

MEETING

THURSDAY 8 JANUARY 2015

9.00 – 12.30 public meeting

Altiero Spinelli 5G3

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eMeeting

1. AGENDA

The [draft agenda](#) (in EN) will be emailed to Members on 22 December 2014 and is in the [file for this meeting](#).

2. CHAIR'S ANNOUNCEMENTS

The Chairman draws attention to the following points:

LANGUAGES AVAILABLE

FR, DE, IT, NL, EN, DA, ES, FI, CS, HU, LT, PL, SK, SL, BG, RO

Meeting documents: In light of the European Parliament's paperless project please bear in mind that only a very limited number of paper dossiers will be available in the meeting room.

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.

3. APPROVAL OF MINUTES OF CONT MEETING:

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

- 1-2 December 2014, which was emailed to CONT Members on 16 December 2014

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

Please be aware that the summary of the recommendations concerning the CONT Coordinators' meeting held on 2 December 2014 is attached to the corresponding minutes and were endorsed by the Committee by written procedure.

THURSDAY 8 JANUARY 2015

9.00 – 12.30 public meeting

Rapporteur:

[Ingeborg Gräßle](#) (EPP)

CONT Vice-Chair responsible:

[Dan Nica](#) (S&D)

Administrator:

Christian Ehlers

4. DISCHARGE 2013: EU GENERAL BUDGET - EUROPEAN COMMISSION



Ingeborg Gräßle
CONT Chair



Dan Nica
CONT Vice-Chair responsible

Exchange of views with the Member of the European Commission responsible for Research, Science and Innovation, Carlos Moedas, in the presence of the Member of the European Court of Auditors responsible, Alex Brenninkmeijer

CONT Timetable:

Consideration of draft report on 2013 Commission Discharge: 23/02/2015

Deadline for amendments: 03/03/2015

Adoption in CONT: 23/03/2015

Plenary vote: April II 2015

On 5 November 2014 the European Court of Auditors (ECA) presented its Annual Report 2013. In chapter 8 (Research and other internal policies) the ECA examined 150 transactions from the different policy areas. The ECA estimates the most likely error rate to be 4,6%. The most common types of error are incorrectly calculated personnel costs; other ineligible direct costs such as unsubstantiated costs for travel or equipment; and indirect costs which are based on erroneous overhead rates or include ineligible cost categories not linked to the project. In addition, failures by beneficiaries to comply with public procurement rules, not previously an important source of error in this policy group, contributed significantly to the error rate in 2013.

It is noteworthy that the director general of DG Research and Innovation issued a reservation concerning the rate of the residual errors with regard to the accuracy of cost claims in

the Seventh Research Framework Programme. The amount affected in EUR 3 664 million.

The documents of particular relevance for the exchange of views as regards the 2013 Commission discharge are:

- The ECA's 2013 Annual Report - Chapters 1 and 8.
- The Commission's follow-up report COM (2014)607 final and SWD (2014) 285 and 286.
- The respective Annual Activity Reports of the respective Directors General.

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

For this meeting Members submitted 28 written questions. In accordance with the timetable for the discharge procedure, the written questions for this meeting were sent to the Commission on 16 December 2014 and e-mailed to Members on the same day.

The answers from the Commission should arrive on 5 January 2015 and will be emailed to Members immediately.

It is proposed that today's hearing with the Commissioner 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 2012,
- Commissioner in charge will reply to this introduction,
- CONT Rapporteur and the designated Member/Vice- Chair responsible for the hearing 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.

Rapporteur:
[Ryszard Czarnecki](#) (ECR)

Administrator:
Tereza Pinto de Rezende

Exchange of views with the Secretary General of the Institutions, in the presence of the Member of the Court of Auditors responsible, Baudilio Tomé Muguruza

5. 2013 DISCHARGE TO OTHER INSTITUTIONS



The 2013 discharge of the "Other institutions" is prepared by the ECR Rapporteur Ryszard Czarnecki. These institutions:

- European External Action Service (the exchange of views with the High Representative Federica Mogherini will take place on 26 January pm),
- Council and European Council,
- European Court of Justice,
- European Court of Auditors,

CONT Timetable:

Consideration of draft report on 2013

Commission Discharge: 24/02/2015

Deadline for amendments: 03/03/2015

Adoption in CONT: 24/03/2015

Plenary vote: April II 2015

- European Economic and Social Committee,

- Committee of the Regions,

- European Ombudsman,

- European Data Protection Supervisor

received the questionnaire made/received the questions put by CONT Members with technical and specific matters on 25th November and their replies were sent to CONT on the 19th December.

In the beginning of November, the CONT committee invited the Secretary Generals of the "Other Institutions" to attend the exchange of views of 8 January concerning discharge. Their presence was confirmed except for the Council's Secretary General. In the exchange of views MEP will assess the expenditure and the performance of those Institutions during the financial year of 2013.

According to the Court of Auditors, the expenditure in 2013 of the Other Institutions present at this CONT meeting was free of material error. No significant weaknesses were detected by the ECA in relation to the topics audited.

Today's exchange of views proceedings are as follows:

- Introduction by the Mr Tomé Muguruza, ECA representative presenting the findings concerning the respective Institutions in the Annual Report 2013
- Presentation by the Secretary Generals of the Institutions, starting by:
 - Court of Justice
 - Court of Auditors
 - European Economic and Social Committee
 - Committee of the Regions
 - European Ombudsman
 - European Data Protection Supervisor
- CONT Rapporteur questions the Secretary Generals
- Other Members questions
- Replies by the Institutions' Secretary Generals
- Closing remarks by the CONT Rapporteur

Rapporteur for the opinion:

[Tamás Deutsch](#) (EPP)

Administrator:

Philippe Godts

Consideration of draft opinion

Main committee: BUDG

5. FINANCIAL RULES APPLICABLE TO THE GENERAL BUDGET OF THE UNION



Following the adoption of the Directives on public procurement and on the award of concession contracts (2014/23 and 24 EU), provision should be made for the rules contained in these Directives to apply to contracts awarded by the European institutions on their own account. The modifications

CONT Timetable:**Deadline for amendments:** 13/01/2015**Adoption in CONT:** 21/01/2015**Adoption in BUDG:** 5/02/2015

brought about to the text of the Financial Regulation (FR) can be classified into three main groups.

The first set of changes is linked to the alignment with the Directive.

The second set of changes concern the articles on exclusion. The grounds for exclusion of an economic operator from procurement procedures are clarified and aligned with the Directive as well as the possibility for the economic operator concerned to take remedial measures. Exclusion is clearly distinct from the rejection of an economic operator from a given procedure in order to avoid confusion. A single system is established to allow for increased protection of the Union's financial interests which takes into account the existing Central Exclusion Database. The aim of the system is to ensure the early detection and prevention of risk as well as the publication of information related to excluded economic operators. A panel is set up to take exclusion decisions after the analysis of a case and it guarantees the right of defence of economic operators.

The third set of changes is linked to clarifications of the text and simplifications. CONT is particularly interested by the second set of changes.

The Rapporteur for opinion welcomes in general those provisions aimed at better protecting the financial interests of the Union.

He tables amendments in order to include "tax evasion" as an exclusion ground in public procurement procedures (amendment 4), to further define the composition and principle of the action of the panel (amendment 6) and an amendment concerning the files in indirect management (amendment 9).

He introduces 4 amendments aiming at finding the best balance possible between the financial rules (FR) and its rules of application (RAP) in particular as regards the rights of defence (see amendments 1, 5, 7 and 8).

He intends to introduce in the FR new provisions corresponding to the political agreement reached between the Commission, the Council and the Parliament on 29 May 2014 regarding the principle of a separate discharge for the Joint Undertakings (amendments 2 and 14).

The Rapporteur also introduced 4 amendments aiming at making the ECA audit activity more efficient, providing more transparency to the IAS activity (amendments 3, 10, 11, 12) and one amendment on the Council discharge (amendment 13).



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NEXT MEETINGS (BRUSSELS)

- 19 January 2015, 15.00 –18.30,
- 21 January 2015, 9.00– 12.30 and 15.00 –18.30
- 22 January 2015, 9.00– 12.30