Basic information

2011/2206(DEC) DEC - Discharge procedure	Procedure completed
2010 discharge: EU general budget, Economic and Social Committee **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.	
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
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	A7-0092/2012	Summary
10/05/2012	Decision by Parliament	T7-0160/2012	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	2011/2206(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/07067

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE475.756	08/02/2012	
Amendments tabled in committee		PE483.639	07/03/2012	
Committee report tabled for plenary, single reading		A7-0092/2012	30/03/2012	Summary
Text adopted by Parliament, single reading		T7-0160/2012	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 2012/0556
OJ L 286 17.10.2012, p. 0109 Summary

2010 discharge: EU general budget, Economic and Social Committee

2011/2206(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 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 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 Economic and Social Committee

(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 VI 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 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 125 million (98% rate of implementation)
- Carry-overs to 2011: (0.14% of authorised appropriations)
- Cancelled: EUR 2 million

B) Table showing the implementation of payments:

- Payments: EUR 121 million (90.36% rate of implementation)
- Carry-overs to 2011: EUR 8 million (0.14% of authorised appropriations)
- Cancellations: EUR 4 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 3 791 million for 2010.

(3) Budget implementation – conclusions: the main characteristics of the budget implementation of the European Economic and Social Committee for 2010 are as follows:

- organisation of a range of economic, social, cultural and educational events centred on a plethora of themes, reflecting the diversity of Europe and its interests and concerns;
- the focus areas can be divided into sustainable environmental development and solutions to climate change and energy issues; sustainable solutions for economic and social development in wake of the economic crisis;
- increased citizen and civil society involvement;
- international and inter-European dialogue and debate.

On an internal level, the Secretariat's main achievements in 2010 were as follows:

- coordinating the whole exercise of the Renewal of the Committee;
- coordinating the preparation of the Annual Work Programme and Annual Activity Report, including the impact report and the key activity and performance indicators;
- in liaison with the relevant departments, close monitoring of implementation of the Secretariat's main overall priorities;
- coordinating and monitoring working parties and task forces planned or set up on an ad hoc basis;
- coordinating implementation of the new cooperation agreement with the Committee of the Regions (CoR), normalising working relations with the CoR;
- drafting of an electronic Newsletter for Members, coordinating responses to Members' questions and developing new, more effective and targeted means of communicating with Members and within the Committee's Secretariat;
- monitoring the Key Activity and Performance Indicators (KAPIs) published on the intranet.

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 2010.

2010 discharge: EU general budget, Economic and Social Committee

2011/2206(DEC) - 10/05/2012 - Final act

PURPOSE: to grant discharge to the European Economic and Social Committee for the financial year 2010.

NON-LEGISLATIVE ACT: Decision 2012/556/EU of the European Parliament on discharge in respect of the implementation of the European Union’s General Budget, section VI – European Economic and Social Committee, 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 Secretary-General of the European Economic and Social Committee 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, Economic and Social Committee

2011/2206(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 VI – European Social and Economic Committee).

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 European Social and Economic Committee.

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.

In the particular case of the European Social and Economic Committee, the Court notes the following issues:

- **reimbursement of travel expenses to Members of the Committee**: the rules on the reimbursement of travel costs allow Members of the Committee to choose between Option A, based on actual travel costs incurred on production of the supporting documents, and Option B (60 % of missions performed between January and November 2010), which is the payment of a flat-rate allowance based on the distance in kilometres. Under Option B, the meeting must be held in Brussels and the compensation cannot exceed the standard price of a first-class train or airline ticket determined under Option A. **The payment of a flat-rate allowance, under Option B, is generally higher than the actual price of the economy-class train or airline ticket used by beneficiaries most of the time**. Reimbursement under Option B can thus generate a payment higher than the actual travel costs incurred. Although legal and regular, this procedure does not correspond to the practice of the other European Institutions and bodies, which is to reimburse travel costs on the basis of actual costs incurred;
- **procurement**: in one restricted procedure out of the seven procedures examined, the tenderers which had submitted offers in two different lots were not treated equally when submitting clarifications about their offer. In two negotiated procedures, errors and inconsistencies were noted for the drafting of the tender specifications and of the award criteria, the contacts with the tenderers, the evaluation of offers and the formalities for the outcome of the procedure.

2010 discharge: EU general budget, Economic and Social Committee

2011/2206(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**.

Although 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, it makes a series of case-specific comments.

As regards the Economic and Social Committee, the Council welcomes the remedial action already taken by the institution concerned and encourages it to address the remaining weaknesses pointed out by the Court.

Concerning the problems in **procurement procedures** noted in the European Economic and Social Committee, the Council supports the Court's recommendation that authorising officers should have appropriate checks at their disposal and receive better guidance, to diminish the risk of error when applying the rules, even when these rules are considered to be complex.

2010 discharge: EU general budget, Economic and Social Committee

2011/2206(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 Secretary-General of the European Economic and Social Committee (EESC) in respect of the implementation of the budget for the financial year 2010.

Members emphasise that in its 2010 Annual Report the Court of Auditors identified errors in relation to the recruitment of a permanent member of staff and a procurement procedure for interpreting services. In this regard, they are satisfied with the explanations provided by the Committee of the Regions (CoR) regarding these errors, and with the decisions taken in order to ensure that such situations do not recur.

Members note that in 2010 the European Economic and Social Committee (EESC) had available commitment appropriations amounting to a total of EUR 127.2 million (EUR 122 million in 2009), and that the implementation rate of these appropriations was 98% (also 98% in 2009). They stress that the EESC budget is purely administrative: 70% is spent on persons working with the institution and 30% on buildings, furniture, equipment and various operating expenditure.

They call on the EESC to **limit increases of future budgets to a strict minimum** and to finance new or extended activities primarily from savings and rationalisation of existing expenditure.

In parallel, Members reiterate Parliament’s call in its resolution on discharge to the EESC for the financial year 2009 to undertake with urgency a comprehensive spending review of all areas of activity to ensure all expenditure is delivering value for money.

They welcome the fact that in its annual report the Court of Auditors concluded, based on its audit work, that the payments as a whole for the year ended 31 December 2010 for the administrative and other expenses of the institutions and bodies were free from material error. However, they point out that the Court of Auditors included observations in its 2010 annual report concerning the **reimbursement of travel expenses to EESC members** and the awarding of contracts based on a restricted procedure. They welcome the reform of the system for reimbursing expenses to members on the basis of real costs only. They also welcome the changes made as regards confirmation of attendance and reimbursement for taking part in video conferences.

Members also note:

- the publication of the declarations of financial interests of the EESC’s members;
- the recent increased interest on the part of EESC members in financial and budgetary matters;
- the fact that the two Committees (the CoR and the European Economic and Social Committee) finally obtained EMAS (EU Eco-Management and Audit Scheme) certification for the use of renewable energies;
- the administrative cooperation agreement between the two Committees is operating satisfactorily, thus enabling them to make budgetary savings.

They suggest, in particular, an **enhanced compatibility of the priority budget lines of the two Committees** as this would in turn lead to an increase in savings and to additional reinforcement of the inter-institutional cooperation. They call on the EESC to improve the quality of the summary of the internal audit service's activities in order for Parliament to be able to assess the monitoring and control mechanisms at the EESC.

They also call for: i) better financial planning and budgetary management ; ii) an exhaustive table of all the human resources at the EESC's disposal in its annual activity report.

Lastly, Members call on the Ombudsman to inform the Committee on Budgetary Control of the results of the investigations into staff promotion procedures.

2010 discharge: EU general budget, Economic and Social Committee

2011/2206(DEC) - 10/05/2012 - Text adopted by Parliament, single reading

The European Parliament adopted by 551 votes to 86, with 9 abstentions, a decision to grant discharge to the Committee the Secretary-General of the European Economic and Social Committee (EESC) in respect of the implementation of the budget for the financial year 2010.

In its accompanying resolution, adopted by 502 votes to 89 with 28 abstentions, Parliament emphasises that in its 2010 Annual Report the Court of Auditors identified errors in relation to the recruitment of a permanent member of staff and a procurement procedure for interpreting services. In this

regard, it is satisfied with the explanations provided by the Committee of the Regions (CoR) regarding these errors, and with the decisions taken in order to ensure that such situations do not recur.

Parliament notes that in 2010 the European Economic and Social Committee (EESC) had available commitment appropriations amounting to a total of EUR 127.2 million (EUR 122 million in 2009), and that the implementation rate of these appropriations was 98% (also 98% in 2009). It stresses that the EESC budget is purely administrative: 70% is spent on persons working with the institution and 30% on buildings, furniture, equipment and various operating expenditure.

Members call on the EESC to **limit increases of future budgets to a strict minimum** and to finance new or extended activities primarily from savings and rationalisation of existing expenditure.

In parallel, they reiterate Parliament's call in its resolution on discharge to the EESC for the financial year 2009 to undertake with urgency a comprehensive spending review of all areas of activity to ensure all expenditure is delivering value for money.

They welcome the fact that in its annual report the Court of Auditors concluded, based on its audit work, that the payments as a whole for the year ended 31 December 2010 for the administrative and other expenses of the institutions and bodies were free from material error. However, they point out that the Court of Auditors included observations in its 2010 annual report concerning the **reimbursement of travel expenses to EESC members** and the awarding of contracts based on a restricted procedure. They welcome the reform of the system for reimbursing expenses to members on the basis of real costs only. They also welcome the changes made as regards confirmation of attendance and reimbursement for taking part in video conferences.

Parliament also notes:

- the publication of the declarations of financial interests of the EESC's members;
- the recent increased interest on the part of EESC members in financial and budgetary matters;
- the fact that the two Committees (the CoR and the European Economic and Social Committee) finally obtained EMAS (EU Eco-Management and Audit Scheme) certification for the use of renewable energies;
- the administrative cooperation agreement between the two Committees is operating satisfactorily, thus enabling them to make budgetary savings.

It suggests, in particular, an **enhanced compatibility of the priority budget lines of the two Committees** as this would in turn lead to an increase in savings and to additional reinforcement of the inter-institutional cooperation. It calls on the EESC to improve the quality of the summary of the internal audit service's activities in order for Parliament to be able to assess the monitoring and control mechanisms at the EESC.

Parliament also calls for: i) better financial planning and budgetary management ; ii) an exhaustive table of all the human resources at the EESC's disposal in its annual activity report; iii) all opinions issued by the EESC to be attached to the relevant files.

Plenary welcomes the decision taken by the EESC to organise an assessment of its work, as the Committee of the Regions has already done (CAF : Common Assessment Framework), following the recommendation contained in this resolution, as adopted by the Committee on Budgetary Control on 27 March 2012.

Lastly, Members call on the Ombudsman to inform the Committee on Budgetary Control of the results of the investigations into staff promotion procedures.