2012 discharge: EU general budget, European Council and Council

2013/2197(DEC) - 23/10/2014 - Text adopted by Parliament, single reading

In accordance with Annex V, Article 5, paragraph. 2(b) of the European Parliament’s Rules of Procedure, Parliament decided by 623 votes to 7, with 2 abstentions, to **refuse to grant the Secretary-General of the Council discharge in respect of the implementation of the European Council’s and the Council's budget for the financial year 2012**.

Parliament recalled that all Union institutions ought to be transparent and fully accountable to the citizens of the Union for the funds entrusted to them as Union institutions including the European Council and the Council.

It also noted that under Rule 94 of its Rules of Procedure, "the provisions governing the procedure for granting discharge to the Commission in respect of the implementation of the budget shall likewise **apply to the procedure for granting discharge to [...] the persons responsible for the implementation of the budgets of other institutions and bodies of the European Union** such as the Council (as regards its activity as executive)".

Irregularities in the management of public procurement: Parliament emphasised the fact that in the annual report concerning the financial year 2012, the Court of Auditors included observations on the European Council and the Council concerning errors in the design of procurement procedures. It shared the Court of Auditor's recommendations that the authorising officers of the European Council and Council should improve the design, coordination and performance of procurement procedures through appropriate checks and better guidance.

It noted that the **Council did not provide any further reply** to the Court of Auditor's recommendations.

Other pending issues: Parliament called on the Council to inform Parliament about the progress of construction and the final costs projection of the 'Europa' building as well as the cost incurred to date relating to the construction of the 'Residence Palace' building project (including information detailing the total amount of appropriations used in the purchase of the building).

It reiterated its call on the Council to provide information on its process of administrative modernisation, in particular on the concrete implementing measures of that process and on the anticipated impact on the Council's budget.

Discharge procedure: in general, Parliament regretted the difficulties repeatedly encountered in the discharge procedures to date, which were due to a **lack of cooperation from the Council**. It pointed out that Parliament refused to grant discharge to the Secretary-General of the Council in relation to the financial years 2009, 2010 and 2011 and that it postponed the decision on granting the Secretary-General of the Council discharge in relation to the financial year 2012 for the reasons set out in its resolution of 3 April 2014 (please refer to the summary of the resolution). It confirmed that it is unable to make an informed decision on granting discharge.

Parliament reminded the Council of the Commission's view that **all institutions are fully part of the follow-up process to the observations made by the Parliament in the discharge exercise** and that all institutions should cooperate to ensure the smooth functioning of the discharge procedure. It regretted that the Council continues to fail to provide answers to Parliament's questions which were sent in April 2014

and recalled the conclusions of the Parliament workshop on Parliament's Right to Grant Discharge to the Council held on 27 September 2012 at which the legal and academic experts largely agreed on the Parliament's right to information. According to the Parliament, it insisted that the expenditure of the Council must be scrutinised in the same way as that of other institutions. It took the view that failure to submit the requested documents to Parliament above all undermines the right of citizens of the Union to information and transparency and is becoming a cause for concern, reflecting as it does a certain democratic deficit within the Union institutions. Parliament urged the Council therefore not to treat its requests for access to information as a bid for institutional supremacy but to **give priority to the right of the public to be fully informed**.

Proposed solutions: Members considered that Parliament and the Council could make some progress by setting up a "*modus vivendi*" procedure together with a list of documents to be exchanged in order to fulfil their respective roles in the discharge process. They encouraged, in this respect, the Council to seek a political solution to the Council discharge regardless the different legal views which Parliament and the Council continue to hold. Parliament also considered that satisfactory cooperation between Parliament, the European Council and the Council as a result of an open and formal dialogue procedure can be a positive sign to be sent to the citizens of the Union.