2006 discharge: EC general budget, Court of Auditors

2007/2041(DEC) - 26/03/2008

The Committee on Budgetary Control adopted the report by Nils **LUNDGREN** (ID, SE) recommending that the Parliament grant the Court of Auditor's Secretary-General discharge in respect of the implementation of the budget for the financial year 2006.

Firstly, the parliamentary committee notes that the Court had the following appropriations available to assure its functions: EUR 113 596 668 in commitment appropriations (compared to EUR 107 548 618 in 2005) with a utilisation rate of 89%.

MEPs recall that the Court's accounts were audited by an external firm, KPMG, which concluded that: "(...) the financial statements – of the Court – give a fair view of the financial position as at 31 December 2006 and of its operating results for the year then ended".

Pensions of former Members of the Court of Auditors: MEPs take note of the written answer provided by the Court to the rapporteur's questionnaire as regards the accounting of the pensions of former Members of the Court, according to which the pension liability as at 31 December 2006 is presented by the ECA on its balance sheet (but not accounted for as a long term claim against Member States). However, pension payments to Members of the Court amounted to EUR 2.3 million. For this reason, MEPs request that the liability for future pension payments and also the long-term claim against the Member States be included in the balance sheet in order to give a clear picture of existing liabilities and of the true cost of auditing in the EU.

On the whole, MEPs indicate that the 2006 report of the Court's Internal Auditor was largely positive, establishing that the quality of tender files and contracts was satisfactory although the choice of simplified or derogatory procedures could have been better justified.

Recruitment of personnel: MEPs note with concern the recruitment difficulties faced by the Court, particularly as regards professionally qualified staff. This is partly due to the higher cost of living in Luxembourg and the lesser attractiveness of the salary for the proposed grades (basic AD5 grade). However, the number of vacant posts has decreased in the space of a year, from 74 in 2006 and 56 in 2007, which shows the efforts made by the Court to close this gap. MEPs note that 5 new Members joined the Court in 2006 and hope that a more rational structure will be devised before the next enlargement, notably in order to reduce the total number of Members (MEPs suggest the introduction of a rotating system similar to that applying to the Governing Council of the ECB).

Declarations of financial interests: MEPs note that, in compliance with the ECA's Code of Conduct, Members of the Court declare their financial interests and other assets (including shares, convertible bonds and investment certificates as well as land and real estate, together with their spouses' professional activities). Lastly, they reiterate their opinion that Members of all EU institutions should be required to submit a declaration of financial interests, which should be accessible on the Internet via a public register.