II

(Acts whose publication is not obligatory)

EUROPEAN PARLIAMENT

DECISION OF THE EUROPEAN PARLIAMENT
of 6 July 2000
giving discharge in respect of implementation of the general budget of the European Union for the 1998 financial year — Section I — European Parliament/Ombudsman Annex

(2000/545/EC)

THE EUROPEAN PARLIAMENT,

Having regard to its Rules of Procedure, and in particular Rule 184(3) thereof,

Having regard to Article 77 of the Financial Regulation and Article 13 of the Internal Rules for the implementation of the European Parliament's budget,

Having regard to its resolution of 13 April 2000 postponing the decision on giving discharge in respect of implementation of the general budget for the 1998 financial year — Section I — European Parliament/ Ombudsman Annex [SEC(1999) 414 — C5-0008/1999 — 1999/2051(DEC)],

Having regard to the information provided by its Secretary General in response to the specific instructions contained in paragraph 33 of the aforementioned decision,

Having regard to the fact that the giving of discharge has been linked to the issue of financing of the political groups and parties, which goes beyond the administrative remit of the Secretary General,

Having regard to the report of the Committee on Budgetary Control (A5-0189/2000),

1. Recalls that:

   (a) the figures closing the accounts of the institution for the 1998 financial year were adopted in the context of the abovementioned resolution of 13 April 2000;

   (b) the abovementioned resolution instructed the Secretary General to take a number of steps, aimed at improving financial and administrative management in Parliament; including the following, with deadlines:

   — by 1 June 2000, proposal of concrete measures to reverse the increase in use of the exceptional direct treaty procedure, for which calls for tenders should be substituted, including measures to train and improve the qualifications of Parliament's staff involved in the awarding of contracts,

   — by 1 June 2000, the Committee on Budgetary Control to be informed of progress made in introducing the new inventory system,

   — by 30 June 2000, a report to be submitted on the conclusions from the current reform process in the Commission relating to staffing policy,

   — by 1 July 2000, the Bureau to submit options for an accurate action and financing plan, particularly for the Louise Weiss Building in Strasbourg, including a legal assessment taking account of the state of the negotiations,

— in good time before the first reading of the 2001 budget, submission of a report assessing whether it is advisable to assign the European Parliament sole responsibility for the management of its freelance interpreting needs;

(c) it called on the Court of Auditors:

— to deliver an opinion in the very near future on whether the procedure adopted for funding the Altiero Spinelli building is applicable to future projects in the light of the amendments which have now been made to the Financial Regulation and the rules on awarding public service contracts,

— to submit a special report on the practice of awarding contracts for security services for EP buildings, including an examination of whether it is economically feasible;

(d) paragraph 33 of the abovementioned resolution called for the following additional information and action before the discharge was given:

— that an action plan be presented to reduce dramatically the number of restricted tenders and direct agreements,

— that the 1998 inventory be completed and presented,

— that the appropriate bodies be informed about the progress of current disciplinary procedures, especially those linked to cases lost in the Court of Justice,

— that a long-term buildings policy be presented, including financing, new investments and expected total costs, as well as an action plan to avoid contractual obligations limiting the European Parliament's possibilities for open tendering,

— that a timetable be presented for the administrative reform of Parliament,

— that the new contracts authorised for the security and guarding of the buildings in Strasbourg be in full accordance with the rules, especially on calls for tender,

— that, in the light of the final report of the Court of Auditors on the expenditure of political groups, the latter take specific measures to rectify the disclosed shortcomings within two months of receiving the report.

2. Takes note of the information put at the disposal of the Committee on Budgetary Control outlining the action taken and the undertakings made, which should allow for a more efficient use of approprations earmarked for the institution. Considers its Judgement to have been confirmed that postponing the discharge for 1998 had a constructive effect and spurred Parliament's administration on to greater efforts to use taxpayers' money more efficiently.

3. Instructs its Committee on Budgetary control, when considering the discharge for 1999, to return to the central topics broached in connection with the postponement of the discharge for 1998: shortcomings in tenderings, buildings policy, staff policy and the inventory.

Competitive tendering — Awarding contracts

4. Notes the action plan to facilitate competitive tendering under the terms laid down by the current rules; asks for the optimal planning of awards of contracts and expects a strict monitoring of that planning as well as the introduction of administrative measures which will make this possible. Recalls that free competition among providers of goods and services is one of the fundamental principles of Community law, that Parliament must set a good example in this field and that therefore contracts may be awarded by private treaty only in exceptional cases, as indeed the Financial Regulation expressly stipulates. Calls for a report on the state of implementation and a first evaluation by 31 January 2001.

5. Strongly supports the notion of interinstitutional cooperation with regard to the awarding of contracts, whenever possible; approves the expressed intention on the part of the Secretary General to take the necessary steps to that effect in cooperation with his counterparts; expects precise information to be provided as part of the Revenue and Expenditure Account and Balance Sheet, including comparable statistical data from the various institutions and advisory bodies, in the interest of increased competition and of the protection of the Union's financial interests.

Inventory

6. Instructs its competent committee to continue to monitor closely the taking of the inventory and to ascertain whether the new system for the management of Parliament's property (ELS) is being operated properly and effectively. Asks that, as a part of the Revenue and Expenditure Account and Balance Sheet for every financial year, a detailed account is made of the physical permanent inventory; expects in particular that the Revenue and Expenditure Account and Balance sheet for 2000 will indicate the completion of measures which are still pending. Expects measures to ensure implementation in accordance with the new system.

7. Instructs its Secretary-General to take the initiative with his counterparts for the adoption of rules governing inventory management on an interinstitutional basis, including common rules on depreciation.

Lost court cases relating to senior appointments

8. Notes the Secretary-General's statement that at present no disciplinary proceedings are pending within Parliament's administration. Welcomes the fact that on 1 December 1999, i.e. even before the deliberations on the discharge for 1998, the Bureau, at the proposal of the Secretary-General, started an administrative inquiry. Notes the Bureau decision of 13 June 2000, in connection with the Frederiksen case, not to seek redress as provided for by Article 22 of the Staff Regulations. Notes that this decision is based on the consideration that the administrative inquiry did not reveal evidence of 'serious misconduct' by individuals as referred to in Article 22 of the Staff Regulations. Points out, however, that the administrative inquiry revealed both problems with internal decision-making procedures and a tendency to neglect risks associated with court cases in events that it would have been appropriate to review the case and reappraise the risks associated with legal proceedings at a considerably earlier stage; recalls paragraph 23 of its abovementioned resolution of 13 April 2000, calling on the legal service to inform the Bureau about the risks of court cases before the Bureau takes its decisions, particularly in the light of previous judgements on staff matters; welcomes the Bureau decision of 13 June 2000 instructing Vice-Presidents Lienemann and Provan to examine whether further internal administrative reforms are needed in order to avoid similar outcomes. Instructs its Bureau to inform the competent committees about its conclusions on this matter.

Buildings' policy

9. Regrets the geographical dispersion of Parliament's working places, as well as that of its services, for which the institution itself bears no direct responsibility, as it is a consequence of the Treaty between the governments of the Member States. Emphasises the need to minimise further logistical inconveniences in the context of the institution's future building needs in view of the upcoming enlargement. Consequently insists that any future decision in the area of building's policy be guided by the principle of functionality, particularly as regards the regrouping of Parliament's services in each working place, and the optimal use of financial resources.

10. Expects those countries hosting Parliament's buildings to each make contributions of a comparable value toward the acquisition of immovable property;

11. Reiterates its principled position that the method of financing to be used in future acquisitions, including that of the Louise Weiss building in Strasbourg, be that of direct financing in order to ensure the maximum degree of Transparency possible as well as obtaining the best value for the European' taxpayers money; strongly urges the Council to reconsider its position in this matter.

Administrative reform

12. Welcomes the submitted timetable. Instructs its Bureau and Secretary General to keep its competent committees informed of progress in the implementation of the internal administrative reform; emphasises the need for active involvement of staff in this procedure.

13. Reiterates its call for a common buildings budget and common buildings management for the institutions and advisory bodies of the European Union.

Security

14. Notes the Bureau's overruling of the Financial Controller's withholding of Approval No 00/025, in its capacity as the superior authority; regrets that no attempt was made to award the contract for guarding its buildings in Strasbourg for a shorter, transitional period and to make use of this time to rerun the award procedure in full accordance with Community regulations on the award of public contracts.

Financing of the political groups and parties

15. Takes explicit note of the fact that only the political groups themselves have any responsibility for the use of appropriations made available to them under Chapter 37.

16. Notes with satisfaction the answers of the Bureau to the preliminary observations of the Court of Auditors and expects that measures aimed at radically reforming the relevant legal framework be completed without delay in conformity with financial regulations and the principle of transparency.

17. Welcomes the fact that all five political groups currently active in Parliament who had also been active during the previous legislative period have provided their specific responses to the preliminary observations of the Court of Auditors.

18. Regrets the unwillingness of the Court of Auditors explicitly to name those groups whose questionable financial practices are specifically mentioned within the body of the report.

19. Acknowledges the findings of the Court and as a result of these findings:

— welcomes the decision of the Conference of Presidents of 26 February 1999 to enact guidelines for the purposes of defining those information activities which are characteristic of election campaigning and are thus to be excluded from being financed by funds derived from the information campaign budget of the political groups,

— demands that internal bookkeeping procedures be transparent and that these procedures be followed by all groups, and supplemented by specific group financial regulations, which, as the court points out, is not the case,

— demands that transparency be achieved with regard to the financial operations and internal audit systems of the national delegations of the political groups,

— criticises the failure on the part of certain groups to provide the Office of the President of the Parliament with the certification of their accounts by an external auditor, even if this was not a mandatory provision at the time,

— demands that measures be taken to avoid the possibility that financial assistance could be provided to national political parties or other similar organisations as a result of joint actions undertaken between them and the political groups,

— regrets that one group has only now, in the context of the annual report, informed the President of Parliament of the accumulated capital of a public foundation created under Luxembourg law to which it has allocated funds,

— stresses the need for clarity in regard to work contracts.

The case relating to the Members' cash office

20. Expects the competent authorities, in the light of the judgement dated 29 March 2000 of the Luxembourg Court of Appeal in the case brought by Parliament against Royale Belge SA, to initiate the procedure provided for in Article 22 of the Staff Regulations with a view towards defining responsibilities in connection with the discrepancy of BEF 4 126 125 between the actual cash situation and their corresponding accounts in 1982.

21. Gives the Secretary-General discharge in respect of the implementation of the budget for the 1998 financial year.

22. Authorises the giving of discharge to the accounting officer for the 1998 financial year.

23. Instructs its President to forward this decision to the Commission, the Council, the Court of Justice of Auditors, the Economic and Social Committee, the Committee of the Regions and the European Ombudsman.

The Secretary-General — Julian PRIESTLEY

The President — Nicole FONTAINE