2013 discharge: EU general budget, Committee of the Regions

2014/2083(DEC) - 30/07/2014 - Non-legislative basic document

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: **Committee of the Regions**.

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 Committee of the Regions' appropriations for the financial year 2013: the document comprises a series of detailed annexes, the most important concerning the implementation of the budget. The appropriations available for 2013 amounted to **EUR 87 million with 97% committed**.

Additional information on the management of resources of the Committee can be found in the 2013 Report on the budgetary and financial management of the Committee of the Regions.

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

- the continuation of legislative monitoring with the adoption of opinions by the Committee of Regions (73 opinions in 2013 + 7 resolutions);
- the continuation of cooperation with other EU institutions and regional and local authorities.

In 2013, the Committee met 6 times in plenary and organised 2 extraordinary sessions including one in Dublin and one in Vilnius under the rotating Presidency of the EU.

Furthermore, the report also noted the following:

- monitoring of specific platforms and networks established by the Committee, such as Europe 2020 Monitoring or Subsidiarity Monitoring;
- organising an interinstitutional dialogue on the Europe 2020 sustainable growth strategy with the presence Mr Van Rompuy (22 March 2013) and an Open Days, specifically dedicated to this issue;
- monitoring of the 2014-2020 financial framework negotiations within the budgets for local investment;
- organising debates with EU citizens in the framework of the European Year of Citizens 2013, devoted in particular to the European elections in 2014;
- strengthening the external dimension of the Committee's activities as regards foreign policy, the EU neighbourhood policy and cooperation, with a focus on Mediterranean countries;
- negotiation of a new administrative cooperation framework with the European Parliament and renewed framework for the management of multilingualism within the institution.