Parliament for further decisions on the concept of the House of European History; encourages the discussion on the possibility to hold exhibitions at different locations across Europe in a first phase; asks for the

⁽¹⁾ Following the ratification of the Protocol amending the Protocol on transitional provisions annexed to the Treaty on European Union, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community (OJ C 263, 29.9.2010, p. 1).

development of a concept for the House of European History as a separate and independent legal body with the least possible impact on the Parliament's administrative budget;

89. Would like to be informed about the total cost of the House of European History and requests the Secretary-General to provide information on which measures will be taken to cope with the expected large increase of visitors for both projects in terms of parking space (buses, cars) and easy access to the Esplanade (*la dalle*);

Visitors' groups

90. Recalls that the costs of a sponsored group visit should be reimbursed to the group leader and that a study should be conducted by the Parliament to examine whether the system for the reimbursement of travel expenses incurred by official visitor groups is adequate in view of their different departure points and destinations for their visits;

EuroparlTV

91. Deplores the fact that EuroparlTV cannot be considered to be a success story in view of its very low number of direct individual users ⁽¹⁾ (excluding viewers through partnership agreements with regional TVs) in spite of the considerable annual appropriations that it receives, amounting to some EUR 9 000 000; therefore, calls for a cost-benefit evaluation of EuroparlTV with a view to making savings in this area;

Prizes

92. Observes that, in the last few years, Parliament has greatly increased the number of, and the budget for, its prizes ⁽²⁾; expresses doubts as to whether those prizes represent Parliament's core competences and the tasks which stem from its legislative, budgetary and budgetary control prerogatives at their best; calls on its Bureau to refrain from initiating the funding of new prizes and to prepare a review of existing prize schemes;
93. Deplores the fact that, in spite of its opinion, expressed in its resolution ⁽³⁾, that the Prize for Journalism is inappropriate, as Parliament should not award prizes to journalists whose task is critically to examine the EU institutions and their work, DG COMM has already launched the procedure for the 2011 prize; calls for the prize for 2012 to be abolished;
94. Asks that all costs related directly and indirectly to the prizes of the European Parliament shall be presented openly and transparently;

2009 election campaign

95. Notes with concern the overall decline in turnout in the 2009 European Elections to 43,2 %, in spite of the considerable efforts made to reinforce Parliament's institutional election campaign which cost some EUR 5 676 000;

Washington Liaison Office

96. Notes that the total cost of setting-up the European Parliament Congressional Liaison Office in Washington in 2009 and 2010 is estimated to be some USD 400 000 annually as a result of an administrative arrangement with the Commission; notes that setting up the Office has not entailed the creation of any new posts, the postings being the result of redeployments, long-term missions and a system of one-year missions; is concerned about the possible future cost and requests that its competent committees be informed regularly and duly about any future plan having significant financial implication concerning this Office;

Information offices

97. Highlights the need for constant and even-distributed information over the European citizenship; therefore stresses the importance of well-balanced locations for its information offices;

⁽¹⁾ Between 25 000 and 30 000 visits monthly.

⁽²⁾ Lux Prize: some EUR 321 000, Charlemagne Youth Prize: some EUR 24 000, European Journalist Prize: some EUR 105 500, Sakharov Prize: some EUR 300 000 (all amounts are from 2009).

⁽³⁾ Point 91 of its resolution of 5 May 2010 (OJ L 252, 25.9.2010, p. 15).

DG Personnel

98. Notes that the level of outstanding commitments (a little less than EUR 6 000 000 or 1,4 %) for item 1 200 (Remuneration and allowances) can be explained by the decision taken by the Council in December 2009 to award an annual salary adjustment of only 1,85 %, whilst the budget had been revised on the basis of the figure of 3,7 % as indicated and proposed by the Commission;
99. Notes that, following the introduction of the new rules governing accredited parliamentary assistants, DG Personnel had to deal with 1 770 new contracts concluded under the new rules, the bulk of the work being concentrated in 2009; observes that, in overall terms, this operation can be said to have been a success;
100. Deplores the fact that the employment of family members as assistants is still permitted under the derogations to the Members' Statute adopted by the Bureau at its meeting of 23 November 2009; urges the administration to scrupulously assess the justification for the remaining cases of such employment; requests the Secretary-General to consider whether there should be specific rules preventing Members employing each others family members as assistants;
101. Notes the significant presence of nationals from one particular Member State (13,5 %, the highest for any nationality) in Parliament's General Secretariat; reminds that the General Secretariat shall serve Members from all Member States equally and that the staffing ought to reflect this better;

Missions to the three places of work

102. Stresses the need to further rationalise the missions between the three working places, justifying and monitoring them better in order to avoid unnecessary missions and costs, and in particular to take account of the forthcoming results of the Internal Audit Service's controls in the area of parliamentary assistance; asks the Secretary-General to report, as part of the discharge procedure, on the total amount of savings that were made as a result of further rationalisation;

DG Infrastructures and Logistics (DG INLO)

103. Expresses its concern at the case of irregular invoicing where there is no evidence of fraudulent intent, since it shows the failure of DG INLO's internal control system to prevent such cases occurring; reiterates its call on DG INLO to scrupulously implement the action plan agreed with the Internal Auditor;

Transport of Members

104. Observes that the cost of Parliament's official car service amounted to EUR 1 272 932 in Strasbourg and EUR 2 352 756 in Brussels; further notes that Parliament signed a new contract for the official car service with an estimated total value of EUR 5 250 000 (over four years);
105. Calls on its Bureau to review the rules for the users of dedicated service cars, so as to end the current practice in which these cars are shuttled empty over long distances for the mere purpose of serving for short distance missions (from airports to final destinations in the city and back again); highlights the cost incurred by such practices; urges its Bureau to find less costly alternatives in order to provide the taxpayer with the best value for money;

Canteens and restaurants

106. Is of the opinion that services which are not required in connection with the Institution's activities but which are provided within Parliament's buildings by profit-orientated companies must be economically self-supporting and should not be financed directly or indirectly with subsidies from Parliament's budget and any exceptions for imputed costs must be shown separately in the budget and be duly motivated;
107. Believes that, with such a wide variety of locations available within the buildings of Parliament for canteens, bars, and retail space, a variety of competitive catering outlets, including established high street brands (coffee shops, sandwich outlets, restaurants, and so forth), could, if allowed to establish themselves inside Parliament, offer a better service to staff; calls for a plan to be prepared to indicate how the different catering facilities, could be offered for tender separately when current contractual arrangements come to an end;

108. Requests supplementary information concerning the operation of the canteens and restaurants sector, in particular concerning the relationship between the annual subsidy and the profit/loss situation;

DG Translation and DG Interpretation and Conferences

109. Stresses that, while maintaining a high standard of work, it is also necessary to achieve a more efficient use of language resources and to control their costs by looking at the overall workload for each language section and by ensuring that costs generated by the late cancellation of meeting requests, delegation visits with interpretation and the non-respect of the translation deadlines laid down in the Code of Conduct are reduced; insists that committees, delegations and political groups which persistently ignore the deadlines set in the Code of Conduct should more strictly observe them;
110. Considers that the externalisation of translation can result in important cost savings, efforts should, however, be made to increase the quality of external translations; supports the increasing use of the Euramis database, common to all EU institutions, and other technological developments in the field of translation (such as a single integrated system of DocEP and Euramis/translation memories) which aim to avoid double translations and to lower the cost of translation; stresses, however, that no machine translation system can totally replace translators;
111. Is worried by the lack of available human resources in some languages and by the fact that new supplies of interpreters and translators may be put at risk by lack of university curricula in some Member States; also stresses the future problem of upcoming generation change concerning EU-15 languages interpreters/translators of which a great number are expected to retire in the next 5 to 10 years;
112. Expresses its great appreciation of the high quality of the Parliament's interpretation services, but regrets situations in which interpretation into certain languages is offered without being used; stresses the need for measures to decrease the costs of unneeded interpretation at meetings and therefore requests the development and urgent implementation of a system, which avoids the availability of interpretation into languages that are in practice not spoken at a given meeting;
113. Suggests that such a system could, for example, provide that, during working group meetings, interpretation into the six largest official languages (FR, DE, EN, PL, ES, IT) will automatically be available, while interpretation into any other official language will only be available at the request of a Member by specific notification of his or her presence in advance, thus guaranteeing the right of Members to speak their own language should they wish to do so, while avoiding unneeded interpretation and unnecessary costs;

DG Finance

114. Notes with concern the weaknesses in the procurement procedure in DG Finance identified by the Internal Auditor in the course of the procurement process audit according to which, in the case of procurement for banking services, a lack of sufficient prior needs assessment led to problems with tender specifications and also pointed to substantial risks, although the audit also showed that current arrangements provided appropriate levels of protection against key risks; stresses the urgent need to improve the operation of controls so that they address the identified risks more effectively;
115. Takes the view that the services and procedures of DG Finance should be simplified and streamlined in order to speed up the handling of invoices from local assistants based in Member States and to reduce queues and bureaucratic procedures; takes the view that DG Finance should provide quicker electronic information to Members concerning remaining available funds; furthermore takes the view that DG Finance should organise training courses for the staff of Members regarding the procedures; takes the view that, for these purposes DG Finance, should elaborate an action plan by 30 September 2011 at the latest;
116. Notes with satisfaction that, in 2009, provision for pensions for MEPs are entered in the budget for the first time;

Travel Agency

117. Stresses the importance of ensuring business continuity in the case of bankruptcy or the end of contract of a travel agency; expects the introduction of electronic invoicing, which should result in important simplification and cost-savings;

118. Notes that Parliament has a contract with only one travel agency and sees a certain risk that such a monopolistic situation might prevent Members and Parliament obtaining the best available prices; requires an examination of the travel agency's ways of obtaining the tickets that are offered to Members and assistants on official missions or to Members travelling between the work places, notes that tickets offered are not always the cheapest on the market for a specific class of ticket;
119. Asks DG Finance to report on the development of prices charged by the new contractor as well as on complaints in connection to the transition from Carlsonwagonlit to BCD in its activity report for 2010; does not agree with the staff increase and additional payments of EUR 34 000 for 2010 shortly after the conclusion of the contract in December 2009; requires that, in future contracts, incentives be included to guarantee the lowest price for tickets;
120. Calls on the Secretary-General to commission a study on reducing travel cost for Members and staff exploring, for example, the possibility of annual block bookings with airline companies instead of individual bookings and purchase of tickets or using tendering procedures for annual flight contracts; furthermore, calls for a system to be developed to use the collected air miles on flights reimbursed by Parliament to further reduce costs;

DG Innovation and Technological Support

121. Notes the Bureau decisions of 17 June 2009 and of 18 October 2010 to extend the areas with wireless network access (Wi-Fi) in the European Parliament covering the chamber, committee rooms, Members' offices and public spaces both in Brussels and Strasbourg;
122. Stresses the need for more and better IT tools to support the procurement process; welcomes in this context the launch by DG ITEC on 20 December 2010 of WebContracts Version 2.3 which supports the framework contracts, specific order forms and specific contracts for services linked to a framework contract;
123. Requests the Secretary-General to provide the Committee on Budgetary Control with a note on the timetable envisaged for the implementation of the Knowledge Management System as well as on the savings that it is envisaged will result from the rationalisation of information sources by 15 July 2011;
124. Notes with satisfaction the considerable reduction (49 %, from 8 690 to 4 446) during 2010 of IT items in stock (printers, PCs, portable computers, screens etc.) in the different DGs; calls, however, for a further reduction of this still large stock, which also represents a considerable residual value (some EUR 880 000); considers that the creation of a central storage place for printers, faxes and PCs should be seriously considered;

Political Groups (budget item 4 0 0 0)

125. Notes that, in 2009, the appropriations entered under budget item 4 0 0 0 were used as follows:

Group	2009 first half-year					2009 second half-year				
	Annual appropriations (*)	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations	Amounts carried over to next period	Annual appropriations	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations	Amounts carried over to next period
EPP (formerly EPP-ED)	9 929	7 762	15 078	152 %	2 613	9 786	2 633	10 237	105 %	2 182
S & D (formerly PSE)	7 357	6 936	9 857	134 %	4 436	6 877	4 499	6 893	100 %	4 483
ALDE	3 382	3 034	4 750	140 %	1 667	3 058	1 698	2 578	84 %	2 178
Greens/EFA	1 453	1 049	1 953	134 %	548	1 907	554	1 282	67 %	1 179
GUE/NGL	1 432	1 484	1 649	115 %	1 267	1 240	1 270	1 453	117 %	1 057
UEN	1 417	1 251	2 473	174 %	195	—	201	79	—	—

Group	2009 first half-year					2009 second half-year				
	Annual appropriations (*)	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations	Amounts carried over to next period	Annual appropriations	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations	Amounts carried over to next period
IND/DEM	775	586	925	119 %	436	—	437	123	—	—
ECR	—	—	—	—	—	1 788	3	1 415	79 %	376
EFD	—	—	—	—	—	1 113	1	701	63 %	413
Non-attached Members	601	349	512	85 %	204	568	204	414	73 %	248
Total	26 348	22 450	37 196	141 %	11 367	26 338	11 500	25 177	96 %	12 116

(*) All amounts in thousand EUR.

European Political Parties and European Political Foundations

126. Notes that in 2009 the appropriations entered under budget items 4 0 2 0 and 4 0 3 0 were used as follows:

Party	Abbreviation	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)	Revenue surplus (transfer to reserves) or loss
European People's Party	EPP	1 486	3 486	4 971	68 %	– 303
Party of European Socialists	PES	913	3 100	4 013	77 %	– 71
European Liberal Democrat and Reform Party	ELDR	377	1 179	1 556	79 %	10
European Green Party	EGP	568	644	1 211	60 %	129
Party of the European Left	EL	165	562	728	76 %	– 16
Alliance for Europe of the Nations	AEN	68	385	453	85 %	0
European Democratic Party	EDP/PDE	58	249	307	85 %	6
European Free Alliance	EFA	67	227	294	72 %	– 21
EU Democrats	EUD	139	217	356	85 %	36
Total		3 841	10 048	13 890	73 %	– 230

(*) All amounts in thousand EUR.

127. Supports the Internal Auditor's conclusions and recommendations in its Audit Report No 09/10 ('follow-up to the review of contributions to political parties at European level and new review of the European Political foundations and of the rules on reserves and carry-over of surpluses') and urges the relevant services to implement the 27 required actions and, in particular, the critical actions, concerning:

- introduction of a compulsory model structure for reporting the implementation of the activities of the European Political Parties and the related eligible expenditure (two critical actions) in order to have adequate tools to assess eligibility of activities and/or costs,
- correctly applying the rules on contributions in kind,
- performing ex post controls on the spot, based on risk-assessment,
- making the compulsory model structure obligatory for foundations too,
- setting down criteria for the acceptance of contributions in kind;

128. Welcomes in this context the establishment of an internal working group with the task of examining the practical measures to be undertaken by DG Finance;
129. Stresses, moreover, the need for the parties and foundations to have a system of standard external auditing instead of the current free choice in the appointment of external auditors, as well as the need for the Parliament's administration to strictly apply accounting rules in particular on contributions in kind, carry-overs and reserves; welcomes, therefore, the recent decision by the Bureau that an external auditor for the parties and the foundation will be provided and paid for by Parliament;

Voluntary Pension Fund

130. Notes that, at its meeting of 1 April 2009, the Bureau decided, inter alia, that Parliament would assume its legal responsibility to guarantee the right of members of the Scheme to the additional pension; welcomes the fact that:
- (i) the option of drawing a reduced pension from the age of 50 and the option of receiving a lump sum equivalent to 25 % of pension rights have been abolished in order to improve the liquidity of the Fund and avoid premature dissipation of the capital;
 - (ii) the retirement age for the Scheme has been raised from 60 to 63;
 - (iii) the managers of the Fund have been called upon to adopt a more prudent and balanced investment strategy and to avoid exposing the Fund to risks of fluctuations in exchange rates;
131. Observes that the huge actuarial deficit at the end of 2008 (some EUR 120 000 000) has been greatly reduced (although it was still some EUR 84 500 000 as at 31 December 2009) thanks to the improvements in the markets; stresses, however, that a new actuarial study should be carried out in order to assess the impact of the decisions made by the Bureau concerning the measures applicable to the members of the scheme;
132. Takes the view that the Secretary-General should provide the Committee on Budgetary Control with a note clarifying Parliament's role in the management and supervision of the Fund's assets; recalls that according to Pension Funds estimates, even after the implementation of the restrictive measures adopted in 2009 regarding the payment of entitlements, it will incur a considerable actuarial deficit and the Fund will exhaust its assets between 2020 and 2025; takes the view that this deficit should not be paid with tax payers' money, but by the Fund itself;

Places of work

133. Takes note of the budgetary constraints many Member States face as a result of the financial and economic crisis and the need to critically review potential savings at all levels including at Union level; in light of this situation, stresses that real savings could be achieved if Parliament only had one workplace in a single location;

Green Parliament

134. Reiterates its request that the Committee on Budgetary Control be provided with a copy of the EMAS annual report;
135. Asks the administration to speed up actions to radically reduce the consumption of paper in the House; takes the view that the full use of electronic devices is key to avoiding the more than 1 000 tonnes of paper waste every year; further takes the view that Members should be given the opportunity to indicate that they do not need printed documents;
136. Considers that transport emissions contribute the largest share of Parliament's carbon footprint, which, according to its CO₂ action plan, it intends to reduce by 30 % by 2020; urges, therefore, that adequate measures be taken to reduce the carbon footprint; welcomes a study on offsetting in this respect; calls on the responsible Parliament services to systematically provide information about emissions caused by different modes of transport when making travel reservations;
137. Welcomes the proposal to install tap-water fountains in all Parliament meeting rooms and thus saving resources, as adopted by the Bureau in the CO₂ Action Plan in February 2009;

138. Invites the responsible Parliament services to present measures to increase the energy efficiency of Parliament's buildings, especially concerning the retrofitting of glass surfaces and bridges;
 139. Encourages Parliament's administration to replace official cars with environmentally friendly vehicles by constantly modernising its fleet with less polluting cars and organising grouped transport with VIP minibuses to airports in Brussels and Strasbourg in order to reduce Parliament's carbon footprint; reiterates its request, expressed in its resolution on discharge for 2008, that Parliament establish its own bicycle service in Strasbourg; strongly urges that this be realised by September 2011; observes that, as a consequence of the improved bicycle service, the fleet of cars could be smaller;
 140. Encourages, within the context of a sustainable Parliament, the use of the charter train from Brussels to Strasbourg for plenary sessions; is concerned about the increasing use of other means of transport by accredited assistants who can not obtain a ticket for the charter train; states that Members, parliamentary officials and accredited assistants should have priority over external customers in obtaining tickets for the charter train;
 141. Welcomes the agreement on a 'third-party payment system' with STIB ⁽¹⁾ by which Parliament contributes 50 % to the cost of annual season tickets in Brussels for its staff as an environmental measure in order to reduce Parliament's carbon footprint by promoting the use by its staff of public transport; encourages its administration to negotiate similar agreements with the National Railway Company of Belgium (SNCB-NMBS) and the regional bus companies;
 142. Suggests that accumulated air miles obtained through work related travel, be used to purchase tickets in order to reduce the significant travel costs of the House;
 143. Considers that, as environmentally sound habits are learned from early age on, children in the European Schools should equally be encouraged to use school buses instead of private cars.
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⁽¹⁾ Société de transports intercommunaux de Bruxelles.

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section II — Council**

(2011/549/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
- having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0213/2010) ⁽²⁾,
- having regard to the Council's annual report to the discharge authority on internal audits carried out in 2009,
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0088/2011),

1. Postpones its decision on granting the Secretary-General of the Council discharge in respect of the implementation of the Council budget for the financial year 2009;

⁽¹⁾ OJ L 69, 13.3.2009.

⁽²⁾ OJ C 308, 12.11.2010, p. 1.

⁽³⁾ OJ C 303, 9.11.2010, p. 1.

⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.

⁽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.

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

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****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 2009, Section II — Council**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0213/2010) ⁽²⁾,
 - having regard to the Council's annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0088/2011),
- A. whereas 'citizens have the right to know how their taxes are being spent and how the power entrusted to political bodies is handled' ⁽⁸⁾,
- B. whereas the conclusions of the European Council of Cologne of 3 and 4 June 1999 envisaged giving operational capacities to the Council in the field of a strengthened common European security and defence policy,

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 303, 9.11.2010, p. 1.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.⁽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⁾ The European Transparency Initiative.

- C. whereas Council Decision 2004/197/CFSP ⁽¹⁾ established a mechanism to administer the financing of the common costs of European Union operations having military or defence implications, called ATHENA, and whereas that Decision, together with 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 ⁽²⁾, grants privileges and immunities to ATHENA and gives operational power to the Council,
- D. 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 ⁽³⁾ and Council Decision 2001/80/CFSP of 22 January 2001 on the establishment of the Military Staff of the European Union ⁽⁴⁾ specify that expenditure arising from the secondment of military experts is to be charged to the Council budget,
1. Notes that in 2009 the Council had commitment appropriations available amounting to a total of EUR 642 000 000 (2008: EUR 743 000 000), with a utilisation rate of 92,33 %, almost on par with 2007 (93,31 %), and still below the average of the other institutions (97,69 %);
 2. Believes that since Article 335 of the Treaty on the Functioning of the European Union recognises that Union institutions possess a certain administrative autonomy in their operation, this autonomy implies a corresponding degree of responsibility and accountability; whereas Parliament is the sole directly elected body, and one of its tasks is, acting on the Council's recommendation, to give discharge in respect of the implementation of the Union general budget, Parliament has decided to reflect this autonomy in the discharge procedure, and to set apart the sections of the general budget which are autonomously administered by each of the other Union institutions, and to give discharge to each of those institutions;
 3. Regrets the difficulties encountered in the 2007 and 2008 discharge procedures, and reaffirms its position expressed in its resolution of 16 June 2010 ⁽⁵⁾ on the Council discharge for the financial year 2008, in particular, its call on the Council to establish together with Parliament an annual procedure within the discharge procedure with a view to providing all the information needed as regards the execution of the Council budget;
 4. Reiterates that the expenditure of the Council ought to be scrutinised in the same way as that of the other Union institutions, and suggests that the most appropriate approach would be as indicated in its resolution of 16 June 2010, in particular, 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. Deeply regrets both that the Council Presidency declined the invitations to attend the meeting of the Committee responsible for the discharge procedure, where it was planned to discuss the Council Presidency's standing on the proposed procedure and the possible modalities of cooperation as regards the discharge, and also that the Secretary-General of the Council declined to attend the meeting of the Committee responsible for the discharge procedure and to exchange views on the Council discharge procedure;

⁽¹⁾ OJ L 63, 28.2.2004, p. 68.

⁽²⁾ OJ L 261, 6.8.2004, p. 125.

⁽³⁾ OJ L 57, 2.3.2000, p. 1.

⁽⁴⁾ OJ L 27, 30.1.2001, p. 7.

⁽⁵⁾ OJ L 252, 25.9.2010, p. 24.

6. Notes the proposed memorandum of understanding between the Parliament and the Council on their cooperation during their annual discharge procedure, as annexed to the letter of the Secretary-General of the Council of 4 March 2011, and takes note of the Council's readiness to treat the discharge procedure separately from the budgetary procedure, but reiterates that a distinction must be maintained with regard to the different roles of Parliament and the Council in the discharge procedure and that at no time and under no circumstances can the Council be anything other than fully accountable to the public for the funds entrusted to it; deeply regrets that the Council Presidency and the General Secretariat of the Council declined to attend the meeting of the Committee responsible for the discharge procedure to provide information and answers to questions on the Council discharge for the financial year 2009, and that they also declined to provide written replies to the questionnaire as submitted by the rapporteur;
7. Notes the goodwill of the Hungarian Presidency and the progress achieved; proposes, in order to facilitate the exchange of information in the discharge procedure, to follow the same approach as the rest of the other institutions, the fundamental elements of which should be:
 - that a formal meeting be held between representatives of the Council and Parliament's Committee responsible for the discharge procedure, to be attended by the Secretary-General of the Council and the Presidency in office, the bureau of the Committee responsible for the discharge procedure, the rapporteur and the members representing political groups (coordinators and/or shadow rapporteurs) in order to provide all the necessary information on the implementation of the Council budget,
 - that the Secretary-General of the Council answer questions submitted to the Council by the Committee responsible for the discharge procedure, and
 - that a timetable be established so as to streamline and stabilise this interim solution,thus considers the idea of concluding an interinstitutional agreement with the Council on the Council's discharge to be unnecessary;
8. Urges the Court of Auditors to perform an in-depth assessment of supervisory and control systems in the Council, similar to the assessments it performed on the Court of Justice, the European Ombudsman and the European Data Protection Supervisor in the course of preparation of the Court of Auditors' annual report concerning the financial year 2009;

Reasons for postponement of the discharge decision

9. Indicates that the reasons for postponement are as follows:
 - (a) the Council has not accepted any invitation to officially and formally meet Parliament's Committee responsible for the discharge procedure or its rapporteur to discuss matters concerning the Council budget execution for 2009;
 - (b) the Council refused to provide a written answer providing Parliament with the information and documents requested from the Council in the annex to a letter of 14 December 2010 signed by the rapporteur;
 - (c) Parliament has not received fundamental documents from the Council, such as the full list of budgetary transfers;

Further actions to be taken by the Council

10. Calls on the Secretary-General of the Council to provide Parliament's Committee responsible for the discharge procedure, by 15 June 2011 at the latest, with comprehensive written answers to the following questions:
 - (a) with regard to previous Council discharge debates in Parliament's Committee responsible for the discharge procedure, the Council did not attend these meetings regularly, however, it is considered of utmost importance that the Council attends in order to reply to committee members' questions referring to the Council discharge. Does the Council agree to attend future debates in Parliament's Committee responsible for the discharge procedure on the Council discharge?

- (b) why does the Council change the presentation/the format of the internal audit every year? Why is the internal audit so short, generic and unclear every year? Will the Council for the 2010 discharge onwards please present the internal audit in (a) language(s) other than French?
- (c) has an external audit been carried out? If so, may Parliament's Committee responsible for the discharge procedure see it? If an external audit does not exist, why has the Council chosen not to make one?
- (d) until now, the activity of the Council implied co-financing with the Commission, which has experienced an increase after the entry into force of the Treaty of Lisbon. What audit and control systems have been put in place to ensure full transparency? Given that the Treaty of Lisbon increased the co-financing with the Commission, what is the Council's understanding of 'respond to the appropriate enquiries'?
- (e) the Court of Auditors, in its annual report 2009, found that in two out of six procurement procedures audited, the Council did not respect the rules of the Financial Regulation for the publication of the outcome of the procedure. Has the Council scrutinised more samples of similar procurements? Has the internal procedure been streamlined in order to avoid similar cases in the future?
- (f) staff of European Union Special Representatives (EUSRs): Please indicate the staff (all staff, establishment plan and others) — number of posts, grade — for the EUSRs in the Council for 2009. In which way and when will the EUSRs-staff posts be allocated between the Council and the European External Action Service (EEAS)? What was the travel budget for each of the EUSRs? How many of the EUSRs' staff were transferred on 1 January 2011 to the EEAS? How many will remain with the Council and why?
- (g) the Council highlights budgetary questions concerning the consequences of the Treaty of Lisbon in point 2.2 in the financial activity report — 11327/10, FIN 278. Has the Council solved the problems concerning Mr Solana's expenditures? What part of the expenditures falls under the Council budget and what part falls under the Commission budget?
- (h) what were the operational expenditures, administrative expenditures, staff, buildings, etc. envisaged by the Council for 2009 in order to set up the High Representative/Vice President of the Commission (HR/VP)?
- (i) the HR/VP came into office on 1 December, 2009. How was the cost distributed between the Council and the Commission (for staff, travel, etc.)? How did the Council prepare the budget for the HR/VP for 2010? Which budget lines and sums were reserved for her activities?
- (j) how will office space released in the process of staff transfer to the EEAS influence Council's plans on buildings? Have arrangements been made for the subsequent use of such office space? What is the anticipated cost for the removals? When were calls for tenders for the removals (if any) published?
- (k) what was the administrative and operational expenditure related to the Common Foreign and Security Policy (CFSP)/Common Security and Defence Policy (CSDP) tasks, which were at least part-financed from the Union budget in 2009? What was the total amount of CFSP expenditure in 2009? Could the Council identify at least the main missions and their cost in 2009?
- (l) what was the cost of meetings for Council working groups on CFSP/CSDP in Brussels and elsewhere and where did these meetings take place?
- (m) what was the administrative expenditure relating to the implementation of the European Security and Defence Policy (ESDP)/CSDP military operations? What share of the total amount of expenditures arising from military operations has been charged to the Union budget?

- (n) what was the administrative expenditure implemented for the operation of the 'ATHENA' mechanism, how many posts were needed for that mechanism, will any of the posts in question be transferred to the EEAS? To whom will the postholders report?
- (o) there is a low occupation rate of posts in the Council's establishment plan (91 % in 2009, 90 % in 2008). Does this consistently low rate cause any repercussions on how the Council's General Secretariat (CGS) functions? Can the CGS perform all its functions with the current occupation rate? Are lower occupation rates specific to any particular services? What are the reasons for the persistent discrepancy?
- (p) what is the total number of posts assigned to the task of 'policy coordination' and administrative support (as defined in the Commission's annual staff screening reports)? What is its percentage in relation to the overall number of posts?
- (q) to achieve the administrative objectives in 2009 the Council added teleworking to its working procedures. How does the Council prove the efficiency of this working procedure? In addition, the Council is asked to report on further measures taken in this respect and in particular those to improve the quality of financial management as well as their impact;
- (r) the Council increased its posts by 15 (8 AD and 7 AST) to cover the staffing requirements of the Irish language unit. How many staff deal with other languages (staff per language)? Are there already staff employed for and from the applicant countries? If the answer is in the affirmative — how many posts are concerned (separated per country and language)?
- (s) the 'Reflection Group' was established on 14 December 2007, and its members appointed on 15-16 October 2008. What were the reasons why the necessary financing could not have been envisaged and included in Budget 2009? Is a transfer in Budget 2009 from the contingency reserve to a budget position financing a structure conceived in 2007 strictly budget neutral? The Council earmarked EUR 1 060 000 for the 'Reflection Group'. How many posts can be allocated to this group?
- (t) the expenditures concerning travel delegations still seem to be problematic (cf. Council note 15 June 2010, SGS10 8254, II bullet, page 4). Why do these expenditures appear in so many different budget lines?
- (u) why does the internal audit still find it necessary to add 'les frais de voyage des délégués et les frais d'interprétation' (delegates' travelling expenses and interpretation expenses) after strong criticism in the last two resolutions from Parliament on the Council discharge?
- (v) the Council again has used underspending on interpretation to provide extra financing for delegations' travel expenses; as a result, actual 2009 commitments for travel expenses amounted to considerably less than the initial budget, and less than half of the amount available after the transfer (EUR 36 100 000 initial and EUR 48 100 000 available after transfer against EUR 22 700 000 committed). What were the reasons for this EUR 12 000 000 transfer (cf. the financial activity report — 11327/10, FIN 278 -point 3.3.2-VI bullet)? Why is the transfer from interpretation to delegates' travelling expenses estimated at EUR 12 000 000 by the Council at page 12 and at EUR 10 558 362 at page 13? What has the remaining amount transferred from interpretation been spent on (the total amount transferred from interpretation is EUR 17 798 362)? In addition, the Council is asked to explain the large amount of recovery orders made before 2009 and carried over to 2009 (EUR 12 300 000) as well as recoveries made from declarations relating to 2007 (EUR 6 300 000);
- (w) in 2009 the Council, as it did in 2008, reallocated a considerable amount of its budget to buildings, in particular, more than doubling the initial allocations to the acquisition of the Residence Palace (reallocated EUR 17 800 000 in addition to EUR 15 000 000 earmarked in Budget 2009). What are the reasons for this? Can the CGS provide concrete figures of the savings achieved as a result of this? What was the initially projected cost of the Residence Palace Building? Does the Council think the initially projected cost will be accurate or could the cost be higher than estimated? What steps are envisaged to finance the building?

- (x) implementation of the Council budget — appropriations carried over: Could the Council present the estimated amount and subject of the invoices which were not received by June 2010 for the year 2009 and therefore carried over?
- (y) the carry-over to 2010 of the appropriations of assigned revenues accrued in 2009 amounted to EUR 31 800 000. This is about 70 % of the assigned revenue for 2009. What are the reasons for this high carry-over ratio? What will happen/has happened to this revenue in 2010?
- (z) what does 'technical provision of EUR 25 000 000 for the launch of the European Council 2010' mean? (cf. the financial activity report — 11327/10, FIN 278 — point 3.1, IV bullet);
- (aa) what is the level of confidentiality of the Council budget specified by the different budget lines?
- (ab) can the Council point out the specific measures taken to improve the quality of the Council's financial management, in particular as regards the points raised in paragraph 5 of Parliament's resolution ⁽¹⁾ of 25 November 2009 accompanying its decision on discharge to the Council for the financial year 2007?

Documents to be presented to Parliament

11. Calls on the Secretary-General of the Council to provide Parliament's Committee responsible for the discharge procedure, by 15 June 2011 at the latest, with:
- (a) the full list of budgetary transfers concerning the 2009 Council budget;
 - (b) a written statement on the Council's mission expenses as carried out by the EUSRs;
 - (c) the Members States' declaration for 2007 (cf. the financial activity report — 11327/10, FIN 278 — point 3.2.2, II bullet); and
 - (d) the report of the 'Reflection Group' in order to understand why such a report costs EUR 1 060 000 (cf. the financial activity report — 11327/10, FIN 278 — point 2.2).

⁽¹⁾ OJ L 19, 23.1.2010, p. 9.

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2009, Section III — Commission**

(2011/550/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2009 ⁽¹⁾,
- having regard to the annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 – C7-0211/2010) ⁽²⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2008 financial year (COM(2010) 650), and to the Commission staff working documents accompanying that report (SEC(2010) 1437 and SEC(2010) 1438),
- having regard to the Commission communication of 2 June 2010 entitled 'Synthesis of the Commission's management achievements in 2009' (COM(2010) 281),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2009 (COM(2010) 447), and to the Commission staff working document accompanying that report (SEC(2010) 994),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2009 annual report (COM(2011) 104),
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, together with the institutions' replies ⁽³⁾, 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 287 of the Treaty on the Functioning of the European Union ⁽⁴⁾,
- having regard to the Commission communication of 26 May 2010 entitled 'More or less controls? Striking the right balance between the administrative costs of control and the risk of error' (COM(2010) 261), and to the Commission staff working documents accompanying that communication (SEC(2010) 640 and SEC(2010) 641),
- having regard to the report of the Court of Auditors on the annual accounts of the European Schools for the financial year 2009 together with the Schools' replies,
- having regard to the Council's recommendation of 15 February 2011 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2009 (05891/2011 – C7-0053/2011),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Article 17(1) of the Treaty on European Union, 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⁾ as amended by Council Regulations (EC, Euratom) No 1995/2006 ⁽⁶⁾ and (EC) No 1525/2007 ⁽⁷⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 303, 9.11.2010, p. 1.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 390, 30.12.2006, p. 1.⁽⁷⁾ OJ L 343, 27.12.2007, p. 9.

- 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 (A7-0134/2011),
- A. whereas pursuant to Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, pursuant to Article 317 of the Treaty on the Functioning of the European Union 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 general budget of the European Union for the financial year 2009;
 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 general budget of the European Union for the financial year 2009, Section III — Commission and executive agencies, and in its Resolution of 10 May 2011 on the Court of Auditors' special reports in the context of the 2009 Commission discharge ⁽¹⁾;
 3. Instructs its President to forward this Decision, and the resolutions that form 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

⁽¹⁾ Texts adopted, P7_TA(2011)0195 (see page 63 of this Official Journal).

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011**

with observations forming an integral part of its Decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2009, Section III — Commission and executive agencies

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2009 ⁽¹⁾,
- having regard to the annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 – C7-0211/2010) ⁽²⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2008 financial year (COM(2010) 650), and to the Commission staff working documents accompanying that report (SEC(2010) 1437 and SEC(2010) 1438),
- having regard to the Commission communication of 2 June 2010 entitled 'Synthesis of the Commission's management achievements in 2009' (COM(2010) 281),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2009 (COM(2010) 447), and to the Commission staff working document accompanying that report (SEC(2010) 994),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2009 annual report (COM(2011) 104),
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, together with the institutions' replies ⁽³⁾, 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 287 of the Treaty on the Functioning of the European Union ⁽⁴⁾,
- having regard to the Commission communication of 26 May 2010 entitled 'More or less controls? Striking the right balance between the administrative costs of control and the risk of error' (COM(2010) 261), and to the Commission staff working documents accompanying that communication (SEC(2010) 640 and SEC(2010) 641),
- having regard to the Council's recommendation of 15 February 2011 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2009 (05891/2011 – C7-0053/2011),
- having regard to the Council's recommendation of 15 February 2011 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2009 (05893/2011 – C7-0054/2011),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Article 17(1) of the Treaty on European Union, 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⁾ ('Financial Regulation') as amended by Council Regulations (EC, Euratom) No 1995/2006 ⁽⁶⁾ and (EC) No 1525/2007 ⁽⁷⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 69, 13.3.2009.

⁽²⁾ OJ C 308, 12.11.2010, p. 1.

⁽³⁾ OJ C 303, 9.11.2010, p. 1.

⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ OJ L 390, 30.12.2006, p. 1.

⁽⁷⁾ OJ L 343, 27.12.2007, p. 9.

- 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(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 (A7-0134/2011),
- A. whereas the Barroso I Commission had a strategic objective to obtain a positive statement of assurance from the Court of Auditors by 2009 and whereas this objective was not achieved,
- B. whereas the Treaty of Lisbon has enhanced the Commission's role by providing that it shall execute the budget and manage programmes (Article 17 of the Treaty on European Union) and it shall do so on its own responsibility (Article 317 of the Treaty on the Functioning of the European Union) — regardless of the method of implementation applied — and that the Member States shall cooperate with the Commission to ensure that the appropriations are used in accordance with the principles of sound financial management,
- C. whereas the Treaty of Lisbon has also provided that the Commission shall submit an evaluation report on the Union's finances based on the results achieved (Article 318 of the Treaty on the Functioning of the European Union),
- D. whereas European citizens expect taxpayers' money to be used correctly, efficiently and usefully and whereas the question of the 'size' of the Union budget has to be discussed on the basis of the objectives to be achieved, as well as on the basis of the competences and responsibilities given by the Treaty on the Functioning of the European Union,
- E. 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,
- F. whereas not only the Commission but also the Member States have to be held accountable for the fact that the Court of Auditors has, thus far, not been able to issue an unqualified statement of assurance,
- G. whereas mandatory national management declarations issued and signed at ministerial level and duly audited by an independent auditor are a necessary and indispensable step to counter the current lack of ownership and the widespread perception of financial mismanagement at Union level,
- H. whereas the current multi-level assurance system does not yet guarantee the compliance of Union spending with the requirements of legality, regularity and sound financial management provided for by the Treaty on the Functioning of the European Union and the Financial Regulation,
- I. whereas independent states — not regions — are members of the Union and whereas Member States, even if their structure is federal, bear a responsibility to the outside world and the Union,
- J. whereas the 'accountability' process is instrumental to good management, improving delivery and analysis, allowing for changes to be made to management and strategy and for better use being made of scarce resources and whereas, as observed by the Council, an accurate and accountable use of the EU resources is one of the essential means to reinforce the trust of European citizens ⁽²⁾,

⁽¹⁾ OJ L 11, 16.1.2003, p. 1.

⁽²⁾ Ecofin Council conclusions on the budget guidelines for 2011 adopted on 16 March 2010, doc 6794/10, 24 February 2010, page 9.

- K. whereas there is a need to move away from the current 'culture of entitlements' and to take decisive measures towards implementing a culture of accountability at both national and Union level and to address both compliance and performance issues in order to reinforce the legitimacy of the Union,
- L. whereas the Commission and the Court of Auditors must be provided with assurance evidence in the form of a statement of assurance from international organisations implementing Union assistance,
- M. whereas improving the financial management of the Union, the quality of spending and the arrangements for holding the Commission to account for its management of funds is a high priority and a key objective for Parliament to be achieved during the revision of the Financial Regulation, the new multiannual financial framework and the budget reform,
- N. whereas concrete proposals for an efficient implementation of regular, tripartite meetings between the Presidents of Parliament, the Council and the Commission — as provided for in Article 324 of the Treaty on the Functioning of the European Union — shall be drawn up so as to ensure good cooperation between those institutions,
- O. whereas simplification and better regulation must be reinforced by more efficient management in the Commission and the Member States,
- P. whereas, in its Resolution of 11 November 2010 on simplifying the implementation of the Research Framework Programmes ⁽¹⁾, Parliament expressed its views concerning certain difficulties relating to monitoring and certification of research,
- Q. whereas the role of the Court of Auditors is to check information, and whereas the Court of Auditors' ability to carry out its responsibilities effectively under the Treaty on the Functioning of the European Union should in no way be constrained,
- R. whereas the Court of Auditors' mandate to audit the use of Union funds includes the audit of public-private partnership bodies,
- S. whereas the Court of Auditors could provide the coordination required for the introduction of mechanisms such as the stability mechanism, the rules governing which should ensure that there are appropriate audit arrangements, together with arrangements for accountability and full transparency,
- T. whereas the Member States should consider the efficiency of the Union's present external audit arrangements,
- U. whereas simplification of sectoral legislation — for instance through standardisation and the establishment of one set of procurement rules — and streamlining with the Financial Regulation are necessary to achieve a significant improvement in performance and reduction of cumbersome bureaucracy,
- V. whereas the Commission's role is also to provide guidance to the Member States and spread good practice among national bodies continuously,
- W. whereas various measures decided in 2008, such as the EUR 1 000 000 000 Food Facility, the speeding-up of payments of the Structural Funds through the European Economic Recovery Plan and the extension of the eligibility period for various programmes into 2009 presented a challenge for budgetary control in 2009 and beyond,

Overall findings

Accounts

1. Notes that the annual accounts of the Union present fairly, in all material respects, the financial position of the Union as of 31 December 2009 and the results of operations and cash flows;
2. Deplores the fact that the Council delivered its opinion belatedly;

⁽¹⁾ Texts adopted, P7_TA(2010)0401.

3. Considers it abnormal for the annual accounts to be presented with negative own capital of EUR 44 700 000 000 and wonders whether the amounts to be requested from Member States should not be entered as assets, given that the estimated EUR 37 000 000 000 in staff pensions is clearly a commitment; notes the explanations provided by the Commission's Accounting Officer to the effect that international accounting standards applicable to the public sector have been complied with; proposes that consideration be given to creating a Union pension fund to externalise financial commitments of this kind concerning staff;
4. Urges the Commission to eliminate the risk of misstatements in the accounts in the future by dealing with the weaknesses identified by the Court of Auditors without delay;
5. Calls on the Court of Auditors to provide it, in future, with a single statement of assurance as to the legality and regularity of the underlying transactions, pursuant to the second subparagraph of Article 287(1) of the Treaty on the Functioning of the European Union, in the same way as it does for the reliability of the accounts;

Legality and regularity

6. Notes that while Article 317 of the Treaty on the Functioning of the European Union states that the Commission implements the Union budget on its own responsibility, in the present understanding of 'shared management' most of the management functions are carried out by national bodies not directly accountable at Union level and over which the Commission has limited powers of enforcement; takes the view therefore that these bodies are meant to be directly accountable at Union level to the Commission; insists that this does not absolve the Commission of its responsibility for the implementation of the Union budget but on the contrary requires it to take a hard line with any Member States not fulfilling their responsibilities under 'shared management';
7. Calls, therefore, 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 of Auditors; proposes examination of the possibility of national audit bodies, in their capacity as accredited and independent external auditors, and with due regard for international audit standards, issuing national audit certificates for the management of Union funds, which would be submitted to Member State governments with a view to being produced during the discharge process in accordance with an appropriate interinstitutional procedure to be introduced;
8. Recalls that the Member States have primary responsibility for day-to-day management and control of Union expenditure under shared management and that national bodies initiate and process files for Union financial support and validate the reimbursement claims presented to the Commission;
9. Notes the Court of Auditors' opinion on the legality and regularity of the transactions underlying the accounts according to which payments for the policy groups 'Agriculture and natural resources', 'Cohesion', 'Research, energy and transport', 'External Aid, development and enlargement' and 'Education and citizenship' are materially affected by error and that the supervisory and control systems are only 'partially effective' in preventing or detecting and correcting the reimbursement of overstated or ineligible costs (statement of assurance, paragraph X);
10. Notes that the most likely error rate in payments estimated by the Court of Auditors for the policy groups 'Agriculture and natural resources' (EUR 56 318 000 000), 'Research, energy and transport' (EUR 7 966 000 000), 'External Aid, development and enlargement' (EUR 6 596 000 000) and 'Education and Citizenship' (EUR 2 153 000 000) is between 2 % and 5 %;
11. Notes that the most likely error rate in payments estimated by the Court of Auditors for the policy group 'Cohesion' (EUR 23 081 000 000 reimbursed certified expenditure) is above 5 % although Parliament does not know the exact error rate;
12. Notes further that the Court of Auditors' audit results show a very marginal increase in its estimate of the most likely error rate concerning the payments for the policy group 'Agriculture and natural resources' and a significant decrease in its estimate of the most likely error rate concerning the payments for the policy group 'Cohesion';

13. Notes that the reduction in the most likely error rate could be due to the composition of the Court of Auditors' sample which contained smaller Member States with centralised political systems, such as Denmark, Estonia, Luxembourg and Hungary; warns against premature conclusions as long as the Member States' supervisory and control systems are only 'partially effective'; regrets that this fundamental problem continues to exist;
14. Calls on the Commission and the Member States to make annual improvements in the most likely error rates in implementing the Union budget; considers that the aim should be to bring the rate below the materiality threshold, thus securing a positive statement of assurance from the Court of Auditors;
15. Recalls its repeated invitations to the Commission to present a proposal for the introduction of mandatory national management declarations (NMDs) issued and signed at ministerial level, made public and duly audited by an independent auditor so far as such declarations are a necessary and indispensable first step to improve the efficiency of national systems and to enhance national accountability for the use of Union money; reiterates⁽¹⁾ that for Member States with federal systems or substantial decentralisation such NMDs could take the form, in whole or in part, of a collation of regional declarations, provided that each component declaration has been audited and signed by an elected political office-holder; insists that the Commission will present such a proposal by September 2011 irrespective of the fact that some Member States might not yet agree with such an initiative;
16. Notes that NMDs should contain full information about the use of Union funds, and that after the signing of NMDs at ministerial level they should be made public;
17. Regrets that in respect of the shared management programmes, the Member States do not yet acknowledge fully their enhanced responsibility which is enshrined in Article 317 of the Treaty on the Functioning of the European Union;

Recovery and correction mechanisms

18. Recalls that in implementing the Union budget the Commission has final responsibility for ensuring that amounts incorrectly paid are recovered and that weaknesses in the Member States' management and control systems are corrected as quickly as possible;
19. Recalls that since the 2005 discharge procedure Parliament has encouraged the Commission and the Member States to take the necessary steps to ensure completeness and accuracy of the information available with the aim of providing reliable evidence to allow the Court of Auditors to assess the effectiveness of multiannual correction mechanisms;
20. Welcomes that the Commission in Note 6 to the Annual Accounts of the European Union, financial year 2009 has responded to Parliament's requests by including more detailed information about recoveries and financial corrections than it has done in the past;
21. Further notes the important difference between 'recovery' (sums incorrectly received are repaid by the recipient) and 'financial correction' (addressing weaknesses in the system the financial consequences of which are borne by the national taxpayer); emphasises that the 'financial correction' mechanism should not be used as an easy way of avoiding the use of a 'recovery' procedure and that whenever possible a 'recovery' procedure should be pursued to ensure that those who have benefited from sums paid 'incorrectly' do not retain such funds; recalls its request that all data concerning recoveries should be an integral part of, and included in, the database of final beneficiaries;
22. Regrets that for the policy group 'Cohesion' merely 20 % of the amounts confirmed in 2009 have been implemented and a total amount of EUR 2 332 000 000 of corrections still remain to be implemented at year-end 2009 (Annual Report, point 1.44);
23. Welcomes the Court of Auditors' finding that the Commission presents complete information on its recoveries and financial corrections; deplores, on the other hand, the fact that the Commission does not always receive complete and reliable information from the Member States;

⁽¹⁾ For example paragraphs 23 and 24 of the European Parliament Resolution of 24 April 2007 with comments forming an integral part of the Decision on discharge for implementation of the European Union general budget for the financial year 2005, Section III – Commission (OJ L 187, 15.7.2008, p. 25).

24. Invites the Member States to improve their systems for control, detecting and reporting corrections to the Commission, and the Commission to refine the financial reporting guidelines to ensure that all relevant information about the operation of the multiannual correction mechanisms is appropriately disclosed in the accounts; further asks the Commission to keep Parliament informed on its efforts to verify the work of the national audit authorities;
25. Notes that the vast majority of the corrections by value involve financial corrections on the Member States or third countries, rather than recoveries from individual beneficiaries who received Union funds incorrectly (Annual Report, point 1.50);
26. Believes that future rules applicable to the Union budget and programmes should provide that unspent Union funds are not returned to the Member States if a Member State has not paid back to the Union amounts incorrectly received and invites the Commission to take into account any financial correction not yet paid by the Member States before returning unspent annual budget appropriations to the Member States;
27. Suspects, with some concern, that under the present system, which does not include fines and makes it possible to substitute most of the expenditure found to be ineligible by the Commission or the Court of Auditors, the Member States seem to have limited interest in developing efficient control systems that could result in a reduction of their share of Union spending; therefore repeats its opinion from the 2008 discharge Resolution, that reallocation of ineligible expenditure should only be allowed if it was discovered by the Member States themselves; further welcomes that the Commission has made use of the new possibility to immediately suspend payments and demands that suspension of payments continue to be used resolutely and consistently, making the decisions taken and the reasons for them clear to Parliament; calls on the Commission to develop a system which will punish underperformers, and reward those who perform well, by reducing their administrative burden;
28. Calls on the Commission to provide Parliament with an analysis of the paying agencies' capacity to deliver reliable data based, in addition, on *ex ante* declarations and on-the-spot checks, comparing those declarations and those checks with the information given by the Court of Auditors, and to check the veracity of the information provided by these bodies in the last 4 years;
29. Is aware of the fact that suspension of payments can sometimes create a trade-off with quick implementation, but is convinced that in cases where high risk is already established, reliability should take precedence over speed;
30. Accordingly, does not agree with the Commission's statement that financial corrections represent 'a strong incentive for Member States to improve their management and control systems and thus to prevent or detect and recover irregular payments to final beneficiaries' (Annual Accounts of the European Union, financial year 2009, Note 6, page 100);
31. Notes that financial corrections could be an indicator of whether a policy has been implemented according to established rules and that the regular and increasing number of financial corrections could indicate not only that the Commission is fulfilling its supervisory role in a more stringent way but also that financial corrections have only had a limited effect as a preventive and structural measure; further notes that the Member States' efforts to create efficient systems are influenced by the efficiency of the Commission's supervision;
32. Welcomes the Commission's guidance note on reporting on recoveries; asks the Commission to carefully analyse the Member States' reports on recoveries and, if necessary, carry out further training;

Member State responsibility and transparency

33. Notes with concern the slow pace of improvements to the financial management of Union funds; at the same time takes note of the repeated opinions of both the Court of Auditors and the Commission that the quality of management and control systems differs widely between the Member States

and between the different programmes; calls on the Commission to systematically account for these differences in control systems and to make available clear evaluations of efforts by the Member States to detect irregularities so as to make sure that those Member States detecting higher irregularities due to more onerous control systems are not discredited at any point;

34. Agrees with the recommendation of the Council that information on recoveries, financial corrections and suspensions should be easily accessible to the public;
35. Invites the Commission to publish in the Synthesis Report an assessment of the strengths and weaknesses of individual Member States' management and control systems on the basis of the audit work it already performs as well as other relevant available information; further invites the Commission to include a progress report on the improvements in the discharge information; calls on the Commission to establish a 'scoreboard' on the quality of controls per Member State and policy area according to the following matrix model:

	Policy area A	Policy area B	Policy area C	Etc.
Member State A				
Member State B				
Member State C				
Etc.				

36. Underlines that low levels of fraud and error rates could signify weaknesses in the control systems and vice versa; urges the Commission on the basis of concrete data per Member State and per policy area, to report to Parliament on the effectiveness of management and control mechanisms and to implement, together with the European Anti-Fraud Office (OLAF), stricter control on the spending of Union money;
37. Calls on the Court of Auditors, pursuant to the second subparagraph of Article 287(4) of the Treaty on the Functioning of the European Union, to deliver an opinion on the quality of the national audit authorities as regards shared management, with particular reference to technical expertise and independence;
38. Notes that the present statement of assurance is an expression of the regularity and legality of the financial management in the Union overall, and that it does not contain information on error rates in individual Member States;
39. Believes that it is of utmost importance to analyse if certain errors occur in all the Member States with more or less the same frequency; notes, if so, that the solution would be Union-wide action; however, further notes that if certain errors are mainly located in specific Member States or regions, other solutions should be envisaged;
40. Believes that a 'scoreboard' on the quality of controls per Member State and policy area as requested would be an important element in such an analysis and invites the Commission to follow-up on this request starting with its Synthesis Report on 2011 and in time for the 2010 discharge procedure;
41. Suggests that the Court of Auditors should carry out occasional audits based on the same matrix model so that all 27 Member States would be audited for a specific policy area which would allow the quality of controls to be evaluated comparatively;
42. In addition, invites the Commission to publish in the Synthesis Report clear and unequivocal information on the value of recovery orders made against individual Member States as well as a systematic presentation of the results of recovery and correction mechanisms;
43. Notes that many Member States are undertaking difficult fiscal adjustments to their domestic budgets, and that value for money, efficiency and transparency have become increasingly important in domestic public spending;
44. Considers that such fiscal adjustments and savings are important tools in restoring public confidence in national as well as Union institutions;

45. Considers that ensuring sound financial management and a well-balanced and appropriate size of budget, should help to deliver value for money as regards both domestic budgets as well as the Union's budget; believes, accordingly, that the principles of value for money and transparency should be at the heart of all actions to improve the financial management of Union funds;
46. Requests, accordingly, that the Commission make the Member States' annual summaries publicly available as part of next year's discharge procedure and upgrade the information provided in these summaries to present a meaningful picture of the Member States' financial management performance; underlines that making the Member States' annual summaries publicly available should be considered as a step towards NMDs and not as a goal in itself;
47. Considers that a review of the Financial Regulation should be based on an evaluation of the existing Regulation, notes that a review is not an end in itself;

Tolerable risk of errors

48. Believes that control systems cannot aim at zero risk in all spending areas, not only because it would be extremely expensive, but also because it is unlikely that zero risk in all spending areas will ever be achieved; accepts that a certain risk of error will always exist when implementing any spending programmes; emphasises that tolerating risk is not the same as tolerating error and reaffirms that the Commission must pursue a zero-tolerance approach to all cases of mismanagement and fraud;
49. Notes that this discussion is only taking place at the Union level and recalls that 'error rates' for national administrations' implementation of national programmes are not known;
50. Invites the Commission to identify weaknesses in present management and control systems as well as to analyse the cost and benefits of various possible changes; underlines that where it is difficult to obtain a sufficiently high level of compliance with scheme rules, a number of options such as simplification of the rules, redesigning the programme, tightening controls, or terminating the programme, are possible;
51. Underlines that any comparison between the estimated benefits and costs of controls must be based on a reasonable belief that controls are being applied in an efficient and effective manner; further underlines that this is currently not fully the case as demonstrated by the Court of Auditors for many years when stating that management and control systems are still only partially effective;
52. Regrets that the Commission uses the notion 'tolerable risk of error' exclusively to manage the risk of error and as a basis to decide what level of irregular use of funds should be considered as acceptable *ex post*; takes the view that a forward-looking approach to a possible introduction of a comprehensive concept of 'tolerable risk of error' would include in the Financial Regulation a requirement for the Commission to match spending proposals with an assessment of the irregularity risks;
53. Calls for a study of the distinction between the materiality threshold, which is associated with the holding of an audit and therefore subject to assessment by the Court of Auditors, and the acceptable error rate, which is a concept associated with internal audits for which the Commission is responsible;

Commission's Internal Audit Service (IAS)

54. Notes that 'internal audit' in the Commission is carried out by the horizontal IAS and the vertical Internal Audit Capabilities (IAC) in each Directorate-General; believes that this model can only be efficient if the work carried out by the IAC is reliable; notes, however, that an IAS audit of the IAC audit results could be perceived as a policing activity and would harm the relationship between the IAS and the IAC;

55. Invites the Commission, accordingly, to carry out an external quality review of all the IAC in the Commission and to inform Parliament of the results;
56. Proposes that the Commission split the hierarchical power between people with accounting responsibility and those responsible for transferring funds in application of the customary rules on security and separation of powers for internal control in treasury management;
57. Notes the Commission annual report to the discharge authority (COM(2010) 447) on internal audits carried out in 2009 and that the Commission's Internal Auditor is of the opinion that an overview at the level of the institution is necessary if common processes such as risk analysis and business continuity management are to be effective in protecting the institution as a whole and in order to ensure sound financial management;
58. Invites the Commission to make appropriate bodies responsible for obtaining this overview and for making appropriate recommendations whilst taking care not to reduce responsibility for the implementation of each process; recommends that the Commission's governance framework be adapted to allow for enhanced institutional overview; would appreciate being informed in a timely manner about developments in this matter;
59. Invites the IAS to allocate part of its resources to an examination of whether the spending by the main DGs is efficient, economical and effective, thereby completing the current financial and compliance audits;
60. Further invites the IAS to audit the methodology to be used for the production of the Article 318 of the Treaty on the Functioning of the European Union evaluation report and to assess the work done;

Single audit

61. Urges the introduction of a single audit model whereby audits are carried out, recorded and reported to a common standard — as proposed by the Court of Auditors in its Opinion 2/2004/EC and repeatedly supported by Parliament — where each level of control builds on the proceeding one, with a view to reducing the burden on the auditee and enhancing the quality of audit activities but without undermining the independence of the audit bodies concerned; believes that internal controls should provide reasonable assurance on the legality and regularity of transactions, and compliance with the principles of economy, efficiency and effectiveness and underlines that controls should be coordinated to avoid unnecessary duplication; draws attention to the fact that the Court of Auditors is the external auditor of the Union and therefore not an element of internal control;
62. Invites the Commission to present a report on the feasibility of introducing a single audit model applicable to the Union budget putting to an end the current juxtaposition of national and Union internal control systems; invites the Commission to adopt a risk-based approach for the auditing sampling rather than an approach based on statistical sampling;
63. Recalls the opinion expressed in paragraph 65 of its Resolution of 27 April 2006 ⁽¹⁾ concerning discharge for the financial year 2004 that called for 'national audit bodies to assume responsibility for controlling the local use of EU funds, so as to make any consideration of establishing national offices of the Court of Auditors unnecessary'; believes that if national audit bodies are not willing for public bodies within their Member States to take over the control of expenditure from the Union budget, that consideration should be given to reorganising the Court of Auditors so that some of its members have responsibility for defined policy areas whilst others have responsibility for groups of Member States; notes that as the number of members of the Court of Auditors has virtually doubled in recent years, whilst the number of policy areas has not, this should be within the capacity of the Court of Auditors to manage;

⁽¹⁾ OJ L 340, 6.12.2006, p. 5.

Transparency

64. Notes the judgment of the Court of Justice in Joined Cases Volker and Markus Schecke GbR C-92/09 and Hartmut Eifert C-93/09 ⁽¹⁾ and the subsequent need to balance 'the European Union's interest in guaranteeing the transparency of its acts and ensuring the best use of public funds against the interference with the right of the beneficiaries concerned to respect for their private life in general and to the protection of their personal data in particular' (Volker and Markus Schecke GbR, paragraph 77 of the judgment); stresses however that the Court of Justice has recalled the validity of the principle of transparency (Volker and Markus Schecke GbR, paragraph 68) as stated in Articles 1 and 10 of the Treaty on European Union and in Article 15 of the Treaty on the Functioning of the European Union and has also underlined that 'publication on the Internet of data by name relating to the beneficiaries concerned [...] reinforces public control of the use to which that money is put and contributes to the best use of public funds' (Volker and Markus Schecke GbR, paragraph 75);
65. Calls on the Commission to follow up on the request of the Court of Justice and to swiftly propose criteria where the public interest in transparency should override the protection of personal data of Union funds' beneficiaries; recalls that the Court of Justice has proposed criteria such as the periods during which natural persons have received Union funds, the frequency of such aid or the nature and amount of aid (Volker and Markus Schecke GbR, paragraph 89);
66. Asks the Commission to define the criteria mentioned by the Court of Justice in the Financial Regulation, sectoral legislation or any other act in a way that allows a high level of transparency, ensuring that data on beneficiaries falling under these criteria can be published again; urges the Commission to monitor the Member States' obligation to publish the data correctly and in a timely manner and requests the Commission to present the results of its monitoring in the next Synthesis Report;
67. Recalls its request from its Resolution on discharge for the financial year 2008 to standardise the structure and presentation of beneficiaries' data on national, regional and international sites, including details of recipients and their projects;
68. Reiterates its belief that transparency is one of the main instruments in achieving legal and regular expenditure and believes that the objective should be the creation of a single and comprehensive online system (a central database) which can be accessed easily by any individual and would therefore allow the public to have easy access to full and complete information about the expenditure of the Union by budget line and by beneficiary; insists that the Commission collect data regarding the beneficiaries of funds in that central database and make the data collected easily accessible and user-friendly; further requests that the data be published in a comparable, machine-readable, searchable and open data format in one of the official languages of the Union;
69. Proposes, in order to increase transparency, that the central database regarding the beneficiaries of funds shall make it possible to visualise not only money flows in figures but also the connections between the different actors in a project at different levels, whilst always taking into account the protection of privacy;
70. Invites the Commission, when establishing that central database, to seek inspiration from the American Recovery Accountability and Transparency Board and its website (www.recovery.gov);

Evaluations

71. Emphasises that for the public to have confidence in the Union budget, three objectives must be pursued:

— that the accounts give a 'true and fair view' of the financial position of the Union,

⁽¹⁾ Judgment of 9 November 2010 in Joined Cases C-92/09 and C-93/09, Volker and Markus Schecke GbR and Hartmut Eifert v Land Hessen, not yet published in the ECR.

- that all expenditure is 'legal and regular' and receives a positive statement of assurance from the Court of Auditors,
- that all expenditure delivers the outcomes for which it was intended,

and notes that even if the first two objectives are secured, considerable resources could still in fact be wasted unless sufficient attention is also given to the third;

72. Calls on the Commission to review its systems for evaluating the effectiveness of expenditure programmes to assess whether they are adding value, delivering value for money, and achieving the objectives for which they were established; insists that such evaluations should be both conducted and then assessed independently; calls therefore for independent evaluations to be submitted to Parliament and its relevant committees for scrutiny;

Permanent crisis mechanism

73. Notes the conclusions of the European Council of 28-29 October 2010 (EUCO 25/1/10) and that the 'Heads of State or Government agree on the need for Member States to establish a permanent crisis mechanism to safeguard the financial stability of the euro area';
74. Invites the Council and the Member States to give due consideration to the following issues when devising a permanent crisis mechanism:
- appropriate arrangements for public external audit and accountability and full transparency for the permanent crisis mechanism shall be established,
 - the reliability of data and statistics shall be ensured,
 - responsibility and reporting arrangements shall be clear and all actors whose liabilities will be involved shall also be involved in the establishment of the mechanism,
 - Parliament's political scrutiny of any euro-bond issue, in general, and of the permanent crisis mechanism in particular shall be defined;

Whistleblowers

75. Calls on the Commission to review the briefing and training given to staff regarding 'Title II: Rights and Obligations of officials' of the Staff Regulations so as to ensure that all staff are fully conversant with its terms and particularly with the obligations pursuant to Article 22a(96); asks that the Commission provide details to Parliament's competent committee of the work undertaken in this area;

The European Schools

76. Welcomes the fact that the Court of Auditors did not find errors that might call into question the reliability of the accounts that it audited and the legality and regularity of the transactions underlying those accounts;
77. Invites the Office of the Secretary-General of the European Schools to ensure without delay a thorough follow-up of the Court of Auditors' 2008 and 2009 recommendations;
78. Points to an increase in overall costs where teachers appointed by the Member States were absent for long periods and had to be replaced by part-time teachers; expects schools to be able to provide figures for these extra costs;

Reform of the Staff Regulations of Officials of the European Union

79. Notes that the reputation of the Union is strongly influenced by the public perception of its civil service; notes that the last reform of the Staff Regulations did not adapt its provisions to a changed working environment nor lead to a remuneration policy that provides for equal pay for equal work; notes that it contains out-dated perks and benefits; calls on the Commission to present proposals for a comprehensive modernisation of the Staff Regulations, including the end of out-dated perks and benefits;

Specific findings

80. Welcomes the concrete measures and corresponding timelines presented by the Commission as a result of the constructive discussions within the discharge procedure;

Agriculture and natural resources — EUR 56 300 000 000

81. Welcomes the fact that the Commission has succeeded in bringing the error rate down to around 2 % in recent years; however, notes that the error rate increased slightly in 2009;
82. Calls upon the Commission to take steps to ensure that the reduction in the error rate becomes a trend that is maintained year-on-year so as to ensure that the irregularities cease;
83. Recalls that for agriculture and rural development practically all expenditure is carried out under shared management;
84. Notes that on the basis of its audit results the Court of Auditors estimates that the most likely error rate for 'Agriculture and natural resources', which accounts for nearly half of the budget, is between 2 % and 5 %;
85. Also notes that in 2009, out of 241 transactions examined, 66 (27 %) were affected by error and that 42 (64 %) of these transactions were affected by quantifiable errors notably concerning eligibility and accuracy errors, resulting from over-declaration of eligible land;
86. Considers that the effectiveness of the spending areas as a whole, not just individual projects, must be evaluated on its overall trend of errors;
87. Notes the improvements of the Integrated Administration and Control System (IACS) in Greece following Parliament's continuous attention;
88. Recalls, however, that the Court of Auditors in recent years has found the effectiveness of the IACS adversely affected by inaccurate data in the databases, incomplete cross-checks or incorrect or incomplete follow-up of anomalies;
89. Notes that for its 2009 audit of eight paying agencies, the Court of Auditors found the systems to be effective in ensuring the regularity of payments in only one agency, partially effective in four agencies, and ineffective in the remaining three agencies;
90. Notes the Court of Auditors' conclusion that the supervisory and control systems for Agriculture and natural resources were, at best, partially effective in ensuring the regularity of payments;
91. Further notes that the Court of Auditors concludes that the IACS needs significant improvements in three out of eight paying agencies audited;
92. Also notes that the Court of Auditors found that the Annual Activity Report and the declaration given by the Director-General for Agriculture provided only partially fair assessment of financial management in relation to the regularity of payments;
93. Deplores the fact that the Member States' practice of defining used farmland independently results in substantial misallocation of area payments; expects the Commission's evaluation report to consider this practice and illustrate it with examples;
94. Invites the Commission:
- to improve the reliability and completeness of the data recorded in the Land Parcel Identification System,
 - to take proactive measures to ensure that all the IACS databases provide a reliable and full audit trail for all modifications made, paying particular attention to those countries known to have a poor record,
 - to clarify and further enforce the rules so that Union direct aid is not paid to claimants who have neither used the land for farming nor maintained it in Good Agricultural and Environmental Conditions,

- to review and improve the guidelines as regards the work to be performed by certification bodies, in particular the work related to the validation of the Member States' control and inspection statistics, and to provide Parliament with the number and an assessment of the soundness of the existing paying agencies,
 - to further reduce bureaucracy, to simplify procedures and to avoid adverse effects on farmers arising from the plethora of rules, which in some cases conflict,
 - to keep Parliament regularly updated about the progress of the work;
95. Is of the opinion that the tripartite meetings of the Court of Auditors, the Commission and national authorities, which proved important for the mutual understanding and judgment of problems in relation to the annual DAS exercises in the Cohesion policy area, should be extended to the policy area of agriculture and natural resources in order to facilitate a harmonised interpretation and application of the rules regarding the management and control of expenditure, as well as a coordinated approach between the Commission and the Court of Auditors;
96. Agrees with the Court of Auditors that the conformity clearance puts too much emphasis on flat-rate corrections and conformity adjustments that do not concern the final beneficiary;
- Cohesion — EUR 35 500 000 000*
97. Recalls that management of Cohesion spending is shared with the Member States, that expenditure takes place through a large number of multiannual operational programmes (OPs), that the Commission approves OPs on the basis of proposals from the Member States and that the Member States choose the individual projects to be included in the OPs;
98. Recalls that the Member States co-finance the projects under Cohesion spending; notes that effective management and control systems are of interest to the Member States, who participate with national co-financing; asks the Commission to work decisively to improve and overcome temporary flaws in the management and control systems;
99. Notes that the Court of Auditors estimates that the most likely error rate for the Cohesion policy area is above 5 %; notes that the frequency of errors continues to decrease for the third consecutive year;
100. Also notes that 36 % of payments to projects were affected by errors, and that this still is the area with the highest error rate;
101. Considers that the spending areas themselves, not just individual projects, must be evaluated on the overall trend of errors;
102. Notes the complexity of the regulatory framework of Cohesion, requiring conformity with both national requirements, including regional and local powers, and a variety of Union policies and rules, such as those relating to public procurement and State aid, the large number of authorities responsible for the implementation of Cohesion policy in the Member States and the even larger number of beneficiaries and recipients of Union support;
103. Considers that such complexity is an important issue to take into account when deciding on improvements and simplifications;
104. Notes that a major proportion of the estimated error rate is attributable to eligibility errors and serious failures to respect public procurement rules; further notes that the non-respect of public procurement rules alone accounts for 43 % of all quantifiable errors and forms approximately three quarters of the estimated error rate;

105. Notes that infringements of procurement procedures reveal a failure to complete the Union internal market; asks the Commission and the Court of Auditors to set up a platform for the consultation process on methodology used with regard to the seriousness of the infringements detected in the public procurement domain;
106. Further notes that diversity of interests will, without doubt, have an influence on the effective implementation of the Member States' control obligations in so far as Union expenditure within the respective Member State and national contributions to the Union budget from the respective Member State are concerned;
107. Asks the Commission to analyse the reasons for those infringements of public procurement rules and to cooperate decisively with the Member States to overcome the difficulties identified;
108. Welcomes, in this regard, the Commission's Green Paper on the modernisation of EU public procurement policy — Towards a more efficient European Procurement Market (COM(2011) 15); calls on the Council and the Commission to finalise the adoption of the reform of the basic Union public procurement rules (Directives 2004/17/EC ⁽¹⁾ and 2004/18/EC ⁽²⁾ of the European Parliament and of the Council) by 2012;
109. Is worried that the Court of Auditors also found a significant number of shortcomings in tendering and contracting procedures;
110. Notes that for at least 30 % of the errors found by the Court of Auditors sufficient information was available for the Member State authorities in charge of implementing the OPs to have detected and corrected the error prior to certifying the expenditure to the Commission;
111. Believes that this finding seriously brings into question the efficiency of a system in which the Member States hold the main responsibility for the accuracy of the declared expenditure;
112. Recalls that management verifications are key controls to prevent irregularities, and regrets that for 11 of the 16 OPs audited, the verifications carried out by managing authorities of the Member States were only partially compliant with the regulatory requirements;
113. Notes that, overall, the supervisory and control systems for the 2007-13 programming period were only partially in compliance with the audited key provisions of the regulatory framework;
114. Notes that final figures can only be established for those financial years that can be deemed to have been closed, and that the most recent financial year that can be deemed closed is 2004;
115. Recalls that the Commission's role includes providing guidance to the Member States and developing good practices among national bodies; calls on all Commission DGs to further improve their performance in this respect;
116. Stresses that the Member States' administrations are, to a high degree, stakeholders of policies they implement in shared management; emphasises, in that respect, that shared management between the Commission and the Member States depends upon an atmosphere of mutual respect and recognition between the administrations concerned; underlines that this atmosphere, to a large degree, can be further strengthened in day-to-day management and resulting contacts between the Commission and the Member States' administrations;
117. Requests that the Commission identify and spread best practices amongst the 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;
118. Is worried that according to OLAF there is growing evidence that in many cases the frauds in the Structural Funds are organised and planned and have not resulted from simple opportunity; calls on all stakeholders in the Member States and in the Union institutions to work together closely to deal with this phenomenon (OLAF Annual Report 2010, p. 41);

⁽¹⁾ OJ L 134, 30.4.2004, p. 1.

⁽²⁾ OJ L 134, 30.4.2004, p. 114.

119. Deplores the belated issuing of the Member States' annual summaries concerning the Structural Funds, on account of which it is impossible to obtain an adequate assurance of the regularity of the implementation of regional programmes; regards this as sufficient grounds to suspend payments from the Structural Funds to the Member States;
120. Invites the Commission, in connection with the revision of the Financial Regulation, to look into the effectiveness of NMDs as incentives and/or deterrents and the advantages and improvements they could bring in terms of sound financial management; considers that account should also be taken of the fact that for the period 2007-13 major changes have been made to management and control systems and that the results produced need to be assessed with a view to making further improvements; takes the view that the introduction of this instrument should genuinely make it possible for the Commission to fulfil its duty to supervise the Member States and to ensure an effective functioning of the national management and control systems;
121. Calls upon the Commission to intensify the contacts with the Member States' administrations for the purpose of a mutual exchange of information to tackle pending questions without delay;
122. Is very worried about the continually low standard of some Member States' management and control systems and the slow rate of progress in improving those systems;
123. Invites the Commission to include in the Financial Regulation a request for mandatory NMDs issued and signed at ministerial level and duly audited by an independent auditor as a vital first step towards greater national accountability for Union expenditure; takes the view that without introducing this instrument the Commission will not be able to fulfil its duty to supervise the Member States and to ensure an effective functioning of the national management and control systems;
124. Draws attention to its Rules of Procedure, in particular to Annex VI, Article 6(3) thereof, according to which the President on 'the basis of a report by the committee responsible for budgetary control ... acting on behalf of Parliament may bring an action before the Court of Justice against ... the institution concerned, pursuant to Article 265 of the Treaty on the Functioning of the European Union, for failure to comply with the obligations deriving from the comments accompanying the discharge decision or the other resolutions concerning implementation of expenditure'; recalls, in addition, the need to ensure an efficient implementation of regular, tripartite meetings under the budgetary procedure as mentioned in Article 324 of the Treaty on the Functioning of the European Union;
125. Regrets that the certifying bodies under Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund ⁽¹⁾ lack coherent and clear auditing standards; calls on the Commission to set up a working group with the Member States to prepare uniform auditing standards in order to further enhance the audit work of the certifying/auditing bodies;
126. Calls on the Commission to provide Parliament with the number and an assessment of the soundness of the existing managing authorities;
- Research, energy and transport — EUR 8 000 000 000*
127. Recalls that the majority of expenditure for this policy group is implemented by the Commission under direct centralised management and, increasingly, by indirect centralised management through agencies and Joint Undertakings;
128. Notes that the most likely error rate estimated by the Court of Auditors for this policy area is between 2 % and 5 %;
129. Further notes that the Court of Auditors found that management and control systems were only partially effective in ensuring the regularity of transactions;

⁽¹⁾ OJ L 210, 31.7.2006, p. 25.

130. Notes that the main source of error in this policy group remains the reimbursement of overstated personnel and indirect costs to research projects; further takes note of the increase in reservations concerning direct management (from 4 to 9) mainly as a result of complex eligibility criteria;
131. Also notes that, in view of the particular importance of research and development for the Union economy, errors in this area are especially alarming;
132. Recalls that FP6 beneficiaries' cost statements submitted for reimbursement shall be accompanied by an audit certificate issued by an independent auditor certifying that the independent auditor has reasonable assurance that the declared costs meet the eligibility requirements; draws attention to the fact that, by the Commission's own admission, the acceptability criteria adopted for obtaining certification are too restrictive;
133. Is worried about the fact that the Court of Auditors found errors in 43 % of the audited cost statements — both in 2009 as well as in 2008 — which had received an unqualified opinion from the certifying auditor before submission for reimbursement;
134. Notes that while the Commission substantially increased the amount of ineligible costs recovered during 2009, the outstanding recoverable amounts showed a similar increase and have almost tripled to EUR 31 500 000;
135. Considers that public trust in the area of research, energy and transport is very important, since this area is anticipated to increase its share of the Union budget in the coming years;
136. Invites the Commission to ensure that the independent auditors who have incorrectly certified cost statements are made aware of the eligibility criteria for declared costs and if applicable held accountable, to review the operation of the system for the certification of beneficiaries' costing methodologies, to reduce the backlog in recovering undue amounts paid and to impose sanctions where necessary, to further simplify the research funding rules, to significantly improve access to research funding for SMEs and to ensure full accountability for the proper use of Union money;
137. Reiterates its call on the Commission to provide legal certainty by refraining from applying a stricter definition of the rules for participation retroactively and by refraining from asking recipients to recalculate financial statements already approved by Commission services, hence reducing the need for *ex post* audits and retroactive corrections; asks the Commission rapidly to resolve prior situations arising from inspections in progress, acting with discernment and respect for the principles of sound financial management; recommends that disputes regarding such prior situations be resolved by agreement between all parties, based for example on an independent reaudit and/or with the intervention of an ad-hoc independent mediator;
138. Welcomes the fact that the Commission has started to make use of its sanctions in the area of research (34 actions, EUR 514 330 received); nevertheless, supports the IAS conclusion that a strong fraud detection mechanism is needed;
139. Further invites the Commission to ensure that the IAS exercises the same powers over the bodies set up by the Union having a legal personality and receiving contributions from the budget (Union Joint Undertakings) as those which it exercises over Commission departments, in accordance with Article 185(3) of the Financial Regulation;
140. Believes that the FP8 should be based on a radical change of view including the introduction of a bonus system partially replacing the current upfront payment system and better access to venture capital in order to enhance efficiency;

External aid, Development and Enlargement — EUR 6 600 000 000

141. Recalls that the majority of the expenditure in this policy area is subject to direct centralised management by Commission services either from Commission Headquarters or at the Union Delegations level ('European Union Delegations' after the entry into force of the Treaty on the Functioning of the European Union); further takes note of the increasing use of joint management in, for example, the Food Facility;
142. Considers that the effectiveness of the spending areas themselves, not just individual projects, must be evaluated on its overall trend of errors;
143. Notes that the most likely error rate estimated by the Court of Auditors for the audited domain is between 2 % and 5 %;
144. Further notes that the Court of Auditors' overall assessment of supervisory and control systems is that they are only partially effective;
145. Also notes that the Court of Auditors found that the Annual Activity Report and the declaration given by the Director-General for EuropeAid only give a partially fair assessment of financial management in relation to regularity;
146. Notes that the assessment of management and control systems in the candidate and potential candidate countries is an ongoing process carried out within the framework set out by the roadmap for the decentralised management process for an Instrument for Pre-accession Assistance (IPA) that leads to the granting of management powers by the Commission to a specified component, programme or measure within the IPA;
147. Asks the Commission to closely cooperate with candidate and potential candidate countries in order to effectively improve management and control systems, to promote best practices for fighting fraud, and to ensure that their practices are in conformity with all Union rules and standards;
148. Deplores the fact that in some potential candidate countries appointments in the public administration in breach of the civil service law continue; regrets that the judiciary in many cases functions poorly; invites the Commission to provide all potential candidate countries with the necessary know-how and institutional knowledge to efficiently fight corruption and continue the reforms needed;
149. Is concerned by the high rejection rates in countries with decentralised implementation, i.e. where Union Delegations control procurement files *ex ante*; underlines that national authorities in those countries seem to have difficulties in implementing decisive improvements which are necessary for waiving the Commission's *ex ante* controls; invites the Commission and candidate countries to improve dialogue and ensure effective cooperation;
150. Notes the Court of Auditors' 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;
151. Welcomes the Court of Auditors' positive assessment on the supervisory and control systems applied in the area of humanitarian aid; nevertheless, invites the Commission to give greater attention to and derive full benefit from the follow-up of weaknesses revealed by its audits on implementing partners and monitoring the extent of the use of humanitarian procurement centres;
152. Invites the successor of RELEX to complete its *ex post* control methodology and promptly address related recommendations made by the Internal Auditor;
153. Invites Enlargement DG to develop and put in place mechanisms to facilitate the analysis and follow-up of the results of the verification missions carried out and to devote sufficient resources to the analysis of the outstanding final declarations submitted by the Member States that have recently joined the Union, but relating to the pre-accession period;
154. Invites ECHO to improve the assessments of the proposals' documentation for humanitarian aid actions (such as the introduction of standardised evaluation reports) and to report on its experience with the implementation of the Food Facility in its Annual Activity Report for 2010;

155. Notes that there could also be negative effects in providing foreign aid, such as when corrupt regimes in receiving countries mismanage funds, and that the work to prevent such effects must be given top priority;
156. Welcomes the fact that the Commission spent EUR 396 000 000 between 2007 and 2010 to support accession candidates in their efforts to improve judicial systems and the fight against corruption as well as the progress made in this regard; nevertheless cautions against being too optimistic and asks the Commission to provide evidence that this money was spent efficiently and whether improved control structures actually lead to increased sanctions against corrupt actors, including in high-profile cases, whether laws are fully implemented, and whether reforms are sustained;
157. Notes with concern the weaknesses identified by the Court of Auditors in the decentralised implementation system (DIS) in Croatia and Turkey; asks the Commission to report on all measures taken to address this problem and provide estimates of the amount of expenditure at risk;
158. Asks the Commission, and in particular Enlargement DG, to step up its efforts to deal with the final declarations for the Phare programme, the CARDS programme, and the transition facility and to proceed with the closure of these programmes prudently and in a timely manner;
159. Regrets the fact that a significant share of pre-accession aid is dealt with in Chapters 3 (agriculture — EUR 254 000 000) and 4 (cohesion — EUR 65 000 000) of the Court of Auditors' annual report; is surprised that, unlike in previous years, the Court of Auditors' annual report does not contain information on audit visits per country for non-Union countries;
160. Regrets the fact that Regional Policy DG did not undertake any audit missions to Croatia in 2009 despite there being major problems with the tendering process there;
161. Further invites the Commission to inform international organisations that future Union assistance will be subject to the delivery of assurance evidence in the form of a statement of assurance;
162. Asks the Court of Auditors to provide reasons why its transaction sampling for the external aid Chapter delivered a comparably low error rate (13 %), a big share of non-quantifiable errors at the level of the Union Delegations and no evidence of accuracy or occurrence errors in an area that is, by its nature, at high risk of misuse of funds; asks the Commission, and in particular the Union Delegations, to provide a clear audit trail and all other information necessary to facilitate the Court of Auditors' analysis;

Education and Citizenship — EUR 2 200 000 000

163. Recalls that the majority of expenditure in this area is managed by indirect centralised management or through shared management;
164. Welcomes the Commission's positive role in this area by providing guidance to the Member States and encourages the Commission to continue to spread good practice amongst national bodies;
165. Notes that the Court of Auditors found the error rate for closures to be between 2 % and 5 % and that the supervisory and control systems for this policy area were only partially effective in ensuring the regularity of closures made in 2009;
166. Is worried that 29 of the 120 closures audited (24 %) contained quantifiable errors;
167. Is worried that the supervisory and control systems at Commission level in 2009 left undetected and uncorrected a significant number of errors in the closures made that year;
168. Invites the Commission to continue to reinforce the checks on closures to ensure that errors are detected and corrected and prevent the reoccurrence of previously identified errors;

Economic and Financial Affairs — EUR 700 000 000

169. Recalls that the main programmes in this policy group are parts of the Sixth and Seventh Framework Programmes (FP) for research and technological development (EUR 222 000 000), the linked funding of Union agencies (EUR 116 000 000), the Guarantee Fund for external actions (EUR 92 000 000) and the Competitiveness and Innovation Framework Programme (CIP) which followed the Multiannual Programme for Enterprise and Entrepreneurship (MAP) (EUR 175 000 000);
170. Recalls further that the majority of the actions under FP6, FP7 and CIP are funded through a grant agreement with the Commission, and that grants are paid out as follows: an advance when the grant agreement is signed, followed by interim and final payments which reimburse eligible expenditure on the basis of cost statements submitted by the beneficiaries;
171. Recalls that the Parliament Resolutions on discharge for the financial years 2007 and 2008 both call on the Commission to allow beneficiaries to use average personnel costs per cost centre and to refrain from requesting individual costs of persons actively involved in a specific research project; welcomes, in this regard, the Commission Decision C(2011) 174 of 24 January 2011 on the three measures simplifying the implementation of Decision No 1982/2006/EC of the European Parliament and of the Council and Council Decision No 970/2006/Euratom;
172. Notes that the main risk to regularity is that eligible costs in the cost statements are overstated and that this is not detected by the Commission's supervisory and control systems and that the Court of Auditors assesses as 'high' the risk to regularity of payments made on the basis of cost statements;
173. Notes the illustrative examples mentioned by the Court of Auditors as regards:
- the Sixth Framework Programme where serious deficiencies in the cost statements were neither detected by the firm which provided the audit certificate nor during the two *ex post* controls carried out by another external audit firm on behalf of the Commission,
 - the Seventh Framework Programme where a beneficiary applied a methodology for the calculation of personnel costs which did not comply with either the FP6 or the FP7 rules, and, accordingly, for one project audited, the costs declared were overcharged by more than 17 % and that the same methodology was applied to another 13 projects,
 - the European Space Agency (ESA) — Joint management — where the Court of Auditors noted the inclusion of costs which should not be funded by the Community, or costs which were insufficiently supported for an amount of close to 10 % of the audited sample, as well as serious weaknesses in the procurement rules and procedures;
174. Notes with concern and is worried that the Court of Auditors continues to detect errors in payments for which an unqualified opinion has been issued by the approved auditor and that the Court of Auditors considers audit certification as only partially effective in identifying errors in the declared costs;
175. Notes that the Court of Auditors concludes that payments in this policy group were free from material errors but also that the Court of Auditors recommends that attention be paid to the type and extent of errors found in research framework expenditure; notes that while two supervisory and control systems out of three for this policy group were assessed as effective, one system was only partially effective in ensuring the regularity of payments;
176. Invites the Commission:
- to look at the existing arrangements for *ex ante* verification, with a view to establishing how effective they are,
 - to consider, in the light of experience, whether the use of certification by an external auditor appointed by the beneficiary is an effective control, and to look into alternative methods of verification,

- to raise the certifying auditors' awareness of expenditure eligibility rules to improve the reliability of the audit certificates they issue, and, if applicable, holding such auditors accountable,
- to further improve the quality of its *ex ante* controls on the procurement procedures and interim/final payments and ensure that *ex post* controls functions are covered by work programmes;

Comprehensive Spending Review

177. Calls on the Commission to undertake urgently during 2011 a comprehensive spending review of all areas of activity to ensure all expenditure is delivering value for money in order to identify possible savings which would reduce the pressure on the budget in this period of austerity;
178. Believes that all demands for increased expenditure in key priority areas can be met by savings from existing programmes and that greater scrutiny should therefore be made of outdated or ineffectual programmes to allow funds to be reallocated;

Priority actions

179. Calls on the Commission to present to Parliament's competent committee a plan presenting the actions that it intends to take regarding reform of the current discharge procedure, NMDs, the completion of the Commission's governance structure, systematic interruption and suspension of payments as well as lifting of the measure and the improvement of the corrective mechanisms;

Reform of the current discharge procedure

180. Calls on the Commission to organise an interinstitutional discussion involving at 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, from national parliaments and from supreme audit institutions, with a view to embarking on a comprehensive debate on the current discharge procedure system;
181. Calls on the Commission to put forward proposals for reducing 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; encourages the Court of Auditors and all institutions to shorten and strengthen the discharge procedure, making it more transparent and understandable to Union taxpayers;

National management declarations

182. Stresses that NMDs are to be understood as an instrument facilitating greater national accountability for Union spending by giving both national parliaments and national audit institutions an opportunity to participate in ensuring legality, regularity and performance of Union spending; is of the opinion that NMDs are an instrument which will allow national institutions and Union institutions to work together while fully respecting each others' roles and responsibilities;
183. Recalls that since 2005, Parliament has asked the Commission to present a proposal for the introduction of mandatory NMDs;
184. Underlines that not only the Union manager but also the national manager should be held to account for the spending in as far as about 80 % of the budget is implemented by national authorities;
185. Has repeatedly requested that each national finance minister should issue and sign a national management declaration as to the use of the funds and has also suggested that the national audit institution or another independent auditor should audit the finance minister's national management declaration because to audit a declaration issued by a national ministry would normally fall under the mandate of any independent national audit institution;

186. Welcomes that some Member States (namely Denmark, the Netherlands, the United Kingdom and Sweden) deliver NMDs, but notes that they differ in quality and clarity;
187. Considers that as these Member States deliver NMDs, it shows the remaining Member States that it is feasible to do so;
188. Notes that the Commission's proposal on the financial rules applicable to the annual budget of the Union (COM(2010) 815, Article 56) envisages the introduction of management declarations at managerial level; underlines that Parliament considers this proposal to be a step towards NMDs which is the final objective;
189. Invites the Commission to present a formal proposal for the introduction of mandatory NMDs duly signed by each national finance minister according to the following steps:
- an analysis of the quality, completeness, objectivity, relevance and usefulness of existing NMDs including an assessment of the added value of the information given as well as possible shortcomings in them,
 - the drawing up of guidelines on the definition of common key aspects of NMDs ensuring that they will be useful for both the Commission and the Court of Auditors,
 - the establishment of a roadmap indicating the date at which the Member States shall have completed the main steps in the process of introducing NMDs, as well as the introduction in the Financial Regulation of mandatory NMDs by 1 January 2014, which marks the start of the new Financial Perspectives,

and proposes that the substance of the NMDs should comply with international auditing standards and should assist the audit by the Court of Auditors;

Completion of the Commission's governance structure

190. Stresses that both the Director-General's Annual Activity Report as well as the College of Commissioners' Synthesis Report are important elements to allow the Commission to give account to the discharge authority;
191. Invites the Commission by analogy with the call for the establishment of NMDs at political level to complete its governance structure by adding the signature of the responsible Commissioner to the Director-General's Annual Activity Report and by having the Synthesis Report — which also shall include a 'scoreboard' on the quality of controls per Member State and policy area — signed by the President of the European Commission;
192. Notes that in order to complete the Commission's governance structure it may have to undertake a strengthening of procedures to allow the College to adopt the Synthesis Report and to allow the individual Commissioners' involvement and participation in the preparation of the Director-General's Annual Activity Report which includes the following measures applicable for the financial year 2010:
- the transmission to Parliament's competent committee and publication of the minutes from the meeting at which the College adopts the Synthesis Report,
 - the transmission to Parliament's competent committee of the declaration from the Director-General about his meeting with the responsible Commissioner explaining clearly and completely the content of their deliberations on the Annual Activity Reports as well as any reservations;
193. Underlines that these measures should in no way dilute the direct responsibility of each Director-General or other authorising officers by delegation;

Systematic activation of interruption and suspension of payments as well as lifting of the measure

194. Notes that the total financial corrections confirmed in 2009 for structural actions alone amount to EUR 7 719 000 000 (Annual Accounts of the European Union, financial year 2009, page 112); observes, however, that only EUR 5 387 000 000 (7 719 000 000 - 2 332 000 000) (page 103) was implemented and registered in the accounts; is of the opinion that the gap between the amounts to be corrected and the amounts actually corrected makes it necessary to introduce an automatic suspension, without a decision of the Commission, of payments as soon as evidence suggests a significant deficiency in the functioning of the management and control systems;
195. Invites the Commission to introduce a systematic activation of interruptions and suspensions of payments as soon as evidence suggests a significant deficiency in the functioning of the Member States' management and control systems;
196. Believes that the process leading up to the achievement of systematic interruption and systematic suspension of payments shall include:
- the transmission to Parliament's competent committee of information clearly showing all interruptions and suspensions of payments so far, as well as the reasons for these decisions,
 - a description of clear, unequivocal criteria applicable for all Directorates-General and leaving no room for interpretation of future interruptions/suspensions of payments as well as lifting interruptions/suspensions of payments whereby a systematic mechanism without prior decision on political level shall be created,
 - the inclusion in the Financial Regulation of the principle of systematic interruption and suspension of payments triggered by evidence of significant deficiencies in the functioning of the Member States' management and control system and the development of comprehensive guidelines for the Member States in order to help national authorities avoid misunderstandings and irregularities,
 - the transmission by the Commission of a copy of any recovery letter and any letter announcing financial corrections to the national parliament and the national supreme audit institution of the Member State concerned as well as to Parliament's competent committee;

Improvement of corrective mechanisms

197. Insists that the Commission improve the corrective mechanisms ensuring that the financial consequences of incorrectly made payments are borne by the beneficiaries and not the taxpayers;
198. Believes that the process leading up to the achievement of this objective shall also include the presentation to Parliament's competent committee of the following:
- a clear, comprehensive and fully correct list of all financial corrections implemented since 2000, as well as information on whether incorrectly received payments have been recovered or replaced by other projects, in which case a qualitative assessment of these replacement projects shall also be presented,
 - the measures to be taken following the Court of Auditors' conclusion that 'the Commission does not always receive reliable information from Member States' (Annual Report 2009, point 1.49), with a list of the concerned Member States and the amount of the irregularities as well as with information on the results of the 'standardised procedure' (Commission's reply in Annual Report 2009, point 1.34) introduced for the 2007-13 period,
 - an action plan on how to better integrate and reconcile the Court of Auditors' findings on annual error rates at the beneficiary level and the Commission's work on the follow-up of those

findings as well as the financial corrections and recoveries made over the whole life-cycle of the different programmes up to the closure procedure and including the identification of payments that may be subject to further verification and clearance of accounts procedures and a better follow-up of the Member States' recovery efforts;

Performance evaluator

199. Invites the Commission to appoint a 'performance evaluator' with responsibility for the preparation of the evaluation report required in accordance with Article 318 of the Treaty on the Functioning of the European Union to be endorsed by the College of Commissioners in order to establish a clear 'ownership' of this report;
200. Believes that the evaluation report shall be drawn up so that the relation between the key performance indicators, their legal/political basis, the amount of expenditure and the results achieved is clear and transparent, that the methodology to be used for the production of this report should be audited by the IAS which should also assess the work done, and that the key performance indicators used by all departments in the Commission shall be publicly available;
201. Is of the opinion that the evaluation report should be presented in Plenary during a debate at which the Court of Auditors will also be invited to present its opinion on the evaluation report;

Introduction of a new spending logic

202. Invites the Commission to introduce a new spending logic aimed at improving the quality of spending and ensuring that funds provided by Union taxpayers are spent both correctly and wisely, and including the following principles:
- establishing the Union budget on the basis of an examination of the proposed policies, the 'delivery' costs for the bodies involved and the beneficiaries and the objectives which could be achieved with the available funds,
 - ensuring that schemes and programmes are realistic and as simple as possible,
 - ensuring full and agreed accountability for spending,

and proposes that the Commission, in cooperation with the Court of Auditors, study a procedure with a view to obtaining an overall statement of assurance for each Financial Perspective and, pending a legal basis to make such a procedure mandatory, that it apply it voluntarily;

Observations from opinion giving committees

Committee on Development

203. Is concerned that the Court of Auditors found the supervisory and control systems for external aid and development to be merely partially effective in ensuring the regularity of payments and that payments were affected by material error; is concerned that errors in some final payments found by the Court of Auditors were not detected by the Commission and that the Commission does not monitor the extent to which the Humanitarian Procurement Centres are used by partners; welcomes the fact that the number of transactions affected by error (13 %) was less than half the number in previous years, however, underlines that efforts need to be made towards a further reduction of this percentage;
204. Notes that 'weaknesses identified during regular audits of the partners' systems are not always addressed ... in a timely manner' ⁽¹⁾ by ECHO; accordingly, urges ECHO to bolster its monitoring and follow-up capacity;

⁽¹⁾ Court of Auditors' annual report on the implementation of the 2009 budget, p. 144, paragraph 6.42.

205. Calls on the Commission to integrate environmental aspects more comprehensively into development projects, including budget support programmes, and to evaluate environmental mainstreaming in development cooperation; regrets that these shortcomings may be due to staff shortages and looks forward to progress with the advent of the European External Action Service;
206. Calls once again for greater involvement of parliaments and consultation of local civil society in partner countries when drawing up and reviewing Development Cooperation Instrument (DCI) Country Strategy Papers;
207. Urges the Commission to help partner countries develop parliamentary control and audit capacities and to increase transparency and public access to information, in particular when aid is provided via budget support, in line with the provisions of Article 25(1), point (b), of the DCI Regulation ⁽¹⁾, and invites the Commission to report regularly on progress achieved;
208. Calls once again on the Commission to demonstrate that it has spent at least 20 % of development aid on basic and secondary education and basic health, including safe access to water and sanitation; further suggests that impact assessments accounting for this spending should be thoroughly carried out in order to maximise the effectiveness of the programmes undertaken;
209. Invites the Commission to place greater emphasis on women's health in developing countries in general, and improving maternal health in particular, as this is the area where the Millennium Development Goals targets are furthest from being met;
210. Highlights that development aid mechanisms should be also aimed at promoting wealth creation and supporting small and medium-sized enterprises, since wealth creation remains a crucial tool in alleviating poverty; recalls that an estimated EUR 800 000 000 000 is lost annually from developing countries through illicit capital flows, prevention of which could prove decisive in alleviating poverty and achieving the Millennium Development Goals;
211. Appreciates that United Nations' organisations often possess specific experience and expertise not readily found elsewhere; expresses concern, none the less, 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 ⁽²⁾; calls on the Commission to implement a more transparent and objective process for selecting aid implementation channels;
212. Urges the Commission to ensure better visibility for Union-funded activities overseas;

Committee on Employment and Social Affairs

213. Notes that the utilisation rate for 2009 payment appropriations under the financial framework 2000-06 for the European Social Fund (ESF) was 97,1 % (EUR 1 540 000 000); notes that interim payments and pre-financing under the financial framework 2007-13 totalled EUR 11 300 000 000; acknowledges the Commission's efforts to improve financial management; deplores the fact that, despite the financial crisis, the Member States are not using ESF resources;
214. Notes that the error rate has fallen over the last 3 years, from 54 % in 2007 to 36 % in 2009, acknowledges the Commission's efforts to reduce the error rate; calls for greater efforts to reduce, in particular, instances of the reimbursement of ineligible costs;
215. Calls on the Commission to contribute to improved financial management by continuing the action programme to speed up decision-making procedures in respect of financial corrections;

⁽¹⁾ 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).

⁽²⁾ Court of Auditors' Special Report No 15/2009 on 'EU assistance implemented through United Nations organisations: decision-making and monitoring'.

216. Welcomes the fact that the implementation of the ESF programme in 2009 focused on the European Employment Strategy, particularly on measures aimed at improving employability in the labour market (30,6 % ⁽¹⁾) and on activities to develop educational and vocational training (22,8 % ⁽¹⁾), social inclusion (20,8 % ⁽¹⁾) and equal opportunities (6,5 % ⁽¹⁾);
217. Welcomes the Commission's efforts to hold all the Member States fully to account through annual audit control reports and summary annual reports;

Committee on Internal Market and Consumer Protection

218. Underlines the importance of budget lines 17 02 02 (activities in favour of consumers) and 17 01 04 03 (related to administrative management) for effective implementation of each annual work programme under the Consumer Programme 2007-13 and invites the Commission to increase the publicity given to available grants (especially as concerns the joint actions in the framework of the Consumer Protection Cooperation Regulation (Regulation (EC) No 2006/2004 of the European Parliament and of the Council ⁽²⁾), where no applications were received); is pleased with the fruitful use of the additional resources (EUR 2 000 000) provided in 2009 for the pilot project concerning monitoring measures in the field of consumer policy;
219. Welcomes the subsequent editions of the Consumer Markets Scoreboard (CMS) as an important tool for improved monitoring and innovative ranking of markets; considers that the empirical base that has been created should be the basis for new policy insights at the Union and national level and asks the Commission to use the results of the CMS in its policy-making in all relevant areas;
220. Notes with great interest the transformation of Public Health Executive Agency into the Executive Agency for Health and Consumers (EAHC) and its first year of operation under an extended mandate; congratulates the EAHC on reaching the targets set for the management of grants and contracts under the Consumer Programme (Decision No 1926/2006/EC of the European Parliament and of the Council ⁽³⁾); finds it problematic, none the less, that 3 % of the payments were made after the payment deadline;
221. Welcomes the improvements made to reach an execution rate of 92 % for payment credits for the implementation and development of the Internal market (budget line 12 02 01); notes that the execution rate for the SOLVIT programme (budget line 12 02 02) is expected to be close to 92 % taking payments made during 2008, 2009 and 2010 together into account; reiterates the need to maintain a separate budget line for SOLVIT;
222. Underlines the importance of small and medium-sized enterprises (SMEs) and urges the Commission to analyse the effectiveness of current financing programmes for SMEs and facilitate their participation in Union research programmes through the introduction of innovative financial instruments in the Union budget;
223. Notes the Court of Auditors' considerations on goods unlawfully introduced into Union territory (in point 2.22 of its Annual Report) and the Commission's response, indicating the clarification provided by the Modernised Customs Code; asks the Commission to report back as soon as possible on the follow-up given to the relevant judgments of the Court of Justice;
224. Encourages the Member States to use appropriate risk analysis methods in order to focus customs controls on high risk traders or consignments; moreover, invites the Member States to supplement risk-based checks with a number of randomly selected checks; asks the Commission to pay particular attention when drafting the implementing provisions of the Modernised Customs Code to the performance of physical checks on goods, both for fiscal and safety/security purposes; and asks for improvement of pre/post audit controls in respect of simplified procedures and centralised clearance;

⁽¹⁾ Of certified expenditure.

⁽²⁾ OJ L 364, 9.12.2004, p. 1.

⁽³⁾ OJ L 404, 30.12.2006, p. 39.

Committee on Transport and Tourism

225. Notes that in the 2009 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 2 427 000 000 was included in commitment appropriations and EUR 2 103 000 000 was available in payment appropriations; notes further that of these amounts:
- EUR 934 582 000 in commitment appropriations and EUR 830 594 000 in payment appropriations was available for Trans-European Networks for Transport (TEN-T),
 - EUR 17 600 000 in commitment appropriations and EUR 14 500 000 in payment appropriations was available for transport safety,
 - EUR 64 971 000 in commitment appropriations and EUR 29 054 000 in payment appropriations was available for the Marco Polo Programme,
 - EUR 146 902 000 in commitment appropriations and EUR 109 257 000 in payment appropriations was available for the transport agencies and the European GNSS Supervisory Authority,
 - EUR 427 424 000 in commitment appropriations and EUR 388 859 000 in payment appropriations was available for transport, including a priority area dedicated to sustainable urban mobility, in the Seventh Framework Programme for research and technological development,
 - EUR 2 750 000 in commitment appropriations was available for transport security,
 - EUR 3 800 000 in commitment appropriations and EUR 3 600 000 in payment appropriations was available for tourism;
226. Regrets that, in considering the implementation of the budget for the 2009 financial year, the Court of Auditors has again chosen to focus on energy and research policies rather than on transport policy;
227. Welcomes the continuing high utilisation rates of both commitment and payment appropriations for TEN-T projects, both reaching almost 100 %; calls on the Member States to ensure that adequate funding is made available from national budgets to match this Union commitment; recalls that Parliament supported a higher level of Union funding; welcomes the mid-term review of the 2007-13 TEN-T Multi-Annual Programme Project Portfolio published on 27 October 2010, which aims at optimising the use of TEN-T funds and underlines the importance of reliable financial planning of projects;
228. Is concerned that there has, once again, been a low uptake (73 %) of payment appropriations for the safety and optimisation of transport systems and for passengers' rights; regrets that the 100 % take-up rate of payment appropriations for the Marco Polo II Programme was achieved only because half the appropriations originally allocated to it were reallocated in the course of the year 2009;
229. Welcomes the substantial increase in the take-up rate of payment appropriations for the Galileo Programme compared to 2008 and stresses the considerable importance of that programme for the logistics and sustainable transport sectors;
230. Notes the fact 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 further reduce this figure;
231. 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; welcomes the fact that the Agency succeeded in filling the posts that were still vacant at the end of 2008;
232. Stresses that there is an urgent need for regional and transport policies to be transparent through the provision of proper information to taxpayers and budget authorities, and to be more closely coordinated, particularly as regards TEN-T funding, as at present only cursory consideration is given to the potential European added value of projects and consequently funds are not used as effectively as possible to eliminate bottlenecks and problems in connection with border crossings or inadequate connections;

233. Insists that the procedures for selecting and approving transport projects under the Cohesion Policy should be more soundly based;
234. Welcomes the Court of Auditors' Special Report No 8/2010 on EU rail infrastructure investments and, above all, its finding that the current TEN-T coordinators played an important role, in particular by facilitating contacts between the stakeholders concerned; supports the recommendation that the Commission should consider appointing further coordinators for the other priority projects;
235. Notes the observation by the Court of Auditors that priority projects were not selected on the basis of actual and anticipated traffic flows and that greater use could be made of cost/benefit analysis; points out, however, that priority projects also satisfy Union economic, social and territorial cohesion objectives and the desire to combat climate change through support for more environment-friendly means of transport;

Committee on Civil liberties, Justice and Home affairs

236. Welcomes the fact that significant progress has been achieved in the level of implementation of commitments in the budget for the Area of Freedom, Security and Justice (97,7 % in comparison with 87,5 % in 2008), as well as in the level of implementation of payments (89,6 % in comparison with 80,9 % in 2008);
237. Deplores the fact that the level of cancellations of payments was so high (8,5 %) mainly due to cancellations of payments in the budget for the Agencies and for large scale IT systems (SIS II and VIS);
238. Welcomes the high implementation rates of the four 'Solidarity and Management of Migration Flows' funds; notes that the high implementation levels also reflect the utility of those funds and calls for that to be taken into consideration for future budgetary planning and in the discussions of the next Multiannual Financial Framework, in the light of the mid-term evaluation reports prepared by the Commission;
239. Regrets that the level of implementation of payments was lower regarding the 'Fundamental rights and justice' and 'Security and safeguarding liberties' programmes; takes note of the justifications given by the Commission, namely that the results of the calls for proposals were not satisfactory and that the economic crisis made it more difficult for applicants to secure co-financing;
240. Deplores the fact that the Court of Auditors pointed out that some agencies have omitted to submit declarations concerning their consolidated accounts or have submitted modified declarations and that the information they are required to provide has been outstanding for several years;
241. Calls on the Commission to publish the mid-term evaluation reports on the different funds and programmes as soon as possible;

Committee on Culture and Education

242. Calls on the Commission to continue its efforts to constantly reduce the error rate for closures and to closely evaluate the previous generation of programmes; notes that the error rate in the management of the new generation of programmes shows a downward trend compared to the previous generation, reflecting the usefulness of technical changes inserted into the rules of the current programmes;
243. Notes that, in the 'Education and Culture' policy area, the bulk of all transactions are implemented through national agencies; welcomes in this regard the efforts made by the Commission to assist national agencies in improving their accounting systems, and asks the Commission to take the necessary steps in the event of non-compliance with Union auditing requirements;
244. Expresses its satisfaction with the extension of the use of IT tools, as this cuts red tape and can help considerably to facilitate procedures for applicants and reduce the time needed for the processing of applications;
245. Urges the Commission, the Education, Audiovisual and Culture Executive Agency and national agencies to continue their work on flexible procedures and further reducing payment delays, since beneficiaries are entitled to expect that time schedules indicated in programme guides or other official communications are respected;

Committee on Environment, Public Health and Food Safety

246. Considers the overall implementation rates of the budgetary headings for environment, public health and food safety satisfactory;
247. Underlines the overall rate of 97,12 % of the budget execution in the field of environment, which represents a better result compared to 95,15 % in the previous year in commitment appropriations; notes, further, that the implementation of payments was at the high level of 99,92 %;
248. Welcomes the generally remarkable level of execution of commitment credits and payment credits in the field of Public Health, which, for commitment appropriations on all budget lines, is close to 100 %;
249. Notes that the high level of execution in the field of Food Safety, Animal health and welfare and plant health remains stable at 98 % in commitments compared to the previous year; is aware of the slightly decreased payment implementation (82 %); calls on the Member States to strengthen their efforts to submit more accurate estimates to the Commission regarding eradication measures;
250. Welcomes the achievement of 99,35 % of the implementation of the LIFE + operational budget, especially as the budget authority had increased the commitment appropriations by EUR 29 000 000 compared to the Commission's initial proposal; notes that, under the third call for the LIFE + programme, 210 projects were selected covering actions in the fields of Nature & Biodiversity (84), Environment Policy & Governance (115), and Information & Communication (11);
251. Underlines the fact that the contribution to international environmental activities, are intended to cover obligatory and voluntary contributions to international conventions, protocols and agreements and to reach the overall implementation rate of 84,46 % compared to 76,12 % in 2008; knows that the implementation rate is also subject to exchange rate variations as most contributions are paid in US dollars;
252. Notes that the Civil Prevention Financial Instrument which covers disaster response, preparedness actions and measures to prevent or reduce the effects of an emergency achieved an implementation rate of 72,56 % corresponding to EUR 15 411 000; consequently remarks that the implementation rate in payment appropriations is 44,52 %, as calls for tender were only published in the first semester of 2009 and thus projects have not yet been completed;
253. Remarks that, with regard to emergency funds and funds related to the occurrence of disasters, the final cost claims submitted for payments by the Member States are often much lower than the initial estimation; calls on the Member States to strengthen their efforts to submit more accurate estimates to the Commission and urges the Commission to develop further assistance to the Member States in the estimation process;
254. Notes that, under the 2009 budget, three pilot projects and two preparatory actions were implemented in the area of environment and four in the area of public health; takes note of the poor quality of proposals submitted to the pilot project 'Sulphur dioxide emission trading in the Baltic Sea' where, as a consequence, no contract was signed; is aware that the preparatory action on control posts in relation to transport of animals was cancelled owing to the poor quality of proposals, which did not meet the minimum evaluation criteria;
255. Underlines the importance of better focus in calls for tenders and the provision of further assistance to applicants, especially in public health programmes, in order to avoid the submission of project applications which are clearly not eligible for funding or of poor quality; is none the less aware that some projects will always meet with difficulties in implementation;
256. Points out that compliance with administrative and financial provisions of the Financial Regulation should not lead to unnecessary delays in awarding grants or selecting projects to be financed; calls on the Commission to continue its efforts to improve administrative procedures which have an impact on the implementation of commitment and payment appropriations;

257. Notes that at the end of 2009, the Executive Agency for Health and Consumers, an administrative entity of the Commission, was managing a portfolio of 361 cost-shared public health programme projects of which 287 were signed agreements, representing a total of Union contribution of EUR 156 000 000; underlines that the administrative budget necessary to implement Union programmes amounted to EUR 6 400 000 for the Executive Agency for the Public Health Programme (PHEA) in total; takes note of the new structured reporting methods to allow better monitoring of the budget execution to avoid carry-overs and to apply strictly the annuality principle of the budget;
258. Observes that communication between the agencies and the Institutions, and also between the agencies and the Union public, leaves a certain amount to be desired; encourages all parties concerned at the agencies and in the Institutions to improve mutual communication and work harder at public relations;
259. Urges the Commission Health and Consumers DG and Environment DG to annually report to Parliament's respective committees within the discharge procedure on the efficiency and effectiveness of the projects and programmes implemented;

Committee on Foreign Affairs

260. Notes that, in the Court of Auditors report on the implementation of the budget for the 2009 financial year, the Court states 'that the payments for the year ended 31 December 2009 for External aid, Development and Enlargement were affected by material error' ⁽¹⁾; is concerned about the fact that the errors are related to eligibility and irregularities in procurement procedures, which are the areas most vulnerable to mismanagement and fraud ⁽²⁾;
261. Welcomes, with regard to the regularity of transactions relating to external relations expenditure, the increased frequency of transactions adjudged by the Court of Auditors to be completely regular as compared with the figures for 2008 and 2007;
262. Also welcomes the introduction, in 2009, of new procedures and checklists that have made it possible to improve *ex ante* control procedures in RELEX;
263. Stresses, with regard to the implementation of the European Security and Defence Policy (ESDP), that Parliament should be swiftly informed of the objectives and mission choices established so that it can better formulate its recommendations to the Council and the High Representative of the Union for Foreign Affairs and Security Policy;
264. Welcomes the fact that the Commission has spent EUR 396 000 000 between 2007 and 2010 to support candidate countries for accession in their efforts to improve their judicial systems and fight corruption, along with the progress made in this regard; nevertheless cautions against being too optimistic, and asks the Commission to provide evidence that this money has been used effectively and to state whether improved control mechanisms have actually led to harsher sanctions against corrupt actors, including in high-profile cases, whether laws are implemented fully and whether reforms are sustained;
265. Takes note of the increasing use of joint management in the context of the Food Facility and invites ECHO to report on its experience with the implementation of the Food Facility in its Annual Activity Report for 2010;

Committee on Regional Development

266. Notes that cohesion funds are subject to particularly complex rules and are implemented differently from other Union spending areas, which makes them more vulnerable to errors; draws attention to the fact that the error rate in cohesion spending remains the highest of all Union payments (greater than 5 % in 2009); highlights, none the less, the major decrease in the error rate in comparison to 2008, and therefore calls for greater simplification and more technical support to enable the Member States and regions to ensure more effective implementation; points out that regional authorities must be given the technical knowledge and skills by the Commission or by the Member States that will enable them to improve the efficiency and effectiveness of the resources made available to them;

⁽¹⁾ OJ C 303, 9.11.2010, p. 146.

⁽²⁾ OJ C 303, 9.11.2010, p. 140.

267. Notes that infringement of public procurement rules remains one of the most frequent reasons for irregularities, which is partly due to its complexity; recommends the simplification and reduction of public procurement rules in order to reduce the overall incidence of errors;
268. Is concerned that Regional Policy DG states in its declaration of assurance of the Annual Activity Report 2009 that for 38 out of the 79 programmes concerned, Regional Policy DG does not have reasonable assurance on the legality and regularity of the underlying transactions in relation to reimbursements in 2009 of expenditure declared; asks for further details on missing information with regard to reimbursements in 2009; notes that the Member States have an obligation to provide sufficient information in their Annual Activity Reports and asks the Commission to propose a penalty system in case information provided does not allow the Commission to establish legality and regularity;
269. Welcomes the Court of Auditors' Opinion No 1/2010 on 'Improving the financial management of the European Union budget: Risks and challenges' and draws attention to the partial effectiveness of supervisory and control systems in a number of high-risk areas with regard to the European Economic Recovery Plan, in particular cohesion and rural development;
270. In the context of the revision of the Financial Regulation, stresses the need to clarify rules and management schemes under shared management, and in respect of cohesion policy that this clarification shall be to the maximum extent possible in order to avoid contradictions to the Financial Regulation; notes that governance problems between the Financial Regulation and the cohesion regulations can be avoided by better alignment of eligibility rules across various policies; takes the view, none the less, that simplification, in particular in connection with the revision of the Financial Regulation, needs to ensure stable rules and management schemes in the long term;
271. Calls on the Commission and the Member States to consider the advisability of developing the 'contract of confidence' principle so as to be able to scale down checks on systems that have proved their worth in combating errors and fraud;
272. Notes that control and auditing systems for INTERREG programmes are partly lacking a uniform approach that is recognised by the auditing bodies of all participating Member States; calls for mutual recognition of a common set of rules and standards among Member States' authorities involved in auditing and controlling for cross-border programmes;
273. Refers, for other observations accompanying its Decision on discharge, which are of a specific nature, to its Resolution of 10 May 2011 on the Court of Auditors' special reports in the context of the 2009 Commission discharge ⁽¹⁾.
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⁽¹⁾ Texts adopted, P7_TA(2011)0195 (see page 63 of this Official Journal).

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the Court of Auditors' special reports in the context of the 2009 Commission discharge**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2009 ⁽¹⁾,
 - having regard to the annual accounts of the European Union for the financial year 2009 (SEC(2010) 963– C7-0211/2010) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, together with the institutions' replies ⁽³⁾, 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 287 of the Treaty on the Functioning of the European Union ⁽⁴⁾,
 - having regard to its Decision of 10 May 2011 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2009, Section III – Commission ⁽⁵⁾ and to its resolution with observations that forms an integral part of that Decision,
 - having regard to the special reports of the Court of Auditors drawn up pursuant to Article 287(4), second subparagraph of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 15 February 2011 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2009 (05891/2011 – C7-0053/2011),
 - having regard to Article 17(1) of the Treaty on European Union, 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 ⁽⁶⁾, 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 (A7-0135/2011),
- A. whereas, pursuant to Article 17(1) of the Treaty on European Union, the Commission shall execute the budget and manage programmes and shall do so, pursuant to Article 317 of the Treaty on the Functioning of the European Union, in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
- B. whereas the special reports of the Court of Auditors provide information on issues of concern related to the implementation of funds, which are thus useful for Parliament in exercising its role of discharge authority,
- C. whereas its remarks on the special reports of the Court of Auditors form an integral part of Parliament's Decision of 10 May 2011 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2009, Section III – Commission,

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 303, 9.11.2010, p. 1.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.⁽⁵⁾ Texts adopted, P7_TA(2011)0194 (see page 31 of this Official Journal).⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.

GENERAL REMARKS

1. Welcomes the fact that the Court of Auditors has managed to produce, every year, more and better special reports; regrets the fact that, unfortunately, they do not always get the political attention they deserve because of the rules applicable in Parliament;
2. Points out that those special reports are of great importance when reflecting on and changing and/or adapting programmes and projects because they can result in a more efficient use of human and budgetary resources; appreciates the positive attitude of the Commission to those processes and its willingness to take prompt action to remedy most of the shortcomings noted by the Court of Auditors in those reports;
3. Calls once more on its competent bodies to adapt the rules in such a way that the competent committee can decide — based on the gravity of the findings of the Court of Auditors — whether there is a need to draw up an initiative report for plenary outside the quota set for own initiative reports;

SPECIFIC REMARKS**Part I: Special Report No 15/2009 of the Court of Auditors entitled ‘EU assistance implemented through United Nations organisations: decision-making and monitoring’**

4. Notes that Union development funds channelled through UN bodies doubled to over EUR 1 billion between 2002 and 2008;
5. Appreciates that working through UN bodies can generate economies of scale, as well as more effective aid as a result of better donor coordination, yet points out that this is not necessarily always the case, as civil society organisations often bring valuable local field knowledge and their involvement can lead to greater ownership by developing-country partners;
6. Is concerned by the Court of Auditors’ finding that there are difficulties translating the strict legal requirements for the objective and transparent selection of partners into practical criteria for the purpose of supporting decision-making;
7. Calls, accordingly, on the Commission to draw up clear selection criteria and processes which guarantee the choice of the most efficient and effective aid delivery mechanisms in every case;
8. Calls on the Commission to monitor more thoroughly UN-implemented aid projects to ascertain their actual impact and cost-effectiveness;
9. Takes the view that the Commission’s proposal on multi-donor trust funds should combine the Commission’s capacities to create, manage and coordinate such funds with sufficient democratic and budgetary scrutiny;
10. Believes that cooperation with the UN system should depend on satisfactory progress as regards the UN reform process, the status of the Commission in the UN system and the development of procedures and practices as regards prosecution of criminal acts committed by staff in international organisations; further believes that a system for fact-finding and recovery of unduly spent Union money needs to be established;
11. Sees the need to complete the existing control framework by giving the Commission’s competent authorising officers by delegation, the Commission’s Internal Audit Service and the Court of Auditors, access to UN internal audit reports;
12. Believes that Parliament should be provided with assurance evidence in the form of a statement of assurance from the international organisation similar to the statement that Commission’s competent authorising officers by delegation are required to issue and similar to the national management declarations which Parliament requests from the Member States;

13. Takes the view that the creation of the European External Action Service and its complicated structure, which permits its officials to administer the Commission's funds in external actions, makes management and control problems even more pressing; believes, accordingly, that it is essential for the Union to attain an equal footing with the Member States in the UN in order to achieve visible progress in the control of and, as the case may be, to follow-up recoveries or other liabilities;
14. Urges the Commission to increase the amount of information on the implementation of the EDF at national and regional level in the ACP countries and to ensure better visibility for all Union-funded activities overseas;

Part II: Special Report No 17/2009 of the Court of Auditors entitled 'Vocational training actions for women co-financed by the European Social Fund'

15. Reminds the Court of Auditors and the Commission that, pursuant to 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 in all its activities; therefore, gender aspects must be taken into consideration at all steps of the budgetary procedure including the preparation, implementation and auditing of the budget of the European Union;
16. Reminds the Court of Auditors and the Commission of the findings and the recommendations of the feasibility study on gender budgeting;
17. Welcomes the report based on evaluations carried out at Commission level and in five Member States (Germany, Spain, France, Italy and the United Kingdom), accounting in total for 76 % of expenditure, dealing with vocational training actions for women co-financed by the European Social Fund during the 2000-06 programming period; notes, however, that the report revealed a number of weaknesses in the establishment of measures and selection of projects audited by the Court of Auditors; and notes shortcomings with regard to the performance monitoring of the programmes;
18. Notes that the training actions contained within the programmes that were audited were not established as a direct response to the analyses of labour market requirements and the measures established tended to leave a broad choice on how actions were to be implemented, failing to focus sufficiently on specific target groups; regrets that the Court of Auditors did not take into account the wider issues surrounding getting women back into work, or improving their skills;
19. Understands that future operational programmes need to take into account an analysis of the labour market so that training activities can respond to the findings of this analysis; however, remains of the opinion that training for women needs to enhance their skills, whilst taking into account the specific needs of women, such as child-care and flexible working arrangements; furthermore, supports the view that an effective project selection procedure be put in place to approve projects which tackle inequality and respond to problems highlighted in the analysis;
20. Notes that, in using current indicators, project selection criteria in the Member States audited did not take sufficient account of analyses of the labour market nor ensure that the projects that were selected were in line with overall programme objectives; recommends that, in future, indicators be more focussed on gender equality, that clear targets be established and that reliability of information be improved to ensure that evaluations can be carried out effectively by the implementing authorities, the Member States and the Commission;
21. Asks the Commission to continue to verify the establishment by the Member States of appropriate and feasible indicators in order to ensure that reliable data is collected, thereby allowing meaningful conclusions to be drawn on the efficiency and effectiveness of co-financed actions; asks to be regularly informed of progress achieved, ensuring that the obligations on project sponsors do not become too burdensome;

22. Calls on the Court of Auditors to take account of the Commission's note in the Annual Report on the implementation of the budget, regarding budget headings 4 and 13, stating that they are wider in scope and include, *inter alia*, gender equality policy;
23. In view of the continuing gender pay gap in Europe, calls on the Commission to continue to promote vocational training actions specifically for women, in order for them to gain or improve the skills needed to remedy this distortion;
24. Regrets the Court of Auditors' observations in the Annual Report concerning undue payments in the implementation of the Daphne II project; urges the Commission to follow up the situation and ensure proper implementation of the Daphne programme in the future;
25. Reiterates its demand to the Commission and the Court of Auditors that the information on gender mainstreaming policies and gender-specific data be included in the budget discharge report;

Part III: Special Report No 1/2010 of the Court of Auditors entitled 'Are simplified customs procedures for imports effectively controlled?'

26. Welcomes the publication of the report by the Court of Auditors and the thorough analysis carried out by the Court;
27. Appreciates the key role of simplified customs import procedures for economic operators with regard to trade facilitation, but regrets that such procedures have led to unjustified levels of losses to the Union budget and breaches in Union trade policy;
28. Welcomes the improved regulatory framework for simplified procedures for imports, introduced from the beginning of 2009 and expects the Commission to complete its guidelines for *ex post* audits without any further delay and at the latest by the end of 2011;
29. Invites the Member States to implement this framework rapidly and calls on the Commission to monitor progress thoroughly;
30. Finds the lack of effective controls, which the report revealed, for simplified procedures in respect of imports in the Member States to be unacceptable, and calls on the Commission to further investigate the effectiveness of controls for simplified procedures in the Member States, and in particular to investigate progress in the conduct by the Member States of *ex post* audits (for example, the frequency, methodology, use of risk analysis and organisation thereof), and to present the results of such an investigation to Parliament by the end of 2011 in respect of at least half of the Member States and by the end of 2012 in respect of the remainder of the Member States;
31. Is of the opinion that the Member States should put more effort into ensuring the effective collection of customs duties, particularly given that they retain 25 % of those duties by way of compensation for the costs of collecting them;
32. Requests the Court of Auditors to consider a follow-up to this special report after the introduction of the guidelines for *ex post* audits and calls on the Commission to provide Parliament with estimates of losses in Traditional Own Resources as a result of the current ineffective controls for simplified procedures in the Member States;
33. Calls on the Commission to analyse the Dutch idea for pre-authorisation audits, which, although not generally followed in the Netherlands, were found by the Court of Auditors to fully correspond to the Court's control model, and to recommend the use of that model in other Member States and to inform Parliament on progress made by September 2011;
34. Urges the Commission to investigate in more detail the issue of abuse of 'super-simplifications' (notification waivers) and to provide Parliament with detailed figures on the frequency of super-simplifications per Member State by the end of the discharge procedure for 2009; calls on the Commission to define in more detail the special circumstances under which traders may benefit from the notification waivers;

35. Calls on the Commission to examine by February 2011 the cases of Belgium, France, Ireland, Sweden and United Kingdom, where traders were unable to provide the requested customs documentation in the framework of *ex post* audits, and to inform Parliament of actions taken by those Member States in order to remedy the situation before the end of the discharge procedure for 2009;
36. Regrets the lack of a coherent Union policy of sanctions to be imposed by Member States on traders who act in breach of the rules on the simplified procedures introduced for them to facilitate economic operations; calls on the Commission to inform Parliament as to the steps taken to remedy this situation;
37. Calls on the Member States to make economic operators aware of their responsibilities when using the simplified procedures, which may include compulsory training;

Part IV: Special Report No 2/2010 of the Court of Auditors entitled 'The effectiveness of the Design Studies and Construction of New Infrastructures support schemes under the Sixth Framework Programme for Research'

38. Notes the increasing competition that the Union faces from traditional competitors and emerging countries in the field of research, development and innovation; notes, accordingly, that research and specifically new research infrastructure, is essential for the Union to achieve the objectives set out in the 'EU 2020' strategy: a smart, sustainable and inclusive growth;
39. Emphasises that the Commission should carefully consider all elements in order to get the best value for money; notes, however, that there is no explicit evidence provided by this special report or in the reply of the Commission which could lead to the conclusion that the Commission did indeed get the best value for money;
40. Emphasises the importance of the conclusion of the Commission analysis carried out in 2000 that there is a lack of critical mass in technological development related to infrastructures; notes that neither from this special report nor from the reply of the Commission can it be concluded that the characteristics and the number of projects financed (28 in total) have achieved this critical mass; calls, accordingly, on the Commission to further clarify in this particular case the objective of reaching a critical mass and the way it was promoted;
41. Notes that, as concerns design studies, it is not apparent that the Court of Auditors, when interviewing the beneficiaries, the representatives of research organisations, the representatives of the research community and the representatives of the Member States and Associated States, took into consideration the fact that these parties are by nature positively pre-disposed to the implemented studies; in addition, encourages the Court of Auditors to use complementary evidence in order to better examine the effectiveness of the projects in question;
42. Notes that according to the reply of the Commission, the 'EU funding under the CNI scheme was not meant to trigger any decision to build new infrastructure but rather to enhance the European dimension'; notes, however, that there is an insufficient definition of the terms 'European dimension' and 'European added value' ⁽¹⁾ and specifically how these are measured and in which way the funds spent for these projects correspond to the terms 'European dimension' and 'European added value'; calls, accordingly, on the Commission to clarify these terms further, in a specific and measurable manner;

⁽¹⁾ Special Report No 2/2010, reply of the Commission on points 25-26: 'The objective of the CNI scheme was to optimise European infrastructures by providing limited support for the development of a restricted number of projects for new infrastructures in duly justified cases where such support could have a critical catalysing effect in terms of European added value'.

43. Agrees with the Court of Auditors and the Commission that the benefits of using complementary funding sources should be made clear to potential applicants and further promoted by the Commission and the Member States' authorities, even if significant progress has been made under FP7;
44. Notes that using complementary funding sources is a crucial factor in the establishment of new research infrastructures in the years to come;
45. Notes that there is a need for practical steps to be taken by the Commission to adequately administer the complementarity aspect, by carrying out, inter alia, checks for double financing or ineligible co-financing;
46. Recalls that the Commission published, in 2008, a Practical Guide to EU funding opportunities for Research and Innovation and invited the Member States to improve the arrangements for a coordinated use of funding;
47. Requests the Court of Auditors to conduct, from the accounts and budgetary perspective, an evaluation of Union-funded security research and development, including FP6, PASR and FP7, following the recommendation of the study of Parliament's Policy Department C) 'Review of security measures in the research framework programme' of October 2010;

Part V: Special Report No 3/2010 of the Court of Auditors entitled 'Impact Assessments in the EU institutions: do they support decision-making?'

48. Welcomes the report of the Court of Auditors, and endorses the Court of Auditor's observations and conclusions;
49. Welcomes the good start and commends the on-going improvements of the Commission's Impact Assessment (IA) system, in particular, the constant updating of the Commission's IA guidelines and strengthening of the role of the Impact Assessment Board (IAB);
50. Notes with satisfaction that, according to the Court of Auditors' findings, the IA procedures have become an integral part of the policy development process and have contributed towards improving the Commission's legislative proposals;
51. Encourages the Commission to establish measures aimed at enhancing the transparency of the IA planning process; believes that the Commission should not only explain the reasons why an IA is needed, but also make public the reasons behind any decisions not to carry out an IA (in particular in cases when its IAB has identified the need to carry out an IA);
52. Is of the opinion, as stated in the second interim report on legislative activities and interinstitutional relations by the Working Party on Parliamentary Reform of 21 May 2008, that the IAs should cover all legislative initiatives, including simplification and comitology measures; invites all the parties involved to redefine the scope of the IAs during the next interinstitutional talks, in particular taking into account the recent changes introduced by the Treaty of Lisbon;
53. Urges the Commission to involve stakeholders, not only in the preparatory work of the IAs, but also to consult the interested parties on draft IA reports, and, following the approach taken by some OECD countries, to make draft IAs public;
54. Encourages the Commission to improve the planning of the IA process in order to provide sufficient time for IAB scrutiny;
55. Is of the opinion that presenting and discussing the IAs should be an integral part of Parliament's legislative work and encourages its committees to invite the Commission's representatives to participate in this more often;
56. Draws the Commission's attention to the critical comments on the lengthy and technical nature of the IAs, as well as on the complexity of language used; believes that improvement in those areas would enhance the usefulness of the IAs for legislators, stakeholders and the public;

57. Notes, however, that the independence of IAs as they are currently carried out is questionable due to the fact that the members of the Commission's Impact Assessment Board (IAB), which is responsible for the Commission's IAs, are appointed by, and subject to the instructions of, the Commission President;
58. Further notes that the same problem occurs as regards the Commission's *ex post* evaluations which are of only limited value as support to Parliament in its supervision of the Commission's implementation of the budget;
59. Stresses that IAs should not take place only before the adoption of a legislative text (*ex ante*) but should also be carried out after its adoption (*ex post*); points out that this is necessary in order to evaluate more accurately whether the objectives of a law have actually been achieved and whether a legal act should be amended or retained;
60. Is convinced that IAs and evaluations carried out on behalf of Parliament would enhance the general public's insight into and knowledge of the value of the policies of the Union, and play a role in creating public participation and debate;
61. Underlines that the Commission's right of initiative limits Parliament's role and believes strongly that independent, free and unrestricted IAs and evaluations would give Members of the European Parliament a bigger say on future developments of European policies;

Part VI: Special Report No 4/2010 of the Court of Auditors entitled 'Is the design and management of the mobility scheme of the Leonardo da Vinci Programme likely to lead to effective results?'

62. Welcomes the report of the Court of Auditors and the sound assessment of the design and management of the mobility scheme of the Leonardo da Vinci programme contained therein;
63. Notes with satisfaction the Court of Auditors' overall conclusion that the design and management of the mobility scheme of the Leonardo da Vinci programme could lead to effective results;
64. In spite of being fully aware of the complexity of the task of developing suitable indicators for the many objectives set for the programme, and recognising the recent progress in that respect, is concerned by the Court of Auditors' finding of a lack of a comprehensive system for the measurement of the impact of the programme, and of the Commission's inability to assess how the objectives are being met 3 years into the programme, which period represents approximately half of its life span;
65. Calls on the Commission to inform Parliament of the progress in establishing a new user-friendly and effective partner-search tool which would address applicants' difficulties in finding host partners in other countries;
66. Calls on the Commission to ensure correct assessment of applications by further developing the assessment handbook for evaluators and by integrating, into its quality and impact monitoring visits to participating countries assessment checks of applications, should the analysis of the added value of such checks prove positive;
67. Calls on the Commission to establish a comprehensive system for the measurement of the impact of the programme and to improve the system for reporting on the results and effects of the programme and, in particular, to finalise the LLPLink software application for reporting on impact measurement without further delay, and to keep Parliament informed of progress in that respect;
68. Calls on the Commission to address the weaknesses of controls identified in the Court of Auditors' special report;

Part VII: Special Report No 5/2010 of the Court of Auditors entitled 'Implementation of the Leader approach for rural development'

69. Notes that, as the Court of Auditors points out, there are a number of areas where significant improvements can be made to ensure the added value that is key to the Leader approach; finds it very regrettable that 10 years after the Court of Auditor's previous audit of the Leader approach, the same serious weaknesses persist;
70. Supports recommendations 3, 4, 5 and 6 of the Court of Auditors;
71. Agrees with recommendation 1 that funding for projects that have been completed should not be granted but considers that this should not prevent Leader from funding the expansion of existing projects; accordingly, welcomes the Commission's intention to present proposals that would enable the expansion of projects where a new application for funding has been presented for subsequent phases;
72. Notes in recommendation 2 that members of the local action groups (LAGs) should 'be absent from any discussion, assessment or decision' where they have any 'personal, political, professional or business interest in a project proposal'; notes, in addition, that the Financial Regulation prohibits actions that may result in a conflict of interest; invites the Commission and the Member States to ensure that the Financial Regulation is fully applied by members of the LAGs' project assessment and decision-making committees; agrees that a written declaration of interest should always be made where relevant and that declarations of interest should be published in the minutes of the meeting;
73. Calls on the Commission to ensure a clear definition of the notion of 'interest in a project' and takes the view that detailed minutes of all decision-making meetings should become the norm, to allay concerns about unfairness in project selection and to reinforce transparency and neutrality in decision-making;
74. Believes that, to ensure the 'value-added' element of Leader, the Commission should further encourage LAGs to undertake outreach work to identify local actors that are able to develop more strategic projects in areas, such as currently happens in Mecklenburg-Vorpommern (Germany) and Ireland;
75. Calls on the Commission to introduce, without delay, measures that increase the transparency of project selection, using the examples of Mecklenburg-Vorpommern (Germany) and Pays de la Loire (France) and believes that a system under which LAGs publish minutes of project selection meetings on their websites should be introduced;

Part VIII: Special Report No 6/2010 of the Court of Auditors entitled 'Has the reform of the sugar market achieved its main objectives?'

76. Notes that, in general terms, the 2006 reform of the Union sugar market was successful and achieved the objectives of increasing competitiveness and bridging the price gap between the internal Union and world market;
77. Notes that the Court of Auditors has reservations concerning the measurement of competitiveness based solely on regions; emphasises that the Commission did not have the opportunity to examine the actual competitiveness of individual growers and factories; is concerned that, if, accordingly, the competitiveness in a region is based not on its real potential but on the distortion of the market owing to relatively high quotas in some regions based on political criteria, the new situation created by the reform does not guarantee the optimum in terms of the real competitive potential of these regions;
78. Agrees with the Court of Auditors that data on the productivity and efficiency of sugar producers could be very useful for the purpose of assessing the implementation of the reform; accordingly, asks the Commission why it did not require such data as a prerequisite for receiving financial assistance;

79. Asks the Commission why the big sugar producers who have renounced their quotas by accepting compensation from the restructuring fund as a financial incentive to leave the sector were not asked to provide information on the way that they used that compensation; notes, in addition, the importance of collecting and handling such information in order to promote a more effective and efficient organisation of the Common Agricultural Policy in the future;
80. Recalls that sugar factories occupy an important place in agricultural policy and their presence locally is a prerequisite for beet production, although this does not apply to traditional sugar cane refiners given that sugar cane is produced outside the Union; accordingly, asks the Commission what public good was served by the transitional aid paid to the sugar cane industry;
81. Emphasises, as far as the additional isoglucose quota is concerned, that its industrial production is not connected with the local availability of maize and other raw materials and that, as the Commission mentions, the price of maize and other raw materials used for processing isoglucose remains unaffected; notes, accordingly, that the demand and the pattern of isoglucose consumption are fundamentally different from sugar consumption; agrees, as a result, with the Court of Auditors that 'the logic of including those additional quotas free of charge in the subsequent quota reductions is far from clear' ⁽¹⁾ and asks the Commission what public good was served in the case of the free allowances which were given to isoglucose producers;
82. Calls on the Commission to examine whether funds provided for the restructuring scheme were used for relocation of some Union factories to third countries that receive preferential treatment from the Union, given that subsidising productivity outside Europe was not one of the objectives of the sugar reform;
83. Draws the Commission's attention to the fact that the benefits of the increase in industrial concentration in the sector are combined with no or limited transfer of price reductions to consumers; queries, accordingly, whether the Commission took any measures or initiatives during, or within the context of, the sugar reform in order to ensure that reductions in the price of bulk sugar would be passed on to the final consumer;
84. Notes that, according to the Court of Auditors' special report, there are 'very wide variations ranging from a net surplus of EUR 390 per tonne renounced compared to the net closure costs to a net deficit of EUR 226 per tonne' ⁽²⁾ and wonders whether the reform could have been designed in a way which could have minimised these variations;
85. Agrees with the Court of Auditors that 'there is no comprehensive data on the impact of quota renunciations on the local economies, on how many jobs were lost or alternative employment of the staff previously employed at the factories which were dismantled' ⁽³⁾ and considers these data very useful in order to have an overall picture of the reform on the regions concerned; notes, accordingly, that when funds from the Union flow towards a beneficiary, a reverse flow of transparent information on the way these funds were used, which is in no way contradictory to the Member States' competencies, can be expected, based on the European taxpayer's right to know;
86. Agrees with the Court of Auditors that the Member States which decided to grant aid for diversification should have established national restructuring programmes detailing the diversification measures to be undertaken in the regions concerned and should have informed the Commission about these programmes; calls, accordingly, on the Commission to give an indication of the impact of the diversification aid on the regions affected;
87. Agrees with the Court of Auditors that the Commission should propose a series of measures 'to remove the rigidities and constraints in the current quota system which affect adversely the competitiveness of growers and producers' ⁽⁴⁾;

⁽¹⁾ Special Report No 6/2010, point 43.

⁽²⁾ Special Report No 6/2010, point 72.

⁽³⁾ Special Report No 6/2010, point 73.

⁽⁴⁾ Special Report No 6/2010, recommendation 2.

88. Is unable, with regard to the Court of Auditors' remark that the Union has become more dependent on imports, to pass judgment on the Commission's reply that, in general terms, 'the level of self-supply within quota maintained after the reform (around 85 %) can be considered satisfactory' ⁽¹⁾, taking into account the opening of the Union market to third countries; notes that the discussion on availability of supply is not well-documented or substantiated, Parliament had no access to any studies regarding the optimum level of sugar availability or possible scenarios demonstrating the consequences of its unavailability and the possible reactions (and the relevant costs) in case of a major disruption of the world sugar market;

Part IX: Special Report No 8/2010 of the Court of Auditors entitled 'Improving transport performance on Trans-European rail axes: Have EU rail infrastructure investments been effective?'

89. Welcomes the publication of the well-prepared and constructive report by the Court of Auditors and the thorough analysis carried out by the Court;
90. Is of the opinion that improvements in the definition of the Priority Projects could further enhance the coordination and concentration of Union financial resources; calls on the Commission to determine the definition of Priority Projects according to demonstrable needs in terms of existing and anticipated rail services;
91. Calls on the Commission to take necessary action in order to adapt the rail infrastructure to cater for trans-European services while creating missing links at cross-border locations, removing bottlenecks on important junctions and replacing or upgrading the old rail infrastructure;
92. Welcomes the Commission's effort to make progress at European level with the legislation adopted; is of the opinion that the Commission should further improve cooperation with the Member States in order for legislative measures regarding rail safety and passenger rights, market opening and interoperability at the Union level to be successfully transposed into national legislation;
93. Welcomes the Commission's efforts to continue investing significant resources which contribute to the improvement of project preparation;
94. Urges the Commission to consult external rail infrastructure experts in order to better evaluate the technical aspects of proposed projects prior to their approval under the Cohesion Fund;
95. Stresses the need to promote better preparation of projects in order to reduce the risk of cost escalations of future projects influenced by unforeseeable factors, such as unexpectedly difficult geographical conditions, and environmental protection requirements;
96. Notes that there are sometimes delays before infrastructure becomes available for use; asks the Commission to cooperate more closely with the Member States in order to make the necessary improvements in future planning;
97. Welcomes effective performance on sections dedicated to high-speed passenger services, which is found to be in line with expectations;
98. Notes that the Court of Auditors observed various complications, including differences in gauge, traction energy, train control (signalling) systems, train length and operational rules; asks the Commission to better assist the Member States in making progress to alleviate such complications which would facilitate improvements in developing trans-European transport links; points out that the Union needs to play an important role in promoting the interoperability of national networks along with efficient financial support;
99. Notes that the appointment of European coordinators has considerably improved the implementation of TEN-T projects by concentrating investments and facilitating development of Priority Projects; calls on the Commission to maintain the role currently played by the coordinators and to evaluate the possibility of appointing more coordinators in the sections of Priority Projects that face significant complications;

⁽¹⁾ Special Report No 6/2010, Commission reply, point 58.

100. Is of the opinion that the responsibilities of the TEN-T Executive Agency need to be extended in terms of an increase of effective control and the evaluation procedure in respect of the co-financing of Priority Projects;
101. Notes that while the concentration of TEN-T co-financing at cross-border locations has improved since 2006, much remains to be achieved, including the elimination of the bottlenecks and the filling-in of missing links;
102. Emphasises that all the remaining problems and issues need to be evaluated while preparing for the review of the TEN-T guidelines;
103. Calls on the Commission to review TEN-T policy in order to meet future challenges related to the climate change objectives, further economic growth, and social and economic cohesion;

Part X: Special Report No 9/2010 of the Court of Auditors entitled 'Is EU Structural Measures spending on the supply of water for domestic consumption used to best effect?'

104. Stresses that water and especially drinking water is a strategic natural resource which, like other natural resources, is under increasing pressure in the 21st century from the continuous growth in demand and, accordingly, it is Parliament's task and duty to pay particular attention to the protection, prudent and rational use of water, in order to secure good water quality and sufficient drinking water supply for the growing population and future generations;
105. Welcomes the Court of Auditors' constructive recommendations and invites the Member States to pay greater attention to integrated water management, which serves both environmental and economic interests, while preparing their programmes and projects for Union co-financing and to aim for maximising the added value of Union intervention;
106. Underlines the need for more rigorous examination of projects at the application stage in order to prevent shortcomings; accordingly, invites the Commission to further improve the use of guidance and checklists by providing clearer criteria for assessing the grant applications in order to enhance the effectiveness and consistency of the procedures and their results, as well as to ensure proper follow-up action in cases of non-provision of required information or action;
107. Is shocked by the Court of Auditors' finding that although some projects were completed several years before the audit took place, they were not in operation because of a lack of complementary infrastructure; accordingly, urges the Member States to strive for better planning of projects in order to prevent expensive infrastructures, such as those in the water supply sector, from not functioning as a result of missing links in the network;
108. Also invites the Member States to ensure better planning by making comprehensive needs assessments and to ensure, as far as possible, that investments are efficient and economic by considering the potential to recover costs from users and to increase the efficiency of the water use in order to protect water resources, but also by aiming to increase the efficiency of water use and reducing losses;
109. Asks the Member States to guarantee better coordination and to involve more stakeholders in project planning in order to avoid situations such as those where investments aimed at increasing the capacity of water supply are made in a municipality without taking into consideration reduced consumption resulting from other investments in the same municipality, or where investments are made in a supra-municipal supply system without the commitment of municipalities to use it;

Part XI: Special Report No 10/2010 of the Court of Auditors entitled 'Specific measures for agriculture in favour of the outermost regions of the Union and the smaller Aegean islands'

110. Welcomes the Court of Auditors' report and the Commission's replies;

111. Endorses the Court of Auditors' recommendation 1; acknowledges, with reference to Article 12 of Council Regulation (EC) No 247/2006 of 30 January 2006 laying down specific measures for agriculture in the outermost regions of the Union ⁽¹⁾, that the subsidiarity principle applies in connection with the drafting of programmes consistent with the guidelines laid down by the Commission; recognises the need for the right measures to be taken at national level in accordance with the guidelines laid down; welcomes the Commission's role in determining whether programmes are consistent with Union law and in providing coordination with national authorities during the programming phase, a role which also encompasses the guidelines made available to the Member States; emphasises, in particular, the importance of developing cooperation between the Commission and the Member States with a view to improving control indicators and efficiency;
112. Endorses the Court of Auditors' recommendation 2; welcomes the amendment of the relevant article of Regulation (EC) No 247/2006, as proposed by the Commission, with a view to facilitating the Member States' annual review process;
113. Endorses the Court of Auditors' recommendation 3; acknowledges that the subsidiarity principle applies in connection with the framing of the measures; notes that closer involvement on the part of programme participants and more detailed economic analysis in the Member States concerned can help to improve the measures; points out that, when measures are framed at national level, due account must be taken of sustainable objectives with a view to ruling out any overemphasis on superficial measures; regards flat-rate aid payments and purely production-based aid payments as justified in certain regions, but calls for sustainable approaches to be developed with a view to guaranteeing the future viability of farming in the regions concerned;
114. Endorses the Court of Auditors' recommendation 4; in addition, calls on the Member States to draw up guidelines for joint control indicators; is aware that the differing characteristics of countries covered by individual programmes makes the development of control indicators which are valid throughout the Union more difficult; takes the view, nevertheless, that joint control indicators are fundamental to the sustainable development of farming and rural areas; welcomes the consultation process undertaken by the Commission with the Member States with a view to defining joint control indicators for programmes as from 2011; regards this consultation process as an approach which can serve as a model for other areas in which the Union provides funding;
115. Endorses the Court of Auditors' recommendation 5; welcomes the Court of Auditors' proposal to reduce the period between programme assessments to less than 5 years; notes the Commission's answers to the Court of Auditors' proposal; echoes the Court of Auditors' in recommending a reduction in the period between assessments from 5 years to 1 year, regardless of the annual implementation reports submitted by the Member States to the Commission; calls, further, for the establishment of an information management system to monitor the data collected by the Member States on the basis of representative control indicators, making for a more effective and more sustainable use of financial aid;
116. Calls on the Commission to cooperate more effectively with the Member States; notes that the Commission cannot force a Member State to implement proposed changes designed to improve programme sustainability; takes the view that the closer involvement of the Commission in control measures will increase programme efficiency;
117. Instructs its President to forward this Resolution to the Council, the Commission, the Court of Justice of the European Union, and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

⁽¹⁾ OJ L 42, 14.2.2006, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency for the financial year 2009**

(2011/551/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2009 ⁽¹⁾,
- having regard to the annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0211/2010) ⁽²⁾,
- having regard to the final annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2009,
- having regard to the Commission's report on the follow-up to the discharge for the 2008 financial year (COM(2010) 650), and to the Commission staff working documents accompanying that report (SEC(2010) 1437 and SEC(2010) 1438),
- having regard to the Commission communication of 2 June 2010 entitled 'Synthesis of the Commission's management achievements in 2009' (COM(2010) 281),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2009 (COM(2010) 447), and to the Commission staff working document accompanying that report (SEC(2010) 994),
- having regard to the Court of Auditors' report on the annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽⁴⁾,
- having regard to the Council's recommendation of 15 February 2011 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2009 (05893/2011 — C7-0054/2011),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Article 17(1) of the Treaty on European Union, 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⁾ as amended by Council Regulations (EC, Euratom) No 1995/2006 ⁽⁶⁾ and (EC) No 1525/2007 ⁽⁷⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 338, 14.12.2010, p. 65.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 390, 30.12.2006, p. 1.⁽⁷⁾ OJ L 343, 27.12.2007, p. 9.

- 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 (A7-0134/2011),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union 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 2009;
 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 general budget of the European Union for the financial year 2009, 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 2009, 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 10 May 2011****on discharge in respect of the implementation of the budget of the Executive Agency for Competitiveness and Innovation for the financial year 2009**

(2011/552/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2009 ⁽¹⁾,
- having regard to the annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0211/2010) ⁽²⁾,
- having regard to the final annual accounts of the Executive Agency for Competitiveness and Innovation for the financial year 2009,
- having regard to the Commission's report on the follow-up to the discharge for the 2008 financial year (COM(2010) 650), and to the Commission staff working documents accompanying that report (SEC(2010) 1437 and SEC(2010) 1438),
- having regard to the Commission communication of 2 June 2010 entitled 'Synthesis of the Commission's management achievements in 2009' (COM(2010) 281),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2009 (COM(2010) 447), and to the Commission staff working document accompanying that report (SEC(2010) 994),
- having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for Competitiveness and Innovation for the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽⁴⁾,
- having regard to the Council's recommendation of 15 February 2011 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2009 (05893/2011 — C7-0054/2011),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Article 17(1) of the Treaty on European Union, 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⁾ as amended by Council Regulations (EC, Euratom) No 1995/2006 ⁽⁶⁾ and (EC) No 1525/2007 ⁽⁷⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 338, 14.12.2010, p. 83.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 390, 30.12.2006, p. 1.⁽⁷⁾ OJ L 343, 27.12.2007, p. 9.

- 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 (A7-0134/2011),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union 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 2009;
 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 general budget of the European Union for the financial year 2009, 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 2009, 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 10 May 2011****on discharge in respect of the implementation of the budget of the Executive Agency for Health and Consumers for the financial year 2009**

(2011/553/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2009 ⁽¹⁾,
- having regard to the annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0211/2010) ⁽²⁾,
- having regard to the final annual accounts of the Executive Agency for Health and Consumers for the financial year 2009,
- having regard to the Commission's report on the follow-up to the discharge for the 2008 financial year (COM(2010) 650), and to the Commission staff working documents accompanying that report (SEC(2010) 1437 and SEC(2010) 1438),
- having regard to the Commission communication of 2 June 2010 entitled 'Synthesis of the Commission's management achievements in 2009' (COM(2010) 281),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2009 (COM(2010) 447), and to the Commission staff working document accompanying that report (SEC(2010) 994),
- having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for Health and Consumers for the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽⁴⁾,
- having regard to the Council's recommendation of 15 February 2011 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2009 (05893/2011 — C7-0054/2011),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Article 17(1) of the Treaty on European Union, 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⁾ as amended by Council Regulations (EC, Euratom) No 1995/2006 ⁽⁶⁾ and (EC) No 1525/2007 ⁽⁷⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 69, 13.3.2009.

⁽²⁾ OJ C 308, 12.11.2010, p. 1.

⁽³⁾ OJ C 338, 14.12.2010, p. 96.

⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ OJ L 390, 30.12.2006, p. 1.

⁽⁷⁾ OJ L 343, 27.12.2007, p. 9.

- 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 (A7-0134/2011),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union 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 2009;
 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 general budget of the European Union for the financial year 2009, 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 2009, 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 10 May 2011****on discharge in respect of the implementation of the budget of the Trans-European Transport Network Executive Agency for the financial year 2009**

(2011/554/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2009 ⁽¹⁾,
- having regard to the annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0211/2010) ⁽²⁾,
- having regard to the final annual accounts of the Trans-European Transport Network Executive Agency for the financial year 2009,
- having regard to the Commission's report on the follow-up to the discharge for the 2008 financial year (COM(2010) 650), and to the Commission staff working documents accompanying that report (SEC(2010) 1437 and SEC(2010) 1438),
- having regard to the Commission communication of 2 June 2010 entitled 'Synthesis of the Commission's management achievements in 2009' (COM(2010) 281),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2009 (COM(2010) 447), and to the Commission staff working document accompanying that report (SEC(2010) 994),
- having regard to the Court of Auditors' report on the annual accounts of the Trans-European Transport Network Executive Agency for the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽⁴⁾,
- having regard to the Council's recommendation of 15 February 2011 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2009 (05893/2011 — C7-0054/2011),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Article 17(1) of the Treaty on European Union, 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⁾ as amended by Council Regulations (EC, Euratom) No 1995/2006 ⁽⁶⁾ and (EC) No 1525/2007 ⁽⁷⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 338, 14.12.2010, p. 77.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 390, 30.12.2006, p. 1.⁽⁷⁾ OJ L 343, 27.12.2007, p. 9.

- 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 (A7-0134/2011),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union 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 2009;
 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 general budget of the European Union for the financial year 2009, 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 2009, 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.

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the budget of the European Research Council
Executive Agency for the financial year 2009**

(2011/555/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2009 ⁽¹⁾,
- having regard to the annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0211/2010) ⁽²⁾,
- having regard to the final annual accounts of the European Research Council Executive Agency for the financial year 2009,
- having regard to the Commission's report on the follow-up to the discharge for the financial year (COM(2010) 650), and to the Commission staff working documents accompanying that report (SEC(2010) 1437 and SEC(2010) 1438),
- having regard to the Commission communication of 2 June 2010 entitled 'Synthesis of the Commission's management achievements in 2009' (COM(2010) 281),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2009 (COM(2010) 447), and to the Commission staff working document accompanying that report (SEC(2010) 994),
- having regard to the Court of Auditors' report on the annual accounts of the European Research Council Executive Agency for the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽⁴⁾,
- having regard to the Council's recommendation of 15 February 2011 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2009 (05893/2011 — C7-0054/2011),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Article 17(1) of the Treaty on European Union, 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⁾ as amended by Council Regulations (EC, Euratom) No 1995/2006 ⁽⁶⁾ and (EC) No 1525/2007 ⁽⁷⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 338, 14.12.2010, p. 71.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 390, 30.12.2006, p. 1.⁽⁷⁾ OJ L 343, 27.12.2007, p. 9.

- 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 2008/37/EC of 14 December 2007 setting up the European Research Council Executive Agency for the management of the specific Community programme Ideas in the field of frontier research 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 (A7-0134/2011),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union 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 European Research Council Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2009;
 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 general budget of the European Union for the financial year 2009, 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 2009, Section III — Commission and the resolution that forms an integral part of those Decisions, to the Director of the European Research Council 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 9, 12.1.2008, p. 15.

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the budget of the Research Executive Agency for the financial year 2009**

(2011/556/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2009 ⁽¹⁾,
- having regard to the annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0211/2010) ⁽²⁾,
- having regard to the final annual accounts of the Research Executive Agency for the financial year 2009,
- having regard to the Commission's report on the follow-up to the discharge for the 2008 financial year (COM(2010) 650), and to the Commission staff working documents accompanying that report ((SEC(2010) 1437 and SEC(2010) 1438),
- having regard to the Commission communication of 2 June 2010 entitled 'Synthesis of the Commission's management achievements in 2009' (COM(2010) 281),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2009 (COM(2010) 447), and to the Commission staff working document accompanying that report (SEC(2010) 994),
- having regard to the Court of Auditors' report on the annual accounts of the Research Executive Agency for the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽⁴⁾,
- having regard to the Council's recommendation of 15 February 2011 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2009 (05893/2011 — C7-0054/2011),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Article 17(1) of the Treaty on the European Union, 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⁾ as amended by Council Regulations (EC, Euratom) No 1995/2006 ⁽⁶⁾ and (EC) No 1525/2007 ⁽⁷⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 338, 14.12.2010, p. 90.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 390, 30.12.2006, p. 1.⁽⁷⁾ OJ L 343, 27.12.2007, p. 9.

- 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 2008/46/EC of 14 December 2007 setting up the Research Executive Agency for the management of certain areas of the specific Community programmes People, Capacities and Cooperation in the field of research 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 (A7-0134/2011),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union 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 Research Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2009;
 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 general budget of the European Union for the financial year 2009, 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 2009, Section III — Commission and the resolution that forms an integral part of those Decisions, to the Director of the Research 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 11, 15.1.2008, p. 9.

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the general budget of the European Union for the financial year 2009, Section III — Commission**

(2011/557/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2009 ⁽¹⁾,
- having regard to the annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0211/2010) ⁽²⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2008 financial year (COM(2010) 650), and to the Commission staff working documents accompanying that report (SEC(2010) 1437 and SEC(2010) 1438),
- having regard to the Commission communication of 2 June 2010 entitled 'Synthesis of the Commission's management achievements in 2009' (COM(2010) 281),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2009 (COM(2010) 447), and to the Commission staff working document accompanying that report (SEC(2010) 994),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2009 annual report (COM(2011) 104),
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, together with the institutions' replies ⁽³⁾, 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 287 of the Treaty on the Functioning of the European Union ⁽⁴⁾,
- having regard to the Council's recommendation of 15 February 2011 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2009 (05891/2011 — C7-0053/2011),
- having regard to the Council's recommendation of 15 February 2011 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2009 (05893/2011 — C7-0054/2011),
- having regard to Articles 274, 275 and 276 of the EC Treaty, Article 17(1) of the Treaty on European Union, Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Articles 179a and 180b of the Euratom Treaty,

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 303, 9.11.2010, p. 1.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.

- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽¹⁾ as amended by Council Regulations (EC, Euratom) No 1995/2006 ⁽²⁾ and (EC) No 1525/2007 ⁽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 (A7-0134/2011),
- A. whereas under Article 318 of the Treaty on the Functioning of the European Union the Commission shall submit the accounts relating to the implementation of the budget and establish a financial statement of the assets and liabilities of the Union,
1. Approves the closure of the accounts of the general budget of the European Union for the financial year 2009;
 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 2009 financial year, 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

⁽¹⁾ OJ L 248, 16.9.2002, p. 1.

⁽²⁾ OJ L 390, 30.12.2006, p. 1.

⁽³⁾ OJ L 343, 27.12.2007, p. 9.

⁽⁴⁾ OJ L 11, 16.1.2003, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section IV — Court of Justice**

(2011/558/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0214/2010) ⁽²⁾,
 - having regard to the Court of Justice's annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0137/2011),
1. Grants the Registrar of the Court of Justice discharge in respect of the implementation of the Court of Justice budget for the financial year 2009;
 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 69, 13.3.2009.

⁽²⁾ OJ C 308, 12.11.2010, p. 1.

⁽³⁾ OJ C 303, 9.11.2010, p. 1.

⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****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 2009,
Section IV — Court of Justice**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0214/2010) ⁽²⁾,
 - having regard to the Court of Justice's annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0137/2011),
1. Notes that in 2009 the Court of Justice had commitment appropriations available amounting to a total of EUR 318 000 000 (EUR 297 000 000 in 2008), with a utilisation rate of 98,50 %, which is above the average of the other institutions (97,69 %);
 2. Notes that in the course of preparation of the annual report concerning the financial year 2009, the Court of Auditors performed an in-depth assessment of supervisory and control systems in the Court of Justice, the European Ombudsman and the European Data Protection Supervisor, which included the examination of an additional sample of transactions involving payments relating to human resources and to other administrative expenditure;
 3. Notes that the Court of Auditors' in-depth assessment at the Court of Justice related to a random sample of 54 transactions covering a wide range of the activities and departments of the Court of Justice, representing a substantial part of its annual budget, and that assessment had broadly positive results;

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 303, 9.11.2010, p. 1.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

4. Notes that the Court of Auditors indicated in its annual report that the Court of Justice failed to anticipate the expiry of a framework contract, and ordered services amounting to EUR 102 000 without applying competitive procurement procedures; also recalls for the financial year 2008, the observations of the Court of Auditors, concerning a contract concluded for the provision of services, highlighted weaknesses in the internal control system for performing this tendering procedure and breach of the Financial Regulation and of its Implementing Rules ⁽¹⁾;
5. Takes note of the Court of Justice's reply and its motives; endorses, however, the suggestion of the Court of Auditors that procurement procedures should be better prepared and coordinated;
6. Notes that apart from the comments on the abovementioned contract concluded for the provision of services, the annual report of the Court of Auditors did not point out any other observations as regards the Court of Justice;
7. Commends the Court of Auditors' observation that the Court of Justice's supervisory and control systems relating to the management and payment of remuneration and allowances are, in general, capable of discovering any errors or irregularities;
8. Notes with satisfaction the effective operation of the Court of Justice's Internal Audit Unit, that it monitors the action taken on recommendations made in audits carried out in previous years, and that its recommendations were duly put into operation; notes that two audits were carried out in 2009: an internal audit on management of interpreting and of expenditure in relation to external interpreters, and an internal audit on works of art; given the particular difficulties in the sphere of interpretation, invites the Court of Justice to follow-up on the action taken;
9. Welcomes the increase in the number of cases completed by the Court of Justice (377 judgments and 165 orders compared to 333 and 161 respectively in 2008), and takes note of the number of preliminary ruling cases being the highest ever (302); however, notes that in 2009 the number of cases submitted has decreased in comparison to 2008 (561 instead of 592); notes that the duration of the proceedings was practically unchanged, and welcomes the decrease in the number of cases pending at the end of 2009 (741 cases compared to 768 cases at the end of 2008);
10. Notes with concern that the General Court in 2009 showed a decrease in the number of cases decided and an increase of the duration of the proceedings and that consequently, although the number of new cases in 2009 was lower (568 new cases compared to 629 in 2008), the backlog of pending cases continued to increase (from 1 178 in 2008 to 1 191 in 2009);
11. Welcomes the fact that the Civil Service Tribunal closed more cases than ever before (155 cases), and that the average duration of a procedure was 15,1 months compared to 17 months in 2008, as a result the number of pending cases continues to decrease (from 217 in 2008 to 175 in 2009), while the number of new applications remains almost constant (113 in 2009 compared to 111 in 2008);
12. Welcomes the ongoing successful cooperation in the sphere of training with other institutions and with the European Administrative School, as well as effective interinstitutional cooperation in development and installation of the integrated management system;
13. Takes note of the modernisation of the Court of Justice's work methods, in particular the computerisation of the Registry of the Court of Justice, where the Paper Register dating back to 1952 has finally been replaced by an Electronic Register; urges the Court of Justice to report on the progress in introduction of other IT developments, for instance, the 'e-curia' application, in its upcoming annual reports;

⁽¹⁾ 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).

14. Notes the difficulties the Court of Justice experienced as regards recruitment of qualified conference interpreters, and the limitations as well as the need to use a range of interpretation techniques in order to be able to qualitatively and quantitatively satisfy all requests for interpretation; given the importance of interpretation for proper functioning of judicial work, invites the Court of Justice to report on this in its upcoming annual reports;
 15. Commends good interinstitutional cooperation on buildings, security, environmental protection and administrative management; invites the Court of Justice to provide more information on the outcome of the analysis as regards the needs not met by buildings from the perspective of 2014, and the resulting report, as well as the Court of Justice buildings policy in general;
 16. Welcomes the practice established by the Court of Justice of including in its Annual 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 10 May 2011****on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section V — Court of Auditors**

(2011/559/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0215/2010) ⁽²⁾,
 - having regard to the Court of Auditors' annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0138/2011),
1. Grants the Secretary-General of the Court of Auditors discharge in respect of the implementation of the Court of Auditors budget for the financial year 2009;
 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 69, 13.3.2009.

⁽²⁾ OJ C 308, 12.11.2010, p. 1.

⁽³⁾ OJ C 303, 9.11.2010, p. 1.

⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****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 2009, Section V — Court of Auditors**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0215/2010) ⁽²⁾,
 - having regard to the Court of Auditors' annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0138/2011),
1. Notes that in 2009 the Court of Auditors had commitment appropriations available amounting to a total of EUR 188 000 000 (EUR 133 000 000 in 2008; EUR 122 000 000 in 2007), with a utilisation rate of 92,19 %, which is below the average of the other institutions (97,69 %);
 2. Recalls that, for the financial year 2009, the accounts of the Court of Auditors were audited by an external firm, PricewaterhouseCoopers (as in 2008 and 2007), which reached the following conclusions:
 - (a) in relation to the accuracy of the accounts for the financial year 2009, 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 2009, and of 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 2002, 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 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 303, 9.11.2010, p. 1.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

- (b) in relation to the use of financial resources assigned to the Court of Auditors and the adequacy of control procedures in place during the financial year 2009, that 'nothing has come to our attention that causes us to believe that in all material respects and based on criteria described above: (a) the resources assigned to the Court have not been used for their intended purposes; (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. Welcomes the audit strategy of the Court of Auditors for the period 2009-2012 and supports its priority goals (maximising the overall impact from its audits and increasing efficiency by making best use of resources); expects the Court of Auditors to report on the steps taken to implement this audit strategy as well as to demonstrate the progress in this direction using the key performance indicators (KPI), in particular with the introduction of KPI 1 to 4 in 2010; particularly welcomes the plan to publish follow-ups in respect of the special reports to increase their impact;
 4. Welcomes improvements in KPI 5, 6 and 7 from 2008 to 2009, and notes with satisfaction that the Court of Auditors has met its targets as regards KPI 8 and 9; notes that the Court of Auditors did not reach its target as regards key performance indicator 10, in 2009 in comparison to 2008 the number of training days decreased from 10 to 9, and the number of days devoted by auditors to professional training excluding language courses dropped from 7 to 4, not reaching the International Federation of Accountants' guidelines (40 hours/5 days);
 5. Notes the considerably increased number of the reports produced by the Court of Auditors, in particular, the increase in the number of special reports (from 12 to 18) and specific annual reports (from 29 to 37), although the number of opinions has decreased; expects that the performance audits underlying the special reports of the Court of Auditors will contribute to its primary mission of auditing the Union's finances;
 6. Is concerned by the decrease of detailed information in the Court of Auditors' specific annual reports on the agencies; encourages the Court of Auditors in the future to include more complete information in its reports on the agencies, in particular as regards the conclusions of Internal Auditors' reports;
 7. Welcomes the fact that in the course of preparation of the annual report concerning the financial year 2009, the Court of Auditors performed an in-depth assessment of supervisory and control systems in the Court of Justice, the European Ombudsman and the European Data Protection Supervisor, which included the examination of an additional sample of transactions of payments relating to human resources and to other administrative expenditure;
 8. Encourages the Court of Auditors to continue and broaden this practice, in particular, to consider performing an in-depth assessment of supervisory and control systems in the Council; also encourages the Court of Auditors to consider the possibility of making use of new and innovative ways to perform the audit, including the new products mentioned in the 2009-2012 audit strategy, and, by doing so, to explore the possibilities of further improving the output and effectiveness of auditing;
 9. Considers that the cooperation between the Court of Auditors and the Parliament could be strengthened by streamlining working methods and approaches and further enhancing synergies between the two institutions; welcomes in this respect the measures the Court of Auditors is taking to reform and continuously improve its role in line with Parliament's call for its assessments and audits to have a broader and deeper impact, its data to be more effective and useful and its systems and procedures more reliable; awaits with interest the 'follow-up peer review' that the Court of Auditors intends to launch during 2011 (three years after the positive peer review of 2008); announces in this respect that Parliament intends to produce an own-initiative report on possible improvements that could be proposed to the Court of Auditors in full assurance of being able to count on the latter's close cooperation;
 10. Notes that the Court of Auditors recruited 112 employees in 2009 (69 officials, 14 temporary staff and 29 contract staff), and the overall number of vacant posts at the end of 2009 (49) was considerably reduced in comparison to the end of 2008 (68); welcomes the decreasing delays in the Court of Auditors' recruitment process;

11. Welcomes steady improvement as regards the proportion of men and women on the staff of the Court of Auditors, in particular the reducing disparity at assistant, head of unit and director level;
 12. Notes that the 2009 report of the Internal Auditor of the Court of Auditors was largely positive; welcomes in this context the fact that most recommendations put forward by the Internal Auditor have been accepted and integrated into corrective action plans;
 13. Welcomes the ongoing successful interinstitutional cooperation with the European Administrative School and the Court of Justice as regards training;
 14. Notes the revision of the Court of Auditors' Rules of Procedure, which took place in 2010, and invites the Court of Auditors to give an evaluation of the effect of those changes in its Annual Activity Report;
 15. Recalls, in relation to declarations of members' financial interests, that, in compliance with the Court of Auditors' Code of Conduct, Court of Auditors' members communicate a declaration of their financial interests to the President of the Court of Auditors, who keeps those declarations under confidential custody, and ensures that those declarations are not published; reconfirms its position that in the interests of transparency, declarations of financial interests of members of all Union institutions should be accessible on the Internet via a public register, and calls upon the Court of Auditors to take the necessary steps in this respect and to adapt and base its rules on 'financial interest' on the new draft Code of conduct for Commissioners, where applicable;
 16. Recalls that independence, integrity, impartiality, excellence and professionalism are the core values of the Court of Auditors and considers that the news that appeared in the media merits reflection; also recalls that during the presentation of the peer review report, the President of the Court of Auditors announced that a follow-up peer review would be conducted after three years; invites the Court of Auditors to present the results of this follow-up peer review to Parliament's competent committee, in order to reassert, once more, those values, in particular the objectivity, impartiality and professionalism of the Court of Auditors;
 17. Commends the Court of Auditors for the quality of its Annual Activity Report;
 18. Notes that, unlike in previous years, missions to non-Member States were not reported per country in 2009.
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DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section VI — European Economic and Social Committee**

(2011/560/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0216/2010) ⁽²⁾,
 - having regard to the European Economic and Social Committee's annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0136/2011),
1. Grants the Secretary-General of the European Economic and Social Committee discharge in respect of the implementation of the European Economic and Social Committee budget for the financial year 2009;
 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 69, 13.3.2009.

⁽²⁾ OJ C 308, 12.11.2010, p. 1.

⁽³⁾ OJ C 303, 9.11.2010, p. 1.

⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011**

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 2009, Section VI — European Economic and Social Committee

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0216/2010) ⁽²⁾,
 - having regard to the European Economic and Social Committee's annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0136/2011),
1. Notes that in 2009 the European Economic and Social Committee (EESC) had commitment appropriations available amounting to a total of EUR 122 000 000 (EUR 118 000 000 in 2008), with a utilisation rate of 98,02 %, which is above the average of the other institutions (97,69 %);
 2. Notes with concern the allegations in relation to management within the EESC, which have led to the European Anti-Fraud Office (OLAF) decision of 11 March 2011 to open an investigation;
 3. Requests the EESC to provide Parliament's committee responsible for the discharge procedure with further information regarding the alleged irregularities;
 4. Calls on the EESC to cooperate fully with OLAF and to provide all necessary assistance to OLAF staff to carry out their investigation;

⁽¹⁾ OJ L 69, 13.3.2009.

⁽²⁾ OJ C 308, 12.11.2010, p. 1.

⁽³⁾ OJ C 303, 9.11.2010, p. 1.

⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

5. Requests the EESC to report to Parliament's committee responsible for the discharge procedure on:
 - the disciplinary proceedings conducted by the EESC and the economic consequences thereof, and in particular the disciplinary case No 2/2007,
 - the staff policy on promotion of staff to management positions,
 - the conflicts as regards the independence of the legal service of the EESC,
 - the access of members of the EESC and members of its Bureau to all the information required,
 - the state of the procedure and results of internal audits carried out by the EESC;
6. Calls on the Ombudsman to inform Parliament's committee responsible for the discharge procedure, as soon as possible, of the results of its investigations relevant to this particular case;
7. 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; nevertheless, calls on the Court of Auditors to confirm whether the audits of the 2009 reports found any evidence of irregularities that have already been the subject of disciplinary case No 2/2007;
8. Notes the further, minor increase in the number of permanent posts (704 posts in 2009, 700 in 2008 and 695 in 2007) allocated to the EESC, and that the posts are consistently filled (7 vacant posts in 2009, 19 in 2008 and 9 in 2007); notes the presence of the medium-term plan (2008-2013 strategy) to promote equal opportunities and diversity in the secretariat, in particular, through increased use of flexitime arrangements, and looks forward to reports on further advancement in the human resources' policy;
9. Notes with satisfaction that according to the comments of the EESC in response to the Parliament's resolution of 5 May 2010 on discharge for the financial year 2008 ⁽¹⁾, the Administrative Cooperation Agreement between the EESC and the Committee of the Regions (CoR) for the period 2008 to 2014 is sufficiently implemented and notes that no further needs have been identified at the moment to improve practical aspects, that the committees remain attentive to the need to maintain a high level of harmonisation and this is assured by the governance structure of the Administrative Cooperation Agreement; invites the EESC and the CoR to communicate whether the de-coupling resulting from that agreement has been budget neutral, and to report to the discharge authority on the results of mid-term review of that agreement, due in 2011;
10. Notes the efforts in the area of interinstitutional cooperation, in particular, the ongoing introduction of the staff management system 'Sysper2', and the preparations carried out to that effect; notes that introduction of the system is planned for January 2012;
11. Reconfirms its position that, in the interests of transparency, declarations of financial interests of members of all Union institutions should be accessible on the Internet via a public register; notes the response of the EESC, in particular the letter of the Vice-President of EESC concerning the observation of the Parliament that the members of the EESC did not declare their financial interests, and requests that the EESC take steps to make public the relevant information, and to follow up this issue in its Annual Activity Report;
12. Welcomes the willingness of the EESC to accommodate the suggestion of the Parliament in its above-mentioned resolution of 5 May 2010, that travel expenses of members of the EESC should be based only on actual travel costs (and that daily allowances should be equal to those received by the Members of the European Parliament), and takes note of the letter of the EESC President on this matter; requests the EESC to report on the further progress on this issue;

⁽¹⁾ OJ L 252, 25.9.2010, p. 94.

13. Asks the EESC to report on the developments as regards the progress on revising the members' financial statute and to communicate to the discharge authority the outcome of that process;
 14. Commends the EESC for the consistently high quality of its Annual Activity Reports, and welcomes the inclusion of the follow-up to the Parliament's previous discharge decisions;
 15. Calls on the EESC to undertake with urgency during 2011 a comprehensive spending review of all areas of activity to ensure all expenditure is delivering value for money in order to identify possible savings which will reduce the pressure on the budget in this period of austerity.
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DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section VII — Committee of the Regions**

(2011/561/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 – C7-0217/2010) ⁽²⁾,
 - having regard to the Committee of the Regions' annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0139/2011),
1. Grants the Secretary-General of the Committee of the Regions discharge in respect of the implementation of the Committee of the Regions budget for the financial year 2009;
 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 69, 13.3.2009.

⁽²⁾ OJ C 308, 12.11.2010, p. 1.

⁽³⁾ OJ C 303, 9.11.2010, p. 1.

⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011**

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 2009, Section VII — Committee of the Regions

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0217/2010) ⁽²⁾,
 - having regard to the Committee of the Regions' annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0139/2011),
1. Notes that in 2009 the Committee of the Regions (CoR) had commitment appropriations available amounting to a total of EUR 88 000 000 (EUR 93 000 000 in 2008), with a utilisation rate of 98,37 %, which is above the average of the other institutions (97,69 %);
 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;
 3. Notes that the CoR obtained 10 more posts in 2009 (and 4 more in 2010); welcomes the adoption of the flexitime regulation, which entered into force on 1 January 2011; notes the CoR's efforts in exploring the possibilities of teleworking; also notes the considerable increase of the CoR's training budget (up 12 % compared to 2008) and increase in the number of training courses, with a shift towards more targeted courses aimed at enhancing knowledge in a specific field;

⁽¹⁾ OJ L 69, 13.3.2009.

⁽²⁾ OJ C 308, 12.11.2010, p. 1.

⁽³⁾ OJ C 303, 9.11.2010, p. 1.

⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

4. Notes with satisfaction that in 2009 the CoR updated its budget-analytical monitoring tool (BudgetWatch), providing more comprehensive information on the CoR's budget, facilitating the implementation of the CoR's budgetary resources and identifying the areas which require management attention;
5. Notes with satisfaction that according to the comments of the CoR in response to the Parliament's resolution of 5 May 2010 on discharge for the financial year 2008 ⁽¹⁾, the Administrative Cooperation Agreement between the CoR and the European Economic and Social Committee (EESC) for the period 2008 to 2014 is sufficiently implemented and notes that no further needs have been identified at the moment to improve practical aspects, and that the committees remain attentive to the need to maintain a high level of harmonisation and this is assured by the governance structure of the Administrative Cooperation Agreement; invites the CoR and the EESC to communicate whether the de-coupling resulting from that agreement has been budget neutral, and to report to the discharge authority on the results of the mid-term review of that agreement, due in 2011;
6. Notes the efforts in the area of interinstitutional cooperation, in particular, the ongoing introduction of the staff management system 'Sysper2', and the preparations carried out to that effect;
7. Notes that the Internal Audit Service (IAS) carried out audits on the adequacy of budget planning systems (concluded in 2009), and on the conformity of rights establishment in progress, as well as follow-ups on mission expenses, on studies and expert advice, and the second follow-up on application of internal control standards and adequacy of financial circuits; notes that as regards the latter, despite this being the second follow-up, it still demonstrated a relatively low result indicator (i.e. the number of recommendations implemented within 12 months); also notes that the planned study on the quality of the IAS function did not take place;
8. Reconfirms its position that, in the interests of transparency, declarations of financial interests of members of all Union institutions should be accessible on the Internet via a public register; reminds the CoR of its request that CoR members declare their financial interests, disclosing relevant information on declarable professional activities and remunerated posts or activities; notes with satisfaction the CoR response on the matter, in particular, the letter of the president of the CoR of 11 February 2011; requests the CoR to follow up this issue in its Annual Activity Report;
9. Commends the CoR for the consistently high quality of its Annual Activity Reports, and welcomes the inclusion of the follow-up to the Parliament's previous discharge decisions;
10. Calls on the CoR to undertake urgently during 2011 a comprehensive spending review of all areas of activity to ensure all expenditure is delivering value for money in order to identify possible savings which would reduce the pressure on the budget in this period of austerity.

⁽¹⁾ OJ L 252, 25.9.2010, p. 98.

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section VIII — European Ombudsman**

(2011/562/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0218/2010) ⁽²⁾,
 - having regard to the European Ombudsman's annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0116/2011),
1. Grants the European Ombudsman discharge in respect of the implementation of its budget for the financial year 2009;
 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 69, 13.3.2009.

⁽²⁾ OJ C 308, 12.11.2010, p. 1.

⁽³⁾ OJ C 303, 9.11.2010, p. 1.

⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****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 2009, Section VIII — European Ombudsman**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0218/2010) ⁽²⁾,
 - having regard to the European Ombudsman's annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0116/2011),
1. Notes that in 2009 the European Ombudsman (the Ombudsman) had commitment appropriations available amounting to a total of EUR 9 000 000 (2008: EUR 9 000 000), with a utilisation rate of 91,98 %, below the average of the other institutions (97,69 %);
 2. Notes that in the course of preparation of the annual report concerning the financial year 2009, the Court of Auditors performed an in-depth assessment of supervisory and control systems in the Court of Justice, the Ombudsman and the European Data Protection Supervisor which included the examination of an additional sample of transactions involving payments relating to human resources and to other administrative expenditure;
 3. Notes that the Court of Auditors found that the Ombudsman has not adopted general provisions on the procedures for recruitment of temporary staff, although Article 12(5) of the Conditions of Employment of Other Servants of the European Union ⁽⁶⁾ requires that each institution shall have done so; moreover, notes with concern that this omission may affect a majority of the Ombudsman's staff, as 47 out of 63 posts granted under the 2009 budget were temporary posts;

⁽¹⁾ OJ L 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 303, 9.11.2010, p. 1.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 56, 4.3.1968, p. 1.

4. Welcomes the fact that the Ombudsman has instructed his office to draft provisions on the procedures for recruitment of temporary staff to be adopted in accordance with the observation of the Court of Auditors, and invites the Ombudsman to report on progress in his Annual Activity Report;
 5. Notes that the Court of Auditors indicated in its annual report that the audit did not give rise to any further significant observations as regards the Ombudsman;
 6. Notes that in 2009 the Ombudsman was able to help with almost 77 % of all complaints, and that he dealt with 70 % of inquiries in less than 1 year, and welcomes the fact that the average length of inquiry was reduced to 9 months (13 months in 2008);
 7. Notes that the structure of the Ombudsman's office was altered as of 1 January 2010, and invites the Ombudsman to report on the effect of those changes in his Annual Activity Report;
 8. Takes note of the audits carried out by the Internal Audit Service (IAS), in particular its annual report, and of the follow up of the IAS reviews of management and control system for missions and payroll areas, which concluded that all the actions contained in the reviews had been implemented; notes that the audit of the processing of the payment requests has identified several issues to be addressed by the management, and invites the Ombudsman to follow that up in his next Annual Activity Report;
 9. Welcomes the implementation of the key performance indicators in the Annual Management Plan, as well as the fact that the objectives for 2009 were achieved;
 10. 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;
 11. Commends the quality of the Ombudsman's Annual Activity Report, and welcomes the inclusion of the follow-up during the year to Parliament's earlier discharge decisions.
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DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section IX — European Data Protection Supervisor**

(2011/563/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0219/2010) ⁽²⁾,
 - having regard to the European Data Protection Supervisor's annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0117/2011),
1. Grants the European Data Protection Supervisor discharge in respect of the implementation of its budget for the financial year 2009;
 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 69, 13.3.2009.⁽²⁾ OJ C 308, 12.11.2010, p. 1.⁽³⁾ OJ C 303, 9.11.2010, p. 1.⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011**

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 2009, Section IX — European Data Protection Supervisor

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2009 ⁽¹⁾,
 - having regard to the final annual accounts of the European Union for the financial year 2009 (SEC(2010) 963 — C7-0219/2010) ⁽²⁾,
 - having regard to the European Data Protection Supervisor's annual report to the discharge authority on internal audits carried out in 2009,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union ⁽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 (A7-0117/2011),
1. Notes that in 2009 the European Data Protection Supervisor (EDPS) had commitment appropriations available amounting to a total of EUR 7 000 000 (2008: EUR 5 300 000 ⁽⁶⁾), with a utilisation rate of 81,44 %, below the average of the other institutions (97,69 %);
 2. Notes that in the course of preparation of the annual report concerning the financial year 2009, the Court of Auditors performed an in-depth assessment of supervisory and control systems in the Court of Justice, the European Ombudsman and the EDPS which included the examination of an additional sample of transactions involving payments relating to human resources and to other administrative expenditure;

⁽¹⁾ OJ L 69, 13.3.2009.

⁽²⁾ OJ C 308, 12.11.2010, p. 1.

⁽³⁾ OJ C 303, 9.11.2010, p. 1.

⁽⁴⁾ OJ C 308, 12.11.2010, p. 129.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ 2006: EUR 4 100 000.

3. Notes that the Court of Auditors found that, in four cases out of ten, the information available to the EDPS was not sufficiently up-to-date to ensure that allowances provided for by the Staff Regulations of Officials of the European Union ⁽¹⁾ were paid to staff in compliance with relevant Community regulations and national legislation. The Court of Auditors found that this could entail a risk of incorrect or undue payments;
4. Endorses the suggestion of the Court of Auditors that EDPS staff should be requested to submit at appropriate intervals documents proving their personal situation, and that the EDPS should improve its system for the timely monitoring and control of those documents;
5. Takes note of the EDPS's reply to the effect that because of its small size, it is assisted by the Office for the Administration and Payment of Individual Entitlements (PMO) in handling the social allowances files, that the information relating to family and dependent child allowances is updated by the PMO once a year on the basis of specific forms addressed to the staff concerned through the EDPS, and that the social allowances are kept up-to-date on the basis of the information gathered through these forms. Welcomes the EDPS's intention to improve the monitoring of information relevant to the social allowances in view of the recommendation of the Court of Auditors, and invites the EDPS to report on the action taken in its Annual Activity Report;
6. Notes the Court of Auditors' findings that the EDPS had not put in place a system of *ex-post* verification, where appropriate, as required by the Financial Regulation, and that the standards of internal control adopted by the EDPS did not provide for exceptions to standard financial procedures to be duly recorded in a central register;
7. Notes the EDPS's reply to the effect that the transactions carried out by the EDPS, including the reimbursement of direct payments processed by other institutions on behalf of the EDPS, are already subject to an *ex-ante* control; welcomes the EDPS's intention to examine how to implement an *ex-post* verification process for the year 2011 onwards in view of the recommendation of the Court of Auditors, and invites the EDPS to report on the action taken in its Annual Activity Report;
8. Accepts and understands the EDPS standpoint concerning its small size and the particularity of shared file handling under cooperation and service-level agreements; however, asks the EDPS to clarify what further interinstitutional assistance would be necessary to enable the EDPS to fulfil the recommendation of the Court of Auditors, and to indicate when that could be accomplished; welcomes the EDPS's decision to implement the observation of the Court of Auditors on internal control standards by creating a central list of recorded exceptions, and invites the EDPS to report on the progress achieved in its Annual Activity Report;
9. Notes that the Court of Auditors indicated in its annual report that the audit did not give rise to any further significant observations as regards the EDPS;
10. Notes that, due to the limited size of the EDPS, it cooperates administratively with a number of other institutions, in particular with the Commission services (ADMIN, BUDG, EAC, IAS), the Publications Office, Parliament's services (buildings and infrastructure, security, IT, printshop, communications, etc.), as well as the Council's translation service; commends the EDPS for the successful consolidation of administrative cooperation;
11. Recalls that 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, the administrative handling of all EDPS missions is ensured by the Paymaster's Office of the Commission, and that the evaluation (effectively performed by the Commission's Internal Auditor, acting as EDPS Internal Audit Service on the basis of the Administrative Cooperation Agreement) had stated that the functionality and efficiency of the internal control system was adequate and that it provided reasonable assurance for the achievement of the EDPS's objectives;

⁽¹⁾ OJ L 56, 4.3.1968, p. 1.

12. 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;
 13. Requests that the EDPS include in its next Annual Activity Report (financial year 2010) a chapter providing an account of the follow-up during the year to Parliament's discharge decisions.
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DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the budget of the 8th, 9th and 10th European Development Funds for the financial year 2009**

(2011/564/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the Commission's report on the follow-up to the discharge for the 2008 financial year (COM(2010) 650) and to the Commission staff working documents accompanying that report (SEC(2010) 1437 and SEC(2010) 1438),
- having regard to the financial statements and revenue and expenditure accounts of the 8th, 9th and 10th European Development Funds for the financial year 2009 (COM(2010) 402 — C7-0220/2010),
- having regard to the Commission's annual report of 29 April 2010 on the Financial Management of the 8th-10th European Development Funds in 2009,
- having regard to the financial information on the European Development Funds (COM(2010) 319),
- having regard to the Court of Auditors' annual report on the activities funded by the 8th, 9th and 10th European Development Funds (EDFs) concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union (TFEU) ⁽²⁾,
- having regard to the Special Report No 10/2008 of the Court of Auditors on EC Development Assistance to Health Services in sub-Saharan Africa,
- having regard to the Special Report No 18/2009 of the Court of Auditors on the Effectiveness of EDF support for Regional Economic Integration in East Africa and West Africa,
- having regard to the Council's recommendations of 15 February 2011 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 2009 (05469/2011 — C7-0050/2011, 05472/2011 — C7-0049/2011, 05473/2011 — C7-0048/2011),
- 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 303, 9.11.2010, p. 243.⁽²⁾ OJ C 303, 9.11.2010, p. 253.⁽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 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 the 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 its resolution of 5 May 2010 ⁽³⁾ accompanying 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, in particular paragraphs 268 to 274 thereof,
 - having regard to Article 276 of the EC Treaty and Article 319 TFEU,
 - having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽⁴⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ⁽⁵⁾,
 - 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 ⁽⁶⁾,
 - 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 (A7-0140/2011),
1. Grants the Commission discharge in respect of the implementation of the budget of the 8th, 9th and 10th European Development Funds for the financial year 2009;
 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 156, 29.5.1998, p. 108.

⁽²⁾ OJ L 317, 15.12.2000, p. 355.

⁽³⁾ OJ L 252, 25.9.2010, p. 39.

⁽⁴⁾ OJ L 191, 7.7.1998, p. 53.

⁽⁵⁾ OJ L 83, 1.4.2003, p. 1.

⁽⁶⁾ OJ L 78, 19.3.2008, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the 8th, 9th and 10th European Development Funds for the financial year 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the Commission's report on the follow-up to the discharge for the 2008 financial year (COM(2010) 650) and to the Commission staff working documents accompanying that report (SEC(2010) 1437 and SEC(2010) 1438),
- having regard to the financial statements and revenue and expenditure accounts of the 8th, 9th and 10th European Development Funds for the financial year 2009 (COM(2010) 402 — C7-0220/2010),
- having regard to the Commission's annual report of 29 April 2010 on the Financial Management of the 8th-10th European Development Funds in 2009,
- having regard to the financial information on the European Development Funds (COM(2010) 319),
- having regard to the Court of Auditors' annual report on the activities funded by the 8th, 9th and 10th European Development Funds (EDFs) concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union (TFEU) ⁽²⁾,
- having regard to the Special Report No 10/2008 of the Court of Auditors on EC Development Assistance to Health Services in sub-Saharan Africa,
- having regard to the Special Report No 18/2009 of the Court of Auditors on the Effectiveness of EDF support for Regional Economic Integration in East Africa and West Africa,
- having regard to the Annual Report 2009 of the European Investment Bank on the Investment Facility,
- having regard to the Council's recommendations of 15 February 2011 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 2009 (05469/2011 — C7-0050/2011, 05472/2011 — C7-0049/2011, 05473/2011 — C7-0048/2011),
- 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⁾,

⁽¹⁾ OJ C 303, 9.11.2010, p. 243.⁽²⁾ OJ C 303, 9.11.2010, p. 253.⁽³⁾ OJ L 317, 15.12.2000, p. 3.⁽⁴⁾ OJ L 287, 28.10.2005, p. 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') ⁽¹⁾, amended by Council Decision 2007/249/EC ⁽²⁾,
 - 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 Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ⁽³⁾,
 - having regard to Article 32 of the Internal Agreement of 18 September 2000, between the 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 ⁽⁴⁾,
 - having regard to its resolution of 5 May 2010 ⁽⁵⁾ accompanying 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, in particular paragraphs 268 to 274 thereof,
 - having regard to Article 276 of the EC Treaty and Article 319 TFEU,
 - having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽⁶⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ⁽⁷⁾,
 - having regard to Article 142 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ⁽⁸⁾,
 - having regard to the answers of the Commission and the European Investment Bank (EIB) to the questions of the Committee on Budgetary Control of 25 January 2011,
 - 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 (A7-0140/2011),
- 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, despite Parliament's repeated request that the EDF be budgetised, the EDFs do not currently fall under the general budget of the European Union and the general Financial Regulation but are instead implemented in accordance with specific financial rules,

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

⁽²⁾ OJ L 109, 26.4.2007, p. 33.

⁽³⁾ OJ L 156, 29.5.1998, p. 108.

⁽⁴⁾ OJ L 317, 15.12.2000, p. 355.

⁽⁵⁾ OJ L 252, 25.9.2010, p. 39.

⁽⁶⁾ OJ L 191, 7.7.1998, p. 53.

⁽⁷⁾ OJ L 83, 1.4.2003, p. 1.

⁽⁸⁾ OJ L 78, 19.3.2008, p. 1.

- C. whereas the total amount of aid channelled through the EDF will increase considerably over the coming years because the amount of Union 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 9th EDF; whereas there is a need for awareness of the looming problem of absorption capacity which requires full knowledge of appropriate expenditure,
- D. whereas the High Representative of the Union for Foreign Affairs and Security Policy told the European Parliament on 2 February 2011 that the Union's Neighbourhood Policy had failed; whereas recent events in North Africa have shown that the combination of sharp demographic increases and stagnating economies is liable to create explosive situations; whereas those events illustrate that such demographic increases require successful economies and that policy vehicles are only appropriate when they are effective on the ground and produce positive change,
1. Recalls that the EDF (EUR 22 682 000 000 for the current, 10th, EDF for 2008-2013) is not integrated in the Union budget, while being the main instrument for providing Union development aid to the people of the African, Caribbean and Pacific (ACP) countries and the overseas countries and territories (OCTs); notes that the EDF consists of several instruments: grants managed by the Commission, risk capital and loans to the private sector managed by the EIB under the Investment Facility and the FLEX mechanism, aiming at remedying the adverse effects of the instability of export earnings;

EDF budgetisation

2. Reiterates its support for EDF budgetisation, which will strengthen the democratic control, the accountability, and the transparency of funding and will provide more coherence in Union policy concerning ACP countries;
3. Recalls once more the statement by the Commission that it wants to propose to incorporate the EDF into the Union budget during discussions on the next financial framework and that it will keep Parliament's Committee on Budgetary Control fully informed of this initiative; insists, however, that the incorporation of the EDF into the Union budget must not lead to any overall reduction in development spending with respect to the two current funding instruments;
4. Urges the Council and the Member States to respond positively to the Commission's proposal and to agree that the EDF will be fully incorporated in the Union's budget from 2014 onwards as part of the next financial framework; believes this measure to be long overdue and that the budgetisation of the EDF should take place at the earliest possible date;

Development priorities

5. Recalls the Commission's commitment⁽¹⁾ to ensuring that a benchmark of 20 % of its allocated assistance under the Development Cooperation Instrument (DCI) is dedicated to basic and secondary education and basic health; calls for reporting against the same benchmark to be provided for the EDFs; calls on the Commission to prioritise support to strengthen health systems by focusing especially on targeting the poorest people, to improve the quality of learning and to help establish a policy framework which favours the poor and which is gender responsive; calls on the Commission to take full account of the recommendations by the Court of Auditors as formulated in its Special Reports No 10/2008 and 12/2010; calls on the Commission to increase this share to 25 % in the future; urges the Commission to place greater emphasis on maternal health and stresses the importance of education and awareness of sexual and reproductive health as an integral part of the women's health agenda, since this is the Millennium Development Goal in respect of which progress has been most disappointing;
6. Welcomes the record levels of commitments reached in 2009; is also satisfied by a number of other improvements in the Commission's management of the EDF, including the strengthening of the accounting environment (new accrual-based system), better guidance to fragile states for budget support and more effective, efficient and closely monitored external audits; recognises, however, that, first and foremost, fragile States require a better defined strategy and more attention needs to be paid to particular sectors of their economies;

⁽¹⁾ Commission Declaration concerning Article 5 DCI, Annex to the Communication from the Commission to the European Parliament of 24 October 2006 (COM(2006) 628).

7. Underlines once more, that the 10th EDF should focus on a limited number of areas, while involving non-governmental organisations (NGOs) that are effective at local level and that are properly audited, in order to avoid the harmful effects arising from the proliferation of objectives; calls on the Commission to make merit-based use of local- and European-based NGOs, in particular in cases where the management of projects and programmes by NGOs and international organisations (Multi-Donor Trust Funds) is more efficient and cost-effective than management by the Commission and where their activity generates projects that remain sustainable after the financial support has expired; urges the Commission to provide Parliament with clear information on the composition of NGO's own resources for specific projects which are partly financed by the EDF and by the NGOs themselves;
8. Highlights that development aid mechanisms should be also aimed at promoting wealth creation and supporting small and medium-sized enterprises, since wealth creation remains a crucial tool in alleviating poverty; recalls that an estimated EUR 800 000 000 000 is lost annually from developing countries through illicit capital flows, prevention of which could prove decisive in alleviating poverty and achieving the Millennium Development Goals;

Financial management of the EDFs

9. Notes that, in the Court of Auditors' opinion, the Commission's report on the Financial Management of the 8th-10th EDFs in 2009 'presents an accurate description of the achievement of the Commission's operational objectives for the financial year (particularly concerning financial implementation and control activities)', despite the negative impact of the economic crisis which has hit a large number of developing countries;
10. Underlines, however, that the Commission's follow-up of observations made by the Court of Auditors in a number of cases is inadequate (for example, the management of implementing organisations should be better supported, *ex-ante* checks should be improved by focusing more on keys risks and 'the functionalities of CRIS audit' should be developed to enable a more efficient and effective monitoring of audit); stresses that the Commission's action on the Court of Auditors' recommendations is an important element of accountability for the discharge authority; calls, therefore, on the Commission to inform Parliament's competent committees on the actions it has taken or plans to take to eliminate the shortcomings as mentioned by the Court of Auditors;
11. Is concerned at certain weaknesses identified by the Court of Auditors, in particular regarding public procurement procedures ⁽¹⁾, *ex-ante* controls in Delegations ⁽²⁾ and partner countries' internal control systems ⁽³⁾, and urges the Commission to pursue energetically and to broaden existing training programmes for staff working in Delegations and in the offices of national authorising officers;
12. Notes that the statement of assurance of the Court of Auditors does not cover the 9th and 10th EDF resources, which are managed by the EIB and for which the EIB is responsible ⁽⁴⁾; finds it to be undesirable politically and for reasons of accountability that the Investment Facility is not covered by the Court of Auditors' statement of assurance or by Parliament's discharge procedure and agrees with the Court of Auditors that these provisions reduce the scope of Parliament's powers of discharge, especially considering that EDF resources are derived from public money contributed by European taxpayers and not by the financial markets;
13. Welcomes the opinion of the Court of Auditors that the final annual accounts of the 8th, 9th and 10th EDFs present fairly, in all material respects, the financial position of the EDFs as of 31 December 2009; notes, however, that the Court of Auditors draws attention to an understatement of the amount of guarantees received in respect of pre-financing and to an overstatement of the amount of retention guarantees disclosed in the notes to the financial statements; calls on the Commission to remedy these shortcomings without delay;

⁽¹⁾ Paragraph IX, Court of Auditors' Annual Report 2009 on the EDFs.

⁽²⁾ Point 30, Court of Auditors' Annual Report 2009 on the EDFs.

⁽³⁾ Point 5, Court of Auditors' Annual Report 2009 on the EDFs.

⁽⁴⁾ Point 3, Court of Auditors' Annual Report 2009 on the EDFs.

14. Notes that, at the end of 2009, the financial statements regarding the on-going amount of guarantees received in respect of prefinancing included an amount of EUR 413 600 000 and that this amount was understated by EUR 82 300 000, or 19,9 %; notes also the fact that the amount of the retention guarantees in respect of the financial statements was EUR 186 200 000 and that this amount was overstated by EUR 58 400 000, or 31,4 %; calls on the Commission to explain on a case-by-case basis the reasons for these under-and overstatements;

The accounting system of the EDFs

15. Welcomes the introduction of the new accrual-based accounting system (ABAC-EDF) in February 2009 and underlines the fact that the 2009 annual accounts of the EDFs are the first set of accounts which have been prepared using ABAC-EDF; notes that the new accounting system reduces the number of manual adjustments needed and that it strengthens the accounting environment;
16. Notes that EuropeAid's ex-post controls identified an increased frequency of encoding errors (contract type, contract start and end dates); but recalls that, at the end of 2009, EuropeAid's central services set up a department to monitor the quality of information encoded in CRIS, which should further improve the reliability of the data used to prepare the annual accounts; wishes to be kept informed of progress made in this respect;

Regularity of transactions

17. Welcomes the fact that the Court of Auditors considers that the revenue, commitments and payments underlying the accounts of the 8th, 9th and 10th European Development Funds for the year ended 31 December 2009 are in all material respects legal and regular (statement of assurance, paragraph VIII); regrets, however, that the Court of Auditors had to draw special attention to the high frequency of non-quantifiable errors affecting commitments and payments but not included in the estimation of total error; recalls, even if the supervisory and control systems of EuropeAid have significantly improved year after year, that, overall, the Court of Auditors assessed EuropeAid's supervisory and control systems as only partially effective; expects, consequently, from the Commission, a constant follow-up and requests a report on the measures taken to remedy the abovementioned problems;
18. Notes that the errors that were detected concerned compliance with tendering rules, legal deadlines for the signature of contracts and provisions regarding mandatory guarantees; notes that, as regards budget support commitments, the Court of Auditors found that, in the context of the Commission's dynamic interpretation of the Cotonou Agreement ⁽¹⁾, EuropeAid acted in compliance with that agreement's requirements; takes note of the fact that, according to the Commission, no payment was made without being covered by financial guarantees;
19. Notes that the main types of quantifiable errors detected on project payments were the following: (a) *accuracy*: calculation errors; (b) *occurrence*: absence of invoices or other supporting documents for services rendered or goods supplied; (c) *eligibility*: expenditure incurred outside the implementation period or related to items not foreseen in the contract, undue payment of VAT or non-application of mandatory penalties; notes that the non-quantifiable errors mainly concerned non-compliance with applicable rules on bank guarantees and incorrect calculations of the reimbursement of advances from contractors; notes, however, the remark of the Commission which pointed out that all the errors in calculating the reimbursement of advances were rectified before the end of the contract; despite this, calls on the Commission to enhance *ex-ante* controls to prevent this type of error and possible losses as a result of non-compliance with the bank guarantee rules;

Monitoring of implementing organisations

20. Welcomes the efforts of EuropeAid and of the Delegations in addressing the various weaknesses which still exist in the financial procedures and controls of implementing organisations, supervisors and National Authorising Officers (NAOs); invites EuropeAid to strengthen its efforts in these areas in future; recalls also the recommendations of the Court of Auditors that EuropeAid should continue its efforts to ensure that the Delegations record data in the CRIS Audit in a comprehensive and timely manner ⁽²⁾;

⁽¹⁾ Points 28 and 29 of Special Report No 2/2005 of the Court of Auditors concerning EDF budget aid to ACP countries (OJ C 249, 7.10.2005, p. 1).

⁽²⁾ Point 54, Court of Auditors' Annual Report 2009 on the EDFs.

21. Is deeply concerned at the Court of Auditors' finding that the monitoring and supervision by Delegations is only partially effective; deplores the lack of capacity of most NAOs in beneficiary countries, which results in poorly documented and ineffective checks, as well as the shortcomings in the financial procedures and controls instituted by implementing organisations and supervisors; shares the Court of Auditors' view that Delegations are subject to resource constraints which often limit their capacity to perform certain activities; calls on the Commission to address this problem without delay;

Special Report No 18/2009 of the Court of Auditors

22. Welcomes the Special Report No 18/2009 of the Court of Auditors on the Effectiveness of EDF support for Regional Economic Integration in East Africa and West Africa and the thorough analysis carried out by the Court of Auditors, and deplores the unsatisfactory situation revealed therein; stresses nevertheless its concern at the lack of complementarity between the Commission's regional and national cooperation strategies and emphasises that bringing regional and national strategies in line with one another is essential to increase the effectiveness of the aid provided;
23. Is deeply concerned about the insufficient absorption capacity of regional organisations; urges the Commission, during the mid-term review of the regional strategies foreseen for the first half of 2011, to take account of the regional cooperation situation and to pay special attention to the possibility of revising the amounts allocated;
24. Finds it nevertheless unacceptable that the Court of Auditors, through a lack of proper reporting, was 'unable to assess' a number of projects financed;
25. Takes the view that the Union should be represented in each Regional Organisation by a specifically assigned Head of Delegation and that Union Delegations should be mandated to discuss the aligning of membership in different regional groupings;
26. Underlines that, in its Special Report No 18/2009, the Court of Auditors assessed EDF support for regional economic integration in East Africa and West Africa, to which a considerable proportion — over 50 % — of EDF funding was allocated, as only partially effective; asks the Commission to inform Parliament about the measures being taken following the requests formulated by Parliament in its resolution of 5 May 2010 ⁽¹⁾ accompanying its Decision on discharge to the 7th, 8th, 9th and 10th EDFs, before the start of the discharge procedure 2010; would also welcome a complete overview showing which of these measures have been implemented effectively in the regions concerned;
27. Acknowledges that regional economic integration can create growth and jobs in developing countries and thereby contribute to reducing poverty; welcomes, accordingly, the fact that EDF funding in this area has more than doubled over the financial period in question;
28. Regrets that EDF support for regional integration has not yet been wholly effective, mainly owing to lack of capacity on the part of the African authorities, the overlapping membership of African regional economic organisations leading to the duplication of efforts and dispersion of resources, and inadequate support and coordination from Commission Delegations, principally due to lack of resources;
29. Calls, accordingly, on the Commission to step up capacity-building for East African and West African regional economic organisations and their institutions, including support for national parliaments and local civil society, and to encourage convergence between regional blocs with a view to eliminating overlapping membership over time, whilst taking care to respect partner countries' ownership of the process;

⁽¹⁾ OJ L 252, 25.9.2010, p. 109.

30. Calls on the Commission and the European External Action Service to allocate more resources in order to enable Union Delegations to manage regional integration processes more effectively, and to ensure greater coordination and more coherence between regional and national programmes;
31. Insists that the Union should not pressure African states to sign up to Economic Partnership Agreements (EPAs) any faster or which cover a greater range of issues than they want to, and that the Union should avoid undermining existing regional groupings by agreeing EPAs with individual countries;
32. Insists that smaller states' fund allocation, especially for the least-developed countries, should be more focused on sustainable economic development, such as through wealth creation mechanisms, so as to reduce the dependency on regional economic 'giants', such as Nigeria in West Africa; calls on the Commission to continue its funding for regional programmes, otherwise known as Intra-ACP Programmes, which cover several or all countries in a particular region;

Use of accrued interest

33. Does not agree with the use of accrued interest on EDF treasury accounts (including transfers from the period 2001-2007), which is estimated at EUR 34 000 000, to cover staff expenditure but considers that it should only be used for expenditure for projects and programmes; asks the Commission to explain what the policy in the past was and, if necessary, to make proposals to amend the regulation in force in line with this principle without delay;

Budget support

34. Recalls that Parliament's assessment of budget support should not focus on the risks only but also on the benefits, as well as on the risks and benefits of alternative aid delivery; asks the Commission to provide information concerning those cases in which the goals set for EU budget support were accomplished and concerning recipient countries in which specific problems were encountered;
35. Is aware that budget support is a controversial development tool offering the advantage of low transaction costs, increased ownership and enhanced dialogue between partners and donors, while at the same time, involving the risk of misappropriation and unwanted use of funds when public finance management by recipient countries does not prove sufficiently transparent, accountable and effective; stresses that budget support is not the right answer to every situation and should not be perceived to be the sole option;
36. Recalls that, in accordance with Article 25(1)(b) of Regulation (EC) No 1905/2006 of the European Parliament and of the Council ⁽¹⁾, budget support may be granted if the partner country's management of public spending is sufficiently transparent, reliable and effective; in that context, expresses its concern at the risks of inefficient and ineffective public spending that are entailed by the Commission's 'dynamic' interpretation of the eligibility criteria; calls on the Commission to continue its efforts to substantiate its decisions concerning 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;
37. Regrets the high level of errors in budget support payments (35 %); reiterates its call for more transparent and objective eligibility criteria for budget support, and supports the Court of Auditors' recommendation for the Commission to 'clearly specify the indicators, targets, calculation methods and verification sources' ⁽²⁾; calls on the Commission to intensify audits and supervisory and control systems and to monitor and report back on the extent to which these criteria are being met, in line with the provisions of Article 25(1)(b) Regulation (EC) No 1905/2006;

⁽¹⁾ 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).

⁽²⁾ Point 55, Court of Auditors' Annual Report 2009 on the EDFs.

38. Welcomes the publication of the green paper on the future of EU budget support to third countries (COM(2010) 586) but deplores the fact that, despite previous calls by Parliament, the Commission has failed to draw up an annual report on the use of budget support, including useful, comprehensive, reliable, analytical and evaluative information on planned and disbursed budget support, achievement of expected results as set out by donor objectives and country strategies, existence and quality of complementary conditions, the effectiveness of the dialogue, the state of donor harmonisation, the complementary capacity building which has taken place and the effect of that capacity building, achievement of improved country systems, accountability institutions, public finance management institutions, monitoring and evaluation institutions, the amount and rate of irregular expenditure, and an analysis of the typology of irregularities (systemic and non-systemic) brought to light by controls and audits and remedial action taken;
39. Recalls that Parliament's 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 mere control over inputs to the checking of results against indicators, thus ensuring that support spending benefits the population of the recipient country;
40. Considers, within the scope of the revision of the guidelines on budgetary support by the Commission, that particular attention must be given to supervisory and control systems; expects the Commission to strengthen the monitoring and annual reporting on the compliance with the eligibility criteria; recalls that capacity building projects within the scope of budgetary support operations are subject to the same supervisory and control system as any other project, which includes audits;
41. Recalls that under the 10th EDF, as compared with the 8th and 9th EDFs, there was a significant increase in the share of cumulative financing decisions accounted for by budget support and structural adjustment; expresses its concern about this development;
42. Recalls that the Court of Auditors found in its Annual Report on the EDFs, concerning the financial year 2009 that budget support payments were affected by a high frequency of non-quantifiable errors and that '[t]he main explanation was that the Delegations' public finance management assessment reports did not explain the criteria against which progress had to be assessed [...], the progress made and the reasons why the reform programme may not have been implemented according to the recipient Government's plan' ⁽¹⁾; urges the Commission to evaluate the budget support payments with even greater rigour and to tighten up its payment procedures from now on;
43. Calls on the Commission to ensure that the specific conditions for performance-based variable tranches clearly specify the indicators, targets, calculation methods and verification sources and that Delegations' reports provide a structured and formalised demonstration of public finance management progress by clearly setting the criteria against which progress was to be assessed, the progress made and the reasons why the reform programme may have not been implemented according to plan;
44. Calls on the Commission to take all necessary measures in order to combat corruption in the beneficiary states, through maintaining a close dialogue with partner governments on corruption issues and, by taking a pro-active approach, to ensure that the appropriate systems are in place and that sanctions are available when necessary; believes that the provision of funds should be reconsidered if such cooperation is not forthcoming and if no guarantee as to the basic effectiveness of the systems to tackle corruption can be obtained;
45. Reiterates its opinion that the involvement of national parliaments, civil society and local authorities in partner countries is indispensable in order to achieve genuine ownership of the process and repeats its call on the Commission to make every effort in order to improve dialogue with these bodies at all the different stages of the programming process;

⁽¹⁾ Point 25, Court of Auditors' Annual Report 2009 on the EDFs.

46. Urges the Commission to help partner countries develop parliamentary control and audit capacities and to involve national parliaments, as well as local civil society partners, in drawing up their national development strategies;
47. Invites its relevant committees to establish direct contacts with their sister committees in the parliaments of the recipient ACP countries in order to encourage and support their role in ensuring the effectiveness of aid through parliamentary oversight activities;
48. Urges the Commission to ensure better visibility for Union-funded activities overseas;

Disclosure statement by beneficiary countries

49. Recalls once more 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;

Human resources

50. Is extremely concerned that vacancy rates in third-country Delegations are considered as a 'critical risk' ⁽¹⁾ and that resource constraints, staff shortages and high staff turnover significantly hamper the Commission's effective implementation of EDF funds, in particular as regards project management, training, monitoring, and reliable and timely audits; consequently expects the European External Action Service to make it a priority to equip all Delegations with adequate levels of qualified staff, notably experts in the field of development;

EuropeAid

51. Regrets that, although the *ex-ante* controls by authorising officers in EuropeAid's central services were assessed by the Court of Auditors as effective, it concluded that EuropeAid's supervisory and control systems were only partially effective in ensuring that payments are regular;
52. Reminds the Commission that:
 - EuropeAid should, in the context of its planned review of its overall control strategy, develop a key indicator of the estimated financial impact of the uncorrected errors after all controls have been implemented,
 - EuropeAid should, in the context of this review, assess the cost-effectiveness of the various controls, notably of the transactional ex-post control system, and examine the relevance and feasibility of an annual audit of a representative statistical sample of closed projects,
 - regarding budget support, EuropeAid should ensure that the specific conditions for payments are clearly defined and that Delegations' reports provide a structured and formalised demonstration of progress achieved in public finance management;

The Investment Facility

53. Very much welcomes the fact that, during the discharge procedure for the financial year 2009, the EIB presented, for the first time, its annual report on the implementation of the Investment Facility to Parliament's Committee on Budgetary Control and gave extensive replies to the written and oral questions from its members; requests the EIB to conclude a framework agreement with Parliament's committee responsible for the discharge procedure for the coming years, including the information to be provided by the EIB;

⁽¹⁾ Point 40, Court of Auditors' Annual Report 2009 on the EDFs.

54. Expects the EIB to confirm that there is no overlap between projects it finances and those financed by the Commission and considers substantial improvements in coordination between the Commission and the EIB to be indispensable, as the EIB Director-General for Operations outside the European Union told the Committee on Budgetary Control on 25 January 2011; asks itself whether EIB staff should be posted to Union Delegations; expects to receive, by the end of September 2011, a combined report from both institutions on the reinforcement of their cooperation and the agreed procedures including an analysis of the possible need to post EIB staff in the Delegations;
 55. Calls on the EIB to carry out thorough due diligence, verifying the presence of appropriate local public consultation, on development-related aspects of projects covered by the EU guarantee, prior to project approval, including the performance of financial intermediaries in using the loan granted by the EIB on these aspects; is of the opinion that, when it comes to lending in developing countries, the EIB should apply stringent enhanced due diligence in accordance with standardised procedures, following international best practices, concerning the fight against money laundering and the financing of terrorism;
 56. Calls once more on the EIB 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;
 57. Welcomes that the EIB now seems to be more committed to focusing on reporting on results, and that in the 2010 Annual Report on the Investment Facility which is currently being finalised, there will be more focus on results, compared to 2009; considers it a positive step forward that the EIB is currently working on development result indicators which should be ready for implementation towards the second half of 2011;
 58. Expects the next annual report of the EIB to be less theoretical and more practical, in particular on the results obtained by the various programs and actions financed by the Investment Facility;
 59. Calls on the EIB to forward to it additional information on the blacklist of fraudsters, whilst preserving the customary confidentiality of open cases; welcomes the EIB's stated aim of setting up an anti-fraud unit and expects to receive regular updates on progress made in establishing it;
 60. Is surprised at the EIB's statement in which it found that no fraudulent practice exists in the context of EIB Investment Facility programmes;
 61. Considers it indispensable to conduct an overall audit of all projects in developing countries financed by the EIB, which should not be restricted to major projects but should also review all appropriations and guarantees the EIB must write off;
 62. Invites the Commission to monitor and control closely the implementation of the Investment Facility with a view to guaranteeing that it fulfils its objective as a development tool, and to inform Parliament's Committee on Budgetary Control on a regular basis of its findings.
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DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the 8th, 9th and 10th European Development Funds for the financial year 2009**

(2011/565/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the Commission's report on the follow-up to the discharge for the 2008 financial year (COM(2010) 650) and to the Commission staff working documents accompanying that report (SEC(2010) 1437 and SEC(2010) 1438),
- having regard to the financial statements and revenue and expenditure accounts of the Eighth, Ninth and 10th European Development Funds for the financial year 2009 (COM(2010) 402 — C7-0220/2010),
- having regard to the Commission's annual report of 29 April 2010 on the Financial Management of the 8th, 9th and 10th European Development Funds in 2009,
- having regard to the financial information on the European Development Funds (COM(2010) 319),
- having regard to the Court of Auditors' annual report on the activities funded by the 8th, 9th and 10th European Development Funds (EDFs) concerning the financial year 2009, 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 287 of the Treaty on the Functioning of the European Union (TFEU) ⁽²⁾,
- having regard to the Special Report No 10/2008 of the Court of Auditors on EC Development Assistance to Health Services in sub-Saharan Africa,
- having regard to the Special Report No 18/2009 of the Court of Auditors on the Effectiveness of EDF support for regional economic integration in East Africa and West Africa,
- having regard to the Council's recommendations of 15 February 2011 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 2009 (05469/2011 — C7-0050/2011, 05472/2011 — C7-0049/2011, 05473/2011 — C7-0048/2011),
- 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 303, 9.11.2010, p. 243.⁽²⁾ OJ C 303, 9.11.2010, p. 253.⁽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 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 the 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 its resolution of 5 May 2010 ⁽³⁾ accompanying 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, in particular paragraphs 268 to 274 thereof,
 - having regard to Article 276 of the EC Treaty and Article 319 TFEU,
 - having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽⁴⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the Ninth European Development Fund ⁽⁵⁾,
 - 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 ⁽⁶⁾,
 - 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 (A7-0140/2011),
1. Notes that the final annual accounts of the 8th, 9th and 10th European Development Funds are as shown in Table 2 of the Court of Auditors' annual report;
 2. Approves the closure of the accounts of the 8th, 9th and 10th European Development Funds for the financial year 2009;
 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 156, 29.5.1998, p. 108.

⁽²⁾ OJ L 317, 15.12.2000, p. 355.

⁽³⁾ OJ L 252, 25.9.2010, p. 39.

⁽⁴⁾ OJ L 191, 7.7.1998, p. 53.

⁽⁵⁾ OJ L 83, 1.4.2003, p. 1.

⁽⁶⁾ OJ L 78, 19.3.2008, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****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 2009**

(2011/566/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 2009,
 - 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 2009, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0119/2011),
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 2009;
 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 338, 14.12.2010, p. 119.

⁽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 10 May 2011****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 2009**

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 2009,
- 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 2009, together with the Centre's replies ⁽¹⁾,
- having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
- 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0119/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted the Director of the Translation Centre for the Bodies of the European Union discharge for implementation of the Centre's budget for the financial year 2008 ⁽⁵⁾, and in its resolution accompanying the discharge decision, inter alia:
 - noted the Court of Auditors' observations in its 2006 report that the accumulated budget surplus for 2006 was EUR 16 900 000, that, in 2007, the Centre would refund EUR 9 300 000 to its clients and that in 2008 the surplus amounted to EUR 26 700 000; 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,
- C. whereas the budget of the Centre for 2009 was EUR 62 630 000, which is an increase of 4,48 % on the financial year 2008,

⁽¹⁾ OJ C 338, 14.12.2010, p. 119.⁽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 252, 25.9.2010, p. 119.

Performance

1. Welcomes the Centre's plan to carry over a mid-term review of its Strategy 2008-2012; calls none the less on the Centre to further develop the evaluation of its performance by improving the links between its strategic actions and the actions foreseen in its Work Programme and by reviewing the indicators for monitoring its performance in order to comply with SMART criteria;
2. Notes that in 2009 the Centre increased its services (in terms of pages translated) to the EU institutions by 41 % compared to 2008;
3. Congratulates the Centre for having set out, in the table annexed to the Court of Auditors' 2009 report, a comparison of the operations that were carried out during 2008 and 2009 so as to enable the discharge authority to assess more effectively the Centre's performance from one year to the next;

Financial management

4. Calls on the Centre to systematically apply Article 8.2 of its Financial Regulation in which it is stated that 'commitment appropriations shall cover the total cost of the legal commitments entered into the current financial year';

Budget surplus contrary to the Regulation establishing the Centre

5. Calls on the Centre to take more effective measures to remedy its constant rise in surplus; notes, in fact, that for several years the Centre has had an accumulated budget surplus contrary to Regulation (EC) No 2965/94, and that in 2009 the surplus amounted to EUR 24 000 000, whereas it had been EUR 26 700 000 in 2008, EUR 16 900 000 in 2006, EUR 10 500 000 in 2005 and EUR 3 500 000 in 2004; observes that this surplus is mainly linked to the lack of precision in the forecasts for translation requests received from its clients;
6. Welcomes, nevertheless, the Centre's initiative to refund EUR 11 000 000 to its clients in 2009; stresses that similarly, in 2007, the Centre had already refunded EUR 9 300 000 to its clients;

Pension contributions to the Commission retirement scheme

7. Observes that on 12 February 2010 the Court of Justice of the European Union judged as manifestly inadmissible the Commission's appeal (in Case T-456/07) ⁽¹⁾ which called on the Centre to pay a contribution representing the part of the financing of the Community pension scheme in connection with the budget years 1998 to 2005;
8. Congratulates the Centre on having put efforts into finding an amicable solution in respect of this conflict with the Commission by using part of its budget surplus (EUR 18 300 000) to pay the employer contribution to the Commission retirement scheme;

Accounting system

9. Encourages the Centre to ensure that there is a proper validation accounting system to be used by the Accounting Officer; recalls that the absence of a validation accounting system implies that the Centre takes over the responsibility of its Accounting Officer for the declaration of the Centre's Annual Activity Report;
10. Calls on the Centre to inform the discharge authority of the steps put forward for making the ABAC accounting system effectively operational; reminds the Centre that as the Centre does not have the necessary expertise for maintaining SI2, there is a significant risk to continuity of its financial operations until ABAC is operational;

⁽¹⁾ ECR 2010, p. II-00183.

Human resources

11. Calls on the Centre to include information on sensitive functions in job descriptions and ensure that all mitigating controls put in place are identified;
12. Encourages the Centre to update the implementing rules for training and define new timing for this; supports the Centre in the steps taken by it to monitor effectively the quality of its training courses;

Internal audit

13. Acknowledges that the Centre has sent to the authority responsible for discharge a report drawn up by its Director summarising the content of the Internal Audit Service (IAS) recommendation as provided for in Article 72(5) of the framework Financial Regulation; calls nevertheless on the Director of the Centre to provide specific information on the content of recommendations opened by IAS;
14. Acknowledges that the IAS performed an audit on monitoring and building blocks of assurance in the Centre on 2009; encourages the Centre to further strengthen its internal control system, its monitoring system and assurance process;
15. Calls also on the Centre to issue a comprehensive written procedure defining roles, timing and workflows for the establishment, validation and booking of recovery orders for transactions delivered to customers;
16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2009**

(2011/567/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 2009,
 - 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 2009, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0119/2011),
1. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2009;
 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 338, 14.12.2010, p. 119.

⁽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 10 May 2011****on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2009**

(2011/568/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 2009,
 - 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 2009, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0106/2011),
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 2009;
 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 338, 14.12.2010, p. 130.

⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2009,
 - 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 2009, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0106/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted discharge to the Director of the European Centre for the Development of Vocational Training for implementation of the Centre's budget for the financial year 2008 ⁽⁵⁾, and in its resolution accompanying the discharge decision, inter alia:
- drew attention to the fact that the Centre once again carried forward appropriations (which was 25 % of payment appropriations, or EUR 1 400 000),
 - pointed out that this revealed weaknesses in the programming and monitoring of differentiated appropriations for operating activities,

⁽¹⁾ OJ C 338, 14.12.2010, p. 130.⁽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 252, 25.9.2010, p. 124.

- C. whereas the budget of the Centre for 2009 was EUR 18 530 000, which is an increase of 1 % on the financial year 2008,

Performance

1. Draws attention to the Court of Auditors' confirmation that the annual accounts in respect of a budget of EUR 18 500 000 fairly present the Centre's actual financial position as at 31 December 2009 and that the Centre's operations and cash flows for the financial year 2009 are in accordance with its financial rules;
2. Expresses its satisfaction that the Court of Auditors has declared the operations underlying the Centre's annual accounts for the financial year 2009 to be legal and regular; welcomes the Centre's intention to make available in respect of 2011 Gantt charts for all key operational activities; reminds the Centre that these charts outline, in a concise way, the amount of time spent by each staff member on a project and encourage an approach geared towards achieving results;
3. Congratulates the Centre for introducing a performance measurement system (PMS) in 2009 in respect of its medium term priorities 2009-2011 and its annual work programme, and for having set up a framework of performance indicators to monitor progress and measure output, outcome and impact; considers, in particular, that the introduction of a PMS helps the Centre manage and evaluate its impact, efficiency, effectiveness and relevance; believes, furthermore, that this system could include further improvements to the activity-based budget and closer monitoring of payment appropriations to avoid carry-overs;
4. Calls on the Centre to set out, in a table to be annexed to the Court of Auditors' next report, a clear comparison of the operations that were carried out during the year for which discharge is to be granted and during the previous financial year, so as to enable the discharge authority to assess more effectively its performance from one year to the next;
5. Is interested in the activities of the Centre with Norway and Iceland and notes that it has introduced a plan to align the use of the contributions of Norway and Iceland with the use of the Union subsidy which should be implemented by 2013;

Human resources

6. Notes that the Centre has introduced changes in its recruitment procedures following remarks by the Court of Auditors in its 2009 report calling on the Centre to further improve transparency; welcomes, the Centre's initiative, since June 2010, in respect of questions in written tests and interviews before pre-selection;

Carry-over appropriations

7. Draws attention to the fact that the Centre has carried appropriations forward (31 % of the administrative expenditure — Title II) and cancelled payment appropriations (24 % of total appropriations for operating activities); calls, accordingly, on the Centre to continue to improve the programming and monitoring and to respect the principle of annuality more fully;

Budget management

8. Calls on the Centre to apply more effectively the budgetary principles of specification and transparency; acknowledges that in June 2010 the Centre informed the Governing Board on all 2009 and 2010 transfers and since then has continuously informed the Governing Board on transfers and has clarified the 10 % rule in its new implementing rules to the financial rules which were adopted by the Governing Board in December 2010;

Internal audit

9. Acknowledges that the Centre has sent to the authority responsible for discharge a report drawn up by its Director summarising the content of the Internal Audit Service (IAS)'s recommendation, as provided for in Article 72(5) of the framework Financial Regulation; nevertheless, calls on the Director of the Centre to provide specific information on the content of the 15 recommendations opened on 31 December 2008 and the new 14 recommendations opened on 31 December 2009, in both cases by the IAS;
 10. Welcomes the Centre's establishment of an online procurement tool in 2009 with the purpose of improving planning and monitoring of the annual procurement plan;
 11. Notes that the Centre finalised in 2009 an updated procedure for decommitments in order to further improve the transparency of the inventory of assets; notes, in addition, that, in the same year, the Centre started to document the main control processes; calls, accordingly, on the Centre to inform the discharge authority of the steps taken in this regard;
 12. Welcomes the fact that the Centre is the first Agency that voluntarily undertook a pilot audit on the ethical framework in 2009;
 13. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2009**

(2011/569/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 2009,
 - 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 2009, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0106/2011),
1. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2009;
 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 338, 14.12.2010, p. 130.

⁽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 10 May 2011****on discharge in respect of the implementation of the budget of the Community Fisheries Control Agency for the financial year 2009**

(2011/570/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Community Fisheries Control Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 Fisheries (A7-0118/2011),
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 2009;
 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 338, 14.12.2010, 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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Community Fisheries Control Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 Fisheries (A7-0118/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted the Executive Director of the Community Fisheries Control 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*:
- drew 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,
 - noted that the Agency did not draw up a multiannual work programme,
- C. whereas the budget of the Agency for the year 2009 was EUR 10 100 000, which is an increase of 18 % on the financial year 2008,

⁽¹⁾ OJ C 338, 14.12.2010, 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 252, 25.9.2010, p. 128.

Performance

1. Congratulates the Agency for having adopted its multiannual work programme for 2011-2015 on 19 October 2010; stresses, in fact, the importance of such a document so that the Agency can make effective organisational arrangements to implement its strategy and achieve its goals;
2. Calls once more on the Agency to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of the operations that were carried out during the year for which discharge is to be granted and during the previous financial year so as to enable the discharge authority to assess more effectively the Agency's performance from one year to the next;
3. Urges the Agency to improve its annual work programme by including specific and measurable objectives both at policy area level and at operational activity level, and by establishing SMART indicators; calls also on the Agency to develop key performance indicators within the administrative support functions;
4. 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; requests, therefore, the Agency to inform the discharge authority of the progress made in this respect;
5. Recalls that a delegation from the Committee on Fisheries visited the Agency in June 2010 and was very satisfied with the general state of the Agency's affairs, particularly the execution of the Joint Deployment Plans;

Human resources

6. Calls on the Agency to redress its weaknesses in recruitment planning; notes, in fact, that the Court of Auditors reported that only 44 out of 55 temporary posts planned have been filled (80 %);

Internal audit

7. Welcomes the Agency's initiative to revise its budgetary procedures and associated financial circuits, to designate authorising officers and invest in staff training on financial management;
8. Congratulates the Agency for having set up in 2008 an Internal Audit function (Internal Audit Capability-IAC) which is dedicated to providing support and advice to the Agency's Executive Director and management on internal control, risk assessment and internal audit; notes that the Agency does not employ a full time IAC but shares this service with the European Maritime Safety Agency (EMSA) in Lisbon; acknowledges, to this end, that a Service Level Agreement between the Agency and EMSA was signed on 17 June 2008; considers, therefore, this shared service to be an example of best practice to be promoted by other agencies;
9. Acknowledges that the IAC performed two audits in 2009, one on the implementation of the Internal Control Standards and the other on the payment cycle; calls on the Agency to inform the discharge authority of the recommendations made by the IAC and the action taken by the Agency;
10. Urges the Executive Director of the Agency to fully fulfil his obligation to include, in his report to the discharge authority summarising the Internal Audit Service (IAS) Report, all recommendations made (including the ones which could possibly be refused by the Agency) and all action taken on these recommendations; calls therefore on the Executive Director of the Agency to provide information on the content of the four 'very important' IAS recommendations and the action taken by the Agency;

11. Calls on the Agency to review its Internal Control System to underpin its Executive Director's annual declaration of assurance and to review all its procedures, both administrative and operational with subsequent documentation of the workflow and key controls; encourages, furthermore, the Agency to establish a risk management function for registering risks and creating plans for mitigating actions;
12. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the Community Fisheries Control Agency for the financial year 2009**

(2011/571/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Community Fisheries Control Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 Fisheries (A7-0118/2011),
1. Approves the closure of the accounts of the Community Fisheries Control Agency for the financial year 2009;
 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 338, 14.12.2010, 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 10 May 2011****on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2009**

(2011/572/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0123/2011),
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 2009;
 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 338, 14.12.2010, p. 22.

⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0123/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted the Executive Director of the European Aviation Safety 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*:
- regretted that in 2008 the system of annual flat fees generated income that was significantly above the actual costs of the services rendered and called upon the Agency to put forward, as a matter of urgency, a detailed plan to guarantee that this does not recur in future years,
 - drew 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 was 79 % of the operating appropriations),

⁽¹⁾ OJ C 338, 14.12.2010, p. 22.⁽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 252, 25.9.2010, p. 136.

- stressed how important it was for the Agency to set SMART objectives and RACER indicators in its programming so as to assess its achievements,
 - expressed concern about the lack of coordination between the needs, staff and financial regulation of the Agency and, in particular, that staff selection procedures made it difficult to recruit appropriately qualified personnel,
- C. whereas the budget of the Agency for 2009 was EUR 92 500 000, which is an increase of 6 % on the financial year 2008; whereas the reserve for fees and charges activities for 2009 was EUR 29 500 000,
1. Welcomes the fact that the Court of Auditors found the Agency's accounts for 2009 to be reliable and the underlying transactions to be, in all material respects, legal and regular;

Substantial increase of the budget

2. Notes that the Agency's budget increased by 28 % from 2007 to 2009;
3. Notes that the Agency received EUR 31 540 000 in commitment appropriations and EUR 29 180 000 in payment appropriations from the 2009 Union budget;
4. Notes, in addition, that the Agency's overall budget increased by almost 20 % from EUR 102 000 000 to EUR 122 000 000 from 2008 to 2009 and that staff numbers rose from 440 to 509;

Performance

5. Stresses, once more, 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, in addition, 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;
6. Urges the Agency to implement an activity-based structure for the operational budget in order to establish a clear link between the work programme and the financial forecasts and improve performance monitoring and reporting; notes that the Agency prepares a multiannual plan every year, discussed with all stakeholders and approved by the Management Board, in which the budget per activity is presented; acknowledges the view of the Court of Auditors that the structure of the Agency's operational budget (Title III) remained partially input-related and that the budget amendments were made without updating the work programme, even when they had a significant impact on the allocation of human and financial resources;
7. Calls once more on the Agency to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of the operations that were carried out during the year for which discharge is to be granted and during the previous financial year so as to enable the discharge authority to assess more effectively the Agency's performance from one year to the next;

Carry-over of appropriations

8. Draws attention to the fact that once again the Agency carried forward to 2010 a high level of appropriations for operating expenditure (65 % from Title III — Operational activities — when assigned revenues are excluded from the carryovers, the percentage of commitments carried forward is 13 %); stresses that this is at odds with the principle of annuality; acknowledges that a certain uncertainty about the level of fees and charges is inherent in the Agency's initial business cycle because of the multiannuality of the projects; stresses, in addition, that this situation reveals weaknesses in the Agency's resource planning system resulting from a delay in signing the service contract; calls, accordingly, for more accurate and timely management of contracts and for far more realistic forecasts to be presented to Parliament and the Commission for the next financial year, allowing sufficient time for these to be analysed;

9. Requests that a report be attached to each year's budget on the unspent appropriations carried over from previous years, explaining why those monies have not been used and how and when they will be used;

Fees and charges levied by the Agency

10. Notes that 2009 was the second 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⁾;
11. Calls once more on the Agency to improve its monitoring system for certification projects to make sure that, over the entire project duration, the fees levied do not deviate significantly from the actual cost;
12. Calls on the Agency, specifically, to correctly estimate, for the establishment of the 2010 financial statements, the accrued expenditure related to the management of certification tasks outsourced to national aviation authorities; notes, in fact, that the Court of Auditors reported that the related accrued expenditure at the year end was estimated by assuming an overall percentage of completion not justified by historical experience; acknowledges, nevertheless, the Agency's intention to introduce a 'flat-rate agreement' for certain services (minor changes, minor repairs, standard Supplemental Type Certificates, organisations oversight) to provide for the availability of reliable project costs at the time a service is outsourced;

Human resources

13. Notes, in addition, deficiencies in staff selection procedures which put at risk the transparency of these procedures; acknowledges, that the Court of Auditors reported in respect of these procedures that the decisions by the selection boards were insufficiently justified and documented since thresholds for being invited to interview or put on the reserve list were not defined in advance and minutes were missing;
14. Urges the Agency to inform the discharge authority on the actions taken to redress this situation and make the selection procedures of its experts/staff more transparent; stresses that the impact of these deficiencies is even more crucial when considering that the Agency has the objectives of issuing certification specifications, taking decisions regarding airworthiness and environmental certification and conducting standardisation inspections of the competent authorities in the Member States;

Internal audit

15. Acknowledges that the Agency has implemented 20 out of the 26 recommendations made by the Internal Audit Service (IAS) since 2006;
16. Acknowledges that the Agency has sent the discharge authority a report drawn up by its Executive Director summarising the content of the IAS recommendation as provided for in Article 72(5) of the framework Financial Regulation; nevertheless, calls on the Executive Director of the Agency to provide specific information on the content of all open recommendations of the IAS in 2009;
17. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽²⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ OJ L 140, 1.6.2007, p. 3.

⁽²⁾ Texts adopted, P7_TA(2011)0163 (see page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the European Aviation Safety Agency for the financial year 2009**

(2011/573/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0123/2011),
1. Approves the closure of the accounts of the European Aviation Safety Agency for the financial year 2009;
 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 338, 14.12.2010, p. 22.

⁽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 10 May 2011****on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2009**

(2011/574/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2009, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0107/2011),
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 2009;
 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 338, 14.12.2010, p. 124.⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2009, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0107/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted the Director of the European Centre for Disease Prevention and Control discharge for implementation of the Centre's budget for the financial year 2008 ⁽⁵⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- noted that the Court of Auditors pointed out that about EUR 16 200 000 (representing 40 % of the Centre's total budget) had to be carried over,

⁽¹⁾ OJ C 338, 14.12.2010, p. 124.⁽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 252, 25.9.2010, p. 141.

- was concerned that as of 31 December 2008 there was still no seat agreement between the Centre and the Swedish Government,
 - pointed out that there were still weaknesses in the planning of recruitment procedures,
 - deplored 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,
- C. whereas the budget of the Centre for the year 2009 was EUR 51 000 000, which is an increase of 25,3 % on the financial year 2008,
1. Notes that the Centre's budget increased from EUR 17 100 000 in 2006 to EUR 51 000 000 in 2009;
 2. Notes that EUR 51 000 000 had been made available as resources for the Centre in 2009, of which EUR 48 100 000 came from subsidies from the Union budget;
 3. Underlines that the implementation of payment credits slightly improved to 91 %, which represents an amount of unused credits of EUR 4 800 000; notes, however, that this under-execution is related to the fact that the Centre limited its request for payment credits in order to reduce the amount of cash in its bank account at year-end, as requested by the Court of Auditors and the Commission;

Performance

4. Calls once more on the Centre to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of the operations that were carried out during the year for which discharge is to be granted and during the previous financial year, so as to enable the discharge authority to assess more effectively the Centre's performance from one year to the next;
5. Considers, nevertheless, that the Centre is an important institution that can strengthen and develop European disease surveillance and assess and communicate current and emerging threats to human health posed by infectious diseases;
6. Points to the important contributions made by the Centre to the measures to fight the H1N1 pandemic in 2009, for example by issuing preliminary guidelines on the 'Use of specific pandemic influenza vaccines during the H1N1 2009 pandemic';
7. Takes the view that the Centre's powers must be strengthened so that the Union has an independent capacity to assess the severity of the risk of infection should a pandemic occur and so that coordination between the Member States can be improved;
8. Notes that the Centre was able to develop a considerable number of products and services in 2009 on epidemiology, surveillance, prevention and control of communicable diseases as well as publishing a variety of scientific reports;
9. Requests the Court of Auditors to undertake performance audits on the Centre;

Carry-over of appropriations

10. Is concerned that already in 2006 the Court of Auditors reported a high level of carry-overs which has a negative impact on the implementation of the budget and is at odds with the principle of annuality; notes in particular that appropriations carried forward from 2008, amounting to EUR 2 200 000, had to be cancelled and in 2009 appropriations carried forward represented 42 % of Title II — Administrative expenditure, and 63 % of Title III — Operational expenditure; calls therefore on the Centre to inform the discharge authority of the measures taken to redress this deficiency;

The Centre's seat

11. Welcomes the fact that, in the end, a Seat Agreement was signed by the Chair's Management Board and the Swedish Minister for Public Health and Elderly Care on 30 June 2010 as well as an accompanying change in the law to enable the Centre's staff and their families to be included in Sweden's population register;

Internal audit

12. Is concerned about the fact that once again the Centre has not comprehensively fulfilled its obligation to send to the discharge authority a report drawn up by its Director summarising the content of the Internal Audit Service (IAS) recommendation as provided for in Article 72(5) of the framework Financial Regulation; is concerned, in particular, that, in relation to the follow-up of earlier recommendations, the Centre received one 'very important' recommendation and seven other 'important' recommendations from the IAS but that no information is given on their content; urges therefore the Director of the Centre to provide this information;
13. Acknowledges that the IAS also performed an audit on financial management in 2009 which had the overall objective of obtaining reasonable assurance on the adequacy of the internal controls supporting procedures for financial management, procurement planning, budget implementation, management reporting and monitoring and controls; stresses that the IAS' recommendations concern the need to update and reinforce financial procedures for commitments and payments to define and record more accurately the controls performed;
14. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (see page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2009**

(2011/575/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2009, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0107/2011),
1. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2009;
 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 338, 14.12.2010, p. 124.

⁽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 10 May 2011
on discharge in respect of the implementation of the budget of the European Chemicals Agency for
the financial year 2009
(2011/576/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0127/2011),
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 2009;
 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 338, 14.12.2010, p. 34.

⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0127/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas 2009 was the European Chemicals Agency's second year in operation,
- C. whereas on 5 May 2010 Parliament granted the Executive Director of the 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*:
- drew attention to the fact that the Court of Auditors highlighted delays in the operational activities caused by difficulties in implementing the IT system and by a lack of qualified staff,

⁽¹⁾ OJ C 338, 14.12.2010, p. 34.⁽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.⁽⁵⁾ OJ L 252, 25.9.2010, p. 146.

- expressed its satisfaction with the first successful year of operation of the Agency, the Commission (DG Enterprise and Industry) having been responsible for the budgetary management of the Agency in 2007,
- D. whereas the budget of the Agency for 2009 was EUR 70 400 000, which is an increase of 6 % on the financial year 2008,
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 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);
 2. Underlines the fact that the Agency's revenues in 2009 stemmed mainly from the annual subsidy from the general budget of the Union, which increased by EUR 4 000 000 compared to 2008 (EUR 62 600 000) and from fee-generated income of EUR 2 200 000; notes that REACH IT fee income is received from companies subject to registration and notification under the REACH Regulation;
 3. Observes that the increase in Title 3 — Operational expenditure is mainly as a result of the rise in software development costs, as major investments have been needed for the enhancement of the REACH IT system architecture and for further development of a comprehensive chemical safety assessment/chemical safety report tool;
 4. Takes note, in this context, that the Agency has carried forward 29 % of the total appropriations (EUR 20 000 000) as a result of contracting for major projects related to the preparation for the first registration deadline, which were not concluded by the end of 2009; recommends that the proportion of carry-overs be reduced to respect the principle of annuality;

Performance

5. Congratulates the Agency for having set out, in a table annexed to the Court of Auditors' 2009 report, a comparison of the operations that were carried out during 2009 and 2008 so as to enable the discharge authority to assess more effectively its performance from one year to the next; notes that the Agency has increased the number of completed registration dossiers (500 in 2009 and 70 in 2008) and the number of enquiries (1 000 in 2009 and 250 in 2008); notes, in addition, an increase in both the number of compliance checks completed (14 in 2009 and 1 in 2008) and the number of proposals for harmonised classification and labelling (30 in 2009 and 14 in 2008);
6. Expresses its satisfaction at the Agency's second successful year of operation, 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 relatively rapid establishment of the Agency is mainly as a result of 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;
7. Welcomes the Agency's initiatives for enhancing its customer focus and feedback procedures; congratulates, in particular, the Agency for having conducted a stakeholder survey in 2009 and for having increased assistance activities for industry (such as offering a phone advice service for lead-registrants, workshops, network meetings, public consultations, etc.);
8. Requests the Court of Auditors to undertake performance audits on the Agency;

Carry-over appropriations

9. Calls on the Agency to further develop the planning and monitoring of its procurement and budget execution so as to reduce the proportion of carry forward appropriations; notes, in fact, that the Court of Auditors registered a carry forward of EUR 20 000 000 (29 % of the appropriations) to the budgetary year 2010, approximately 88 % of which corresponds to activities not yet implemented (or, in some cases, goods not received) at the year end; remarks, furthermore, that 5 % of the appropriations (EUR 3 000 000) were cancelled;

10. Welcomes, nevertheless, the Agency's commitment to reduce for 2010 the carry-over of commitment appropriations to below 20 % and limit the cancelled appropriations to a considerably lower level as compared to 2008; calls, accordingly, on the Agency to inform the discharge authority of developments in this matter;

Human resources

11. Notes that the total number of posts in the establishment plan has increased by 47 % compared to 2008; welcomes the fact that at the end of the year the Agency had achieved 90 % execution of the establishment plan; recalls, nevertheless, that it is important for the Agency to keep monitoring the implementation of its budget and recruitment plan;

Internal audit

12. Congratulates the Agency for having set up an Internal Audit Capability (IAC) with a role of conducting internal audits and advising the Executive Director on risk management and control systems by issuing independent opinions and recommendations;
13. Acknowledges that the Internal Audit Service (IAS) submitted its final strategic audit plan 2010-2012 on 1 December 2009 (3 years on a rolling basis and annually updated); calls, accordingly, on the Executive Director of the Agency to inform the discharge authority of the content of this audit plan;
14. Calls on the Agency to inform the discharge authority of the steps taken to improve its control system by strengthening its financial circuits, workflows, audits, action plans and risk assessments;
15. Encourages the Agency to effectively ensure that:
- all components for financing decisions are in place (e.g. standard formats for its work programme and financial decisions),
 - the information necessary at each level within the organisation is properly defined and addressed,
 - the work programme shows all resources made available through the budget,
 - the documentation of financial procedures and checklists is finalised and updated;
16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 10 May 2011
on the closure of the accounts of the European Chemicals Agency for the financial year 2009
(2011/577/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0127/2011),
1. Approves the closure of the accounts of the European Chemicals Agency for the financial year 2009;
 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 338, 14.12.2010, p. 34.

⁽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 10 May 2011****on discharge in respect of the implementation of the budget of the European Environment Agency
for the financial year 2009**

(2011/578/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation Network ⁽³⁾, and in particular Article 13 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 ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 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 (A7-0122/2011),
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 2009;
 2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 338, 14.12.2010, p. 58.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 120, 11.5.1990, p. 1.⁽⁴⁾ OJ L 126, 21.5.2009, p. 13.⁽⁵⁾ 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 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

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation Network ⁽³⁾, and in particular Article 13 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 ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 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 (A7-0122/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ C 338, 14.12.2010, p. 58.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 120, 11.5.1990, p. 1.

⁽⁴⁾ OJ L 126, 21.5.2009, p. 13.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

B. whereas on 5 May 2010 Parliament granted the Executive Director of the European Environment Agency discharge for implementation of the Agency's budget for the financial year 2008 ⁽¹⁾, and in its resolution accompanying the discharge decision, *inter alia*:

- called on the Agency to continue providing on a regular basis (i.e. every 5 years) an independent external evaluation on the basis of its founding Regulation (EEC) No 1210/90 and the work programmes adopted by the Management Board,
- noted the Court of Auditors' observation that a tendering procedure should have been issued for the contract for refitting the premises rented by the Agency, instead of paying a firm chosen by the building's owners,
- acknowledged that the Agency has implemented 9 out of the 27 recommendations made by the Internal Audit Service (IAS) since 2006,

C. whereas the budget of the Agency for 2009 was EUR 39 900 000, which is an increase of 7,1 % on the financial year 2008,

1. Notes that the total financial resources available in 2009 for the Agency amount to EUR 39 900 000, of which EUR 34 560 000 stem from Union subsidies;
2. Notes that the increase of EUR 2 800 000 compared to the Agency's budget in 2008 was dedicated to develop four key areas namely climate change adaptation, ecosystem assessment, sustainable consumption and production, and disaster prevention and management as identified in the multiannual strategy for 2009-2013;

Performance

3. Welcomes the Agency's initiative to continue providing on a regular basis an independent external evaluation on the basis of its founding Regulation (EEC) No 1210/90 and the work programmes adopted by the Management Board; notes in particular that the next evaluation will be undertaken in 2012-2013;
4. Calls once more on the Agency to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of the operations that were carried out during the year for which discharge is to be granted and during the previous financial year so as to enable the discharge authority to assess more effectively the Agency's performance from one year to the next;
5. Calls on the Agency to deal with the four key areas as a matter of priority and to do more to advance their further development;
6. Welcomes specifically the Agency as reliable provider of independent and assured environmental information for all Union institutions, the Member States and policy-making bodies;
7. Encourages the Agency, once again, to continue its efforts to further develop its communication methods in order to attract more media coverage for its findings and thus feed public debate on important environmental issues, such as climate change, biodiversity and the management of natural resources; considers that such measures may lead to a more transparent working method and greater public interest in the Agency's work;
8. Requests the Court of Auditors to undertake performance audits on the Agency;

⁽¹⁾ OJ L 252, 25.9.2010, p. 151.

Budgetary procedures

9. Encourages the Agency to strengthen the link between the budget and the work programme; acknowledges, in fact, that the Court of Auditors reported insufficiently rigorous procedures for drawing up the budget leading to a considerable number of budgetary transfers affecting most of the budget lines (equivalent to 8 % of the Agency's budget); notes, in particular, that some of these transfers led to successive increases and decreases in the same budget headings whereas some appropriations were not used and were transferred to other lines during the year;
10. Is concerned about the Agency's practice of making transfers to increase a budget line in order to pay (on 30 December 2009) the rent for the Agency's premises for the first quarter of 2010 and charge it to the 2009 budget; stresses that this practice by the Agency is at odds with the principle of annuality and that it reduced the amount to be repaid to the Commission;
11. Calls on the Agency to improve, by the end of the year, the accuracy of the information provided by the operational departments on the estimation of accrued operational expenditure;

Human resources

12. Calls on the Agency to redress its deficiencies in the recruitment procedures which put at risk the transparency of these procedures; notes, in particular, that the Court of Auditors reported the following weaknesses: the vacancy notices did not specify a maximum number of candidates to be put on the reserve lists, questions used during written tests and interviews were not decided on before the examination of the applications, the decisions of the selection boards were insufficiently documented, thresholds for being invited to interview or put on the reserve list were not set in advance, and minutes were not complete;
13. Notes that 10 additional posts had been necessary in 2009 to reinforce capacities in the areas of ecosystem assessment, sustainable consumption and production, development of a Shared Environmental Information System as well as to establish capacities to develop new areas of work in climate change adaptation and disaster prevention and management; encourages, in this regard, further improvements in the recruitment procedure in terms of transparency, as indicated by the Court of Auditors;

Internal audit

14. Acknowledges from the Agency that three recommendations from the Internal Audit Service (IAS) follow up of past audit recommendations still need to be implemented; notes, in particular, that these mainly concern sensitive posts, on-the-spot controls/verifications of grants and financial circuits and are considered 'very important';
15. Welcomes the fact that the Agency included in its Annual Activity Report the IAS general assessment of the Agency; considers this as a best practice to be followed by other agencies;
16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the European Environment Agency for the financial year 2009**

(2011/579/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
- having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
- 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 (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation Network ⁽³⁾, and in particular Article 13 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 ⁽⁴⁾, and in particular Article 13 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 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 (A7-0122/2011),

1. Approves the closure of the accounts of the European Environment Agency for the financial year 2009;

⁽¹⁾ OJ C 338, 14.12.2010, p. 58.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 120, 11.5.1990, p. 1.

⁽⁴⁾ OJ L 126, 21.5.2009, p. 13.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the budget of the European Food Safety Authority
for the financial year 2009**

(2011/580/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2009, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0146/2011),
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 2009;
 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 338, 14.12.2010, p. 108.

⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2009, together with the Authority's replies ⁽¹⁾,
- having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
- 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0146/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted the Executive Director of the European Food Safety Authority discharge for implementation of the Authority's budget for the financial year 2008 ⁽⁵⁾, and in its resolution accompanying the discharge decision, inter alia:
 - observed 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),
 - noted that 20 out of the 25 recommendations (80 %) made by the Internal Audit Service (IAS) and the Internal Audit Capability (IAC) have been implemented,
 - noted that the second staff survey was launched in October 2008 with a view to assessing the Authority's working environment,

⁽¹⁾ OJ C 338, 14.12.2010, p. 108.⁽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 252, 25.9.2010, p. 155.

- C. whereas the budget of the Authority for 2009 was EUR 71 400 000, which is an increase of 7,5 % on the financial year 2008,

Performance

1. Takes note that the Authority's 2009 budget amounted to EUR 71 400 000 compared to EUR 66 400 000 in the previous year;
2. Underlines that, in the course of the budgetary procedure 2009, an overall reserve of EUR 4 546 000 was introduced by the budgetary authority to the Authority's budget; welcomes the fact that EUR 2 000 000 of the reserve was released in November 2009 to implement the IT development and infrastructure projects of the Authority, as it provided the respective committee with the results of the staff opinion survey, which was the condition for lifting the reserve;
3. Notes, further, that the other part of the reserve has been allocated to the same policy area in order to contribute to effective response measures against the H1N1 pandemic; is aware that the Authority has not requested these funds for recruitment procedures as they were postponed to 2010;
4. Congratulates the Authority for having set out, in the table annexed to the Court of Auditors' 2009 report, a comparison of the operations that were carried out during 2008 and 2009 so as to enable the discharge authority to assess more effectively its performance from one year to the next; welcomes the fact that the Authority has increased its number of thematic papers and policy briefings;
5. Observes that the Authority introduced differentiated appropriations for science grants and scientific cooperation projects in 2009 which led to the cancellation of EUR 6 000 000 in payment appropriations; advises the Authority to strengthen the planning and monitoring of budget processes related to differentiated appropriations;
6. Underlines the need for the Authority to ensure its advice is of a high quality and is independent, in order to guarantee compliance with Union safety standards, scientific excellence and independence on all matters with a direct or indirect impact on food and feed safety, and plant protection; recommends, particularly in the interests of transparency, measures to further foster and monitor internal rules on declarations of interest of staff of the Authority and of experts working for the Authority;
7. Requests that the Court of Auditors undertake performance audits on the Authority;

Budgetary and financial management

8. Calls on the Authority to strengthen the budget processes related to its differentiated appropriations and the planning and monitoring of its multiannual implementation; notes, in fact, that the Court of Auditors reported that EUR 6 000 000 (75 %) of the differentiated appropriations for science grants and scientific cooperation projects had to be cancelled, of which EUR 3 100 000 were funds allocated in excess of the needs identified by the Authority; welcomes, nevertheless, the Authority's intention to take measures based on its experience for the year 2009, the first year in which the concept of differentiated appropriations for scientific cooperation projects was introduced;
9. Urges, in addition, the Authority to improve its budget management in order to reduce its high carry-over amounts; stresses, in fact, that for the fourth successive year the Court of Auditors has flagged up carry-overs of appropriations to the following year (13 % of the 2009 budget was carried over to 2010, 23 % of the 2008 budget was carried over to 2009, 16 % of the 2007 budget was carried over to 2008 and 20 % of the 2006 budget was carried over to 2007); notes, in particular, that this situation demonstrates weaknesses in the Authority's contract management and monitoring of the remittance of reports and cost statements;
10. Regrets that, for the third successive year, the Court of Auditors pointed out that commitments for operational activities carried over from the previous year had to be cancelled (19 % of commitments for operational activities carried over from 2008, 37 % of commitments for operational activities carried over from 2007 and 26 % of commitments for operational activities carried over from 2006); urges the Authority to change this situation and to notify the Court of Auditors of the measures taken;

11. Notes, in addition, that the Court of Auditors reported difficulties in the implementation of the 2009 work programme; calls, accordingly, on the Authority to take the necessary measures to remedy these deficiencies;

Internal audit

12. Acknowledges that the Authority has sent to the authority responsible for discharge a report drawn up by its Executive Director summarising the content of the IAS recommendation as provided for in Article 72(5) of the framework Financial Regulation; nevertheless is concerned, in particular, that out of the 48 recommendations, one is considered 'critical' (on grant management), 27 'very important' and 20 'important' but no information has been given to the discharge authority on the content of these recommendations; urges, accordingly, the Executive Director of the Authority to provide this information;
13. Acknowledges from the Authority that the IAS conducted an in-depth audit risk assessment in the last quarter of 2009 to determine the audit priorities and the IAS audit plan for the next 3 years, an audit on declarations of interest and an audit on recruitment in 2009;
14. Considers that the audit committee, created by the Authority in 2006, plays an important role in assisting the Management Board by ensuring that the work of the IAS and the IAC 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;
15. Reiterates its demand on the Authority to take appropriate measures in case of conflicts of interest; invites the Authority to initiate a survey on potential conflicts of interest of its leading scientists, board and panel members, so that possible omissions in the declarations of interest can be detected and followed by action in a timely manner;
16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 10 May 2011
on the closure of the accounts of the European Food Safety Authority for the financial year 2009
(2011/581/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2009, together with the Authority's replies ⁽¹⁾,
- having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
- 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0146/2011),

1. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2009;
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 338, 14.12.2010, p. 108.

⁽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 10 May 2011****on discharge in respect of the implementation of the budget of the European Monitoring Centre for
Drugs and Drug Addiction for the financial year 2009**

(2011/582/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 2009,
 - 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 2009, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0120/2011),
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 2009;
 2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 338, 14.12.2010, p. 162.⁽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.

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

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009,
 - 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 2009, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0120/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 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 2008 ⁽⁵⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- stressed how important it is for the Centre to set SMART objectives and RACER indicators in its programming, with a view to assessing its performance,

⁽¹⁾ OJ C 338, 14.12.2010, p. 162.⁽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 252, 25.9.2010, p. 160.

- noted that the Centre's accounts for the financial year 2008 show income from interest as an amount of EUR 107 591,31,
 - 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,
- C. whereas the budget of the Centre for the year 2009 was EUR 14 720 000, which is a decrease of 2,25 % on the financial year 2008,
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 2009 are in all material respects, reliable and that the underlying transactions, taken as a whole, are legal and regular;

Performance

2. Welcomes the Centre's initiative to run a computerised network for the collection and exchange of information called 'European information network on Drugs and Drug Addiction'; notes that this network connects national drug information networks, specialist centres in the Member States and the information systems of international organisations working with the Centre;
3. Notes that the Centre appointed an extra full-time member of staff to improve its planning and monitoring system and to develop suitable indicators;
4. Calls 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;
5. Congratulates the Centre for having set out, in a table annexed to the Court of Auditors' 2009 report, a comparison of the operations that were carried out during 2009 and 2008 so as to enable the discharge authority to assess more effectively its performance from one year to the next; notes that the Centre has increased its number of thematic papers and policy briefings;
6. Notes that discharge for the implementation of the budget for the Centre should be further based on its performance throughout the year;

Carry-over appropriations

7. Calls on the Centre to put in place appropriate instructions and procedures for the analysis of potential carry forwards in order to reduce the volume of appropriations carried over to the minimum necessary to cover the amounts still due against the year's commitments; considers it also important for the Centre to improve the programming and the monitoring of activities with a view to reducing carry-over; notes, in fact, that the Court of Auditors reported EUR 339 000 of carry forwards in the Centre's 2009 appropriations for Title II- Administrative expenditure (26 %), EUR 250 000 of which corresponded to commitments without any payment, mostly for activities related to 2010;

Cash management

8. Welcomes the fact that the Centre has further enhanced the annual forecast of its cash needs; notes that this forecast is constantly updated and submitted as a supporting document to the relevant Commission services to justify the Centre's quarterly request for payment of the next instalment of its annual subsidy allocated by the Union;
9. Calls for clarification of the applicable rules on internal assigned revenues in the light of the questions which were raised after the refund of part of the accumulated surplus of the Translation Centre to the Centre; notes the Centre's response pointing out that a number of agencies are faced with the same problem; suggests that in future a joint approach should be adopted to deal with this type of horizontal problem;

Human resources

10. Calls on the Centre to continue to ensure consistent implementation of the approved staff appraisal procedure through adequate information and guidance to reporting officers and jobholders;

Internal audit

11. Welcomes the Centre's initiative of providing the discharge authority with the Internal Audit Service (IAS) Annual Internal Audit Report on the Centre; considers this to be an indication of transparency and an example of best practice to be followed by all other agencies;
12. Acknowledges that in 2009 the IAS performed an audit on grant management to provide the Centre's Director with reasonable assurance as regards the adequacy and effectiveness of the internal control system applicable to the grant management at the Centre; notes in this respect that the IAS found deficiencies in the Centre's compliance with the current Commission's guidelines for grant agreements, in the implementation of the Centre's grant agreement and in its grant reporting; welcomes, nevertheless, the Centre's positive results and its ongoing efforts to establish and maintain a quality management of the grant procedures, aiming at ensuring high quality of funded actions as well as of administrative and financial execution of the grants;
13. Calls on the Centre to inform the discharge authority of the progress made on risk management and, in particular, on its annual risk analysis;
14. Acknowledges that 9 of the 19 IAS recommendations opened in 31 December 2009 are considered 'very important' and mainly concern: the adaptation of the Centre's grant agreement, the quality control of the new location, the precautions against damage from flooding, the Business Continuity Plan and the investment in equipment; urges, therefore, the Centre to implement without delay these 9 'very important' recommendations and inform the discharge authority of the progress made;
15. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 10 May 2011
on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction
for the financial year 2009
(2011/583/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 2009,
 - 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 2009, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0120/2011),
1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2009;
 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 338, 14.12.2010, p. 162.

⁽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 10 May 2011****on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2009**

(2011/584/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0153/2011),
1. Postpones its decision on granting the Executive Director of the European Medicines Agency discharge in respect of the implementation of the Agency's budget for the financial year 2009;
 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 338, 14.12.2010, p. 28.

⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency (EMA) for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁴⁾, and in particular Article 94 thereof,
 - having regard to the Internal Audit Service's Annual Internal Audit Report on the European Medicines Agency for 2009,
 - 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 (A7-0153/2011),
- A. whereas the Court of Auditors, in its report on the annual accounts of the European Medicines Agency for the financial year 2009, qualified its opinion on the legality and regularity of the underlying transactions,
- B. whereas on 5 May 2010 Parliament granted the Executive Director of the 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*:
- was concerned by the Court of Auditors' findings that the budget appropriations carried over and cancelled have amounted to EUR 36 000 000 (19,7 % of the budget) and EUR 9 700 000 (5,3 % of the budget) respectively,

⁽¹⁾ OJ C 338, 14.12.2010, p. 28.⁽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 252, 25.9.2010, p. 164.

- called on the Agency to improve the quality of its procurement procedures in order 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),
- C. whereas the budget of the Agency for 2009 was EUR 194 000 000, which is an increase of 6,28 % on the financial year 2008,
- D. whereas the Agency's budget is financed both from the Union budget, which accounted for 18,52 % of total revenue in 2009, and, to a greater extent, from fees paid by pharmaceutical companies, and whereas the Union's general contribution consequently decreased by 9,2 % between 2008 and 2009,

General considerations

1. Is seriously concerned with the Agency's replies to significant issues raised by the Court of Auditors and the Internal Audit Service (IAS), such as:
 - (i) the management of procurement procedures;
 - (ii) the lack of respect to implementing procedures regarding the identification and management of conflicts of interest for its staff and experts;
 - (iii) the criteria used for recruiting staff;
2. Considers, in particular, that the abovementioned aspects could lead to the possibility of:
 - (i) persistent errors in the management of procurement procedures, such as the ones found in 2009 corresponding to a significant amount of the Agency's total budget, which could compromise the legality and regularity of the transactions underlying the Agency's accounts;
 - (ii) potential risks to the independence of experts/staff involved in the evaluation of medicinal products;
 - (iii) potential deficiencies in staff/experts' recruitment which could not only lead to disqualification of competent candidates and/or recruitment of less qualified candidates but also might have negative effects on the quality of the Agency's scientific assessment work;

Budgetary and financial management

Procurement procedures

3. Is concerned at the Court of Auditors' findings of errors in the procurement procedures corresponding to a significant amount of the Agency's total budget for the financial year of 2009; stresses that in 2008 the Court of Auditors already identified shortcomings in this matter and, in particular, in the application of evaluation methods for the price criteria and in the justification for the choice of procedures;
4. Acknowledges, in particular, that in a number of procedures for the procurement of large IT framework contracts of an estimated value of EUR 30 000 000 the Agency made several errors in 2009 at the moment of opening the procedure such as:
 - (i) arithmetical errors in the evaluation of the award criteria;
 - (ii) inappropriate documentation of the evaluation by a member of the evaluation committee;

- (iii) a lack of evidence that the evaluation method of the selection criteria had been applied consistently which was thus open to interpretation;
 - (iv) a lack of checks to mitigate the risk of errors when opening a negotiated procedure which, in turn, did not guarantee that best value for money was achieved as a result of errors in the implementation of the award criteria;
5. Acknowledges, also, that in two other negotiated procurements of EUR 5 300 000 and EUR 4 000 000 with a single supplier, several errors were again made at the moment of opening the procedure such as:
- (i) no formal invitation to tender being issued;
 - (ii) no detailed technical specifications being prepared in advance;
 - (iii) technical specifications not clearly defining all the products to be purchased before the negotiation started;
 - (iv) no evaluation committee being appointed;
 - (v) no evaluation report being prepared;
6. Takes note therefore, that the Agency failed to comply with various requirements of the relevant procurement regulations;
7. Is not ready to accept that the Agency was not able to put in place a control system to avoid or detect in time the above persistent errors which undermine the legality and regularity of the transaction underlying the Agency's accounts; accordingly, urges the Agency to improve the quality of its procurement procedures in order to put an end to the shortcomings identified by the Court of Auditors;
8. Calls on the Agency to set up a multiannual procurement plan which shall ensure stronger technical and procedural controls and to report to the discharge authority on this matter by 30 June 2011;
9. Calls on the Agency to ensure that the results of procurement procedures are verified before contracts are awarded; expects that detailed technical specifications shall always be prepared, in view of the Court of Auditors' findings;

Carry-over appropriations

10. Is concerned that the Court of Auditors has reported a carry-over of EUR 19 500 000 (38 % of the Agency's commitments) and that approximately EUR 14 800 000 of this carry-over was for activities as yet not implemented (or, in some cases, goods not received) at the year-end; stresses that this situation indicates delays in the implementation of activities financed from Title II (Buildings, equipment and miscellaneous operating expenditure activities) of the Agency's budget and that the Agency is not in accordance with the budgetary principle of annuality; has assessed the answer by the Agency on the observations and welcomes the efforts to reduce carry-overs by the Agency; encourages the Agency to continue this process in order to apply fully the principle of annuality;
11. Points out that the Court of Auditors had already reported a high level of carry-overs in previous financial years and is concerned that this situation is at odds with the annuality principle; notes, in particular, that the 2008 budget appropriations carried over and cancelled amounted to EUR 36 000 000 (19,7 % of the 2008 budget) and EUR 9 700 000 (5,3 % of the 2008 budget) respectively;

Revenue from fees

12. Calls on the Agency to ensure better coordination between its financial and scientific services in order to remedy the unacceptable, long delay for recovery orders; notes, in fact, that the Court of Auditors reported that two recovery orders (EUR 226 200 and EUR 110 200), out of 10 tested, had a very long delay (21 and 5 months respectively), in breach of the Agency's internal rules;
13. Emphasises that the Agency's budget is financed both from the Union budget and fees paid by the pharmaceutical industry applying for or maintaining a Union marketing authorisation; notes, however, that the contribution from the Union budget represents only 18,7 % of the overall budget and has decreased over the years, for example, in 2005 the contribution represented 22,7 %; stresses that the overall budget available to the Agency was EUR 194 389 000;

Foreign exchange contracts

14. Expects the Agency to prudently manage its longstanding policy of entering into a forward foreign exchange contract in order to hedge part of its administrative budget against unfavourable fluctuations in the sterling exchange rate; expects the Agency to prudently manage such transactions to avoid exchange losses, such as those in 2009 of EUR 900 000; points out that this is a recurrent observation made by the Court of Auditors; requests the Agency to communicate its revised treasury policy to Parliament's competent committee without delay; will monitor the revised treasury policy;
15. Notes from the Agency that the treasury policy has been revised, adopted and formally approved by the Agency's Audit Advisory Committee; calls on the Agency to provide Parliament with an overview of the implementation of the revised treasury policy before 30 June 2011;

Performance

16. Considers the assessment of the adequacy and effectiveness of the systems in place to support the provision of scientific advice for human medicines in the Agency as an important tool to measure the Agency's performance; acknowledges that the IAS performed audits and found critical deficiencies in this respect;

Management of conflicts of interest

17. Finds it unacceptable that the Agency does not apply the relevant rules effectively, resulting in the fact that there is no guarantee that the evaluation of human medicines is performed by independent experts; points out that 12 'very important' and one 'critical' recommendation from several earlier IAS Annual Audit Reports on the Agency, most of them concerning the independence of experts, were still not implemented in 2009, while the oldest recommendation dates back to 2005;
18. Takes note of the employment of the Agency's former Executive Director by a consultancy that advises, among others, pharmaceutical companies on developing new medication and reducing the period to their market introduction; stresses that this move casts some doubt on the actual independence of the Agency; notes that Article 16 of the Staff Regulations of Officials of the European Union ⁽¹⁾ grants wide discretionary power on the Management Board to allow or forbid this type of employment; notes that after consenting to the future employment of the Agency's former Executive Director, the Management Board eventually decided to set limitations with regards to his new and future professional activities; asks, nevertheless, that the Agency provides the discharge authority, by 30 June 2011, with a report that lists all comparable cases that have occurred since the creation of the Agency and explains thoroughly the Management Board's decision in each case;
19. Considers it unacceptable that the Agency is not complying effectively with its Code of Conduct by setting out principles and guidance on independence and confidentiality applicable to the Management Board and committees' members, experts and Agency's staff; expects the Agency to assess thoroughly, before the allocation of project team leaders to products, whether the interests declared by staff members might influence their impartiality and independence; urges, in addition, the Agency to document and assess its controls and file the relevant allocation decisions which must be made available on its website;

⁽¹⁾ OJ L 56, 4.3.1968, p. 1.

20. Stresses that the Agency's reputation could be affected in cases where evaluations can be challenged on the grounds of possible conflicts of interest;
21. Urges the Agency to inform the discharge authority of the steps it has taken to ensure the independence of its experts since its inception;
22. Wonders why the Court of Auditors' reports since 2006 on the Agency's annual accounts make no mention of any deficiencies with regard to the assessment of experts' independence;
23. Asks to be informed if and how the experts and staff dealing with any of the benfluorex group of drugs were screened on their independence and how their interests declared were verified;

Procedures supporting the provision of scientific evaluation for human medicines

24. Considers it unacceptable for the Agency to allow the information in its files on human medicines to be incomplete; urges, in this respect, the Agency to guarantee that key information is easily retrieved and all relevant guidelines on the filing system are in place;
25. Asks the Agency, moreover, to complete and regularly update the European Experts Database as required by Regulation (EC) No 726/2004, and to keep the discharge authority informed; urges also the Agency to allow Siamed and product overview databases for efficient retrieval of information;

Role of the Agency and national competent authorities

26. Urges the Agency to inform the discharge authority of the terms of its agreement with Member States on the roles and transfer of tasks to national competent authorities when facing subjects such as the independence of committees, experts and the evaluation process, since the agreement came into effect, and of the level of its implementation, including a detailed record of how it has evolved over time; considers the Agency responsible for the implementation of pre-existing procedures on the identification and management of conflicts of interest for its experts until this agreement with Member States is fully implemented;

Scientific advice

27. Welcomes the efforts of the Agency to provide more scientific advice at the early stages of the development of new medicines as well as the introduction of measures to accelerate the assessment of medicines that are of critical importance to public health and to accelerate the development and implementation of telematics' programmes;

Human resources management

28. Calls on the Agency to ensure that sensitive tasks are not assigned to interim staff; acknowledges, in fact, that the Agency hires interim staff (32 in 2009) on the condition that the candidates have passed the tests for contract agents and some of the interim staff perform sensitive tasks or have access to sensitive information; stresses the risks of potential security breaches linked to interim staff's access to sensitive information or unawareness by interim staff of the procedure to follow;
29. Calls on the Agency to strengthen its recruitment process and ensure its documentation is correctly managed; acknowledges, in fact, that the IAS found deficiencies in this respect; stresses, also, that insufficient documentation in recruitment procedures reduces the possibility for the Agency to respond to allegations of unequal treatment of candidates and/or arbitrary decisions on recruitment of staff; considers, furthermore, that to the extent that competition is limited, resulting recruitment may not represent the optimal choice and human and financial resources may be used inefficiently;

Internal audit

30. Considers it unacceptable that the Executive Director's statement of assurance, dated 13 May 2010, does not mention any reservations, and is consequently inconsistent with the undertaking given in the Code of Conduct adopted by the Agency in the light of the statements of assurance from the IAS and the Court of Auditors;

31. Points out that the Executive Director's report is required to contain a summary of the reports from the IAS to the discharge authority, including:

- (i) the number and types of internal audits conducted by the IAS;
- (ii) all the recommendations made (including any that may have been rejected by the Agency); and
- (iii) all the measures taken on the basis of those recommendations;

wonders whether these requirements were fulfilled in previous years, and asks the Agency to forward the IAS reports since 2007 to the discharge authority by 30 June 2011;

32. Notes the Agency's initiative of providing the discharge authority with the IAS Annual Internal Audit Report on the Agency; considers that this should be the normal practice of transparency and expects that all other agencies will follow this practice;

33. Acknowledges that, out of the 32 recommendations of the IAS, one is 'critical' on the implementing procedures involving experts and 12 are 'very important' mainly on human resources management, on management of staff's conflicts of interest and on other procedures supporting the provision of scientific evaluation for human medicines in the Agency; calls, therefore, on the Agency to inform the discharge authority about the precise content of these recommendations without delay; urges the Agency to rapidly implement the IAS recommendations and to provide the discharge authority with a complete overview of measures taken and implemented to properly address these recommendations by 30 June 2011; asks, in addition, the Court of Auditors to monitor and inform the discharge authority of the efficiency of the measures taken;

Actions to be taken by the Agency by 30 June 2011

34. Urges the Agency's Executive Director, in cooperation with the IAS, to undertake a thorough verification of the effective use of the existing procedures regarding the identification and management of conflicts of interest for its staff and experts and to communicate the results to the discharge authority by 30 June 2011;

35. Expects the Governing Board swiftly to adopt an action plan to remedy the shortcomings in the procurement procedures; asks, in particular, the Agency's Executive Director, in cooperation with the IAS and the parent directorate-general (DG), to draft this action plan which shall include specific measures and a timetable for implementation; expects the Agency to communicate these specific measures to the discharge authority by 30 June 2011;

36. Calls on the Agency, therefore, to inform the discharge authority by 30 June 2011 of the measures taken and the improvements made in respect of all these areas of concern;

37. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (see page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 10 May 2011
on the closure of the accounts of the European Medicines Agency for the financial year 2009
(2011/585/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
- having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
- 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0153/2011),

1. Postpones the closure of the accounts of the European Medicines Agency for the financial year 2009;
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 338, 14.12.2010, p. 28.

⁽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 10 May 2011****on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2009**

(2011/586/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0132/2011),
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 2009;
 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 338, 14.12.2010, p. 52.

⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0132/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted the Executive Director of the European Maritime Safety 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 that the Agency failed to prepare a multiannual work programme and that its work programme was not related to its commitment budget,
 - noted that, as in 2006 and 2007, the Court of Auditors found once more that legal commitments were entered into before the corresponding budgetary commitments were made,

⁽¹⁾ OJ C 338, 14.12.2010, p. 52.⁽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 252, 25.9.2010, p. 169.

— considered it a matter for concern that the Court of Auditors again noted a high number of budget transfers in 2008 (52 in 2008 and 32 in 2007);

C. whereas the budget of the Agency for 2009 was EUR 48 000 000, which is a decrease of 3,8 % on the financial year 2008,

1. Welcomes the fact that the Court of Auditors found the Agency's accounts for 2009 to be reliable and regarded the transactions underlying them, taken as a whole, as legal and regular;
2. Notes that the Agency received EUR 44 335 000 in commitment appropriations and EUR 48 300 000 in payment appropriations from the 2009 Union budget;

Performance

3. Congratulates the Agency for having adopted in March 2010 its five-year multiannual work programme;
4. Calls, in addition, 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; calls, accordingly, on the Agency to inform the discharge authority of the steps taken by the Agency in this respect;
5. Calls once more on the Agency to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of the operations that were carried out during the year for which discharge is to be granted and during the previous financial year so as to enable the discharge authority to assess more effectively the Agency's performance from one year to the next;

Budget transfers

6. Considers it a matter of concern that the Court of Auditors has again noted a high number of budget transfers in 2009 (49 in 2009, 52 in 2008 and 32 in 2007); accordingly, urges the Agency to improve its planning and monitoring in order to reduce the number of budget transfers;

Posteriori commitments

7. Calls on the Agency to further reduce the number of *posteriori* commitments (i.e. legal commitments that were entered into before the corresponding budgetary commitments were made); reminds the Agency that, since 2006, the Court of Auditors has reported infringements of Article 62(1) of the framework Financial Regulation; welcomes, nevertheless, the Agency's efforts to improve this situation by providing ad-hoc training to avoid *posteriori* commitments;

Procurement procedure

8. Urges the Agency to correctly apply procurement procedures; notes with satisfaction that in the Annual Report of 2009 the Agency has included a specific Annex on negotiated procedures, in order to inform the budgetary authority;

Human resources

9. Notes deficiencies in staff selection procedures which put at risk the transparency of these procedures; accordingly, urges the Agency to redress the present weaknesses, namely: the lack of respect for the anonymity of candidates completing written tests, the lack of compliance with the predefined criteria, and the inconsistency of criteria for short-listing candidates;

Internal audit

10. Recalls that the Executive Director of the Agency shall make available the content of all recommendations of the internal audits conducted by the Internal Auditor pursuant to his obligation to report to the discharge authority with a summary of the Internal Audit Service (IAS) Report;

11. Acknowledges that the IAS performed an audit concerning the management of the fleet of vessels in the area of pollution preparedness in order to assess the adequacy and effectiveness of the internal control system as regards the oil pollution preparedness and response system; calls on the Agency to rapidly implement the IAS 'very important' recommendations; stresses in particular the need to:
 - provide strategic planning and monitor the Agency's stakeholders with an overview of the residual oil pollution risks,
 - comply with administrative procedures,
 - analyse possible options for equipment management and evaluation of their financial and operational impact,
 - document vessels' mobilisation decisions;
 12. Acknowledges also that the IAS performed an audit on the follow-up to the implementation of the action plan; notes that the IAS recommendations which still need to be implemented by the Agency include establishing: an internal risk assessment; an inventory of existing internal procedures, a roadmap for the development and implementation of the remaining procedures, a record of the exceptions procedures, and a review of the internal control system;
 13. Welcomes the Agency's initiative of establishing in 2008 an Internal Audit function (Internal Audit Capability-IAC) which is dedicated to provide support and advice to the Agency's Executive Director and management on internal control, risk assessment and internal audit; notes that the Agency does not employ a full time IAC but shares the IAC with the Community Fisheries Control Agency (CFCA); acknowledges, to this end, that a Service Level Agreement between the Agency and CFCA was signed on 17 June 2008; considers this shared service a best practice to be promoted by other agencies;
 14. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2011)0163 (see page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the European Maritime Safety Agency for the financial year 2009**

(2011/587/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0132/2011),
1. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2009;
 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 338, 14.12.2010, p. 52.

⁽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 10 May 2011****on discharge in respect of the implementation of the budget of the European Network and Information Security Agency for the financial year 2009**

(2011/588/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Network and Information Security Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0105/2011),
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 2009;
 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 338, 14.12.2010, 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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Network and Information Security Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0105/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted the Executive Director of the European Network and Information Security 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:
- noted that the Court of Auditors found deficiencies in procurement procedures, particularly with regard to the under-estimation of the budgets of a framework contract,
 - called 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 as well as what changes in approach are needed in order to ensure that the Agency's cash reserves are kept as low as possible on a long-term basis,

⁽¹⁾ OJ C 338, 14.12.2010, 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 252, 25.9.2010, p. 174.

- congratulated the Agency on the fact that all eight recommendations of the Internal Audit Service which were considered to be 'very important' have been implemented,
- C. whereas the budget of the Agency for the year 2009 was EUR 8 100 000, 3,5 % less than its budget for 2008,

Carry-over appropriations

1. Is concerned that the Court of Auditors reported appropriations carried forward to the following year of 19 % of the total budget of the Agency; notes, in particular, that 41 % of operational appropriations were carried forward to 2010 mainly as a result of delays in two big projects; expresses concern that this situation indicates delays in the implementation of the Agency's activities that are financed from the Title III and is at odds with the budgetary principle of annuality; calls, therefore, on the Agency to inform the discharge authority of the actions taken by the Agency to redress this deficiency;

Procurement procedure

2. Calls on the Agency to strengthen its internal controls in order to make sure that contracts and procurement procedures are correctly applied; notes, indeed, that the Court of Auditors reported that, in one case, services that were not provided for by the contract were requested and, in two other cases, errors (use of incorrect quality-price weightings and of the wrong value for the financial offer) were made during the awarding phase of the contracts;
3. Urges, in particular, the Agency to:
 - improve transparency both in respect of estimates and of who has responsibility for projects,
 - strengthen its procurement authorisation at financing-decision and work-programme level,
 - ensure that the disclosure of exceptions in its Annual Activity Report is made in a comprehensive manner,
 - ensure adequate follow-up of potential irregularities,
 - develop and report on ex-post controls,

calls, therefore, on the Agency to inform the discharge authority on the progress and actions taken in this regard;

4. Encourages, also, the Agency to develop, and then regularly to up-date, a comprehensive table outlining its financial circuits and the responsibilities of the relevant financial and operational actors;

Errors on budget transfers

5. Calls on the Agency to avoid transfers made without obtaining the prior consent of its Governing Board, which are contrary to the budgetary principles of specification; notes, in fact, that the Court of Auditors reported one transfer between titles of EUR 24 000, made without informing the Management Board and without obtaining its prior consent;

Refund from the tax authorities of the host Member State

6. Notes with disappointment that there has been no progress since the previous year concerning the refund of EUR 45 000, which is the amount of VAT paid in advance by the Agency to the tax authorities of the host Member State; urges, therefore, the Agency to inform the discharge authority when this refund is made by the host Member State;

Human resources

7. Notes that deficiencies in staff selection procedures still remain and put at risk the transparency of these procedures; acknowledges, indeed, that the Court of Auditors reported that neither the thresholds that candidates were required to meet in order to be invited to interview nor those necessary in order for them to be put on the reserve list were fixed in advance by the selection boards; calls, therefore, on the Agency to redress this situation and inform the discharge authority on the actions taken;

Internal control systems

8. Welcomes that the Agency has an Internal Control Coordinator (ICC) in place, who oversees and monitors the implementation of internal control systems in the Agency; acknowledges that the Agency has successfully implemented ex-ante controls of its internal procedures; calls, nevertheless, on the Agency to put in place ex-post controls with the help of a professional supplier;
9. Urges, nevertheless, the Agency to put in place an exhaustive physical inventory and ensure the correctness of the accounting records; stresses the importance of this recommendation and calls on the Agency to inform the discharge authority of the tools put in place to redress this deficiency; notes in this respect that the Court of Auditors also reported that the inventory of fixed assets was managed using a spreadsheet, which did not guarantee the integrity of the data;
10. Acknowledges that the Commission's Internal Audit Service (IAS) performed a Human Resources Management audit in 2008 and a follow-up Implementation of Internal Control Standards audit in 2007; stresses that the Agency informed the discharge authority of a new recommendation of the IAS arising after the follow-up engagement of 2009 which calls for a review of the Internal Control Standards adopted by the Management Board on 10 October 2007;
11. Acknowledges also the statement from the Agency that, in 2009, the IAS performed another audit on procurement in order to strengthen the Agency's performance in this respect; notes, in particular, that, out of the 18 IAS recommendations, 13 were accepted and five were refused by the Agency, which subsequently asked the IAS to merge the refused recommendations; notes, furthermore, that, out of these recommendations, eight were considered 'very important' and 10 'important';
12. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the European Network and Information Security Agency for the financial year 2009**

(2011/589/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Network and Information Security Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0105/2011),
1. Approves the closure of the accounts of the European Network and Information Security Agency for the financial year 2009;
 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 338, 14.12.2010, 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 10 May 2011****on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2009**

(2011/590/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 (Agency Regulation) ⁽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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0125/2011),
1. Grants the Director of the European Railway Agency discharge in respect of the implementation of the Agency's budget for the financial year 2009;
 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 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 338, 14.12.2010, p. 103.

⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 (Agency Regulation) ⁽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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0125/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted the 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*:
- noted 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 concerned administrative and operational expenditure (this being 57 % of the annual Title II and Title III appropriations),
 - expressed concern at the weaknesses in procurement procedures revealed by the Court of Auditors' audit,

⁽¹⁾ OJ C 338, 14.12.2010, p. 103.⁽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 252, 25.9.2010, p. 178.

- C. whereas the budget of the Agency for 2009 was EUR 21 000 000, which is an increase of 16,6 % on the financial year 2008,

1. Notes that the Agency received EUR 16 060 000 in commitment and in payment appropriations from the 2009 Union budget;

Performance

2. Considers that using two locations (Lille and Valenciennes) for carrying out its activities exposes the Agency to additional costs; notes, also, that this observation has been made since 2006 and that no action has been taken by the Council to change the Decision of 13 December 2003 ⁽¹⁾ obliging the Agency to have a double seat;
3. Calls once more on the Agency to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of the operations that were carried out during the year for which discharge is to be granted and during the previous financial year so as to enable the discharge authority to assess more effectively the Agency's performance from one year to the next;

Carry-over of appropriations

4. Regrets that the Agency has yet again failed to address the problem of appropriations being carried forward from one year to the next; considers the carry-over of 41 % of Title II (property, data processing and other administrative costs) and 61 % of Title III (operational expenditure) to represent a serious breach of the budgetary principle of annuality and demonstrate delays in the implementation of the activities financed from Titles II and III of the Agency's budget; is disappointed that the Agency's reply merely restates the problem;
5. Requests that a report be attached to each year's budget on the unspent appropriations carried over from previous years, explaining why those monies have not been used and how and when they will be used;
6. Is concerned that the Court of Auditors has again highlighted cancellations and delays in procurement procedures, recurrent delays in the execution of payments and significant changes made to the work programme during the year;
7. Notes, in particular, that since 2006 the Court of Auditors has reported a very high level of carry-overs and cancellations; considers, also, the Agency's reply on these issues to be inadequate and, accordingly, calls on the Agency to rapidly redress the situation;

Accounting system

8. Congratulates the Agency, following the Court of Auditors' comments, for implementing as of 1 September 2010 a centralised system for registration of incoming invoices; stresses that this measure is necessary to ensure the timely recording of all invoices and contributes to avoiding delays in processing payments;

Shortcomings in the management of the fixed assets

9. Regrets the shortcomings in the management of the fixed assets' inventory identified by the Court of Auditors but notes the Agency's assurance that this will be remedied in the 2010 accounts; considers that uncertainty about the location of fixed assets is another illustration of the problems and additional costs arising from using two sites;

⁽¹⁾ Decision 2004/97/EC, Euratom, taken by common agreement between the Representatives of the Member States, meeting at Head of State or Government level, of 13 December 2003 on the location of the seats of certain offices and agencies of the European Union (OJ L 29, 3.2.2004, p. 15).

Human resources

10. Notes that the Agency's Annual Activity Report provides only limited information on the planning, allocation and use of human resources and considers that this deficiency could affect the stakeholders' view on the Agency's use of its staff; calls, accordingly, on the Agency to better reflect in its work programme and Annual Activity Report the planned allocation of staff resources as well as the final use of such resources; calls, in particular, on the Agency to include in its Annual Activity Report a description of the impact on the available human resources when setting the objectives of the Agency;
11. Expresses its concern about the failure to follow the Staff Regulations and their implementing rules when retroactively modifying the place of origin for three staff members; calls, accordingly, on the Agency to recover any unjustified payments;
12. Notes also that the Agency does not have a consolidated manual on different rules, instructions and guidelines governing staff recruitment; stresses that this deficiency could lead to differences in the processing and managing of individual recruitments and thus compromising the principle of equal treatment of candidates; urges, accordingly, the Agency to create a 'consolidated recruitment procedure', to be used as a manual for all staff involved in new recruitment;

Internal audit

13. Acknowledges that six out of the 10 recommendations made by the Internal Audit Service (IAS) on human resources management still need to be implemented; stresses, nevertheless, its disappointment for not having been informed about the content of three of these recommendations and calls on the Agency to urgently pass on this information as required by the framework Financial Regulation;
14. Welcomes the Agency's initiative of having set up at the end of 2007 an Internal Audit Capability (IAC) that is dedicated to providing support and advice to its Director and management on internal control, risk assessment and internal audit;
15. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (see page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the European Railway Agency for the financial year 2009**

(2011/591/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
- having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
- 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 (Agency Regulation) ⁽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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0125/2011),

1. Approves the closure of the accounts of the European Railway Agency for the financial year 2009;
2. Instructs its President to forward this Decision to the 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 338, 14.12.2010, p. 103.

⁽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 10 May 2011
on discharge in respect of the implementation of the budget of the European Training Foundation
for the financial year 2009
(2011/592/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2009, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0109/2011),
1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2009;
 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 338, 14.12.2010, p. 149.

⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2009, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0109/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas, on 5 May 2010, Parliament granted the Director of the European Training Foundation discharge for implementation of the Foundation's budget for the financial year 2008 ⁽⁵⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- noted that following the recast in 2008 of Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation ⁽⁶⁾, the Foundation now has the option of developing its expertise in different sectors from those considered in previous years,

⁽¹⁾ OJ C 338, 14.12.2010, p. 149.⁽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 252, 25.9.2010, p. 182.⁽⁶⁾ OJ L 131, 23.5.1990, p. 1.

- expressed concern 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),
 - urged the Foundation to report on the allocation of its human resources; pointed out, in particular, that inadequate consideration of human resources in the context of annual planning and activity reporting entails a risk of inefficiency,
- C. whereas the budget of the Foundation for the year 2009 was EUR 19 100 000, 0,5 % less than its budget for 2008,
1. Draws attention to the Court of Auditors' confirmation that the annual accounts for a budget of EUR 19 100 000 fairly present the Foundation's actual financial position at 31 December 2009 and that the Foundation's operations and cash flows for the financial year 2009 are in accordance with its financial rules;

Performance

2. Welcomes the Foundation's intention to improve the performance of Vocational Education and Training (VET) systems in the Foundation partner countries (Torino Process) and to develop a common methodology with International Organisations and Bilateral Donors to improve its role;
3. Calls again on the Foundation to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of the operations that were carried out during the year for which discharge is to be granted and during the previous financial year so as to enable the discharge authority to assess its performance more effectively from one year to the next;

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

4. Notes that, in November 2009, the cooperation agreement between the Foundation and Cedefop was renewed for the period 2010-2013; acknowledges that each year the Foundation and Cedefop draft, in the context of the cooperation framework, a joint work programme which is annexed to the work programmes of each Agency; welcomes the Foundation's intention to devote further space to reporting on the implementation of this joint work programme in future Annual Activity Reports;

Budgetary management

5. Urges the Foundation to draw up budgetary procedures more rigorously in order to avoid the considerable number of budgetary transfers; calls, also, on the Foundation to obtain the authorisation of its Governing Board when transfers are required; recalls that this is required by the Foundation's Financial Regulation;
6. Reminds, also, the Foundation of its obligation to show a summary statement of the schedule of payments due in subsequent financial years to meet budget commitments entered into in earlier financial years (Article 31(2) of the Foundation's Financial Regulation);
7. Calls on the Foundation to closely follow the provisions of the basic regulation, especially where financial transfers between titles are concerned; takes the view, however, that activity-based budgeting is difficult in a system that separates staff and administrative expenditure from operational expenditure, especially for an agency of which the main activities are providing policy analyses, disseminating and exchanging information and experience and supporting partner-country capacity building;

Human resources

8. Welcomes the Foundation's initiative of undertaking a thorough review of its recruitment procedures in response to the findings of the Internal Audit Service (IAS) and to the recommendations made by the Parliament; notes in particular that the Foundation's recruitment procedure has been redefined, some steps have been added and the key supporting tools have been reviewed;

Internal audit

9. Welcomes the Foundation's initiative of providing the discharge authority with the IAS's Annual Internal Audit Report concerning the Foundation; considers this to be an indication of transparency and an example of best practice to be followed by all other agencies;
 10. Acknowledges that, in 2009, the IAS performed an audit on Building Blocks of Director's Declaration of Assurance with the objective of obtaining reasonable assurance as to the adequacy, effectiveness and disclosure in the Annual Activity Report of the different building blocks that constitute the basis for the Director's Declaration of Assurance; notes that the IAS found that the scarcity of relevant information underpinning the observation provided by the Director in his Declaration of Assurance may mislead the reader; calls, therefore, on the Director of the Foundation to elaborate in more detail these observations (by providing, inter alia, information on the criteria for classification, on the potential detrimental impact and/or materiality, and on the likelihood of a negative event taking place);
 11. Acknowledges that 11 out of the 15 recommendations made by IAS have been closed in 2009; notes also that 8 new IAS recommendations have been opened in 2009, concerning the following: the Director's Declaration of Assurance, a better description of the Internal Control system, a detailed description of risk management, the introduction of *ex-post* controls on financial transactions with a risk-based sampling of commitments and payments and the definition of target values for corporate indicators;
 12. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 10 May 2011
on the closure of the accounts of the European Training Foundation for the financial year 2009
(2011/593/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2009, together with the Foundation's replies ⁽¹⁾,
- having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
- 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0109/2011),

1. Approves the closure of the accounts of the European Training Foundation for the financial year 2009;
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 338, 14.12.2010, p. 149.

⁽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 10 May 2011****on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2009**

(2011/594/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 2009,
 - 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 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0104/2011),
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 2009;
 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 338, 14.12.2010, p. 46.

⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2009,
 - 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 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0104/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted the Director of the European Agency for Safety and Health at Work discharge for implementation of the Agency's budget for the financial year 2008 ⁽⁵⁾, and in its resolution accompanying the discharge decision drew attention, inter alia, to the fact 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,
 - the Court of Auditors identified an irregularity with respect to a procurement procedure (use of a framework contract beyond its maximum value),

⁽¹⁾ OJ C 338, 14.12.2010, p. 46.⁽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 252, 25.9.2010, p. 187.

- C. whereas the Agency's budget for 2009 was EUR 15 100 000, which is an increase of 0,6 % from its budget of 2008,

Performance

1. Calls once more on the Agency to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of the operations that were carried out during the year for which discharge is to be granted and during the previous financial year so as to enable the discharge authority to assess more effectively the Agency's performance from one year to the next;
2. Welcomes the Agency's initiative of launching 'foresight' on the safety and health impact of technological innovations in 'green jobs' by 2020; notes also that data were collected on safety and health of women at work;

Governance of the Agency

3. Finds the Agency's governance costs to be 1,35 % of the budget, as it has an 84-member Governing Board and employs 64 staff (figures for the 2008 financial year); recalls that this reflects Regulation (EC) No 2062/94 by which it was founded which strives to achieve a tripartite presence by including social partners in the Governing Board; notes that the practical, everyday business of the Agency is run by the 11-member Bureau, appointed by the Governing Board;

Carry-over appropriations

4. Is concerned that the Court of Auditors reported once again in 2009 carry forwards of EUR 3 500 000 (47 % of the commitments made) in respect of the operational activities (Title III) to the budgetary year 2010; stresses that this situation indicates delays in the implementation of the Agency's activities and is at odds with the budgetary principle of annuality; recognises that this is caused partly because of the multiannuality of important projects; acknowledges, nevertheless, that the Agency, in early 2010, established a monthly reporting mechanism to monitor the implementation of the activities envisaged in its annual work programme and the corresponding budgetary aspects;
5. Calls on the Agency to reduce the increased cancellation rate and inform the discharge authority of the actions taken; welcomes the Agency's promise to pay particular attention to the commitments still open at year-end with a view to decommitting the amounts not needed in covering the subsequent financial and legal obligations;

Internal audit

6. Welcomes the Agency's initiative of providing the discharge authority with the Internal Audit Service (IAS)'s Annual Internal Audit Report on the Agency; considers this to be an indication of transparency and an example of best practice to be followed by all other agencies;
7. Congratulates the Agency on its considerable progress in this respect; acknowledges that all 'very important' recommendations issued by the IAS to the Agency were adequately implemented and closed, except the recommendation on validation of accounting systems, which was downgraded to 'important' as a result of its partial implementation; calls, accordingly, on the accounting officer of the Agency to describe the methodology used in the validation of its accounting system; supports the idea of developing cooperation within the existing Inter-Agency Accountants Network in order to come up with common requirements and develop a common methodology for validation of the accounting systems in agencies;
8. Encourages the Agency to revise the checklists to match the specificities of different financial transactions and to make them available to all staff;
9. Calls, in addition, on the Agency to finalise/update its documentation procedures; calls, in particular, on the Agency to produce an exhaustive list of the main processes to be matched with required procedures, and for this list to be systematically updated;

Role of coordinator of the network of agencies

10. Commends the Agency on its effective work as coordinator of the network of agencies during the 2009 discharge procedure;
11. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2009**

(2011/595/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 2009,
 - 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 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0104/2011),
1. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2009;
 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 338, 14.12.2010, p. 46.⁽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 10 May 2011****on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2009**

(2011/596/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0144/2011),
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 2009;
 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 338, 14.12.2010, 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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0144/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas the Court of Auditors also added in its report for 2009 an emphasis of matter with regard to the lack of compliance of the Agency's Statutes with Article 54 of the Treaty Establishing the European Atomic Energy Community,
- C. whereas, under Decision 2008/114/EC, Euratom, the Euratom Supply Agency established in Luxembourg in 1958, has new Statutes and has become an Agency,
1. Notes that in 2009 the Agency did not receive any subsidy to cover its operations and that the Commission bore all expenses incurred by the Agency for the implementation of the 2009 budget; notes that this situation has persisted since the creation of the Agency in 2008;

⁽¹⁾ OJ C 338, 14.12.2010, 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.

2. Notes, therefore, that in the absence of an autonomous budget, the Agency is de facto integrated into the Commission;
 3. Points out, nevertheless, that this situation is at odds with the Agency's Statutes and that it raises the issue of the need to maintain the Agency in its current form and organisation;
 4. Notes, however, the Agency's reply explaining that the present situation reflects the balance between, on the one hand, a clear relationship with the Commission (for example 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 (for example the Agency co-signs all commercial contracts related to the procurement of nuclear materials, which allows it to ensure that the policy on diversification of the sources of supply is applied); notes, furthermore that this balance is in accordance with the Euratom Treaty;
 5. 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;
 6. Notes the letter of 31 March 2011 from the Director-General which acknowledges the abovementioned problem and details the initial actions taken as requested by the discharge authority; calls on the Director-General to keep the discharge authority informed on further steps taken and progress made;
 7. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the Euratom Supply Agency for the financial year 2009**

(2011/597/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0144/2011),
1. Approves the closure of the accounts of the Euratom Supply Agency for the financial year 2009;
 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 338, 14.12.2010, 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 10 May 2011****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 2009**

(2011/598/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 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2009, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0108/2011),
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 2009;
 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 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

⁽¹⁾ OJ C 338, 14.12.2010, p. 155.

⁽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.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****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 2009**

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 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2009, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0108/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas, on 5 May 2010, 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 2008 ⁽⁵⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- deplored the fact that in 2008, 2007 and 2006, the Court of Auditors found weaknesses in recruitment procedures,

⁽¹⁾ OJ C 338, 14.12.2010, p. 155.⁽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 252, 25.9.2010, p. 196.

- called on the Foundation to take steps to improve the monitoring of its contracts and the programming of its procurement procedures,
 - noted that the amount carried over represented more than 55 % of appropriations (EUR 4 900 000) for the financial year 2008,
- C. whereas the Agency's budget for the year 2009 was EUR 20 200 000, which is a decrease of 3,8 % from the financial year 2008,

Performance

1. Welcomes the Foundation's intention to set out, in 2010, in a table to be annexed to the Court of Auditors' next report, a comparison of the operations that were carried out during the year for which discharge is to be granted and during the previous financial year, so as to enable the discharge authority to assess more effectively its performance from one year to the next;
2. Notes that the Foundation carried out another *ex-post* assessment exercise of its 2005-2008 work programme after the one already completed in 2007 assessing the Foundation's 2001-2004 work programme; considers this exercise extremely useful for the Foundation, giving it helpful lessons and recommendations with regard to the challenges facing its future programming phase; congratulates the Foundation on demonstrating, by means of that assessment, that:
 - it deployed its financial resources efficiently in supporting implementation of its work programme,
 - it achieved the objectives of the 2005-2008 work programme;
3. Encourages, nevertheless, the Foundation to further develop its 'Eurofound Performance Monitoring System' (EPMS) to ensure that the results of its performance monitoring are fed back into management decision-making and planning and that periodic surveys are carried out in order to obtain feedback from target audiences;
4. Supports the external evaluator's recommendation to better define the Foundation's target audiences at a national level (i.e. whether the Foundation should go beyond national authorities and policy-makers and try and reach a broader group of employer bodies and employee bodies) and to set up a network of focal points based on the national authorities represented on its Governing Board;

Governing Board

5. Notes that the external evaluator of the *ex-post* assessment exercise of the Foundation's 2005-2008 work programme reported that, because of its increased size following enlargement of the Union in 2004, the reduced number of meetings, and the relatively high turnover of members, Foundation's Governing Board was not an effective decision-making body; calls, therefore, on the Foundation to take steps to strengthen the Governing Board's role in providing overall direction to the Foundation; encourages, in particular, the Foundation's Governing Board to make time available for discussion on strategic issues/priorities;

Procurement procedures

6. Notes that the Court of Auditors revealed errors and anomalies in the evaluation of one open procurement procedure which affected its quality; calls, therefore, on the Foundation to take steps to improve its evaluation and review procedure to avoid repetition of such errors in the future;

Budgetary management

7. Calls on the Foundation to make sure that appropriations are made available only when the corresponding assigned revenue has been received; notes, in fact, that the Court of Auditors reported that, contrary to its Financial Regulation (Article 19), the Foundation's budget did not provide for specific headings for various programmes financed from assigned revenue; notes, moreover, that under a programme financed by assigned revenue, the Foundation committed EUR 184 000, although the assigned revenue actually received was only EUR 29 000;

8. Regrets that the Court of Auditors was compelled to comment on the budgetary and financial statement of the Foundation, especially to the effect that the initial provisional accounts presented by the Foundation contained serious shortcomings, pointing to significant weaknesses in the financial organisation of the Foundation; welcomes the Foundation's confirmation that it will ensure, through additional training and resources, that its implementation of year-end procedures and its adherence to the deadlines for the presentation of its accounts is correct;

Human resources

9. Calls on the Foundation to provide evidence of its staff selection decisions (e.g. evidence of candidate thresholds at the beginning of the recruitment process) in order to guarantee the transparency of the recruitment procedures; notes, in fact, that the Court of Auditors reported irregularities in this respect for seven audited staff selection procedures; acknowledges, in particular, that there was no evidence as to what thresholds candidates had to meet in order to be invited to interview and that those necessary for them to be put on the reserve list were set by the Selection Board even before examining the applications;
10. Notes, in particular, that weaknesses on recruitment procedures have already been identified by the discharge authority since 2006; urges, therefore, the Foundation to rapidly redress the situation and inform the discharge authority as to the progress made;
11. Welcomes nevertheless the Foundation's confirmation that, in the future, it will strengthen the documentation of recruitment procedures.

Internal audit

12. Welcomes the Foundation's implementation on 1 July 2010 of a system for recording and analysing the exceptions to its established policies and procedures ('register of exceptions');
13. Acknowledges that, 2 out of the 8 recommendations of the Internal Audit Service (IAS)'s 'follow-up of earlier recommendations' have been implemented; notes that the recommendations that are considered to be 'very important' mainly relate to the effectiveness of the internal control system (i.e. 'annual work plan for ensuring internal control', 'review sensitive posts' and 'procedures for communicating improprieties'); calls, therefore, on the Foundation to rapidly implement them;
14. Notes also that in 2009 the IAS carried out an audit on Financial Management and put forward two 'critical' and six 'very important' recommendations out of 15; is concerned that the two critical findings relate to the accounting post (i.e. 'position to be filled by a temporary agent or an official', 'powers to be aligned with recommendations of the Commission's Accounting Officer') and the validation of accounting systems, while the six 'very important' findings concern the need to better document its financial circuits, procurement design and planning, *ex-post* controls, reimbursement rules and exception reporting; urges, therefore, the Foundation to implement without delay the IAS's recommendations and to inform the discharge authority on the progress made in this respect;
15. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2009**

(2011/599/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 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2009, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0108/2011),
1. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2009;
 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 338, 14.12.2010, p. 155.

⁽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 10 May 2011****on discharge in respect of the implementation of the budget of Eurojust for the financial year 2009**

(2011/600/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2009, together with Eurojust's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0133/2011),
1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2009;
 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 338, 14.12.2010, p. 144.⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2009, together with Eurojust's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0133/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted the Administrative Director of Eurojust discharge for implementation of the Agency's budget for the financial year 2008 ⁽⁵⁾, and in its Resolution accompanying the discharge Decision, inter alia:
- welcomed the conclusion on 24 September 2008 of the Practical Agreement on arrangements of cooperation between the Agency and OLAF,
 - noted the Court of Auditors' finding that in 2008 the Agency still had difficulties carrying forward appropriations, even if the amount appeared to be lower than in the previous year (13 % of final budget appropriations, instead of 25 % of appropriations carried over in 2007),

⁽¹⁾ OJ C 338, 14.12.2010, p. 144.⁽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 252, 25.9.2010, p. 202.

— regretted that the Court of Auditors again found deficiencies in procurement procedures, as in the previous 3 years,

- C. whereas the budget of the Agency for 2009 was EUR 26 400 000, which is an increase of 6,4 % on the financial year 2008,

Performance

1. Welcomes the Agency's initiative to include Key Performance Indicators in its 2010 unit plans; calls, nevertheless, on the Agency to inform the discharge authority on these key indicators and their links to the Agency's objectives, budget and work programme; considers, in fact, that linking indicators to the objectives, budget and work programme of the Agency will allow stakeholders to evaluate the Agency's performance better;
2. Welcomes the Agency's initiative to have presented, in the table annexed to the Court of Auditors' 2009 report, a comparison of the operations that were carried out during 2008 and 2009 so as to enable the discharge authority to assess more effectively its performance from one year to the next;

Carry-over of appropriations

3. Notes with satisfaction that the Court of Auditors does not comment on the level of carry-overs and cancellations of appropriations in 2009;
4. Notes that the discharge for the implementation of the budget for the Agency should be further based on its performance throughout the year;
5. Calls on the Agency to inform the discharge authority of the steps taken to avoid carrying forward appropriations; such carrying forward of appropriations has been a constant issue during the previous discharge procedures;

Improvement in procurement procedures

6. Congratulates the Agency for establishing measures to estimate the market value of relevant products/services before commencing a procurement procedure; considers this initiative an important practice to be followed by other agencies; welcomes, in addition, the Agency's annual procurement plan for 2009 which greatly helped the Agency's units and services in the management of their tenders; considers that these initiatives improve the authorising officer's guidance and control;

Human resources

7. 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 (24 %) is still too high, although less than in 2008 (26 %) and in 2007 (33 %); calls, accordingly, on the Agency to set up a comprehensive recruitment action plan to significantly reduce the vacancy rate and inform the discharge authority about this; welcomes, however, the Agency's intention to reduce the vacancy rate to less than 8 % by the end of 2011;
8. Congratulates the Agency's achievement in 2009 of reducing the number of temporary staff 'acting as staff members' from 31 to 10 by the end of that year; calls, nevertheless, on the Agency to further reduce this number as recommended by the Internal Audit Service (IAS);
9. Acknowledges that the Agency launched its new recruitment procedure in 2009 which provided that members of the selection board shall only invite applicants to interviews who score a minimum of 75 % on the preliminary evaluation and only place on reserve lists candidates who score a minimum of 75 % on the interview evaluation and on the written tests;

10. Expresses concern that the Court of Auditors has reported that three out of six middle management (Head of Unit) posts at the Agency were filled on a temporary basis by 'acting' staff members; underlines that this situation indicates difficulties in attracting and retaining the right staff; welcomes, nevertheless, the Agency's plan to adopt a decision which will provide that the final assessment of applicants will be based on the combination of the grade given at the moment of the completion of the application form, and the result of interviews and written tests; considers that this approach is an improvement of the Agency's selection procedures as it takes into account, in an effective manner, each candidate's merits;

Internal audit

11. Acknowledges that out of the 26 recommendations made by the IAS in 31 December 2008 just 4 have been resolved (2 of which were considered 'critical'); notes, in addition, that the IAS issued an additional recommendation in December 2009 and that 15 out of the remaining 23 recommendations have an implementation delay of more than 12 months; calls, accordingly, on the Agency to inform the discharge authority of the reasons for such a delay and to take immediate action on improving the recruitment procedure, reducing the number of interim staff, restructuring the Human Resources (HR) Unit, developing an HR management plan, reinforcing the monitoring of HR activities and reviewing the content of the register of exceptions;
12. Welcomes the Agency's initiative of providing the discharge authority with the IAS Annual Internal Audit Report concerning the Agency; considers this to be an indication of transparency and an example of best practice to be followed by all other agencies;
13. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (see page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 10 May 2011
on the closure of the accounts of Eurojust for the financial year 2009
(2011/601/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2009, together with Eurojust's replies ⁽¹⁾,
- having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
- 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0133/2011),

1. Approves the closure of the accounts of Eurojust for the financial year 2009;
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 338, 14.12.2010, p. 144.

⁽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 10 May 2011****on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2009**

(2011/602/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Fundamental Rights Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0130/2011),
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 2009;
 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 338, 14.12.2010, 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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Fundamental Rights Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0130/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted the Director of the European Union Agency for Fundamental Rights discharge for implementation of the Agency's budget for the financial year 2008 ⁽⁵⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- encouraged the Agency to set SMART objectives and RACER indicators in its programming so as to improve assessment of its achievements,
 - congratulated 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,

⁽¹⁾ OJ C 338, 14.12.2010, 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 252, 25.9.2010, p. 207.

- noted that, having opened its investigation concerning the Agency in 2008, the European Anti-Fraud Office (OLAF) closed it in 2009 with no further action,
- C. whereas the budget of the Agency for 2009 was EUR 17 000 000, which is an increase of 13,3 % on the financial year 2008,
1. Notes that the discharge for the implementation of the budget for the Agency should be further based on its performance throughout the year;

Budgetary and financial management

2. Urges the Agency to improve its budgetary and recruitment planning in order to redress the lack of consistency between its budgetary and staff forecasting; acknowledges, in fact, the Court of Auditors' observation that the Agency increased its operating budget by 38 %, transferring EUR 1 900 000 from Title I (Staff) to Title III (Operational activities) as a result of delays in recruitment and in order to finance operational activities not envisaged in the initial budget; takes note, nevertheless, of the external factors (such as appointment of a new Director and finalisation of an important framework contract launched by the Commission);
3. Calls on the Agency to make progress in ensuring, as far as possible, a realistic evaluation of tenders; notes, in fact, that the Court of Auditors reported on this issue in respect of the award of three framework contracts of a total amount of EUR 2 575 000; stresses, in particular, that in these three cases the financial offers differed considerably in both unit prices and the tenderers' estimates of the number of man-days necessary for the implementation of the same scenario;
4. Welcomes the Agency's resolution to improve the programming and monitoring of its contracts in order to avoid, in the future, the deficiencies reported by the Court of Auditors; calls, accordingly, on the Agency to inform the discharge authority of the action taken in this respect;

Internal audit

5. Acknowledges that out of the nine recommendations of the Internal Audit Service (IAS), following an audit on financial management, four are still to be implemented by the Agency; notes, in particular, that these concern financing decisions, information needs for reporting and monitoring purposes, work programmes showing all available resources of the budget, and financial procedures and checklists; urges the Agency to take measures to implement these recommendations;
6. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (see page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2009**

(2011/603/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Fundamental Rights Agency for the financial year 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0130/2011),
1. Approves the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2009;
 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 338, 14.12.2010, 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 10 May 2011****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 2009**

(2011/604/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 2009,
 - 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 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0145/2011),
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 2009;
 2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 338, 14.12.2010, p. 40.⁽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 10 May 2011**

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 2009

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 2009,
 - 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 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0145/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas, on 5 May 2010, 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 2008 ⁽⁵⁾, and, in its resolution accompanying the discharge decision, *inter alia*:

⁽¹⁾ OJ C 338, 14.12.2010, p. 40.

⁽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 252, 25.9.2010, p. 211.

— was concerned that the Court of Auditors found several weaknesses already highlighted in its 2006 and 2007 annual reports and in particular concerning:

- (i) the high level of carry-overs and cancellations (with, respectively, 49 %, nearly 69 % and 55 % of the appropriations available in 2008, 2007 and 2006 unspent);
- (ii) the fact that legal commitments were entered into before the corresponding budgetary commitments;
- (iii) the fact that, according to the Court of Auditors, the recruitment procedures depart from the rules, in particular as regards the transparency and non-discriminatory nature of the procedures in question;

— 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 fourth full year of the Agency's operation,

D. whereas the Agency's budget for the year 2009 was EUR 88 800 000, which is an increase of nearly 28 %, compared with the previous year,

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 2009 are in all material respects reliable and that the underlying transactions, taken as a whole, are legal and regular;

Substantial increase of the budget

2. Notes that the Agency's budget has increased substantially in the last 4 years; notes that, for the financial year 2009, the budget increased more than threefold over the financial year 2006 (EUR 19 200 000);

Performance

3. Welcomes 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; none the less, calls on the Agency to promptly establish a link between its work programme and its financial forecasts;
4. Calls again on the Agency to set out, in its table to be annexed to the Court of Auditors' next report, a comparison of the operations that were 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;
5. Welcomes the Agency's initiative of launching, in 2009, the so-called 'Frontex Performance Management System' to better inform the Agency's Governing Board by providing it with data on the impact of the agency operations; notes that this new system is intended to promote reporting which is more 'outcome-oriented' and which completes input and output indicators; calls, nevertheless, on the Agency to provide information on the impact of its operations and to inform the discharge authority thereof;
6. Notes that the discharge for the implementation of the Agency's budget should be further based on its performance throughout the year;

Cooperation with the Member States

7. Calls on the Agency to improve its financial management with regard to the reimbursement of costs incurred by Member States by identifying, with those Member States, the roots of the problem so as to implement, together, the appropriate solutions;

Carry-overs and cancellations of appropriations

8. Is concerned that the Court of Auditors has reported carry-overs which were already reported in its 2006, 2007 and 2008 annual reports; regrets, in particular, the high level of carry-overs and cancellations since 2006;
9. Urges, therefore, the Agency to improve the level of use of appropriations by putting in place appropriate instructions and procedures for the analysis of potential carry-forwards to reduce to a minimum the volume of appropriations carried over; considers it, also, to be important for the Agency to improve the programming and the monitoring of activities;
10. Is also concerned that the Agency had to cancel appropriations (EUR 13 900 000 for 2009 and EUR 13 000 000 for 2008);
11. Notes that the Court of Auditors reported 28 budgetary transfers due to the fact that the procedures for drawing up the budget were not sufficiently rigorous; observes, also, that, by the end of 2009, six of 39 budgetary lines of Title II -Administrative expenditure had not been used and 35 % of the corresponding appropriations were cancelled;
12. Points out that a high level of carry-overs and cancellations is indicative of the inability of the Agency to manage such a large increase in its budget; wonders whether it would not be more responsible for the budgetary authorities to take greater care in future when 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;
13. Welcomes, nevertheless, the Agency's initiative to further develop its system for scheduling and monitoring the contractual deadline laid down in grants; notes also that since 2009 the Agency has implemented a risk assessment and risk management process for its activities;

Grant Management

14. Observes that the Court of Auditors reported, for the second year running, that the Agency paid out amounts on the basis of unilateral grant decisions signed by the Agency, while the rules in force make no provision for this type of instrument; notes that the amount paid out in 2009 was more than EUR 28 000 000 and in 2008 was EUR 17 000 000; welcomes, nevertheless, the Agency's initiative, made in response to the Court's observation, of signing a framework Partnership Agreement with Member States border authorities;
15. Calls on the Agency to improve its grant management by:
 - carrying out on-the-spot controls on the grant beneficiaries,
 - promoting standard unit costs per category instead of grants based on reimbursements of eligible costs,
 - clearly describing, communicating and monitoring the actors' responsibilities,
 - providing an operational plan agreed by all actors;

Accuracy of the operational budget

16. Notes with concern that the Court of Auditors reported the overstatement by 27 % of the costs for pre-financing to border authorities in the 8 cases audited; notes also that, for the activities which ended in 2009, more than 40 recovery orders had to be issued to recover advances made in excess;

Human resources

17. Welcomes the Agency's initiative of taking measures to increase the objectivity and transparency of the recruitment processes, in accordance with the Parliament's recommendations; notes, in fact, that the Agency adopted implementing rules and internal guidelines for the members of the selection committees; congratulates, in particular, the Agency for adopting a Recruitment Policy in November 2010 which includes the following concrete actions: compliance with deadlines when nominating the selection board members, prior preparation of interview questions and the content of written tests, anonymous assessment of written tests; preparation of model answers for interview questions and written tests, preparation of minutes in respect of any recruitment, development of an e-recruitment tool to be implemented in the course of 2011 to facilitate the recruitment and selection process;

Internal audit

18. Acknowledges that the Internal Audit Service (IAS) carried out, in 2009, an audit on Grant Management with the objective of assessing the following: the annual planning of grants, the legal instrument used, the implementation of grants and the monitoring and reporting;
19. Acknowledges that, out of the 19 recommendations issued by the IAS on the follow-up of early recommendations, 6 have been adequately and effectively implemented, 10 are in progress and 3 are completed but still need to be verified by the IAS; calls, nevertheless, on the Director of the Agency to inform the discharge authority as to the content of the recommendations that are considered to be 'very important' by the IAS and on the actions taken in that respect;
20. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****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 2009**

(2011/605/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 2009,
 - 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 2009, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0145/2011),
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 2009;

⁽¹⁾ OJ C 338, 14.12.2010, p. 40.⁽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.

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

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the budget of the European GNSS Supervisory Authority for the financial year 2009**

(2011/606/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Supervisory Authority for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Supervisory Authority for the financial year 2009, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0103/2011),
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 2009;
 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 Agency (formerly 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 338, 14.12.2010, p. 114.

⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Supervisory Authority for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Supervisory Authority for the financial year 2009, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0103/2011),
- A. whereas the European GNSS Supervisory Authority became financially autonomous in 2006,
- B. whereas the Court of Auditors stated that it was unable to form an opinion on the accounts of the 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,
- C. 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,

⁽¹⁾ OJ C 338, 14.12.2010, p. 114.

⁽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.

D. whereas on 5 May 2010 Parliament granted the Executive Director of the Authority discharge for implementation of the Authority's budget for the financial year 2008 ⁽¹⁾, and in its resolution accompanying the discharge decision, *inter alia*:

— regretted 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,

— was concerned that, although under Regulation (EC) No 683/2008 ⁽²⁾ 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 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,

E. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,

F. whereas the budget of the Authority for the year 2009 was EUR 44 400 000, which is a decrease of 64 % from the financial year 2008,

Budgetary and financial management

1. Welcomes the fact that, following the entry into force of Regulation (EC) No 683/2008, most of the activities and assets related to the EGNOS and Galileo programmes were transferred to the Commission in December 2009; notes that the remaining part of the activities and assets had to be transferred in 2010;

2. Acknowledges the statement from the Court of Auditors that for the 'Framework Programme 7/Galileo/Call 1' grants procedure (EUR 17 500 000) the exclusion criteria were not published and checked and, as regards the eligibility criteria, the Authority did not systematically evidence that it had verified that the small and medium enterprises criteria for the potential beneficiaries participating in one of the topics were met;

3. Notes also that the final budget published by the Authority on 31 March 2010 did not reflect the final budget for 2009 approved by the Administrative Board and did not include its revenue; urges the Authority therefore to remedy the situation and inform the discharge authority of the change;

Human resources

4. Regrets the deficiencies in staff selection procedures which put at risk the transparency of these procedures; acknowledges, in fact, that the Court of Auditors reported that with regard to the four staff selection procedures audited, no evidence existed that the weightings of the selection criteria and the thresholds that candidates had to meet in order to be invited to the written tests and interviews were established before the evaluation process began and no evidence existed that the questions for the written tests and interviews were defined prior to drawing up the shortlist of candidates; calls therefore on the Authority to remedy the situation by improving its selection procedures;

5. Stresses also the need to remedy deficiencies which infringe the principle of equal treatment in the application of the eligibility criteria in recruitment procedures open to both internal and external candidates; acknowledges, in fact, from the Court of Auditors that in one recruitment procedure audited, one candidate was considered eligible even though it had been clearly established from the beginning of the procedure that he did not meet the selection criteria but was an internal candidate;

⁽¹⁾ OJ L 252, 25.9.2010, p. 218.

⁽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).

Internal audit

6. 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;
 7. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 10 May 2011
on the closure of the accounts of the European GNSS Supervisory Authority for the financial year 2009
(2011/607/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Supervisory Authority for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Supervisory Authority for the financial year 2009, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0103/2011),
1. Approves the closure of the accounts of the European GNSS Supervisory Authority for the financial year 2009;
 2. Instructs its President to forward this Decision to the Executive Director of the European GNSS Agency (formerly 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 338, 14.12.2010, p. 114.

⁽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 10 May 2011****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 2009**

(2011/608/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 2009,
 - 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 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0131/2011),
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 2009,
 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 342, 16.12.2010, p. 22.

⁽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 10 May 2011****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 2009**

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 2009,
- 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 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
- having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
- 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0131/2011),

A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ C 342, 16.12.2010, p. 22.

⁽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.

- B. whereas the European Joint Undertaking for ITER and the Development of Fusion Energy is in a start-up phase and had not fully established its internal control and financial reporting systems by the end of 2009,
- C. 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,
- D. whereas on 9 October 2008 the Court of Auditors delivered Opinion No 4/2008 on the ITER Financial Regulation,

Implementation of the budget

- 1. Notes that the Joint Undertaking final 2009 budget was EUR 173 600 000 and its overall utilisation rate for payment appropriations was 65,3 %;
- 2. Recognises that the Joint Undertaking is still in a start-up period and that the underspending mostly relates to delays in the progress of the Euratom fusion programme, as was also reported by the Court of Auditors in 2008;
- 3. Notes that year-end bank deposits totalling EUR 42 000 000 represent a breach of the budgetary principle of equilibrium;
- 4. Considers it to be important, in order to define the application of this derogation from the general budgetary principle of equilibrium, to specify the conditions under which, if it is positive, the balance of the outturn account shall be entered in the budget of the Joint Undertaking of the following financial year;

Presentation of accounts

- 5. Calls on the Joint Undertaking to harmonise its accounts under the guidance of the Commission;
- 6. Acknowledges that unlike other Union joint undertakings, ITER is entirely publicly funded;

Internal control systems

- 7. Urges the Joint Undertaking to complete the implementation of its internal controls and financial information system;
- 8. Calls, in addition, on the Joint Undertaking to include in its Financial Rules a specific reference to the powers of the Internal Audit Service (IAS) as its Internal Auditor, on the basis of the provision set out in the framework Financial Regulation for the Community bodies;
- 9. Considers, in particular, that the role of the IAS as Internal Auditor should be to advise the Joint Undertaking on how to deal with risks, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and for promoting sound financial management; considers it to be also essential that the Joint Undertaking submit to the discharge authority a report drawn up by its director summarising the number and the type of internal audits conducted by the Internal Auditor, the recommendations made and the actions taken regarding these recommendations;
- 10. Is of the opinion that, in view of the size of its budget and the complexity of its tasks, the Joint Undertaking should establish an audit committee, reporting directly to the Governing Board;

Financial Regulation

11. Urges the Joint Undertaking to amend its Financial Regulation in order to integrate the Court of Auditors' recommendations made in its Opinion No 4/2008 on that Regulation; considers further improvement to be necessary in relation to:

- the exceptions to budgetary principles,
 - the role of the IAS,
 - the establishment of an audit committee,
 - late payment of members' contributions,
 - the rules on the award of grants,
 - the transitional provisions set out in Article 133 of the ITER Financial Regulation.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2009**

(2011/609/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 2009,
 - 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 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0131/2011),
1. Approves the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2009;
 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 342, 16.12.2010, p. 22.

⁽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 10 May 2011****on discharge in respect of the implementation of the budget of the ARTEMIS Joint Undertaking for the financial year 2009**

(2011/610/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the ARTEMIS Joint Undertaking for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Artemis Joint Undertaking for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 74/2008 of 20 December 2007 on the establishment of the 'ARTEMIS Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ⁽³⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0126/2011),
1. Grants the Executive Director of the ARTEMIS Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2009;
 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 ARTEMIS 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 342, 16.12.2010, p. 1.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 30, 4.2.2008, p. 52.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the ARTEMIS Joint Undertaking for the financial year 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the ARTEMIS Joint Undertaking for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Artemis Joint Undertaking for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 74/2008 of 20 December 2007 on the establishment of the 'ARTEMIS Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ⁽³⁾, and in particular Article 11(4) thereof,
 - having regard to the Financial Rules of the ARTEMIS Joint Undertaking adopted by Decision of its Governing Board on 18 December 2008,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0126/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas the ARTEMIS Joint Undertaking was set up in December 2007 to define and implement a 'Research Agenda' for the development of key technologies for embedded computing systems across different application areas in order to strengthen European competitiveness and sustainability, and allow the emergence of new markets and societal applications,
- 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 2009,

⁽¹⁾ OJ C 342, 16.12.2010, p. 1.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 30, 4.2.2008, p. 52.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

Implementation of the budget

1. Notes that the Joint Undertaking final 2009 budget included commitment appropriations of EUR 46 000 000 and payment appropriations of EUR 8 000 000; further acknowledges that the utilisation rates for commitment and payment appropriations were 81 % and 20 % respectively;
2. Recognises that the Joint Undertaking is still in a start-up period and therefore understands the relatively low utilisation rate for payment appropriations;

Members' contribution

3. Calls on the Joint Undertaking to harmonise the presentation of members' contributions in the accounts under the guidance of the Commission;
4. Calls on the Joint Undertaking to further develop provisions on membership and co-financing and, in particular, on:
 - the arrangements for the accession of new members,
 - the in-kind contributions by members,
 - the terms and conditions under which the Joint Undertaking may audit the contributions of the members,
 - the conditions under which the Governing Board may approve co-financing;

Internal control systems

5. Urges the Joint Undertaking to complete the implementation of its internal controls and financial information system; calls specifically on the Joint Undertaking to:
 - improve its documentation of IT processes and activities and the mapping of IT risks,
 - develop a business continuity plan,
 - develop a data protection policy;
6. Calls on the Joint Undertaking to include in its Financial Rules a specific reference to the powers of the Internal Audit Service (IAS) as its Internal Auditor, on the basis of the provision set out in the framework Financial Regulation for Community bodies;
7. Considers, in particular, that the role of the IAS as Internal Auditor should be to advise the Joint Undertaking on dealing with risks, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and promoting sound financial management; considers it to be also essential that the Joint Undertaking submit to the discharge authority a report drawn up by its Executive Director summarising the number and the type of internal audits conducted by the Internal Auditor, the recommendations made and the actions taken regarding these recommendations;
8. Is of the opinion that, in view of the size of its budget and the complexity of its tasks, the Joint Undertaking should consider establishing an audit committee, reporting directly to the Governing Board;

Lack of host agreement

9. Urges the Joint Undertaking to rapidly conclude a host agreement with Belgium concerning office accommodation, privileges and immunities and other support to be provided by Belgium to the Joint Undertaking as provided by Article 17 of Regulation (EC) No 74/2008.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the ARTEMIS Joint Undertaking for the financial year 2009**

(2011/611/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the ARTEMIS Joint Undertaking for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Artemis Joint Undertaking for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 74/2008 of 20 December 2007 on the establishment of the 'ARTEMIS Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ⁽³⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0126/2011),
1. Approves the closure of the accounts of the ARTEMIS Joint Undertaking for the financial year 2009;
 2. Instructs its President to forward this Decision to the Executive Director of the ARTEMIS 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 342, 16.12.2010, p. 1.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 30, 4.2.2008, p. 52.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT
of 10 May 2011
on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for
the financial year 2009
(2011/612/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking ⁽³⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0128/2011),
1. Grants the Executive Director of the Clean Sky Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2009;
 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 Clean Sky 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 342, 16.12.2010, p. 7.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 30, 4.2.2008, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking ⁽³⁾, and in particular Article 11(4) thereof,
 - having regard to the Financial Rules of the Clean Sky Joint Undertaking adopted by Decision of its Governing Board on 7 November 2008,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0128/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas the Clean Sky Joint Undertaking was set up in December 2007 to accelerate the development, validation and demonstration of clean air transport technologies in the EU for earliest possible deployment,
- 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 2009,

⁽¹⁾ OJ C 342, 16.12.2010, p. 7.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 30, 4.2.2008, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

Implementation of the budget

1. Notes that the Joint Undertaking final 2009 budget included commitment appropriations of EUR 91 000 000 and payment appropriations of EUR 60 000 000; further acknowledges that the utilisation rates for commitment and payment appropriations were 98 % and less than 1 %, respectively;
2. Recognises that the Joint Undertaking is still in a start-up period; is concerned, nevertheless, that the research activities pre-financed by the Commission in 2008 on behalf of the Joint Undertaking were not fully implemented during 2009 and that, as a result of delays in the projects, only EUR 8 700 000 or 65 % of the EUR 13 600 000 pre-financing was used;
3. Is particularly concerned that the adoption, structure and presentation of the approved budget of the Joint Undertaking for 2009 were not in line with Regulation (EC) No 71/2008 setting up the Joint Undertaking, or with the Financial Rules of the Joint Undertaking; urges, therefore, the Joint Undertaking to rapidly remedy this grave deficiency;

Members' contributions

4. Calls on the Joint Undertaking to harmonise the presentation of members' contributions in the accounts under the guidance of the Commission;
5. Calls on the Joint Undertaking to further develop provisions on membership and co-financing and, in particular, on:
 - arrangements for the accession of new members,
 - in-kind contributions by members,
 - the terms and conditions under which the Joint Undertaking may audit the contributions of the members,
 - the conditions under which the Governing Board may approve co-financing;

Internal control systems

6. Urges the Joint Undertaking to complete the implementation of its internal controls and financial information system;
7. Calls, in addition, on the Joint Undertaking to include in its Financial Rules a specific reference to the powers of the Internal Audit Service (IAS) as its Internal Auditor, on the basis of the provision set out in the framework Financial Regulation for the Community bodies;
8. Considers, in particular, that the role of the IAS as Internal Auditor should be to advise the Joint Undertaking on how to deal with risks by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and for promoting sound financial management; considers it to be also essential that the Joint Undertaking submit to the discharge authority a report drawn up by its director summarising the number and the type of internal audits conducted by the Internal Auditor, the recommendations made and the actions taken regarding these recommendations;
9. Is of the opinion that, in view of the size of its budget and the complexity of its tasks, the Joint Undertaking should establish an audit committee, reporting directly to the Governing Board;

Lack of host agreement

10. Urges the Joint Undertaking to rapidly conclude a host agreement with Belgium concerning office accommodation, privileges and immunities and other support to be provided by Belgium to the Joint Undertaking as provided by Regulation (EC) No 71/2008.
-

DECISION OF THE EUROPEAN PARLIAMENT
of 10 May 2011
on the closure of the accounts of the Clean Sky Joint Undertaking or the financial year 2009
(2011/613/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking ⁽³⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0128/2011),
1. Approves the closure of the accounts of the Clean Sky Joint Undertaking for the financial year 2009;
 2. Instructs its President to forward this Decision to the Executive Director of the Clean Sky 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 342, 16.12.2010, p. 7.
⁽²⁾ OJ L 248, 16.9.2002, p. 1.
⁽³⁾ OJ L 30, 4.2.2008, p. 1.
⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the budget of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2009**

(2011/614/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative Joint Undertaking for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 73/2008 of 20 December 2007 setting up the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ⁽³⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0129/2011),
1. Grants the Executive Director of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2009;
 2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 342, 16.12.2010, p. 15.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 30, 4.2.2008, p. 38.⁽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 Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines, 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 10 May 2011**

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2009

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative Joint Undertaking for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 73/2008 of 20 December 2007 setting up the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ⁽³⁾, and in particular Article 11(4) thereof,
 - having regard to the Financial Rules of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines adopted by Decision of its Governing Board on 2 February 2009,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0129/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas the Innovative Medicines Initiative Joint Undertaking was set up in February 2007 to significantly improve the efficiency and effectiveness of the drug development process with the long-term aim that the pharmaceutical sector produces more effective and safer innovative medicines,

⁽¹⁾ OJ C 342, 16.12.2010, p. 15.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 30, 4.2.2008, p. 38.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

- 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 2009,

Implementation of the budget

1. Notes that the Joint Undertaking final 2009 budget included commitment appropriations of EUR 82 000 000 and payment appropriations of EUR 82 000 000; further acknowledges that the utilisation rates for commitment and payment appropriations were 97 % and 1 % respectively;
2. Recognises that the Joint Undertaking is still in a start-up period; is, nevertheless, concerned that the rate for payment appropriations was only 1 %;

Members' contribution

3. Calls on the Joint Undertaking to harmonise the presentation of members' contributions in the accounts under the guidance of the Commission;
4. Calls, in addition, on the Joint Undertaking to further develop provisions on membership and co-financing and, in particular, on:
 - the arrangements for the accession of new members,
 - the in-kind contributions by members,
 - the terms and conditions under which the Joint Undertaking may audit the contributions of the members,
 - the conditions under which the Governing Board may approve co-financing;

Internal control systems

5. Urges the Joint Undertaking to complete the implementation of its internal controls and financial information system;
6. Calls, in addition, on the Joint Undertaking to include in its Financial Rules a specific reference to the powers of the Internal Audit Service (IAS) as its Internal Auditor, on the basis of the provision set out in the framework Financial Regulation for Community bodies;
7. Considers, in particular, that the role of the IAS as Internal Auditor should be to advise the Joint Undertaking on dealing with risks, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and promoting sound financial management; considers it to be also essential that the Joint Undertaking submit to the discharge authority a report drawn up by its Executive Director summarising the number and the type of internal audits conducted by the Internal Auditor, the recommendations made and the actions taken regarding these recommendations;
8. Is of the opinion that, in view of the size of its budget and the complexity of its tasks, the Joint Undertaking should establish an audit committee, reporting directly to the Governing Board;

Lack of host agreement

9. Urges the Joint Undertaking to rapidly conclude a host agreement with Belgium concerning office accommodation, privileges and immunities and other support to be provided by Belgium to the Joint Undertaking as provided by the Regulation (EC) No 73/2008 setting up the Joint Undertaking.
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DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2009**

(2011/615/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative Joint Undertaking for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 73/2008 of 20 December 2007 setting up the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ⁽³⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0129/2011),
1. Approves the closure of the accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2009;
 2. Instructs its President to forward this Decision to the Executive Director of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines, 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 342, 16.12.2010, p. 15.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 30, 4.2.2008, p. 38.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2009**

(2011/616/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 1361/2008 of 16 December 2008 amending Regulation (EC) No 219/2007 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0124/2011),
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 2009;
 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 342, 16.12.2010, p. 30.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 352, 31.12.2008, p. 12.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
- having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
- 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 1361/2008 of 16 December 2008 amending Regulation (EC) No 219/2007 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 Rules of the SESAR Joint Undertaking adopted by the SESAR Administrative Board on 28 July 2009 (hereinafter 'SESAR Financial Rules'),
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0124/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 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 Single European Sky Air Traffic Management Research (SESAR) 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 2009,

⁽¹⁾ OJ C 342, 16.12.2010, p. 30.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 352, 31.12.2008, p. 12.⁽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,
- E. whereas in April 2010 the Court of Auditors delivered Opinion No 2/2010 on the SESAR Joint Undertaking Financial Rules,
1. Welcomes the fact that the Court of Auditors found the Joint Undertaking's accounts for 2009 to be reliable and the underlying transactions to be, in all material respects, legal and regular;
 2. Notes that the Joint Undertaking received EUR 55 000 000 in commitment appropriations and EUR 27 689 788 in payment appropriations from the Union budget for 2009;

Implementation of the budget

3. Notes that the Joint Undertaking final 2009 budget included commitment appropriations of EUR 325 000 000 and payment appropriations of EUR 157 000 000; further acknowledges that the utilisation rates for commitment and payment appropriations were 97,1 % and 43,2 % respectively;
4. Recognises that the Joint Undertaking is still in a start-up period given that Regulation (EC) No 1361/2008, modifying the basic act of the SESAR Joint Undertaking (EC) No 219/2007, was only adopted on 16 December 2008;
5. Notes that year-end bank deposits totalling EUR 86 800 000 represent a breach of the budgetary principle of equilibrium;
6. Considers it important to set out the conditions under which, if the balance of the outturn account is positive, it shall be entered in the budget of the Joint Undertaking of the following financial year in order to specify the application of this derogation from the general budgetary principle of equilibrium;
7. Is concerned that an integrated management system, allowing costs to be allocated to specific work packages and funding sources of operational costs to be identified, was not in place by December 2009;
8. Requests that a report be attached to each year's budget on the unspent appropriations carried over from previous years, explaining why those monies have not been used and how and when they will be used;

Members' contribution

9. Calls on the Joint Undertaking to harmonise the presentation of members' contributions in the accounts under the guidance of the Commission;
10. Calls on the Joint Undertaking to further develop in its Implementing Rules Articles 97 and 98 of the SESAR Financial Rules with provisions on membership and co-financing and, in particular, on:
 - the arrangements for the accession of new members,
 - the in-kind contributions by members,
 - the terms and conditions under which the Joint Undertaking may audit the contributions of the members,
 - the conditions under which the Administrative Board may approve co-financing above the standard maximum rate of 50 %;

Internal control systems

11. Urges the Joint Undertaking to complete the implementation of its internal controls and financial information system;
12. Welcomes the Court of Auditors' finding that important steps were taken in 2009 to establish control systems but expresses concern that an integrated tool to manage financial, budget and operational information was not in place at year-end; notes the Joint Undertaking's response that financial systems were in place by May 2010;
13. Calls on the Joint Undertaking to include in its Financial Rules a specific reference to the powers of the Internal Audit Service (IAS) as its Internal Auditor, on the basis of the provision set out in the framework Financial Regulation for Community bodies;
14. Considers, in particular, that the role of the IAS as Internal Auditor should be to advise the Joint Undertaking on dealing with risks, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and promoting sound financial management; considers it to be also essential that the Joint Undertaking submit to the discharge authority a report drawn up by its director summarising the number and the type of internal audits conducted by the Internal Auditor, the recommendations made and the actions taken regarding these recommendations;
15. Is of the opinion that, in view of the size of its budget and the complexity of its tasks, the Joint Undertaking should establish an audit committee, reporting directly to the Administrative Board;

Financial Regulation

16. Acknowledges that following the entry into force of Regulation (EC) No 1361/2008 amending Regulation (EC) No 219/2007, the Administrative Board adopted new SESAR Financial Rules on 28 July 2009; considers that these rules are largely based on the principles of the framework Financial Regulation although is of the opinion that further improvement could be made in relation to:
 - the exceptions to budgetary principles,
 - the role of the IAS,
 - the establishment of an audit committee,
 - provisions concerning membership of SESAR.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2009**

(2011/617/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05894/2011 — C7-0051/2011),
 - 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 1361/2008 of 16 December 2008 amending Regulation (EC) No 219/2007 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0124/2011),
1. Approves the closure of the accounts of the SESAR Joint Undertaking for the financial year 2009;
 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 342, 16.12.2010, p. 30.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 352, 31.12.2008, p. 12.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 10 May 2011****on discharge in respect of the implementation of the budget of the European Police College for the financial year 2009**

(2011/618/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2009, together with the College's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0150/2011),
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 2009;
 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 338, 14.12.2010, p. 137.⁽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 10 May 2011****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 2009**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2009, together with the College's replies ⁽¹⁾,
- having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
- 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁴⁾, and in particular Article 94 thereof,
- having regard to the report of the European Police College of 12 July 2010 on the Reimbursement of Private Expenditure (10/0257/KA),
- having regard to the Annual Activity Report 2009 of the Directorate-General Justice, Freedom and Security,
- 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 (A7-0150/2011),

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 reports on the annual accounts of the College for the financial years 2006 and 2007, 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,

⁽¹⁾ OJ C 338, 14.12.2010, p. 137.

⁽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.

- C. whereas the Court of Auditors, in its report on the annual accounts of the College for the financial year 2008, added an emphasis of matter 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,
- D. whereas in its decision of 7 October 2010 ⁽¹⁾ Parliament refused to grant the Director of the College discharge for implementation of the College's budget for the financial year 2008,
- E. whereas the Court of Auditors, in its report on the annual accounts of the College for the financial year 2009, again qualified its opinion on the legality and regularity of the underlying transactions,
- F. whereas the College's budget for the year 2009 was EUR 8 800 000, compared to EUR 8 700 000 for the year 2008,

Weaknesses in procurement procedures

1. Voices concern at the College's persistent lack of compliance with the Financial Regulation with regard to public procurement rules; notes, in particular, that a significant amount of the total College's budget contains irregularities which concern:
 - the absence of a contract or a tendering procedure,
 - the absence of specified terms of reference,
 - the absence of request or receipt of financial offer,
 - the lack of financial evaluation;
2. Deplores the fact that in certain instances no investigations were ever carried out, such as in those cases where the procurement procedures were not properly followed and where the engagement contracts signed were illegal;
3. Acknowledges from the College that a Procurement Officer has finally been appointed and a Procurement Manual, including templates and checklists, was adopted on 8 June 2010 by Decision No 002/2010 of the Director;
4. Requests that the College provide the Parliament with a report on the application of the Procurement Manual for the period covering 1 July 2010-1 July 2011, before 31 October 2011;

Failure to comply with the rules governing expenditure on courses

5. Voices concern at the fact that the Court of Auditors identified severe shortcomings in the administrative and financial rules governing expenditure on the organisation of courses and seminars, which accounts for a major proportion of the College's operational expenditure; considers it unacceptable that the main irregularities are due to the fact that the revised College's Financial Regulation has never entered into force and, as result, all engagement contracts signed were illegal; notes from the College that these contracts expired in 2010 and were not renewed;
6. Deplores the fact that because the College's revised Financial Regulation never entered into force, engagement contracts signed with some advisers and experts were illegal (the total amount involved being estimated at EUR 200 000, including EUR 34 800 for the financial year 2009);
7. Notes that the College's Financial Regulation which was submitted to the Commission for an opinion in 2009 contained two provisions which did not receive a favourable opinion of the Commission because they were not considered to comply with the revised framework Financial Regulation;

⁽¹⁾ OJ L 320, 7.12.2010, p. 11.

8. Recommends that the College, in the interest of fostering transparency, provide direct access to its detailed budget, which should include a list of its contracts and of its procurement decisions, and be published on the College's website, with the exception of those contracts for which publication might entail a security risk; believes that this recommendation does not contravene the principle of personal data protection;

Carry-over of appropriations

9. Voices concern at the fact that more than EUR 3 800 000 of the 2009 payment appropriations, equivalent to 43 % of the total budget, was carried forward to 2010; is also concerned that 46 % of the appropriations carried over from 2008 had to be cancelled; stresses that this situation indicates severe and recurrent weaknesses in the programming and the monitoring of the implementation of the budget and is at odds with the principle of annuality;
10. Notes that even though there is new management at the College, mistakes were made in the past which are still unaccounted for; voices concern at the College's shortcomings in the areas of programming and monitoring of the implementation of its 2009 budget;
11. Notes that yet again for the budget year 2008 31 % of the College's total budget had to be carried over and, in 2007, 41,5 % of the College's total budget had to be carried over while more than 20 % (EUR 500 000) of the College's appropriations carried over from 2006 were cancelled;
12. Welcomes, nevertheless, the fact that since March 2010, weekly financial management meetings have been introduced at the College to improve budgetary implementation and control; notes that improvements are scheduled to be introduced in association with the College's Multi-Annual Activity Plan; acknowledges the actions taken to address the problem in 2010; calls the College to constantly inform the discharge authority of the improvements and action taken;

Accounting system

13. Regrets that the Court of Auditors reported again this year significant delays and errors in the preparation of the 2009 provisional accounts; acknowledges in particular that there was a backlog of unprocessed invoices totalling EUR 900 000 at the end of 2009; notes that this situation is due to an unsatisfactory distribution of financial responsibilities, weak internal control procedures and difficulties in recruiting and retaining staff qualified and experienced in financial and accounting matters; urges, therefore, the College to rapidly redress this situation and inform the discharge authority of the actions taken;
14. Is concerned that the College, in its Financial Statements for 2009, quantified the total impact on accumulated reserves of its errors prior to 1 January 2008 as EUR 929 670,27 (10,56 % of its total budget for 2009) and the total impact on accumulated reserves of its errors from 2008 as EUR 284 718,77 (3,2 % of its total budget for 2009);

Human resource management

15. Voices concern that the Court of Auditors reported several weaknesses with regard to staff selection procedures that put at risk the transparency of these procedures; stresses in particular that the documentation of the procedures was inadequate; finds unacceptable that:
 - the thresholds that candidates had to meet were generally fixed after the evaluation and ranking of the candidates,
 - questions for interviews were often prepared after the examination of applications,
 - the documentation of the procedures was inadequate;
16. Is also concerned about practices which are not allowed under the Staff Regulations of Officials of the European Union ⁽¹⁾ or are illegal; notes, in particular, cases where:
 - it was impossible to establish whether the successful candidates met the requirements in terms of the length of professional experience required,

⁽¹⁾ OJ L 56, 4.3.1968, p. 1.

- the selection board took its decisions solely on the basis of the *curricula vitae*,
 - the successful candidate did not meet the minimum requirements in terms of professional experience,
 - a staff member with management responsibilities was authorised to be based outside the United Kingdom, but to work on the College's premises in Bramshill for a limited number of days per year while the College was reimbursing the travel expenses;
17. Deplores the fact that a recruitment contract which was executed in the wrong manner is still operative; calls on the College to remedy this irregularity as a matter of priority;
18. Wonders, nevertheless, how the College intends to address these recurrent human resource management issues, especially considering the fact that the location of the College's Secretariat in Bramshill significantly impedes its capacity to attract and retain duly qualified people;
19. Acknowledges, nevertheless, that in 2010 the College adopted by decision of Director No 004/2010 a Recruitment Guide bringing the procedures in line with the Staff Regulations; calls therefore on the College to inform the discharge authority on the level of implementation of this decision;

Appropriations used to finance private expenditure

20. Notes the fact that, following the repeated request from the Internal Audit Service (IAS), the Court of Auditors and the discharge authority, an *ex-post* check on appropriations used to finance private expenditure was finally carried out by an external company;
21. Acknowledges, in particular, that the objective of the external evaluation was to review the actions taken by the College to address issues raised by the Court of Auditors during their audit of the College in 2007 and to produce a report setting out the total appropriations used to finance private expenditure and the amounts recovered to date; notes, in particular, that the external audit reported:

(in GBP)

Budget heading	Appropriations as presented to the auditors by the College	Amounts recovered by the College
Transport costs	9 508	7 421
The College pool car running costs	14 783	13 916
Furniture purchased	14 788	500
Mobile phone costs	3 721	3 721
TOTAL AMOUNT	42 800	25 558

22. Notes that the figures provided, where available, in report 10/0257/KA on the reimbursement of private expenditure are far below the aforementioned figures disclosed by the external audit report;
23. Deplores the fact that due to the passage of time and weaknesses in the financial management, monitoring and reporting at the College at the time leading up to the 2007 audit, the external auditor was not able to confirm this quantification of the appropriations irregularly used; notes, therefore, that the external auditor considered it more important to place the focus of the audit on the recoveries made and the potential for further recoveries;
24. Acknowledges that the external audit report concluded that there is no real possibility for further recovery; notes, in fact, that:
- the sale of the furniture only generated GBP 500,

- the College is not entitled to require staff who have benefited from voluntary transport services to contribute *ex-post* to the transport costs incurred by the College; notes also that according to Article 85 of the Staff Regulations, the amounts can only be recovered from staff if the official was aware of the irregularity of the payment or if the irregularity was so obvious that he/she could not have been unaware of it;
25. Stresses the fact that, in its specific annual report for the year 2007, the Court of Auditors had already signalled that it was not feasible for the auditors to review all payments made during the year 2007 as it was not possible to quantify either the amount that was irregularly spent on private use or all the different types of private expenditure incurred;
26. Underlines once again the responsibilities of the former Director for the above mentioned deficiencies and irregularities; refers, in this respect, to its resolution of 7 October 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 ⁽¹⁾;
27. Stresses in particular the following findings reported by the Czech Presidency on 18 May 2009:
- the College's mismanagement: in connection with the IAS findings, the Commission offered help to the College, but the Director never approached either DG Justice, Freedom and Security or DG Budget,
 - communication within the secretariat: the lack of communication and trust between the Director and the staff led to prolonged disputes,
 - lack of transparency: instead of identifying the problems and asking for advice from the Governing Board or from the Commission, the Director did not share the information which was then discovered on a random basis,
 - accountability of the Director to the College's Governing Board: the Director did not respect the decisions of the Governing Board;
28. Notes that the responsibilities regarding the appropriations used to finance private expenditure have been well established; deplores consequently the fact that the College's Governing Board did not respond properly to the former Director's managerial failings, out of concern not to harm the College's image; considers it unacceptable that the Governing Board decided not to take disciplinary action mainly because of the possibility of legal action by the former Director;
29. Reiterates, therefore, its position that the Governing Board of the College must be held accountable and suggests that changes be made to prevent this situation from recurring in future; calls again for a reconsideration of the position of the Commission in the Governing Board by granting it the right to vote;

Internal audit

30. Welcomes the College's initiative of providing to the discharge authority the final assessment Report of the IAS on the implementation of the Multi-Annual Plan (MAP) 2010-2014 of the College; considers this a sign of transparency and a best practice to be followed by all other agencies;
31. Acknowledges that the College, following the recommendation of the IAS, of the Court of Auditors and of the discharge authority, in the end, adopted by Decision No 010/2010 of the Director of 21 June 2010 a new procedure for the recording of exceptions; calls, now, on the College to inform the discharge authority on the level of implementation of that Decision;
32. Notes that the discharge in respect of the implementation of the budget of the College should be further based on its performance throughout the year;

⁽¹⁾ OJ L 320, 7.12.2010, p. 12.

College's MAP for 2010-2014

33. Notes that, upon the request of the discharge authority, the College's Governing Board finally approved the MAP in May 2010; notes also the fact that by the end of September 2010, 19 of the 44 milestones had been completed whereas 18 milestones were on course with regard to the planned timetable and 7 milestones still await the initial start of implementation;
34. Is concerned that in its Final Assessment Report on the implementation of the College's MAP for 2010-2014, the IAS found a lack of clarity in the description of some items in the MAP and overlap between some of its milestones; stresses, therefore, that the progress reporting is not always accurate enough to allow a clear understanding of what the individual milestones imply in terms of concrete actions and it makes it difficult to assess the ultimate overall status of the related actions;
35. Urges, therefore, the College:
- in relation to MAP 2/Milestone 7 'CEPOL Internal Control Standards', to adopt the new set-up of 16 Internal Control Standards (ICS) which simplify the original 24 ICS,
 - in relation to MAP 3/Milestone 4 'evaluation of efficiency, effectiveness of the secretariat performance and its leadership and management', to describe the status of the balanced scoreboard intended for performance measurement of the College and the annual staff appraisal exercise,
 - in relation to MAP 4/Milestone 1 'review of the financial and accounting circuits', to be more specific on planned future development of the financial procedures by describing the results of the review, especially the most important recommendations that the College plans to implement in order to promote effective financial procedures, including controls,
 - in relation to MAP 5/Milestone 2 'enhanced *ex-ante* and *ex-post* verification capacity', to explain the major changes in *ex-ante* verifications, either already implemented or still in planning, as well as the plans for *ex-post* controls on grants,
 - in relation to MAP 10/Milestone 1 'reduce reliance on interim staff', to develop a policy for the use of interim staff,
 - in relation to MAP 11 'improve and mature Human Resource (HR) management', to describe the utility and the expected benefits of the College's new HR planned method, including what impact it could have on further needs of staff resources in the College,

and calls therefore on the College and its Governing Board to inform the discharge authority by 30 June 2011 about the actions and improvements taken with regard to all these concerns;

36. Notes the reply of the College that, if after an internal investigation it could be concluded that personal accountability can be established, it would definitely take the necessary measures in accordance with the applicable regulations; asks the College to inform the discharge authority on the implementation of the internal investigation;
37. Calls on the Court of Auditors to conduct a specific audit to examine the implementation of the Action Plan of the College;
38. Recalls that the progress of the College in implementing the MAP is primarily linked to its capacity in recruiting and retaining qualified staff experienced in financial and accounting matters;

Structural deficits

39. Notes the opinion developed by DG Justice, Freedom and Security in its 2009 Annual Activity Report on the College's structural problems; calls again into question the capability of the College to overcome the following problems:
- the impossibility to apply the complex EU financial regulations and Staff Regulations, given the limited mission and corresponding small size of the College,

- the location of the College's secretariat, in Bramshill, some 70 Kilometres from London, which is a disadvantage, inter alia, as regards recruitment and public transport links,
 - the College's governance costs which are very high as compared to its activities, given that while employing only 28 staff, the College had a 27-voting member Governing Board during 2009;
40. Notes that the College and Europol are two Union bodies evolving in similar fields and are performing complementary activities; believes that if these activities were brought together under a common agency, unnecessary additional costs would be avoided; recalls that the Union budget is based on a sound financial management requiring the spending to be relevant, effective, and efficient and unnecessary expenditures to be properly addressed;
- (a) recommends, therefore, merging the College with Europol in the near future; is convinced that the merger will engender greater rationality and efficiency in expenditure; is convinced that the cost of keeping the College and Europol separate would be higher than the cost of a merger; welcomes, therefore, the Commission's proposal that Europol could take over the training role of the College; regrets that the Member States rejected this proposal and calls for a re-evaluation;
 - (b) is confident that merging the College with Europol will be beneficial in terms of the activities performed currently by the two agencies; believes that a merger will not only provide concrete solutions to the aforementioned College's structural and chronic problems but will also enable the College to benefit directly from Europol's expertise regarding international organised crime and terrorism in order to fulfil its mission of providing training for senior police officers; believes that through the merger Europol will benefit from the network as well as the training expertise of the College, and will take advantage of having a unit focusing solely on training-related issues on its premises;
 - (c) reiterates its request to the Commission to examine before 1 September 2011 the possibility of attaching the College to Europol as a concrete solution to the College's structural and chronic problems; calls on the Council and the Commission to provide the Parliament with a report on the merging of the College with Europol by the end of 2011;
41. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2011)0163 (See page 269 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 10 May 2011
on the closure of the accounts of the European Police College for the financial year 2009
(2011/619/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2009, together with the College's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 — C7-0052/2011),
 - 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽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 (A7-0150/2011),
1. Postpones the closure of the accounts of the European Police College for the financial year 2009;
 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 338, 14.12.2010, p. 137.

⁽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 10 May 2011****on the 2009 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 5 May 2010 on the 2008 discharge: performance, financial management and control of EU 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 96 thereof,
 - having regard to Special Report No 5/2008 of the Court of Auditors entitled ‘The European Union’s agencies: getting results’,
 - having regard to the specific annual reports ⁽⁴⁾ of the Court of Auditors on the annual accounts of the decentralised agencies for the financial year 2009,
 - having regard to its study entitled ‘Opportunity and feasibility of establishing common support services for EU agencies’ issued on 7 April 2009,
 - having regard to its Declaration of 18 May 2010 on the Union’s efforts in combating corruption ⁽⁵⁾,
 - 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 (A7-0149/2011),
- A. whereas this resolution contains, for each body within the meaning of Article 185 of Regulation (EC, Euratom) No 1605/2002, the horizontal observations accompanying the discharge decisions 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, and whereas this has enabled some of the Commission’s tasks to be outsourced,

⁽¹⁾ OJ L 252, 25.9.2010, p. 241.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 357, 31.12.2002, p. 72.⁽⁴⁾ OJ C 338, 14.12.2010.⁽⁵⁾ Texts adopted, P7_TA(2010)0176.

- 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 on Agencies,
- D. whereas this Interinstitutional Working Group met for the third time at political level on 10 November 2010 and whereas the points discussed were: the criteria for setting up new agencies, the choice of the agencies' seat and seat agreement, the composition of management boards, the appointment procedures for directors, evaluation and performance, the multiannual programme, and the administrative support,
- E. whereas the Court of Auditors is also planning to reflect on the agencies' performance and present a Special Report on cost benchmarking on Union agencies by the end of 2011,
- F. whereas Union contributions to the decentralised agencies drastically increased between 2000 and 2011,
- G. whereas Parliament's Declaration of 18 May 2010 on the Union's efforts in combating corruption calls on the Commission and the relevant Union agencies to take all necessary measures and provide sufficient resources to ensure that Union funds are not subject to corruption, and to adopt dissuasive sanctions where corruption and fraud are found,

I. COMMON CHALLENGES ON FINANCIAL MANAGEMENT

Carry-over and cancellation of operational appropriations

- 1. Notes that the Court of Auditors has again drawn attention to a large volume of carry-overs and cancellations of operational appropriations by several agencies in the financial year 2009; further notes the existence of unused budgetary lines and the high number of transfers in some of the agencies; calls on the agencies concerned to step up their efforts to improve financial and budgetary planning and programming;
- 2. Acknowledges the problems arising from the multiannual nature of many programmes and the time-lag between the receipt of fees and the execution and consecutive payment of the corresponding tasks; nevertheless stresses that the resultant expenditure should be predictable and a solution that respects the annuality principle of the Union budget should be found;
- 3. Points out that the high level of carry-overs and cancellations is often indicative of the inability of an agency to manage a large increase in its budget; inquires whether it would not be more responsible for budgetary authorities, in future, to take greater care in deciding on increases in an agency's budget in the light of the time needed to carry out the new activities;

Cash management

- 4. Calls on the agencies to enhance their annual forecast of cash needs; notes, in fact, that agencies often record high cash holdings and, therefore, encourages them to follow the good example of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) which, for the year 2009, enhanced its forecast by submitting to the relevant Commission's services, and then constantly updating, a supporting document which justifies its quarterly requests for payment;

Weaknesses in procurement procedures

- 5. Is concerned, once again, by the Court of Auditors' findings that several agencies had deficiencies in procurement procedures;
- 6. Calls, accordingly, on the agencies to strengthen their internal controls to make sure that contracts and procurement procedures are correctly applied; is, in fact, not ready to accept the chronic inability to put in place a control system which avoids or detects in time persistent errors undermining the legality and regularity of the agencies' transactions;

7. Urges, in this respect, the agencies to:
 - improve the transparency of estimates and responsibility of projects,
 - strengthen their procurement authorisation at the financing decision and work-programme level,
 - ensure that the disclosure of exceptions in their Annual Activity Report is made in a comprehensive manner,
 - ensure adequate follow up of potential irregularities,
 - develop and report on *ex-post* controls;
8. Encourages, in addition, the agencies to develop, and then regularly update, a comprehensive table outlining their financial circuits and responsibilities of the financial and operational actors;
9. Calls on all the agencies to make available on their website a list of all the contracts awarded over the last three years at least, and for the Commission to continue its efforts to make this information more accessible and to finally integrate it into its financial transparency system;
10. Congratulates Eurojust, nevertheless, for having set up measures for estimating the market value of relevant products and services before opening their procurement procedures; considers this initiative an important practice to be followed by other agencies; welcomes, in addition, Eurojust's Annual Procurement Plan for 2009 which greatly helped that agency's units and services in the management of its tenders; stresses, in particular, that these initiatives enhance the authorising officer's guidance and control;

Grant management

11. Considers it important that the agencies improve their grant management by:
 - carrying out on-the-spot checks on the grant beneficiaries,
 - promoting standard unit costs per categories instead of grants based on reimbursements of eligible costs,
 - clearly describing, communicating and monitoring the actors' responsibilities,
 - providing an operational plan agreed by all actors;

II. COMMON CHALLENGES ON HUMAN RESOURCES

Recruitment procedures

12. Notes in several agencies deficiencies in staff selection procedures which put at risk the transparency of these procedures and/or infringe the principle of equal treatment in the application of the eligibility criteria; acknowledges, in particular, that the Court of Auditors repeatedly reports the following deficiencies:
 - no evidence exists whether the selection criteria and the thresholds that candidates have to meet to be invited to written tests/interviews are established before the evaluation process begins,
 - insufficient documentation of recruitment procedures,
 - unequal treatment in the recruitment procedure for internal/external candidates,
 - limited competition,

and considers that these deficiencies could reduce the ability of the agencies to counter possible allegations of arbitrary decisions on staff recruitment; considers, also that, to the extent that competition is limited, resulting recruitments may not represent the optimal choice and human and financial resources may be used inefficiently;

13. Calls for the establishment of a system to cross-check between the agencies for instances of misconduct or mismanagement by an individual at an earlier agency-employer, when an application is made for employment by that individual at another agency;

14. Calls, accordingly, on the agencies to take the necessary measures to increase the objectivity and transparency of their recruitment processes; considers, in this respect, that Frontex's initiative to adopt implementing rules and internal guidelines for the members of its selection committees is an important practice to be followed by other agencies; welcomes, in particular, the initiative of Frontex to adopt a recruitment policy which includes concrete actions, such as:

- respecting a deadline when nominating the selection board members,
- prior preparation of the interview questions and content of the written test,
- assessment of written tests anonymously,
- model answers for interview questions and written tests,
- minutes recording the decision for any recruitment,
- an e-recruitment tool to facilitate the recruitment and the selection process,

and stresses the need to rigorously implement this policy and to prove that it delivers results;

Execution of recruitment plans

15. Notes that the agencies' recruitment plans are often not fully executed and observes a lack of consistency between budgetary and staff forecasting which could affect the stakeholders' view on the agencies' use of their staff; encourages the Union institutions to further explore how recruitment procedures could be simplified; calls, accordingly, on the agencies to put further effort into the implementation and monitoring of their recruitment planning; encourages the agencies also to provide in their work programme and Annual Activity Reports additional information on the allocation and use of their human resources and a description of the impact on the available staff when setting their objectives; calls on the Commission to evaluate the required staff levels in the agencies, compare the actual staff levels at present to the budgeted forecasts, conclude whether the forecasts exceed the needs and capacities of the agencies and provide Parliament with an overview on this issue;

16. Takes note of the fact that every year employees, including directors, rotate between the agencies; calls on the Commission to provide Parliament with an overview of all staff members who changed working places from one agency to another since 2008;

17. Asks the Commission to provide information on the existence and application of regulations with respect to the relevant duties and obligations of officials provided for in Article 16 of the Staff Regulations of Officials of the European Union ⁽¹⁾ (so called 'cooling-off periods') in all the agencies;

Interim staff

18. Calls on the agencies to ensure that sensitive tasks are not assigned to interim staff knowing that interim staff are recruited subject to the limits of the establishment plan; deplores the fact that in some cases agencies hired these staff to perform sensitive tasks or have access to sensitive information; wishes to stress the risks of potential security breaches linked to interim staff's access to sensitive information or unawareness by them of the procedure to follow;

⁽¹⁾ OJ L 56, 4.3.1968, p. 1.

Conflicts of interest

19. Reminds the agencies of the importance of fully guaranteeing the independence of their staff and experts; encourages, in particular, the agencies to carefully file and assess their controls on this; stresses, in fact, that an agency's reputation could be affected in cases where it is challenged on the ground of conflicts of interest;
20. Calls on the Commission to provide Parliament with a detailed overview of the criteria applied in order to ensure the independence of recruited staff, in particular with respect to possible conflicts of interest, and to apply dissuasive sanctions where any irregularity is found;
21. Calls on the Court of Auditors to undertake a comprehensive analysis of the agencies' approach to the management of situations where there are potential conflicts of interest;

III. COMMON CHALLENGES ON THE INTERNAL CONTROL SYSTEM

22. Encourages the agencies to further improve their internal control system to underpin their Director's annual statement of assurance; stresses also the importance for an agency to effectively establish a risk management function for registration of risks and creation of plans for mitigating actions;

Summaries of the internal audit reports

23. Urges the Directors of each agency to fully fulfil their obligation to include in their reports summarising the Internal Audit Service (IAS) reports to the discharge authority:

- the number and type of IAS internal audits,
- all recommendations (including those which could possibly be refused by the agency), and
- all actions taken on these recommendations,

welcomes, in this respect, Frontex's initiative to promote a harmonised structure for addressing these summaries to the discharge authority by all agencies;

24. Notes, nevertheless, that certain agencies have provided, on a voluntary basis, their IAS internal audit reports to the discharge authority; considers that this should be the normal practice and expects that all other agencies of the Union will follow this practice while acknowledging that the discharge authority will ensure the confidentiality of these reports;

IAS's role

25. Considers the role of the IAS as Internal Auditor of the decentralised agencies as crucial; stresses, in particular, that the IAS issues independent opinions on the quality of management and control systems and delivers recommendations for improving the conditions of implementation of operations and for promoting sound financial management of the agencies;
26. Calls, accordingly, on the agencies' Management Boards to duly take into account the recommendations made by the IAS, with a view to rapidly remedying the identified failings;
27. Welcomes that, in accordance with Article 86(4) of the Financial Regulation, the agencies forward a summary of the IAS findings to Parliament; reiterates that reports drafted by the IAS are internal and not public documents; notes, further, that this also applies to separate annual reports on the agencies and other bodies; welcomes any cooperation on the part of the agencies to make available those reports upon a specific and justified request by Parliament; urges the Interinstitutional Working Group on Agencies to address the flaw in the legislation concerning IAS reports on the agencies and to propose a solution;

28. Strongly encourages the Court of Auditors to include a reference in its annual reports on the agencies to the conclusions of the IAS audits and an assessment of the implementation by the agencies of the IAS recommendations;
29. Would also like to stress the IAS's important role in carrying out audits on the agencies' performance; regrets, however, that the discharge authority is not necessarily informed about the findings of these audits as a result of the flaw in the agencies' legislation mentioned in paragraph 27;

Role of the Internal Audit Capability (IAC)

30. Urges agencies to set up an Internal Audit function to provide support and advice to agencies' Directors on the management of the internal control, and to perform risk assessments and internal audits;
31. Welcomes also the initiative of the Community Fisheries Control Agency and the European Maritime Safety Agency of having established a shared IAC; considers this shared service a best practice to be followed by other agencies;
32. Welcomes and encourages, in addition, the IAS activity of chairing the Audinet network for agencies, which meets two/three times per year, with the aim of coordinating the IACs work, and exchanging experiences on audit approach, methodology and best practice;

Pilot audit on the ethical framework

33. Congratulates the European Centre for the Development of Vocational Training (Cedefop) for being the first agency that voluntarily undertook a pilot audit on the ethical framework in 2009; encourages Cedefop to share this initiative with other agencies;

IV. STATEMENT OF ASSURANCE AND ANNUAL ACTIVITY REPORT

Statement of assurance

34. Encourages the agencies to publish their Director's statement of assurance on their websites and include them in an annex to their Annual Activity Reports confirming that the information contained in their Annual Activity Reports presents a true and fair view, except as otherwise specified in reservations related to defined areas, of revenue and expenditure;
35. Underlines the obligation of the agencies' Directors to declare reservations in their statements of assurance whenever major issues have been outlined by the Court of Auditors or by the IAS of the Commission i.e. critical audit recommendations for underlying weaknesses and where the materiality threshold is exceeded;

Annual Activity Reports

36. Encourages the agencies to standardise the structure of their Annual Activity Reports in accordance with the format used by the Commission's Directorates-General (DGs) and, accordingly, by including the activities accomplished, the management challenges, the internal audit findings and the human resources improvements concerning the financial year in question; in this regard congratulates the European Environment Agency (EEA) for having already developed its own Annual Activity Report in accordance with the abovementioned structure and considers this best practice to be followed by the other agencies;
37. Congratulates, in addition, the European Centre for Disease Prevention and Control and, again, the EEA for having used in their Annual Activity Reports easy-to-read tables/graphics summarising the key performance achievements; considers this as a very welcomed practice which should be followed by other agencies;
38. Encourages the Court of Auditors to include a global evaluation of each Annual Activity Report in its specific annual reports on the agencies as it is already the case in its annual report on the Commission, when the Court of Auditors examines the Annual Activity Reports of the different Commission DGs;

V. AGENCIES' GOVERNANCE

The agencies' Management Boards

39. Notes that the large size of certain agencies' Governing Boards and the high turnover of their members could lead to an ineffective decision-making body; calls, accordingly, on the Interinstitutional Working Group on Agencies to address this issue; suggests also that consideration be given to the possibility of merging Governing Boards for agencies working in related fields to reduce the amount of time spent on meetings;
40. Invites, in addition, the agencies' Directors to take steps to strengthen their Governing Board's role by bringing strategic issues/priorities on the discussion in due time for strategic decisions to be taken;
41. Calls on the agencies' Management Boards to achieve maximum convergence between the planning of tasks and of resources (both financial and human) through the improvement of their activity-based budgeting and management (ABB/ABM);

Commission's role

42. Expresses its satisfaction with the second 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 ECHA in 2007; emphasises, in particular, that the smooth and fairly rapid establishment of the ECHA is mainly as a result of the effective support provided by its partner DG, exchanges of experience with other similar agencies and the provision of strong support by the host country; considers, accordingly, that this best practice could be followed by the Commission when 'newcomer' agencies open;
43. Notes that the Interinstitutional Working Group on Agencies found that about 30 % of the agencies' resources are used for administration; calls on the Commission to increase its efforts to provide all necessary administrative assistance to the relatively small agencies, in particular those that were established recently and to make sure that all agencies work efficiently;

Disciplinary procedures

44. Recalls once more that Parliament, in its 2006, 2007 and 2008 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 with the appropriate career grade to be members of the board; none the less, 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;

VI. PERFORMANCE

45. Considers Eurojust's initiative to include key performance indicators (KPIs) in its 2010 plans as a best practice for the other agencies; encourages, in addition, the agencies to effectively link KPIs to their objectives, budget and annual work programme; considers, in fact, that this practice will allow stakeholders to better evaluate agencies' performance; encourages other agencies to include KPIs in their annual work programmes;
46. Notes that performance and effectiveness are not measured in a standardised way; calls on the Interinstitutional Working Group on Agencies to address this issue;
47. Notes that agencies that do include KPIs are mainly based on the procedural and process aspects of performance, not on actual results; encourages the agencies to formulate result-oriented KPIs and calls on the Interinstitutional Working Group on Agencies to address this issue;

Multiannual work programme

48. Urges each agency to establish a multiannual work programme, in accordance with the multiannual Union strategy in the sector it deals with; stresses the importance of the multiannual work programme in enabling an agency to better organise its activities, provide an enhanced risk-assessment of its activities, make effective organisational arrangements to implement its strategy and achieve its goals;

Annual work programme

49. Urges the agencies to improve the link between their budget and their annual work programme; acknowledges, in fact, that often the Court of Auditors reported insufficiently rigorous procedures for drawing up the budget which led to a considerable number of budgetary transfers affecting most of the budget lines;
50. Welcomes the intention of Cedefop and the ECHA to make available Gantt charts for key operational activities; reminds the agencies that these charts outline, in a concise way, the amount of time spent by each staff member on a project and encourage an approach geared towards achieving results;

Feedback procedures

51. Invites the agencies to enhance their customer focus and feedback procedures and to make full use of the results of their evaluations in this regard; congratulates, in particular, the ECHA for having conducted a stakeholder survey in 2009 and for increased assistance activities for industry (as, for example, offering a phone advice service for lead-registrants, workshops, network meetings, and public consultations);
52. Welcomes Eurofund's initiative to carry out a second *ex-post* assessment exercise of its 2005-2008 work programme; considers this a valuable exercise also for the other agencies as a tool to tackle the agencies' challenges;
53. Finds it of the utmost importance, in addition, that the agencies further develop their performance monitoring system to ensure that the results of their performance are monitored and encourages agencies to refer to them in their yearly activities plan;
54. Encourages, in addition, the agencies to provide consistent reporting on KPIs;

Table annexed to the Court of Auditors' report

55. Congratulates the EMCDDA, the Translation Centre for the Bodies of the European Union (CDT) and the European Food Safety Authority (EFSA) for having set out, in a table annexed to the Court of Auditors' 2009 specific annual reports, a comparison of the operations that were carried out during 2008 and 2009 so as to enable the discharge authority to assess more effectively their performance from one year to the next;

VII. REFLECTION ON THE AGENCIES: A COMMON APPROACH

56. Welcomes the ongoing work of the Interinstitutional Working Group on Agencies which has the objective to review the role and position of decentralised agencies in the Union's institutional landscape, the creation, structure and operation of those agencies, together with funding, budgetary, supervision and management issues; requests the Working Group to come up with an analysis and general advice regarding the effectiveness of the current agencies, and to propose plans for comprehensive efficiency improvements with regard to the type and the number of agencies;
57. Recalls that the Interinstitutional Working Group on Agencies' Common Statement issued in March 2009 launched a 'dialogue on Regulatory Agencies with a view to assessing the existing situation, specifically the coherence, effectiveness, accountability and transparency of these Agencies' and that the Working Group would 'address a number of key issues put forward by the participating institutions, including the role and position of the Agencies in the EU's institutional landscape, the creation, structure and operation of these agencies, together with funding, budgetary, supervision and management issues';
58. Notes that in the 2008 discharge resolution of 5 May 2010 Parliament stated that the Interinstitutional Working Group should 'consider whether some agencies should work closely together or even be merged' and that 'the small agencies are faced with serious efficiency problems';
59. Calls for a moratorium on the creation of any further agencies at least until the questions raised by the Interinstitutional Working Group on Agencies' Common Statement and the discharge resolution of 5 May 2010 are satisfactorily resolved;

60. Believes that the creation of further agencies once these questions are resolved should be considered with the utmost caution to ensure that they are genuinely required and that they provide the best value for money in delivering an agreed policy objective;
61. Re-emphasises the importance of considering a merger of some agencies so that they are able to share overhead and other costs;
62. Asks that the Interinstitutional Working Group on Agencies consider grouping together some of the smaller agencies, which may not be suitable for outright merger, in the same city and indeed possibly the same building so they can benefit from common central resources to minimise the burden of overhead and other costs;
63. Welcomes the Court of Auditors' intention to publish in autumn 2011 a special report on cost benchmarking on Union agencies;
64. Notes that a number of agencies evolving in common fields are performing similar activities; recalls that overlapping activities generate unnecessary additional costs;
65. Recalls that the Union budget shall be based on a sound financial management requiring spending to be relevant, effective, and efficient and unnecessary expenditures to be properly addressed;
66. Calls, therefore, on the Commission to carry out an evaluation of all the Union agencies aimed at detecting occurrences of overlapping activities and analysing, if overlaps are identified, the possibility of a merger between the agencies involved and to provide Parliament with a report on the issue by 31 December 2011;

VIII. GENERAL CONSIDERATIONS ON THE INCREASED ESTABLISHMENT OF JOINT UNDERTAKINGS (JUs)

67. Draws attention to a record increase of JUs over the recent years; notes in particular that these bodies are subject to the same framework Financial Regulation as the decentralised agencies but still do not include in their financial rules a clear reference to the powers of the IAS as their Internal Auditor;
 68. Welcomes, nevertheless, the IAS's intention to take this role of Internal Auditor of the JUs from the financial year 2011 onwards;
 69. Is furthermore of the opinion that, in view of the size of their budget and complexity of their tasks, the JUs should set up an audit committee, reporting directly to their Administrative Board;
 70. 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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