2014 discharge: EU general budget, European Council and Council

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The Committee on Budgetary Control unanimously adopted the report by Ryszard CZARNECKI (ECR, PL) in which it called on the European Parliament to **postpone its decision on granting the Secretary-General of the Council discharge in respect of the implementation of the budget of the European Council and of the Council for the financial year 2014**.

Members recalled that transparency and the scrutiny of public accounts are overarching democratic principles which also apply to the Union and that the **discharge procedure is part of the concept of representative democracy**. They noted that legal and academic experts agreed on Parliament’s right to information at the European Parliament workshop on Parliament’s right to grant discharge to the Council held on 27 September 2012.

Noting that the payments as a whole for the year ended on 31 December 2014 for administrative and other expenditure of the institutions and bodies were free from material error, Members insisted that the Council must be accountable and transparent, as are the other institutions. They also called on the Council to join the Union transparency register.

Members noted that in 2014, the European Council and the Council had an overall budget of EUR 534 million, with an implementation of 91.3%. They took note of the decrease of EUR 1.3 million (-0.2 % of the Council's budget for 2014) and continued to be concerned at the **high underspending rate** that covers almost all categories. They reiterated their call for the development of key performance indicators to improve the budgetary planning.

Greater transparency: Members reiterated their call on the European Council and the Council to send Parliament their **annual activity report** with a comprehensive overview of all human resources available to both institutions, broken down by category, grade, sex, nationality and vocational training. They considered it regrettable that the Council has still not adopted a code of conduct given that all the Union institutions and agencies should agree on a common code of conduct, which is indispensable to the transparency, accountability and integrity of those institutions. They called on those EU institutions and bodies which still do not have a code of conduct to develop such a document as soon as possible.

Members also noted with concern that there are no integrity rules, **conflicts of interest declarations** and detailed biographical information for the President of the European Council and his cabinet members. They called on the Council to put in place measures that will remedy the situation and to report on this to the discharge authority.

They noted with concern that there is a **worrying lack of transparency with regard to the legislative process, negotiations, Member States´ positions and meetings within Council**. They urged the Council to disclose the relevant documents and to put in place a clear reporting system that will enable the public to follow the legislative procedures in an open and transparent manner.

Transparency measures are also called for as regards the cost of the buildings policy.

Reasons for postponement of the decision on granting discharge: Members reiterated that the Council ought to be transparent and fully accountable to Union citizens for the funds entrusted to it by taking part fully and in good faith in the annual discharge procedure just as other Union institutions do. They considered, in this regard, that **effective supervision of the Union's budget implementation requires cooperation between Parliament and the Council through a working arrangement**. They regretted the difficulties encountered in the discharge procedures to date and stressed the need to improve the capacity for dialogue between the two institutions.

They noted that the procedure of giving discharge separately to the individual Union institutions and bodies is a long-standing practice, which it has developed to guarantee transparency and democratic accountability towards Union taxpayers.

However, for Members, each of the institutions, as defined in Article 2(b) of the Financial Regulation, has **autonomy to implement its own section of the budget** pursuant to Article 55 of the Financial Regulation.

In order to maintain transparency and democratic accountability towards Union taxpayers, Parliament grants discharge to each institution individually. However, since 2009, the Council has refused to cooperate with the discharge procedure as implemented by Parliament, **failing to provide the necessary information**, answer written questions and attend hearings and debates on the implementation of its own budget, and that, as a result, **more than EUR 3 billion in public funds have been spent without proper scrutiny**. They consider this to be a negative sign sent to Union citizens.

This situation constitutes a serious failure to comply with the obligations laid down by the Treaties, in particular the principle of sincere cooperation between the institutions, and that a solution must be found quickly so that the whole of the Union budget can be scrutinised.

Reiterating its point of view that the discharge procedure is an important instrument of democratic accountability to the citizens of the Union, **Members called on the Council to enter into negotiations with Parliament with a view to ensuring that the latter can exercise its right of access to information** concerning the implementation of the Council's budget.

Lastly, Members stated that a revision of the Treaties may ultimately be required in order to render the discharge procedure more clear, in the sense that the Parliament is tasked expressly with the competence to grant discharge to all institutions and bodies individually. Pending this revision, the Commission is called upon to amend the Financial Regulation to clarify the objectives of the discharge procedure and to clearly define sanctions for not respecting the regulations.