

Basic information

2007/2040(DEC)

DEC - Discharge procedure

2006 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

LUNDGREN Nils (IND/DEM)

Appointed

27/03/2007

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.	03/10/2007
	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	2847	2008-02-12
European Commission	Commission DG	Commissioner	
	Budget	KALLAS Siim	

Key events			
Date	Event	Reference	Summary
		SEC(2007)1055	Summary

30/03/2007	Non-legislative basic document published		
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
01/04/2008	Committee report tabled for plenary	A6-0097/2008	
22/04/2008	Decision by Parliament	T6-0136/2008	Summary
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		
22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information

Procedure reference	2007/2040(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53955

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE400.414	05/02/2008	
Amendments tabled in committee		PE402.766	07/03/2008	
Committee report tabled for plenary, single reading		A6-0097/2008	01/04/2008	
Text adopted by Parliament, single reading		T6-0136/2008	22/04/2008	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2007)1055 	30/03/2007	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0005/2008 OJ C 273 15.11.2007, p. 0001	15/11/2007	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2009/0191
OJ L 088 31.03.2009, p. 0072

[Summary](#)

2006 discharge: EC general budget, Court of Justice

2007/2040(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: to present the final annual accounts of the European Communities for the financial year 2006 – Other institutions: section IV – Court of Justice.

CONTENT: this document establishes the level of expenditure and the balance sheet of the Court of Justice for 2006 and presents an analysis of its financial management.

The figures: the following figures have been taken from the provisional annual accounts for the financial year 2006 for the Court of Justice. These figures may be amended following consolidation.

- **Authorised appropriations for 2006:** EUR 250 338 602.
- **Appropriations committed amounted to:** EUR 238 293 961.93, a 95.2% utilisation rate;
- **Appropriations paid amounted to:** EUR 225 025 288.09;
- **Appropriations carried over from 2005 to 2006:** EUR 14 741 764.50 (84.1% used);
- **Appropriations carried over from 2006 to 2007:** EUR 13 268 673.84 (5.3% of overall appropriations available).

Main axes of 2006 expenditure: compared to 2005 expenditure, an increase of 11.7% was recorded, mostly due to the increase in lease-purchase payments of the outbuildings of the Court (some EUR 10 million).

The highlights of the Court of Justice's budgetary implementation can be summarised as follows:

Title I (Expenditure relating to persons working for the Institution): this Title was particularly marked by surplus appropriations relating to the basic salaries of staff. Some EUR 2.6 million from Item 1100 (Basic Salaries) was transferred due to difficulties in recruiting enlargement staff. The reserve lists provided were not sufficient to mobilise permanent staff from new Member States, which is why the Court resorted to temporary workers. The majority of this amount was transferred to Item 2001 "Lease/purchase payments" (see the explanations below).

The other transfers of appropriations of surplus amounts from Title I were used to give tenure to a certain number of officials or to reinforce the budget item relating to travel expenses due to the wave of recruitment following the 2004 enlargement.

This budget item was also marked by the following elements:

- **Mission and travel expenses:** the expenses for these budget items increased by 46.7% compared to 2005 due to the FIDE Congress (biennial meeting of the International Federation for European Law);
- **Strengthening of the sociomedical infrastructure:** expenses for this item increased by 30% due to the increase in annual visits and complementary medical examinations of officials (in particular, extra medical supplies and medication were bought to combat a potential pandemic of avian flu);
- **Increase in appropriations relating to the social service of the Institution** (service that deals with relations between members of staff);
- **Increase in entertainment and representation expenses;**
- **Increase in "interinstitutional cooperation" expenditure,** including the costs of translation and interpretation (as an indication, the number of pages translated externally in 2006 was 21.4% compared to 22% in 2005, while the interpretation service resorted to using 291 auxiliary conference interpreters, a large increase compared to 2005 due to the new official languages following the 2004 enlargement).

Title II (Buildings, equipment and operating expenditure): it is mainly the redevelopment of property that marks the budgetary implementation of Title II, with a very large increase in expenditure in 2006 (+30% compared to 2005). This increase essentially comes from budget item 2001 for **lease/purchase payments** of the outbuildings of the Court. This budget item was reinforced by an overall transfer of EUR 1 540 000. In effect, during the drawing up of the 2006 budget, a sum of EUR 8.5 million was attributed to lease/purchase payments of outbuildings. However, a reassessment of the maintenance costs of these buildings indicated that the cost would rise to some EUR 12 million, forcing the Institution to attribute an additional EUR 1.54 million to Item 2001 "lease/purchase" for 2006 (this Item amounting to EUR 10 039 687.76).

The net decrease in costs for property expertise figures among the other significant amendments to the budget. To ensure the monitoring of construction work for the new complex of the Court and its outbuildings, it was, in fact, decided to call upon an external expert. Costs of building expertise, in particular, only amounted to EUR 40 000 instead of the EUR 400 000 initially set out. A proportion of this amount was used to reinforce items for the operating costs of the buildings of the Institution (for example, gas, electricity, heating, cleaning and maintenance costs).

The other main expenditure for this Title is characterised as follows:

- Consolidation of the budget item for data-processing work, totalling EUR 980 000 (funding of several calls for tender and various amounts of data-processing work);
- Decrease in current administrative expenditure of around 4.8%;
- Decrease in expenditure on publishing and information of around 16%;
- Decrease in subsidies and financial contributions of 3% (student visits, study grants).

Title III (Specific mission costs): expenditure for this Title increased by some 184.4% compared to 2005. It covers lawyers' fees and other costs that could fall under the responsibility of the Institution in the framework of free legal representation, which is difficult to plan for (thus in 2005, this Title was under-implemented by 81% compared to the initial amount set out).

2006 discharge: EC general budget, Court of Justice

2007/2040(DEC) - 22/04/2008 - Final act

PURPOSE: to grant discharge to the Court of Justice for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/191/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2006 (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 2006.

This decision is in line with the European Parliament's resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).

2006 discharge: EC general budget, Court of Justice

2007/2040(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 634 votes in favour, 17 against and 39 abstentions, a Decision to grant the Court of Justice's Registrar discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this institution.

At the same time, the Parliament adopted by 621 votes in favour, 15 against and 40 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Nils **LUNDGREN** (ID, SE) on behalf of the Committee on Budgetary Control.

The Resolution recalls that, in 2006, the European Court of Justice (ECJ) had available commitment appropriations amounting to a total of EUR 252 306 372 (compared to EUR 232 602 467 in 2005), with a utilisation rate of 94.58%.

Overall, the Parliament welcomes the adoption by the ECJ of a code of conduct applying to Members and former Members of the Court of Justice, the Court of First Instance and the Civil Service Tribunal, including an obligation to submit a declaration of financial interests. However, it regrets that this information has not been published on the ECJ's website. Likewise, the Parliament expresses its satisfaction that, since 1 October 2007, two separate administrative units carry out the internal audit and verification of accounts, ending a situation criticised in previous years by both the European Court of Auditors and the Parliament. The Parliament also welcomes the quality of the results of the audits carried out by the Court as well as the action taken following the recommendation made during the 2005 discharge procedure.

The Parliament also makes a series of observations which can be summarised as follows:

- **Procurement:** while the Parliament welcomes the reduction of the number of negotiated contracts as a proportion of the number of contracts awarded (from 38% in 2005 to 34% in 2006 with a value of more than EUR 60 000), it believes that further efforts should be made to further reduce this proportion;
- **Expenditure on buildings of the Court:** the Parliament notes that a lease-purchase contract has been signed between the Grand Duchy of Luxembourg and the ECJ, setting out the provisions necessary to supplement the framework contract of 2001 and providing for the sale to the ECJ of the land on which the complex is situated for the symbolic price of EUR 1 (when the ECJ becomes the owner of the buildings). It recalls that the Court of Auditors pointed out that there had been a "lack of competition" concerning the building of the extension to the Court of Justice in Luxembourg in its 2007 Special Report and therefore calls on the Commission to submit, by July 2008 at the latest, the findings of the further investigations into this situation;
- **Personnel:** lastly, MEPs highlight that, in 2006, the number of officials and agents in service rose over the year by 4.8% to 1 786. However, the Court continues to have difficulties in recruiting qualified staff for interpreter and IT specialist posts.

2006 discharge: EC general budget, Court of Justice

2007/2040(DEC) - 15/11/2007

PURPOSE: to present the Court of Auditor's report on the implementation of the 2006 budget (other institutions – Court of Justice).

CONTENT: in its annual report for the financial year 2006, the Court evaluates the legality and regularity of operational expenditure of the institutions. Although, on the whole, all the institutions put in place a satisfactory monitoring and control framework in 2006, the Court notes a certain number of weaknesses regarding the respect of public procurement procedures by the institutions (notably a lack of competition between tenderers in the case of negotiated procedures).

For the rest, the Court notes that the incidence of error for samples of expenditure selected for scrutiny by the Court was not significant. However, the Court expects the weaknesses identified to be rectified in the future.

Audit of the Court of Justice: the audit of the Court of Justice did not result in any significant observations for 2006. The only comments made by the Court concern the monitoring of observations from previous reports. The Court of Auditors indicates that, for the last two years (2004 and 2005), the head of the internal audit department was responsible for ex ante verification of the operations of the authorising officers (see [DEC/2006/2073](#)). At the time (2005), the Court estimated that similar involvement in the implementation of financial operations was incompatible with the complete independence that internal auditors should have when carrying out their functions. In 2006, the head of the internal audit department was still responsible for ex ante verification of the operations of the authorising officers. However, like last year, the Court believes that the monitoring and control system put in place should be reorganised so as to ensure complete independence of the internal audit department.

Court of Justice replies: the only observation made by the Court of Auditors refers to internal audit. On this point, the Court of Justice highlights that, in response to the comment previously made by the Court of Auditors in its annual reports, the administrative organisation of the verification and audit system was modified. Two administrative units were created, with no hierarchical or functional links between them: one internal audit unit, led by the internal auditor, and one unit responsible for verification operations. This new organisation shall be operational as of 1 October 2007, when the internal auditor and head of the verification unit, recently nominated by the administrative committee of the Court of Justice, shall commence their duties.