## Basic information

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|---|---|
| **2010/2149(DEC)**<br>DEC - Discharge procedure | Procedure completed |
| 2009 discharge: EU general budget, European Ombudsman<br>**Subject**<br>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<br>AYALA SENDER Inés (S&D)<br>DE MAGISTRIS Luigi (ALDE)<br>STAES Bart (Verts/ALE)<br>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. | |
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|---|---|---|---|
| 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 |
| 04/04/2011 | Committee report tabled for plenary | A7-0116/2011 | |
| 10/05/2011 | Decision by Parliament | T7-0161/2011 | 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

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|---|---|
| **Procedure reference** | 2010/2149(DEC) |
| **Procedure type** | DEC - Discharge procedure |
| **Other legal basis** | Rules of Procedure EP 165 |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | CONT/7/04008 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE450.686 | 19/01/2011 | |
| Committee report tabled for plenary, single reading | | A7-0116/2011 | 04/04/2011 | |
| Text adopted by Parliament, single reading | | T7-0161/2011 | 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 |
|---|---|---|---|
| Non-legislative basic document | SEC(2010)0963 | 20/07/2010 | Summary |

**Other institutions and bodies**

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

**Additional information**

| Source | Document | Date |
|---|---|---|
| European Commission | EUR-Lex | |

**Final act**

Decision 2011/0562
OJ L 250 27.09.2011, p. 0104 Summary

# 2009 discharge: EU general budget, European Ombudsman

2010/2149(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 VIII – **European Ombudsman.**

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 European Ombudsman.

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 VIII 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 European Ombudsman's expenditure, the table on the financial and budgetary implementation of this institution shows the following:

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

- Commitments: EUR 8 million (91.98% rate of implementation)
- Cancelled: EUR 1 million

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

- Payments: EUR 8 million (84.57% rate of implementation)
- Carry-overs to 2010: EUR 1 million (7.75% of authorised appropriations)
- Cancellations: EUR 1 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 European Ombudsman;
- **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, and their families, and active Members and pensioners from the European Ombudsman.

For further details on the budgetary implementation of expenditure of Section VIII of the Budget (European Ombudsman) please refer to the 2009 Annual Activity Report. This report outlines the main administrative objectives of the European Ombudsman. The main challenges in 2009 were:

- re-election of the Ombudsman for a new mandate of 5 years (Nikiforos DIAMANDOUROS);
- taking into account of the effects of the Treaty of Lisbon on the institution in order to strengthen transparency and sound administration of the EU institutions and bodies;
- prospective study of the issues which might be raised by the 'future citizens' initiative "under the Treaty of Lisbon;
- enhancing initiatives (from institutions and bodies of the EU) to further improve the results in terms of good administration;
- enhancing the objectives of awareness and communication among citizens (to improve media coverage of the Ombudsman).

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

# 2009 discharge: EU general budget, European Ombudsman

2010/2149(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 Ombudsman).

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 European Ombudsman.

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 European Ombudsman's audit, the Court notes the following:

- **engagement of temporary and contractual agents**: Article 12(5) of the Conditions of Employment of Other Staff of the Communities requires that each Institution shall have general provisions on the procedures for recruitment of temporary staff. Such provisions have not yet been adopted by the European Ombudsman although 47 out of 63 posts granted under the 2009 budget are temporary posts. The European Ombudsman has taken due note of the Court's observation and his services have been instructed to draft provisions on the procedures for recruitment of temporary staff to be adopted before the third quarter of 2010.

# 2009 discharge: EU general budget, European Ombudsman

2010/2149(DEC) - 10/05/2011 - Text adopted by Parliament, single reading

The European Parliament adopted by 477 votes to 55, with 11 abstentions a decision on discharge to be granted to the European Ombudsman in respect of the implementation of its budget for the financial year 2009.

Furthermore, Parliament adopted a resolution with observations which are an integral part of the decision to grant discharge. The resolution recalls that, in 2009, the European Ombudsman had commitment appropriations available amounting to a total of EUR 9 million (as in 2008), with a utilisation rate of 91.98%, lower than the average of the other institutions (97.69%).

Parliament notes that the Court of Auditors performed an in-depth assessment of supervisory and control systems in the Court of Justice, the Ombudsman and the European Data Protection Supervisor which included the examination of an additional sample of transactions involving payments relating to human resources and to other administrative expenditure. As far as the European Ombudsman is concerned, it would appear that it had not adopted general provisions on the procedures for recruitment of temporary staff, although the Conditions of Employment of Other Servants of the European Union requires that each institution shall have done so. This omission may affect a majority of the Ombudsman's staff, as 47 out of 63 posts granted under the 2009 budget were temporary posts. Members welcome the fact that the Ombudsman has instructed his services to draft provisions on the procedures for recruitment of temporary staff to be adopted in accordance with the observation of the Court of Auditors.

Parliament welcomes the fact that the Court did not make any other significant observations concerning the Ombudsman and is pleased to note that the Ombudsman was able to help with almost 77% of all complaints, and that he dealt with 70% of inquiries in less than one year,

Lastly, Parliament notes the audits carried out by the Internal Audit Service (IAS) and stresses that the audit of the processing of the payment requests identified several issues to be addressed by the Ombudsman. It looks forward to reading of the follow-up to this in the Ombudsman's next annual activity report.

# 2009 discharge: EU general budget, European Ombudsman

2010/2149(DEC) - 10/05/2011 - Final act

PURPOSE: to grant discharge to the European Ombudsman for the financial year 2009.

NON-LEGISLATIVE ACT: Decision 2011/562/EU of the European Parliament on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section VIII - European Ombudsman.

CONTENT: with the present decision, the European Parliament grants discharge to the Ombudsman 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, European Ombudsman

2010/2149(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.