

## NEWSLETTER

### NEXT COMMITTEE MEETING

TUESDAY, 8 OCTOBER 2019

9.00 – 12.30 and 15.00 – 18.30

Room: Altiero Spinelli (ASP) 3 E 2, Brussels

#### 1. ADOPTION OF AGENDA

#### 2. CHAIR'S ANNOUNCEMENTS

The draft agenda and meeting documents are available in the [meeting file](#).

##### Interpretation

FR, DE, IT, NL, EN, EL, ES, CS, HU, PL, BG and RO.

##### [Webstreaming](#)

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 votes and Members are reminded to bring their electronic voting card.

##### Adoption of Coordinators' recommendations

The summary of Coordinators' recommendations of the meeting on 26 September 2019 was circulated to the Members on 04 October 2019.

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

TUESDAY, 8 OCTOBER 2019

9.00 - 12.30

PUBLIC MEETING

### 3. EUROPEAN COURT OF AUDITOR'S ANNUAL REPORT 2018



**Presentation of the Annual Report concerning financial year 2018, by the President of the Court, *Klaus-Heiner Lehne* in the presence of *Günther Oettinger*, Commissioner responsible for Budget and Human Resources and *Lazaros S. Lazarou*, ECA Member, Dean of Chamber V, Financing and administering the Union**

Rapporteur: [Monika Hohlmeier](#) (EPP)  
Administrator: Philippe Godts / Christian Ehlers

Shadow Rapporteurs: Tsvetelina Penkova (S&D), Olivier Chastel (RE), Viola Von Cramon-Taubel (Greens), Luke Ming Flanagan (GUE/NGL)

The President of the European Court of Auditors will present the main conclusions of the annual report of the Court as to the financial year 2018.

According to Article 287 of the TFEU, the ECA draws up an annual report at the end of each financial year. This report, including the statement of assurance (DAS) concerning the reliability of the accounts and the legality and regularity of the underlying transactions, is considered by the Council and the Parliament in the framework of the discharge procedure under Article 319 of the TFEU.

The presentation of the European Court of Auditors Annual Report marks the beginning of the discharge cycle related to the year 2018. Upon examination of all relevant documents and a series of hearings with Commissioners in the EU's main spending areas, Parliament will decide in spring 2020 - acting on a recommendation from the Council - whether to grant discharge to the Commission and other EU bodies in respect of the implementation of the EU budget for the year 2018.

The 2018 Annual Report as well as the 2018 EU Audit in brief will be published on Thursday 4 October at 00:01 am in 23 EU official languages at the ECA website [eca.europa.eu](http://eca.europa.eu). It will also be available on the [CONT website](#) after publication.



## 4. ECA RAPID CASE REVIEW: REPORTING ON SUSTAINABILITY - A STOCKTAKE OF EU INSTITUTIONS AND AGENCIES



### Presentation of the rapid case review, by ECA reporting member, Eva Lindström

Rapporteur: [Lara Wolters](#) (S&D)  
 Administrator: Christian Ehlers

Shadow Rapporteur: Olivier Chastel (RE)

Despite the EU's commitment to sustainability and the United Nations' Sustainable Development Goals (SDGs), the European Commission does not report on or monitor how the EU budget and policies contribute to sustainable development and achieving the SDGs, according to a new review by the European Court of Auditors. The auditors said that the building blocks for meaningful sustainability reporting at EU level are largely not yet in place.

The Commission has not yet built sustainability into reporting on performance, also due to absence of a long-term strategy on sustainable development up to 2030. Two EU institutions and agencies currently publish a sustainability report, while reporting by others is piecemeal. Through sustainability reporting – also known as corporate social responsibility or non-financial reporting – an organisation publishes information about its economic, environmental and social impact. A sustainability report also presents its values and governance model, as well as demonstrating the link between its strategy and its commitment to a sustainable global economy.

The review also raises the challenge of auditing sustainability reports. The auditors say that sustainability risks are often financial risks, hence the importance of taking sustainability into account in decision-making. Furthermore, external assurance of sustainability reports can increase credibility and stakeholders' trust in the information provided, as well as reducing the risk of "greenwashing", i.e. reports being used simply as PR exercises.

The auditors identify four challenges:

- ) producing an EU strategy on sustainability and the SDGs after 2020;
- ) integrating sustainability and the SDGs into the EU budget and performance plans;
- ) developing sustainability reporting in EU institutions and agencies;
- ) Increasing credibility through audit.

The ECA rapid case review is available on the [CONT website](#).



## 5. ECA SPECIAL REPORT 14/2019 (DISCHARGE 2018): ‘HAVE YOUR SAY!’: COMMISSION’S PUBLIC CONSULTATIONS ENGAGE CITIZENS, BUT FALL SHORT OF OUTREACH ACTIVITIES



### Presentation of the special report, by responsible ECA reporting member, Annemie Turtelboom

Rapporteur: [Mikulas Peksa](#) (Greens)  
 Administrator: Philippe Godts

While the European Court of Auditors recognises the high standard of the Commission’s framework and participants’ overall satisfaction with the public consultation process, it found shortcomings in its outreach and feedback activities.

In 2018, 2 000 citizens on average took part in each consultation. This excludes the “clock change” consultation, which received a record 4.6 million responses – albeit that the vast majority of these came from only one Member State (Germany). However, the auditors also found one public consultation in its sample in which only three people participated. This illustrates that the Commission needs to improve its outreach activities, say the auditors. The auditors recommend that it should better engage with its offices and authorities in the Member States to disseminate more information about consultations and adapt its communication channels to increase the range of potential participants and target any information gaps. According to the auditors, the consultations with the lowest response rates did not use a variety of communication channels to reach their target audiences, unlike those with the highest rates.



Participation was also higher when the survey was made available in all EU official languages. However, the auditors found no clear criteria for deciding whether consultations were in the “broad public interest” and should thus be translated. They call on the Commission to provide key documents for such initiatives, as well as “priority” initiatives, in the EU’s 24 official languages, to enable all citizens to participate easily and effectively. Moreover, the surveys, which were sometimes long and complex, should be more reader-friendly.

Preparatory information about the purpose of a consultation and planned use of its results is very likely to impact favourably on the participation rate and the quality of responses. The auditors noted the Commission had not been systematically preparing and publishing its consultation strategies or other advance information, and ask it to do so in the future.

The auditors also recommend that Commission provide participants with timely information on the consultations’ outcome. They found that feedback to respondents was insufficient: reports on the results were sometimes lacking or were delivered long after the consultations had ended, and often in English only.

Although the Commission’s data analysis was satisfactory overall, the auditors warn that checks regarding the validity of responses are limited. They call for high standards of data processing and security to protect the public consultation process against manipulation of results. They recommend that the Commission also systematically assess whether its public consultations achieve all their objectives.

The ECA special report is available on the [CONT website](#). As a follow-up, a succinct working document with the recommendations of the Rapporteur will be sent to CONT Members. The Rapporteur's conclusions will be part of the discharge report.

**TUESDAY, 8 OCTOBER 2019**

15.00 - 17.00

**PUBLIC MEETING**

**\*\*\* ELECTRONIC VOTING \*\*\***

## 6. INVESTIGATIONS CONDUCTED BY THE EUROPEAN ANTI-FRAUD OFFICE (OLAF) AS REGARDS COOPERATION WITH THE EUROPEAN PUBLIC PROSECUTOR'S OFFICE AND THE EFFECTIVENESS OF OLAF INVESTIGATIONS

[Procedure](#)



### Vote on the decision to enter into interinstitutional negotiations

Rapporteur: [Jean-Marian Marinescu](#) (EPP)

Administrator: Christian Ehlers

Shadow Rapporteurs: Caterina Chinnici (S&D), Martina Dlabajová (RE)

The overall objective of the Commission proposal is to strengthen the protection of the EU's financial interests, more specifically to create greater synergy between OLAF and EPPO operations and enhance the effectiveness of OLAF's investigative function.

In the area of fraud, the creation of the EPPO is a substantial improvement to the current situation. Today, OLAF carries out administrative investigations using administrative powers which are limited compared to criminal investigations. Provisions to regulate the relationship between the EPPO and OLAF already exist in the EPPO Regulation. They are based on the principles of close cooperation, exchange of information, complementarity and non-duplication. These rules need to be mirrored and complemented in Regulation No 883/2013. The adaptation of the OLAF legal framework by the time the EPPO becomes operational is therefore the main driver for the amendment of Regulation No 883/2013.



The Commission published the legislative proposal on 23 May 2018 [COM\(2018\)0338](#). A first reading vote took place on 16 April 2019 in [Plenary](#). The Council is ready to start negotiations with the European Parliament. Under Rule 72 of the European Parliament's Rules of procedure, a vote by a majority of the members of a committee is required in order to enter negotiations on the basis of Parliament's first reading position.



### 7. EU ANTI-FRAUD PROGRAMME

[Procedure](#)

#### Vote on the decision to enter into interinstitutional negotiations



Rapporteur: [Tamás Deutsch](#) (EPP)  
 Administrator: Cecile Bourgault

The purpose of the Anti-Fraud Programme is to assist the Member States and the relevant Union bodies to help them better protect the Union's financial interests.

It rolls over the Hercule III programme, that supports activities against fraud, corruption and any illegal activities, mainly in the field of customs, and combines it with the financing basis for the Anti-fraud information system and the Irregularity management system, which are

two IT applications.

The Commission published the legislative proposal on 30 May 2018 [COM\(2018\)0386](#). A first reading vote took place on 12 February 2019 in [Plenary](#); awaiting Council first reading position.

**These votes are a necessary step as Rule 72 of Parliament's Rules of Procedure reads: "Where Parliament has adopted its position at first reading, that position shall constitute the mandate for any negotiations with other institutions. The committee responsible may decide, by a majority of its members, to enter into negotiations at any time thereafter. Such decisions shall be announced in Parliament during the part-session following the vote in committee and a reference to them shall be included in the minutes."**

**\*\*\* END OF ELECTRONIC VOTING \*\*\***

### 8. ECA SPECIAL REPORT 7/2019 (DISCHARGE 2018): EU ACTIONS FOR CROSS-BORDER HEALTHCARE: SIGNIFICANT AMBITIONS BUT IMPROVED MANAGEMENT REQUIRED



#### Presentation of the special report, by ECA reporting member, Nikolaos Milionis

Rapporteur: [Cristian Ghinea](#) (Renew)  
 Administrator: Benoit Lefort

EU patients still face challenges in benefiting from the actions envisaged by the EU directive on cross-border healthcare, according to a new report by the European Court of Auditors. Only a minority of potential patients are aware of their rights to seek medical care abroad. At the same time, the auditors also found problems and delays in exchanging patient health data electronically between Member States. Moreover, actions to facilitate access to

healthcare for rare disease patients need to be improved. The 2011 EU cross-border healthcare directive is aimed at ensuring safe and high-quality medical care across borders in the EU, as well as providing for reimbursement abroad under the same conditions as at home. EU patients who seek healthcare in another Member State – for example, undergoing planned hospital treatment or purchasing medicines – are therefore entitled to relevant information on standards of treatment, reimbursement rules and the best legal route.

## Committee on Budgetary Control

The auditors examined whether the European Commission has monitored the implementation of the EU cross-border healthcare directive and supported Member States in informing patients of their rights. They assessed the results achieved on exchanges of health data across borders and checked key actions on rare diseases.

The auditors found the Commission had monitored the transposition of the directive into national law and its implementation by the Member States well. It also supported the Member States in improving information on patients' rights to cross-border healthcare, but there were still some gaps.

The Commission underestimated the difficulties involved in deploying EU-wide eHealth infrastructure. By the time of the audit – November 2018 – Member States were only just about to start exchanging patient health data electronically, so the benefits for cross-border patients could not be demonstrated. Furthermore, the Commission did not properly assess either the potential use or the cost-effectiveness of exchanging cross-border health data.

The auditors recommend the Commission should:



- provide more support for national contact points to improve information on patients' rights to cross-border healthcare;
- better prepare for cross-border exchanges of health data;
- improve support for and management of European Reference Networks to facilitate rare disease patients' access to healthcare.

The ECA special report is available on the [CONT website](#). As a follow-up, a succinct working document with the recommendations of the Rapporteur will be sent to CONT Members. The Rapporteur's conclusions will be part of the discharge report.

## 9. ECA SPECIAL REPORT 12/2019 (DISCHARGE 2018): E-COMMERCE: MANY OF THE CHALLENGES OF COLLECTING VAT AND CUSTOMS DUTIES REMAIN TO BE RESOLVED



### Presentation of the special report, by ECA reporting member, Ildiko Gall-Pelcz

Rapporteur: [Tamás Deutsch](#) (EPP)

Administrator: Cecile Bourgault

Shadow Rapporteur: Olivier Chastel (RE)

E-commerce is the sale or purchase of goods or services conducted via the internet or other online communication networks.

The Union encourages e-commerce to ensure that businesses and consumers can buy and sell internationally on the internet as they do on their local markets. Member States are responsible for the collection of Value added tax (VAT) and customs duties due on e-commerce cross-border transactions.

The Court carried out this audit because any shortfall in the collection of VAT and customs duties affects the budgets of the Member States and the Union, as they must compensate for it in proportion to their Gross National Income.

## Committee on Budgetary Control

It examined whether the Commission has established a sound regulatory and control framework for e-commerce with regard to the collection of VAT and customs duties, and whether Member States' control measures help ensure the complete collection of VAT and customs duties on e-commerce. The Court considers that despite recent positive developments the Union is not currently dealing adequately with these issues.

The ECA special report is available on the [CONT website](#). As a follow-up, a succinct working document with the recommendations of the Rapporteur will be sent to CONT Members. The Rapporteur's conclusions will be part of the discharge report.



### 10. ANY OTHER BUSINESS

### 11. NEXT MEETINGS

) 17 October 2019 - 9.00 – 12.30 (Brussels)

**TUESDAY, 8 OCTOBER 2019**

17.00 - 18.30

**IN CAMERA MEETING**

### 12. COORDINATORS' MEETING



**Meeting held in camera**

#### 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



## NEWS FROM POLICY DEPARTMENT - BUDGETARY AFFAIRS

### POLICY DEPARTMENT PUBLICATIONS

#### Recent Publications

##### CONT

###### Studies

- The European Public Prosecutor's Office: strategies for coping with complexity [EN](#)
- Performance Indicators for Convergence in Regional Development - How reliable are they to ensure Targeted and Result-Oriented spending? [EN](#)
- Effectiveness of cohesion policy: learning from the project characteristics that produce the best results [EN](#)
- Protection of EU financial interest on customs and VAT: Cooperation of national tax and customs authorities to prevent fraud [EN](#)

###### In-depth Analysis

- Integrated Territorial Investments as an effective tool of the Cohesion Policy [EN](#)

##### BUDG

###### Studies

- Mainstreaming Innovation Funding in the EU Budget [EN](#)
- Gender responsive EU Budgeting Update of the study 'The EU Budget for Gender Equality' and review of its conclusions and recommendations [EN](#)

#### Forthcoming Publications

##### BUDG

###### Studies

- The History of the EU Budget (not published)



#### CONTACTS

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email: [Policy Department Webpage](#)

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