Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2017: performance, financial management and control

2018/2210(DEC) - 28/06/2018 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2017, as part of the 2017 discharge procedure: performance, financial management and control.

The document focuses on the **performance, financial management and control of the EU's accounts** in general.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the **EU's consolidated accounts for the year 2017** 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 is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies with a view to granting discharge.

Performance: implementing robust performance frameworks is essential for ensuring a strong focus on results, EU added value and sound management of EU programmes. The Commission is committed to ensuring that the EU budget achieves better outcomes for citizens and that supports the political priorities. To ensure resources are allocated to priorities and that every action brings high performance and added value, the Commission implements its EU Budget Focused on Results initiative. Building on the 2014–2020 performance framework, it promotes a better balance between compliance and performance.

The 2014-2020 performance frameworks have been included as a new compulsory element and as a key pillar of the increased result orientation of this programming period. It foresees the establishment of clear and measureable objectives, indicators and targets as well as monitoring, reporting and evaluation arrangements.

Controls: the European Court of Auditors (the Court) is the external auditor of the EU institutions (and bodies). The Court's mission is to contribute to improving EU financial management, promote accountability and transparency, and act as the independent guardian of the financial interests of the citizens of the EU. The Court's role as the EU's independent external auditor is to check that EU funds are correctly accounted for, are raised and spent in accordance with the relevant rules and regulations and have achieved value for money.

The EU's annual accounts and its resource management are audited by the Court, which, as part of its activities, draws up for the European Parliament and the Council:

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- 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;
- the reliability of the accounts and the legality and regularity of the underlying transactions;
- **special reports** covering specific areas.

Discharge procedure: the **final step of a budget lifecycle is the discharge**. It is the decision by which the European Parliament 'releases' the Commission from its responsibility for management of a given budget by marking the end of that budget's existence. It is granted by the European Parliament on the recommendation of the Council.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

The procedure results in the granting, postponement or refusal of discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.