

2009 discharge: EU general budget, Council

2010/2144(DEC) - 25/10/2011 - Text adopted by Parliament, single reading

The European Parliament adopted a decision in which it has decided to **refuse to grant the Secretary-General of the Council discharge in respect of the implementation of the Council budget for the financial year 2009.**

Recalling that citizens have the right to know how their taxes are being spent and how the power entrusted to political bodies is handled, Parliament highlights the repeated shortcomings within the Council's discharge procedure and stresses, in an oral amendment adopted in plenary, the importance of improving transparency in the implementation of EU legislation and the rights of European citizens to receive better information.

Pending issues: Parliament acknowledges receipt on 28 February 2011 of a letter from the Secretary-General of the Council containing a number of documents for the 2009 Council discharge procedure (final financial statements of 2009 including accounts, financial activity report and summary of 2009 internal audits) and welcome this as a constructive step towards ensuring the democratic accountability of the Council's administrative budget. It recalls that the discharge was postponed as Parliament had not received any responses to a number of pending issues concerning the 2009 Council discharge which were raised at an earlier stage, notably: (i) the Council administration has not accepted any invitation to meet Parliament's Committee responsible for the discharge procedure in order to discuss matters concerning the Council budget execution for 2009 and consequently Parliament still needs **confirmation of the willingness of the Secretary-General of the Council to appear in person at a meeting of the Committee responsible for the discharge procedure** and to answer committee members' questions; (ii) Parliament has not received from the Council administration the information and documents requested in its resolution of 10 May 2011.

The right of Parliament to grant discharge: Parliament takes note of the letter of 2 June 2011 from the Council Presidency to President Buzek in which the Council considers that all the Union accounts for 2009, including its own, have been discharged in accordance with EU law by vote of the Parliament on 10th May 2011, in accordance with Article 319 of the TFEU. The resolution underlines the right of Parliament to grant discharge, pursuant to a combined reading of Articles 316, 317 and Article 319 of the TFEU and Article 50 of the Financial Regulation require the other institutions to respect the same rules and conditions as the Commission in the execution of its budget. It considers that, as a consequence, **the responsibility for the implementation of each budget lies with each respective institution and not with the Commission alone.** The resolution underlines that, notwithstanding possible different legal interpretations of the autonomous closure of accounts, Parliament is of the opinion that for all intents and purposes, political assessment of the institution's financial management during the year under examination should be completed, thereby maintaining the current institutional equilibrium, in accordance with which Parliament is responsible for the assurance of **democratic accountability** towards Union citizens.

Parliament considers that the abovementioned legal reasoning as well as the established practice of adopting individual decisions on discharge in respect of each Union institution and body support this interpretation and, in addition, the decisions on discharge need to be adopted separately for operational reasons in order to avoid discontinuity and disruption of Union action. It considers that if an institution fails to take the appropriate steps to act on the observations accompanying Parliament's discharge decision, Parliament shall be entitled to bring an **action for failure to act.**

A different role for Parliament and the Council in the discharge procedure: Parliament notes that, according to the Council Presidency's declaration at the meeting of the Committee on Budgetary Control

of 21 June 2011, the "memorandum of understanding" adopted by the COREPER on 2 March 2011 is intended to form the basis of relations between Parliament and the Council regarding the discharge of their respective budgets. This memorandum requires **full reciprocity between Parliament and the Council in respect of submission of documents**, answers to questions and a bilateral meeting to be organised every year between representatives of the Council and Parliament's Committee responsible for the discharge procedure, as well as Secretaries-General of both institutions. The resolution reiterates that a distinction must be maintained in respect of the different roles of Parliament and the Council in the discharge procedure and that the Council administration (its General Secretariat), as with the other administrations of Union institutions, including the Parliament administration itself, should be subject to the control of the Court of Auditors and should be fully accountable to Union citizens for the implementation of their respective budgets. Members point out that the control by the Court of Auditors of all the Union institutions, not just the Commission, is established by the TFEU as the basis on which Parliament should exercise its political control by means of the discharge. Plenary notes that the Court of Auditors carries out its controls on these institutions separately from the Commission controls and underlines that the final element of the accountability chain should be the democratic control through the **discharge granted by Parliament**.

Main elements of the Council's discharge: to conclude, Parliament recalls that the expenditure of the Council must be scrutinised in the same way as that of the other institutions, and the fundamental elements of such scrutiny should be:

- a formal meeting to be held between representatives of the Council and Parliament's Committee responsible for the discharge procedure, potentially "in camera", in order to answer committee members' questions. This meeting should be attended by the Secretary-General of the Council, the bureau of the Committee responsible for the discharge procedure, the rapporteur and the members representing political groups (coordinators and/or shadow rapporteurs);
- the discharge should be based on the following written documents submitted by all institutions: (i) accounts of the preceding financial year relating to the implementation of their budgets; (ii) a financial statement of their assets and liabilities; (iii) the Annual Activity Report on their budget and financial management; (iv) the annual report of their internal auditor.