Basic information

2014/2079(DEC) DEC - Discharge procedure	Procedure completed
2013 discharge: EU general budget, European Council and Council **Subject** 8.70.03.03 2013 discharge	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	CONT Budgetary Control	CZARNECKI Ryszard (ECR)	22/05/2015
		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)	

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	A8-0116/2015	Summary
28/04/2015	Debate in Parliament		
29/04/2015	Decision by Parliament	T8-0122/2015	Summary

29/04/2015	Results of vote in Parliament		
29/04/2015	Report referred back to committee		
22/09/2015	Vote in committee		
29/09/2015	Committee report tabled for plenary	A8-0269/2015	Summary
26/10/2015	Debate in Parliament		
27/10/2015	Decision by Parliament	T8-0373/2015	Summary
27/10/2015	Results of vote in Parliament		
27/10/2015	End of procedure in Parliament		
01/12/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2079(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/03530

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE539.739	02/02/2015	
Amendments tabled in committee		PE539.833	05/03/2015	
Committee report tabled for plenary, single reading		A8-0116/2015	31/03/2015	Summary
Text adopted by Parliament, single reading		T8-0122/2015	29/04/2015	Summary
Committee draft report		PE560.695	24/06/2015	
Amendments tabled in committee		PE565.188	04/09/2015	
Committee report tabled for plenary, single reading		A8-0269/2015	29/09/2015	Summary
Text adopted by Parliament, single reading		T8-0373/2015	27/10/2015	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	
Decision 2015/2214 OJ L 314 01.12.2015, p. 0048	Summary

2013 discharge: EU general budget, European Council and Council

2014/2079(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: **European Council/Council**.

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 the European Council/Council's appropriations for the financial year 2013: the document comprises a series of detailed tables, the most important concerning the implementation of the budget.

Budget 2013: at the end of 2013, an amount of EUR 507 million was committed.

Budget implementation: information concerning the implementation of the budget of the Council and the European Council is drawn from the Financial Activity Report 2013 (Section II - European Council and Council).

The budget authority established the overall European Council/Council budget 2013 at **EUR 535.5 million**. This corresponds to an increase of EUR 1.6 million (0.3%) compared to the 2012. The number of posts in the establishment plan for 2013 for the EC/C was 3153.

The global implementation rate of the 2013 budget is 86.7%. The difference between the final budget and implementation can be explained as follows:

- the total under-spending in the category of establishment plan amounts to EUR 23.6 million;
- the global implementation of the building related expenditure (without the Europa-Building) resulted in a saving of EUR 2.4 million;
- in the IT domain the budget implementation was almost 98 %. The under-spending of EUR 800 000 resulted from a smaller need for IT equipment, software and outside consultancy;
- the underspending in appropriations for interpretation amounts to EUR 11.2 million and EUR 2.5 million in organising meetings and conferences.

The document also notes the underspending in furniture, technical equipment and transport costs. The amount available for delegations' travel expenses after transfers amounted to EUR 25.3 million.

(3) Budgetary implementation - conclusions: in more general and political terms, the implementation of the Council budget in 2013 was marked by the following:

- the continuous support to the President of the European Council and to the Council through an appropriate use of financial resources;
- the need to proceed further with the process of administrative modernisation with the objective to reinforce the quality of its organisation as well as the appropriate use of resources;
- the adaptation of its organisation to the accession of Croatia in July 2013.

Building policy: the project to renovate the Residence Palace and convert it into the seat of the European Council and the Council (Europa Building) continued in 2013 with the actual construction work including, among other things, starting to building up floors, insulation and various technical installations.

In 2013, **EUR 5 million was committed** for the acquisition of the Europa Building. The amount has been carried over to 2014 for the actual payment.

2013 discharge: EU general budget, European Council and Council

2014/2079(DEC) - 29/09/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the 2nd report by Ryszard CZARNECKI (ECR, PL) and called on the European Parliament to **refuse to grant to the Secretary-General of the Council discharge in respect of the implementation of the budget of the European Council and of the Council for the financial year 2013.**

Members noted that all Union institutions ought to be transparent and fully accountable to the citizens of the Union for the funds entrusted to them as Union institutions. The European Council and the Council, as Union institutions, should be subject to democratic accountability.

Members regretted that the Council had not provided any explanation on the increasing underspending and carryovers of commitments in their 2013 budget.

Pending issues: in order to justify the refusal to grant discharge, Members reminded the Council of Parliament's call for progress reports on building projects and a detailed breakdown of the costs incurred to date.

They reiterated their call on the Council to:

- provide a thorough written explanation detailing the total amount of appropriations used in the purchase of the 'Residence Palace' building, the budget items from which those appropriations were drawn, the instalments that had been paid thus far and the instalments that remained to be paid;
- provide information on its process of administrative modernisation, in particular on the concrete implementing measures of that process and on the anticipated impact on the Council's budget.

Members also regretted the difficulties repeatedly encountered in the discharge procedures to date, which were due to a lack of cooperation from the Council, pointing out that Parliament refused to grant discharge to the Secretary-General of the Council in relation to the financial years 2009, 2010, 2011 and 2012 for similar reasons and postponed its decision on granting the Secretary-General of the Council discharge in relation to the financial year 2013 for the reasons set out in its resolution of 29 April 2015.

Increased cooperation: Members insisted that an effective budgetary control exercise required cooperation between Parliament and the Council. They reminded the Council of the Commission's views, that **all institutions were fully part of the follow-up process to the observations made by Parliament in the discharge exercise** and that all institutions should cooperate to ensure the smooth functioning of the discharge procedure.

The committee regretted that the Council continued to fail to provide answers to Parliament's questions, and recalled the conclusions of the Parliament workshop on Parliament's Right to Grant Discharge to the Council held on 27 September 2012, at which the legal and academic experts largely agreed on the **Parliament's right to information**. In this respect, it referred to the third subparagraph of Article 15(3) TFEU which stipulated that each institution, body, office or agency should ensure that its proceedings were transparent.

Once again, Members insisted that the expenditure of the Council must be scrutinised in the same way as that of other institutions and emphasised Parliament's prerogative to grant discharge. They took the view that Council's failure to submit the requested documents to Parliament above all undermined the right of citizens of the Union to information and transparency and was **becoming a cause for concern, reflecting a certain democratic deficit within the Union institutions.**

Updating the rules: the committee believed that it was necessary to consider different possibilities to update the rules on granting discharge laid down in the TFEU. They considered that satisfactory cooperation between Parliament, the European Council and the Council as a result of an open and formal dialogue procedure could be a positive sign to be sent to the citizens of the Union.

2013 discharge: EU general budget, European Council and Council

2014/2079(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 the European 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, the Council points out that, 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, European Council and Council

2014/2079(DEC) - 27/10/2015 - Text adopted by Parliament, single reading

The European Parliament decided by 655 votes to 30, with 3 abstentions, to **refuse to grant to the Secretary-General of the Council discharge in respect of the implementation of the budget of the European Council and of the Council for the financial year 2013.**

Democratic accountability: Parliament noted that all Union institutions ought to be transparent and fully accountable to the citizens of the Union for the funds entrusted to them as Union institutions.

The European Council and the Council, as Union institutions, should be subject to the same democratic accountability.

Parliament regretted that the Council had not provided any explanation on the increasing underspending and carryovers of commitments in their 2013 budget.

Parliament stated that the European Council and the Council, as Union institutions, should be subject to **democratic accountability towards the citizens of the Union** as far as they are beneficiaries of the general budget of the European Union.

In this regard, Parliament is the sole directly elected body among the Union institutions and has responsibility to grant discharge in respect of the implementation of the general budget of the European Union

Pending issues: in order to justify the refusal to grant discharge, Parliament reminded the Council of Parliament's call for progress reports on building projects and a detailed breakdown of the costs incurred to date.

It reiterated their call on the Council to:

- provide a thorough written explanation detailing the total amount of appropriations used in the purchase of the 'Residence Palace' building, the budget items from which those appropriations were drawn, the instalments that had been paid thus far and the instalments that remained to be paid;
- provide information on its process of administrative modernisation, in particular on the concrete implementing measures of that process and on the anticipated impact on the Council's budget.

It also regretted the difficulties repeatedly encountered in the discharge procedures to date, which were due to a lack of cooperation from the Council, pointing out that Parliament refused to grant discharge to the Secretary-General of the Council in relation to the financial years 2009, 2010, 2011 and 2012 for similar reasons and postponed its decision on granting the Secretary-General of the Council discharge in relation to the financial year 2013 for the reasons set out in its resolution of 29 April 2015.

Increased cooperation: Members insisted that an effective budgetary control exercise required cooperation between Parliament and the Council. They reminded the Council of the Commission's views, that **all institutions were fully part of the follow-up process to the observations made by Parliament in the discharge exercise** and that all institutions should cooperate to ensure the smooth functioning of the discharge procedure.

Parliament regretted that the Council continued to fail to provide answers to Parliament's questions, and recalled the conclusions of the Parliament workshop on Parliament's Right to Grant Discharge to the Council held on 27 September 2012, at which the legal and academic experts largely agreed on the **Parliament's right to information**. In this respect, it referred to the third subparagraph of Article 15(3) TFEU which stipulated that each institution, body, office or agency should ensure that its proceedings were transparent.

Once again, Parliament insisted that the expenditure of the Council must be scrutinised in the same way as that of other institutions and emphasised Parliament's prerogative to grant discharge. It took the view that Council's failure to submit the requested documents to Parliament above all undermined the right of citizens of the Union to information and transparency and was **becoming a cause for concern, reflecting a certain democratic deficit within the Union institutions.**

Updating the rules: Parliament believed that it was necessary to consider different possibilities to update the rules on granting discharge laid down in the TFEU. It considered that satisfactory cooperation between Parliament, the European Council and the Council as a result of an open and formal dialogue procedure could be a positive sign to be sent to the citizens of the Union.

2013 discharge: EU general budget, European Council and Council

2014/2079(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 Parliament to postpone its decision on granting the Secretary-General of the Council discharge in respect of the implementation of the budget of the European Council and of the Council for the financial year 2013.

It recalled that all Union institutions ought to be transparent and fully accountable to the citizens of the Union for the funds entrusted to them as Union institutions. On the reasons for postponing the discharge, Members stressed that the **Council must take part fully and in good faith in the annual discharge procedure, just as the other institutions do**. They regretted the difficulties encountered in the discharge procedures to date. They took note, nonetheless, of the interest shown by the current Presidency of the Union in reconciling positions, regarding actively tangible measures to reach a 'modus vivendi' to improve the capacity for dialogue between the two institutions.

Greater cooperation: Members reiterated that it was only possible to implement effective budgetary control with the cooperation of Parliament and the Council, the main elements of which must comprise of formal meetings between representatives of the Council and Parliament's Committee on Budgetary Control, answering questions asked by the committee's members. Without the cooperation of the Council, **Parliament was not in the position to make an informed decision on granting discharge**. Members agreed with the Commission's views in its letter of 23 January 2014 to Parliament that it was desirable for Parliament to continue to give, postpone or refuse discharge to the other institutions – including the Council – as has been the case up until now. They endorsed the view that **all institutions should cooperate to ensure the smooth functioning of the discharge procedure** in full respect of the relevant provisions in the Treaty on the Functioning of the European Union and the relevant secondary law. They regretted that Parliament repeatedly encountered problems in receiving answers from the Council.

Recalling the relevant Treaty provisions on discharge, Members stated that granting or not granting discharge was a duty Parliament had towards the Union citizens and considered that the discharge-related legal framework of the Union should be revised in order to clarify the discharge making process.

In general, Members felt that the Council could do more on matters related to transparency.

On the Council's general management, the committee noted that in 2013, the European Council and the Council had an overall budget of EUR 535 511 300 with an implementation of 86.7 %. It took note that EUR 71 376 244 of commitments were cancelled in 2013 due to underspending and a reduction in the use of facilities.

Members were surprised to learn that **EUR 5 million committed for the acquisition of the 'Europa' building** was carried over to 2014 for actual payment. This balance, in addition to other appropriations carried over, went against the principles of annuality and sound financial management of the Financial Regulation.

Members reiterated that the budget of the European Council and the Council should be separated in order to contribute to the transparency of the financial management of the institutions and to improve the accountability of both institutions. They called on the European Council and the Council to send Parliament their annual activity report with a comprehensive overview of all human resources available to both institutions, broken down by category, grade, sex, nationality and vocational training.

The committee went on to make a series of observations on the costs of translation in Council (which shows some disparity with other institutions) and asked for a unified methodology of presenting translation costs and better practice on translation issues.

Lastly, it considered that at a time of crisis and budgetary cuts in general, the cost of ‘away days’ for staff at the Union institutions had to be reduced and that these should take place, where possible, on the institutions’ own premises as the added value derived from these away days did not justify such high costs.

2013 discharge: EU general budget, European Council and Council

2014/2079(DEC) - 29/04/2015 - Text adopted by Parliament, single reading

The European Parliament decided by 669 votes to 13, with 5 abstentions, to **postpone its decision on granting the Secretary-General of the Council discharge in respect of the implementation of the budget of the European Council and of the Council for the financial year 2013**.

In a parallel resolution, Parliament recalled by 642 votes to 40, with 7 abstentions that all Union institutions ought to be transparent and fully accountable to the citizens of the Union for the funds entrusted to them as Union institutions.

On the reasons for postponing the discharge, Parliament stressed that the **Council must take part fully and in good faith in the annual discharge procedure, just as the other institutions do**. It regretted the difficulties encountered in the discharge procedures to date. It took note, nonetheless, of the interest shown by the current Presidency of the Union in reconciling positions, regarding actively tangible measures to reach a 'modus vivendi’ to improve the capacity for dialogue between the two institutions.

Greater cooperation: Parliament reiterated that it was only possible to implement effective budgetary control with the cooperation of Parliament and the Council, the main elements of which must comprise of formal meetings between representatives of the Council and Parliament's Committee on Budgetary Control, answering questions asked by the committee’s members. Without the cooperation of the Council, **Parliament was not in the position to make an informed decision on granting discharge**. In this regard, Parliament agreed with the Commission's views in its letter of 23 January 2014 to Parliament that it was desirable for Parliament to continue to give, postpone or refuse discharge to the other institutions – including the Council – as has been the case up until now. It endorsed the view that **all institutions should cooperate to ensure the smooth functioning of the discharge procedure** in full respect of the relevant provisions in the Treaty on the Functioning of the European Union and the relevant secondary law. **It regretted that Parliament repeatedly encountered problems in receiving answers from the Council**.

Recalling the relevant Treaty provisions on discharge, Parliament stated that granting or not granting discharge was a duty Parliament had towards the Union citizens and considered that the discharge-related legal framework of the Union should be revised in order to clarify the discharge making process.

In general, Parliament felt that the Council could do more on matters related to transparency.

Internal management of the Council and the European Council: Parliament noted that in 2013, the European Council and the Council had an overall budget of EUR 535 511 300 with an implementation of 86.7%. It took note that EUR 71 376 244 of commitments were cancelled in 2013 due to underspending and a reduction in the use of facilities. Parliament was surprised to learn that **EUR 5 million committed for the acquisition of the 'Europa' building** was carried over to 2014 for actual payment. This balance, in addition to other appropriations carried over, went against the principles of annuality and sound financial management of the Financial Regulation.

As regards building policy, Parliament took note that some of the audit recommendations on the 'Europa' building project are still lagging behind execution. It reiterated its call for the Council to provide a **thorough written explanation** detailing the total amount of appropriations used in the purchase of the building.

A separate budget for the two institutions: Parliament reiterated that the budget of the European Council and the Council should be separated in order to contribute to the transparency of the financial management of the institutions and to improve the accountability of both institutions. It called on the European Council and the Council to send Parliament their annual activity report with a comprehensive overview of all human resources available to both institutions, broken down by category, grade, sex, nationality and vocational training.

Parliament went on to make a series of observations on the costs of translation in Council (which shows some disparity with other institutions) and asked for a unified methodology of presenting translation costs and better practice on translation issues.

Lastly, it considered that at a time of crisis and budgetary cuts in general, the cost of ‘away days’ for staff at the Union institutions had to be reduced and that these should take place, where possible, on the institutions’ own premises as the added value derived from these away days did not justify such high costs.

2013 discharge: EU general budget, European Council and Council

2014/2079(DEC) - 27/10/2015 - Final act

PURPOSE: to refuse discharge to the Council for the 2013 financial year.

NON-LEGISLATIVE ACT: Decision (EU) 2015/2214 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 II — European Council and Council.

CONTENT: with the present decision, the European Parliament **refuses to grant the Secretary-General of the Council discharge in respect of the implementation of the European Council's and the Council's budget for the financial year 2013**.

This decision is in line with the European Parliament's resolution adopted on 27 October 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 27/10/2015).

In particular, Parliament insisted that the expenditure of the Council must be scrutinised **in the same way as that of other institutions** and stressed that the Council's failure to submit the requested documents to Parliament above all undermines the right of citizens of the Union. The European Council and the Council, as Union institutions, should be subject to democratic accountability towards the citizens of the Union as far as they are beneficiaries of the general budget of the European Union.