2016 discharge: EU general budget, European Data Protection Supervisor

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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 Data Protection Supervisor.**

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 EDPS’s appropriations for the financial year 2016: the EDPS was allocated a budget of **EUR 9 288 043**. This represents an increase of 4.55 % compared to the 2015 budget.

Austerity policies were put in place. Most budgetary lines, for the fourth consecutive year, remained frozen to 0% and the overall increase as to EDPS current activities was of 1.30%.

Nevertheless, some additional resources were requested for some activities foreseen in the EDPS Multiannual Financial Framework 2014-2020 (MFF 2014-2020).

As regards the budget implementation of the EDPS, the Annual Report 2016 stated that the 2016 was characterised by the following:

- preparing for and implementing the General Data Protection Regulation (GDPR);

- improved regulation of data flows;
- continuation of the **small task force** created in 2015 which has the responsibility of assessing the necessary legal, operational and budgetary means for the future set up of a new EU body, the European Data Protection Board (**EDPB**). In line with the GDPR, the new EDPB must be fully operational by **May 2018**;
- launch of the **Ethics Advisory Group** to develop innovative and effective ways of ensuring EU values are upheld in an era of ubiquitous data and intelligent machines;
- creation of a **Digital Clearing House** for competition, consumer and data authorities to share information and ideas on how to ensure the individual interest is best served in specific cases.