2016 discharge: EU general budget, Court of Justice

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PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 discharge procedure.

Analysis of the accounts of the EU Institutions: **European Court of Justice.**

Legal reminder: the consolidated annual accounts of the European Union for the year 2016 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.

Consolidated annual accounts of the EU: this Commission document concerns the EU's consolidated accounts for the year 2016 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It also presents the accounting principles applicable to the European budget (in particular, consolidation).

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.

Audit and discharge: the EU’s annual accounts and resource management are audited by the European Court of Auditors, its external auditor, which as part of its activities draws up for the European Parliament and the Council:

- an annual report on the activities financed from the general budget, detailing its observations on the annual accounts and underlying transactions;
- an opinion, based on its audits and given in the annual report in the form of a statement of assurance, on (i) the reliability of the accounts and (ii) the legality and regularity of the underlying transactions involving both revenue collected from taxable persons and payments to final beneficiaries.

The European Parliament is the discharge authority within the EU. The **discharge** represents the **final step** of a budget lifecycle. It is 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 (and other EU bodies) from its responsibility for management of a given budget** by marking the end of that budget's existence.

This discharge procedure may produce three outcomes: (i) the granting; (ii) postponement; (iii) or the refusal of the discharge.

(2) Implementation of the Court of Justice’s appropriations for the financial year 2016: the document noted that in 2016 the Court’s budget was **EUR 373.2 million,** with an implementation rate of final appropriations of 98.23%, due mainly to the gradual arrival in 2016 of **12 new judges** at the General Court corresponding to the first stage of the strengthening of that court (one of those judges had yet to be appointed at the end of 2016).

By way of reminder, when the 2016 draft budget was drawn up at the beginning of 2015, it was thought that all those 12 judges would already have taken up their duties at the beginning of 2016.

As regards the **Court of Justice's expenditure**, the information is drawn from the 2016 Annual Report – Management Report. The main conclusions were:

- the overall number of cases brought was maintained at a high level in 2016 (**1 604 cases**) with 1628 cases closed;
- continuing **reform process of the judicial architecture** shall enable the Institution, through a doubling of the number of judges of the General Court by a process spreading over three stages until 2019, to fulfil its mission in the best possible conditions;
- improvements were made to the e-Curia application, the Court's recruitment policy and the translation service activities;
- utmost importance was given to the European Parliament's invitation to improve computer security in parallel with the digitalisation of documents;
- **buildings policy**: the Court continues the project for the fifth extension to its buildings which will, by 2019, allow it to gather all its staff on a single site (when it leaves the last rented building) and thereby strengthen the efficiency of the services.