



European Communities

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A3-0043/91

R E P O R T

of the Committee on Budgetary Control

on the closure of Parliament's accounts for the 1990 financial year (administrative expenditure)

Rapporteur: Mrs Diemut THEATO

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A Series: Reports - B Series: Motions for Resolutions, Oral Questions - C Series: Documents received from other Institutions (e.g. Consultations)



* = Consultation procedure requiring a single reading



**I = Cooperation procedure (second reading) which requires the votes of a majority of the current Members of Parliament for rejection or amendment



**I = Cooperation procedure (first reading)



*** = Parliamentary assent which requires the votes of a majority of the current Members of Parliament

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On 26 February 1991, pursuant to Article 79 of the Financial Regulation and Article 8 of the Internal Rules, the Secretary-General of the European Parliament forwarded to the Committee on Budgetary Control the draft report on the administrative expenditure of the European Parliament for the financial year 1990.

At its meeting of 29 October 1990, the Committee on Budgetary Control appointed Mrs THEATO rapporteur.

The committee considered the draft report at its meeting of 27 February 1991 and adopted the motion for a resolution as a whole unanimously at the same meeting.

The following took part in the vote: Price, chairman; Blak, vice-chairman; Theato, rapporteur; Dalsass (for Langes), Habsburg (for Cornelissen), Lo Giudice and Marck.

The report was tabled on 28 February 1991.

The explanatory statement will be presented orally in plenary sitting.

The deadline for tabling amendments to this report will appear on the draft agenda for the part-session at which the report is to be considered.

MOTION FOR A RESOLUTION

on the closure of Parliament's accounts for the 1990 financial year
(administrative expenditure)

The European Parliament,

- having regard to Article 79 of the Financial Regulation,
- having regard to Rule 135(3) of the Rules of Procedure,
- having regard to Articles 8 and 9 of the Internal Rules for the Implementation of the European Parliament Budget,
- having regard to the Administration's report on the implementation of the European Parliament's budget for 1990,
- having regard to the report of the Committee on Budgetary Control (A3-0043/91),

A. whereas the Administration's report notes that the available appropriations can be broken down as follows:

* estimates of the appropriations for the 1990 financial year	:	448 450 715.00 ECU
* appropriations carried over from the financial year 1989 to 1990:		
. automatically (Article 7(1)(b) of the Financial Regulation)	:	34 101 403.20 ECU
. by request (Article 7(1)(a) of the Financial Regulation)	:	986 063.00 ECU

B. whereas the available appropriations were utilized as follows:

1990 appropriations

(a) 1990 commitment appropriations	:	425 706 144.36 ECU
* appropriations for which a carry-over to 1991 has been requested (Article 7(1)(a) of the Financial Regulation)	:	4 000 000.00 ECU
(b) 1990 payment appropriations	:	391 005 239.97 ECU
* automatic carry-overs to 1991 (Article 7(1)(b) of the Financial Regulation)	:	34 700 904.39 ECU

Appropriations carried over from the financial year 1989

* payments in respect of appropriations carried over automatically from 1989	:	28 392 804.27 ECU
* payments in respect of appropriations for which a carry-over from 1989 was requested	:	762 142.26 ECU

C. whereas the provisions of the Financial Regulation require the following cancellations:

* cancellations of 1990 appropriations which were not committed	:	18 744 570.64 ECU
* cancellations of appropriations automatically carried over from 1989 and not disbursed	:	5 708 598.93 ECU
* cancellations of appropriations for which a carry-over from 1989 was requested and which were not disbursed	:	223 920.74 ECU

1. Confirms the results set out in the accounts for the 1990 financial year and submitted to the Commission under Article 79 of the Financial Regulation to enable it to draw up the consolidated revenue and expenditure account and balance sheet, following the scrutiny undertaken by the Committee on Budgetary Control on the basis of Articles 8 and 9 of the internal rules;
2. Notes that the annual budget growth rate is continuing at the rate of 10% and the volume is now so great that it calls for modern management methods and structures;
3. Notes a certain improvement in the overall rate of utilization of appropriations, although implementation difficulties persist in certain sectors such as staff training - Chapter 15 (cancellation of 32% of appropriations), exchanges with officials of national administrations (cancellation of 56.7% of appropriations), consultations and investigations (14% of appropriations disbursed) and for the appropriations for which a carry-over was requested (22% cancelled); draws the attention of the Secretary-General to the need to improve efficiency in these sectors which had been given priority status;
4. Stresses the fact that the low rate of implementation of appropriations under Articles 122 and 123 (62.8%) reflects the slowness of recruitment procedures; recalls in this connection that staff appropriations constitute a large proportion of Parliament's budget; consequently expresses its concern at the number of cases brought before the court of first instance concerning differences with the staff; asks that this situation should be remedied as quickly as possible, by instituting a staff policy based on the assessment of the real needs of the institution, genuine mobility and harmonious career development;
5. Notes that the Court of Auditors, in paragraph 16.5 of its 1989 report, states that 'many decisions to overrule the Financial Controller taken by the Parliament's senior management were intended to maintain irregular commitment proposals which had been refused approval by the Financial Controller. In 1989, although the number of such cases had fallen, the Court must note that decisions to overrule the Financial Controller still authorized the maintenance of measures which did not comply with the rules in force';
6. Recalls that these practices constitute a violation of Community law and weaken the Parliament's position as an arm of the budgetary authority;

7. Considers it unacceptable that Community financial and statutory rules can be circumvented by the overruling procedure, thereby giving this procedure greater force than the decisions of the budgetary authority and the Community legislator;
8. Observes that Article 2 of the new Financial Regulation lays down that 'quantified objectives must be identified and the progress of their realization monitored', and therefore asks the administration to report on this matter to its Committee on Budgets and Committee on Budgetary Control with particular regard to recruitment, professional training, data processing, information and public relations;
9. Notes that certain amounts are still due to the Parliament, some of which have not been quantified, such as the penalties payable by the contractors for the late or incomplete execution of the BUDG project and insists that the appropriate penalties, together with any costs to be reimbursed to the Parliament, be recovered;
10. Asks the Secretary-General to report to its Committee on Budgetary Control on the result of the latest inspections of the inventory carried out under Article 65 of the Financial Regulation.
11. Instructs its President to forward this resolution to the Commission of the European Communities.