2001 discharge: EC general budget, European Parliament

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PURPOSE : to present the Court of Auditor's Annual report on the implementation of the budget and other Community institutions for the financial year 2001 (European Parliament). CONTENT : the annual report from the Court of Auditors relating to the financial year 2001 concentrates on the entire Community budget, including the operational appropriations for the other institutions. These appropriations are managed directly by these authorities and are used primarily to pay the salaries, allowances and pensions of persons working for the Community Institutions, as well as rent, property, purchases and miscellaneous administrative expenditure. The Court has reviewed the information presented in Volumes I to IV of the revenue and expenditure account published by the Commission. Volumes I and III provide a commentary on budgetary management for the year and, in particular, explanations of variations between the approved budget and the appropriations finally available, as well as between the appropriations finally available and those utilised. This review sought to identify any significant variations for which explanations are not provided and to identify any explanation that might be considered misleading. The review did not reveal any such case. It should be noted that in response to the Court's observations of the Annual Report concerning the financial year 2000, the Commission and the Parliament have improved the presentation and user-friendliness of their analysis of budgetary management. In particular, the Commission has provided some global analysis and has introduced a more logical and consistent presentation between chapters and the Parliament has given factual information about the results achieved with the budgetary appropriation used. However, institutions other than the Commission continue to focus on describing changes in levels of appropriations during the year and on commitment made and not on the differences between sums committed and sums paid. It is still the Court's opinion that it would be desirable for all the institutions to provide a more global analysis of their budgetary management which highlights and explains trends over time in expenditure and the funding of major capital items, and which offers key measures of economy and efficiency. Sufficient explanations are now given on the specific issue of the Annual Report concerning the financial year 2000 of the way the Parliament transfers to the budget heading ' Rent and annual lease payments' unused appropriations from other budget headings to make capital repayments on buildings. Moreover, the Parliament explains that additional appropriations were made available for such repayments through Supplementary and Amending budget No 2 for the financial year 2001. As regards the reliability of the accounts, the Court maintains the observations concerning the Louise Weiss building in Strasbourg. The notes to the balance sheet still do not indicate that the net accounting value of EUR 329,9 million is an estimated value or that various construction-related costs are contested by the Parliament. Furthermore, Parliament has continued to depreciate 'special equipment' at the maximum rate of 25% with a result that the full depreciation is achieved at the end of the financial year 2001. Th Court does however state that except for the minor findingsmentioned above, the audit of the reliability of the accounts did not reveal any evidence of misstatements considered material to the consolidated accounts of the European Communities. The evaluation of the internal control systems and the outcome of the substantive testing of a sample of transactions relating to salaries paid to officials and temporary staff did not give rise to any significant observation. Lastly, the Court still observes that the scales used to pay mission expenses to staff of categories C and D are higher than those provided for in the Staff Regulation. In addition the evaluation of the internal control systems and the outcome of the substantive testing of a sample of transactions relating to salaries paid to officials and temporary staff did not give rise to any significant observation.