



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 24 January 2014**

**5693/14**

**PE 33  
BUDGET 4  
INST 58**

**NOTE**

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from: General Secretariat of the Council  
to: Delegations

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Subject: Summary record of the meeting of the European Parliament **Committee on Budgetary Control (CONT)**, held in Brussels on 23 January 2014

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The meeting was chaired by Mr GEIER (S&D, DE) and Mr STAES (Greens, BE).

***Items 1 and 2 on the agenda***

The agenda was adopted.

***Item 3 on the agenda***

**Appointment of a member of the Court of Auditors (Klaus-Heiner LEHNE - DE)**

CONT/7/14760

Rapporteur: Ms AYALA SENDER (S&D, ES)

- Hearing of ***Klaus-Heiner Lehne***, candidate nominated by the German authorities

Mr LEHNE (EPP, DE), German candidate for the Court of Auditors (ECA), was granted a favourable opinion at today's hearing held by the EP CONT Committee.

Mr LEHNE made a short introductory statement saying that it did not take him long to accept the nomination proposal of the German government since after 22 years as an MEP the time had come for a change. Despite his lack of an auditor's qualification, he stressed his competence in public and

budgetary law through his academic studies, his administrative career in budgetary and audit committees (particularly in Düsseldorf), as well as his law-making activity within the EP (he mentioned inter alia the Company Law Directive).

As for the independence requirement, he stated that he would step down from all his administrative and professional activities if appointed to the ECA.

He told Ms AYALA SENDER (S&D, ES), rapporteur, that being a parliamentarian had been his primary activity over the last twenty years and that he had kept his legal practice so as not to be dependent on a party. He emphasised that several members of the German Court of Auditors had a legal background and felt that this would be valuable for the ECA as well. He agreed that his experience in the field of combating fraud and money laundering would be useful in the ECA. When questioned by Ms AYALA SENDER about an issue of conflict of interest, he explained that an NGO had raised that issue just before the vote on the Tobacco Directive and he had dismissed it as unfounded.

He told Mr KALFIN (S&D, BG) that he would explore the possibility of referring to EP resolutions in the ECA reports on discharge. He confirmed to Mr SONDERGAARD (GUE, DK) that he would not stand for the EP elections and that, should he not be appointed to the ECA, he would resume his previous activities. He agreed with him that the appointment procedure of the ECA should also require a panel such as the one for ECJ judges provided for in Art. 255 TFEU.

He told Ms ROTH-BEHRENDT (S&D, DE), who welcomed Mr LEHNE's independence and was relying on him to explain EP working methods at the ECA, that contradictory procedures already existed within the ECA and told the rapporteur that the presence of four former MEPs would not affect the balance within the ECA. He replied to Ms GRÄSSLE (EPP, DE) that DAS remained a central aspect for the discharge procedure, although efficiency and performance needed to be looked at.

Mr GEIER (S&D, DE) in the chair noted that Mr LEHNE would be the third former EPP MEP at the ECA.

The vote on the opinion was scheduled for the February I plenary session.

*Item 5 on the agenda*

**2012 Discharge to the Joint Undertakings**

CONT/7/14928

Rapporteur: Mr RÜBIG (PPE, AT)

- Exchange of views in the presence of the Directors of the following Joint Undertakings:
  - Artemis Joint Undertaking
  - Eniac Joint Undertaking
  - Innovative Medicines Initiative Joint Undertaking (IMI)

The rapporteur felt that the error rate had to be established correctly as a preventive action that would help to do things properly in future. He pointed to timing, deadlines and swift implementation of projects as areas that could be improved.

The IMI (innovative medicines initiative) Director explained that the internal control system had already found that the error rate had exceeded the ceiling of 2%, and this was later confirmed by the ECA. In his view, the reasons for the error rate were to be found in the inexperience of the beneficiaries. IMI was addressing this by providing guidance to the beneficiaries, audits, dissemination of information and ex-ante control.

The ENIAC (Joint Technology Initiative on nanoelectronics) representative emphasised that budget implementation scored 94% and 63 projects had been funded. Almost half of the beneficiaries were SMEs. He explained that audit activities had been delegated to national authorities because audit involved 23 sets of law.

The ARTEMIS (Advanced Research & Technology for EMbedded Intelligence and Systems) representative stressed that the legislative provisions applicable to his Joint Undertaking required respect for subsidiarity, including audit. He stressed that budget implementation had been affected by the financial crisis and the reduced financing capacity of MS. He told Mr STAVRAKAKIS that closer cooperation with MS was being enhanced to improve budget implementation.

***Item 6 on the agenda***

**Special Report No 10/2013 (2012 discharge) - Common Agricultural Policy: Is the specific support provided under Article 68 of Council Regulation (EC) No 73/2009 well designed and implemented?**

CONT/7/14386

Rapporteur: Ms KADENBACH (S&D, AT)

- Exchange of views and consideration of a working document.

The rapporteur said that it was difficult to make further requests for money from the EU taxpayer if spending was not properly justified. She expressed concern about the ECA findings in points 52-55 of the report of the ECA, which concerned in particular the lack of proper systematic monitoring tools for the evaluation of Article 68 measures, the inappropriate or insufficient controls of the implemented measures at MS level and the weaknesses in the administrative control and management systems.

Ms ORTIZ VILELLA (EPP, ES) stressed that a majority of MS had made use of Article 68 of Regulation No 73/2009 and considered this to be a useful instrument. She emphasised that the CAP reform had improved the transparency of the instrument, although she acknowledged that the Commission should detect and punish MS which had committed abuses.

The Commission representative highlighted that the CAP reform had addressed a number of the weaknesses arising from the application of Article 68 and mentioned in particular the list of eligible measures, quantitative limits annual budgetary ceiling and the request of Commission approval above a certain level. In this latter case the coupled support would need to be justified. He also stated that the expert group on direct payments was discussing these issues with a view to adopting a delegated act.

Deadline for tabling amendments: 28 February 2014.

***Item 7 on the agenda***

**Coordinators' meeting**

The meeting was held in camera

***Item 8 on the agenda***

**Any other business**

No other business was discussed

***Item 9 on the agenda***

**Next meeting(s)**

- 17 February 2014, 15.00 – 18.30 (Brussels)
  - 18 February 2014, 9.00 – 12.30 (Brussels)
  - 20 February 2014, 9.00 – 12.30 (Brussels)
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