Basic information	
2015/2156(DEC) DEC - Discharge procedure	Procedure completed
2014 discharge: EU general budget, European Council and Council **Subject** 8.70.03.04 2014 discharge	

Key players			
European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	CONT Budgetary Control	CZARNECKI Ryszard (ECR)	25/05/2016
European Commission	**Commission DG**	**Commissioner**	
	Budget	GEORGIEVA Kristalina	

Key events

Date	Event	Reference	Summary
23/07/2015	Non-legislative basic document published	COM(2015)0377	Summary
05/10/2015	Committee referral announced in Parliament		
04/04/2016	Vote in committee		
07/04/2016	Committee report tabled for plenary	A8-0101/2016	Summary
27/04/2016	Debate in Parliament		
28/04/2016	Decision by Parliament	T8-0151/2016	Summary
28/04/2016	Results of vote in Parliament		
28/04/2016	Report referred back to committee		
26/09/2016	Vote in committee		
29/09/2016	Committee report tabled for plenary	A8-0271/2016	Summary
26/10/2016	Debate in Parliament		
27/10/2016	Decision by Parliament	T8-0418/2016	Summary
27/10/2016	Results of vote in Parliament		
27/10/2016	End of procedure in Parliament		

08/12/2016	Final act published in Official Journal		

Technical information

Procedure reference	2015/2156(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/06502

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE571.517	02/02/2016	
Committee opinion	AFCO	PE573.149	23/02/2016	
Amendments tabled in committee		PE576.898	04/03/2016	
Committee report tabled for plenary, single reading		A8-0101/2016	07/04/2016	Summary
Text adopted by Parliament, single reading		T8-0151/2016	28/04/2016	Summary
Committee draft report		PE584.118	27/06/2016	
Amendments tabled in committee		PE589.121	06/09/2016	
Committee report tabled for plenary, single reading		A8-0271/2016	29/09/2016	Summary
Text adopted by Parliament, single reading		T8-0418/2016	27/10/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05583/2016	02/02/2016	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0377	23/07/2015	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0153/2015 OJ C 373 10.11.2015, p. 0001	10/09/2015	Summary

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

Final act	
Budget 2016/2152 OJ L 333 08.12.2016, p. 0050	Summary

2014 discharge: EU general budget, European Council and Council

2015/2156(DEC) - 10/09/2015

PURPOSE: presentation of the Report of the Court of Auditors on the 2014 budget - Analysis of the accounts of the European Council and Council.

CONTENT: the Court of Auditors published its 38th Annual Report on the implementation of the EU budget for the 2014 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 Council and Council.

Overall, audit evidence indicates that spending on 'Administration' is **not affected by a material level of error**. For this MFF heading area, testing of transactions indicates that the estimated level of error present in the population is **0.5 %.**

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.

The Court makes a certain number of particular observations as regards each EU institution or body of the European Union. This institution should improve its monitoring systems for the timely updating of the personal situation of staff members which may have an impact on the calculation of family allowances.

However, in the specific case of the audit of the Council, **the Court noted this specific type of error and called on the institution to remedy this recurrent issue.**

2014 discharge: EU general budget, European Council and Council

2015/2156(DEC) - 02/02/2016 - Supplementary non-legislative basic document

On the basis of the observations made by the Court of Auditors, the Council recommended 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 2014**.

The Council welcomed that the administrative and related expenditure of the institutions and bodies of the EU remained free from material error and that the estimated level of error reported by the Court for this policy area decreased to **0.5 %.** It noted with satisfaction that the Court did **not detect any significant weaknesses** in the examined systems.

However, the Council took note of the issues identified by the Court in some of the institutions and bodies audited. It invited the institutions and bodies concerned to further pursue the measures already taken and encouraged them to address the remaining weaknesses pointed out by the Court without delay.

In addition, the Council highlighted the need to remedy the weaknesses detected by the Court in the calculation of staff costs and the management of family allowances in several institutions, in close collaboration with the Office for the Administration and Payment of Individual Entitlements.

2014 discharge: EU general budget, European Council and Council

2015/2156(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided by 633 votes to 10, with 0 abstentions, **to postpone 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 2014.

In its resolution adopted in parallel by 637 votes to 7, with 1 abstention, Parliament recalled **transparency and the scrutiny of public accounts are overarching democratic principles** which also apply to the Union and that the **discharge procedure is part of the concept of representative democracy**. It noted that legal and academic experts agreed on Parliament's right to information at the European Parliament workshop on Parliament's right to grant discharge to the Council held on 27 September 2012.

Noting that the payments as a whole for the year ended on 31 December 2014 for administrative and other expenditure of the institutions and bodies were free from material error, Parliament insisted that the Council must be accountable and transparent, as are the other institutions. It also called on the Council to join the Union transparency register.

Parliament noted that in 2014, the European Council and the Council had an overall budget of EUR 534 million, with an implementation of 91.3%. It took note of the decrease of EUR 1.3 million (-0.2 % of the Council's budget for 2014) and continued to be concerned at the **high underspending rate** that covers almost all categories. It reiterated its call for the development of key performance indicators to improve the budgetary planning.

Greater transparency: Parliament reiterated its call 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. It regretted once again that the Council has still not adopted a code of conduct given that all the Union institutions and agencies should agree on a common code of conduct. It called on those EU institutions and bodies which still do not have a code of conduct to develop such a document as soon as possible.

Parliament also noted with concern that there are no integrity rules, **conflicts of interest declarations** and detailed biographical information for the President of the European Council and his cabinet members. It called on the Council to put in place measures that will remedy the situation.

Opacity of the legislative process: Parliament noted with concern that there is a worrying lack of transparency with regard to the legislative process, negotiations, Member States´ positions and meetings within Council. It urged the Council to disclose the relevant documents and to put in place a clear reporting system that will enable the public to follow the legislative procedures in an open and transparent manner. It is also concerned about the **lack of transparency of the trilogues and conciliation meetings** and called on the Council to systematically increase transparency and integrity with regard to the negotiations.

Reasons for postponement of the decision on granting discharge: Parliament reiterated that the Council ought to be transparent and fully accountable to Union citizens for the funds entrusted to it by taking part fully and in good faith in the annual discharge procedure just as other Union institutions do. It considered, in this regard, that **effective supervision of the Union's budget implementation requires cooperation between Parliament and the Council through a working arrangement**. They regretted the difficulties encountered in the discharge procedures to date and stressed the need to improve the capacity for dialogue between the two institutions.

It noted that the procedure of giving discharge separately to the individual Union institutions and bodies is a long-standing practice, which it has developed to guarantee transparency and democratic accountability towards Union taxpayer. However, it recalled that **each of the institutions**, as defined in Article 2(b) of the Financial Regulation, has **autonomy to implement its own section of the budget** pursuant to Article 55 of that Regulation. In order to maintain transparency and democratic accountability towards Union taxpayers, Parliament grants discharge to each institution individually (which justifies its legal point of view). However, since 2009, the Council has refused to cooperate with the discharge procedure as implemented by Parliament, **failing to provide the necessary information**, answer written questions and attend hearings and debates on the implementation of its own budget, and that, as a result, **more than EUR 3 billion in public funds have been spent without proper scrutiny**. It considers this to be a negative sign sent to Union citizens.

This situation constitutes a serious failure to comply with the obligations laid down by the Treaties, in particular the principle of sincere cooperation between the institutions, and that a solution must be found quickly so that the whole of the Union budget can be scrutinised.

Reiterating its point of view that the discharge procedure is an important instrument of democratic accountability to the citizens of the Union, **Parliament called on the Council to enter into negotiations with Parliament with a view to ensuring that the latter can exercise its right of access to information** concerning the implementation of the Council's budget.

Lastly, Parliament stated that a revision of the Treaties may ultimately be required in order to render the discharge procedure more clear, in the sense that the Parliament is tasked expressly with the competence to grant discharge to all institutions and bodies individually. Pending this revision, the Commission is called upon to amend the Financial Regulation to clarify the objectives of the discharge procedure and to clearly define sanctions for not respecting the regulations.

2014 discharge: EU general budget, European Council and Council

2015/2156(DEC) - 07/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control unanimously adopted the report by Ryszard CZARNECKI (ECR, PL) in which it called on the European 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 2014**.

Members recalled that transparency and the scrutiny of public accounts are overarching democratic principles which also apply to the Union and that the **discharge procedure is part of the concept of representative democracy**. They noted that legal and academic experts agreed on Parliament's right to information at the European Parliament workshop on Parliament's right to grant discharge to the Council held on 27 September 2012.

Noting that the payments as a whole for the year ended on 31 December 2014 for administrative and other expenditure of the institutions and bodies were free from material error, Members insisted that the Council must be accountable and transparent, as are the other institutions. They also called on the Council to join the Union transparency register.

Members noted that in 2014, the European Council and the Council had an overall budget of EUR 534 million, with an implementation of 91.3%. They took note of the decrease of EUR 1.3 million (-0.2 % of the Council's budget for 2014) and continued to be concerned at the **high underspending rate** that covers almost all categories. They reiterated their call for the development of key performance indicators to improve the budgetary planning.

Greater transparency: Members reiterated their call 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. They considered it regrettable that the Council has still not adopted a code of conduct given that all the Union institutions and agencies should agree on a common code of conduct, which is indispensable to the transparency, accountability and integrity of those institutions. They called on those EU institutions and bodies which still do not have a code of conduct to develop such a document as soon as possible.

Members also noted with concern that there are no integrity rules, **conflicts of interest declarations** and detailed biographical information for the President of the European Council and his cabinet members. They called on the Council to put in place measures that will remedy the situation and to report on this to the discharge authority.

They noted with concern that there is a **worrying lack of transparency with regard to the legislative process, negotiations, Member States´ positions and meetings within Council**. They urged the Council to disclose the relevant documents and to put in place a clear reporting system that will enable the public to follow the legislative procedures in an open and transparent manner.

Transparency measures are also called for as regards the cost of the buildings policy.

Reasons for postponement of the decision on granting discharge: Members reiterated that the Council ought to be transparent and fully accountable to Union citizens for the funds entrusted to it by taking part fully and in good faith in the annual discharge procedure just as other Union institutions do. They considered, in this regard, that **effective supervision of the Union's budget implementation requires cooperation between Parliament and the Council through a working arrangement**. They regretted the difficulties encountered in the discharge procedures to date and stressed the need to improve the capacity for dialogue between the two institutions.

They noted that the procedure of giving discharge separately to the individual Union institutions and bodies is a long-standing practice, which it has developed to guarantee transparency and democratic accountability towards Union taxpayers.

However, for Members, each of the institutions, as defined in Article 2(b) of the Financial Regulation, has **autonomy to implement its own section of the budget** pursuant to Article 55 of the Financial Regulation.

In order to maintain transparency and democratic accountability towards Union taxpayers, Parliament grants discharge to each institution individually. However, since 2009, the Council has refused to cooperate with the discharge procedure as implemented by Parliament, **failing to provide the necessary information**, answer written questions and attend hearings and debates on the implementation of its own budget, and that, as a result, **more than EUR 3 billion in public funds have been spent without proper scrutiny**. They consider this to be a negative sign sent to Union citizens.

This situation constitutes a serious failure to comply with the obligations laid down by the Treaties, in particular the principle of sincere cooperation between the institutions, and that a solution must be found quickly so that the whole of the Union budget can be scrutinised.

Reiterating its point of view that the discharge procedure is an important instrument of democratic accountability to the citizens of the Union, **Members called on the Council to enter into negotiations with Parliament with a view to ensuring that the latter can exercise its right of access to information** concerning the implementation of the Council's budget.

Lastly, Members stated that a revision of the Treaties may ultimately be required in order to render the discharge procedure more clear, in the sense that the Parliament is tasked expressly with the competence to grant discharge to all institutions and bodies individually. Pending this revision, the Commission is called upon to amend the Financial Regulation to clarify the objectives of the discharge procedure and to clearly define sanctions for not respecting the regulations.

2014 discharge: EU general budget, European Council and Council

2015/2156(DEC) - 23/07/2015 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2014, as part of the 2014 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 2014 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.

(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 2014** , 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 performance indicators in the framework of the financial implementation;
- 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 2014: the document comprises a series of annexes, the most important concerning the implementation of the budget.

As regards the budget implementation of the European Council/Council, the table on the financial and budgetary implementation of this institution shows that the Parliament's total payment appropriations totalled EUR 635 million, with a 79.2% implementation rate.

The document does not give any further detailed information as regards the expenditure of the European Council/Council in 2014.

2014 discharge: EU general budget, European Council and Council

2015/2156(DEC) - 27/10/2016 - Final act

PURPOSE: **refusal to grant discharge to the European Council and the Council for the financial year 2014**.

NON-LEGISLATIVE ACT: Decision (EU) 2016/2152 of the European Parliament on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section II — European Council and Council.

CONTENT: with this Decision, the European Parliament refused to grant 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 2014.

This decision is in line with the European Parliament's resolution adopted on 27 October 2016 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 October 2016).

Among Parliament’s main observations made in the resolution accompanying the discharge decision, it regretted that the European Council and the Council do not provide Parliament with their annual activity reports. It regarded this as **inadmissible** and detrimental to the reputation of the institutions.

It also regretted that the budget of the European Council and the Council have not yet been separated, as recommended by Parliament in recent discharge resolutions.

2014 discharge: EU general budget, European Council and Council

2015/2156(DEC) - 29/09/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control unanimously adopted the report by Ryszard CZARNECKI (ECR, PL) in which it called on the European Parliament to **refuse to grant 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 2014.**

Members regretted that the Council continues to be silent in relation to the remarks made by Parliament in its discharge resolution of 28 April 2016.

They also regretted that the European Council and the Council do not provide the Parliament their annual activity report; regards this as inadmissible and detrimental to the reputation of the EU institutions. They reiterated their call on the Council to provide information on its process of administrative modernisation and to **adopt a code of conduct as soon as possible in order to ensure the integrity of the institution**. Moreover, the Council was called upon to join the Union transparency register and to develop detailed anti-corruption guidelines.

Overall, Members regretted the difficulties repeatedly encountered in the discharge procedures to date. They insisted that an effective budgetary control exercise requires the cooperation of Parliament and the Council. They reminded the Council of the Commission's view, expressed in January 2014, **that all institutions are fully part of the follow-up process to the observations made by Parliament in the discharge exercise**.

Members regretted that the Council continues to fail to provide answers to Parliament's questions and that only three out of twenty-seven questions submitted to the Council in relation to the financial year 2014 received a clear reply in the documents provided by the Council within the discharge exercise.

According to Members, the expenditure of the Council must be scrutinised in the same way as that of other institutions. They emphasised Parliament's prerogative to grant discharge pursuant to Articles 316, 317 and 319 TFEU, in line with current interpretation and practice, namely to grant discharge of each heading of the budget individually in order to maintain transparency and democratic accountability towards Union taxpayers.

Members took the view that Council's failure to submit the requested documents to Parliament above all undermines the right of citizens of the Union to information and transparency and is becoming a cause for concern, reflecting as it does a certain democratic deficit within the Union institutions. They stated that this constitutes a serious failure to comply with the obligations laid down by the Treaties and believes that the relevant stakeholders need to take the necessary steps to address this issue without further delay.

They stressed that a revision of the Treaties and of the Financial Regulation is needed in order to clarify the objectives and processes of the discharge procedure, and to define sanctions for failing to comply with the rules as stated in the Treaties.

Lastly, they considered that the lack of cooperation of the European Council and the Council with the discharge authority is a negative sign to the citizens of the Union.

2014 discharge: EU general budget, European Council and Council

2015/2156(DEC) - 27/10/2016 - Text adopted by Parliament, single reading

The European Parliament decided, with 615 votes for with none against and no abstentions, to **refuse to grant 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 2014.**

In a resolution attached to the decision refusing to grant discharge, Parliament made a series of observations that justify its decision and form an integral part of the decision taken in plenary.

Parliament began by regretting the fact that the Council continues to be silent in relation to the remarks made by Parliament in its discharge resolution of 28 April 2016. It also regretted that the European Council and the Council do not provide the Parliament with their annual activity report, and regards this as inadmissible and detrimental to the reputation of the EU institutions. It reiterated its call on the Council to provide information on its process of administrative modernisation and to **adopt a code of conduct as soon as possible in order to ensure the integrity of the institution**. Moreover, the Council was called upon to join the Union transparency register and to develop detailed anti-corruption guidelines.

Recurrent difficulties: overall, Parliament regretted the difficulties repeatedly encountered in the discharge procedures to date. It insisted that an effective budgetary control exercise requires the cooperation of Parliament and the Council. It reminded the Council of the Commission's view, expressed in January 2014, **that all institutions are fully part of the follow-up process to the observations made by Parliament in the discharge exercise**.

Parliament went on to regret that the Council continues to fail to provide answers to Parliament's questions and that only three out of twenty-seven questions submitted to the Council in relation to the financial year 2014 received a clear reply in the documents provided by the Council within the discharge exercise. Without an effective budgetary control exercise, **Parliament is unable to make an informed decision on granting discharge.**

Parliament stated that the expenditure of the Council must be scrutinised in the same way as that of other institutions. It emphasised Parliament's prerogative to grant discharge pursuant to Articles 316, 317 and 319 TFEU, in line with current interpretation and practice, namely to grant discharge of each heading of the budget individually in order to maintain transparency and democratic accountability towards Union taxpayers.

Parliament took the view that Council's failure to submit the requested documents to Parliament above all undermines the right of citizens of the Union to information and transparency and is **becoming a cause for concern, reflecting as it does a certain democratic deficit within the Union institutions.** It stated that this constitutes a serious failure to comply with the obligations laid down by the Treaties and believed that the relevant stakeholders need to take the necessary steps to address this issue without further delay.

Parliament stressed that a revision of the Treaties and of the Financial Regulation is needed in order to clarify the objectives and processes of the discharge procedure, and to define sanctions for failing to comply with the rules as stated in the Treaties.

Lastly, it considered that the lack of cooperation of the European Council and the Council with the discharge authority sends a negative sign to the citizens of the Union.