2013 discharge: EU general budget, European Data Protection Supervisor

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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 Data Protection Supervisor**.

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 EDPS'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 EDPS's expenditure, the information is drawn from the Report on the Annual Accounts of the European Data Protection Supervisor 2013.

The appropriations available for 2013 amounted to 7.66 million with 95.1% of these committed.

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

- in the consultation area, advising on new legislative measures, the review of the EU legal framework for data protection; the Digital Agenda and the privacy risks of new technologies were also significant features of 2013;
- the implementation of the Stockholm Programme in the area of freedom, security and justice and issues in the internal market, such as financial sector reform, and in public health and consumer affairs, also had an impact on data protection. The EDPS also increased cooperation with other supervisory authorities, particularly with regard to large-scale IT systems (SIS, VIS and Eurodac);
- in the supervision of EU institutions and bodies, when processing personal data, the EDPS interacted with more data protection officers in more institutions and bodies than ever before. In addition, it has completed a number of surveys showing that most EU institutions and bodies, including many agencies, have made good progress in complying with the Data Protection Regulation, although there are still some which should increase their efforts.

The key EDPS figures in 2013 are:

- 91 prior-check Opinions adopted, 21 non-prior check Opinions,
- 78 complaints received, 30 admissible,
- 37 consultations received on administrative measures,
- 8 on-the-spot inspections (including 2 fact finding visits) and 3 visits carried out,
- 1 set of Guidelines published on the processing of personal data in the area of procurement,
- 20 legislative Opinions published,
- 13 sets of formal comments,
- 33 informal comments.