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DOCUMENT 1-1333/83

REPORT

drawn up on behalf of the Committee on Budgetary Control

on action taken in response to the decisions granting
a discharge in respect of the 1981 financial year

Rapporteur: Mr K. SCHÖN

Pursuant to Article 85 of the Financial Regulation, the Commission submitted a report to Parliament on action taken in response to the decisions granting a discharge in respect of the 1981 financial year (XIX/521/83).

The appointment of Mr Konrad SCHÖN, rapporteur for the 1981 discharge, was confirmed on 1 December 1983.

The committee considered this document and the draft report at its meetings of 1/2 December 1983 and 24/25 January 1984.

At the latter meeting, it adopted the draft report unanimously with one abstention.

The following took part in the vote: Mr AIGNER, chairman; Mrs BOSERUP and Mr PRICE, vice-chairmen; Mr Konrad SCHÖN, rapporteur; Mr ARNDT (deputizing for Mr GABERT), Mr BATTERSBY, Mr COUSTE, Mr GONTIKAS, Mr MARCK, Mr MART, Mr NIELSEN (deputizing for Mr IRMER), Mr NOTENBOOM and Mr RYAN.

The report was tabled on 26 January 1984.

The deadline for the tabling of amendments to this report appears in the draft agenda for the part-session at which it will be debated.

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The Committee on Budgetary Control hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on action taken in response to the decisions granting a discharge in respect of the 1981 financial year

The European Parliament,

- having regard to the report by the Commission on the action taken in response to the comments appearing in the resolution accompanying the decisions granting a discharge in respect of the implementation of the Community budget for 1981 (XIX/521/83),
 - having regard to the decisions granting a discharge in respect of the 1981 financial year (OJ No. L 174 of 30 June 1983),
 - having regard to the report of the Committee on Budgetary Control (Doc. 1-1333/83),
- A. whereas full parliamentary supervision of the implementation of the budget can only be exercised if there is an opportunity once the decision has been taken on granting a discharge to the Commission to examine the action taken in response to the comments appearing in the decision granting the discharge to see whether its policy wishes have been complied with,
- B. whereas Document XIX/521/83 is an interim report and the final report required by Article 85 of the Financial Regulation will only be presented later,

1. Emphasizes that even before the granting of the discharge the Commission had shown itself willing to satisfy various demands expressed by Parliament;
2. Notes that the Commission's efforts within the framework of the Joint Declaration of 30 June 1982 to implement the appropriations entered by Parliament in accordance with the policy wishes of the budgetary authority in the event of failure to act by the Council, have to a large extent been unsuccessful;
3. Intends to study together with the Commission the extent to which the Commission can implement these appropriations on its own responsibility; instructs its Committee on Budgets and its Committee on Budgetary Control to carry out such a study;
4. Recognizes the improvements achieved in the following areas:
 - inclusion of interest owing because of delays in transferring own resources,
 - greater efforts to recover amounts wrongly paid,
 - a number of technical improvements in the implementation of one section of food aid,
 - introduction of internal monitoring of the European Schools;
5. Notes that the Commission is to devote particular attention to the following points:
 - (a) harmonization of the basis for VAT assessment:

The efforts in this field to eliminate, in agreement with the Member States, the shortcomings of the statistical systems as soon as possible are to be continued, with the aim of avoiding possible repercussions on the Community's own resources,
 - (b) informing Parliament about cases of fraud, and in particular about the steps taken to recover amounts owing, having regard to the difficult and unsatisfactory legal situation in the Community at the present time,
6. Notes that the Commission has agreed to submit a complete report - insofar as new information is available - on the following points by the end of March 1984:
 - (a) improving the rate of utilization of budgetary appropriations,
 - (b) cooperation with the Member States in the processing of applications relating to the Social Fund, having regard to the entry into force of the new regulation,

- (c) identification of reasons for irregularities in relation to monetary compensatory amounts, and taking action against them,
 - (d) proper accounting procedures for stocks:
The Commission should propose appropriate amendments to the relevant provisions and an appropriate budget allocation,
 - (e) control of the olive oil sector:
Here the Commission should clarify its position with regard to suspending the payment of aid in individual cases, which was designed to protect the majority of honest producers against an unjustified withholding of subsidies,
 - (f) implementation of the budget in relation to the EAGGF Guidance Section:
Detailed information should be provided on the steps taken by the Commission,
 - (g) implementation of food aid:
The committee views with great concern the problems which have remained unresolved for a number of years, having regard also to the special report of the Court of Auditors, and will press for a settlement of these when discussions are resumed in the context of the 1982 discharge.

The Commission should submit a list of the remaining problems,
 - (h) budgetary resources administered by the EIB:
Here too the Commission must give a more detailed answer,
 - (i) the transfer of resources in good time by the Member States to the Development Fund;
7. Insists that the Commission stand by its own viewpoint vis-à-vis the Council, for example as regards the appropriations earmarked for the non-associated developing countries;
8. Intends in its report on the discharge for the 1982 financial year to devote particular attention to the following matters:
- Commission reports to the Court of Auditors concerning control of own resources,
 - improving the functioning of the European Social Fund,
 - measures taken in response to Parliament's resolution on the special report of the Court of Auditors on food aid,
 - informing Parliament about the European Development Fund projects administered by the EIB,
 - control of borrowing and lending activities;

9. Instructs its President to forward this resolution and the report by its committee to all Community institutions.

B. EXPLANATORY STATEMENT

By its decision of 18 May 1983, the European Parliament granted the Commission a discharge in respect of the implementation of the budget of the European Communities for the 1981 financial year (OJ No. L 174 of 30 June 1983).

Article 85 of the Financial Regulation of 21 December 1977 requires the institutions of the Community to report, at the request of the European Parliament, on the measures taken in the light of the comments appearing in the decisions giving a discharge.

The Commission presented an interim report to the Committee on Budgetary Control on the action taken before the deadline of 30 September 1983. It is expected that the final report will be forwarded to Parliament at the end of March 1984.

During the discharge procedure, the Commission has shown itself willing to satisfy a number of demands which are regarded as particularly important by Parliament. However, the Commission's efforts within the framework of the Joint Declaration of 30.6.1982 to implement the appropriations entered by Parliament in accordance with the policy wishes of the budgetary authority in the event of failure to act by the Council have to a large extent been unsuccessful. Progress can be achieved on this front through Parliament studying together with the Commission the scope for implementing the appropriations in question on the latter's own responsibility.

Particularly vigorous efforts are also expected from the Commission in connection with harmonization of the basis for VAT assessment, informing Parliament about cases of fraud and the counter-measures taken, and above all in the field of food aid.

The functioning of the European Social Fund and the reports from the Commission to the Court of Auditors on control of own resources will require detailed consideration in the discharge report for the 1982 financial year.

