Basic information

2011/2204(DEC) DEC - Discharge procedure	Procedure completed
2010 discharge: EU general budget, Court of Justice **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	AYALA SENDER Inés (S&D)	03/03/2011
	Shadow rapporteur MARINESCU Marian-Jean (PPE) STAES Bart (Verts/ALE) CZARNECKI Ryszard (ECR) SØNDERGAARD Søren Bo (GUE/NGL) ANDREASEN Marta (EFD) EHRENHAUSER Martin (NI)	

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.	
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
26/07/2011	Non-legislative basic document published	COM(2011)0473	Summary
12/10/2011	Committee referral announced in Parliament		
27/03/2012	Vote in committee		
30/03/2012	Committee report tabled for plenary	A7-0088/2012	Summary
10/05/2012	Decision by Parliament	T7-0158/2012	Summary
10/05/2012	Results of vote in Parliament		
10/05/2012	Debate in Parliament		
10/05/2012	End of procedure in Parliament		
17/10/2012	Final act published in Official Journal		

Technical information

Procedure reference	2011/2204(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/07028

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE475.752	07/02/2012	
Amendments tabled in committee		PE483.642	06/03/2012	
Committee report tabled for plenary, single reading		A7-0088/2012	30/03/2012	Summary
Text adopted by Parliament, single reading		T7-0158/2012	10/05/2012	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	06081/2012	17/02/2012	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0473	26/07/2011	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0107/2011 OJ C 326 10.11.2011, p. 0001	08/09/2011	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2012/0554
OJ L 286 17.10.2012, p. 0100 Summary

2010 discharge: EU general budget, Court of Justice

2011/2204(DEC) - 26/07/2011 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2010, as part of the 2010 discharge procedure.

Analysis of the accounts of the EU Institutions: Section IV - **Court of Justice**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2010 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 Justice.

(1) Purpose: the document helps to bring insight into the EU budget mechanism and the **way in which the budget has been managed and spent in 2010** . 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.

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:

- accounting principles applicable to the management of EU spending (business continuity, consistency of accounting methods, comparability of information ...);
- consolidation methods of figures for all major controlled entities (institutions and agencies);
- the recognition of financial assets in the EU (tangible and intangible assets, financial assets and other miscellaneous investments);
- the way in which EU public expenditure is committed and spent, including pre-financing;
- 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 (please refer to the follow-up reports presented in this procedure file).

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 IV of the budget for the financial year 2010: the document comprises a series of detailed tables, the most important concerning the implementation of the budget. As regards the Court of Justice's expenditure, the table on the financial and budgetary implementation of this institution shows the following:

(A) Table showing the commitment appropriations:

- Commitments: EUR 325 million (97.89% rate of implementation)
- Carry-overs to 2011: EUR 1 million (0.44% of authorised appropriations)
- Cancelled: EUR 6 million

(B) Table showing the implementation of payments:

- Payments: EUR 323 million (92.40% rate of implementation)
- Carry-overs to 2011: EUR 18 million (5.24% of authorised appropriations)
- Cancellations: EUR 8 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 Justice (and General Court) and the European Union Civil Service Tribunal;
- **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 3 791 million for 2010.
- **buildings**: another heading covers the amounts included correspond to amounts committed to be paid during the term of the contracts. Included here is the outstanding contractual obligation of EUR 83 million concerning the renovation costs of buildings of the Court of Justice.

(3) Budget implementation – conclusions: the main characteristics of the budget implementation of the Court of Justice for 2010 were as follows:

- **intense judicial activity**: 1 406 cases were brought before the three courts comprising the Court of Justice; this figure is the highest in the institution's history and reflects the constant increase in the volume of European Union litigation. In 2010 631 new cases were brought before the Court, which amounts to a very significant increase compared with 2009 (562 new cases) and constitutes **the highest number of cases brought in the Court's history**. The situation is identical as regards references for a preliminary ruling. In 2010 **the number of references for a preliminary ruling** submitted was, for the second year in succession, the highest ever reached, and it exceeded the number in 2009 by 27.4% (385 cases in 2010 compared with 302 cases in 2009);
- the past year also saw the departure of two members and of the registrar of the Court of Justice and of four members of the General Court, partly as a result of the renewal of the General Court's membership. The new members of the Court of Justice and the General Court are the first to have been appointed under the new procedure introduced by the Treaty of Lisbon, that is to say, following an opinion of the panel provided for in Article 255 TFEU.

For further details on the budgetary implementation of expenditure of Section IV of the budget (Court of Justice), please refer to the Annual Activity Report 2010 of the Court of Justice.

2010 discharge: EU general budget, Court of Justice

2011/2204(DEC) - 10/05/2012 - Final act

PURPOSE: to grant discharge to the Court of Justice for the financial year 2010.

NON-LEGISLATIVE ACT: Decision 2012/554/EU of the European Parliament on discharge in respect of the implementation of the European Union's General Budget, section IV – Court of Justice, for the financial year 2010.

CONTENT: with the present decision, and in accordance with Article 318 of the Treaty on the Functioning of the European Union, the European Parliament grants discharge to the Registrar of the Court of Justice in respect of the implementation of the budget for the financial year 2010.

The decision is in line with the European Parliament's resolution adopted on 10 May 2012 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2012).

2010 discharge: EU general budget, Court of Justice

2011/2204(DEC) - 08/09/2011

PURPOSE: to present the report of the Court of Auditors on the implementation of the budget for the financial year 2010 (Section IV – Court of Justice of the European Union).

CONTENT: this is the Court's 34th Annual Report on the implementation of the EU budget. It covers the 2010 financial year.

Pursuant to the provisions of the Treaty on the Functioning of the European Union (TFEU) the Court has audited: (a) the annual accounts of the European Union which comprise the consolidated financial statements and the consolidated reports on implementation of the budget for the financial year ended 31 December 2010; and (b) the legality and regularity of the transactions underlying those accounts.

The central part of the annual report is the Court's statement of assurance (the 'DAS') on the reliability of the annual accounts of the EU and on the legality and regularity of transactions (referred to in the report as 'regularity of transactions'). The statement of assurance itself begins the report; the material which follows reports mainly on the audit work underlying the statement of assurance.

This particular audit concerns the budget implementation of the Court of Justice.

Based on its audit testing, the ECA concludes that the payments for the policy group Administrative and other expenditure were on the whole free from material error. **The estimated error rate was 0.4%.**

The Court found that supervisory and control systems for administrative and other expenditure were effective in ensuring the regularity of payments. However, **the ECA found a number of errors and weaknesses in the implementation of procurement procedures** by the EU institutions and bodies, and in one institution repeated under-utilisation of certain budget lines resulting in significant budget transfers to finance building projects. Recruitment decisions were also not always appropriately documented. These weaknesses were not material for the policy group as a whole, but were significant in the context of the individual institution or body concerned and need to be addressed by their administrations.

For 2010, the ECA recommends the EU institutions and bodies should ensure that:

- appropriate documentation is established to justify recruitment decisions and that eligibility criteria set out in vacancy notices are respected; and
- authorising officers establish appropriate checks and benefit of better guidance in order to improve the design, coordination and performance of procurement procedures.

The Court makes a certain number of particular observations as regards each EU institution or body of the European Union and which do not call into question the overall positive assessments set out above because they do not affect significantly administrative expenses as a whole.

However, in the specific case of the audit of the Court of Justice, the Court of Auditors made no specific observation.

2010 discharge: EU general budget, Court of Justice

2011/2204(DEC) - 17/02/2012

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 all of the other institutions of the European Union in respect of the implementation of the budget of the European Union for the financial year 2010**.

The Council notes with satisfaction that, again in 2010, the administrative expenditure of EU institutions and bodies continued to **remain free from material error and that their supervisory and control systems continued to be effective** in ensuring compliance with the requirements of the Financial Regulation (no specific comment was made regarding the Court of Justice).

2010 discharge: EU general budget, Court of Justice

2011/2204(DEC) - 30/03/2012 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Inés AYALA SENDER (S&D, ES) on discharge to be granted to the Registrar of the Court of Justice of the European Union in respect of the implementation of the budget for the financial year 2010.

Members note that the Court of Auditors 'has no observation to make on the Court of Justice'. They welcome the fact that the Court concluded that the payments as a whole for the year ended on 31 December 2010 for administrative and other expenditure of the Institutions and bodies were free from material error.

They also note that in 2010, the Court of Justice had commitment appropriations amounting to EUR 331 million (EUR 318 million in 2009), and that the implementation rate for those appropriations was 97.9 % (98.5 % in 2009). They stress that the budget of the Court of Justice is purely administrative, with 75 % spent on people working with the institution and 25 % on buildings, furniture, equipment and miscellaneous operating expenditure.

Members point out that an in-depth assessment of supervisory and control systems was conducted in the Court of Justice in 2009. They also point out that the Court of Auditors found in 2009 that the Court of Justice had failed to anticipate the expiry of a framework contract. In the meantime, the uncertainties in regard to this situation have been dispelled.

They also note:

- the Directorate for Interpretation acted on the recommendations of the internal auditor concerning management of interpretation and of the expenditure relating to external interpreters ;
- the DirectorateGeneral for Infrastructure drew up an action plan in 2009 in response to the main recommendations made by the internal auditor concerning the management and conservation of works of art;
- the development of the ‘e-Curia’ application, enabling procedural documents to be lodged and served electronically should in due course make it possible to do away with a large proportion of correspondence, digitise documents coming in and going out, and optimise internal work flows;

the significant increase in the number of sessions (+ 27 %), which was mainly attributable to enlargement and the entry into force of the Treaty of Lisbon;

the Court of Justice submitted to the budgetary authorities, in April 2011, an updated property investment plan for 2011-2013 based on two guiding principles: i) to **house all the Court of Justice's services on a single site** and, ii) for it to acquire ownership of the buildings (construction costs are estimated to be around EUR 355.3 million, of which an amount of EUR 40 million was still to be consolidated at the end of 2010).

Members express their satisfaction that the statistics concerning the Court of Justice’s activity in 2010 show, overall, sustained productivity and a very significant improvement in efficiency as regards the duration of proceedings (in particular, a reduction in the length of cases). However, they express their concern in the **large increase in cases brought** before the Court of Justice and before the General Court. They therefore support the initiative taken by the Court of Justice proposing the reform of its Statute (which provides, inter alia, for the creation of 12 additional posts for judges at the General Court).

Lastly, Members hope that the next annual activity report will also include a comprehensive table of all the human resources that the Court of Justice has at its disposal.

2010 discharge: EU general budget, Court of Justice

2011/2204(DEC) - 10/05/2012 - Text adopted by Parliament, single reading

The European Parliament adopted by 558 votes to 69, with 7 abstentions, a decision granting discharge to the Registrar of the Court of Justice of the European Union in respect of the implementation of the budget for the financial year 2010.

In its resolution, adopted by 550 votes to 74, with 8 abstentions, accompanying the discharge decision, the Parliament notes that the Court of Auditors ‘ **has no observation to make on the Court of Justice**’. It welcomes the fact that the Court concluded that the payments as a whole for the year ended on 31 December 2010 for administrative and other expenditure of the Institutions and bodies were free from material error.

Members also note that in 2010, the Court of Justice had commitment appropriations amounting to EUR 331 million (EUR 318 million in 2009), and that the implementation rate for those appropriations was 97.9 % (98.5 % in 2009). They stress that the budget of the Court of Justice is purely administrative, with 75 % spent on people working with the institution and 25 % on buildings, furniture, equipment and miscellaneous operating expenditure.

Administrative and financial management of the Court of Justice: Parliament points out that an in-depth assessment of supervisory and control systems was conducted in the Court of Justice in 2009. It also points out that the Court of Auditors found in 2009 that the Court of Justice had failed to anticipate the expiry of a framework contract. In the meantime, the uncertainties in regard to this situation have been dispelled.

Parliament also notes:

- the Directorate for Interpretation acted on the recommendations of the internal auditor concerning management of interpretation and of the expenditure relating to external interpreters ;
- the DirectorateGeneral for Infrastructure drew up an action plan in 2009 in response to the main recommendations made by the internal auditor concerning the management and conservation of works of art;
- the development of the ‘e-Curia’ application, enabling procedural documents to be lodged and served electronically should in due course make it possible to do away with a large proportion of correspondence, digitise documents coming in and going out, and optimise internal work flows;
- the significant increase in the number of sessions (+ 27 %), which was mainly attributable to enlargement and the entry into force of the Treaty of Lisbon;
- the importance of interinstitutional cooperation in regard to the management and recruitment of interpreters;
- the Court of Justice submitted to the budgetary authorities, in April 2011, an updated property investment plan for 2011-2013 based on two guiding principles: i) to **house all the Court of Justice's services on a single site** and, ii) for it to acquire ownership of the buildings (construction costs are estimated to be around EUR 355.3 million, of which an amount of EUR 40 million was still to be consolidated at the end of 2010).

Parliament expresses its satisfaction that the statistics concerning the Court of Justice’s activity in 2010 show, overall, sustained productivity and a very significant improvement in efficiency as regards the duration of proceedings (in particular, a reduction in the length of cases). However, it expresses concern in the **large increase in cases brought** before the Court of Justice and before the General Court. Members therefore support the initiative taken by the Court of Justice proposing the reform of its Statute (which provides, inter alia, for the creation of 12 additional posts for judges at the General Court). Parliament considers that this initiative should be implemented in the most cost-efficient way possible and hopes that these structural measures can be approved in early 2012, with a view to their implementation as early as possible that year.

Lastly, Parliament hopes that the next annual activity report will also include a comprehensive table of all the human resources that the Court of Justice has at its disposal.