Basic information

2014/2081(DEC) DEC - Discharge procedure	Procedure completed
2013 discharge: EU general budget, Court of Auditors **Subject** 8.70.03.03 2013 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	CZARNECKI Ryszard (ECR)	25/09/2014
	Shadow rapporteur DEUTSCH Tamás (PPE) AYALA SENDER Inés (S&D) THEURER Michael (ALDE) KARI Rina Ronja (GUE/NGL) ŠOLTES Igor (Verts/ALE) VALLI Marco (EFDD)	

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	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
30/07/2014	Non-legislative basic document published	COM(2014)0510	Summary
20/10/2014	Committee referral announced in Parliament		
23/03/2015	Vote in committee		
31/03/2015	Committee report tabled for plenary	A8-0113/2015	Summary
28/04/2015	Debate in Parliament		
29/04/2015	Decision by Parliament	T8-0125/2015	Summary
29/04/2015	Results of vote in Parliament		
29/04/2015	End of procedure in Parliament		
30/09/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2081(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/01352

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE539.744	29/01/2015	
Amendments tabled in committee		PE539.832	06/03/2015	
Committee report tabled for plenary, single reading		A8-0113/2015	31/03/2015	Summary
Text adopted by Parliament, single reading		T8-0125/2015	29/04/2015	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05303/2015	30/01/2015	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0510	30/07/2014	Summary

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

Final act	
Budget 2015/1626 OJ L 255 30.09.2015, p. 0122	Summary

2013 discharge: EU general budget, Court of Auditors

2014/2081(DEC) - 30/07/2014 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2013, as part of the 2013 discharge procedure.

Analysis of the accounts of the EU Institutions: **Court of Auditors**.

Legal reminder: the consolidated annual accounts of the European Union for the year 2013 have been prepared on the basis of the information presented by the institutions and bodies under Article 148(2) of the Financial Regulation applicable to the general budget of the European Union. They were prepared in accordance with Title IX of this Financial Regulation.

(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 2013** , including the different expenses of the European institutions. It should be recalled that only the Commission budget contains administrative appropriations and operating appropriations. **The other Institutions have only administrative appropriations.**

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.

Discharge procedure: 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 discharge, Parliament may make observations which it considers important and often recommends the Commission and the other institutions to **take actions concerning these matters.**

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.

The document also 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 Court of Auditors' appropriations for the financial year 2013: the document comprises a series of detailed annexes, the most important concerning the implementation of the budget.

Budget 2013: an amount of **EUR 132 million** was committed.

As regards the Court of Auditor's expenditure, the information is drawn from the Court of Auditors Report on the budgetary and financial management 2013. The rate of implementation of the general budget was 92%.

(3) Budgetary implementation - conclusions: in more general and political terms, the implementation of the Court's budget in 2013 was marked by the drafting of:

- Annual reports on the EU budget and on the European Development Funds (EDFs) for the 2012 financial year, providing improved clarity and information;
- 50 specific annual reports published on the EU's agencies, decentralised bodies and other institutions for the 2012 financial year;
- 19 special reports adopted on specific budgetary areas or management topics, ranging from the EU's support for the food industry to EU development assistance in central Asia;
- 6 opinions and other output providing contributions on budget reform, such as the reform of various EU funds, the financial regulation of the European Development Fund, the financial rules applicable to the EU budget and financial support for political parties and political foundations at the European level;
- organisation of a highlevel conference on European governance and accountability in the presence of the President of the European Council, Herman van Rompuy.

On management:

- first year of implementation of a new strategy for 2013 to 2017 which will guide the ECA's activities over the period with the objective of maximising the value of the institution's contribution to EU public accountability;
- efficiency gains in administration further strengthen the ECA's ability to pursue its mission;
- official opening of the K3 building and consolidation of all staff on one site to promote even more efficient teamwork (completion with a level of commitments of EUR 7.135 million).

2013 discharge: EU general budget, Court of Auditors

2014/2081(DEC) - 29/04/2015 - Final act

PURPOSE: to grant discharge to the Court of Auditors for the financial year 2013.

NON LEGISLATIVE ACT: Decision (EU) 2015/1626 of the European Parliament on discharge in respect of the implementation of the general budget of the European Union for the financial year 2013, Section V — Court of Auditors.

CONTENT: with the present decision, the European Parliament grants the Secretary-General of the Court of Auditors discharge in respect of the implementation of the budget of the Court of Auditors for the financial year 2013.

This decision is in line with the European Parliament's resolution adopted on 29 April 2015 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 29 April 2015).

Amongst Parliament's main observations, the latter called on the Court of Auditors to include an **overview of staff** holding management positions sorted by nationality, gender and position in the annual activity report.

2013 discharge: EU general budget, Court of Auditors

2014/2081(DEC) - 31/03/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) and called on the European Parliament to give discharge to the Secretary General of the Court of Auditors in respect of the implementation of the budget of the Court for the financial year 2013.

Recalling that the Court of Auditors' annual accounts were audited by an independent external auditor - PricewaterhouseCoopers SARL – Members took note of the auditor's opinion that "the financial statements give a true and fair view of the financial position of the Court".

Budgetary and financial management: Members observed that the Court of Auditors' final appropriations amounted to a total of EUR 142 761 000 and that the overall rate of implementation for the budget was 92 %. They regretted the decrease of the utilisation rate in 2013 when compared to 96 % in 2012, whilst taking note of the Court's explanation for the lower rate. Members noted the Court of Auditors' new strategy for 2013-2017 to maximise its role as the external auditor of the Union.

Court of Auditors actions: Members made a series of observations on the daily management of the Court and asked for:

- regular reporting to Parliament on the development and implementation of the Court of Auditors' **internal reform programme** which is included in its strategy for 2013-2017;
- a certain degree of **flexibility in the Court of Auditors' work programme** to ensure that it swiftly adapted to unexpected major events that might require specific auditing or attention and that it was able to disregard items on the programme that were no longer relevant;
- ensuring that auditors assigned to performing specific audits possessed the necessary **technical knowledge** and methodological skills;

- improvement of **time plans**, in particular in the case of the Court of Auditors' Special Reports, without compromising the quality of these reports;
- more consistent **methodology** applied to all areas of management;
- pursuing the objective of lowering the average production time to 18 months for **Special Reports** (rather than the 20 months it took);
- taking better account of **geographical criteria** in appointing staff to management posts;
- a review of the **equality plan** established by the Court in 2012, which had not delivered as expected;
- an overview of staff holding **management positions** sorted by nationality, gender and position in the annual activity report;
- clarification of the Court's **buildings policy**;
- analysis of the substantial pricing variation of **translation cost** per language and a unified methodology for the presentation of translation costs which all the institutions could use in order to make it simpler to analyse and compare costs;
- inclusion in its annual activity reports, in compliance with the existing rules on confidentiality and data protection, the **results and consequences of closed OLAF cases**, where the institution or any of the individuals working for it were the subject of the investigation;
- improvement in the **clarity of the Court's communication** and ensuring that the editorial quality of all of the Court of Auditors' texts be submitted in a centralised process.

Members appreciated the cooperation between the Court of Auditors and Parliament's Committee on Budgetary Control and welcomed regular feedback on the basis of Parliament's demands. However, they noted that the latest changes to Parliament's Rules of Procedure, geared towards increasing the involvement of the parliamentary committees in different areas as regards Special Reports, had not lived up to expectations.

2013 discharge: EU general budget, Court of Auditors

2014/2081(DEC) - 30/01/2015

On the basis of the observations made by the Court of Auditors, the Council recommends the European Parliament to **give a discharge to all the Union institutions in respect of the implementation of the budget of the European Union for the financial year 2013**.

The Council welcomes the fact that, as in previous years, the administrative and related expenditure of the institutions and bodies of the European Union remained free from material error and that their examined control systems were **assessed as effective**.

However, according to the Court, the estimated error rate of this policy group increased from 0% to **1%**. The Council takes note that 10% of the audited sample of transactions were affected by error.

The Council welcomes the measures already taken and encourages the institutions concerned to address the remaining weaknesses identified by the Court.

2013 discharge: EU general budget, Court of Auditors

2014/2081(DEC) - 29/04/2015 - Text adopted by Parliament, single reading

The European Parliament adopted by 571 votes to 74, with 46 abstentions, a decision to **give discharge** to the Secretary General of the Court of Auditors in respect of the implementation of the budget of the Court for the financial year 2013.

In its resolution accompanying the discharge decision, adopted by 590 votes to 73, with 29 abstentions, Parliament took note of the independent external auditor's opinion - PricewaterhouseCoopers SARL – according to which the **financial statements give a true and fair view of the financial position of the Court**.

Budgetary and financial management: in 2013, the Court of Auditors' final appropriations amounted to a total of EUR 142 761 000 and the **overall rate of implementation** for the budget was 92%. Parliament regretted the decrease of the utilisation rate since 2012 when it was 96%, whilst taking note of the Court's explanation for the lower rate. It noted the Court of Auditors' new strategy for 2013-2017 to maximise its role as the external auditor of the Union as well as its intention to improve the quantity and quality of the performance audit reports by increasing efficiency.

Court of Auditors actions: Parliament made a series of observations on the daily management of the Court and asked for:

- regular reporting to Parliament on the development and implementation of the Court of Auditors' **internal reform programme** which is included in its strategy for 2013-2017;
-

a certain degree of **flexibility in the Court of Auditors' work programme** to ensure that it swiftly adapted to unexpected major events that might require specific auditing or attention and that it was able to disregard items on the programme that were no longer relevant;

- ensuring that auditors assigned to performing specific audits possessed the necessary **technical knowledge** and methodological skills;
- improvement of **time plans**, in particular in the case of the Court of Auditors' Special Reports, without compromising the quality of these reports;
- more consistent **methodology** applied to all areas of management;
- pursuing the objective of lowering the average production time to 18 months for **Special Reports** (rather than the 20 months it took);
- the Special Reports' recommendations to be clearer and to consistently disclose the positive and the negative conducts of the concerned countries;
- taking better account of **geographical criteria** in appointing staff to management posts;
- a review of the **equality plan** established by the Court in 2012, which had not delivered as expected;
- an overview of staff holding **management positions** sorted by nationality, gender and position in the annual activity report;
- clarification of the Court's **buildings policy**;
- analysis of the substantial pricing variation of **translation cost** per language and a unified methodology for the presentation of translation costs which all the institutions could use in order to make it simpler to analyse and compare costs;
- inclusion in its annual activity reports, in compliance with the existing rules on confidentiality and data protection, the **results and consequences of closed OLAF cases**, where the institution or any of the individuals working for it were the subject of the investigation;
- improvement in the **clarity of the Court's communication** and ensuring that the editorial quality of all of the Court of Auditors' texts be submitted in a centralised process.
- the inclusion in the Court of Auditors' reports of a certain number of **corrective measures** to be taken by the Union, and an expected timing to implement them, in order to reach the goals and objectives defined by the Union programme, fund, or policy.

Overall, Members appreciated the **cooperation between the Court of Auditors and Parliament's Committee on Budgetary Control** and welcomed regular feedback on the basis of Parliament's demands.

However, they noted that the latest changes to Parliament's Rules of Procedure, geared towards increasing the involvement of the parliamentary committees in different areas as regards Special Reports, had not lived up to expectations.