Basic information

2013/2199(DEC) DEC - Discharge procedure	Procedure completed
2012 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	DEUTSCH Tamás (PPE)	25/09/2013
	Shadow rapporteur BALČYTIS Zigmantas (S&D) MULDER Jan (ALDE) STAES Bart (Verts/ALE) ANDREASEN Marta (ECR) VANHECKE Frank (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
26/07/2013	Non-legislative basic document published	COM(2013)0570	Summary
22/10/2013	Committee referral announced in Parliament		
18/03/2014	Vote in committee		
21/03/2014	Committee report tabled for plenary	A7-0213/2014	Summary
02/04/2014	Debate in Parliament		
03/04/2014	Decision by Parliament	T7-0293/2014	Summary
03/04/2014	Results of vote in Parliament		
03/04/2014	End of procedure in Parliament		
05/09/2014	Final act published in Official Journal		

Technical information

Procedure reference	2013/2199(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/13936

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE521.728	27/01/2014	
Amendments tabled in committee		PE529.742	25/02/2014	
Committee report tabled for plenary, single reading		A7-0213/2014	21/03/2014	Summary
Text adopted by Parliament, single reading		T7-0293/2014	03/04/2014	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05848/2014	17/02/2014	Summary

European Commission

Document type	Reference	Date	Summary

Non-legislative basic document	COM(2013)0570	26/07/2013	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0049/2014 OJ C 331 14.11.2013, p. 0001	05/09/2013	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2014/0553
OJ L 266 05.09.2014, p. 0123 Summary

2012 discharge: EU general budget, Court of Justice

2013/2199(DEC) - 26/07/2013 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2012, as part of the 2012 discharge procedure.

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

Legal reminder: the consolidated annual accounts of the European Union for the year 2012 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 cashflows 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 2012**. 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);
- 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 functionaries 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 IV of the budget for the financial year 2012: the document comprises a series of detailed tables, the most important concerning the implementation of the budget. Concerning the expenditure of the Court of Justice, information drawn from the "Annual Report 2012 of the Court of Justice of the European Union" shows that:

- the total of commitments granted to this institution for 2012 was **EUR 351 million** of which EUR 345 was used;
- the rate of payments was 98.36%.

3) Budgetary implementation – conclusions: in more general and political terms, the Court's activity in 2012 concerned:

- **Intensity of legal activity**: sustained productivity and a very significant improvement in efficiency as regards the duration of proceedings. In addition, a **slight decrease in the number of cases brought** is to be noted, a fall which, having regard to the change in the caseload over the last five years, could be rather short-term in nature. Thus, the Court completed 527 cases in 2012 (net figure), a slight decrease compared with the previous year (550 cases completed in 2011). Of those cases, 357 were dealt with by judgments and 168 gave rise to orders. The Court had 632 new cases brought before it which amounts to a decrease of approximately 8% compared with 2011 (688 new cases) but nevertheless constitutes the second highest annual number of cases brought in the Court's history. This decrease in the total number of cases brought relates principally to the slight decrease, compared with the previous year, in the number of appeals lodged. As far as the duration of proceedings is concerned, the statistics are very positive. The average duration amounted to 15.7 months and the average time taken to deal with direct actions and appeals was 19.7 months and 15.3 months respectively. The average time taken to deal with references for a preliminary ruling reached its shortest in 2012.
- **60 years of the Court of Justice (1952–2012)**: in the past year the Court completed 60 years of existence, throughout which it has contributed to the European project. In this context, the Court published a collective work devoted to the role of the institution and of its case-law in the construction of Europe, which was presented at a Forum to which the presidents of the constitutional and supreme courts of the Member States of the European Union were invited.
- **New Rules of Procedure**: in 2012 the Court's new Rules of Procedure and certain amendments to its Statute were adopted, following a long but productive legislative process. These reforms are designed, first, to modernise procedures before the Court and, second, to enable it to continue to improve its efficiency.
- **Partial replacement of the membership of the Court**: 2012 saw a partial replacement of the membership of the Court and the departure of four of its members. The governments of the Member States were again concerned, in this partial renewal, to make the appointments without delay and to safeguard the stability of the institution as far as possible, thereby enabling it to continue smoothly in the performance of its task.

2012 discharge: EU general budget, Court of Justice

2013/2199(DEC) - 05/09/2013

PURPOSE: presentation of the Report of the Court of Auditors on the 2012 budget (Analysis of the accounts of the European Court of Justice).

CONTENT: the Court of Auditors published its 36th Annual Report on the implementation of the EU budget for the 2012 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 Court of Justice.

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 next to nothing.

Although the Court has observed some errors and weaknesses, the examined supervisory and control systems are likely to reduce the rate of error present in initial payment requests to an acceptable level. These systems are therefore assessed as effective.

The main risks regarding administrative and other expenditure are:

- the non-compliance with the procedures for procurement;

- the implementation of contracts;
- recruitment issues;
- the calculation of salaries and allowances.

Overall audit evidence indicates that accepted expenditure is not affected by a material level of error.

The Court makes a certain number of particular observations as regards each EU institution or body of the European Union. In the specific case of the audit of the Court of Justice, **the Court did not identify any significant weakness**.

2012 discharge: EU general budget, Court of Justice

2013/2199(DEC) - 17/02/2014

In view of the observations made in the Court of Auditor's report, the Council called 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 2012**.

Overall, the Council's remarks were positive in regard to the expenditure of the institutions since it noted that, again in 2012, the administrative expenditure of EU institutions and bodies **remained free from material error** with an estimated error rate of 0%, and that their supervisory and control systems continued to comply with the requirements of the Financial Regulation.

The Council welcomed the fact that, according to the Court's assessment, **no serious errors** were detected with regard to the effectiveness of the supervisory and control systems, in the individual institutions, except for a limited number of errors in the procurement procedures and the management of **social allowances**.

It welcomed the measures already taken and encouraged the institutions concerned to address the remaining weaknesses identified by the Court.

2012 discharge: EU general budget, Court of Justice

2013/2199(DEC) - 03/04/2014 - Text adopted by Parliament, single reading

The European Parliament adopted a decision granting discharge to the Registrar of the Court of Justice for implementation of the Court of Justice's budget for the financial year 2012.

In its resolution accompanying the discharge decision, adopted by 528 votes to 67 with 10 abstentions, Parliament welcomed 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 2012 for administrative and other expenditure of the institutions and bodies were free from material error.

It observed that no significant weaknesses had been identified in respect of the audited topics related to human resources and procurement for the Court of Justice.

Budgetary and financial management: Parliament took note that in 2012, the Court of Justice had commitment appropriations amounting to EUR 343 567 692.52 and that the implementation rate of 98.63% was higher than in 2011.

Court of Justice cases: it noted that the amount of pending and closed cases in the General Court has decreased slightly in 2012 when compared to previous years. It regretted that the number of closed cases has been decreasing (i.e. 714 closed cases in 2011 and 688 closed cases in 2012). It considered that the proposal for the creation of additional appointments of judges in the General Court, which continues under examination in the Council, could contribute to the effective reduction of pending cases.

Parliament emphasised the fact that the Court of Justice recognises that there is still a margin for improvement within the existing means at the Court of Justice's disposal. It stressed that the internal reforms implemented in 2012, namely the creation of the new five-Judge chamber and the new three-Judge chamber and the changes in the composition of the Grand Chamber, as well as the revision of the Rules of Procedure, have contributed to certain changes in the system and that more can be done with further reforms.

Parliament urged the Court of Justice to find a way to **properly manage the trend towards an increase in the number of new cases** and heavy workload as internal reforms and the revision of the Rules of Procedure alone will not be sufficient in the coming years to significantly decrease the number of pending cases in the Court of Justice. It stressed that in the years when the mandate of more judges come to an end, there is a high risk that productivity will decrease and that the continuity and stability of the Court of Justice's work will be affected **if the Council does not renew the mandate of the judges** and if there is a delay in the appointment of the new judges.

e-Curia and translation services: Parliament noted that the Court of Justice has the highest proportion of staff working in the translation service among all Union institutions, having 47.3% of its employees working as translators and interpreters. It stressed, however, that there is room for the rationalisation of the translation services of the Court of Justice. It also acknowledged the benefits of the e-Curia application and considered very positive that by the end of 2012, there were 1003 active users of e-Curia, among those 14 Member States, two European Free Trade Association countries and five European institutions (in particular Parliament, the Council and the Commission). It regretted, however, that there are still some Member States not using e-Curia to exchange documents with the Court of Justice.

Parliament called in addition for the following:

- an overview of the number of cases pending since more than 24 months;

- the need for a greater geographical balance at all levels of the administration, in particular as regards the new Member States;
- lowering the increases in expenditure on the Early Childhood Centre and the production and distribution of documents;
- reducing the number of hearings with interpretation;
- strengthening the ex post control of expenditure linked to the maintenance of infrastructure equipment and IT application;
- the publication of the results and consequences of closed European Anti-Fraud Office (OLAF) cases where the institution or any of the individuals working for it were subject of the investigation;
- the clarification as regards buildings policy of the Court of Justice.

Lastly, Parliament welcomed the fact that the Court of Justice has adopted rules concerning dignity in the workplace, including **procedures for dealing with allegations of harassment**. It also emphasised the fact that it is essential to maintain the best possible working environment for staff and Members in the future.

2012 discharge: EU general budget, Court of Justice

2013/2199(DEC) - 21/03/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Tamás DEUTSCH (EPP, HU) in which it called on the European Parliament to grant discharge to the Registrar of the Court of Justice for implementation of the Court of Justice's budget for the financial year 2012.

Members welcomed 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 2012 for administrative and other expenditure of the institutions and bodies were free from material error. They observed that no significant weaknesses had been identified in respect of the audited topics related to human resources and procurement for the Court of Justice.

Budgetary and financial management: Members took note that in 2012, the Court of Justice had commitment appropriations amounting to EUR 343 567 692.52 and that the implementation rate of 98.63% was higher than in 2011.

Court of Justice cases: Members noted that the amount of pending and closed cases in the General Court has decreased slightly in 2012 when compared to previous years. They regretted that the number of closed cases has been decreasing (i.e. 714 closed cases in 2011 and 688 closed cases in 2012). They considered that the proposal for the creation of additional appointments of judges in the General Court, which continues under examination in the Council, could contribute to the effective reduction of pending cases.

They emphasised the fact that the Court of Justice recognises that there is still a margin for improvement within the existing means at the Court of Justice's disposal. They stressed that the internal reforms implemented in 2012, namely the creation of the new five-Judge chamber and the new three-Judge chamber and the changes in the composition of the Grand Chamber, as well as the revision of the Rules of Procedure, have contributed to certain changes in the system and that more can be done with further reforms.

Members urged the Court of Justice to find a way to **properly manage the trend towards an increase in the number of new cases** and heavy workload as internal reforms and the revision of the Rules of Procedure alone will not be sufficient in the coming years to significantly decrease the number of pending cases in the Court of Justice. They stressed that in the years when the mandate of more judges come to an end, there is a high risk that productivity will decrease and that the continuity and stability of the Court of Justice's work will be affected **if the Council does not renew the mandate of the judges** and if there is a delay in the appointment of the new judges.

e-Curia and translation services: Members noted that the Court of Justice has the highest proportion of staff working in the translation service among all Union institutions, having 47.3% of its employees working as translators and interpreters. They stressed, however, that there is room for the rationalisation of the translation services of the Court of Justice. Members acknowledged the benefits of the e-Curia application and considered very positive that by the end of 2012, there were 1003 active users of e-Curia, among those 14 Member States, two European Free Trade Association countries and five European institutions (in particular Parliament, the Council and the Commission). They regretted, however, that there are still some Member States not using e-Curia to exchange documents with the Court of Justice.

Members called in addition for the following:

- an overview of the number of cases pending since more than 24 months;
- compliance with the rules concerning dignity in the workplace, including procedures for dealing with allegations of harassment;
- the need for a greater geographical balance at all levels of the administration, in particular as regards the new Member States;
- lowering the increases in expenditure on the Early Childhood Centre and the production and distribution of documents;
- reducing the number of hearings with interpretation;
- strengthening the ex post control of expenditure linked to the maintenance of infrastructure equipment and IT application;
- the publication of the results and consequences of closed European Anti-Fraud Office (OLAF) cases where the institution or any of the individuals working for it were subject of the investigation;
- the clarification as regards buildings policy of the Court of Justice.

2012 discharge: EU general budget, Court of Justice

2013/2199(DEC) - 03/04/2014 - Final act

PURPOSE: to grant discharge to the Court of Justice for the financial year 2012.

NON-LEGISLATIVE ACT: Decision 2014/553/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 2012.

CONTENT: with the present decision, 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 2012.

The decision is in line with the European Parliament's resolution adopted on 3 April 2014 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 3 April 2014).

Amongst the main observations made, Parliament urged the Court of Justice to find a way to **properly manage the trend towards an increase in the number of new cases** and heavy workload as internal reforms and the revision of the Rules of Procedure alone will not be sufficient in the coming years to significantly decrease the number of pending cases in the Court of Justice.