

# EUROPEAN PARLIAMENT

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**A5-0414/2003**

27 November 2003

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## **RECOMMENDATION**

on the decision of the Representatives of the Governments of the Member States concerning the discharge to be granted to the Secretary-General of the Convention in respect of the implementation of its budget for the financial year 2002

(C5-0406/2003 – 2003/0903(AVC))

Committee on Budgetary Control

Rapporteur: Helmut Kuhne

***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission)

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## PROCEDURAL PAGE

Pursuant to Article 20 of the Decision of the Representatives of the Governments of the Member States meeting within the Council of 21 February 2002 (2002/176/EU), Parliament is required to give its assent to the discharge to be granted to the Secretary-General of the Convention in respect of the implementation of its budget (2003/0903(AVC)).

By letter of 10 April 2003, the Court of Auditors forwarded to Parliament a Report on the accounts drawn up by the Secretary-General of the Convention on the future of the European Union for the financial year 2002 (relating to the period from 21 February 2002 to 31 December 2002), together with the comments of the Secretary-General of the Convention (2003/C 122/01 - I5-0013/2003).

By letter of 15 May 2003, the European Convention forwarded to Parliament the Revenue and expenditure account and the Balance sheet for the financial year 2002 (SN 2802/2003 - I5-0016/2003).

On 18 June 2003, the Council consulted Parliament in accordance with Article 20 of the decision of the representatives of the governments of the Member States meeting within the Council (9736/2003).

At the sitting of 22 September 2003 the President of Parliament announced that he had referred these texts to the Committee on Budgetary Control as the committee responsible (C5-0406/2003).

The Committee on Budgetary Control appointed Helmut Kuhne rapporteur at its meeting of 9 September 2003.

It considered the documents concerning the discharge to be granted to the Secretary-General of the Convention in respect of the implementation of its budget for the financial year 2002 and the draft recommendation at its meetings of 3/4 and 24 November 2003.

At the latter meeting it adopted the motion for a resolution unanimously.

The following were present for the vote: Diemut R. Theato (chairwoman), Herbert Bösch (vice-chairman), Freddy Blak (vice-chairman), Helmut Kuhne (rapporteur), María Antonia Avilés Perea, Juan José Bayona de Perogordo, Bart Staes, Ole Sørensen, Gabriele Stauner and Michiel van Hulten.

The recommendation was tabled on 27 November 2003.

## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the decision of the Representatives of the Governments of the Member States concerning the discharge to be granted to the Secretary-General of the Convention in respect of the implementation of its budget for the financial year 2002 (C5-0406/2003 – 2003/0903(AVC))**

**(Assent procedure)**

*The European Parliament,*

- having regard to Article 20 of the decision of the representatives of the governments of the Member States meeting within the Council, of 21 February 2002 (2002/176 EU<sup>1</sup>);
  - having regard to the Revenue and expenditure account and Balance sheet of the Convention for the financial year 2002 forwarded to the European Parliament by letter dated 15 May 2003 (SN 2802/2003 - I5-0016/2003 - C5-0406/2003) ;
  - having regard to the report<sup>2</sup> by the Court of Auditors of 10 April 2003 on the accounts drawn up by the Secretary-General of the Convention on the future of the European Union for the financial year 2002 (started on 21 February 2002 and ended on 31 December 2002) (I5-0013/2003);
  - having regard to the consultation by the Council (9736/2003)
  - having regard to Rule 86(1) of its Rules of Procedure,
  - having regard to the recommendation of the Committee on Budgetary Control (A5-0414/2003);
  - whereas the Court of Auditors states in its report that its examination enabled it to obtain reasonable assurance that the Convention's accounts for the financial year ended 31 December 2002 were reliable and that the underlying transactions were, on the whole, legal and regular ;
  - whereas the Convention's accounts for the financial year 2002 do not give rise to any matters calling for comment ;
1. Gives its assent to the granting of discharge to the Secretary-General of the Convention in respect of the implementation of its budget for the financial year 2002;
  2. Instructs its President to forward its position to the Council, Commission, the representatives of the governments of the Member States meeting within the Council and to the Court of Auditors.

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<sup>1</sup> OJ L 60, 1.3.2002, p.56

<sup>2</sup> OJ C122, 22.5.03

## EXPLANATORY STATEMENT

### A. Introduction

1. When the Committee first considered this matter at its meeting of 16-17 June 2003 it noted that "*A procedure by which Parliament merely gives its assent to a discharge granted by the representatives of the member States' governments is clearly sui generis and raises questions not only as to the procedure to be followed but also regarding Parliament's scope for commenting on the Convention's financial management*". It therefore decided to consult Parliament's Legal Service, whose opinion (SJ-0187/03), quoted in section B below, gives a clear account of the background to this particular discharge process.

### B. Background

2. The Convention on the Future of the European Union, hereafter "the Convention", is an ad hoc structure that was created following the Laeken Declaration on the future of the European Union set out in the Annex to the Conclusions of the Presidency of the European Council meeting in Laeken on 14 and 15 December 2001 on the decision to convene a Convention on the future of the European Union.

3. The rules for its financing and financial management are laid down in two texts :

- a Decision of the Representatives of the Governments of the Member States meeting within the Council of 21 February 2002 (hereafter "the Decision"), setting up a Fund for the financing of the Convention on the future of the European Union and laying down the financial rules for its management;
- an Interinstitutional Agreement of 28 February 2002 between the Council, the European Parliament and the Commission on the financing of the Convention on the future of the European Union

4. Under the Decision, a Fund is set up to finance the Convention. The Fund has a budget of its own, adopted by the representatives of the governments of the Member States meeting within the Council, on the proposal of the Secretary-General of the Convention and with the agreement of Parliament, the Council and the Commission.

5. The role of the Fund is *to collect revenue and manage the expenditure of the Convention other than that relating to the infrastructure needed for its operation* (Article 2). The Decision contains no restriction as to the origin of the Fund's resources.

6. Under the Interinstitutional Agreement of 28 February 2002, Parliament, the Council and the Commission agreed to contribute to the financing of the Convention by means of a contribution from their respective Sections of the general budget. For the financial year 2002, Parliament adopted Supplementary and Amending Budget (SAB) 1/2002 on 28 February 2002.

7. The aforementioned Institutions also recorded their agreement on the financial rules for the Fund's management as laid down in the Decision (point 6 of the recitals to the Agreement).

8. The Decision provides that the budget of the Fund is implemented by the Secretary-General and lays down in Chapter III detailed implementing rules.

9. Chapter IV of the Decision, "*Presenting and auditing the accounts*", provides for rules on the establishment of the accounts and discharge of the Fund. In short,

- a. the Secretary-General of the Convention "*shall, within two months of the end of the budget implementation period, draw up a revenue and expenditure account and a balance sheet*" (Article 18, paragraph 1);
- b. the Court of Auditors shall carry out an audit (Article 19);
- c. finally, as to the discharge procedure, Article 20 provides (emphasis added):

*"The revenue and expenditure account, balance sheet and report by the Court of Auditors, accompanied where appropriate by the comments of the Secretary-General of the Convention, shall be submitted within four months of the end of the financial year to the representatives of the Governments of the Member States, meeting within the Council, and forwarded to the European Parliament, the Council, the Commission and the Presidium of the Convention. The Representatives of the Governments of the Member States meeting within the Council, with the assent of the European Parliament, the Council and the Commission, shall give a discharge to the Secretary-General of the Convention in respect of the implementation of the budget."*

10. The Report of the Court of Auditors mentioned in Articles 19 and 20 of the Decision was adopted on 10 April 2003. The Court of Auditors' examination "*enabled it to obtain reasonable assurance that the accounts for the financial year ended 31 December 2002 are reliable and that the underlying transactions are, on the whole, legal and regular*". There were no observations from the Convention's Secretary-General.

### C. Procedure

11. In its letter to the Legal Service, the Committee submitted the following specific questions :

- a) *Is the procedure governed by Rule 86 of the Rules of Procedure?*
- b) *If so, amendments in plenary are excluded but what is the scope of amendments in committee?*
- c) *What, if any, deadlines or time-limits apply?*

12. The Legal Service drew the following conclusions :

- a) Without prejudice to any view that Parliament's competent committee pursuant to Rule 180 and Annex VI to the Rules of Procedure may express, Article 86 of the Rules of Procedure applies by analogy to the assent to be given by Parliament under Article 20 of the Decision of the Representatives of the Governments of the Member States meeting within the Council of 21 February 2002 setting up a Fund for the financing of the Convention on the future of the European Union and laying down the financial rules for its management

b) Although Article 86 only speaks of two possible decisions to be proposed by the committee responsible (either to approve or reject) and rules out the possibility of plenary amendments, the committee responsible can amend the considerations as well as the decision as proposed by the draftsman.

c) In giving or withholding its assent, Parliament is not bound by a compulsory deadline but, as a general principle, such a procedure should be conducted with due diligence.

#### D. Evaluation by the rapporteur

Your rapporteur has examined the accounts drawn up by the Secretariat of the Convention and the report by the Court of Auditors. He takes the view that neither raise any question such as to merit comment or to justify an objection to the granting of discharge.

It should, moreover, be noted that the Council gave its assent on 5 June 2003 (Council document 9845/03).

The Commission's assent was communicated in a letter dated of September 2003 to the Convention's Secretary-General from Mrs Schreyer, Member of the Commission responsible for the budget, acting on behalf of the Commission.

In these circumstances, the rapporteur recommends that Parliament should also give its assent to the granting of discharge for the financial year 2002 to the Secretary-General of the Convention.

The same procedure will have to be followed next year for Parliament's assent to the discharge in respect of the financial year 2003.