Basic information

2011/2207(DEC) DEC - Discharge procedure	Procedure completed
2010 discharge: EU general budget, Committee of the Regions **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	A7-0090/2012	Summary
10/05/2012	Decision by Parliament	T7-0161/2012	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	2011/2207(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/07087

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE475.754	07/02/2012	
Amendments tabled in committee		PE483.640	07/03/2012	
Committee report tabled for plenary, single reading		A7-0090/2012	30/03/2012	Summary
Text adopted by Parliament, single reading		T7-0161/2012	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 2012/0557
OJ L 286 17.10.2012, p. 0113 Summary

2010 discharge: EU general budget, Committee of the Regions

2011/2207(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 VII - **Committee of the Regions (CoR).**

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 Committee of the Regions.

(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.

(2) Implementation of appropriations under Section VII 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 Committee of the Region's expenditure, the table on the financial and budgetary implementation of this institution shows the following:

A) Table showing the commitment appropriations:

- Commitments: EUR 90 million (92.03% rate of implementation)
- Carry-overs to 2011: (0.02% of authorised appropriations)
- Cancelled: EUR 1 million

B) Table showing the implementation of payments:

- Payments: EUR 89 million (90.09% rate of implementation)
- Carry-overs to 2011: EUR 7 million (6.91% of authorised appropriations)
- Cancellations: EUR 1 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. The calculations take into account active officials and pensioners from the various EU Institutions and Agencies.

(3) Budget implementation – conclusions: the main characteristics of the budget implementation of the Committee of the Regions for 2010 are as follows:

- the first year of Presidency of Ms. Mercedes Bresso was marked by the efforts to further rise the profile of the CoR, support the new territorial cohesion objective and the multi-annual and the multi-level governance in Europe;
- taking account of the effects of the Lisbon Treaty on the Committee: greater involvement of regional and local bodies in the legislative process;
- enlargement of the areas of consultation of the Committee, in cooperation with the European Parliament;
- the number of opinions (49 in 2010 with special opinions requested by certain EU Presidencies) in the framework of the Europe 2020 Strategy;
- organisation of a major event – Opens Days/European Week of Regions and Cities;
- setting up the Lisbon Monitoring Platform (on the regional impact of the Lisbon Treaty);
- strengthening territorial dialogue on sustainable growth and jobs;
- further work with members of the Subsidiarity Monitoring Network and various communication and awareness raising actions on regional cooperation and subsidiarity;
- support for the European Grouping of Territorial Cooperation (EGTC);
- various communication activities, organisation of meetings on the theme of territorial dialogue and subsidiarity (two external meetings in Valladolid and Antwerp).

For further details on the budgetary implementation of expenditure of Section VII of the Budget (Committee of the Regions) please refer to the Committee's Annual Activity Report 2010.

2010 discharge: EU general budget, Committee of the Regions

2011/2207(DEC) - 10/05/2012 - Final act

PURPOSE: to grant discharge to the Committee of the Regions for the financial year 2010.

NON-LEGISLATIVE ACT: Decision 2012/557/EU of the European Parliament on discharge in respect of the implementation of the European Union’s General Budget, section VII – Committee of the Regions, 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 Committee of the Regions 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, Committee of the Regions

2011/2207(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 VII – Committee of the Regions).

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 Committee of the Regions.

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 Committee of the Regions, the Court notes the following issues:

- **employment of permanent staff**: the vacancy notice for the recruitment of one official stipulated as an eligibility criterion that candidates external to the Committee be officials or be on an European Personnel Selection Office (EPSO) successful candidates' reserve list for a competition of the appropriate grade for the recruitment of officials. The selected candidate was recruited on the basis of an inter-institutional transfer. At that point, he had not formally been appointed as a probationary official in his Institution of origin and his personal file did not include evidence that this transfer was formally endorsed at the appropriate hierarchical level in the Institution of origin.
- **procurement**: the audit found that, in two negotiated procedures out of four concluded under the provisions of Article 129 of the Implementing Rules, which allows the use of the negotiated procedure for contracts with a value less than or equal to EUR 60 000, the authorising officers did not draw up a formal estimate of the contract value in order to justify the use of the negotiated procedure.

2010 discharge: EU general budget, Committee of the Regions

2011/2207(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 Committee of Regions, 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.

As regards weaknesses identified by the Court in the recruitment procedures of the Committee of the Regions, the Council supports the Court's recommendation to establish appropriate documentation and to respect eligibility criteria as strictly as possible.

Concerning the problems in **procurement procedures** noted in the Committee of Regions, 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, Committee of the Regions

2011/2207(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 Committee of the Regions (CoR) 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.

In parallel, Members recall that in 2010, the CoR had commitment appropriations available amounting to a total of EUR 90.8 million (EUR 88 million in 2009), with an improved utilisation rate of 99.4% for 2010 (in 2009 it stood at 98.37%). They stress that the CoR’s budget is purely administrative, with 72% of expenditure relating to persons working with the institution and 28% relating to buildings, furniture, equipment and miscellaneous running costs.

They call on the CoR 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.

They welcome:

- 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;
- the overall quality of the summary of the internal audit service’s activities;
- on the improvement plan drawn up in response to the organisation management self-assessment; etc.

Lastly, they reconfirm their position that, in the interests of transparency, declarations of financial interests, including regular updates, of members of all institutions should be accessible on the Internet and are pleased to note the CoR's Bureau decision in this regard.

2010 discharge: EU general budget, Committee of the Regions

2011/2207(DEC) - 10/05/2012 - Text adopted by Parliament, single reading

The European Parliament adopted by 541 votes to 87, with 5 abstentions, a decision to grant discharge to the Secretary-General of the Committee of the Regions (CoR) in respect of the implementation of the budget for the financial year 2010.

In its accompanying resolution, adopted by 548 votes to 84, with 16 abstentions, the European 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.

In parallel, Parliament recalls that in 2010, the CoR had commitment appropriations available amounting to a total of EUR 90.8 million (EUR 88 million in 2009), with an improved utilisation rate of 99.4% for 2010 (in 2009 it stood at 98.37%). It stresses that the CoR’s budget is purely administrative, with 72% of expenditure relating to persons working with the institution and 28% relating to buildings, furniture, equipment and miscellaneous running costs.

Administrative and financial management of the CoR: Members call on the CoR 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 an amendment adopted in plenary, Parliament calls on the CoR to undertake a comprehensive spending review based on the principle of zero-based budgeting to identify savings, rather than simply adding a nominal percentage increase in line with inflation to existing budgets during each budget cycle. It is pleased to note that, in response to the call made by Parliament, the CoR has strengthened its budgetary procedure, which now comprises four stages: (i) preparation by the CoR’s administration, (ii) assessment of the preliminary draft by the Committee for Financial and Administrative Affairs (CAFA), (iii) decision by the CoR Bureau and Plenary Assembly on the draft budget, and (iv)a mid-term review of implementation;

Members also welcome:

- 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;
- the view that the CoR’s annual impact report is a useful tool for assessing its work;
- the overall quality of the summary of the internal audit service’s activities;
- the improvement plan drawn up in response to the organisation management self-assessment; etc.

Lastly, Members reconfirm their position that, in the interests of transparency, declarations of financial interests, including regular updates, of members of all institutions should be accessible on the Internet and are pleased to note the CoR's Bureau decision in this regard.