

European Parliament press release, Chairman Herbert Bösch on the budget discharge (24 April 2007)

Caption: Interview conducted on 24 April 2007 by the European Parliament Press Service with Herbert Bösch, Chairman of the Committee on Budgetary Control. During the interview, Herbert Bösch outlines, among other things, the implications of the budgetary discharge given in respect of the 2005 financial year.

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Chairman Herbert Bösch on the budget discharge

Accountability for sound financial management of EU funds by EU members and scrutinising the growing number of EU agencies are pressing issues for this year's discharge procedure. Ahead of the plenary debate on Tuesday on the 2005 discharge, we spoke to the chair of the Budget Control Committee Herbert Bösch (Socialist PES). Here on the EP website he outlines the main issues and defends the European Court of Auditors against recent criticism by the Commission.

Mr Bösch, you are the chair of Parliament's Budget Control committee which has a leading role in the so-called "discharge procedure" by which Parliament releases the Commission from the responsibility for the execution of the EU budget. Can you tell us what, for the Parliament, the main issues are during this year's discharge procedure?

HB: Firstly, we want the Member States to take over their share of responsibility for the proper management and spending of EU funds, 80 percent of which are spent via authorities in the Member States. So, budget control can only work effectively if the Member States take over some responsibility.

Some countries are doing it already, some are more reluctant and we need to start to name and shame those. We are talking about taxpayers' money. So I find it hard to understand that some countries try to rid themselves off their responsibility for 80 % of the EU budget. What we want is a declaration from the governments certifying that the money was correctly spent.

Secondly, we want the administration and control system for the agricultural subsidies, which already functions very well where it is applied, to be extended to all Member States. There is one Member State, namely Greece, where it is not fully functional. Here we need to exert pressure.

Thirdly, there are lately an increasing number of EU agencies which become more and more difficult to control. An issue we need to take a closer look at.

The Commission has recently retorted to criticism of it by the Court of Auditors, (contained in the Court's last and previous annual reports), saying that it "fundamentally disagrees" with some of the Court's methods and they distort reality. Where does the Parliament stand in this respect? Are you more with the Commission or the Court of Auditors?

HB: We are no referee. Firstly, I don't understand why the Commission acted in such an ill-considered manner... Whatever you may say about the audit reports... I haven't heard of a democratic country where the government would criticise contents of the Court of Auditors report. The independence of the Court is sacrosanct, especially for the "guardian of the treaties" [i.e. the Commission].

Secondly, the discharge of the Commission is given by the Parliament on the basis of the annual report of the Court of Auditors. Its independent findings are the most important source of information for us. There are no doubts about that and where we stand in this regard.

A different question is what political conclusions we draw from the reports. The Court has for years not been able to give the so-called Statement of Assurance (DAS) while the Parliament – with one exception which led to the resignation of the Commission in 1999 – in the end has given positive verdicts – also based on the fact that we have seen improvements, which is politically the most relevant question.

Personally, I think that the Court of Auditors' reports also got better from year to year in terms of comparability. So we can actually measure that things are going into the right direction. That is why we have been able to give discharge.

On the one hand, everybody wants tax revenue to be correctly spent. On the other hand most people who are trying to work with or obtain EU grants or subsidies have the experience that the system is too bureaucratic. Does the pressure that the auditors and the Parliament put on the Commission to

spend the money well and to fight fraud lead to more and more bureaucracy?

HB: The first resignation of a European Commission in 1999 has led to some overreactions and to requiring ever more signatures under the contracts. But that does not necessarily increase legal security. The question is rather who in the end really is accountable.

The Budget Control Committee of the European Parliament is not made up of cannibals. What we want is that people base their decisions on a sound basis, even if afterwards it turns out that the decision was wrong – afterwards you are always smarter... but we want that people take responsibility and can justify their decisions.

I think the Commission has sometimes misinterpreted the pressure in a way that more and more paper work was demanded and prolonging the decision making procedures.

We are in the process of rectifying that, including by reforming the Financial Regulation of the EU. The activities, the policies must not become victims of the procedures. If it takes years to get a payment for a project than that is also a form of bad budget execution.