2010 discharge: EU general budget, Section II - Council

2011/2203(DEC) - 10/05/2012 - Text adopted by Parliament, single reading

The European Parliament adopted by 614 votes to 11, with 5 abstentions, **a decision to postpone granting discharge to the Secretary-General of the Council for implementation of the Council's budget for the financial year 2010**.

In keeping with its power to make use of the two deadlines in the discharge timetable in order, in this case, to explore the **possibility of reaching an agreement with the Presidency-in-Office**, Parliament postpone this decision.

Parliament also adopted a resolution by 622 votes to 6, with 12 abstentions, containing a number of observations which are an integral part of the decision to postpone the discharge.

The resolution recall that, in its annual report for 2010, the Court of Auditors concluded, based on its audit work, that the payments as a whole for the year ended 31 December 2010 for the administrative and other expenses of the institutions and bodies were free from material error. Members state that Parliament is still awaiting all necessary documents for a discharge (including the full 2010 internal audit) and hope that it will receive the complete annual activity report providing a comprehensive overview of all human resources available to the Council.

Administrative and financial management of the Council: Members point out that in its 2010 annual report the Court of Auditors criticised the financing of the Residence Palace building project because of the advance payments during the period 2008-2010 amounting to EUR 235 million. The amounts paid came from under-utilised budget lines of the Council (or rather 'over-budgeted').

Members share the Court of Auditors' view that such a procedure does not comply with the principle of budget accuracy, despite the savings made in paying rent.

Transparency issues: Parliament regret the difficulties encountered in the discharge procedures for the 2007, 2008 and 2009 financial years, which were due to the **unwillingness of the Council to engage in an open and formal dialogue with the Committee on Budgetary Control as well as to answer the questions of the Committee**. It points out that Parliament refused to grant the Secretary-General of the Council discharge for the implementation of the Council budget for the financial year 2009 for the same reasons.

Members reiterate the view that the European taxpayers have every right to expect that the entirety of the Union budget, including all the funds managed autonomously by its separate institutions and agencies, should be **subject to full public scrutiny**.

Parliament deplores the fact that, unlike the other Union institutions, the Council does not consider itself responsible for the use of the funds made available to it. In an amendment adopted in plenary, Parliament notes the flaw in the Council's argument that granting discharge to the Commission should be interpreted as granting discharge to the entirety of the Union budget, including parts of the budget used by the Council, is demonstrated by its inconsistent adherence to the position that the Commission should not have the power to oversee and manage its budget. It believes that the only logical resolution of this

conflict is for Council either to invite the Commission to take control of its finances or to **participate fully in a standard discharge procedure** which must necessarily follow *mutatis mutandis* the full procedures followed for all the other institutions of the European Union.

Members call on the Secretary-General of the Council to provide Parliament's committee responsible for the discharge procedure with comprehensive written answers to a series of specific technical questions set out in the resolution. Members refer to letters between the Council and the Parliament in the framework of the discharge procedure and recalls that the Chair of the Committee on Budgetary Control sent a letter to the Presidency-in-Office of the Council, stating his wish to establish political dialogue and forwarding supplementary questions from the Committee on Budgetary Control on the discharge to the Council. They regret, however, that the Council refused to attend any official meeting of the Committee on Budgetary Control related to its discharge.

Application of rules according to the TFEU: Parliament emphasises the right of Parliament, on the Council's recommendation, to **grant discharge in accordance with the procedure laid down in the Treaty on the Functioning of the European Union**, which must be interpreted in the light of its context and purpose, which is to submit the implementation of the entire budget of the European Union to parliamentary control and scrutiny without exception, and to grant discharge autonomously, not only in respect of the section of the budget implemented by the Commission, but also in respect of the sections of the budget implemented by the other institutions. In another amendment adopted in plenary, Parliament believes the inter-institutional cooperation between Parliament and the Council to be of outmost importance in supervising the implementation of the Union budget. In this respect, it asks the Council to provide the answers to the pending questionnaire submitted by Parliament and calls on the Council to discuss the annual discharge for the general budget of the Union in a public part of the Council meeting.