Basic information

2006/2074(DEC) DEC - Discharge procedure	Procedure completed
2005 discharge: EC general budget, Court of Auditors **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible		Rapporteur	Appointed
CONT	Budgetary Control	CASPARY Daniel (PPE-DE)	20/04/2006

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.	

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	A6-0107/2007	
24/04/2007	Decision by Parliament	T6-0108/2007	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	2006/2074(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/43589

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE382.614	10/01/2007	
Amendments tabled in committee		PE386.385	06/03/2007	
Committee report tabled for plenary, single reading		A6-0107/2007	30/03/2007	
Text adopted by Parliament, single reading		T6-0108/2007	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 2008/0502 OJ L 187 15.07.2008, p. 0061	Summary

2005 discharge: EC general budget, Court of Auditors

2006/2074(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 V – Court of Auditors.

CONTENT: this document sets out the amount of expenditure and the financial statement of the Court of Auditors for 2005 and presents an analysis of its financial management. The available appropriations set out in the Court's 2005 budget amounted to **EUR 107 million**, with an 87% utilisation rate.

Main axes of 2005 expenditure: budget implementation of the Court can be characterised by the under-utilisation of staff costs and associated costs (meetings, etc).

Amendments to budget: in the course of the year, the Court effected 15 budgetary transfers in all for a combined total of EUR 2 118 318. These transfers were undertaken to ensure the smooth working of the various departments of the Court and meet any requirements this entailed.

There were

- 2 chapter to chapter transfers for EUR 242 000 ;
- 5 article to article transfers for EUR 1 681 700;
- 9 item to item transfers amounting to EUR 194 618.

Overall the expenditure for 2005 totalled EUR 87 114 873, equivalent to 81.45% of the final appropriations. The cancellation of a total of EUR 13 519 727, i.e. 12.64% was the result, for the most part, of EUR 11 138 899 worth of cancellations within chapter 11 – Staff in active employment.

Other important issues of the budget implementation can be summarised as follows :

Title I (Staff costs): appropriations under this heading were utilised at 86%. This is due to :

- delays in anticipated recruitment;
- mission costs;
- exchange of civil servants and experts (59.95%): this rate of almost 60% demonstrates a stronger uptake in 2005, when compared to a utilisation rate in 2004 of 26.69%. There are clear indications that the detached national experts scheme launched by the Court in 2004 is beginning to gather momentum and higher utilisation rates can be expected in the future.

Title II (Operational expenditure): there has been a major reduction in the costs relating to the organisation of meetings (44.06%). This under-use can be attributed to the fact that there was less expenditure than originally foreseen related to meetings of the 'Contact' committee and sub-committees. The rate of publishing and communication also slowed down (59.78%).

Building policy: on the Court's extension in Luxembourg (building K.2), it has been in construction since 2001 and was satisfactorily completed in 2004. It was occupied in 2003, ahead of the scheduled date of June 2004. The accounts for the project are in the process of being closed and a full report will be provided to the budgetary authority in due course.

The special bank account set up for the project was set up and underpinned by a bank guarantee of EUR 10 million. In 2005, EUR 52 652 of interest was earned on this account. At the balance sheet date the unused balance of EUR 2 003 810 had been repaid to the Court (EUR 1 841 810 taken into budgetary revenue and EUR 162 000 put on a suspense account until certain outstanding matters are finalised). The guarantee, being no longer necessary, was returned.

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

2005 discharge: EC general budget, Court of Auditors

2006/2074(DEC) - 31/10/2006

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

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 Auditors: to recall, the Court's administrative expenditure totalled EUR 92 million in 2005. The Court states that it was audited by an independent external audit firm which issued a 'certificate concerning the regularity and fairness of the financial statements at 31 December 2005', accompanied by a 'report on the administrative and accounting procedures, the soundness of the financial management and the internal control system'. The report states that, in the auditor's opinion, his work did not 'disclose any facts which might cast doubt on the adequacy of the administrative and acounting procedures or internal control or the compliance of financial management with the applicable regulations'. The certificate and the report will be published in the Official Journal.

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 Auditors

2006/2074(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 Auditors' Secretary-General discharge for the implementation of the Court of Auditors budget for the financial year 2005. In doing so, it made a number of observations on the discharge in its accompanying resolution.

Parliament began by noting that in 2005 the European Court of Auditors (ECA) had available commitment appropriations amounting to a total of EUR 107 548 618,24 with a utilisation rate of 87,22%. Following the introduction of accrual accounting with effect from 1 January 2005, the ECA's 2005 financial statements disclose a negative economic out-turn for the year (EUR 16 820 000) and an excess of liabilities over assets of EUR 11 450 000. It recalled that for the financial year 2005 the ECA's accounts were audited by an external firm, KPMG, which signed off on the accounts subject to the effect of any rectifications that might prove necessary with respect to the treatment given to the ECA's Members' pensions, bearing in mind that the relevant accounting standard No 12 was then being revised. Parliament believed that both the liability for future pension payments and also the long-term claim against the Member States should be included in the balance sheet in order to reflect the principles of accrual accounting applicable from 1 January 2005.

It went on to note with concern the ECA's difficulty in recruiting qualified staff for several posts. It reiterated its hope that it would be possible to devise a more rational structure for the ECA before the next enlargement, and asked the ECA to consider existing models with a view to reducing the total number of ECA Members. There should be a consideration of proposals to introduce a rotating system similar to that applying to the Governing Council of the ECB or a system with a single Auditor-General.

Parliament also noted that the ECA' decided in 2005, to begin a self-assessment exercise and that, following that self-assessment, an action plan had been adopted by the ECA, with actions covering broad areas such as mission and strategic objectives, programming and performance measuring, audit methodology, human resource strategy, internal and external communication and administrative procedures. This action plan will be subjected to a "peer review".

In relation to declarations of Members' financial interests, Parliament noted that ECA Members communicate a declaration of their financial interests and other assets. As a matter of principle and in the interests of transparency, Members of all EU institutions should be required to submit a declaration of financial interests which should be accessible on the Internet via a public register. Parliament called on the ECA to inform Parliament by 30 September 2007 of what appropriate measures it will take.

2005 discharge: EC general budget, Court of Auditors

2006/2074(DEC) - 24/04/2007 - Final act

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

LEGISLATIVE ACT: Decision 2008/502/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2005 (Section V - Court of Auditors).

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

2006/2074(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 Auditors 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.