Basic information

2005/2042(DEC) DEC - Discharge procedure	Procedure completed
2004 Discharge: EC general budget, European Ombudsman **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	LUNDGREN Nils (IND/DEM)	20/04/2005

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
DEVE Development	The committee decided not to give an opinion.	
INTA International Trade	The committee decided not to give an opinion.	
BUDG Budgets	The committee decided not to give an opinion.	
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	24/05/2005

TRAN	Transport and Tourism	The committee decided not to give an opinion.	
REGI	Regional Development	The committee decided not to give an opinion.	
AGRI	Agriculture and Rural Development	The committee decided not to give an opinion.	
PECH	Fisheries	The committee decided not to give an opinion.	
CULT	Culture and Education	The committee decided not to give an opinion.	
JURI	Legal Affairs	The committee decided not to give an opinion.	
LIBE	Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
AFCO	Constitutional Affairs	The committee decided not to give an opinion.	
FEMM	Women's Rights and Gender Equality	The committee decided not to give an opinion.	
PETI	Petitions	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	

Key events

Date	Event	Reference	Summary
07/10/2005	Non-legislative basic document published	N6-0027/2005	Summary
15/11/2005	Committee referral announced in Parliament		
21/03/2006	Vote in committee		Summary
28/03/2006	Committee report tabled for plenary	A6-0116/2006	

26/04/2006	Debate in Parliament		
27/04/2006	Decision by Parliament	T6-0164/2006	Summary
27/04/2006	Results of vote in Parliament		
27/04/2006	End of procedure in Parliament		
06/12/2006	Final act published in Official Journal		

Technical information

Procedure reference	2005/2042(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/27159

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE369.892	03/02/2006	
Amendments tabled in committee		PE370.130	28/02/2006	
Committee report tabled for plenary, single reading		A6-0116/2006	28/03/2006	
Text adopted by Parliament, single reading		T6-0164/2006	27/04/2006	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05971/2006	23/02/2006	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	N6-0027/2005	07/10/2005	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0039/2005 OJ C 301 30.11.2005, p. 0001	30/11/2005	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act
Budget 2006/0816 OJ L 340 06.12.2006, p. 0046-0046 Summary

2004 Discharge: EC general budget, European Ombudsman

2005/2042(DEC) - 07/10/2005 - Non-legislative basic document

PURPOSE : presentation of the final annual accounts of the European Community for the financial year 2004 – Other institutions : Section VIII (A) - European Ombudsman.

CONTENT : this document sets out the amount of expenditure and the financial statement of the European Ombudsman for 2004 and presents an analysis of its financial management. The available appropriations set out in the Ombudsman's 2004 budget amounted to EUR 5,8 million, with a 89,4% utilisation rate.

Main axes of 2004 expenditure : the budget implementation was highlighted by the implementation of the new Financial Regulation and the consecutive direct management of a whole series of administrative and financial tasks which were until recently carried out by the Parliament (yet paid by the Ombudsman). Until 1999, the Ombudsman's budget was linked to the Parliament's and for some years certain administrative tasks were still being carried out by Parliament staff. This system is no longer in force.

The implementation report states that the activities carried out by this institution can be characterised by 4 main issues :

- Ombudsman's workload following enlargement : the number of complaints increased by around 51% compared to 2003 which was a real challenge for the institution;
- implementation of the new Staff Regulations : many interinstitutional agreements were put in place to find satisfying solutions for all;
- new budget and financial independence : in order to comply with the new Financial Regulation which entered into force in 2003, the Ombudsman was authorised to increase its staff dealing in these areas;
- improve working methods within the Office : to improve the filing and archiving of documents and to create a new database containing all the complaints made to the Ombudsman.

Amendments to the 2004 budget : throughout 2004, the Ombudsman made amendments to the budget through appropriation transfers between items and chapters :

- costs relating to the implementation of the Ombudsman's Work Programme (notably increasing its profile in the new Member States);
- costs relating to the reform of the Staff Regulations (notably for contractual agents);
- anticipated costs (for example, for the translation of the Ombudsman's Annual Report or to cover IT and other equipments costs).

The main issues of the 2004 budget implementation can be summarised as follows:

Title I (Staff costs) : the budget implementation showed that certain items were strengthened such as :

- mission and travel costs : this item was strengthened due to the increase in missions by the Ombudsman and his staff;
- costs relating to the organisation of training courses and the exchange of personnel due to the increase in the number of applications and the recruitment of candidates from the new Member States;
- interinstitutional cooperation costs.

Title II : (Operational expenditure) : this heading showed an increase in appropriations for IT investment, telecommunications, office equipment and the hiring of an official car for the Ombudsman. Overspending was noticed under the information and publication sector. On the other hand, an under-utilisation of meeting and study costs was noted.

Title III : (Specific mission costs) : only EUR 2.644 were committed from the EUR 3.000 available to cover costs relating to relations with the Ombudsman's international organisations.

DETAILED SYNTHESIS OF 2004 EXPENDITURE: this detailed synthesis analyses the breakdown of the Ombudsman's expenditure for the financial year 2004. The figures mentioned can also be found in the "Final annual accounts of the European Communities - Financial year 2004 – Volume III".

Implementation rate in 2004 :

- Appropriations available for 2004 : **EUR 5.782.968**;
- Appropriations committed amounted to EUR de 5.168.269,89, an **89,37%** utilisation rate;
- Appropriations paid amounted to EUR 4.722.644,41;
- Appropriations carried over from 2003 to 2004 : EUR 500.488,68.

Main budget items and use of committed appropriations (Title I, II and III):

- I : Institutional costs (Members and active staff) : EUR 4,273 million;
- II : Operational costs (including buildings and material) : EUR 0,892 million;
- III : Specific mission costs : EUR 0,0026 million.

2004 Discharge: EC general budget, European Ombudsman

2005/2042(DEC) - 30/11/2005 - Court of Auditors: opinion, report

PURPOSE : to present the Court of Auditors' report on the implementation of the 2004 budget (other institutions – European Ombudsman).

CONTENT : in its 28th Annual Report on the implementation of the general budget of the European Union, the Court states that overall improvements have been made by all the institutions in order to adapt their supervisory and control systems to the requirements of the new Financial Regulation. However, the risks identified in 2003 linked to the implementation of the Financial Regulation, together with the risks resulting from the introduction of new Staff Regulations and computerised systems for calculating salaries and pensions have not been adequately addressed by the supervisory and control systems in 2004.

Despite the progress made by the Commission in reforming its internal control system and the positive impact on the legality and regularity of the Commission's internal management of expenditure (DAS), further progress is still required in terms of operational effectiveness. The report states that the past audits by the Court showed that the errors found were mostly of a formal nature and not due to serious weaknesses in the control systems.

Supervisory and control systems : in 2004 all the institutions continued improving their supervisory and control systems in order to comply with the requirements of the new Financial Regulation. However, none of the institutions had fully implemented Internal Control Standards (ICS). In parallel, the NAP ('Nouvelle Application Paie'), a new computer application for calculating staff remuneration created and managed by the Commission Paymaster Office (PMO), was used by all the institutions. The NAP presented in 2004 various technical weaknesses, which created a new risk and, in many cases, resulted in the erroneous calculation of various elements of staff remuneration. The most evident errors were corrected manually before payment. Concerning one of those elements, in March 2005 NAP programmes were amended, the amounts paid in 2004 recalculated and, where necessary, corrected. These corrections led to recoveries amounting, for all the institutions, to a total of around EUR 1,9 million. Manual data transferred into the NAP from the computer systems recording the situations qualifying the staff for specific entitlements constituted a further specific risk of errors. However, controls were not reinforced accordingly.

A lack of control procedures concerning pension payments were noted in some institutions.

Lastly, except for the European Ombudsman and the European Data Protection Supervisor, occasional weaknesses were observed in the supervisory and control systems concerning procurement.

Specific observations on the European Ombudsman : the Court's audit did not give rise to observations (expenditure in 2004, EUR 5 million against 4 million in 2003).

General conclusions : in conclusion, the Court considers, as a result of its audit, and in order to address the risks identified, that improvements should be made in the supervisory and control systems relating to the following areas: documentation of procedures; definition of the nature of the supporting documents which should make it possible to check that the expenditure is in accordance with the terms of the contracts or of the regulations and rules; grading of staff under the new staff regulations; remuneration, in particular payment of allowances and transfers of part of the staff emoluments with the application of a weighting coefficient.

2004 Discharge: EC general budget, European Ombudsman

2005/2042(DEC) - 27/04/2006 - Final act

PURPOSE: to grant discharge to the European Ombudsman for the 2004 financial year.

LEGISLATIVE ACT: Decision 2006/816/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2004 (Section VIIIA - European Ombudsman).

CONTENT: with the present decision, the European Parliament grants the European Ombudsman discharge in respect of the implementation of the budget for the financial year 2004.

This decision is in line with the European Parliament's resolution adopted on 27 April 2006 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27/04/2006).

2004 Discharge: EC general budget, European Ombudsman

2005/2042(DEC) - 27/04/2006 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Nils **LUNDGREN** (IND/DEM, SE) and granted the European Ombudsman discharge in respect of the implementation of the budget for the financial year 2004. In its accompanying statements, Parliament noted that in 2004 the European Ombudsman administered a budget of EUR 5 782 988 with a utilisation rate of 88. 05 %. It noted also that 2004 was the first year in which the Ombudsman's office experienced full autonomy and therefore had full responsibility in financial matters. The Ombudsman asked for and received authorisation from the budgetary authority to increase in the year 2004 the number of administrative staff dealing with financial and administrative matters. These new members of staff enabled the Ombudsman's office to perform during 2004 all the financial tasks that, until the end of 2003, had been provided by Parliament's services under the co-operation agreements. These tasks included, *inter alia* , the management, calculation and processing of missions and the preparation of payment orders concerning staff salaries and also the Ombudsman's emoluments.

The internal auditor's appraisal of the Ombudsman's office in relation to budgetary transactions in 2004 did not identify any areas of significant risk, but a series of action plans was agreed with the management to reduce risk further and to enhance the existing systems, especially in the area of public procurement.

Parliament went on to note that 2004 saw an unprecedented rise of 51 % in complaints to the Ombudsman, the total in 2004 being 3688 such complaints, which represented a clear sign of increasing awareness of the service provided by the Ombudsman and the greater degree of information provided by the institutions. Half of that increase was accounted for by complaints from the ten new Member States.

Parliament believed that the Ombudsman could serve as a model for other institutions, both as regards a clearly defined scope of competence and a well administered budget.

2004 Discharge: EC general budget, European Ombudsman

2005/2042(DEC) - 23/02/2006

PURPOSE : to present the Council recommendation on the discharge to be given to the other institutions in respect of the implementation of the general budget of the European Communities for the financial year 2004.

CONTENT : having regard to the observations made by the Court of Auditors, the Council calls on the European Parliament to give a discharge to all of the other EU institutions (other than the Commission).

If overall the observations made by the Council are positive as regards expenditure, the Council believes that the implementation of the budget calls for a series of comments on the discharge which should be followed up.

The Council welcomes the fact that the errors identified by the Court did not materially affect the legality and regularity of administrative expenditure as a whole.

It notes with satisfaction the efforts and the progress made by the Institutions to adapt their supervisory systems and controls to the new Financial Regulation, but underlines that they have not fully implemented the Internal Control Standards.

The Council takes note that the 2004 financial year has introduced specific risks resulting from the adoption of the new staff regulations, the introduction of a new system for calculating staff remuneration and the implementation of the new system in the framework of the new Financial Regulation at the same time.

In this context, the Council shares the Court's view that particular attention should be paid to the various technical weaknesses detected in the implementation of the NAP (new payroll system), to an accurate application of the staff regulations in respect of travel allowances, to the improvement of the control systems concerning the transfer of part of the staff.