

2017 discharge: Court of Auditors' special reports

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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 (**Court of Auditors' special reports**).

Consolidated annual accounts of the EU: 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.

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 **special reports** and annual reports, 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.

External audit: the European Court of Auditors 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:

- 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.

The special reports of the Court of Auditors provide information on issues of concern related to the implementation of funds, which are **thus useful for Parliament** in exercising its role of discharge authority.

The observations on the special reports of the Court of Auditors form an integral part of Parliament's decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017.