Basic information

2001/2104(DEC) DEC - Discharge procedure	Procedure completed
2000 discharge: EC general budget, others institutions **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MORGAN Eluned (PSE)	06/11/2001

Former committee responsible	Former rapporteur	Appointed
CONT Budgetary Control	MORGAN Eluned (PSE)	06/11/2001

European Commission

Commission DG	Commissioner
Budget	

Key events

Date	Event	Reference	Summary
27/04/2001	Non-legislative basic document published	SEC(2001)0530	
11/06/2001	Committee referral announced in Parliament		
20/03/2002	Decision by Parliament	A5-0094/2002	
20/03/2002	Vote in committee		
20/03/2002	Committee report tabled for plenary	A5-0094/2002	
09/04/2002	Debate in Parliament		Summary
10/04/2002	Report referred back to committee		
16/04/2002	Vote in committee		
16/04/2002	Committee report tabled for plenary	A5-0113/2002	
25/04/2002	Decision by Parliament	T5-0196/2002	
25/04/2002	End of procedure in Parliament		
17/06/2002	Final act published in Official Journal		

Technical information

Procedure reference	2001/2104(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0094/2002	20/03/2002	
Committee report tabled for plenary, single reading		A5-0113/2002	16/04/2002	
Text adopted by Parliament, single reading		T5-0196/2002 OJ C 131 05.06.2003, p. 0016-0103 E	25/04/2002	

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	01651/2002	05/03/2002	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2001)0530	27/04/2001	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N5-0617/2001 OJ C 359 15.12.2001, p. 0011-0416	10/10/2001	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2002/0453
OJ L 158 17.06.2002, p. 0066

2000 discharge: EC general budget, others institutions

2001/2104(DEC) - 10/10/2001

PURPOSE : to present the Annual Report of the Court of Auditors concerning the financial year 2000. CONTENT : the Annual Report concerning the financial year 2000 focuses on the all the accounts and operations involving administrative expenditure of the European Union's 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. Volumes I and III provide a commentary on budgetary management for the year and, in particular, explanations of variations between the initial approved budget and the appropriations finally available, as well as between the appropriations finally available and those utilised. This review did not seek to provide assurance as to the reliability of these explanations. Rather, it 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 case where the explanations appeared to be implausible, except at the Council, where mission costs totalling some 0,5 million euro relate to missions carried out in 1999 in the absence of any appropriations and pre-commitment. The Court indicates that the general approach adopted by the institutions to the analysis of budgetary management fails to inform readers of the most significant features of expenditure for the year. All of the institutions focus on explaining variances between out turn and the budget, sometimes in great detail. The way they do this is, however, inconsistent both within and between institutions. The analysis often obscures key issues in budgetary management. For the Court, it is desirable for the institutions to provide a more global analysis in the future, focusing on the main trends in expenditure, and the major capital items, as well as offering key measures of economy and efficiency. In view of all the results of its audit, the Court is of the opinion that the transactions underlying the financial statements, taken as a whole, are legal and regular in respect of revenue, commitments and administrative expenditure but declines to provide this assurance in respect The way in which the budget implementation process is split up in terms of place and time thus makes the task of verifying the legality and regularity of all the transactions a particularly complex one. The Commission, which, under Article 274 of the EC Treaty, is responsible for implementing the budget, is dependent on the good cooperation of the national authorities and other bodies involved. This system is characterised by great diversity in terms of the administrative and accounting cultures, traditions and practices involved. of the other payments. The Court reveals that for the first time the budgetary accounts and financial statements supporting the consolidated balance sheet faithfully reflect the administrative expenditure of Community institutions and bodies. The off-balance-sheetcommitments present future pension costs in a more informative manner. The annual cost of pension rights acquired during the financial year is now shown. However, in the view of the Court it would be better for the liability to be presented in the balance sheet and the annual charge included in the calculation of the economic result. As regards the Council, the Court of Auditors states that although the Justus Lipsius building was commissioned in 1995, it is entered, for an amount of 339,1 million euro, under the heading 'Fixed assets under construction' on the grounds that the official deed has still not been signed, and as a result it has not been depreciated at all. The fact is, however, that this building has been paid for in full and the property's inherent risks and benefits have actually, in substance, been transferred to the Council. This asset should therefore have been entered under the heading 'Land and buildings' for a net accounting value of 257,7 million euro, With regard to the Court of Justice, the Court highlights that leased buildings are shown in the balance sheet for the first time. Their net accounting value, i.e. 96 million euro, is underestimated by some 2,1 million euro because, in the case of Annex B, depreciation was calculated on the basis of the financial year following that in which it was commissioned. In addition, the notes to the balance sheet make no reference to the provisional nature of this value, since negotiations are still underway to determine the financial consequences of certain construction faults. With regard to the Commission, the administrative expenditure of the Commission and the related assets and liabilities form a small part of the overall consolidated financial statements. The Court notes that for the first time the financial statements mention the liabilities taken on by the Commission in connection with the renovation work on the Berlaymont building, which is estimated at 374 million euro. This real-estate operation also calls for examination with regard to sound financial management, given, inter alia, the Commission's lack of control over these renovation costs. Other observations concern the respective balance sheets of the ESC and the Committee of the Regions (COR) neither disclose the value of the buildings worth 225 million euro for which they signed long-lease contracts with an option to purchase in December 2000, nor even the advance of 26 million euro that was paid (which the Commission nevertheless included in the consolidated balance sheet). A formula for apportioning these joint assets between the ESC and the COR has still not been determined. In general, the Court found systems operated as intended at each of the institutions, but the following weakness was found to apply to all institutions. The ACPC and Financial Control, although they operate ex ante (i.e. prior to the commitment being entered into), are detective controls designed to highlight errors in procedures already carried out. When problems with procedures are identified, the options for remedial action available are often very costly and impractical for the institution. Therefore, in practice, ACPCs' opinions reflect the overall interests of the institutions and are not limited to giving an opinion on whether the tendering procedure was in order. This is one element contributing to the low rate ofnegative opinions given at the larger institutions and the adoption of policies of never giving negative opinions by some of the other institutions. As a result, in a number of cases ACPCs gave favourable opinions combined with explicit criticism of certain aspects of the tendering procedure and recommendations aimed at improving future practice.

2000 discharge: EC general budget, others institutions

2001/2104(DEC) - 05/03/2002 - Supplementary non-legislative basic document

PURPOSE : to present the Council Recommendations on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Communities for the financial year 2000 (other sections). CONTENT : having regard to the observations contained in the report from the Court of Auditors relating to the financial year 2000, the Council calls on the Parliament to give a discharge to the Commission for the financial year 2000. Nevertheless, the implementation of the budget is subject to a series of comments made by the Council which should be immediately be taken into consideration by the Commission. Firstly, the Council welcomes the fact that the Court considers the operations and accounts covered by

heading 5 of the financial perspective satisfactory as a whole, as was already the case for the financial year 1999. The Council also welcomes the significant improvement in the management of tangible assets, other than property, thanks to the implementation of a new inventory system (ELS). The Council also notes with satisfaction that the Court considers that the procurement procedures applied in the institutions are in general legal and regular and that the control system complies with the Financial Regulation. Like the Court, it urges all the institutions to continue to improve these procedures, in particular through a system of preventive measures and training actions for authorising officers and managers. With regard to the follow-up to various previous observations made by the Court concerning the institutions' management of expenditure on buildings, the Council points out that the Treaty does not allow European institutions to borrow. Nevertheless, in the light of its conclusions on the Court's special report No 5/2000, the Council considers it necessary that the institutions should, before undertaking large building projects, inform the budgetary authority, especially on the multi-annual financial implications. Lastly, the Council notes the Court's observations on the need for a match between the pay system and merit.

2000 discharge: EC general budget, others institutions

2001/2104(DEC) - 25/04/2002

PURPOSE : to grant discharge on the implementation of the budget of the other institutions of the European Union for 2000 and to close the discharge procedures 1996-1997-1998-1999 for the implementation of the Economic and Social Committee's budget. COMMUNITY MEASURE : Decision 2002 /453/EC of the European Parliament concerning discharge in respect of the implementation of the general budget of the European Union for the 2000 financial year - Section II - Council, Section IV - Court of Justice, Section V - Court of Auditors, Section VI - Economic and Social Committee, Section VII - Committee of the Regions, Section VIII - Ombudsman and concerning discharge in respect of the implementation of the general budget of the European Union for the 1996 to 1999 financial years, Section VI - Economic and Social Committee. CONTENT : with the present decision, the European Parliament grants discharge to the Council, the Court of Justice, the Court of Auditors, the Economic and Social Committee, the Committee of the Regions and for the first time to the Ombudsman of the Union on the implementation of the their respective budgets for the 2000 financial year. This decision is accompanied by comments which constitute an integral part of the discharge decision and which are included in the Parliament's opinion (please refer to the summary of the opinion dated 25 April 2002). The decision also aims to close the discharge procedures relating to the implementation of the budget of the Economic and Social Committee for the years 1996, 1997, 1998 and 1999.

2000 discharge: EC general budget, others institutions

2001/2104(DEC) - 27/04/2001

PURPOSE : to present the analysis of the financial management of the European Communities for the financial year 2000 (other sections). CONTENT : this document sets out the amount of expenses and the financial report of the other Community institutions (except for the Commission) for the 2000 financial year, that is: - the European Parliament (refer to DEC/2001/2103), - the Council, - the Court of Justice, - the Economic and Social Committee, - the Committee of the Regions, - the Ombudsman. With regard to these institutions one can note: 1) for the Council : the 2000 budget is EUR 354.456.000 . The year 2000 had been marked by the Helsinki Council conclusions conferring new competences to the Secretariat General of the Council notably the putting in place of military bodies causing additional expenditure. In order to meet this expense, the Secretariat should have made supplementary and amending budget No 2/2000 with the purpose of meeting the requirements of the experts in the military field, as well as the renting of an additional building. The other important requirements not foreseen at the time of the budget have required a reinforcement of certain lines by the transfer of additional appropriations. It should be noted that the Secretariat General had been in a position to finance certain new requirements thanks to the outlay granted by the services of the Council. In fact, from the beginning of the year, the services had been asked to keep a reserve to cope with inescapable and priority needs of the new structure; 2) with regard to the Court of Justice : the budget is EUR 131.256.645 incurring a height of 98,56%. This has been marked by interinstitutional co-operation. The expenditure of this chapter has risen from 136%. They concern, for the most part, translation costs as well as grants for the running costs of the restaurants and canteens in the Court, largely in deficit in 2000. It should be added that nearly all of the fixed rate assets have been spent. The expenditure has remained stable with the exception of the costs related to the Court's change of address; 3) with regard to the Court of Auditors: the budget is EUR 70.310.520, reaching the height of 94,35% of which a non-negligible percentage concerns the costs of personnel on active duty and asset investments. In this context, the Court should have made several additional appropriations between chapters. A report on the long term staffing policy has been drafted, as requested by the European Parliament; 4) concerning the Economic and Social Committee and the Committee of the Regions, the 2000 budget was marked by the suppression of the joint organisational structure. These two institutions have therefore budget autonomy with a better visibility of the work of each institution. The implementation of the budget was, therefore, for the first time, distinct; 5) concerning the Ombudsman, its budget is, for the first time, split from that of the Parliament, with as a consequence a greater visibility of this institution's expenditure.