



Plenary sitting

A8-0117/2018

27.3.2018

REPORT

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VII – Committee of the Regions
(2017/2142(DEC))

Committee on Budgetary Control

Rapporteur: Ingeborg Gräßle

CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	3
2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	5
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE	9
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE.....	10

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VII – Committee of the Regions (2017/2142(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2016¹,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017)0365 – C8-0253/2017)²,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' replies³,
 - having regard to the statement of assurance⁴ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002⁵, and in particular Articles 55, 99, 164, 165 and 166 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0117/2018),
1. Grants the Secretary-General of the Committee of the Regions discharge in respect of the implementation of the budget of the Committee of the Regions for the financial year 2016;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Committee of the Regions, the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of*

¹ OJ L 48, 24.2.2016.

² OJ C 323, 28.9.2017, p. 1.

³ OJ C 322, 28.9.2017, p. 1.

⁴ OJ C 322, 28.9.2017, p. 10.

⁵ OJ L 298, 26.10.2012, p. 1.

the European Union (L series).

2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VII – Committee of the Regions (2017/2142(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VII – Committee of the Regions,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0117/2018),
- A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability and implementing the concept of performance-based budgeting and good governance of human resources;
1. Welcomes the conclusion of the Court of Auditors (the ‘Court’) on the basis of its audit work that the payments as a whole for the year ended on 31 December 2016 for administrative and other expenditure of the institutions and bodies were free from material error;
 2. Notes that in its 2016 annual report, the Court observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the Committee of the Regions (the “Committee”);
 3. Notes that, according to the current discharge procedure, the Committee submits annual activity reports to the Court in June, the Court then submits its report to Parliament in October, and the discharge is voted by Parliament in plenary by May; notes that, unless the discharge is postponed, at least 17 months pass between the closing of the annual accounts and the closing of the discharge procedure; points out that auditing in the private sector follows a much shorter timeline; stresses that the discharge procedure needs to be streamlined and sped up; requests that the Committee and the Court follow best practice in the private sector; proposes in this regard to set a deadline for the submission of the annual activity reports of 31 March of the year following the accounting year and a deadline for the submission of the Court’s report of 1 July; proposes also to review the timetable for the discharge procedure as set down in Article 5 of Annex IV to Parliament’s Rules of Procedure so that the vote on the discharge would take place in Parliament’s plenary part-session in November, thereby closing the discharge procedure within the year following the accounting year in question;
 4. Welcomes the overall prudent and sound financial management of the Committee in the 2016 budget period; expresses support for the successful paradigm shift towards performance-based budgeting in the Commission’s budget planning introduced by Vice-President Kristalina Georgieva in September 2015 as part of the “EU Budget Focused

on Results” initiative; encourages the Committee to apply that method to its own budget-planning procedure;

5. Notes that in 2016 the Committee had an approved budget of EUR 90 500 000 (EUR 88 900 000 in 2015), of which EUR 89 400 000 were commitment appropriations with a utilisation rate of 98,7 %; welcomes the increase of the utilisation rate in 2016;
6. Stresses that the Committee’s budget is, despite its political activities, considered as purely administrative, with a large amount being used on expenditure concerning persons working within the institution and relating to buildings, furniture, equipment and miscellaneous running costs; stresses the importance of the Committee applying performance-based budget principles in its daily operations; asks the Committee to inform Parliament on the progress made in this matter regularly;
7. Stresses the importance of deepening the cooperation with Parliament based on the cooperation agreement between the Committee and Parliament, and asks to be kept informed of any developments in this regard; asks that the Committee’s strategy strengthen connections first of all with Parliament, but also with other Union institutions in order to increase the involvement of the regions in the Union legislative process;
8. Is of the opinion that a joint assessment of the budgetary savings resulting from the cooperation between the Committee and Parliament is of interest to both institutions and to Union citizens; suggests that the Committee and Parliament consider carrying out this exercise as a complement to the ongoing political strategic dialogue;
9. Welcomes the administrative cooperation agreement between the Committee and the European Economic and Social Committee, which entered into force in 2016 and provides for shared translation and logistics directorates; trusts that this agreement will also prompt cooperation in other areas; requests a detailed plan and description of the committees’ activities in those areas; believes that this agreement will ensure also further efficiency in both committees’ performance and economic savings;
10. Welcomes the fact that the targets set by the Committee in 2016 to increase the involvement of Parliament and the Council in activities related to the Committee’s opinions have been achieved and, in some cases, even surpassed; encourages the Committee and Parliament to seek to improve their cooperation on common files by inviting each other’s rapporteurs to present their opinion to Parliament’s Committee on Budgetary Control or to the Committee;
11. Welcomes the reopening of the direct access between the RMD and the REM buildings following the decision by Belgian authorities to reduce the threat level for European Institutions; believes that this will facilitate the communication and cooperation between the Parliament and the Committee; calls on both institutions to inform their members and staff about the reopening of the passage;
12. Calls on the Committee to strive for an overall execution rate for payments of around 90% at minimum;
13. Notes the inclusion of data on the missions undertaken by the Committee’s members in its annual activity report; welcomes the list of events attended by its members in 2016

provided to Parliament's Committee on Budgetary Control in an annex to the answers to the written questionnaire for the discharge 2016, and asks the Committee to provide such a list for 2017 in an annex to its annual activity report for 2017;

14. Notes that in the annual activity report for 2016, the Committee had as a target 15 file notes and studies and that the result was 12; encourages the Committee to keep on working in order to fulfil those targets and invites it to communicate detailed results in this regard in its annual activity report for 2017;
15. Observes the lack of progress concerning the continued shortage of women holding senior and middle management posts; regrets the decrease of women in management positions from 37% in 2015 to 33% in 2016 due to the appointment of five officials, out of which only one is a woman; welcomes the adoption of a new five-year equal opportunities strategy foreseeing actions to strive for a more balanced gender representation, particularly in management positions; encourages the Committee to improve its performance in this regard;
16. Welcomes the slight decrease of the number of days of sick leave within the Committee's staff; underlines the importance of putting in place measures for improving wellbeing at work but also of duly verifying absences;
17. Observes that the communication strategy of the Committee is geared towards reconnecting Europe with its citizens, with activities organised in several Member States and online surveys; supports the organisation of citizen dialogues and asks for a regular improvement of those initiatives, in order to duly involve Union citizens, whilst avoiding overlap with the activities of other Union institutions; invites the Committee to communicate detailed results in this regard in its annual activity report for 2017;
18. Notes that the objective of an 10 % increase in subscribers to the Committee's eNewsletter has not been achieved, nor the objective of getting a 5 % increase in enrolments to the Committee's online course for regional and local authorities (MOOC), which saw a decrease of 49 % of participants compared to 2015; notes with concern the 30 % decrease in visitors groups, probably influenced by the terrorist attacks of 2016;
19. Notes with concern that the translation output objective was not achieved and that further rationalisation measures are needed as a result; asks the Committee to include detailed information in this regard in its annual activity report for 2017; notes the increasing outsourcing rate for translation and stresses the need to assess the possibility of further interinstitutional cooperation with regard to translation;
20. Notes that one whistleblowing file was opened in 2016 and has been forwarded to OLAF; asks the Committee to keep the discharge authority informed of the outcome and possible legal proceedings of this specific case and of any other cases that may arise;
21. Notes a decision by the Civil Service Tribunal in November 2014 concerning the Committee's former internal auditor; acknowledges that the Civil Service Tribunal ruled that the Committee had to indemnify the former internal auditor yet further dismissed the allegations made by him; observes that the Committee complied promptly with the

Civil Service Tribunal's decision and paid the indemnities; considers therefore that the Committee has done its part to bring the case to a just, honourable and equitable settlement, as requested by Parliament's Committee on Budgetary Control in its discharge report for the year 2015; notes that the former internal auditor lodged a new case against the Committee in November 2015; notes that a hearing took place in December 2017 and that the Court's ruling is expected in summer 2018; observes that the Committee has no influence either on the plaintiff having lodged a new case nor on the timetable of the Court;

22. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;
23. Acknowledges the Committee's commitment to EMAS and its environmental results, which show a decrease in consumption of gas, water, electricity, paper, cleaning products and in production of waste; encourages the Committee to continue to improve its performance in this regard;
24. Notes that following an ex post control exercise carried in 2016, the Committee has a recurrent recommendation to update or establish written procedures; urges the Committee to make sure that that recommendation is duly followed up;
25. Notes that the average time for payment to the Committee's creditors has increased from 20 days in 2015 to 26 days in 2016; calls on the Committee to improve the average payment time to its creditors as a matter of urgency, while taking into account that payments need to be made within 30 days; calls on the Committee to report to the discharge authority on the actions undertaken to reverse this negative trend and to present the results achieved in this regard;
26. Regrets the decision of the United Kingdom to withdraw from the European Union; observes that at this point no predictions can be made about the financial, administrative, human and other consequences related to the withdrawal, and asks the Committee and the Court to perform impact assessments and inform Parliament of the results by the end of 2018.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	20.3.2018
Result of final vote	+: 15 -: 7 0: 0
Members present for the final vote	Nedzhmi Ali, Inés Ayala Sender, Zigmantas Balčytis, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Raffaele Fitto, Ingeborg Gräßle, Cătălin Sorin Ivan, Jean-François Jalkh, Arndt Kohn, Notis Marias, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Indrek Tarand, Marco Valli, Derek Vaughan, Tomáš Zdechovský, Joachim Zeller
Substitutes present for the final vote	Julia Pitera

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

15	+
ALDE	Martina Dlabajová
GUE/NGL	Dennis de Jong
PPE	Tamás Deutsch, Ingeborg Gräßle, Julia Pitera, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Tomáš Zdechovský, Joachim Zeller
S&D	Inés Ayala Sender, Zigmantas Balčytis, Cătălin Sorin Ivan, Arndt Kohn, Derek Vaughan

7	-
ALDE	Nedzhmi Ali
ECR	Raffaele Fitto, Notis Marias
EFDD	Marco Valli
ENF	Jean-François Jalkh
VERTS/ALE	Bart Staes, Indrek Tarand

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention