2013 discharge: EU general budget, European Ombudsman

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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: **European Ombudsman**.

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 Ombudsman's appropriations for the financial year 2013: the document comprises a series of detailed annexes, the most important concerning the implementation of the budget. As regards the Ombudsman's expenditure, the information is drawn from the Report on the financial and budgetary management 2013 of the European Ombudsman.

The appropriations available for 2013 amounted to EUR 9.731 million with 98.22% (or EUR 9.556 million) committed.

(3) Budgetary implementation - conclusions: in more general and political terms, the implementation of the Ombudsman's budget in 2013 was marked by the following (see Annual Report 2013 – European Ombudsman):

- **2 420 complaints registered,**
- 1 407 requests for information replied to by the Ombudsman's services,
- 9 own-initiative inquiries opened,
- 20 own-initiative inquiries closed,
- **441complaints based inquiries closed**,
- 341 inquiries opened on the basis of complaints received.

In total, 2354 actions were taken by the European Ombudsman on complaints received in 2013.

2013 was also marked by the election of **Emily O'Reilly** in September as the first female European Ombudsman replacing Nikiforos Diamandouros.

Other important elements in the management of resources in 2013:

- **Audit**: with a view to ensuring effective management of resources, the Ombudsman's internal auditor, regularly checks the institution's internal control systems and the financial operations that the office carries out.
- **Annual Management Plan (AMP)**: the Ombudsman adopted an Annual Management Plan (AMP), which identifies concrete actions that the office needs to take in order to implement the institution's priorities. The AMP for 2013 was the third to be based on the Ombudsman's Strategy for the mandate 2009-2014. The objectives for 2013 – as for the other years covered by the strategy – were to listen, deliver, persuade, communicate, and adapt.
- **Activity report**: the Ombudsman also adopted an Annual Activity Report (AAR). The AAR reports on the results of operations with regard to the objectives set out in the AMP, the risks associated with the operations, the use made of the resources at the Ombudsman's disposal, and the efficiency and effectiveness of the institution's internal control system.