

## Basic information

2012/2174(DEC)

DEC - Discharge procedure

2011 discharge: EU general budget, European Ombudsman

### Subject

8.70.03.07 Previous discharges

Procedure completed

## Key players

| European Parliament                       | Committee responsible  | Rapporteur           | Appointed  |
|---|--|----------------------|------------|
|   | <b>CONT</b> Budgetary Control  | ČEŠKOVÁ Andrea (ECR) | 29/02/2012 |
|   | Shadow rapporteur<br>SONIK Bogusław (PPE)<br>DEUTSCH Tamás (PPE)<br>KALFIN Ivailo (S&D)<br>SKYLAKAKIS Theodoros (ALDE)<br>STAES Bart (Verts/ALE)<br>SØNDERGAARD Søren Bo (GUE/NGL)<br>ANDREASEN Marta (EFD)<br>EHRENHAUSER Martin (NI) |                      |            |
| Committee for opinion                     |  |                      |            |
| <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 |  |                      |            |

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|-------------|--|---|--|
|             |  | 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. |  |

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| European Commission | <b>Commission DG</b> | <b>Commissioner</b> |
|                     | Budget               | ŠEMETA Algirdas     |

| Key events |  |  |         |
|------------|--|--|---------|
| Date       | Event                                      | Reference  | Summary |
| 25/07/2012 | Non-legislative basic document published   | COM(2012)0436<br> | Summary |
| 13/09/2012 | Committee referral announced in Parliament |  |         |
| 19/03/2013 | Vote in committee                          |  |         |
| 21/03/2013 | Committee report tabled for plenary        | A7-0094/2013   | Summary |
| 16/04/2013 | Debate in Parliament                       |                   |         |
| 17/04/2013 | Decision by Parliament                     | T7-0131/2013   | Summary |
| 17/04/2013 | Results of vote in Parliament              |                   |         |
| 17/04/2013 | End of procedure in Parliament             |  |         |
| 16/11/2013 | Final act published in Official Journal    |  |         |

| Technical information             |                           |
|-----------------------------------|---------------------------|
| <b>Procedure reference</b>        | 2012/2174(DEC)            |
| <b>Procedure type</b>             | DEC - Discharge procedure |
| <b>Stage reached in procedure</b> | Procedure completed       |
| <b>Committee dossier</b>          | CONT/7/10441              |

| Documentation gateway                               |           |              |            |         |
|---|-----------|--------------|------------|---------|
| European Parliament                                 |           |              |            |         |
| Document type                                       | Committee | Reference    | Date       | Summary |
| Committee draft report                              |           | PE497.971    | 25/01/2013 |         |
| Amendments tabled in committee                      |           | PE506.050    | 27/02/2013 |         |
| Committee report tabled for plenary, single reading |           | A7-0094/2013 | 21/03/2013 | Summary |
| Text adopted by Parliament, single reading          |           | T7-0131/2013 | 17/04/2013 | Summary |
| Council of the EU                                   |           |              |            |         |
| Document type                                       |           | Reference    | Date       | Summary |
| Document attached to the procedure                  |           | 05752/2013   | 01/02/2013 | Summary |

| European Commission            |  |  |            |         |
|--------------------------------|--|--|------------|---------|
| Document type                  | Reference  | Date   | Summary    |         |
| Non-legislative basic document | COM(2012)0436<br> | 25/07/2012                                   | Summary    |         |
| Other institutions and bodies  |  |  |            |         |
| Institution/body               | Document type  | Reference                                    | Date       | Summary |
| CofA                           | Court of Auditors: opinion, report   | N7-0127/2012<br>OJ C 344 12.11.2012, p. 0001 | 06/09/2012 | Summary |

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

| Final act  |
|--|
| Decision 2013/0549<br>OJ L 308 16.11.2013, p. 0133 |
| Summary  |

## 2011 discharge: EU general budget, European Ombudsman

2012/2174(DEC) - 06/09/2012

OBJECTIVE: presentation of the Report of the Court of Auditors on the 2011 budget (section VIII – European Ombudsman).

CONTENT: the Court of Auditors published its 35th Annual Report on the implementation of the EU budget for the 2011 financial year.

In accordance with the tasks and objectives conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, it provides under the discharge procedure, for both the European Parliament and Council, a statement of assurance (“DAS”) about the reliability of the accounts and the legality and regularity of the transactions of each institution, body or agency of the EU, based on an independent external audit.

The audit also focuses on the budget implementation of the European Ombudsman.

On the basis of its audit work, the Court considers that payments for “Administrative and other expenditure” policy are, overall, significantly error-free. **The estimated error rate is 0.1 %.**

The Court, however, draws attention to the errors and weaknesses which did not affect the Court’s conclusion. The Court examined a sample of **procurement procedures** and noted several weaknesses in the application of selection and award criteria, some of which had an impact on the results of the procedure. Other weaknesses relate to the organisation of cross border competition, to the management of automatic award procedures and to the respect of provisions as regards the drafting and filing of tendering documents.

The Court also detects weaknesses when it reviewed a sample of calculations and **payments of social allowances** as well as a sample of employment contracts concluded with temporary agents.

The Court therefore recommends that the institutions and bodies of the EU take steps to: (i) guarantee that staff deliver, at appropriate intervals, **documents confirming their personal situation** and implement a system for the timely monitoring of these documents; (ii) ensure that authorising officers improve **the design, coordination and performance of procurement procedures** through appropriate checks and better guidance.

The Court also makes a number of comments specific to each institution or body of the European Union. These observations do not affect the positive overall appraisal given that they do not significantly affect overall administrative expenditure. However, in the specific case of the audit of the European Ombudsman, **the Court's audit did not identify any significant weakness.**

## 2011 discharge: EU general budget, European Ombudsman

2012/2174(DEC) - 01/02/2013

In view of the observations made in the Court of Auditor's report, the Council calls on the European Parliament to **grant discharge to all of the Union's institutions in regard to the implementation of their respective budgets for the financial year 2011.**

Overall, the Council's remarks are positive in regard to the expenditure of the institutions since it notes that, again in 2011, the administrative expenditure of EU institutions and bodies **remained free from material error and that their supervisory and control systems continued to comply** with the requirements of the Financial Regulation.

Nevertheless, the Council regrets that in some institutions **weaknesses were still detected in the payment of social allowances to staff members**, in the employment contracts for non-permanent staff and in procurement procedures.

It welcomes the measures already taken and encourages the institutions concerned to address the remaining weaknesses pointed out by the Court.

The Council notes the Court's recommendations that the institutions concerned should ensure that staff regularly deliver documents on their personal situation, that the relevant provisions are applied when concluding, extending or modifying employment contracts with non-permanent staff, and that the authorising officers further improve guidance and appropriate checks concerning procurement procedures.

## 2011 discharge: EU general budget, European Ombudsman

2012/2174(DEC) - 21/03/2013 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Andrea ČEŠKOVÁ (ECR, CZ) in which it calls on the European Parliament to grant the European Ombudsman discharge in respect of the implementation of its budget for the financial year 2011.

Members welcome the fact that, on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2011 for administrative and other expenditure of the institutions and bodies were free from material error. They state that no significant weaknesses had been identified in respect to the audited topics related to the human resources and the procurement for the European Ombudsman.

Members also stress that the Ombudsman's budget is purely administrative and amounted in 2011 to EUR 9 427 395 and that of the total appropriations, 92.54% were committed and 85.62% paid. They call for further efforts to improve the utilisation rate and for the changes made to be monitored.

Members invite the Ombudsman to include the following in the next annual activity report:

- the percentage of unused interpretation services requested during the year;
- an exhaustive table of all the human resources at the Ombudsman's disposal, broken down by category, grade, sex, participation in professional training and nationality;

and on an operational level, an improvement of the following:

- handling of complaints received;
- the average duration of proceedings.

## 2011 discharge: EU general budget, European Ombudsman

2012/2174(DEC) - 17/04/2013 - Text adopted by Parliament, single reading

The European Parliament adopted by 597 votes to 43 with 17 abstentions, a decision granting the European Ombudsman discharge in respect of the implementation of its budget for the financial year 2011.

In its resolution accompanying the discharge, Parliament welcomes the fact that the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2011 for administrative and other expenditure of the institutions and bodies were free from material error. It also notes that no significant weaknesses had been identified in respect to the audited topics related to the human resources and the procurement for the European Ombudsman.

At the same time, Parliament stresses that the Ombudsman's budget is purely administrative and amounted in 2011 to EUR 9 427 395 and that of the total appropriations, 92.54% were committed and 85.62% paid. It calls for further efforts to improve the utilisation rate and wants the changes made to be monitored.

Parliament invites the Ombudsman to include the following in the next annual activity report:

- the percentage of unused interpretation services requested during the year;
- an exhaustive table of all the human resources at the Ombudsman's disposal, broken down by category, grade, sex, participation in professional training and nationality.

Parliament also calls for a sustainable increase of the percentage of decisions on admissibility taken within one month of receiving a complaint, which attained a figure of 70% in 2011. It believes that the re-structuring of the Ombudsman's office, put in place at the beginning of 2012, together with a more streamlined procedure of the Registry can contribute to a better performance of the Complaint Unit in the coming years.

## 2011 discharge: EU general budget, European Ombudsman

2012/2174(DEC) - 17/04/2013 - Final act

PURPOSE: to grant discharge to the European Ombudsman for the financial year 2011.

NON-LEGISLATIVE ACT: Decision 2013/549/EU of the European Parliament on discharge in respect of the implementation of the European Union's General Budget, section VIII - European Ombudsman for the financial year 2011.

CONTENT: with the present decision, and in accordance with Article 318 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament grants discharge to the European Ombudsman in respect of the implementation of the budget for the financial year 2011.

The decision is in line with the European Parliament's resolution adopted on 17 April 2013 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 17 April 2013).

## 2011 discharge: EU general budget, European Ombudsman

2012/2174(DEC) - 25/07/2012 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2011, as part of the 2011 discharge procedure.

Analysis of the accounts of the EU Institutions: Section VIII – **European Ombudsman**.

**Legal reminder:** the consolidated annual accounts of the European Union for the year 2011 have been prepared on the basis of the information presented by the institutions and bodies under Article 129.2 of the Financial Regulation applicable to the general budget of the European Union. They were prepared in accordance with Title VII of this Financial Regulation and with the accounting principles, rules and methods set out in the notes to the financial statements.

The objective of the financial statements is to provide information about the financial position, performance and cashflow of an entity that is useful to a wide range of users. The objective is to provide information useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it.

**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 2011**. It recalls that the 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 or indirect centralised management (by means of bodies or agencies of public law or other); decentralised management where the Commission delegates certain tasks for the implementation of the budget to third countries; and, thirdly, shared management where budget implementation tasks are delegated to Member States, in areas such as agricultural expenditure 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 (the consolidated financial statements of the EU comprise all significant controlled entities –institutions, organisations and agencies, this being 50 controlled entities, 5 joint ventures and 4 associates. In comparison with 2010, the scope of consolidation has been extended by 7 controlled entities (one institution, 6 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 (cash advances intended for the benefit of an EU organ);
- 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 recap, 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. When granting the discharge, Parliament may highlight some observations that it considers important, often by recommending that the Commission **takes action on the aspects in question**.

The document also details specific expenditure of the institutions, in particular: i) pensions of former Members and officials of institutions; ii) joint sickness insurance scheme and iii) buildings.

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 VIII of the budget for the financial year 2011:** the document comprises a series of detailed tables, the most important concerning the implementation of the budget. Concerning the Ombudsman's expenditure, the table on the financial and budgetary implementation of this institution is presented as follows (information drawn from the [European Ombudsman's Report on the Budgetary and Financial Management 2011](#)).

- Budgeted appropriations 2011: EUR 9.427 million;
- Commitments: EUR 8.724 million (rate of commitments entered into: 92.54%);
- Payments: EUR 8.072 million.

**3) Budget 2011 - conclusions:** in more general and political terms, the Ombudsman's budgetary implementation for the financial year 2011 was chiefly marked by the following activities (see [European Ombudsman Annual Report 2011](#)).

The budgetary implementation was also marked by:

- a fall in the total number of complaints to the Ombudsman for the third year in a row (the number has dropped from 3406 in 2008 to 2510 in 2011); in more than 65% of cases, it was possible to open an inquiry into the case by transferring it to a competent body;
- the publication of a special Eurobarometer on citizens' rights and the performance of the EU administration which confirmed the importance citizens attach to their fundamental right to complain;
- efforts to inform, advise and guide citizens by publishing a specific booklet information and improving the website;
- greater cooperation with national ombudsmen (European Network of Ombudsmen);
- improvement of inquiry procedures by making them more citizen-friendly and the introduction of a new type of inquiry (clarificatory inquiry) which enables complainants to clarify their complaint;
- promoting a culture of service in the EU institutions (in 2011, the number of cases fell overall);
- improvement in interinstitutional administrative cooperation to avoid unnecessary duplications of staff (in the European Parliament for accounting, technical services concerning telecommunications, translation and interpretation; the Official Publications Office; the Paymaster's Office (PMO) of the European Union as regards pensions; the Translation Centre).