
EUROPEAN PARLIAMENT

Working Documents

1982-1983

3 November 1982

DOCUMENT 1-761/82

REPORT

drawn up on behalf of the Committee on
Budgetary Control

on action taken on ~~the~~ discharge decisions in respect
of the 1979 financial year //

Rapporteur: Mr U. IRMER

1.5.1

On 23 December 1981 the Commission submitted to Parliament details of the action taken at that time on the discharge in respect of 1979.

Pursuant to Article 85 of the Financial Regulation, the Commission submitted to Parliament the final report on the action taken on the discharge in respect of 1979 in an annex to the revenue and expenditure account for 1982.

These documents were forwarded to the Committee on Budgetary Control by the President.

The appointment of Mr Irmer, who had already been rapporteur on the 1979 discharge, as rapporteur on the action taken on the 1979 discharge was confirmed at the meeting of 28/29 September 1982.

The committee considered these documents and the draft report at its meetings of 28/29 January 1982, 23/24 February 1982, 28/29 September 1982 and 14 October 1982.

At the latter meeting it adopted the draft report by 11 votes to 1 with 2 abstentions.

The following took part in the vote:

Mr AIGNER, chairman; Mr CLUSKEY, vice-chairman; Mrs BOSERUP, vice-chairman; Mr PRICE, vice-chairman; Mr IRMER, rapporteur; Mr BATTERSBY, Mr BONDE (deputizing for Mr BLANEY), Mr GABERT, Mr KELLETT-BOWMAN, Mr KEY, Mr PATTERSON, Mr RYAN, Mr SABY and Mr K. SCHÖN.

The explanatory statement will be presented orally by the rapporteur.

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

MOTION FOR A RESOLUTION

on action taken on the discharge decisions in respect of the 1979 financial year.

The European Parliament,

- having regard to Article 85 of the Financial Regulation of 21 December 1977 (OJ L 356 of 31.12.1977, p.1)
 - having regard to the discharge decisions in respect of the 1979 financial year and the observations attached (OJ L 224 of 10 August 1981, p.1)
 - having regard to the Commission report on the action taken on the observations attached to the discharge decisions (COM XIX/280/82)
 - having regard to the report of the Committee on Budgetary Control (Doc.1-761/82)
- A. whereas the discharge procedure enables Parliament to exercise democratic control, on behalf of Europe's taxpayers, over the budgetary management of the Commission;
 - B. whereas pursuant to the Financial Regulation such control takes the form of decisions and observations of a binding nature and whereas the action taken on these decisions and observations must therefore be monitored;
 - C. whereas the position of the Financial Controllers must be strengthened in such a way that full account is taken of the discharge decision and observations thereon contained in the resolution, in view of their binding nature, in the implementation of the budget.
1. Expresses its satisfaction at the fact that the action taken on the 1979 discharge decisions by the Commission, whose constructive attitude must be emphasized, has strengthened both the political nature and the accounting and legal significance of the discharge procedure.
 2. Takes note of the amendments to the management account and financial balance sheet relating to budget operations in the 1980 financial year¹ which, in particular,
 - (a) regularize the inclusion in the 1980 budget of an amount of 203.5 m EUA chargeable to the 1979 budget in the Guarantee Section of the EAGGF, and of an amount of 2.681 m EUA relating to a carry-forward in Parliament's budget made outside the procedures laid down in the Financial Regulation,

(b) record the fixing, the discharge decision, of the surplus of the financial year at 455.9 m EUA, the budgetary implications of which found expression in supplementary and amending budget No. 2/81.

3. Notes the position of the Commission to the effect that entry in the budget constitutes a legal basis for the implementation of appropriations, and will continue its efforts to define, with the Commission, rules and procedures whereby budgetary law itself lays down the conditions for the implementation of the budget.
4. Notes the improvements to the presentation of the management account, the balance sheet and the consolidated financial estimates, which are likely to facilitate the work of the Court of Auditors.
5. Expresses its satisfaction at the statement by the Commission to the effect that it shares Parliament's concern with regard to the attitude of certain Member States towards their obligation to pay all the own resources due to the Community.
6. Notes with satisfaction a declaration made on behalf of the Commission¹ to the effect that 'one major consequence of this principle of financial autonomy (of the Community) is..... that any surplus of the Communities' own resources over and above the actual expenditure during the financial year shall be carried over to the following financial year'; points out that any other arrangement, such as the refund of such savings to Member States, would seriously undermine the principle of financial autonomy;
7. Notes with satisfaction the progress made in the budgetary management and market administration of the EAGGF Guarantee Section and the budgetary savings that have resulted therefrom; considers, however, that these efforts must be continued and stepped up in order that a precise assessment may be made as to which EAGGF Guarantee measures might be made more effective by more rigorous management and those whose effectiveness has not been demonstrated.

DEVELOPMENT AID

8. Repeats the criticisms it has made in the past concerning
 - (a) the inconsistent budgetary management and poor results of food aid
 - (b) the disadvantages of the non-budgetization of the EDF for budgetary management, the selection of projects, the distribution of awards of contracts,

¹ by Mr Tugendhat, in reply to Written Question 2053/80 by Mr Notenboom, OJ C 168/81, p. 4

the operation of STABEX and the progress of negotiations on the renewal of the conventions.

9. Emphasizes that these criticisms are aimed mainly at the Council, which have not been able to define the objectives of the Community aid policy, and which has imposed cumbersome procedures ensuring close control by the national authorities of the Commission's management, thus causing serious delays in implementation;

takes the view that the Commission's recent proposals relating to the re-definition of the Community's development policy very largely take account of Parliament's concerns.

10. Stresses that these criticisms and proposals are fundamental to the future of the Community's development policy.

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OPERATING AND STAFF EXPENDITURE

11. Takes note of the measures adopted by the Commission and refers to the work of the Committee on Budgetary Control in this field.

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12. Instructs its President to forward this resolution to the institutions of the Community.