

**MONDAY, 5 DECEMBER 2016**

15.00 - 18.30

Room: Paul-Henri Spaak (4B001)

## 1. AGENDA

The draft agenda was emailed to Members on 23 November 2016 and is in the [file for the meeting](#).

## 2. CHAIR'S ANNOUNCEMENTS

The Chairman draws attention to the following points:

### Languages available

FR, DE, IT, NL, EN, DA, ES, CS, ET, PL, BG, RO.

### Webstreaming

The CONT meeting is webstreamed on the [Europarl web-site](#).

Please be aware that each time a speaker activates the microphone to make an intervention, the camera will be automatically directed to the speaker.

### Voting cards

The electronic voting system will be used for the vote and Members are reminded to bring their electronic voting card.

## 3. APPROVAL OF MINUTES

The following minutes are published on the [CONT website](#):

- 12-13 October 2016;
- 20 October 2016;
- 7-8 November 2016;

If no objections are received before the end of the meeting, the minutes will be deemed to be approved.

**MONDAY, 5 DECEMBER 2016**

**15.00 - 17.00**

**PUBLIC MEETING**

## 4. DISCHARGE 2015: EU GENERAL BUDGET - EUROPEAN COMMISSION



**Exchange of views with *Marianne Thyssen*, Member of the European Commission responsible for Employment, Social Affairs, Skills and Labour Mobility in the presence of ECA Member responsible, *Iliana Ivanova***

Rapporteur: [Joachim Zeller](#) (EPP)

Administrators: Philippe Godts and Christian Ehlers

Shadow Rapporteurs: Bogusław Liberadzki (S&D), Anders Primdahl Vistisen (ECR), Martina Dlabajová (ALDE), Luke Ming Flanagan (GUE/NGL), Bart Staes (Greens/EFA); Marco Valli (EFDD), Louis Aliot (ENF)

Social affairs are part of chapter 6 in the European Court of Auditors' Annual Report entitled "Economic, social and territorial cohesion". The main policy instrument is the European Social Fund (ESF). Payments reached EUR 10,3 billion. The Court examined 223 transactions, of which 44 concerned ESF projects. For all policy areas of chapter 6 the Court has quantified the estimated level of error at 5,2%.

The documents of particular relevance for the exchange of views with Commissioner Thyssen are:

- The ECA's 2015 Annual Report, Chapters 1, 2 and 6;
- The Commission's follow-up report COM (2016) 674 final and SWD (2016) 338 and;
- The respective Annual Activity Report of the Director General.

These documents are available on the [CONT website](#).

In accordance with the timetable for the discharge procedure, the written questions for this meeting were sent to the Commission on 24 November 2016 and emailed to Members on the same day.

The answers from the Commission were received on 1 December 2016 and emailed to Members.

It is proposed that the hearing with Commissioner Thyssen shall proceed as follows:

- Introduction by the Member of the European Court of Auditors, who will present the findings of the respective chapters of the Annual Report 2015;
- Commissioner Thyssen will reply to this introduction;
- CONT Rapporteur will put questions to the Commissioner and the Court;
- Other Members will question the Commissioner and/or the Court;
- Closing remarks by the CONT Rapporteur.

### CONT Timetable:

Event	Body	Date
Consideration of draft report	CONT	27-28 February 2017
Deadline for amendments	CONT	6 March 2017
Adoption in CONT	CONT	22 March 2017
Adoption in Plenary	Plenary	APRIL II

## 5. PARTIAL RENEWAL OF MEMBERS OF THE COURT OF AUDITORS - EE NOMINEE



### Hearing of Juhan Parts, Candidate nominated by the Estonian authorities

Rapporteur: [Bart Staes](#) (Greens/ALE)

Administrator: Mauro De Oliveira

Shadow Rapporteurs: Inés Ayala Sender (S&D), Petri Sarvamaa (EPP)

**The Chair reminds the Members to bring their electronic voting card, as there will be an electronic vote at the end of this session.**

### Background

The Members of the European Court of Auditors shall be appointed for a term of six years. In accordance with Article 286(2) of the TFEU the Council, after consulting the European Parliament, shall adopt the list of Members drawn up in accordance with the proposals made by each Member State.

The following candidate has been proposed by Estonia: **Juhan Parts**

Appointments to the ECA are submitted to Parliament's plenary on the basis of a report from CONT, which takes into account, among others circumstances, Article 286(1) of the TFEU: "the Members of the Court of Auditors shall be chosen from among persons who belong or have belonged in their respective States to external audit bodies or who are especially qualified for this office. Their independence must be beyond doubt."

### A. Procedure

According to Rule 121 (1) of Parliament's Rules of Procedure, "candidates nominated as Members of the Court of Auditors shall be invited to make a statement before the committee responsible and answer questions put by members. The committee shall vote on each nomination separately by secret ballot."

#### I. Questionnaires and statements

In preparation for the hearing, the **candidate** has been asked to answer the **questionnaire** prepared by CONT.

#### II. The hearing

The hearing will take place according to the timetable set out in the draft agenda. The candidate will be invited to make an opening statement (5 minutes) and the remainder of his hearing will be devoted to replies to questions from Members (40 minutes).

### *III. Evaluation, votes and adoption of draft report*

Once the hearing has been completed, the committee will hold an evaluation of the candidate and then proceed to vote on the appointment of the candidate in question. Evaluation, votes and adoption of draft report **will be in camera**.

According to Rule 121, the committee shall vote by secret ballot. The vote may be carried out by means of the electronic voting system. (In accordance with Rule 181) Members should indicate for each candidate whether they give a favourable opinion, a negative opinion or abstain.

### **B. The report**

The format of opinions on candidates for membership of the Court of Auditors is defined as follows<sup>1</sup>:

- a) each recommendation on each nomination shall be submitted in the form of a report, to be adopted on the basis of a majority of the votes cast, with the report merely indicating the nomination;
- b) the report shall consist of:
  - i. citations summarising the circumstances of the referral to Parliament;
  - ii. recitals outlining the procedure to the competent committee;
  - iii. operative text which may only consist of a favourable opinion or an unfavourable opinion;
- c) citations and recitals shall not be put to the vote;"

These strict rules on procedures, before the Committee on Budgetary Control and in plenary sitting, adopted by Parliament **do not allow any amendments** to be tabled to the draft report.

The draft report will be finalised, according to the outcome of the evaluation and the vote in committee. The candidate's curriculum vitae and the answers to CONT questionnaire shall be annexed to the report.

The [draft report](#) in EN was emailed to Members on 22 of November 2016.

The report for plenary will state that Parliament delivers either a favourable or a negative opinion on the appointment of the candidate.

### **CONT Timetable:**

Event	Body	Date
Adoption in Plenary	Plenary	DECEMBER

<sup>1</sup> Parliament's resolution of 4 February 2014

**MONDAY, 5 DECEMBER 2016**

17.00 - 17.15

**IN CAMERA**

## 6. PARTIAL RENEWAL OF MEMBERS OF THE COURT OF AUDITORS - EE NOMINEE

**Evaluation, votes and adoption of draft report**

**MONDAY, 5 DECEMBER 2016**

17.15 - 18.30

**PUBLIC MEETING**

## 7. ECA SPECIAL REPORT N° 27/2016 (2015 DISCHARGE) ON "GOVERNANCE AT THE EUROPEAN COMMISSION - BEST PRACTICE?"



**Presentation of the Special Report by the Member of the European Court of Auditors responsible, Lazaros S. Lazarou, and consideration of a working document**

Rapporteur: [Andrej Novakov](#) (EPP)  
Administrator: Philippe Godts

Shadow Rapporteurs: Zigmantas Balčytis (S&D), Nedzhmi Ali (ALDE), Younous Omarjee (GUE/NGL)

In the wake of the resignation of the Santer Commission and in response to the report of the Committee of Independent Experts, in March 2000, the Commission approved the 'Reforming the Commission' White Paper. The reforms covered setting priorities and allocating resources, changing human resource policy and overhauling audit, financial management and control.

While the rules and structures set up by the Commission largely reflected best practice at the time, best practice has continued to evolve. The Court examined the current governance arrangements at the Commission with a focus on audit, financial management and control to see whether they are in line with best practice and whether they still meet the needs of the institution.

The Court observed in particular that the distinction made between the 'political responsibility of commissioners' and the operational responsibility of Directors-general means that it has not always been made clear whether 'political responsibility' encompasses responsibility for the directorates-general, or is distinct from it. The Court pointed out that the Commission still publishes the annual account later than the majority of the EU Member States and that the Commission does not produce an annual statement on governance or on internal control, in line with the common practice of Member States.

## Committee on Budgetary Control

The Court notes that the methodology for estimating the level of error has developed over the years but that individual DGs' estimations of the level of irregular spending are not based on a consistent methodology.

The Court concludes that the Commission diverges from, or does not meet in full best practice in particular in the following areas:

- coverage of high level governance issues by the Internal Audit Service (IAS);
- composition of the Audit Progress Committee (APC). Having examined the APC against the criteria of best practice the Court notes that all members of audit committees in international bodies selected as benchmarks are independent. In the case of Commission, seven out of nine members of the APC are internal;
- coverage by the APC of external audit results, risk management, financial and performance reporting; and the work of the Commission's audit directorates and ex post verification.

The rapporteur endorses the main recommendations issued by the European Court of Auditors and asks that the Commission:

- invites the IAS to carry out more audit work on high level governance issues and further brings forward the publication of the annual accounts;
- brings together information already presented in a variety of existing reports to form a single accountability report under the authority of its President, containing the accounts but also a governance statement, a discussion of operational and strategic risks, a report on non-financial performance and a mid- and long-term fiscal sustainability statement;
- publishes as part of the annual accounts or accompanying information an estimate of the level of error based on a sound methodology;
- turns the APC into an audit committee with a majority of independent, external members and expand its mandate to cover risk management, financial reporting and the work and results of ex post verification units and audit directorates.

The rapporteur also insists that high-level governance of international organizations must follow a business model. It should be transparent, accountable, responsible and efficient.

The rapporteur conclusions will possibly form part of the Commission's discharge report for the financial year 2015.

The EN version of the working document is available on the [CONT website](#).

## 8. STUDY ON “VALUE FOR MONEY : EU PROGRAMME FUNDING IN THE FIELD OF DEMOCRACY AND RULE OF LAW”



### Presentation of Policy Department D Study

Rapporteur: [Ingeborg Gräßle](#) (EPP)

Administrators: Rudolfs Verdins (PolDep)

This external study is prepared by RAND Europe, and it will be presented by Mr Ben Baruch and Mr Tom Ling. The study explores if, and how far, processes are in place to enable the delivery of value for money through EU programme funding in the field of democracy and rule of law. Analysis is based on interviews with EU programme officials and EU delegations,

## Committee on Budgetary Control

and related documentary evidence. The study includes a review of the European instrument for Democracy and Human Rights and the Instrument for Stability and Peace. In particular, the study considers the degree of coherence, transparency, accountability and effectiveness, as well as examines administrative expenses. It considers current ways of working and the potential for improvement, and puts forth a number of recommendations.

The study is available on the [CONT website](#).

### 9. ANY OTHER BUSINESS

### 10. NEXT MEETINGS

- 8 December 2016, 14.00 - 17.30 (Brussels)

#### WATCHLIVE

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#### PAPERLESS PROGRAMME (INTERNAL USERS ONLY)

Access CONT committee meeting documents on [eMeeting](#) or any CONT committee information on [eCommittee](#)

#### FOR FURTHER INFORMATION

Contact the [CONT Secretariat](#) or visit the [website](#) of the CONT committee