

Basic information

2009/2072(DEC)

DEC - Discharge procedure

2008 discharge: EU general budget, Court of Auditors

Subject

8.70.03.07 Previous discharges

Procedure completed

Key players

European
Parliament

Committee responsible

CONT

Budgetary Control

Rapporteur

CZARNECKI Ryszard (ECR)

Appointed

01/10/2009

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.	02/09/2009
	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.	
European Commission	Commission DG	Commissioner	
	Budget	ŠEMETA Algirdas	

Key events			
Date	Event	Reference	Summary
23/07/2009	Non-legislative basic document published	SEC(2009)1089 	Summary
07/10/2009	Committee referral announced in Parliament		
23/03/2010	Vote in committee		Summary
26/03/2010	Committee report tabled for plenary	A7-0097/2010	

21/04/2010	Debate in Parliament		
05/05/2010	Decision by Parliament	T7-0095/2010	Summary
05/05/2010	Results of vote in Parliament		
05/05/2010	End of procedure in Parliament		
25/09/2010	Final act published in Official Journal		

Technical information	
Procedure reference	2009/2072(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/00626

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE430.315	09/02/2010	
Amendments tabled in committee		PE439.355	03/03/2010	
Committee report tabled for plenary, single reading		A7-0097/2010	26/03/2010	
Text adopted by Parliament, single reading		T7-0095/2010	05/05/2010	Summary
European Commission				
Document type	Reference	Date	Summary	
Non-legislative basic document	SEC(2009)1089 	23/07/2009	Summary	
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
CofA	Document attached to the procedure	N7-0036/2009 OJ C 269 10.11.2009, p. 0001	10/11/2009	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

2008 discharge: EU general budget, Court of Auditors

2009/2072(DEC) - 05/05/2010 - Final act

PURPOSE: to grant discharge to the Court of Auditors for the financial year 2008.

LEGISLATIVE ACT: Decision 2010/501/EU of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2008 (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 2008.

This decision is in line with the European Parliament's resolution adopted on 5 May 2010 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 5 May 2010).

2008 discharge: EU general budget, Court of Auditors

2009/2072(DEC) - 23/07/2009 - Non-legislative basic document

PURPOSE: to present the final annual accounts of the European Communities for the financial year 2008 - 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 2008. It presents an analysis of its financial management as well as its main axes of expenditure.

The figures mentioned hereafter are taken from the [Report on the Budgetary and Financial Management for the financial year 2008](#).

Information concerning the Court of Auditors is taken from the Court's [Annual Activity Report for 2008](#) which can be found on the Court's website, in which it provides more detailed information on the missions and the tasks carried out in 2008.

CONTENT:

2008 appropriations:

- **Commitments** (final appropriations): EUR 132 769 183
- **Committed appropriations:** EUR 120 633 663
- **Implementation rate:** 90.86%
- **Payments:** EUR 108 333 378
- **Implementation rate:** 89.8%
- **Transfers:** in the course of the financial year, the Court effected 20 budgetary transfers for a total amount of EUR 2 601 103. These transfers were undertaken to ensure the smooth working of the various departments of the Court and to meet any requirements this entailed.

(2) Main axes of 2008 expenditure: as the independent audit institution of the EU, the Court of Auditors has a unique role to play in contributing to the improvement of the EU financial management and to promoting accountability and transparency. It does this through the audit services it renders and the example it sets. The Court presents the results of its audits in the annual or specific reports. This year the Court presented, for the first time, a 'clean' opinion on the reliability of the EU accounts.

The Court acknowledged, also in 2008, the developments being made at EU and national level that may lead to significant improvements in EU financial management in the future. Two examples in this Annual Activity Report are the ongoing EU budget review process, to which the Court has actively contributed, and the issuing by the Commission of its communication on the 'Tolerable risk of error'.

In the domain of international relations, the Court took the lead in organising discussions of the Contact Committee of the Heads of the EU Supreme Audit Institutions (SAI) on EU budget reform and the Revised Lisbon Strategy, as well as recently hosting a workshop on the role of the EU SAIs in the

light of the measures being taken to address the current financial crisis. A significant step taken in 2008 by the Court to realise its mission and vision was the development of its Audit Strategy for the period 2009 to 2012. The Audit Strategy sets two priority goals: (i) to maximise the overall impact from its audits; and (ii) to increase efficiency by making best use of its resources. These goals will guide the Court's work programmes over the period.

In terms of its operational activities, the Court notes that, in addition to its 2008 annual report on EU expenditure, it drew up 28 special annual reports on the agencies and other decentralised Community bodies, 12 special reports as well as 5 opinions on proposed regulations or issues concerning financial management.

3) Salient facts of the 2008 budget implementation:

Title I (*People working with the institution*): in 2008, the utilisation rate of appropriations of Title I equals 89.31% (in 2007 this rate was 89.41%). Appropriations in the chapter concerning "Officials and temporary staff" were utilised in 2008 at 88.64%. An amount of EUR 9 916 566 was not used due to the continuing effects of the delay noted in the last years in anticipated recruitment brought about by the lower than expected number of laureates from external competitions. This year's utilisation rate concerning "Other staff and external services" of 81.05% was mainly caused by an unused budget of EUR 537 951 in the budget line concerning contract workers. The Court also encountered difficulties in recruiting and keeping suitable staff. In fact some contract agents became temporary agents following selection procedures, others resigned before the end of their contract (mainly because they found better paid jobs elsewhere) and/or were not replaced when their contract ended. In addition, the recruitment of contract agents is difficult due to the lack of attractiveness of the salaries and due to the fact that part of the laureates from the selection procedures are already working in other institutions.

There are a number of missions carried out in 2008 for which expense claims were not received or had been received but not fully processed by the end of the financial year. Other amounts for which legal obligations existed but invoices were not received in 2008 are 'further training for staff', 'early childhood centre' and 'miscellaneous expenditure on recruitment'.

Title II (*Buildings, movable property, equipment and miscellaneous operating expenditure*): the rate of utilisation of appropriations in Title II reached 98.28% in 2008 (compared to 95.92 % in 2007). Payments amounted to a total of EUR 12 958 863, equivalent to 56.60% of the final appropriations and to 57.59% of the commitments. The large amount (EUR 5 504 660) carried over in the chapter on "buildings and associated costs" impacts negatively on the implementation rates mentioned above. This amount is largely explained by the work being carried out in the Court's 'K1' building to bring it into conformity with national health, safety and environmental legislation. After some technical problems were encountered, this work is running later than planned, with the result that fewer payments were made in 2008 than anticipated. It is expected that the work will be fully completed and paid for in the first half of 2009. For other major amounts contributing to the carry-over, "cleaning and maintenance", "Energy consumption and Security", the amounts were committed but the invoices were not yet received at year end. The Court also notes an important amount of appropriations for the lines concerning IT due to, yet again, undelivered invoices at the end of the year. The same problem concerns the publication of the Annual Report, Special Report 7/08, Specific Annual Reports, Report of the external auditor plus other related costs like distribution, stocking, etc...

2008 discharge: EU general budget, Court of Auditors

2009/2072(DEC) - 05/05/2010 - Text adopted by Parliament, single reading

The European Parliament adopted a decision on discharge to be granted to the Court of Auditors' Secretary-General in respect of the implementation of its budget for the financial year 2008. Furthermore, Parliament adopted a resolution with observations which are an integral part of the decision to grant discharge.

Firstly, the resolution cites that, in 2008, the Court of Auditors had commitment appropriations available amounting to a total of **EUR 133 million** (2007: EUR 122 million), with a utilisation rate of 90.66%, below the average of the other institutions (95.67%).

Parliament recalls that, as regards the financial year 2008, the Court's accounts were audited by an external firm, PricewaterhouseCoopers and that the conclusions were favourable. Parliament notes that the 2008 report of the Court's internal auditor was largely positive.

Parliament also notes the Court's efforts to improve the procedure for the publication and presentation of its annual reports which are its main activity. It hopes that an agreed procedure for this decisive stage in the discharge process can be established for future use, with due regard for the absolute independence of the Court.

Parliament recalls its suggestion to consider a possibility to devise **a more rational structure** for the Court, and asks the Court to consider alternative models with a view to reducing the total number of members, by capping the number of members and adopting, for example, a rotation system based on the principle of equality among members.

Parliament notes that the current procedure of the publication and presentation of the Court's **special reports**, while adding to the Court's identity and visibility, raises some concerns: while the Parliament fully respects the right of the Court to submit the observations in the form of special reports at any time, it considers that current procedure, which commences with the special report's public presentation and the Court's press conference well in advance of the presentation of the special report to the Committee on Budgetary Control, may not fully reflect the Court's role as a reporting institution assisting the Parliament and Council in exercising their powers of control over the implementation of the budget.

Parliament highlights the shortage of suitable laureates which prevented the Court from recruiting as many new staff as planned. It requests the Court to report on its progress in shortening delays in its recruitment process.

In addition, Parliament welcomes:

- the setting up of the Joint Committee on equal opportunities, the progress made in the areas of IT and telecommunications, and effective management of office space;

- the establishment of framework monitoring effectiveness of internal controls, as well as the adoption of Key Performance Indicators;
- the new integrated system for management and financial control (SAP), in operation since 1 January 2008, which enabled budget savings and gains in efficiency for the three institutions involved (the Council, the Court of Auditors and the Court of Justice);
- the ongoing successful interinstitutional cooperation with the Court of Justice of the European Union as regards training.

Parliament recalls that, in compliance with the Court's Code of Conduct, Court members communicate a declaration of their financial interests to the President of the Court. It considers that these declarations should be accessible on the Internet via a public register (which is currently not the case).

2008 discharge: EU general budget, Court of Auditors

2009/2072(DEC) - 10/11/2009

PURPOSE: to present the report of the Court of Auditors on the implementation of the budget for the financial year 2008 (other institutions - European Court of Auditors).

CONTENT: in its annual report for the financial year 2008, the Court focuses on the legality and regularity of the operating expenditure of the institutions. In 2008, the Court carried out audits in all the institutions on the following selected topics (procurement contracts, late payment penalties, payments on carried-over appropriations, transfers of acquired pension rights, etc...). In addition, the Court assessed the compliance of the supervisory and control systems applied by each institution with the requirements of the Financial Regulation

In 2008, 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.**

Although the legality and regularity of the transactions underlying the accounts have been confirmed by the Court of Auditors, it does however draw attention to a number of findings which should be taken into consideration by the institutions concerned.

Nevertheless, in the specific case of the audit of the **Court of Auditors**, it is audited by an independent external audit firm which issued an assurance report concerning the legality and regularity of the use of the Court's resources, and the control procedures in place for the period from 1 January 2008 to 31 December 2008.