Basic information

2015/2160(DEC) DEC - Discharge procedure	Procedure completed
2014 discharge: EU general budget, Committee of the Regions **Subject** 8.70.03.04 2014 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MACOVEI Monica (ECR)	25/08/2015
	Shadow rapporteur ZDECHOVSKÝ Tomáš (PPE) KADENBACH Karin (S&D) 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		
12/04/2016	Committee report tabled for plenary	A8-0132/2016	Summary
27/04/2016	Debate in Parliament		
28/04/2016	Decision by Parliament	T8-0155/2016	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	2015/2160(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/04121

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE571.513	03/02/2016	
Amendments tabled in committee		PE576.896	04/03/2016	
Committee report tabled for plenary, single reading		A8-0132/2016	12/04/2016	Summary
Text adopted by Parliament, single reading		T8-0155/2016	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 2016/1478
OJ L 246 14.09.2016, p. 0151 Summary

2014 discharge: EU general budget, Committee of the Regions

2015/2160(DEC) - 28/04/2016 - Final act

PURPOSE: to grant discharge to the Committee of the Regions for the financial year 2014.

NON LEGISLATIVE ACT: Decision (EU) 2016/1478 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 VII — Committee of the Regions.

CONTENT: with the present decision, the European Parliament grants the Secretary-General of the Committee of the Regions discharge in respect of the implementation of the budget of the Committee of the Regions 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 regretted the increase in the **number of derogations from procurement rules or contract management.** It noted that one such derogation arose from a procedural error in a joint Committee-Parliament continuity of IT services procedure. It called on the Committee to take the necessary measures to ensure this type of situation does not recur and to address this issue without delay.

2014 discharge: EU general budget, Committee of the Regions

2015/2160(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, Committee of the Regions

2015/2160(DEC) - 12/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Monica MACOVEI (ECR, RO) calling on the European Parliament to give discharge to the Committee of the Regions in respect of the implementation of the general budget of the European Union for the financial year 2014, Section VII – Committee of the Regions.

It welcomed the fact that the Court of Auditors observed that **no significant weaknesses** had been identified in respect of the audited topics relating to human resources and procurement for the Committee. The Court concluded 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**.

Budgetary and financial management: Members observed that, in 2014, the Committee had an approved budget of EUR 87 600 000 (EUR 87 373 000 in 2013), of which EUR 86 300 000 were commitment appropriations with a utilisation rate of 98.5 %. They welcome the increase of the utilisation rate in 2014.

Members are concerned with **the increase in the number of exception reports**: 87 financial exceptions and three administrative exceptions. They stress that the administrative exceptions were related to **non-compliance with internal procedures**. They note that four derogations were made in 2014 (compared to one in 2013) on procurement rules or contract management and that most of the derogation reports (58 out of 81) are related to absence or insufficiency of legal commitments. They ask for detailed information by the end of June 2016 on how those derogations occurred, the amounts involved and the corrective measures taken to prevent similar situations recurring.

Members made a series of observations and recommendations on the **daily management** of the Committee:

- the number of missions is **extremely high** (787), as is the expenditure generated by members for travel and meeting allowances; more extensive use of **videoconferencing** and all related tools should be made to significantly cut costs;
- room for improvement in the collaboration between Parliament and the Committee based on their co**operation agreement**, in particular with regard to political aspects;
- is there is a low execution rate for **translation outsourcing and translation tools**, with budget execution rate for several of the translation lines well below the average of previous years;
- fewer than 35 % of managers in the Committee are **women** while more than 60 % of the staff is composed of women. This imbalance must be redressed as quickly as possible;
- **lease expenses** (external lessors) are too high. The Committee needs to identify solutions jointly with Parliament and the Commission, such as extensive joint use of buildings and meeting and conference rooms, to reduce costs;
- performance of **IT projects and applications** is a clearly identified weakness, for which little to no measures were taken. Members call for an impact analysis of the projects and their added value to EU citizens by the end of June 2016;
- there is a need to address without delay the risks identified during the audits and risk analyses that have been performed, particularly in the areas of **financial management and operational or organisational matters**.

Whistleblowing

Members find it unacceptable that the Committee has been dealing with the same **whistleblowing** case since 2003 and that, despite the Civil Service Tribunal judgments of 2013 and 2014, and Parliament's discharge resolution of 29 April 2015, it has not yet complied with those judgments, recognised the plaintiff's action as being legitimate, or finally closed the case.

2014 discharge: EU general budget, Committee of the Regions

2015/2160(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Committee of the Regions in respect of the implementation of the general budget of the European Union for the financial year 2014.

In its resolution accompanying the decision on discharge, adopted 522 votes to 105 with 18 abstentions, Parliament noted that in its 2014 annual report, the Court of Auditors observed that **no significant weaknesses** had been identified in respect of the audited topics relating to human resources and procurement for the Committee. The payments as a whole for the year ended 31 December 2014 for administrative and other expenditure of the institutions and bodies were free from material error.

Budgetary and financial management: Parliament observed that, in 2014, the Committee had an approved budget of **EUR 87 600 000** (EUR 87 373 000 in 2013), of which EUR 86 300 000 were commitment appropriations with a **utilisation rate of 98.5 %.** It welcomed the increase of the utilisation rate in 2014. However, the rate of return for correction of legal or budgetary commitments or payments falls below the 4 % target, while the number of financial exceptions increases by 6 % in 2014, instead of decreasing by 3 %.

Members are concerned with the increase in the number of exception reports: 87 financial exceptions and three administrative exceptions. They stressed that the administrative exceptions were related to non-compliance with internal procedures. They noted that four derogations were made in 2014 (compared to one in 2013) on procurement rules or contract management and that most of the derogation reports (58 out of 81) are related to

absence or insufficiency of legal commitments. They asked for detailed information by the end of June 2016 on how those derogations occurred, the amounts involved and the corrective measures taken to prevent similar situations recurring.

Actions of the Committee of the Regions: Parliament made a series of observations and recommendations on the daily management of the Committee, and called for, amongst other things:

- inclusion in the annual activity report of clear facts and figures on **members' missions**, since the number of missions is extremely high (787), as is the expenditure generated by members for travel and meeting allowances EUR 8 277 556 in 2014) ;
- identifying solutions jointly with Commission and Parliament, e.g. extensive **joint use of buildings** and meeting and conference rooms, to reduce costs, since the total amount of EUR 9 594 089 paid by the Committee for 2014 lease expenses (external lessors) was too high;
- inclusion in the annual report of clarification on buildings policy and comprehensive information on the rate of use and cancellation of **interpretation services**;
- using the language training effectively in order to ensure that **less interpretation is needed**;
- extensive use of **videoconferencing** and all related tools in order to significantly cut costs;
- improvement in the collaboration between Parliament and the Committee based on their **cooperation agreement** signed on 5 February 2014, the establishment of specific detailed provisions on the functioning of the services shared by Parliament, the Committee and the EESC, and a detailed breakdown per institution of the budgetary savings and increased budgetary costs resulting from the cooperation agreement to be included in the mid-term review;
- **improving working methods and optimising human and financial resources management**: Members were concerned at the low execution rate for budget line translation outsourcing and translation tools; the budget execution rate for several of the translation lines was well below the average of previous years;
- rectifying the fact that fewer than 35 % of managers are women while more than 60 % of the staff is composed of women;
- detailed information on the **procurement quality assurance group** and its effectiveness and a description and follow-up of the recommendations of the audit committee in this respect, by the end of June 2016;
- an impact analysis of **IT projects** and their added value for the Union citizens by the end of June 2016;
- interinstitutional cooperation in order to improve **communication and visibility** as well as to enhance the presence of Members of the institutions at national level and information for Parliament of actions taken to “engage participation” of Union citizens;
- detailed presentation of the mitigation measures that the Committee proposes regarding the risks identified during the audits and risk analyses that have been performed, particularly in the areas of financial management and operational or organisational matters.

Whistle-blowers: Parliament called on the Committee to publish and enforce the rules on whistleblowing without further delay and to inform the discharge authority of its progress with regard to their implementation in its AAR. Members found it unacceptable that the Committee has been dealing with the same whistleblowing case since 2003 and that, despite the Civil Service Tribunal judgments of 2013 and 2014, and Parliament's discharge resolution of 29 April 2015, it has not yet complied with those judgments. They urged the Committee to take all necessary steps to resolve this situation without further delay and to admit publicly that the whistle-blower’s findings were correct.

2014 discharge: EU general budget, Committee of the Regions

2015/2160(DEC) - 10/09/2015

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

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 Committee of the Regions.

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 Committee of the Regions, **the Court did not identify any significant weakness**.

2014 discharge: EU general budget, Committee of the Regions

2015/2160(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: **Committee of the Regions**.

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 performance indicators in the framework of the financial implementation;
- 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 Committee of the Regions' 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 96 million with 89.4% committed**.

As regards the budgetary implementation of the CoR, additional information on the management of resources of the Committee can be found in the 2014 Report on the budgetary and financial management of the Committee of the Regions. 2014 was marked by the following:

- the continuation of legislative monitoring with the adoption of opinions by the Committee of Regions (57 opinions in 2014 + 6 resolutions);
- the continuation of cooperation with other EU institutions and regional and local authorities.

In 2014, the CoR elected Michel Lebrun as its President. It also celebrated 20th anniversary.

The Committee met 5 times in plenary and organised 2 extraordinary sessions including one in Athens and one in Turin marking the EU Presidencies of Greece and Italy.

Furthermore, the report also noted the following:

- adoption in total of 57 opinions prepared in the specialised commissions and 6 resolutions;
- the networks and platforms (Europe 2020 Monitoring, Subsidiarity Monitoring, European Grouping of Territorial Cooperation, etc.) provided supplementary input to these documents;
- the CoR also worked towards an action plan with the EIB an action plan to boost the delivery of the EUR 315 billion Juncker Plan and EU structural funds;
- further engagement with citizens and debate in Europe;
- the continued dialogue on territorial policies in the context of the European Neighbourhood Policy, Enlargement Policy and Development Cooperation, with a focus on Mediterranean countries;
- celebrations and special events organised as part of the 20th anniversary of the Institution;
- negotiating a new framework for administrative cooperation with the European Parliament and the EESC.