

Basic information

2008/2277(DEC)

DEC - Discharge procedure

2007 discharge: EU general budget, Council

Subject

8.70.03.07 Previous discharges

Procedure completed

Key players

European
Parliament

Committee responsible

CONT Budgetary Control

Rapporteur

SØNDERGAARD Søren Bo
(GUE/NGL)

Appointed

21/07/2009

Former committee responsible

CONT Budgetary Control

Former rapporteur

Appointed

CONT Budgetary Control

SØNDERGAARD Søren Bo
(GUE/NGL)

26/03/2008

Former committee for opinion

AFET Foreign Affairs

Former 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	2922	2009-02-10
	Commission DG	Commissioner	

European Commission	Budget	KALLAS Siim

Key events			
Date	Event	Reference	Summary
23/07/2008	Non-legislative basic document published	SEC(2008)2359 	Summary
20/11/2008	Committee referral announced in Parliament		
16/03/2009	Vote in committee		Summary
20/03/2009	Committee report tabled for plenary	A6-0150/2009	
22/04/2009	Debate in Parliament		
23/04/2009	Decision by Parliament	T6-0273/2009	Summary
23/04/2009	Results of vote in Parliament		
04/11/2009	Vote in committee		Summary
09/11/2009	Committee report tabled for plenary	A7-0047/2009	
24/11/2009	Debate in Parliament		
25/11/2009	Decision by Parliament	T7-0085/2009	Summary
25/11/2009	End of procedure in Parliament		
23/01/2010	Final act published in Official Journal		

Technical information	
Procedure reference	2008/2277(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/00117 CONT/6/67195

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE416.560	29/01/2009	
Amendments tabled in committee		PE421.101	23/02/2009	
Committee report tabled for plenary, single reading		A6-0150/2009	20/03/2009	

Text adopted by Parliament, single reading	T6-0273/2009	23/04/2009	Summary
Amendments tabled in committee	PE428.156	10/09/2009	
Committee draft report	PE426.961	30/09/2009	
Amendments tabled in committee	PE430.342	15/10/2009	
Committee report tabled for plenary, single reading	A7-0047/2009	09/11/2009	
Text adopted by Parliament, single reading	T7-0085/2009	25/11/2009	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2008)2359 	23/07/2008	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0003/2009 OJ C 286 10.11.2008, p. 0001	10/11/2008	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2010/0040 OJ L 019 23.01.2010, p. 0007	Summary
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2007 discharge: EU general budget, Council

2008/2277(DEC) - 25/11/2009 - Final act

PURPOSE: to grant discharge to the Council for the financial year 2007.

LEGISLATIVE ACT: Decision 2010/40/EC of the European Parliament on discharge in respect of the implementation of the European Union general budget for the financial year 2007, 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 2007.

This decision is in line with the European Parliament's second resolution adopted on 25 November 2009 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 25/11/2009).

In April 2009, the European Parliament had postponed its discharge decision due to a lack of transparency in terms of the Council's budgetary expenditure as well as a lack of openness for an official and formal dialogue from the Council's side regarding control of its expenditure.

Parliament now considers that the discharge should be granted to the Council given that it has duly obtained all the necessary documents.

2007 discharge: EU general budget, Council

2008/2277(DEC) - 10/11/2008

PURPOSE: to present the report of the Court of Auditors on the implementation of the budget for the financial year 2007 (other institutions – Council).

CONTENT: in its annual report for the financial year 2007, the Court focuses on the legality and regularity of the operating expenditure of the institutions. In 2007, the Court notes that all the institutions operated satisfactorily the supervisory and control systems required by the Financial Regulation and the transactions tested were free from material error of legality and regularity.

However, the Court draws attention to a number of findings which should be taken into consideration by the institutions concerned.

In the specific case of the audit of the **Council**, the Court notes the following issues:

Follow-up to observations from past annual reports: the audit gave rise to remarks on actions taken as a follow-up to observations from past Annual Reports concerning payment of additional annual leave not taken. To recall, at the Council additional annual leave granted before 31 December 1997 as a compensation for overtime is paid on retirement if the official has not taken the additional leave. As staff of the A and B categories are not entitled to compensation for overtime, such payments are not in accordance with the Staff Regulations. The Court called on the Council to discontinue this system. The Court notes that even though the General Secretariat has taken action in order to gradually eliminate the stock of compensatory leave for A and B staff granted before 31 December 1997, payments were still made in 2007 to compensate for additional leave not taken.

Lastly, the audit did not give rise to any other significant observations.

2007 discharge: EU general budget, Council

2008/2277(DEC) - 25/11/2009 - Text adopted by Parliament, single reading

The European Parliament adopted by 587 votes to 57, with 11 abstentions, a decision to **grant discharge to the Secretary-General of the Council** in respect of the implementation of the Council's budget for the financial year 2007.

Parliament adopted a resolution containing observations which constitute an integral part of the discharge decision.

Parliament emphasises that it has obtained satisfaction from the Council on the three most important requests it made in its resolution of 23 April 2009, namely:

1. a meeting on 24 September 2009 of the Chairman, the rapporteur and the co-ordinators of Parliament's competent committee with representatives of the Swedish Presidency and of the General Secretariat of the Council to discuss the Council's budget implementation for 2007;
2. written answers to Parliament's questions concerning the Council's budget implementation for 2007;
3. publication on the Council's website of relevant documents concerning the Council's budget implementation, including the answers to Parliament's specific questions.

Parliament considers that it has carried out its duty to guarantee the maximum possible transparency and accountability concerning the use of taxpayers' money.

It nevertheless invites:

- the Council to continue to further improve cooperation with its competent committees on the basis of its recent practice;
- the institutions to formulate and include in the [IIA](#) an annex specifically dealing with the discharge procedure for the Council;
- Parliament's competent committee, in the context of the next discharge procedure for the Council, to verify progress on the following matters: (i) the closing of all its extra-budgetary accounts in accordance with the recommendations of its internal auditor; (ii) the improvement of the verification of invoices following its internal auditor's recommendations; (iii) the publication of all administrative decisions when they are used as the legal basis for budget items; (iv) the transmission to Parliament and its competent committee of its annual activity report, required to be drawn up by the Financial Regulation, in accordance with the practice now adopted by all other EU institutions; (v) a full explanation of the need to transfer money from one item to another within its budget; (vi) the provision of written answers to relevant questions asked by its competent committee and its rapporteur; (vii) **the availability and willingness of the Council to provide an oral explanation to its competent committee, on the basis of these written answers, should they require further clarification.**

Parliament renews its request made in its resolution of 23 April 2009 to the European Court of Auditors to pay special attention, in its forthcoming Annual Reports, to the Council's budget implementation.

2007 discharge: EU general budget, Council

2008/2277(DEC) - 23/07/2008 - Non-legislative basic document

PURPOSE: to present the final annual accounts of the European Communities for the financial year 2007 - Other institutions: section II - Council.

Note: this summary provides a general overview of the main trends in terms of the Council's expenditure for the financial year 2007. It does not cover the details of the implementation of the expenditure by the institution due to the unavailability of the relevant document.

However, it does cover the figures for the Council's expenditure as presented in volume I of the [consolidated annual accounts of the European Communities](#) for the year 2007.

CONTENT: the summary of the consolidated annual accounts of the European Communities for the year 2007 show that the Council's expenditure was as follows:

Commitment appropriations:

- commitment appropriations authorised: EUR 650 million;
- commitments made in 2007: EUR 532 million (implementation rate of 81.89%);
- appropriations carried over to 2008: EUR 108 million (16.57% of total commitments);
- appropriations lapsing: EUR 10 million (1.54% of the budget).

Payment appropriations:

- payment appropriations authorised: EUR 741 million;
- payments made in 2007: EUR 558 million (implementation rate of 75.21%);
- appropriations carried over to 2008: EUR 163 million (21.98% of total payments);
- appropriations lapsing: EUR 21 million (2.81% of the budget).

Main axes of expenditure for 2007: the main administrative objectives of the General Secretariat of the Council (GSC) for 2007 were as follows:

1. consolidation of the organisation after the 2004 enlargement by (i) the occupying the LEX building in 2007 and leaving the Woluwe Heights and Rolin buildings;
2. the recruitment of official to fill vacancies;
3. the culmination in the accession of Bulgaria and Romania;
4. continuation of the administrative modernisation process: the General Secretariat wanted to implement a programme aimed at improving the quality of its organisation, such as an integrated interinstitutional financial management project, to be implemented as of 2008.

In terms of **staff**, an overall increase in the establishment plan was needed to meet the challenges posed by enlargement, to take on new tasks and to convert certain temporary AST posts into permanent posts.

Note that in terms of translation units, the Council redefined its policy in order to significantly limit the large number of documents to be translated and to limit the overcapacity of its translation service. The General Secretariat of the Council also had to implement a range of new measures to ensure long-term management of human resources (including greater internal mobility) and improved interinstitutional cooperation.

2007 discharge: EU general budget, Council

2008/2277(DEC) - 23/04/2009 - Text adopted by Parliament, single reading

The European Parliament adopted by 571 votes to 41, with 21 abstentions, a decision aiming to **postpone granting discharge** to the Secretary-General of the **Council** in respect of the implementation of its budget for the financial year 2007.

The European Parliament adopted a resolution containing a series of observations concerning the discharge decision. Parliament recalls that, in 2007, the Council had available commitment appropriations amounting to a total of EUR 650 million (compared to EUR 626 million in 2006), with a utilisation rate of 81.89%, lower than in 2006 (91.79%) and below the average of the other institutions (93.82%).

The Parliament makes the following recommendations:

Combating the lack of transparency of the Council: noting that the Council **refuses to provide Parliament** with its full budget execution document and with its full annual activity report, and that it also refuses to hold any official meeting with the Parliament concerning its discharge, Parliament reaffirms its position from 2002 (on discharge in respect of the financial year 2000) that “[...] in view of the increasingly operational nature of expenditure, financed under the Council's administrative budget, in the fields of foreign affairs, security and defence policy, and justice and home affairs, the scope of this arrangement should be clarified with a view to distinguishing traditional administrative expenditure from operations in these new policy areas”. It therefore considers that expenditure of the Council ought to be scrutinised **in the same way as that of the other institutions**.

Keep Parliament duly informed about the Council's expenditure: Parliament regrets that, as in 2008 (2006 discharge) and, unlike other institutions, the Council does not submit an annual activity report to Parliament, citing the Gentlemen's Agreement of 1970. It therefore calls on the Council to reconsider this decision in order to be more accountable to the general public and taxpayers. It also reiterates its call, as expressed in 2007, for **maximum transparency in the area of Common Foreign and Security Policy (CFSP)** and to make sure that no operating CFSP expenditure appears in the Council's budget, in accordance with the clear provisions of the [Interinstitutional Agreement \(IIA\) on budgetary discipline](#). Moreover, Parliament calls on the Council to indicate the exact nature of expenses, article by article, item by item, within its Title 3 (Expenditure arising out of the institution's performance of its specific missions), so as to enable Parliament to check whether none of the expenditure is of an operational nature, in conformity with the IIA.

CFSP/ESDP expenditure: Parliament considers that the planning of, preparation for and controlling of an operation by CFSP Staff in the Council Secretariat are basic and fundamental parts of the operation, and that these activities are carried out in pursuit of policy and operations, rather than as part of the normal work of the secretariat within the Council. It is astonished to note that a substantial part (up to 66%) of budget line 2202 was transferred from interpretation to CFSP/ESDP travels (i.e. EUR 12 672 984). It therefore asks to be informed of the amount for the same budget line for 2007 and demand, for the sake of greater transparency, the **creation of an appropriate budget line for these purposes**. Moreover, Parliament demands transparency with regard to spending on and by the EU Counter-terrorism Co-ordinator. On the whole, Parliament considers that Parliament's repeated and so far always refused request for greater transparency and closer parliamentary scrutiny of Council's expenditure relating to CFSP/CFDP should be emphasised by **budgetary amendments aiming at placing in reserve certain relevant budget lines in the Council's budget for 2010**.

Other criticisms: Parliament regrets that, according to the annual activity report of the Council's internal auditor, the Council was not able to fill the vacant posts in its internal audit service. According to this same report, the internal auditor recommended the complete elimination of the "comptes hors budget". Parliament therefore calls on the Council to eliminate completely and immediately all such accounts and to solve the problem concerning the "vérification des factures", as recommended by the Council's internal auditor.

Reasons for postponement of the discharge decision: Parliament notes the concrete reasons for postponing the discharge decision for the Council. It highlights problems of transparency in terms of the Council's budgetary expenditure as well as a **lack of openness** for an official and formal dialogue from the Council's side regarding control of its expenditure. It asks for a series of documents to be presented to the Parliament concerning a number of budget issues, including: (i) its "comptes hors budget"; (ii) the "vérification des factures"; (iii) interpreting costs (doubling (from 2006 to 2007) of budget line 2202 dedicated to interpretation in order to cover delegates' travel expenses in 2006); (iv) the exact travel expenses of delegations; (v) the costs of special advisers in the field of the ESDP/CFSP (total amount transferred to the budget line concerned); (vi) the full list of budgetary transfers concerning the 2007 budget of the Council; (vii) the list of the associations which received money for the financial year 2007 specifying the amounts received per association.