Basic information

2015/2158(DEC) DEC - Discharge procedure	Procedure completed
2014 discharge: EU general budget, Court of Auditors **Subject** 8.70.03.04 2014 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	CZARNECKI Ryszard (ECR)	25/08/2015
	Shadow rapporteur ZDECHOVSKÝ Tomáš (PPE) THEURER Michael (ALDE) KARI Rina Ronja (GUE/NGL) ŠOLTES Igor (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

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
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		
08/04/2016	Committee report tabled for plenary	A8-0107/2016	Summary
27/04/2016	Debate in Parliament		
28/04/2016	Decision by Parliament	T8-0153/2016	Summary
28/04/2016	Results of vote in Parliament		
28/04/2016	End of procedure in Parliament		
14/09/2016	Final act published in Official Journal		

Technical information

Procedure reference	2015/2158(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/04082

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE571.502	02/02/2016	
Amendments tabled in committee		PE576.899	04/03/2016	
Committee report tabled for plenary, single reading		A8-0107/2016	08/04/2016	Summary
Text adopted by Parliament, single reading		T8-0153/2016	28/04/2016	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 2016/1472
OJ L 246 14.09.2016, p. 0137 Summary

2014 discharge: EU general budget, Court of Auditors

2015/2158(DEC) - 28/04/2016 - Final act

PURPOSE: to grant discharge to the Court of Auditors for the financial year 2014.

NON LEGISLATIVE ACT: Decision (EU) 2016/1472 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 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 2014.

This decision is in line with the European Parliament's resolution adopted on 28 April 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 28 April 2016).

Amongst Parliament’s main observations in the resolution accompanying the discharge decision, the latter called on the Court of Auditors to ensure the **geographical balance of its staff**, in particular in management and directorial posts, along with merit and expertise.

2014 discharge: EU general budget, Court of Auditors

2015/2158(DEC) - 08/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) calling on the European Parliament to give discharge to the Secretary-General of the European Court of Auditors in respect of the implementation of the budget of the Court for the financial year 2014.

Noting that the Court of Auditors’ accounts are audited by an independent external auditor – PricewaterhouseCoopers SARL – Members noted 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: the report shows that in 2014, the Court’s final appropriations amounted to a total of **EUR 133 498 000** (EUR 142 761 000 in 2013) and that the overall rate of implementation for the budget was **98.8 %** compared to 92 % in 2013; it welcomes the improvement in the executions rate with a reduced budget.

Members note with satisfaction that the **obligation of a 5 % staff reduction** is being implemented without negative impact on the Court's policy of reinforcing its audit services; they call on the Court to make sure that further cuts will not adversely affect the quality of its reports.

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

- information to Parliament on the objectives achieved and of the impact identified following the **Court's reform project** started in late 2014 which is aimed at streamlining the audit process, transforming the Court into a task-based organisation and expanding the scope of work of the staff;
- the **common approach on decentralised agencies** from 2012 whereby all aspects of outsourced external audits remain under the full responsibility of the ECA, which manages all administrative and procurement procedures required and finances these, as well as any other costs associated with outsourced external audits; Members regret that the new audit approach of involving private sector auditors resulted in an **increase of administrative burden by 85 %**, to more than 13 000 hours, compared to the previous audit managed by the Court;
- the preparation of a **special report** on whether the Commission has made good use of its powers in supporting and controlling Member States when implementing Union law;
- **closer cooperation between the Court and national supreme audit institutions** should be pursued, in particular in connection with conducting the performance (value for money) audit reports of different Union policies and programmes and the auditing of shared-management arrangements;
- an examination of **the relationship between the number and timeliness of special reports**;
- **clearer recommendations** in special reports and the consistent disclosure of the positive and the negative conduct of the countries concerned;
- better **geographical balance** of its staff, in particular in management and directorial posts, as well as **improved gender balance**;
- clarifications on the **Court's building policy** to be attached to its annual activity report;
- consideration to be given to **outsourcing translation** as an additional way of saving 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.

The report notes the Court's first steps towards a **paperless environment** and endorses the environmental strategy implemented by the Court up until now. Lastly, it welcomes the improved clarity of the Court's messages through the media.

2014 discharge: EU general budget, Court of Auditors

2015/2158(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, Court of Auditors

2015/2158(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 Court of Auditors.

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.

In the particular case of the Court of Auditors, its own spending is audited by an external firm (PricewaterhouseCoopers, Société à responsabilité limitée, Réviseur d'Entreprises).

The external auditor’s report stated that **the financial statements give a true and fair view of the financial position of the European Court of Auditors as of 31 December 2014**, of its financial performance and its cash flows for the year then ended.

2014 discharge: EU general budget, Court of Auditors

2015/2158(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 Court of Auditors**.

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 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 2014: the document comprises a series of detailed annexes, the most important concerning the implementation of the budget. The document noted that in 2014 the Court's budget was **EUR 145 million** (total payments in 2014). EUR 134 million was spent (implementation rate of 92.4%).

As regards the Court of Auditor's expenditure, the information is drawn from the Court of Auditors Report on the budgetary and financial management 2014. The implementation of the Court's budget in 2014 was marked by the drafting of:

- **91 reports and opinions**, based on the result of the Court's audit work and an overall analysis based on its accumulated experience (one focuses on the challenges in terms of accountability and of public audit in the EU, and the other risks to EU financial management);
- recommendations to improve EU financial management and strengthening accountability in the new period 2014-2020.

Budget implementation was also marked by:

- continuing the Court's strategy for the period 2013-2017 to streamline the audit process and ensure a more flexible organisation of our resources;
- simplification of internal procedures to redeploy staff support services to audit;
- the implementation of a plan for equal opportunities.

2014 discharge: EU general budget, Court of Auditors

2015/2158(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Secretary-General of the European Court of Auditors in respect of the implementation of the budget of the Court for the financial year 2014.

In its resolution accompanying the decision on discharge, adopted 575 votes to 48 with 9 abstentions, Parliament noted the opinion of the independent external auditor - PricewaterhouseCoopers SARL – is that "**the financial statements give a true and fair view of the financial position of the Court**". It welcomed the Court's reform project started in late 2014 aimed at streamlining the audit process, and invited the Court to inform the discharge authority of the objectives achieved and of the impact identified following that reform.

Budgetary and financial management: Parliament showed that in 2014, the Court's final appropriations amounted to a total of **EUR 133 498 000** (EUR 142 761 000 in 2013) and that the overall rate of implementation for the budget was **98.8 %** compared to 92 % in 2013. It welcomed the improvement in the executions rate with a reduced budget, and acknowledged the crucial role of the Court in ensuring better and smarter spending of Union funds.

Members noted with satisfaction that **the obligation of a 5 % staff reduction** is being implemented without negative impact on the Court's policy of reinforcing its audit services. They called on the Court to make sure that further cuts will not adversely affect the quality of its reports.

The common approach on decentralised agencies: Parliament called on to the Court to follow the common approach agreed in 2012 and provide better guidance to private auditors so as to **significantly reduce the administrative burden**.

Members deeply regretted: (i) that the new audit approach of involving private sector auditors resulted in an increase of administrative burden by 85 %, to more than 13 000 hours compared to the previous audit managed by the Court; (ii) the time spent on procurement and administration of the audit contracts created more than 1 400 hours of additional work for the decentralised agencies; (iii) the total additional expenditure of external private sector audits in 2014 amounted to EUR 550 000.

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

- the preparation of a **special report** on whether the Commission has made good use of its powers in supporting and controlling Member States when implementing Union law, and their implementation of the budget;
- closer **cooperation** between the Court and national supreme audit institutions should be pursued, in particular in connection with conducting the performance (value for money) audit reports of different Union policies and programmes and the auditing of shared-management arrangements;
- an examination of the relationship between the number and timeliness of special reports(the timescales required to produce special reports have shortened although they have not yet achieved the 18-month target);
- clearer recommendations in special reports and the consistent disclosure of the positive and the negative conduct of the countries concerned;
- better geographical balance of its staff, in particular in management and directorial posts, as well as improved gender balance;
- clarifications on the Court's **building policy** to be attached to its annual activity report;
- consideration to be given to outsourcing **translation** as an additional way of saving 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.

Parliament noted the Court's first steps towards a paperless environment and endorses the environmental strategy implemented by the Court up until now. Lastly, it welcomed the improved clarity of the Court's messages through the media.