Basic information

2013/2202(DEC) DEC - Discharge procedure	Procedure completed
2012 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	SONIK Bogusław (PPE)	25/09/2013
	Shadow rapporteur LIBERADZKI Bogusław (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	A7-0226/2014	Summary
02/04/2014	Debate in Parliament		
03/04/2014	Decision by Parliament	T7-0296/2014	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	2013/2202(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/13996

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE521.731	27/01/2014	
Amendments tabled in committee		PE529.744	27/02/2014	
Committee report tabled for plenary, single reading		A7-0226/2014	21/03/2014	Summary
Text adopted by Parliament, single reading		T7-0296/2014	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 2014/0556
OJ L 266 05.09.2014, p. 0136 Summary

2012 discharge: EU general budget, Committee of the Regions

2013/2202(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 VII – Committee of the Regions**.

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 the 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 a body that is useful to a wide range of users. The objective is to provide information that is 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.

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 VII of the budget for the financial year 2012: the document also comprises a series of detailed tables, the most important concerning the implementation of the budget. Concerning the expenditure of the Committee of the Regions (CoR), the information drawn from the CoR Impact Report 2012 shows that:

credits authorised for 2012 were EUR 86.5 million of which EUR 85 were committed (98.2%);

credits paid were EUR 77.4 million, 89.4% rate of implementation.

3) Budgetary implementation - conclusions: in more general and political terms, the Committee's budgetary implementation for the financial year 2012 primarily consisted of the sovereign debt and the Euro crisis on cohesion policy. Measures were taken with the Committee to measures the real impact of this crisis on cohesion policy in the Member States.

In addition to the tradition adoption of opinions on legislation in force, the following may also be noted:

- a series of initiatives for the European elections in 2014;
- initiatives to integrate the 2020 Strategy at local and regional level;
- monitoring the progress of the negotiations on the financial framework 2014-2020 and its impact on the future cohesion policy;
- monitoring the application of subsidiarity in legislation;
- holding a Euro-Mediterranean Conference (ARLEM in August 2012);
- continued CORLEAP networks on neighbourhood policy;
- holding the 5th Summit of Cities and Regions (Copenhagen, March 2012).

2012 discharge: EU general budget, Committee of the Regions

2013/2202(DEC) - 05/09/2013

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

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 Committee of the Regions.

On the basis of its audit work, the Court considers that payments for "Administrative and other expenditure" policy are, overall, **significantly error-free**.

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 also made a number of comments specific to each institution or body of the European Union. In the case of the European Ombudsman's audit, **the Court did not identify any significant weakness**.

2012 discharge: EU general budget, Committee of the Regions

2013/2202(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, Committee of the Regions

2013/2202(DEC) - 03/04/2014 - Text adopted by Parliament, single reading

The European Parliament adopted a decision concerning the discharge to be granted to the Secretary-General of the Committee of the Regions (CoR) in respect of the implementation of the Committee of the Regions' budget for the financial year 2012.

In its resolution accompanying the discharge decision, adopted by 515 votes to 83 with 7 abstentions, Parliament concluded, with the Court of Auditors, 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.

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

Budgetary and financial management: Parliament noted that in 2012, the CoR had an approved budget of EUR 86.5 million of which EUR 85 million were commitment appropriations, with a utilisation rate of 98.2%. It also noted with satisfaction that the budget implementation rate of 98.2% represents an increase on the 2011 rate of 97.5%.

CoR's framework action: Parliament also made a series of observations on the daily management of the CoR and called for:

- information on the internal organisation of the Committee of the Regions and their budgetary consequences;
- continuous monitor of the staff structure in order to ensure that the organisation of posts is fully efficient and contributes to a better spending of the allocated budget;
- the inclusion of information on unused interpretation services in the annual activity report;
- rationalisation of human resources in the Joint Services with the European Economic and Social Committee and in translation;
- a mid-term review of the cooperation between these institutions;
- information on the precise amount of budgetary savings as a result of the updated administrative cooperation agreement with the EESC and on the precise areas which will be affected by the new agreement;
- the rapid conclusion of the updated administrative cooperation agreement with the EESC will lead to the strengthening of cooperation in the management of common services.

Lastly, Parliament welcomed the establishment of a Subsidiarity Steering Group to **strengthen the Committee's political governance** and implement the Committee's enhanced new role, as outlined in the Treaty on the Functioning of the European Union.

2012 discharge: EU general budget, Committee of the Regions

2013/2202(DEC) - 21/03/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Bogusław SONIK (EPP, PL) in which it called on the European Parliament to grant discharge to the Secretary-General of the Committee of the Regions (CoR) in respect of the implementation of the Committee of the Regions' 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 CoR.

Budgetary and financial management: Members noted that in 2012, the Committee had an approved budget of EUR 86.5 million of which EUR 85 million were commitment appropriations, with a utilisation rate of 98.2%. They also noted with satisfaction that the budget implementation rate of 98.2% represents an increase on the 2011 rate of 97.5%.

CoR's framework action: Members also made a series of observations on the daily management of the CoR and called for:

- information on the internal organisation of the Committee of the Regions and their budgetary consequences;
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- continuous monitor of the staff structure in order to ensure that the organisation of posts is fully efficient and contributes to a better spending of the allocated budget;
- the inclusion of information on unused interpretation services in the annual activity report;
- rationalisation of human resources in the Joint Services with the European Economic and Social Committee and in translation;
- a mid-term review of the cooperation between these institutions;
- information on the precise amount of budgetary savings as a result of the updated administrative cooperation agreement with the EESC and on the precise areas which will be affected by the new agreement;
- the rapid conclusion of the updated administrative cooperation agreement with the EESC will lead to the strengthening of cooperation in the management of common services.

2012 discharge: EU general budget, Committee of the Regions

2013/2202(DEC) - 03/04/2014 - Final act

PURPOSE: to grant discharge to the Committee of the Regions for the financial year 2012.

NON-LEGISLATIVE ACT: Decision 2014/556/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 2012.

CONTENT: with the present decision, 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 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 stated that the **administrative cooperation agreement between the Committee and the EESC** is an efficient mechanism and that it should be preserved under an updated format.