2016 discharge: EU general budget, European Economic and Social Committee

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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 Economic and Social Committee.**

Consolidated annual accounts of the EU: this Commission document concerns the EU's consolidated annual accounts for the year 2016, 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. It 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 Economic and Social Committee's appropriations for the financial year 2016: the total 2016 budget was EUR 130.6 million, of which EUR 127.0 million were spent or carried forward to 2017 as commitments. This equals a take-up rate of 97.2%, compared to 95.9% in 2015.

As regards the budget implementation of the EESC, the Annual Activity Report 2016 stated that the Committee focused on the following activities:

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- the EESC adopted a total of 151 opinions and reports, including 13 exploratory opinions on referral from the EU presidencies and 3 at the request of the European Commission, 58 opinions on referral from the European Parliament and Council and 42 on referral from the European Commission;
- 616 emails with citizens' questions were received in the general EESC mailbox and replied to in 2016, which corresponds to an increase of roughly 8% as compared to the previous year;
- four opinions about the circular economy, the functional economy, the collaborative economy and the sharing economy and self-regulation were published;
- enhanced dialogue with the civil society as well as civil society organisations in third countries with a view to monitoring the different strands of the EU’s external policies. New platforms were put in place for structured dialogue with Ukrainian civil society, as well as with Georgia and Chile;
- closer interinstitutional cooperation between the European Committee of the Regions and the EESC;
- the signature of the administrative arrangements between the EESC and the European Anti-Fraud Office (OLAF) which seek to facilitate the swift exchange of information;
- the process of revision of the EESC’s internal financial rules started in 2016, with the revised rules expected to come into force by the end of 2017.