Basic information

2007/2041(DEC) DEC - Discharge procedure	Procedure completed
2006 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	LUNDGREN Nils (IND/DEM)	27/03/2007

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	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	A6-0093/2008	
22/04/2008	Decision by Parliament	T6-0137/2008	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	2007/2041(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53975

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE400.413	05/02/2008	
Amendments tabled in committee		PE402.768	07/03/2008	
Committee report tabled for plenary, single reading		A6-0093/2008	01/04/2008	
Text adopted by Parliament, single reading		T6-0137/2008	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 2009/0192 OJ L 088 31.03.2009, p. 0076	Summary

2006 discharge: EC general budget, Court of Auditors

2007/2041(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 V – Court of Auditors.

CONTENT: this document sets out the amount of expenditure and the financial statement of the Court of Auditors for 2006 and presents an analysis of its financial management.

Summary in figures: the figures mentioned hereafter are taken from the internal provisional annual accounts for the financial year 2006 relating to the Court of Auditors. These amounts may be subject to amendments after consolidation.

- **Appropriations authorised for the financial year 2006**: EUR 113 196 491;
- **Committed appropriations**: EUR 100 976 934.57 (89.21% of the budget being utilised);
- **Paid appropriations**: EUR 93 728 633.21;
- **Cancelled appropriations**: EUR 12 219 556.43 (10.79% of the budget)
- **Appropriations carried over from 2006 to 2007**: EUR 7 248 301.36 (7.18% of the budget);
- **Appropriations carried over from 2005 to 2006**: EUR 6 284 404.

Main axes of 2006 expenditure: the implementation of the Court of Auditor's budget is characterised by the low level of staff occupation and, therefore, by the under-execution of Title I appropriations (personnel expenditure) and by the closure of real estate expenditure by the Institution.

Concerning the building extension works of the Court in Luxembourg (building K2), the Court indicates that the construction of this new building was successfully completed in 2004. The accounts linked to this building project were closed in 2006. The total cost of the project was shown to be inferior to the amount initially forecast (approximately 6% less than the amount forecast, that is a sum of EUR 1 656 million). This budget and the interest from the bank were transferred, in their entirety, to the general budget of the Communities, at the end of 2005.

The other main characteristics of the implementation of the Court's budget can be summarised as follows:

Title I (*Personnel expenditure*): this budgetary title is characterised by the low implementation rate for commitments entered in chapter 11 "Basic salaries" used at a level of 87.71% (some EUR 9.9 million was under-executed due to difficulties linked to the recruitment of personnel, stemming from the reduced number of laureates in the various examinations for the European Civil Service).

The title was also characterised by the relatively low rate of budgetary implementation for missions (79% of the initially planned budget). The Court believes that this post was overvalued when the 2006 budget was determined. Mission expenses are directly related to the Court's Work Programme, which cannot be fully anticipated at the time of budgetary planning. In 2006, the utilisation of missions was, therefore, inferior to the budgetary prevision.

The title was also characterised by the under-utilisation of expenditure on exchanges of experts (chapter 15). Given that this chapter has increased in breadth in recent years, the Court had forecast a significant amount to meet the increasing needs of this post. Finally, this amount was not fully utilised and progresses less rapidly than that of previous years.

Title II (*Buildings and operating expenditure*): no major developments occurred in relation to Title II of the Court of Auditor's budget in 2006.

2006 discharge: EC general budget, Court of Auditors

2007/2041(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 615 votes in favour, 16 against and 36 abstentions, a Decision to grant the Court of Auditor's Secretary-General 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 for this institution.

At the same time, the Parliament adopted, by 615 votes in favour, 14 against and 41 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 the Court had the following appropriations available to assure its functions: EUR 113 596 668 in commitment appropriations (compared to EUR 107 548 618 in 2005) with a utilisation rate of 89%, i.e. lower than other institutions. In addition, the Parliament recalls that the Court' s accounts were audited by an external firm, which concluded that the financial statements of the Court were completely satisfactory.

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

- **Market procedures**: On the whole, the Parliament indicates that the 2006 report of the Court's Internal Auditor was largely positive, establishing that the quality of tender files and contracts was satisfactory although the choice of simplified or derogatory procedures could have been better justified;
- **Recruitment of personnel**: the Parliament notes with concern the recruitment difficulties faced by the Court, particularly as regards professionally qualified staff. This is partly due to the higher cost of living in Luxembourg and the lesser attractiveness of the salary for the proposed grades (basic grades). However, the number of vacant posts has decreased in the space of a year, from 74 in 2006 and 56 in 2007, which shows the efforts made by the Court to close this gap. The Parliament notes that 5 new Members joined the Court in 2006 and hopes that a more rational structure will be devised before the next enlargement, notably in order to reduce the total number of Members (the Parliament suggests the introduction of a rotating system similar to that applying to the Governing Council of the ECB);
- **Declarations of financial interests**: the Parliament notes that, in compliance with the ECA's Code of Conduct, Members of the Court declare their financial interests and other assets (including shares, convertible bonds and investment certificates as well as land and real estate, together with their spouses' professional activities). Lastly, the Parliament reiterates its opinion that Members of all EU institutions should be required to submit a declaration of financial interests, which should be accessible on the Internet.

2006 discharge: EC general budget, Court of Auditors

2007/2041(DEC) - 22/04/2008 - Final act

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

LEGISLATIVE ACT: Decision 2009/192/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2006 (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 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 Auditors

2007/2041(DEC) - 15/11/2007

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

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 Auditors: the Court of Auditors was the subject of an audit performed by an independent external audit firm which issued a "certificate concerning the regularity and fairness of the financial statements at 31 December 2006", 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 accounting procedures or internal control or the compliance of financial management with the applicable regulations".