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*Plenary sitting*

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**A8-0097/2018**

26.3.2018

# REPORT

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VI – European Economic and Social Committee  
(2017/2141(DEC))

Committee on Budgetary Control

Rapporteur: Ingeborg Gräßle

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## 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 VI – European Economic and Social Committee  
(2017/2141(DEC))**

*The European Parliament,*

- having regard to the general budget of the European Union for the financial year 2016<sup>1</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017)0365 – C8-0252/2017)<sup>2</sup>,
  - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' replies<sup>3</sup>,
  - having regard to the statement of assurance<sup>4</sup> 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 1605/2002<sup>5</sup>, 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 (A8-0097/2018),
1. Grants the Secretary-General of the European Economic and Social Committee discharge in respect of the implementation of the budget of the European Economic and Social Committee 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 European Economic and Social Committee, 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*

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<sup>1</sup> OJ L 48, 24.2.2016.

<sup>2</sup> OJ C 323, 28.9.2017, p. 1.

<sup>3</sup> OJ C 322, 28.9.2017, p. 1.

<sup>4</sup> OJ C 322, 28.9.2017, p. 10.

<sup>5</sup> OJ L 298, 26.10.2012, p. 1.



## 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 VI – European Economic and Social Committee (2017/2141(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 VI – European Economic and Social Committee,
  - 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 (A8-0097/2018),
- 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’) that, on the basis of its audit work, 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 European Economic and Social Committee (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’s budget amounted to EUR 130 586 475 (EUR 129 100 000 in 2015), with a utilisation rate of 97,55 %; notes the increase of the utilisation rate in 2016 when compared to 2015;
6. Stresses that the Committee’s budget is purely administrative, with a large amount being used on expenditure concerning persons working within the institution and the remaining amount relating to buildings, furniture, equipment and miscellaneous running costs; notes that the Committee confirmed the importance of applying performance-based budget principles in its daily operations and informed of the update of the key activity performance indicators (KAPIs) in 2017; asks the Committee to continue applying those principles and duly and regularly inform Parliament of the reformed KAPIs;
7. Notes the launching of reflections about the modernisation of the Committee; asks to be informed of the initiative and its developments; asks the Committee to provide the discharge authority with clarifications of expenditure in connection to this modernisation, in order to boost transparency and accountability, and to publish the cost-benefit assessment;
8. Notes that the final appropriations for travel and subsistence allowances for members were EUR 19 561 194; welcomes the detailed breakdown of members’ expenditure concerning item 1004 which the Committee submitted to the Committee on Budgetary Control, and asks the Committee to include this breakdown for the year 2017 in its next annual activity report or in the report on budgetary and financial management; asks the Committee to provide the discharge authority with a cost-benefit assessment of the missions for the Union and visited countries, and the list of the visited countries in 2016; encourages the adoption of appropriate measures in order to make savings and reduce environmental pollution; calls on the Committee members to assess the potential of other instruments which may contribute to economic savings, inter alia on travel expenses;
9. Observes that the Committee declares that there is scope for further developing the cooperation agreement between the Committee and the Parliament; trusts that further development of synergies will bring positive results to both parties; takes note of the progress of the cooperation between the Committee and the Parliament, namely the contacts between the Committee president and its Bureau and Parliament’s Conference of Committee Chairs; calls for further strengthening the contacts between the Committee and the chairs and the rapporteurs of Parliament’s committees in order to ensure better follow-up of the Committee’s contribution to the Union legislative process;
10. 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; proposes that this exercise be conducted jointly with Parliament as part of the strategy to strengthen contacts between the two institutions; is aware that the Committee is building up capacity in terms of policy assessment to strengthen its role in the legislative process as a consultative body; asks the Committee to submit to the

discharge authority a detailed analysis of the functioning of those activities in its next annual activity report;

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 the European institutions; believes that this will facilitate communication and cooperation between Parliament and the Committee; calls on both institutions to inform their members and staff about the reopening of the passage;
12. Welcomes the administrative cooperation agreement between the Committee and the Committee of the Regions, which entered into force in 2016 and provides for shared translation and logistics directorates; considers this a good basis for potential economic savings in both committees; 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;
13. Welcomes the Committee's compliance with the targets set by the interinstitutional agreement to reduce staff by 5 % over the period of five years; notes that, as a result of the transfer of staff to the EPRS service in Parliament, the Committee has reduced the number of posts in its establishment plan by 8 %, which corresponds to a decrease of 43 posts in 2016; calls on the budgetary authorities to be mindful of the long-term impact of staff cuts, in particular regarding the Committee's ability to improve gender and geographical balance, as well as the need for building on capacity of experienced officials to take over management posts when planning the future allocation of financial resources for personnel;
14. Notes a general increase of the absence rate due to sickness in the Committee; stresses the importance to put in place measures for improving wellbeing at work and asks for a closer monitoring of absences; welcomes the initiatives taken by the Committee such as the creation of the figure of "confidential counsellor" to fight against harassment and to foster respect for human dignity in the work place; calls on the Committee to report to the discharge authority on the progress achieved in staff well-being in 2017;
15. Notes with satisfaction that the proportion of women holding middle management positions in the Committee is above 40 %; encourages the Committee to achieve the same results insofar as senior management positions are concerned and to do the necessary to further reduce the geographic imbalance;
16. Is concerned that for 9 out of 22 tenders in 2016 the contracts were awarded without competition to the only company that had applied for the tender; asks the Committee to take the necessary measures to ensure competition among bidders;
17. Welcomes the increase of the Committee media coverage by around 30 % in 2016; observes the establishment of the Committee's presence on social media and looks forward to hearing its achievements;
18. Notes an increase in the unused rate of interpretation services requested from 3,5 % in 2015 to 4 % in 2016 and asks for a closer monitoring of the effective provision of those services;

19. Notes the continued increase of the outsourcing rate of translation (from 9,74 % in 2015 to 16,61 % in 2016) provided for in the cooperation agreement between the Committee and the Committee of the Regions, due to the higher translation output and to the reduction of staffing levels in the directorate (more than 9 % compared to 2015); notes the 2016 internal audit on translation outsourcing and its practical implementation and restrictions, and looks forward to being informed of the internal auditor's recommendations in the next Committee's annual activity report;
20. Notes the Committee's commitment to EMAS and its environmental results, which show a decrease in consumption of gas, water, electricity, paper and cleaning products and in production of waste; encourages the Committee to continue to improve its performance in this regard;
21. Regrets the fact that the Committee is only now preparing draft guidelines on the prevention of conflicts of interest in the context of social dialogue; notes that the draft guidelines are currently being finalised through a dialogue with socio-professional organisations; asks the Committee to speed up the finalisation process, to adopt the guidelines in a timely manner, to include in them a requirement to provide details of membership to any other organisation, and to publish the guidelines on its website;
22. Deplores the fact that neither the President, nor the Vice-Presidents nor the Secretariat of the Committee have published declarations of interest on its website; urges the Committee to publish them by the end of June 2018, listing their membership of any other organisations; deplores the fact that members' declarations of interest are published in various languages and different formats, which limits transparency; urges the Committee to publish them in a unique format and in one of the three most used official languages of the Union by the end of June 2018;
23. Is concerned that pursuant to Article 11 of the Staff Regulations, each new recruit is obliged to provide a statement of absence of conflicts of interest, instead of a declaration of conflicts of interest; underlines that it is not for any person to state her or his absence of conflicts of interest; reiterates that a neutral body should assess the existence of conflicts of interest; urges, therefore, the Committee to put forward a unique and complete form of declaration of conflicts of interest to replace the declaration of absence of conflicts of interest;
24. Welcomes the administrative arrangements agreed between the Committee and OLAF in order to facilitate exchange of information;
25. Welcomes the complementary decisions taken by the Committee on internal whistle-blowing rules and stresses the importance of improving this initiative;
26. 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;
27. Points out the case linked to harassment in the Committee which cost it EUR 55 772; regrets the occurrence of that case but welcomes that it was duly followed up; notes that



20 other staff members contacted the Committee's network of confidential counsellors concerning alleged harassment-related issues; calls on the Committee to improve its policy in this regard in order to further prevent any form of psychological and sexual harassment; asks the Committee to report to the discharge authority on the measures it envisages to tackle those cases;

28. 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

<b>Date adopted</b>	20.3.2018						
<b>Result of final vote</b>	<table><tr><td>+: </td><td>17</td></tr><tr><td>–: </td><td>5</td></tr><tr><td>0: </td><td>0</td></tr></table>	+:	17	–:	5	0:	0
+:	17						
–:	5						
0:	0						
<b>Members present for the final vote</b>	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						
<b>Substitutes present for the final vote</b>	Julia Pitera						

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

17	+
ALDE	Nedzhmi Ali, Martina Dlabajová
EFDD	Marco Valli
GUE/NGL	Dennis de Jong
PPE	Tamás Deutsch, Ingeborg Gräßle, Julia Pitera, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt
S&D	Inés Ayala Sender, Zigmantas Balčytis, Cătălin Sorin Ivan, Arndt Kohn, Derek Vaughan
VERTS/ALE	Bart Staes, Indrek Tarand

5	-
ECR	Raffaele Fitto, Notis Marias
ENF	Jean-François Jalkh
PPE	Tomáš Zdechovský, Joachim Zeller

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention