2003 discharge: EC general budget, Council

2004/2042(DEC) - 30/11/2004

PURPOSE : to present the report from the Court of Auditors on the implementation of the budget for the financial year 2003 (Other institutions – Council).

CONTENT : in its 27th Annual Report on the 2003 financial year, the Court states that, on the whole, the institutions have made a considerable effort to adapt their supervisory systems and controls to the requirements of the new Financial Regulation. Nevertheless, most of them have not succeeded to implement the changes necessary and weakness have been stated in terms of the legality and regularity of the underlying transactions. These discrepancies do not however jeopardise the positive character of the State of Assurance (DAS) on the implementation of the budget for the other institutions.

Concerning the expenditure, the Court highlights that there were no significant discrepancies. It does note that the new supervisory systems and controls should have been better applied by all the institutions in order to respect the rules of the new Financial Regulation.

It should be noted that in 2003, the authorising officers by delegation have presented for the first time annual activity reports which provide very useful information on the working of the control systems. The Court would like these report to be more comprehensive so that they can be used in the framework of the annual DAS.

More specifically, as regards the execution of the Council's budget, the Court of Auditors states that the actions required by the Financial Regulation and the implementing rules were implemented to a certain extent. The following actions were, however, not carried out by 31 December 2003 the setting up of minimum control standards; the definition of a code of professional standards for the accounting officer and imprest administrator; the drafting of a charter describing the tasks, rights and obligations of the accounting officer and imprest administrator. In 2003 the internal auditor carried out various sound financial management audits, as well as an audit of the Council's financial statements for the financial year 2002. As these audits do not concern the legality and regularity of transactions underlying the 2003 accounts, their results are not directly relevant to the Court's specific appraisal on the legality and regularity of administrative expenditure.

Lastly, legal services were contracted without any tendering procedure, although their value exceeded the threshold above which a tendering procedure was required.