1999 discharge: EC general budget, Parliament

2000/2157(DEC) - 01/12/2000 - Court of Auditors: opinion, report

PURPOSE: presentation of the Annual Report of the Court of Auditors on the implementation of the European Parliament's budget for the 1999 financial year. CONTENT: The annual report concerning the financial year 1999 focuses on the Community budget as a whole, including the administrative appropriations of the other European Union institutions. These appropriations are managed directly by the institutions and basically serve to pay Members' and staff salaries, allowances and pensions, as well as rents, purchases of real estate and various administrative expenses. The report indicates that the overall rate of utilisation (payments and sums carried over into the next accounting period) of appropriations is 99%. The rate of cancellation of appropriations is 1%. No single budget line was the subject to any remarks regarding its implementation. As far as the Statement of Assurance is concerned, the report indicates that the reliability of the budgetary accounts and the financial statements in support of the consolidated balance sheet is affected by a net under-estimation of tangible fixed assets. The liabilities not appearing in the balance sheet show a decrease in the trend in the future burden with respect to the pensions system which rises from 15 billion euros to 12.6 billion euros, due to a reduction in the rate of interest between 1998 and 1999. As far as the legality and regularity of the underlying operations, the examination of the expenditures arising from the pensions system for former officials did not show any particular anomalies. Overall, therefore, the legality and regularity of the underlying operations is satisfactory. However, specific recommendations concerning the management of certain expenditures of the European Parliament should be noted. In particular, the Court published a specific report concerning the expenditures of the Parliament's political groups. The Court made several recommendations that may be summarised as follows: 1) a single regulation should calrify the eligibility criteria for this expenditure; 2) the rules applicable to financing political parties, as well as the role and activities of the groups should be transparently defined; 3) financial management procedures should provide for an effective internal control system; 4) rules should be established with regard to the regime for the ownership and recording of items acquired; 5) each group's annual report should set out clear and detailed financial and accounting information; 6) the external audit of all the groups should be entrusted to a single organisation with a clearly defined mandate to allow it to cover all their activities; 7) the contractual relationship between the groups and their employees and contractors should be clarified.