

## Basic information

2010/2147(DEC)

DEC - Discharge procedure

2009 discharge: EU general budget, Economic and Social Committee

### Subject

8.70.03.07 Previous discharges

Procedure completed

## Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	<b>CONT</b> Budgetary Control	RIVELLINI Crescenzo (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
	<b>AFET</b> Foreign Affairs	The committee decided not to give an opinion.	
	<b>DEVE</b> Development	The committee decided not to give an opinion.	
	<b>INTA</b> International Trade	The committee decided not to give an opinion.	
	<b>BUDG</b> Budgets	The committee decided not to give an opinion.	
	<b>ECON</b> Economic and Monetary Affairs	The committee decided not to give an opinion.	
	<b>EMPL</b> Employment and Social Affairs	The committee decided not to give an opinion.	

<b>ENVI</b>	Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
<b>ITRE</b>	Industry, Research and Energy	The committee decided not to give an opinion.	
<b>IMCO</b>	Internal Market and Consumer Protection	The committee decided not to give an opinion.	
<b>TRAN</b>	Transport and Tourism	The committee decided not to give an opinion.	
<b>REGI</b>	Regional Development	The committee decided not to give an opinion.	
<b>AGRI</b>	Agriculture and Rural Development	The committee decided not to give an opinion.	
<b>PECH</b>	Fisheries	The committee decided not to give an opinion.	
<b>CULT</b>	Culture and Education	The committee decided not to give an opinion.	
<b>JURI</b>	Legal Affairs	The committee decided not to give an opinion.	
<b>LIBE</b>	Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
<b>AFCO</b>	Constitutional Affairs	The committee decided not to give an opinion.	
<b>FEMM</b>	Women's Rights and Gender Equality	The committee decided not to give an opinion.	
<b>PETI</b>	Petitions	The committee decided not to give an opinion.	

European Commission	<b>Commission DG</b>	<b>Commissioner</b>
	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		
28/03/2011	Vote in committee		Summary
06/04/2011	Committee report tabled for plenary	A7-0136/2011	
10/05/2011	Decision by Parliament	T7-0199/2011	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	2010/2147(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/03968

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE450.682	20/01/2011	
Amendments tabled in committee		PE458.803	21/02/2011	
Committee report tabled for plenary, single reading		A7-0136/2011	06/04/2011	
Text adopted by Parliament, single reading		T7-0199/2011	10/05/2011	Summary
<b>Council of the EU</b>				
Document type	Reference	Date	Summary	
Document attached to the procedure	05891/2011	03/02/2011	Summary	
<b>European Commission</b>				
Document type	Reference	Date	Summary	
	SEC(2010)0963			

Non-legislative basic document		20/07/2010	<a href="#">Summary</a>
<b>Other institutions and bodies</b>			
Institution/body	Document type	Reference	Date
CofA	Court of Auditors: opinion, report	N7-0083/2010 OJ C 303 09.11.2010, p. 0001	09/09/2010
			<a href="#">Summary</a>

<b>Additional information</b>		
Source	Document	Date
European Commission	EUR-Lex	

<b>Final act</b>	
Decision 2011/0560 OJ L 250 27.09.2011, p. 0097	<a href="#">Summary</a>

## 2009 discharge: EU general budget, Economic and Social Committee

2010/2147(DEC) - 10/05/2011 - Final act

PURPOSE: to grant discharge to the European Economic and Social Committee for the financial year 2009.

NON-LEGISLATIVE ACT: Decision 2011/560/EU of the European Parliament on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section VI - European Economic and Social Committee.

CONTENT: with the present decision, the European Parliament grants discharge to the Secretary-General of the European Economic and Social Committee 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, Economic and Social Committee

2010/2147(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 VI – **European Economic and Social Committee (EESC)**.

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 Economic and Social Committee.

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 VI 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 Economic and Social Committee's expenditure, the table on the financial and budgetary implementation of this institution shows the following:

**A) Table showing the commitment appropriations:**

- Commitments: EUR 120 million (98.02% rate of implementation)
- Carry-overs to 2010: (0.33% of authorised appropriations)
- Cancelled: EUR 2 million

**B) Table showing the implementation of payments:**

- Payments: EUR 117 million (91.69% rate of implementation)
- Carry-overs to 2010: EUR 8 million (5.95% of authorised appropriations)
- Cancellations: EUR 3 million.

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

- **joint sickness insurance scheme:** a valuation is 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.

For further details on the budgetary implementation of expenditure of Section VI of the budget (European Economic and Social Committee), please refer to the [Annual Activity Report 2009](#). The main challenges in 2009 were:

- overcoming the implications of the Lisbon Treaty for the Committee, focusing on strengthened participatory democracy, including fortifying existing links with national Economic and Social Councils and the European Institutions;
- providing technical advice and support to the Committee responsible for revising the Rules of Procedure, (preparing for implementation of the Lisbon Treaty);

- continuation of the action plan "Reimbursement" aimed at automating the chain of payments and reducing delays in travel reimbursements to Members;
- preparing the renewal of the Members' mandate;
- simplification of working methods and revision of some procedures;
- setting up a new establishment plan.

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

## 2009 discharge: EU general budget, Economic and Social Committee

2010/2147(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.

## 2009 discharge: EU general budget, Economic and Social Committee

2010/2147(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 – European Economic and Social Committee).

**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 Economic and Social Committee.

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 Economic and Social Committee's, the Court notes that the audit did not identify any reportable weakness in respect of the topics audited.

**Follow-up to observations from past annual reports:** the audit gave rise to remarks on actions and decisions taken as a follow-up to observations from past Annual Report (2008 Report). The Economic and Social Committee does not apply the provisions of the Staff Regulations concerning the multiplication factor in the same way as the other institutions. This resulted in the granting of a financial advantage to their staff, which the other institutions do not grant, and in higher expenses.

# 2009 discharge: EU general budget, Economic and Social Committee

2010/2147(DEC) - 10/05/2011 - Text adopted by Parliament, single reading

The European Parliament adopted by 392 votes to 257, with 5 abstentions a decision to grant discharge to the Secretary-General of the European Economic and Social Committee in respect of the implementation of its budget for the financial year 2009.

Parliament also adopted by 567 votes to 75, with 11 abstentions a resolution containing a number of observations which forms an integral part of the discharge decision. The resolution recalls that, in 2009, the European Economic and Social Committee (EESC) had commitment appropriations available amounting to a total of EUR 122 million (2008: EUR 118 million), with a utilisation rate of 98.02%, higher than the average of the other institutions (97.69%).

**Allegations regarding the EESC's internal management:** in a series of amendments adopted in plenary, Parliament wonders about the allegation concerning the EESC's internal management, which led to the decision, on 11 March 2011, by the European Anti-Fraud Office (OLAF) to open an enquiry. It calls on the EESC and OLAF to inform the budgetary authority of the progress and results of the case. The Committee on Budgetary Control is invited to follow the issue closely, in order to obtain additional information on the impact of OLAF's investigation and to take its results into account in the 2010 discharge.

Specific information is asked of the EESC in regard to the following alleged irregularities:

- disciplinary procedures undertaken by the EESC and their economic consequences, in particular, Case No 2/2007;
- policy in regard to staff promotion to management positions
- the conflicts as regards the independence of the legal service of the EESC;
- the access of EESC members and members of its Bureau to all the information required;
- the state of the procedure and results of internal audits carried out by the EESC.

Parliament calls on the EESC to cooperate fully with OLAF and to provide all necessary assistance to OLAF staff to carry out their investigation. The Ombudsman is invited to inform Parliament's Committee on budgetary control, as soon as possible, of the results of its investigations relevant to disciplinary case No 2/2007.

**Audit of the EESC:** Parliament notes that the annual report of the Court of Auditors did not give rise to any significant observations as regards the EESC. It, nevertheless, calls on the Court to confirm whether the audits of the 2009 reports found any evidence of irregularities that have already been the subject of disciplinary case No 2/2007.

As regards the rest, Parliament notes:

- the further, minor increase in the number of permanent posts allocated to the EESC, and that the posts are consistently filled;
- the implementation of the Administrative Cooperation Agreement between the EESC and the Committee of the Regions (CoR) for the period 2008 to 2014;
- the efforts in the area of interinstitutional cooperation, in particular, the ongoing introduction of the staff management system 'Sysper2'.

Parliament reconfirms its position that declarations of financial interests of members of all Union institutions should be accessible on the Internet via a public register and requests that the EESC takes steps to make public the relevant information, and to follow up this issue in its Annual Activity Report.

Parliament welcomes the willingness of the EESC to accommodate the suggestion of the Parliament that travel expenses of members of the EESC should be based only on actual travel costs (and that daily allowances should be equal to those received by the Members of the European Parliament).

Lastly, in a new amendment adopted in plenary, Parliament calls on the EESC to undertake with urgency during 2011 **a comprehensive spending review of all areas of activity to ensure all expenditure is delivering value for money** in order to identify possible savings which will reduce the pressure on the budget in this period of austerity.