2013 discharge: EU general budget, Court of Justice

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PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2013, as part of the 2013 discharge procedure.

Analysis of the accounts of the EU Institutions: **EU Court of Justice**.

Legal reminder: the consolidated annual accounts of the European Union for the year 2013 have been prepared on the basis of the information presented by the institutions and bodies under Article 148(2) of the Financial Regulation applicable to the general budget of the European Union. They were prepared in accordance with Title IX of this Financial Regulation.

(1) Purpose: the document helps to bring insight into the EU budget mechanism and **the way in which the budget has been managed and spent in 2013**, including the different expenses of the European institutions. It should be recalled that only the Commission budget contains administrative appropriations and operating appropriations. **The other Institutions have only administrative appropriations.**

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:

- accounting principles applicable to the management of EU spending (business continuity, consistency of accounting methods, comparability of information ...);
- consolidation methods of figures for all major controlled entities (the consolidated financial statements of the EU comprise all significant controlled entities –institutions, organisations and agencies);
- the recognition of financial assets in the EU (tangible and intangible assets, financial assets and other miscellaneous investments);
- the way in which EU public expenditure is committed and spent, including pre-financing (cash advances intended for the benefit of an EU organ);
- 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.

Discharge procedure: 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. When granting discharge, Parliament may make observations which it considers important and often recommends the Commission and the other institutions to **take actions concerning these matters.**

The document also details specific expenditure of the institutions, in particular: (i) pensions of former Members and officials of institutions; (ii) joint sickness insurance scheme and (iii) buildings.

The document also 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.

(2) Implementation of the Court of Justice's appropriations for the financial year 2013: the document comprises a series of detailed annexes, the most important concerning the implementation of the budget.

Budget 2013: an amount of EUR 343 million was committed.

As regards the Court of Justice's expenditure, the information is drawn from the Report on the budgetary and financial management 2013. The appropriations available for 2013 amounted to **EUR 341.87 million** with 96.33% committed.

(3) Budgetary implementation - conclusions: in more general and political terms, the implementation of the Court of Justice's budget in 2013 was marked by the following:

- **increasing the pace of judicial activity**: first, the number of cases brought was the highest since the EU judicial system was created. With 1587 completed cases, the institution's productivity was at an unprecedented level. The Court completed 635 cases in 2013 (net figure, that is to say, taking account of the joinder of cases), a considerable increase compared with the previous year (527 cases completed in 2012). Of those cases, 434 were dealt with by judgments and 201 gave rise to orders. The Court had 699 new cases brought before it which amounts to an increase of approximately 10% compared with 2012 and constitutes the highest annual number of cases brought in the Court's history. The Court regrets that this intensification of judicial activity should not jeopardise the effectiveness of the judicial system of the Union as a whole;
- **Croatia**: 2013 was also marked by the accession of Croatia to the EU and by the arrival of two Croatian members respectively to the Court of Justice and the General Court, as well as the adoption of the decision to increase the number of Advocates General to the Court and, in this context, by the arrival of the first Polish Advocate General;
- **internal changes to the staff**: the past year also saw the departure of six members of the General Court as a result of the partial renewal of its membership and the departure of two members of the Court of Justice and a member of the Civil Service Tribunal.