2014 discharge: EU general budget, Committee of the Regions

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PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2014, as part of the 2014 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 2014 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.

(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 2014**, 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 performance indicators in the framework of the financial implementation;
- 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 2014: the document comprises a series of detailed annexes, the most important concerning the implementation of the budget. The appropriations available for 2014 amounted to **EUR 96 million with 89.4% committed**.

As regards the budgetary implementation of the CoR, additional information on the management of resources of the Committee can be found in the 2014 Report on the budgetary and financial management of the Committee of the Regions. 2014 was marked by the following:

- the continuation of legislative monitoring with the adoption of opinions by the Committee of Regions (57 opinions in 2014 + 6 resolutions);
- the continuation of cooperation with other EU institutions and regional and local authorities.

In 2014, the CoR elected Michel Lebrun as its President. It also celebrated 20th anniversary.

The Committee met 5 times in plenary and organised 2 extraordinary sessions including one in Athens and one in Turin marking the EU Presidencies of Greece and Italy.

Furthermore, the report also noted the following:

- adoption in total of 57 opinions prepared in the specialised commissions and 6 resolutions;
- the networks and platforms (Europe 2020 Monitoring, Subsidiarity Monitoring, European Grouping of Territorial Cooperation, etc.) provided supplementary input to these documents;
- the CoR also worked towards an action plan with the EIB an action plan to boost the delivery of the EUR 315 billion Juncker Plan and EU structural funds;
- further engagement with citizens and debate in Europe;
- the continued dialogue on territorial policies in the context of the European Neighbourhood Policy, Enlargement Policy and Development Cooperation, with a focus on Mediterranean countries;
- celebrations and special events organised as part of the 20th anniversary of the Institution;
- negotiating a new framework for administrative cooperation with the European Parliament and the EESC.