2013 discharge: EU general budget, Court of Auditors

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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: **Court of Auditors**.

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 Court of Auditors' 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 132 million** was committed.

As regards the Court of Auditor's expenditure, the information is drawn from the Court of Auditors Report on the budgetary and financial management 2013. The rate of implementation of the general budget was 92%.

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

- Annual reports on the EU budget and on the European Development Funds (EDFs) for the 2012 financial year, providing improved clarity and information;
- 50 specific annual reports published on the EU's agencies, decentralised bodies and other institutions for the 2012 financial year;
- 19 special reports adopted on specific budgetary areas or management topics, ranging from the EU' s support for the food industry to EU development assistance in central Asia;
- 6 opinions and other output providing contributions on budget reform, such as the reform of various EU funds, the financial regulation of the European Development Fund, the financial rules applicable to the EU budget and financial support for political parties and political foundations at the European level;
- organisation of a highlevel conference on European governance and accountability in the presence of the President of the European Council, Herman van Rompuy.

On management:

- first year of implementation of a new strategy for 2013 to 2017 which will guide the ECA's activities over the period with the objective of maximising the value of the institution's contribution to EU public accountability;
- efficiency gains in administration further strengthen the ECA's ability to pursue its mission;
- official opening of the K3 building and consolidation of all staff on one site to promote even more efficient teamwork (completion with a level of commitments of EUR 7.135 million).