Basic information

2000/2155(DEC) DEC - Discharge procedure	Procedure completed
1999 discharge: EC general budget, section III Commission **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible		Rapporteur	Appointed
CONT	Budgetary Control	BLAK Freddy (PSE)	06/11/2000

Committee for opinion		Rapporteur for opinion	Appointed
AFET	Foreign Affairs, Human Rights, Common Security, Defense	LASCHET Armin (PPE-DE)	05/12/2000
LIBE	Citizens' Freedoms and Rights, Justice and Home Affairs	DEPREZ Gérard (PPE-DE)	29/08/2000
ITRE	Industry, External Trade, Research, Energy	MATIKAINEN-KALLSTRÖM Marjo (PPE-DE)	05/12/2000
EMPL	Employment and Social Affairs	CROWLEY Brian (UEN)	05/12/2000
ENVI	Environment, Public Health, Consumer Policy	BOWE David Robert (PSE)	21/11/2000
RETT	Regional Policy, Transport and Tourism	MARKOV Helmuth (GUE/NGL)	11/07/2000
CULT	Culture, Youth, Education, Media and Sport	PERRY Roy (PPE-DE)	28/04/2000
DEVE	Development and Cooperation	HOWITT Richard (PSE)	22/11/2000
FEMM	Women's Rights and Equal Opportunities	GRÖNER Lissy (PSE)	22/11/2000

Council of the European Union

Council configuration	Meetings	Date

	Economic and Financial Affairs ECOFIN	2335	2001-03-12

European Commission	Commission DG	Commissioner
	Budget	

Key events

Date	Event	Reference	Summary
28/04/2000	Non-legislative basic document published	SEC(2000)0537	Summary
03/07/2000	Committee referral announced in Parliament		
27/03/2001	Vote in committee		Summary
27/03/2001	Committee report tabled for plenary	A5-0113/2001	
03/04/2001	Debate in Parliament		
04/04/2001	Decision by Parliament	T5-0177/2001	Summary
04/04/2001	End of procedure in Parliament		
15/06/2001	Final act published in Official Journal		

Technical information

Procedure reference	2000/2155(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 101
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/12741

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0113/2001	27/03/2001	
Text adopted by Parliament, single reading		T5-0177/2001 OJ C 021 24.01.2002, p. 0131-0196 E	04/04/2001	Summary
Text adopted by Parliament, single reading		T5-0178/2001 OJ C 021 24.01.2002, p. 0131-0196 E	04/04/2001	
Text adopted by Parliament, single reading		T5-0179/2001 OJ C 021 24.01.2002, p. 0131-0196 E	04/04/2001	

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	02088/2001	12/03/2001	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2000)0537	28/04/2000	Summary
Document attached to the procedure	SEC(2000)0538	28/04/2000	Summary
Document attached to the procedure	SEC(2000)1624	02/10/2000	
Non-legislative basic document	COM(2001)0696	19/11/2001	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N5-0617/2000 OJ C 342 01.12.2000, p. 0009	01/12/2000	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2001/0444
OJ L 160 15.06.2001, p. 0001 Summary

Budget 2001/0445
OJ L 160 15.06.2001, p. 0022

1999 discharge: EC general budget, section III Commission

2000/2155(DEC) - 28/04/2000 - Non-legislative basic document

PURPOSE: the presentation of the revenue and expenditure account and the financial statement with respect to the operations of the 1999 budget - section III - Commission. CONTENT: This document presents a summary of the utilisation of the Commission's appropriations in 1999, heading by heading. The 1999 budgetary process falls within the framework of the financial perspectives annexed to the inter-institutional agreement on budgetary discipline of 29.10.1993, modified in December 1994 following the enlargement of the Union to include Austria, Finland and Sweden. In 1997, these financial perspectives were the subject of a technical adjustment to trends in GNP and prices. In 1997 a proposal was adopted to adapt the financial perspectives to implementation conditions the objective of which was to transfer allocations for structural actions not used in 1997 to 1999 (1,433

million euros). Likewise, 101 million euros of Cohesion Fund allocations not used in 1997 were transferred to 1999. In addition to these transfers of commitments, the budgetary authority decided to raise the overall ceiling of payment appropriations by 300 million euros for the 1999 financial year. In this way, the ceiling for commitment appropriations amounted in 1999 to 103.384 billion euros and the ceiling on payment appropriations amounted to 96.663 billion euros. The margin available under the ceiling of own resources (1.27% of GNP) this came to 0.03% of GNP in 1999. The document also provides a summary of the 1999 budgetary procedure which was characterised by an unprecedented number of supplementary and amending budgets (SABs): in total 5, of which the most important concerned the granting of adequate financial means to fund reconstruction assistance following the Kosovo crisis, the granting of administrative autonomy to the Anti-Fraud Office, reconstruction assistance following the Turkish earthquake and the funding a greater number of 'external action' programmes under heading 4 of the budget. As far as the overall implementation of the budget is concerned, up to 98.7% of the commitment appropriations authorised in 1999 were implemented or carried over into 2000, thus a higher rate than that in 1998 (97.5%). These figures confirm effective implementation (with the exception of external actions) of payments authorised in the agricultural sector and structural actions. The total payment appropriations effectively implemented or carried over left a margin remaining of 12.7 billion euros under the ceiling set for the payment appropriations in the financial perspectives. This total of payment appropriations in implementation represents 1.08% of GNP (as against 1.11% in 1998). while the ceiling for own resources was at 1.27% of GNP. As far as the trend in the amount remaining to clear for payment in the differentiated appropriations, by heading of the financial perspectives concerned, taking into account the implementation operations undertaken in 1999, we observe once again a slight deterioration in the clearance of the amount remaining to clear from the previous years. This trend concerns above all the structural actions and, to a lesser degree, internal policies. As far as the structural actions are concerned, the amount remaining to clear registered a higher increase in 1999 than in1998 (26.1% as opposed to 10.7%), which is, in part, due to the large-scale re-programming of amounts coinciding with the end of the 1993-1999 programming period. Nevertheless, 3.748 billion euros in payment appropriations were carried over to 2000. Given that an exceptional level of payments took place in February and March 2000, this delay should be reduced gradually.

1999 discharge: EC general budget, section III Commission

2000/2155(DEC) - 01/12/2000

PURPOSE: presentation of the Annual Report of the Court of Auditors on the implementation of the 1999 General Budget and the respective Statement of Assurance. CONTENT: This 1999 Annual Report follows the format used for the past two years with chapters dealing with revenue and each of the expenditure areas that fall under the headings of the financial perspectives. 1999 was an important year for financia management in the Community. A crisis of confidence in the Commission's management which had developed over previous years came to a head with the two reports of the Committee of Independent Experts, after the first of which the Commission resigned. The new Commission which began work in September 1999 immediately set about a new reform programme. Many of the important weaknesses which the reform programme is seeking to address are points on which the Court in its reports over the years has emphasises on many occasions: the inadequacy of the Community's contractual arrangements, fundamental and structural weaknesses in internal control which diminish the responsibility of authorising officers, persistent shortages in resources for the management of some programmes. The Court encourages the Commission to proceed with the implementation of its reform proposals as soon as possible, bearing in mind that some of the reforms require changes to the Financial and Staff Regulations. It is only when structures and procedures are in place and actually functioning that it will be possible to assess whether the intended improvements in financial management are being obtained. Changing the management culture of an organisation like the Commission is difficult, and will take time, but it is only with such changes that the reform proposals will work. However, the Court believes that improvements in financial management constitute but a part of what is needed to improve the overall management of Community funds. Member States are responsible for the day-to-day management of the bulk of the funds from the Community budget, in the areas of the CAP and Structural Funds. Important initiatives have been taken to improve matters by means of stengthening the financial controls that the Member States themselves are required to maintain over Community-financed (or co-financed) operations. Separately from any consideration of the Commission's reform proposals, this annual report shows that some progress has been made in specific areas: action has been taken by the Commission to remedy specific weaknesses in some projects and programmes (aid to South Africa, reforms to the measures for the subsidised use of skimmed milk and skimmed milk powder for animal feed, etc.). In other areas, however, such as the reform of the wine market organisation, and the taking of corrective action following the detection of errors or irregularities in the ERDF field, the response has been slow or partial. In its Statement of Assurance on the 1999 accounts, the Court again draws attention to problems with the Community's financial statements similar to those found in previous years. Weaknesses in accounting systems and procedures mean that the information presented is in some cases incorrect or incomplete. The problems in management and control systems covering operational expenditure, both at the Commission and in the Member States, continue to give rise to a significant incidence of errors,mainly at the level of the final beneficiary. In view of these observations, the Court cannot provide assurances that the transactions underlying the financial statements are legal and regular except as regards own resources, the commitments and the Institutions' staff expenditure. The Court lists a number of cases regarding which it is of the opinion that the accounts for the 1999 financial year do not reflect reliably the Communities' revenue and expenditure for the year and the financial situation at the end of the year: - a net understatement of fixed assets by around EUR 240 million; - a material understatement of short-term amounts receivable from Member States; - a material understatement of sundry debtors; - a lack of information on advances and payments on account at the year end; - an understatement of commitments by some EUR 2.600 million; - an overstatement of commitments still to be settled by some EUR 1.270 million; - a material overstatement of potential receivable amounts. Lastly, attention is drawn to the danger of misinterpreting or misrepresenting the errors found by the Court as an indication of the level of fraud affecting the Community budget. The references in the Court's report to payments whose amounts are wrong because of error and irregularity concern primarily problems of inadequate financial management and control. The bulk of the errors occur in the main expenditure programmes managed by the public authorities in the Member States, and concern particularly such things as small overpayments to farmers and payments for expenditure by public authorities which is not eligible for EU co-financing. Only a small proportion of the breaches of the regulations found by the Court have justified further investigation by OLAF or the authorities of the Member States with criminal jurisdiction. The extent of the fraud was the subject of an Annual Report on the protection of the Community's financial interests which brings together the data provided by the Commission and the Member States (please refer to COS/2001/2036). The Court considers that much remains to be done to improve co-operation between OLAF and the Member States in the investigation and prosecution of fraud and corruption involving the EU budget.

1999 discharge: EC general budget, section III Commission

2000/2155(DEC) - 04/04/2001 - Text adopted by Parliament, single reading

The European Parliament voted 422 to 48 with 15 abstentions to clear the accounts of the EU's 1999 budget but in doing so called for a revision of the Framework Agreement so that any MEP has the right to receive confidential information from the Commission when this is considered necessary. The resolution drafted by Mr Freddy BLAK (PES, DK) calls on the Commission to cut the error rate with a view to obtaining a positive 'Statement of Assurance' from the Court of Auditors for the 2003 budget at the lastest. (Please refer to the previous document). The Council and the Parliament have both been criticised for imposing tasks on the Commission, for which it does not have sufficient human resources. Therefore, the budgetary authority is called upon to to make the resources available to the Commission to implement the tasks imposed on it. Furthermore, the Member States which have not yet ratified the 1995 Convention on the Protection of Financial Interests, namely Belgium, Ireland and Luxembourg, are called upon to do as soon as possible. The Parliament underscores the urgent need for clarification of OLAF's information policy. According to the Parliament, it is therefore essential to continue the debate between OLAF and its competent committee, the Committee on Budgetary Control, so as to lay down agreed, precise and binding ground rules on the matter. The European Parliament also adopted an amendment which regrets that the Commission has not forwarded certain information and documents requested by the discharge authority, even after the conclusion of the Framework Agreement. It calls, in light of this experience, for the revision of the Framework Agreement, this process being governed by the following principles: - confirmation of the right of any MEP to demand and receive confidential information from the Commission, in conformity with Article 197; - unreserved application of provision of Annex VII to the Rules of Procedure on the consideration of confidential documents, which includes the right of any committee member to consider confidential documents; - forwarding of complete original documents without prior alterations or obliterated text.

1999 discharge: EC general budget, section III Commission

2000/2155(DEC) - 12/03/2001

PURPOSE: presentation of the Council recommendation on the discharge to be granted to the Commission on the implementation of the Communities' budget for the 1999 financial year (Commission section). CONTENT: The Council recommendation recalls the main figures for the financial year in question: - revenues of EUR 86,908,069,717.84; - expenditure of EUR 84,268,265,870.26; - balance of EUR 3,219,889,970.85. Based on the observations contained in the Court of Auditors' report concerning the 1999 financial year, the Council calls on the European Parliament to grant the discharge of the budget for 1999. However, the implementation of the budget by the Commission calls for a number of comments from the Council which need to be fully taken into account by the Commission without delay. It awaits that the Commission provides a regular report on the progress made, in particular, with respect to its plan of action on financial management. Welcoming the implementation of the programme on the reform of the Commission one of the objectives of which is the review of the institution's financial procedures, the Council invites the Commission to ensure the development and the implementation of the financial control structure and financial audit systems, in light of the Court's recommendations. Welcoming the improvement of the Statement of Assurance in the perspective of becoming an analysis tool for management and control systems, the Council deplores the fact that yet again the Court was not able to issue a positive statement of assurance to the Commission on the budget for the 1999 financial year because of the unacceptably high level of errors in the operations underlying payments, while noting that the Court gave a positive appreciation as regards the own resources and administrative expenditures. It would like a higher number of sectors to benefit from a positive appreciation in the future. The Council, furthermore, examined the report on the first stage of the action plan that the Commission had launched and awaits new developments in this regard. It invited the Member States once again to complete the ratification procedures of the Convention on the protection of the Community's financial interests. In conclusion, bearing in mind the various remarks made and the fact that the Commission is involved in a reform process and in the introduction of an action plan to reform financial management which echoes the observations and recommendations made in previous discharge procedures, and conscious that the process requires a reasonable time to bear results, the Council recommends the granting of the discharge to the Commission for the implementation of the 1999 budget.

1999 discharge: EC general budget, section III Commission

2000/2155(DEC) - 04/04/2001 - Final act

PURPOSE : to grant discharge in respect of the implementation of the general budget of the European Union for the 1999 financial year. COMMUNITY MEASURE : Decisions 2001/444/ECSC, Euratom and 2001/445/EC, ECSC, Euratom of the European Parliament concerning discharge in respect of the implementation of the general budget of the European Union for the 1999 financial year and the closing of the accounts concerning the same budget (Commission). CONTENT : with the present decision, the European Parliament grants discharge to the Commission in respect of the implementation of the general budget of the European Union for the 1999 financial year and the definitive closing of the accounts for the 1999 financial year. The decision is accompanied by a resolution from the Parliamentary containing a series of comments which form an integral part of the discharge decision and which is laid out in the Parliament's opinion (please refer to the previous text).

1999 discharge: EC general budget, section III Commission

2000/2155(DEC) - 28/04/2000 - Document attached to the procedure

PURPOSE: presentation of the revenue and expenditure account and the financial balance relating to the operations of the 1999 budget - section III - Commission (Volume II) CONTENT: This document presents the summary of the Commission's budgetary implementation for the 1999 financial year. Revenue: the gross revenue amounts to 88,446,100, 159.87 euros. Bearing in mind the expenditures incurred by the Member States in the collection of own resources (1,538,030,442.03 euros), the net revenue for the 1999 year amounts to 86,908,069,717.84 euros. Expenditure: the gross expenditure amounts to 87,318,106,352.73 euros. When negative expenditure imputable to the EAGGF-Guarantee Fund (3,049,840,482.47 euros) is taken into account, the total net amount of budgetary expenditure comes to 84,268,265,870.26 euros.