2012 discharge: EU general budget, European Parliament

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PURPOSE: presentation of the Report of the Court of Auditors on the 2012 budget (Analysis of the accounts of the European Parliament).

CONTENT: the Court of Auditors published its 36th Annual Report on the implementation of the EU budget for the 2012 financial year.

In accordance with the tasks and objectives conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, it provides under the discharge procedure, for both the European Parliament and Council, a statement of assurance ("DAS") about the reliability of the accounts and the legality and regularity of the transactions of each institution, body or agency of the EU, based on an independent external audit.

The audit also focuses on the budget implementation of the European Parliament.

On the basis of its audit work, the Court considers that payments for "Administrative and other expenditure" policy are, overall, **significantly error-free**. The estimated error rate is next to nothing.

Although the Court has observed some errors and weaknesses, the examined supervisory and control systems are likely to reduce the rate of error present in initial payment requests to an acceptable level. These systems are therefore assessed as effective.

The main risks regarding administrative and other expenditure are:

- the non-compliance with the procedures for procurement;
- the implementation of contracts;
- recruitment issues;
- the calculation of salaries and allowances.

The Court makes a certain number of particular observations as regards each EU institution or body of the European Union. In the specific case of the European Parliament's audit, the report highlights issues relating to **public procurement**. Overall, no serious errors or weaknesses were detected. However, due to administrative errors, weaknesses were noted regarding, in one case, the management and documentation of the procurement procedure and in another case, the application of an award criterion.

These observations do not affect the positive overall appraisal given that they do not significantly affect overall administrative expenditure.