

Basic information

2006/2073(DEC)

DEC - Discharge procedure

2005 discharge: EC general budget, Court of Justice

Subject

8.70.03.07 Previous discharges

Procedure completed

Key players

European
Parliament

Committee responsible

CONT

Budgetary Control

Rapporteur

CASPARY Daniel (PPE-DE)

Appointed

20/04/2006

Committee for opinion

AFET

Foreign Affairs

Rapporteur for opinion

The committee decided not to give an opinion.

Appointed

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.

	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.	
Council of the European Union	Council configuration	Meetings	Date
	Economic and Financial Affairs ECOFIN	2787	2007-02-27
European Commission	Commission DG	Commissioner	
	Budget	KALLAS Siim	

Key events			
Date	Event	Reference	Summary
26/07/2006	Non-legislative basic document published	SEC(2006)0915	Summary

14/12/2006	Committee referral announced in Parliament		
27/03/2007	Vote in committee		Summary
30/03/2007	Committee report tabled for plenary	A6-0109/2007	
24/04/2007	Decision by Parliament	T6-0107/2007	Summary
24/04/2007	Results of vote in Parliament		
24/04/2007	Debate in Parliament		
24/04/2007	End of procedure in Parliament		
15/07/2008	Final act published in Official Journal		

Technical information	
Procedure reference	2006/2073(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/43588

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE382.613	10/01/2007	
Amendments tabled in committee		PE386.384	06/03/2007	
Committee report tabled for plenary, single reading		A6-0109/2007	30/03/2007	
Text adopted by Parliament, single reading		T6-0107/2007	24/04/2007	Summary
European Commission				
Document type	Reference	Date	Summary	
Non-legislative basic document	SEC(2006)0915 OJ C 263 31.10.2006, p. 0001	26/07/2006	Summary	
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0039/2006 OJ C 263 31.10.2006, p. 0001	31/10/2006	Summary

Additional information		

Source	Document	Date
European Commission	EUR-Lex	

Final act
Budget 2008/0501 OJ L 187 15.07.2008, p. 0056 Summary

2005 discharge: EC general budget, Court of Justice

2006/2073(DEC) - 24/04/2007 - Final act

PURPOSE: to grant discharge to the Court of Justice for the 2005 financial year.

LEGISLATIVE ACT: Decision 2008/501/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2005 (Section IV - Court of Justice).

CONTENT: with the present decision, the European Parliament grants the Registrar of the Court of Justice discharge in respect of the implementation of the budget for the financial year 2005.

This decision is in line with the European Parliament's resolution adopted on 24 April 2007 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 24/04/2007).

2005 discharge: EC general budget, Court of Justice

2006/2073(DEC) - 26/07/2006 - Non-legislative basic document

PURPOSE: presentation of the final annual accounts of the European Community for the financial year 2005 – Other institutions : Section IV – Court of Justice.

CONTENT: this document sets out the amount of expenditure and the financial statement of the Court of Justice for 2005 and presents an analysis of its financial management. The available appropriations set out in the Court's 2005 budget amounted to **EUR 229 million**, a 93% implementation rate.

Main axes of 2004 expenditure : budget implementation of the Court can be characterised by:

- an under-estimation of amounts provided for immovable property;
- the continuation of obligations resulting from enlargement, in particular in terms of translation costs.

Amendments to the budget: throughout 2005, several budget lines were amended. Appropriation transfers between items were made in order to fund these amendments, concerning in particular:

- costs relating to building installations;
- translation costs following enlargement.

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

Title I (Staff costs): this title was marked by the increase in costs relating to the recruitment of contractual agents following transfers from other lines. This items was increased by EUR 430 000.

Other appropriation transfers concern:

- increased appropriations to cover installation costs for officials from the new Member States;
- the anticipation of certain IT costs (essentially automatic translation).

This title was also marked by: i) the reduction in Members' travel allowances; ii) the increase in representation costs.

Lastly, important budget amendments have been made to cover the increase in translation costs: this expenditure concerns in particular external translators who have been mobilised (more than 128 000 pages translated in 2005 compared to 98 000 in 2004). On the other hand, the mobilisation of external conference interpreters has decreased compared to 2004 due to efficient internal recruitment of interpreters.

Title II (Operational expenditure): building costs marked the 2005 budget showing a decrease in expenditure (down 45% from 2004). EUR 980 000 was transferred to enable the administrative services to conclude a contract with a company of experts to ensure the technical follow-up of the

renovation works on the Palace. Another budget transfer was made to cover the re-examination of the leases of certain buildings by the Luxembourg authorities, that is EUR 600 000 (obliging the institution to cut back on cleaning and energy costs).

Overall, expenditure under this title decreased due to the fact that no payment took place under the "hire-purchase" item although EUR 36 million has been set aside in 2004.

Titre III (Particular expenditure): it mainly concerns the chapter devoted to lawyer fees and other expenses in order to improve the free service offering legal assistance (decrease and under-implementation of 81% compared to the amount initially provided).

For further details concerning the Court's in 2005, please refer to the annexed detailed analysis of expenditure.

2005 discharge: EC general budget, Court of Justice

2006/2073(DEC) - 31/10/2006

PURPOSE : to present the Court of Auditors' report on the implementation of the 2005 budget (other institutions – Court of Justice).

CONTENT : in its 29th Annual Report on the implementation of the general budget of the European Union, the Court highlights that 2005 was the first full year in which the European Union had 25 Members. The Court's audit did not reveal any material errors concerning the legality and regularity of underlying transactions.

Supervisory and control systems: in 2005 all the Institutions had supervisory and control systems complying with the requirements of the new Financial Regulation. However, some Institutions had not fully implemented all their Internal Control Standards (in particular the Council).

Also in 2005, the NAP (Nouvelle Application Paie), a computer application for calculating staff remunerations created in 2003 and managed by the Commission Paymaster Office (PMO), was being used by all the Institutions. The technical weaknesses noted in 2004 were overcome, minimising the risk of erroneous calculation of the various elements of staff remuneration. However, the institutions did not systematically use the reporting facilities of NAP in order to verify, before the final pay run, all the data concerning situations specific to individual members of staff. Although not mandatory pursuant to the Financial Regulation, ex-post controls would increase the reliability of the administrative procedures for managing staff remunerations and help to uncover possible weaknesses and errors in the system.

Staff Regulations: the amended Staff Regulations, which entered into force on 1 May 2004, state that accommodation costs incurred on mission are reimbursed up to a maximum fixed for each country. Contrary to this rule, all the Institutions, except the Court of Justice, the Court of Auditors and the Ombudsman, provided in their internal rules for the payment of a flat-rate sum, ranging from 30 to 60 % of the maximum allowable amount, to staff who do not produce any evidence of having incurred accommodation costs. After the publication of the European Court of Auditors' Annual Report concerning the financial year 2004, the European Economic and Social Committee amended its internal rules in December 2005 in order to ensure compliance with the Staff Regulations.

Specific remarks concerning the Court of Justice: to recall, the Court's administrative expenditure totalled EUR 211 million in 2005. The Court states that, like last year, the head of the Internal Audit Service was responsible for ex-ante verification of the authorising officers' operations. The same situation was noted concerning the financial year 2005. Such an involvement in the carrying out of financial operations is not compatible with the total independence with which the internal auditor ought to perform his audit duties, in accordance with the principle stated in Article 86 of the Financial Regulation. In the second half of 2005 the internal auditor carried out some specific audits and addressed recommendations to the services concerned. However, at the time of the audit by the Court of Auditors no reports by the internal auditor were available.

General conclusions: the Court states that 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. The Court's audit found that, notwithstanding the weaknesses mentioned in the previous paragraphs, the supervisory and control systems were adequate to manage the risk as regards legality and regularity of the transactions underlying the accounts of the Institutions' administrative expenditure. The Court's audit did not reveal material errors affecting the legality and regularity of the administrative expenditure.

2005 discharge: EC general budget, Court of Justice

2006/2073(DEC) - 24/04/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted Daniel **CASPARY** (EPP-ED, D), and granted the Court of Justice's Registrar discharge for implementation of the Court of Justice budget for the financial year 2005. In doing so, Parliament made a series of observations in its accompanying resolution.

It began by noting that in 2005 the European Court of Justice (ECJ) had available commitment appropriations amounting to a total of EUR 232 602 467,74 (2004: 235 041 565) with a utilisation rate of 92,66%. Following the introduction of accrual accounting with effect from 1 January 2005 the ECJ's financial statements disclose a negative economic out-turn for the year (EUR 30 747 924) and an excess of liabilities over assets of EUR 43 902 361.

Parliament then recalled that in its Annual Report concerning the financial year 2004 the European Court of Auditors (ECA) criticised the fact that the head of the Internal Audit Service was responsible for ex ante verification of the authorising officers' operations. The same situation was noted concerning the financial year 2005. Parliament welcomed the fact that the administration of the ECJ proposed modifying this organisation by creating an administrative unit with exclusive competence for verification, which would be provided with two new posts. It also welcomed the fact that the new Internal Auditor carried out some specific audits and addressed recommendations to the services concerned.

With regard to the activities of the ECJ, Parliament noted with satisfaction that the number of completed cases per year in the ECJ rose from 494 in 2003 to 574 in 2005 while the number of cases pending fell from 974 to 740. It also noted that, following the creation of the Civil Service Tribunal and the accession of Bulgaria and Romania, the overall number of judges, advocates-general and registrars had now reached 72 and that the ECJ's expenditure on vehicles has increased by some 50% from EUR 809 853.24 in 2005 (out-turn) to EUR 1 218 000 in 2007 (budget estimate).

Parliament was content to note also that, following the comments contained in its previous year's discharge resolution, the Members of the Institution had agreed to set up a working group with the task of conducting a study on the advisability of drawing up a code of conduct applicable to them and of the contents of any such code. The question of a declaration of the Member's financial interests forms part of that study, and the Court of First Instance and the Civil Service Tribunal are also associated with this initiative. Parliament stressed its repeated request for publication of the declarations of economic and financial interests made by the judges of all three courts, and asked the ECJ to inform Parliament by 30 September 2007 of what appropriate measures it will take.

Lastly, Parliament noted with satisfaction the measures taken by the ECJ to reduce the quantity of documents to be translated and called upon the ECJ to explore the possibility of reducing the length of rulings in order to contribute to a further reduction in costs and to a better understanding of these rulings.

2005 discharge: EC general budget, Court of Justice

2006/2073(DEC) - 27/02/2007

The Council, on the basis of intensive preparatory work, approved a recommendation on the discharge to be given to the Court of Justice for implementation of its budget for 2005. The recommendation will be submitted to the European Parliament, in accordance with the budgetary discharge procedure.

The Council makes reference to the **Court of Auditors report on translation expenditure** (see summary of the document annexed to the Commission's discharge procedure [DEC/2006/2070](#) dated 8 February 2007 06162/2007). It adopted the following conclusions:

Firstly, it states that it welcomes the Court's special report on translation expenditure - which amounted to EUR 511 million in 2005 - incurred by three institutions in particular as it covers the period of the accession of 10 new Member States, increasing the number of official and working languages to 21. In this context, it underlines the importance of the translation of documents in a European Union **multilingual environment** with equal treatment of the languages of its Member States.

It emphasises that translation demands are to be met in time and in adequate quality, as an essential part of the legislative process keeping the cost under control as well as having adequate procedures to give priority to essential translations which implies efficient and effective management of translation resources. It regrets, however, that in some cases politically important information which should be translated has been included in non translated annexes of documents.

The Council notes with satisfaction that the Court of Auditors stated that the institutions have generally met translation needs in the EU-15 languages in required quality inter alia by recourse to freelance translators. It regrets that all three institutions have faced structural difficulties in providing a sufficient volume and acceptable quality into the EU-10 languages. It expects the institutions to further enhance the degree of multilingualism as regards the information provided on their websites.

Moreover, the Council regrets the fact that the institutions, with the exception of the Commission for 2002, have not calculated their total costs or the average cost per page translated and invites them to do so from now on and inform the budgetary authority on a regular basis.

It notes with concern the fact that the productivity of the EU translation services is much lower than in the private sector, partly due to more effective use of IT tools in the private sector, although the quality of internal translation is recognised to be higher. It notes the long term action plan by the Council General Secretariat to increase its productivity by reducing the number of "full-time equivalent" in the EU-15 language units.

Inter-institutional cooperation: the Council advocates inter-institutional cooperation being reinforced to all institutions in order to improve the efficiency and the procedures and to reduce the costs in the field of translations. It urges the institutions to set up proper forecasting system and improve the system of workload balancing in order to make better use of spare capacity and to avoid unnecessary outsourcing. In 2005, according to the Court, EUR 11 million of freelance translation costs could have been saved by the Commission and by the Parliament by giving the non-urgent documents to be translated for other institutions. It regrets that it was not possible for the institutions to recruit enough translators in EU-10 languages which has resulted in quality and deadline problems in the EU-10 translations and it recommends that sufficient EU-10 translator resources should be ensured by measures increasing awareness and fostering interest in the Community's translation activity in the EU-10 Member States and other Candidate Countries. It recommends that similar measures be taken for Bulgaria and Romania.

The Council emphasises that future measures are to be taken by the institutions to contain the volume translated including control of the size of documents, without prejudice of equal treatment of EU official and working languages taking into account the operational effectiveness, and adoption of a fit-for-purpose approach for authorised texts for translation and encourages the institutions to improve their work planning and comply with the deadlines for requesting translations.

Lastly, the Council requests the institutions to improve the efficiency of the translation process in particular by intensifying the recourse to IT tools, reduction of secretarial support, working methods based on best practices and teleworking. It also invites the Court to examine also the translation expenditure of the other institutions and bodies.