## Basic information

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|---|---|
| **2015/2159(DEC)**<br>DEC - Discharge procedure | Procedure completed |
| 2014 discharge: EU general budget, Economic and Social Committee<br>**Subject**<br>8.70.03.04 2014 discharge | |

## Key players

European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| CONT Budgetary Control | VISTISEN Anders (ECR) | 25/08/2015 |
| | Shadow rapporteur<br>ZDECHOVSKÝ Tomáš (PPE)<br>THEURER Michael (ALDE)<br>KARI Rina Ronja (GUE/NGL)<br>ŠOLTES Igor (Verts/ALE)<br>VALLI Marco (EFDD)<br>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. | |

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|---|---|---|---|
| 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 | A8-0111/2016 | Summary |
| 27/04/2016 | Debate in Parliament | | |
| 28/04/2016 | Decision by Parliament | T8-0154/2016 | 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

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|---|---|
| **Procedure reference** | 2015/2159(DEC) |
| **Procedure type** | DEC - Discharge procedure |
| **Other legal basis** | Rules of Procedure EP 165 |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | CONT/8/04101 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE571.516 | 26/01/2016 | |
| Amendments tabled in committee | | PE576.901 | 04/03/2016 | |
| Committee report tabled for plenary, single reading | | A8-0111/2016 | 08/04/2016 | Summary |
| Text adopted by Parliament, single reading | | T8-0154/2016 | 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<br>OJ C 373 10.11.2015, p. 0001 | 10/09/2015 | Summary |

**Additional information**

| Source | Document | Date |
|---|---|---|
| European Commission | EUR-Lex | |

**Final act**

Budget 2016/1476
OJ L 246 14.09.2016, p. 0147 Summary

# 2014 discharge: EU general budget, Economic and Social Committee

2015/2159(DEC) - 28/04/2016 - Final act

PURPOSE: to grant discharge to the European Economic and Social Committee for the financial year 2014.

NON LEGISLATIVE ACT : Decision (EU) 2016/1476 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 VI — European Economic and Social Committee.

CONTENT: with the present decision, the European Parliament grants the Secretary-General of the European Economic and Social Committee discharge in respect of the implementation of the budget of the European Economic and Social Committee 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 hoped that with the enforcement of the new rules on whistleblowers, the EESC will immediately and efficiently take the measures necessary to **ensure recognition, respect and consideration of whistleblowers** in cases acknowledged as such by the General Court prior to the adoption of those rules. It called for the necessary measures to be taken to end once and for all the attacks being made against those whistleblowers through various EESC publications.

# 2014 discharge: EU general budget, Economic and Social Committee

2015/2159(DEC) - 08/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Anders Primdahl VISTISEN (ECR, DK) calling on the European Parliament to give discharge to the Secretary-General of the European Economic and Social Committee (EESC) in respect of the implementation of the Committee’s budget for the financial year 2014.

**Budgetary and financial management:** the report notes that, in 2014, the EESC budget amounted to **EUR 128 559 380** (EUR 130 104 400 in 2013), corresponding to a **decrease of 1.19%** relative to the 2013 annual budget, with a **utilisation rate of 95.6%**. It notes the increase in the utilisation rate in 2014 but regrets that it still has not reached the 96.8 % achieved in 2012. It also regrets the **increase in staff mission costs** from EUR 338 366 in 2013 to EUR 387 481 in 2014 (14.5 % increase).

Members noted with concern that in its 2014 annual report, the Court of Auditors observed **weaknesses at the EESC in four cases out of the 15 procurement procedures** it examined. They welcome the fact that, in response, the EESC has set up a **specific support service for public procurement** to assist directorates other than the logistics directorate, which already has such a service; expects it to be fully operational in 2016.

They also note with satisfaction that a **cooperation agreement** between the EESC and Parliament, with two annexes on administrative cooperation and budgetary impact in common with a parallel agreement between Parliament and the Committee of the Regions, was signed on 5 February 2014 with the objective of developing political and administrative cooperation.

**EESC's actions:** Members made a series of observations on the daily management of the EESC:

- information on the reasons for the increased number of legal opinions issued by the legal unit in 2014;
- the adoption of specific detailed provisions concerning the **functioning of the services** shared by the **EESC, the Committee of the Regions (CoR) and the European Parliament** with a view to developing further synergies that will enhance productivity at all levels;
- a detailed breakdown per institution of the **savings and/or increased budgetary expenditure** resulting from the cooperation agreement to be included in its mid-term review;
- the development of a **systematic strategy** to reduce substantially travel expenses and allowances paid to EESC beneficiaries (reimbursements amounted to EUR 17 375 864 in 2014);
- the inclusion of an **overview of staff holding management positions** sorted by nationality, sex and position in the annual activity report;
- the setting of medium-term objectives to achieve **gender balance** in management posts;
- the organisation of **a specific course on 'Ethics and Integrity'** to improve knowledge and awareness of staff members' rights and obligations that is mandatory both for new and existing members of EESC staff;
- the adoption of measures necessary to ensure recognition, respect and consideration of **whistle-blowers** in cases acknowledged as such by the General Court;
- information on progress made in the use of **videoconferencing**;
- the more effective use of **language training** to ensure that less interpretation is needed, further **reductions in interpretation costs**, and more **outsourcing of translation**.
- strengthened **information and communication policy**, as well as social media presence;
- better **planning** of internal events.

# 2014 discharge: EU general budget, Economic and Social Committee

2015/2159(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, it did call upon the European Economic and Social Committee to **strengthen its procurement procedures**.

In parallel, 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, Economic and Social Committee

2015/2159(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Secretary-General of the European Economic and Social Committee (EESC) in respect of the implementation of the Committee's budget for the financial year 2014.

In its resolution accompanying the decision on discharge, adopted 526 votes to 116 with 5 abstentions, Parliament welcomed the fact that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ending 31 December 2014 for administrative and other expenditure of the institutions and bodies were **free from material error**. Members noted with concern, however, that in its 2014 annual report, the Court of Auditors observed weaknesses at the European Economic and Social Committee (EESC) in four cases out of the 15 procurement procedures it examined. They welcomed the fact that, in response to the observations made by the Court of Auditors, the EESC has set up a specific support service for public procurement to assist directorates other than the logistics directorate. They expected it to be fully operational in the second half of 2016.

**Budgetary and financial management**: Parliament noted that, in 2014, the EESC budget amounted to **EUR 128 559 380** (EUR 130 104 400 in 2013), corresponding to a **decrease of 1.19%** relative to the 2013 annual budget, with a **utilisation rate of 95.6%.** It noted the increase in the utilisation rate in 2014 but regrets that it still has not reached the 96.8 % achieved in 2012. It also regretted the **increase in staff mission costs** from EUR 338 366 in 2013 to EUR 387 481 in 2014 (14.5 % increase).

Members took note that the EESC has implemented the system regarding new reimbursement rules for members' travel expenses based on real costs, has become fully operational with the beginning of the current new EESC term starting in autumn of 2015. On the other hand, they **regretted the increase of staff mission costs** from EUR 338 366 in 2013 to EUR 387 481 in 2014 (14.5 %).

**EESC actions**: Parliament noted that a **cooperation agreement between the EESC and Parliament,** with two annexes on administrative cooperation and budgetary impact in common with a parallel agreement between Parliament and the Committee of the Regions, was signed on 5 February 2014 with the objective of developing political and administrative cooperation. It welcomed the EESC response to Parliament's request to make an individual assessment of the impact of the cooperation agreement.

Members made a series of observations on the daily management of the EESC:

- information on the reasons for the **increased number of legal opinions** issued by the legal unit in 2014;
- the adoption of specific detailed provisions concerning the **functioning of the services shared by the EESC, the Committee of the Regions and the European Parliament** with a view to developing further synergies that will enhance productivity at all levels;
- EESC members to be polled on their satisfaction with the services provided to them by the European Parliamentary Research Service;
- a detailed breakdown per institution of the savings and/or increased budgetary expenditure resulting from the cooperation agreement to be included in its mid-term review;
- the development of a **systematic strategy** to reduce substantially travel expenses and allowances paid to EESC beneficiaries (reimbursements amounted to EUR 17 375 864 in 2014);
- the inclusion of an **overview of staff holding management positions** sorted by nationality, sex and position in the annual activity report;
- the setting of medium-term objectives to achieve **gender balance** in management posts;
- mandatory participation of all staff in the EESC specific course on '**Ethics and Integrity'** to improve knowledge and awareness of staff members' rights and obligations;
- the immediate and effective adoption of measures necessary to ensure recognition, respect and consideration of whistle-blowers in cases acknowledged as such by the General Court;
- information on progress made in the use of **videoconferencing;**
- the more effective use of **language training** to ensure that less interpretation is needed, further reductions in interpretation costs, and more outsourcing of translation.
- strengthened **information and communication policy**, as well as social media presence;
- better planning of internal events.

# 2014 discharge: EU general budget, Economic and Social Committee

2015/2159(DEC) - 10/09/2015

PURPOSE: presentation of the Report of the Court of Auditors on the 2014 budget - Analysis of the accounts of the Economic and Social Committee.

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 Economic and Social Committee.

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 Economic and Social Committee, **the Court noted weaknesses regarding procurement procedures**. It noted that in certain cases, the EESC did not properly assess whether the tenders complied with the required specifications and made clerical mistakes in valuing the tenderers' bids.

In another case, the EESC did not appropriately apply the exclusion criteria for the awarding of the contract.

Therefore, the Court called on the EESC to improve the design, coordination and conduct of procurement procedures through appropriate checks and better guidance.

# 2014 discharge: EU general budget, Economic and Social Committee

2015/2159(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: **Economic and Social Committee**.

**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 Economic and Social Committee's appropriations for the financial year 2014**: the document comprises a series of detailed annexes, the most important concerning the implementation of the budget. The appropriations available for 2014 amounted to **EUR 141 million with 88.2% committed**.

**As regards the budget implementation of the EESC,** the Annual Activity Report 2014 stated that the Committee focused on the following activities:

1. **helping to ensure that European policies and legislation tie in better with economic, social and civic circumstances** on the ground, by assisting the **European Parliament, Council and European Commission**, making use of EESC members' experience and representativeness, dialogue and efforts to secure consensus serving the general interest. In 2014, 61 formal opinions were adopted on referral from the European Parliament.
2. **promoting the development of a more participatory European Union** which is more in touch with popular opinion, by acting as an institutional forum representing, informing, expressing the views of and securing dialogue with organised civil society, notably through the Civil Society Day 2014;
3. **promoting the values on which European integration is founded** on the basis of enhanced cooperation with third countries and the organisation of numerous initiatives at European level, with civil society actors.

In 2014, 8 new projects were launched:

- Energy Dialogue
- European Medias
- Europe 2020 Strategy
- Platform of the EU outermost regions' civil society organisations
- More Europe locally
- My Europe tomorrow
- New attitudes towards consumption
- EU-US Commercial negotiations.