

## Basic information

2005/2092(DEC)

DEC - Discharge procedure

2004 discharge: EC general budget, Council

### Subject


8.70.03.07 Previous discharges


Procedure completed

## Key players

European Parliament	Committee responsible		Rapporteur	Appointed
	<b>CONT</b>	Budgetary Control	LUNDGREN Niels (IND/DEM)	20/04/2005
	Committee for opinion		Rapporteur for opinion	Appointed
	<b>AFET</b>	Foreign Affairs	The committee decided not to give an opinion.	
	<b>DEVE</b>	Development	The committee decided not to give an opinion.	
	<b>INTA</b>	International Trade	The committee decided not to give an opinion.	
	<b>BUDG</b>	Budgets	The committee decided not to give an opinion.	
	<b>ECON</b>	Economic and Monetary Affairs	The committee decided not to give an opinion.	
	<b>EMPL</b>	Employment and Social Affairs	The committee decided not to give an opinion.	
	<b>ENVI</b>	Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
<b>ITRE</b>	Industry, Research and Energy	The committee decided not to give an opinion.		
<b>IMCO</b>	Internal Market and Consumer Protection	The committee decided not to give an opinion.	04/07/2005	

	<b>TRAN</b> Transport and Tourism	The committee decided not to give an opinion.	
	<b>REGI</b> Regional Development	The committee decided not to give an opinion.	
	<b>AGRI</b> Agriculture and Rural Development	The committee decided not to give an opinion.	
	<b>PECH</b> Fisheries	The committee decided not to give an opinion.	
	<b>CULT</b> Culture and Education	The committee decided not to give an opinion.	
	<b>JURI</b> Legal Affairs	The committee decided not to give an opinion.	
	<b>LIBE</b> Civil Liberties, Justice and Home Affairs	<a href="#">DEPREZ Gérard (ALDE)</a>	07/07/2005
	<b>AFCO</b> Constitutional Affairs	The committee decided not to give an opinion.	
	<b>FEMM</b> Women's Rights and Gender Equality	The committee decided not to give an opinion.	
	<b>PETI</b> Petitions	The committee decided not to give an opinion.	
European Commission	<b>Commission DG</b>	<b>Commissioner</b>	
	<b>Budget</b>		

Key events			
Date	Event	Reference	Summary
07/10/2005	Non-legislative basic document published	<a href="#">N6-0027/2005</a>	<a href="#">Summary</a>
15/11/2005	Committee referral announced in Parliament		
21/03/2006	Vote in committee		<a href="#">Summary</a>
28/03/2006	Committee report tabled for plenary	<a href="#">A6-0111/2006</a>	
26/04/2006	Debate in Parliament		

27/04/2006	Decision by Parliament	T6-0159/2006	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	2005/2092(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/28800

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE369.886	03/02/2006	
Committee opinion	<span style="border: 1px solid red; padding: 2px;">LIBE</span>	PE367.665	24/02/2006	
Amendments tabled in committee		PE370.131	28/02/2006	
Committee report tabled for plenary, single reading		A6-0111/2006	28/03/2006	
Text adopted by Parliament, single reading		T6-0159/2006	27/04/2006	Summary
<b>Council of the EU</b>				
Document type	Reference	Date	Summary	
Supplementary non-legislative basic document	05971/2006	23/02/2006	Summary	
<b>European Commission</b>				
Document type	Reference	Date	Summary	
Non-legislative basic document	N6-0027/2005	07/10/2005	Summary	
<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0034/2005 OJ C 301 30.11.2005, p. 0001	30/11/2005	Summary

Additional information
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Source	Document	Date
European Commission	EUR-Lex	

Final act
Budget 2006/0811 <a href="#">OJ L 340 06.12.2006, p. 0030-0030</a> <span style="float: right;"><a href="#">Summary</a></span>

## 2004 discharge: EC general budget, Council

2005/2092(DEC) - 27/04/2006 - Final act

PURPOSE: to give discharge to the Council for the 2004 financial year.

LEGISLATIVE ACT: Decision 2006/811/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2004 (Section II - Council).

CONTENT: with the present decision, the European Parliament grants the Secretary-General of the Council 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, Council

2005/2092(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 – Council).

CONTENT : in its 28<sup>th</sup> 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.

**Annual activity reports and declarations of the Directors-General** : in 2004, improvements were made to the annual activity reports and the declarations of the Directors-General. However, weaknesses were found in the supervisory and control systems of the institutions.

**Specific observations on the Council** : the report indicates that the expenditure of the institution was **EUR 507 million** (against EUR 410 million in 2003). As regards the implementation of the Council's budget, the Court highlights the following weaknesses:

- it did not set up minimum Internal Control Standards;
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- Costs linked to the financing of special ESDP advisers: 225% increase (total : EUR 455.000).

Main Council activities in 2004 included: 76 European Council meetings; 61 COREPER 1 meetings, 67 COREPER 2 meetings 3971 Group meetings. Other significant issues concerning the implementation of the budget can be summarised as follows:

**Title I** (Staff costs): implementation was marked by the increased delays of placing new personnel. Consequently, EUR 19 million of appropriations were unused due to this under-occupation of manpower. On the other hand, the Council recruited auxiliary linguistic staff with a view to overcoming the staff problem. Alterations were also made to the budget headings concerning auxiliary translators some of whom eventually became officials. Other appropriations were increased, in particular, in the following sectors:

- Anti-terrorism: increased amounts were allocated to this item ( + EUR 150.000);
- Outsourced work : + EUR 190.000 EUR concerning certain legal commitments;
- Nursery costs : + EUR 215.000 EUR.

On the other hand, certain amounts relating to mission and travel expenses were largely under-utilised and were made available for other institutional needs (with an important carry-over of appropriations (EUR 753.000)) to 2005. Expenses relating to the "release" of officials taking early retirement were also made available.

**Title II** (Operational expenditure): this sector showed a weak implementation rate of payments (approximately 65%) caused by property investment problems. On the other hand, substantial savings were made in other areas enabling large amounts of appropriations to be released at the end of the year (roughly EUR 58,5 million via an accumulated transfer) to fund the acquisition of the LEX 2000 building (+333% compared to the initial appropriations). For this title, one also notes:

- Additional expenditure as regards building development of the Rolin and Woluwe Heights buildings,
- Additional needs for security purposes (+15%);
- The modernisation of IT systems;
- The increase in legal costs following a judgement of the Council by the Court and the Court of First Instance.

**Title III** (Expenditure resulting from missions carried out by the Council): the expenditure of this sector mainly concerns the European Security and Defence Policy and seconded national experts. It appeared that the amounts initially set out for the special ESDP advisers had been underestimated therefore additional appropriations of + EUR 315.000 proved to be necessary. Other areas under this Title were, on the other hand, subject to a lower rate of implementation and were either made available for other purposes (e.g.: accumulated transfers to pre-finance the LEX building), or carried over to 2005.

**DETAILED SYNTHESIS OF 2004 EXPENDITURE:** this detailed synthesis analyses the breakdown of the Council'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 the 2004 financial year: **EUR541.916.200;**
- appropriations committed amounted to EUR 531.646.564,08, a **98,1%** implementation rate;
- appropriations paid amounted to EUR 438.198.965,80;
- appropriations carried over from 2003 to 2004 : EUR 67.645.667,33.

#### Main budget items and use of commitment appropriations (Titles I, II and III):

- I : Institutional costs (Members and active staff) : EUR 255,38 million;
- II : Operational costs (buildings and materials) : EUR 256,74 million;
- III : Mission costs (notably, ESDP missions): EUR 19,53 million.

## 2004 discharge: EC general budget, Council

2005/2092(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 Secretary-General of the Council discharge in respect of the implementation of the budget for the financial year 2004. (Please see the summary of 21/03/2006.) In 2004, the Council administered a budget of EUR 541 916 200 with a utilisation rate of 98.10 %. Parliament called on the Council to continue to improve its financial management