2002 Discharge: Translation Centre for the Bodies of the European Union

2003/2247(DEC) - 15/10/2003 - Non-legislative basic document

PURPOSE : to present the report from the Court of Auditors on the financial statements of the Translation Centre for the bodies of the European Union for the financial year 2002. CONTENT : this report concerns the results of the audit performed by the Court on the financial statements of the Translation Centre for the bodies of the European Union for the financial year ended 31/12/2002. This examination has enabled the Court to obtain reasonable assurance that the annual accounts for the financial year ended 31 December 2002 are reliable and that the underlying transactions, taken as a whole, are legal and regular. Nevertheless, the Court has drawn attention to some specific issues. The report states that the appropriations entered into the financial year 2002 amount to EUR 23,6 million. EUR 15,9 million was committed and EUR 14,7 million was paid. EUR 1,2 million was carried over and a total of EUR 7,7 million was cancelled. The appropriations carried over from the previous year amount to EUR 1,8 million, of which EUR 1,6 million were made in payments and EUR 0,2 million was cancelled. The Court states that Article 26a of the Centre's Financial Regulation provides that the balance for the previous financial year shall be entered as revenue for the financial year. The way that the Centre interprets this Article is to enter as revenue for the year solely that part of the balance for the previous financial year which corresponds to the outturn for the year preceding that one. For 2002, this has the effect of leaving EUR 3,4 million of resources temporarily unused; this sum is to be found under liquid assets. Since the Centre does not fully exploit the capabilities of its general accounting software, it uses a spreadsheet to monitor its revenue and client accounts, thus giving rise to a major risk of error which was highlighted during the audits. The Centre replies to the criticisms made by the Court. It states in particular that since the end of its start-up phase on 31 December 1997, the Translation Centre has interpreted Article 26a of its Financial Regulation on a permanent basis, considering the balance for the financial year to be that established at the time when the Management Board, following the report by the Court of Auditors for the financial year in question, grants discharge to the Director in respect of the implementation of the budget. When presenting its revenue and expenditure account and balance sheet, the Translation Centre has always informed the Management Board before 31 March of the following year of the balances for each financial year. For 2002, the Translation Centre informed the Management Board of the outturn for 2001 at their first meeting following the close of the financial year, which was held on 14 March 2002. At this meeting, the Management Board decided to enter the EUR 3,4 million as revenue in the preliminary draft budget for 2003. The Centre highlights that in accordance with Council Regulation 1605/2002/EC, the problem with the interpretation of Article 26a of the Centre's Financial Regulation could be resolved.