2009 discharge: EU general budget, European Data Protection Supervisor

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PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2009, as part of the 2009 discharge procedure.

Analysis of the accounts of the EU Institutions: Section IX – **European Data Protection Supervisor.**

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2009 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Data Protection Supervisor.

The document helps to bring insight into the EU budget mechanism and the **way in which the budget has been managed and spent in 2009**. It recalls that European Union's operational expenditure covers the various headings of the financial framework and takes different forms, depending on how the money is paid out and managed.

In accordance with the Financial Regulation, the Commission implements the general budget using the following methods:

- **direct centralised management**: direct implementation of the budget by the Commission services;
- **indirect centralised management**: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, such as the EU agencies of public law or with public service missions;
- **decentralised management**: the Commission delegates certain tasks for implementation of the budget to third countries;
- **shared management**: under this method of management budget implementation tasks are delegated to Member States. The majority of the expenditure falls under this mode "Shared Management" involving the delegation of tasks to Member States, covering such areas as agricultural spending and Structural Actions;
- **joint management**: under this method, the Commission entrusts certain implementation tasks to an international organisation.

The document also presents the different financial actors involved in the budget process (accounting officers, internal officers and authorising officers) and recalls their respective roles in the context of the tasks of sound financial management.

Amongst the other legal elements relating to the implementation of the EU budget presented in this document, the paper focuses on the following issues:

- the way in which EU public expenditure is committed and spent;
- the means of recovery following irregularities detected;
- the modus operandi of the accounting system:
- the audit process followed by the European Parliament's granting of the discharge.

To recall, the final control is the discharge of the budget for a given financial year. The discharge represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission from its responsibility for management of a given budget by marking the end of that budget's existence.

Lastly, the document presents a series of tables and detailed technical indicators on (i) the balance sheet; (ii) the economic outturn account; (iii) cashflow tables; (iv) technical annexes concerning the financial statements.

Implementation of appropriations under Section IX of the budget for the financial year 2009: the document comprises a series of detailed tables, the most important concerning the implementation of the budget. As regards the European Data Protection Supervisor's expenditure, the table on the financial and budgetary implementation of this institution shows the following:

A) Table showing the commitment appropriations:

- Commitments: EUR 5 million (81.44% rate of implementation)
- Cancelled: EUR 1 million

B) Table showing the implementation of payments:

- Payments: EUR 5 million (64.24% rate of implementation)
- Carry-overs to 2010: EUR 1 million (15.02% of authorised appropriations)
- Cancellations: EUR 2 million

Lastly, the annexes detail specific expenditure of the institutions, in particular:

- **pensions**: an administrative budget heading includes the pension obligations towards the European Data Protection Supervisor;
- **joint sickness insurance scheme**: a valuation is made for the estimated liability that the EU has regarding its contributions to the Joint Sickness Insurance Scheme in relation to its retired staff. This gross liability has been valued at EUR 3 535 million. The calculations take into account active officials and pensioners from the various EU Institutions and Agencies, and their families, and active Members and pensioners from the European Data Protection Supervisor.

For further details on the budgetary implementation of expenditure of Section IX of the Budget (European Data Protection Supervisor) please refer to the Report on budgetary and financial management in 2009. This report outlines the main administrative objectives of the European Data Protection Supervisor. The main challenges in 2009 were:

- the consolidation of administrative cooperation (further technical implementation of the institution, cooperation with various DGs of the European Commission and European Parliament);
- continued efforts to limit tasks and staff of the Data Supervisor to proceed with the gradual integration of new subjects to be dealt with;
- given the institution's increased work flow, the lease of new office space within the European Parliament is necessary.

The report gives an overview of the results achieved as against the objectives set for 2009.