Basic information

2010/2146(DEC) DEC - Discharge procedure	Procedure completed
2009 discharge: EU general budget, Court of Auditors **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	RIVELLINI Crescenzio (PPE)	23/03/2010
	Shadow rapporteur AYALA SENDER Inés (S&D) DE MAGISTRIS Luigi (ALDE) STAES Bart (Verts/ALE) SØNDERGAARD Søren Bo (GUE/NGL)	

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.	

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
20/07/2010	Non-legislative basic document published	SEC(2010)0963	Summary
07/10/2010	Committee referral announced in Parliament		
22/03/2011	Vote in committee		Summary
07/04/2011	Committee report tabled for plenary	A7-0138/2011	
10/05/2011	Decision by Parliament	T7-0198/2011	Summary
10/05/2011	Results of vote in Parliament		
10/05/2011	Debate in Parliament		
10/05/2011	End of procedure in Parliament		
27/09/2011	Final act published in Official Journal		

Technical information

Procedure reference	2010/2146(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/03948

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE450.687	19/01/2011	
Amendments tabled in committee		PE458.804	21/02/2011	
Committee report tabled for plenary, single reading		A7-0138/2011	07/04/2011	
Text adopted by Parliament, single reading		T7-0198/2011	10/05/2011	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05891/2011	03/02/2011	Summary

European Commission

Document type	Reference	Date	Summary
	SEC(2010)0963		

Non-legislative basic document		20/07/2010	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0083/2010 OJ C 303 09.11.2010, p. 0001	09/09/2010	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2011/0559 OJ L 250 27.09.2011, p. 0093	Summary

2009 discharge: EU general budget, Court of Auditors

2010/2146(DEC) - 10/05/2011 - Final act

PURPOSE: to grant discharge to the Court of Auditors for the financial year 2009.

NON-LEGISLATIVE ACT: Decision 2011/559/EU of the European Parliament on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section V - Court of Auditors.

CONTENT: with the present decision, the European Parliament grants discharge to the Secretary-General of the Court of Auditors for the implementation of its budget for the financial year 2009.

This decision is in line with the European Parliament's resolution adopted on 10 May 2011 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2011).

A parallel decision, adopted on the same day, approves the closure of this Institution's accounts.

2009 discharge: EU general budget, Court of Auditors

2010/2146(DEC) - 10/05/2011 - Text adopted by Parliament, single reading

The European Parliament adopted by 571 votes to 78, with 10 abstentions a decision to grant discharge to the Court of Auditors' Secretary-General in respect of the implementation of its budget for the financial year 2009.

Furthermore, Parliament adopted by 496 votes to 142, with 14 abstentions a resolution with observations which are an integral part of the decision to grant discharge.

The resolution recalls that, in 2009, the Court of Auditors had commitment appropriations available amounting to a total of EUR 188 million (2008: EUR 133 million), with a utilisation rate of 92.19%, below the average of the other institutions (97.69%).

Recalling that, as regards the financial year 2009, the Court's accounts were audited by an external firm, PricewaterhouseCoopers and that the conclusions were favourable, Parliament notes that the 2009 report of the Court's internal auditor was very positive.

Parliament welcomes the audit strategy of the Court of Auditors for the period 2009 to 2012 and supports its priority goals (maximising the overall impact from its audits and increasing efficiency by making best use of resources). It welcomes, in particular, the Court’s intention to publish follow-up reports concerning special reports in order to give them greater weight. It notes the considerably increased number of the reports produced by the Court of Auditors, in particular, the increase of the number of special reports and points out that these latter reports contribute to the better control of

the Union’s finances. However, Parliament is concerned about the reduced amount of detailed information provided in the Court’s annual reports on the agencies.

Parliament notes that the Court of Auditors performed an in-depth assessment of supervisory and control systems in the Court of Justice, the European Ombudsman and the European Data Protection Supervisor, which included the examination of an additional sample of transactions of payments relating to human resources and to other administrative expenditure. It calls on the Court to continue and broaden this practice, in particular, to consider performing **an in-depth assessment of supervisory and control systems in the Council**.

At the same time, Parliament considers that the cooperation between the Court of Auditors and Parliament could be enhanced by streamlining working methods and by improving further the synergies between the two institutions. It welcomes the measures taken by the Court to reform and improve its role in line with Parliament’s requests, with a view to giving greater impact to its assessments and checks.

In relation to declarations of members' financial interests, Parliament calls once again for these to be made accessible on the Internet by the Court of Auditors in accordance with the institution’s code of conduct, via a public register.

Lastly, Parliament recalls that objectivity, impartiality, excellence and professionalism are the Court of Auditors’ key values and considers that **deeper reflection on the news that recently appeared in the media should be carried out**. It recalls, in this regard, that it awaits with interest the ‘follow up peer review’ that the Court of Auditors intends to launch during 2011 (three years after the positive peer review of 2008) and announces that Parliament intends to produce an own-initiative report on possible improvements that could be proposed to the Court of Auditors. It also invites the President of the Court of Auditors to present the results of this review to Parliament's competent committee.

2009 discharge: EU general budget, Court of Auditors

2010/2146(DEC) - 09/09/2010

PURPOSE: to present the report of the Court of Auditors on the implementation of the budget for the financial year 2009 (other institutions – Court of Auditors).

CONTENT: the Court of Auditors published its 33rd annual report on the implementation of the general budget of the European Union, covering the financial year 2009.

Pursuant to the Treaty on the Functioning of the European Union (TFEU), the Court of Auditors provides the European Parliament and the Council with a Statement of Assurance concerning the reliability of the accounts and the legality and regularity of the underlying transactions (‘the DAS’).

For the first time, the Court is forwarding its annual report to national parliaments at the same time as to the European Parliament and the Council, as provided for under Protocol No 1 to the Treaty of Lisbon.

This audit concerns, in particular, the budget implementation of the Court of Auditors.

Based on its audit work, the Court concludes that the payments for the year ended 31 December 2009 for administrative expenditure of the institutions were free from material error. 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. It recalls that the main risks in the administrative and other expenditure policy group are non-compliance with the provisions on procurement, the implementation of contracts, recruitment procedures and the calculation of salaries and allowances.

Based on its audit work, the Court states that in the area of the payment of social allowances, the Court recommended to the Institutions and bodies concerned that they request their staff to deliver at appropriate intervals documents confirming their personal situation and that they implement a system for the timely monitoring of these documents.

The specific observations that follow and which are presented by Institution or body of the European Union are based on the Court’s audit. These findings do not call into question the positive assessments as they are not material to administrative expenditure as a whole but are significant in the context of the individual Institution concerned.

In the specific case of the Court’s audit, the Court states that it is audited by an independent external audit firm which issued an audit report on the financial statements for the financial year from 1 January 2009 to 31 December 2009 and an assurance report concerning the regularity of the use of the Court's resources.

2009 discharge: EU general budget, Court of Auditors

2010/2146(DEC) - 20/07/2010 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2009, as part of the 2009 discharge procedure.

Analysis of the accounts of the EU Institutions: Section V – **Court of Auditors**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2009 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the Court of Auditors.

The document helps to bring insight into the EU budget mechanism and the **way in which the budget has been managed and spent in 2009**. It recalls that European Union's operational expenditure covers the various headings of the financial framework and takes different forms, depending on how the money is paid out and managed.

In accordance with the Financial Regulation, the Commission implements the general budget using the following methods:

- **direct centralised management**: direct implementation of the budget by the Commission services;
- **indirect centralised management**: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, such as the EU agencies of public law or with public service missions;
- **decentralised management**: the Commission delegates certain tasks for implementation of the budget to third countries;
- **shared management**: under this method of management budget implementation tasks are delegated to Member States. The majority of the expenditure falls under this mode "Shared Management" involving the delegation of tasks to Member States, covering such areas as agricultural spending and Structural Actions;
- **joint management**: under this method, the Commission entrusts certain implementation tasks to an international organisation.

The document also presents the different financial actors involved in the budget process (accounting officers, internal officers and authorising officers) and recalls their respective roles in the context of the tasks of sound financial management.

Amongst the other legal elements relating to the implementation of the EU budget presented in this document, the paper focuses on the following issues:

- the way in which EU public expenditure is committed and spent;
- the means of recovery following irregularities detected;
- the *modus operandi* of the accounting system:
- the audit process followed by the European Parliament's granting of the discharge.

To recall, the final control is the discharge of the budget for a given financial year. The discharge represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission from its responsibility for management of a given budget by marking the end of that budget's existence.

Lastly, the document presents a series of tables and detailed technical indicators on (i) the balance sheet; (ii) the economic outturn account; (iii) cashflow tables; (iv) technical annexes concerning the financial statements.

Implementation of appropriations under Section V of the budget for the financial year 2009: the document comprises a series of detailed tables, the most important concerning the implementation of the budget. As regards the Court of Auditor's expenditure, the table on the financial and budgetary implementation of this institution shows the following:

A) Table showing the commitment appropriations:

- Commitments: EUR 173 million (92.19% rate of implementation)
- Carry-overs to 2010: (0.21% of authorised appropriations)
- Cancelled: EUR 14 million

B) Table showing the implementation of payments:

- Payments: EUR 123 million (61.35% rate of implementation)
- Carry-overs to 2010: EUR 62 million (30.76% of authorised appropriations)
- Cancellations: EUR 16 million.

Lastly, the annexes detail specific expenditure of the institutions, in particular:

- **pensions**: an administrative budget heading includes the pension obligations towards the Members and former members of the Court of Auditors;
- **joint sickness insurance scheme**: a valuation is also made for the estimated liability that the EU has regarding its contributions to the Joint Sickness Insurance Scheme in relation to its retired staff. This gross liability has been valued at EUR 3 535 million. The calculations take into account active officials and pensioners from the various EU Institutions and Agencies, and their families, and active Members and pensioners from the Court of Auditors.

For further details on the budgetary implementation of expenditure of Section V of the budget (Court of Auditors), please refer to the Report on budgetary and financial management for 2009 and the Financial Statements for 2009. These documents outline the main administrative objectives of the Court of Auditors for 2009. The main challenges were:

- the continuation of the implementation of the Court's Audit Strategy 2009–2012 and towards the goals of improving the impact of its work and making better use of European resources; the Court 's decision to ask the Council of the European Union to approve new Rules of Procedure to help streamline our procedures for adopting reports and opinions;
- increase in the number of reports produced by the Court (from 42 in 2008 to 57 in 2009) ;
- continued cooperation with the Supreme Audit Institution (SAIs) of the Member States to develop common approaches for the audit of EU funds and in considering how SAIs can assist governments in responding to the financial economic crisis.

The report gives an overview of the results achieved as against the objectives set for 2009.

2009 discharge: EU general budget, Court of Auditors

2010/2146(DEC) - 03/02/2011

Having regard to the observations made in the Court of Auditor's report, the Council calls on the European Parliament to give a discharge to the Commission in respect of the implementation of the budget of the European Union for the financial year 2009. Although the observations made by the Council are positive as regards institution expenditure, the Council considers that the budget implementation calls for a series of comments which should be taken in to account when discharge is granted.

The Council is concerned about the Court's finding that, in several cases, and in different institutions and bodies, the information serving as the basis for the payment of allowances provided for by the relevant staff regulations was not up-to-date. Therefore, the Council supports the Court's recommendation that **administrative systems should be improved to timely monitor and control the documents proving the staff's personal situation**. It notes that the institutions and bodies addressed by the Court have already taken action and encourages them to pursue it.