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Committee on the Internal Market and Consumer Protection

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OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Budgetary Control

on discharge in respect of the implementation of the general budget of the
European Union for the 2003 financial year

(SEC(2004)1181 - C6-0012/2005 - 2004/2040(DEC))

(SEC(2004)1182 - C6-0013/2005 - 2004/2040(DEC))

Section III: Commission

Draftsman: Joachim Wuermeling

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SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that because of internal restructuring, according to information from DG Internal Market and Services, not all the funding available might be fully utilised and a number of external studies could not even be awarded.
2. Is satisfied, in general, at the high degree of utilisation of appropriations for the budget headings coming under DG Health and Consumer Protection, the proportion of 2003 budget funding used having been 99.3%.
3. Notes that utilisation of appropriations for the budget headings coming under DG Taxation and Customs Union at 86.61% is satisfactory but can certainly not be described as excellent.
4. Voices its concern at the general trend that consumer programme award procedures are being held up because of over-restrictive rules under the new Financial Regulation and potential applicants' interest is considerably waning because of the bureaucratic procedures.
5. The Committee on the Internal Market and Consumer Protection considers, on the basis of the information at its disposal, that discharge can be given to the Commission in respect of internal market and consumer protection expenditure.

SHORT JUSTIFICATION

1. This opinion for the Committee on Budgetary Control covers the 2003 budget of the Commission only: that is the sole institution which manages funding falling within this committee's remit.
2. Three directorates-general fall within this committee's remit: DG Internal Market and Services (MARKT) (in its entirety), and DG Health and Consumer Protection (SANCO) and DG Taxation and Customs Union (TAXUD) (half of each).
3. The Court of Auditors must set priorities; it takes no more than a superficial look at the monies managed by the three DGs MARKT, SANCO and TAXUD, since they account for a fairly modest proportion of the budget. For that reason, less information is available.

Accordingly, the Court did not conduct a more detailed audit of DGs MARKT and TAXUD. Within DG SANCO, it examined veterinary and phytosanitary actions - six audits completed and three contracts audited - though they do not fall within this committee's remit.

4. However, the DGs' internal budget audit reports can form a suitable basis for the discharge procedure within Parliament despite the fact that, by their very nature, they are not as independently drafted as the Court of Auditors' report. The three internal budget audit reports by the DGs concerned - MARKT, SANCO and TAXUD - provide some statistics on the relevant Commission services; they are set out in Table 6.1 - Internal policies area (p. 206 of the English version of the report¹).
 - (a) In 2003, according to that table, no audits took place within DG MARKT, though 54 ongoing commitments from 2003 with expenditure implications were identified. It should be noted that the number of open contracts fell (from 113 to 54), the relevant departments accounting for this by citing the special situation in 2003 as a result of restructuring.
 - (b) With the exception of the above-mentioned audits concerning veterinary and phytosanitary actions, no audits at all were completed and no contracts at all were audited within DG SANCO. In reply to your draftsman's written questions, DG SANCO accounted for this by citing a lack of human resources, since, during the reporting period, all efforts had to be concentrated on expenditure in connection with the 2001 outbreak of foot-and-mouth disease. For subsequent years, however, the DG has undertaken to resume more wide-ranging audits.
 - (c) Within DG TAXUD, three audits were completed and a further 24 contracts were audited; two of the audits and 23 of the contracts audited were customs-union-related. Furthermore, information from the DG revealed that the operating appropriations made available had been virtually completely utilised. The funding spent was concentrated on the Customs 2002 and FISCALIS 2002 programmes, which were coming to an end, and on the Customs 2007 and Fiscalis 2007 successor

¹ OJ C 293, 30.11.2004, p. 206.

programmes. It emerges from the relevant departments' answers to your draftsman's written questions that the rate of utilisation of appropriations under the headings concerned was only between 80 and 90%, though this was plausibly accounted for by reference to internal budgetary procedure.

5. In order to improve budgetary control with regard to headings of relevance to this committee, and to carry out the task on a more sustained basis, the draftsman suggests that, in future, there should be regular discussions on budget implementation with the DGs responsible. The committee is asked to take a decision on this.

