



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 1 October 2012

14409/12

**PE 438
BUDGET 42
INST 564**

NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Summary record of the meeting of the European Parliament **Committee on Budgetary Control (CONT)**, held in Brussels on 26 September 2012

The meeting was chaired by Mr STAES (Greens, BE)

Items 1 and 2 on the agenda
**Adoption of agenda and
Chair's announcements**

The agenda was adopted and the Chair announced that item 4 had been cancelled and items 6 and 7 had been postponed.

Item 3 on the agenda
The reform of the European Anti-Fraud Office (OLAF)
CONT/7/06265
Rapporteur for the opinion: Ms GRÄBLE (PPE, DE)

Ms GRÄBLE announced the postponement of the vote on the final compromise reached with the Council on the revised text of the OLAF Regulation with a view to an early second reading agreement. Mr THEURER informed the Committee that the postponement had been requested by the President of the EP. The rapporteur clarified that the outstanding issue was the inclusion in the

text of the Regulation of some provisions concerning Parliamentary immunity. Ms GRÄBLE insisted that secondary legislation should not extend OLAF's powers of investigation, given that such powers were already contained in treaty provisions that could not be extended by a Regulation. Mr STAES agreed with Ms GRÄBLE that the delay should be short and considered that the vote should be scheduled for the CONT meeting on 8 October 2012.

Item 4 on the agenda

Exchange of views with Vassos Shiarly, Minister of Finance of the Republic of Cyprus
CONT/7/09753

- Exchange of views

This item was cancelled.

Item 5 on the agenda

Special Report No 5/2012 (Discharge 2011) - 'The Common External Relations Information System (CRIS)'

CONT/7/09543

Rapporteur for the opinion: Mr AUDY (PPE, FR)

- Consideration of draft report in the presence of the Member of the European Court of Auditors responsible, *Jan Kinst*
- Deadline for tabling amendments: **2 October 2012, 12.00**

Mr AUDY, rapporteur, recalled that CRIS was put in place to support the management of external actions and enabled the Commission staff to work on a common database. Taking into account issues concerning the effectiveness of the system and its interaction with the Commission's accounting system (ABAC), Mr AUDY asked whether it could interfere with the Declaration of Assurance.

Mr KINST, member of the ECA, recalled that the overall audit question was whether CRIS was effective in responding to the Commission's information needs and whether the information that it provided was reliable. The ECA's findings highlighted that CRIS responded to the information needs of the Commission. However, an up-to-date definition of CRIS's role was still missing, given that CRIS had to duplicate functions of the Commission's accounting system. He highlighted the fact that CRIS could not be relied upon to provide aggregated data concerning external aid by beneficiary country. Moreover, ECA had found data records that were either missing or not up to date. Finally, some data security issues were raised by ECA concerning user access rights. Mr KINST considered that the response given by the Commission to the ECA recommendations was very good. The Commission representative gave more details about action being taken to address the ECA recommendations concerning the duplication of CRIS and ABAC functions,

rationalisation of the CRIS data code list, improvement of the user friendliness of the system and data security. The Commission representative highlighted the 'block by block' approach in addressing CRIS issues and told Mr STAES that the time frame for the Commission action to be concluded was two years at best and three years at worse.

Item 6 on the agenda

CONT delegation to Ignalina Nuclear Power Station in Lithuania (10, 11 and 12 July 2012)

CONT/7/08061

Head of the delegation: Mr THEURER (ALDE)

- Presentation of the report on the delegation

POSTPONED

Item 7 on the agenda

Exchange of views with the OLAF Supervisory Committee

CONT/7/10687

Rapporteur for the opinion: Ms GRÄBLE (PPE)

POSTPONED

Voting time

Item 8 on the agenda

Discharge 2010: EU general budget, Council

CONT recommended the refusal to grant discharge, by endorsing Mr SKYLAKAKIS' (ALDE, EL) and Mr SONDERGAARD's (GUE, DK) amendments with 19 votes in favour and 10 against. Ms AYALA-SENDER (S&D, ES), rapporteur, supported instead Mr AUDY's (PPE, FR) amendment to grant discharge, that fell.

The motion for a resolution was adopted as amended by a unanimous vote.

The following amendments to the draft resolution were carried: 4, 8, 9, 10, 11, 13, 14, 15, 16, 18, 19, 20 and 21.

Item 9 on the agenda

Discharge 2010 : European Medicines Agency

CONT recommended granting discharge with 27 votes in favour and 1 against and voted in favour of the closure of the accounts with 27 votes in favour, 1 against and 1 abstention. The motion for a resolution was adopted as amended with 28 votes in favour and 1 against.

Item 10 on the agenda

Discharge for 2010: European Environment Agency

CONT recommended the refusal to grant discharge with 15 votes in favour and 14 against and voted in favour of the closure of the accounts with 15 votes in favour and 14 against. The motion for a resolution was adopted as amended with 17 votes in favour and 12 against.

Item 11 on the agenda

Discharge for 2010: European Food Safety Agency

CONT recommended granting discharge with 24 votes in favour, 1 against and 1 abstention and voted in favour of the closure of the accounts with 24 votes in favour, 2 against and 1 abstention. The motion for a resolution was adopted as amended with 22 votes in favour, 1 against and 4 abstentions.

The vote in the plenary is scheduled for 23 October 2012, in Strasbourg.

Item 12 on the agenda

Special Report No 2/2012: Financial instruments for SMEs co-financed by the European Regional Development Fund

CONT/7/09094

Rapporteur: Mr RIVELLINI (PPE)

Rapporteur for opinion (REGI): Ms KLEVA (S&D)

The draft report was adopted as amended with 24 votes in favour, 1 against and 1 abstention.

End of voting time

Item 13 on the agenda

Appointment of a member of the Court of Auditors (Leonard Orban)

CONT/7/09901

Rapporteur: Ms SENDER (S&D)

- Hearing of ***Leonard Orban*** - Candidate nominated by the Romanian authorities

Mr ORBAN recalled that he had directly participated in Romania's European integration process for almost twenty years, and had played an active role in the adoption of many of the decisions involved. He thus highlighted his role as deputy chief negotiator with the EU from May 2001 to December 2004, his role as Secretary of State at the Ministry of European Integration, his membership of the European Commission as from 2007 and his present function as Romanian

Minister of European Affairs. He emphasised his involvement in discharge and audit issues while carrying out those tasks, both in a operational role as Commissioner and also as a reformer when coordinating Romania's preparation for access to the EU. He stressed in particular the reform of the law on external audit that he had worked on for more than a year and had helped to introduce into the Romanian legal system (to Mr SKYLAKAKIS, ALDE-EL). Mr ORBAN told Ms AYALA SENDER that his professional life had demonstrated independence and integrity not only from political parties but also from national interests. Concerning the handling of ECA reports on structural funds, he agreed that these could be delicate, given his former responsibilities, and announced that he would ask the President of the ECA not to hand him responsibility for dossiers that could potentially give rise to a conflict of interests. He stressed the fact that, in his view, the key problem in managing funds within Romania was the lack of administrative capacities. He also emphasised the experience he had acquired in discharge procedures as Commissioner. Mr AUDY inquired about his audit competences, the management of funds to strengthen human resources in Romania and his responsibilities in managing structural funds, given that the Commission had suspended payments for EUR 2 billion. Mr ORBAN recalled that he was only directly responsible for the technical assistance programme and that at the end of June the Commission had blocked reimbursements until an audit mission had been carried out. In this sense, he considered himself as part of the solution rather than part of the problem and had tried to cooperate with the Commission in order to avoid a final suspension of the payments. He also stated that he had always passed on information about cases of fraud that had been brought to his attention and shared the assessments made by the Commission in its report on the cooperation and verification mechanism concerning corruption. Mr ORBAN agreed with Mr MULDER that the error rate had increased in the last few years, thus preventing ECA from granting a positive statement of assurance (DAS). He considered that a solution could be found in overcoming the partial contradiction between the multiannual nature of the projects and the annual basis of the DAS.

Ms AYALA SENDER, in her closing remarks, invited CONT to take a favourable opinion on the nomination of Mr ORBAN.

Nevertheless, in the subsequent in camera vote on the report, CONT did not express a favourable opinion for the appointment of Mr ORBAN.

Item 14 on the agenda
Coordinators' meeting

and

Item 15 on the agenda
Any other business

Were dealt with in camera

Item 16 on the agenda
Next meeting(s)

- 27 September 2012, 9.00 – 12.30 (Brussels)
 - 8 October 2012, 15.00 – 18.30 (Brussels)
 - 9 October 2012, 9.00 – 12.30 (Brussels)
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