Basic information

2016/2154(DEC) DEC - Discharge procedure	Procedure completed
2015 discharge: EU general budget, Court of Justice **Subject** 8.70.03.05 2015 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	JÁVOR Benedek (Verts/ALE)	08/08/2016
	Shadow rapporteur MARINESCU Marian-Jean (PPE) IVAN Cătălin Sorin (S&D) MACOVEI Monica (ECR) THEURER Michael (ALDE) DE JONG Dennis (GUE/NGL) 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	LEBRETON Gilles (ENF)	12/10/2016
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
11/07/2016	Non-legislative basic document published	COM(2016)0475	Summary
04/10/2016	Committee referral announced in Parliament		
22/03/2017	Vote in committee		
31/03/2017	Committee report tabled for plenary	A8-0136/2017	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Decision by Parliament	T8-0148/2017	Summary
27/04/2017	Results of vote in Parliament		
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2154(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07327

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	JURI	PE594.028	02/02/2017	
Committee draft report		PE593.842	06/02/2017	
Amendments tabled in committee		PE600.912	07/03/2017	
Committee report tabled for plenary, single reading		A8-0136/2017	31/03/2017	Summary
Text adopted by Parliament, single reading		T8-0148/2017	27/04/2017	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05876/2017	17/02/2017	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2016)0475	11/07/2016	Summary

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

Final act	
Budget 2017/1616 OJ L 252 29.09.2017, p. 0115	Summary

2015 discharge: EU general budget, Court of Justice

2016/2154(DEC) - 27/04/2017 - Final act

PURPOSE: to grant discharge to the Court of Justice for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1616 of the European Parliament on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section IV — Court of Justice.

CONTENT: with the present decision, the European Parliament grants the Registrar of the Court of Justice discharge in respect of the implementation of the budget of the Court of Justice for the financial year 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 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 April 2017).

Amongst Parliament’s main observations in the resolution accompanying the discharge decision, it regretted that the Court of Justice's **internal whistleblowing rules** were adopted only in the beginning of 2016. It recommended that the Court of Justice disseminate those rules among its staff so that all employees are aware of them.

Parliament asked the Court of Justice to provide, by June 2017, details of the whistleblower cases in 2015, if any, and of how they were handled and finalised.

Moreover, stressing that transparency is a key element to the public trust, Parliament called on the Court of Justice to establish clear rules regarding ‘ **revolving doors**’ and to put in place measures and dissuasive penalties, such as the reduction of pensions or the prohibition to work at least three years in similar bodies, to prevent ‘revolving doors’.

2015 discharge: EU general budget, Court of Justice

2016/2154(DEC) - 31/03/2017 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Benedek JÁVOR (Greens/EFA, HU) recommending the European Parliament to give discharge to the Registrar of the Court of Justice in respect of the implementation of the Court’s budget for the financial year 2015.

Members noted with satisfaction that the Court of Auditors observed that **no significant weaknesses** in respect of the audited topics relating to human resources and procurement for the Court of Justice of the European Union.

The payments as a whole for the year ended on 31 December 2015 for administrative and other expenditure of the Court of Justice were free from material error.

Budgetary and financial management: Members noted that in 2015, the Court of Justice had appropriations amounting to EUR 357 062 000 (EUR 355 367 500 in 2014) and that the implementation rate was 99 %, a very high utilisation rate.

They noted that the estimated revenue of the Court of Justice for the financial year 2015 was EUR 44 856 000. They asked the Court of Justice to explain why the established entitlements in the financial year 2015 are EUR 49 510 442, which is 10.4 % higher than estimated.

Court's actions: Members welcomed the productivity of the judicial activity of the Court of Justice in 2015. They noted that the 2015 statistics for the three courts confirm the trend seen in recent years as regards the average duration of proceedings, which remains satisfactory.

2015 was the year of adoption of the **judicial architectural reform of the Court of Justice**, which was accompanied by the development of new rules of procedure for the General Court. Members stated that the reform will enable the Court of Justice to continue to deal with the increase in the number of cases. They look forward to **analysing the achievements** of that reform in the Court of Justice's capacity to deal with cases within a reasonable period and in compliance with the requirements of a fair hearing.

The report noted that the Court of Justice complies with the interinstitutional agreement to reduce staff by 5 % over a period of five years.

Members made a series of recommendations to the Court:

- implementing the concept of performance-based budgeting (PBB) and good governance of human resources: this concept should also include the setting of specific, measurable, attainable, realistic and time-based (SMART) targets to individual departments, units and the annual plans of members of staff;
- provide information regarding other posts and paid external activities of the judges on its website and its annual activity reports;
- improve its budgeting and accountability in regard to the mission budget ;
- provide the discharge authority with a list of meetings with lobbyists, professional associations and civil society by June 2017;
- develop an internal control/remedy mechanism in order to provide in such cases a certain level of control by the Court of Auditors when the secrecy of deliberations as principle *ab ovo* prevents any external control;
- improve gender balance in management posts and the fact that the gender balance in middle and senior management posts;
- give greater importance to geographical balance in the area of resources management, particularly with respect to the Member States that have acceded the Union in 2004 or thereafter;
- set up rules on revolving doors;
- provide, by June 2017, details of the whistleblower cases in 2015, if any, and of how they were handled and finalised;
- envisage the submission of declarations of interests, instead of declarations of the absence of conflicts of interests, as self-evaluation of conflicts of interests is, in itself, a conflict of interests; the evaluation must be done by an independent party;
- provide Parliament with the costs of translation;
- study the possibility of reducing the number of official cars at the disposal of its members and staff ;
- improve its information policy to the EU citizens.

Members welcomed the commitment of the Court of Justice to high environment targets. They also took note of the detailed information on the Court of Justice's buildings policy.

2015 discharge: EU general budget, Court of Justice

2016/2154(DEC) - 11/07/2016 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

Analysis of the accounts of the EU Institutions: **EU Court of Justice**.

Legal reminder: the consolidated annual accounts of the European Union for the year 2015 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) Governance and budgetary principles: the organisational governance of the EU consists of institutions, agencies and other EU bodies. The main institutions in the sense of being responsible for drafting policies and taking decisions are the EP, the European Council, the Council and the Commission.

The EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the Multiannual Financial Framework (MFF), the Commission carries out specific programmes, activities and projects in the field.

The budget is prepared by the Commission and usually agreed in mid-December by the Parliament and the Council, based on the procedure of Art. 314 TFEU.

According to the principle of budget equilibrium, the total revenue must equal total expenditure (payment appropriations) for a given financial year.

EU revenues: the EU has two main categories of funding: own resources revenues and sundry revenues. Own resources can be divided into traditional own resources (such as custom levies), the own resource based on value added tax (VAT) and the resource based on gross national income (GNI). Sundry revenues arising from the activities of the EU (e.g. competition fines) normally represent less than 10 % of total revenue. Own resources revenue make up the vast majority of EU funding.

Expenditure of the EU institutions: the EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- **Direct management**: the budget is implemented directly by the Commission services.
- **Indirect management**: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, such as the EU agencies.
- **Shared management**: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

Consolidated annual accounts of the EU: this Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It also presents the accounting principles applicable to the European budget (in particular, consolidation).

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.

Audit and discharge: the EU's annual accounts and resource management are audited by the European Court of Auditors, its external auditor, which as part of its activities draws up for the European Parliament and the Council:

- an annual report on the activities financed from the general budget, detailing its observations on the annual accounts and underlying transactions;
- an opinion, based on its audits and given in the annual report in the form of a statement of assurance, on (i) the reliability of the accounts and (ii) the legality and regularity of the underlying transactions involving both revenue collected from taxable persons and payments to final beneficiaries.

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 (and other EU bodies) from its responsibility for management of a given budget** by marking the end of that budget's existence. This discharge procedure may produce three outcomes: (i) the granting; (ii) postponement; (iii) or the refusal of the discharge.

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 Court of Justice's appropriations for the financial year 2015: the document comprises a series of detailed annexes, the most important concerning the implementation of the budget. The document noted that in 2015 the Court's budget was **EUR 376 million,** with an implementation rate of payments of 93.1%.

As regards the **Court of Justice's expenditure**, the information is drawn from the 2015 Annual Report – a year in review. The main conclusions were:

- **increasing the pace of judicial activity**: in 2015, **1 711** cases were brought before the courts and 1 755 cases were closed;
- **the Court's administrative powers**: the exceptional pace of the Court's judicial activity in 2015 was also reflected in a marked increase in the productivity of the departments. Against the twofold background of an increase in the judicial activity and the obligation for each European institution to reduce its workforce by 5% over the period 2013-17, as required by the budgetary authorities of the European Union, the Court chose to preserve its core 'business' by strengthening the courts. The institution's departments fully participate in the modernisation of working methods, in particular to the advantage of the parties, who benefit from the opportunities offered by the new methods of electronic transmission of procedural documents (e-Curia). Lastly, the rational management of multilingualism means that the Court is able to deal with a case irrespective of the official language of the European Union in which it has been brought, and then to ensure that its case-law is disseminated in all the official languages;
- **buildings policy**: the project to construct the fifth extension of the Palais (third tower) of the Court made good progress in 2015. The fitting-out work in the premises intended to receive the new judges of the General Court, following the adoption of a legislative proposal to that effect, made good progress due in particular to the launch of a series of calls for tenders in 2015.

2015 discharge: EU general budget, Court of Justice

2016/2154(DEC) - 17/02/2017 - Supplementary non-legislative basic document

Based on the observations contained in the report by the Court of Auditors, the Council called on the European Parliament to **grant discharge to all of the EU institutions in respect of the implementation of their respective budgets for the financial year 2015**.

The Council welcomed that the administrative and related expenditure of the EU institutions remained **free from material error** with an estimated level of error of **0.6 %,** which is well below the materiality threshold. It noted with satisfaction that **no serious weaknesses** were identified by the Court in the supervisory and control systems and in the examined annual activity reports.

The Council took note of a limited number of errors detected by the Court, notably in the **recruitment and procurement procedures** and in the **management of staff allowances**.

2015 discharge: EU general budget, Court of Justice

2016/2154(DEC) - 27/04/2017 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Registrar of the Court of Justice in respect of the implementation of the budget of the Court of Justice for the financial year 2015.

In its resolution accompanying the decision on discharge, adopted by 515 votes to 110 with 9 abstentions, Parliament noted with satisfaction the fact that the Court of Auditors in its 2015 annual report indicated **no significant weaknesses** in respect of the audited topics relating to human resources and procurement for the Court.

Furthermore, the payments as a whole for the year ended on 31 December 2015 for administrative were **free from material error**.

Budgetary and financial management: in 2015, the Court of Justice had appropriations amounting to EUR 357 062 000 (EUR 355 367 500 in 2014) and that the implementation rate was 99 %, a very high utilisation rate.

Parliament noted that the estimated revenue of the Court of Justice for the financial year 2015 was EUR 44 856 000. It asked the Court of Justice to explain why the established entitlements in the financial year 2015 are EUR 49 510 442, which is 10.4 % higher than estimated.

Court's actions: Members welcomed the productivity of the judicial activity of the Court of Justice in 2015 with 1 711 cases brought before the three courts and 1 755 cases completed. The 2015 statistics for the three courts confirmed the trend seen in recent years as regards the average duration of proceedings, which remains satisfactory (Court of Justice: 15.3 months requests for a preliminary ruling; for the General Court and Civil Service Tribunal, respectively 20.6 months and 12.1 months for all types of case).

2015 was the year of adoption of the **judicial architectural reform of the Court of Justice**, which was accompanied by the development of new rules of procedure for the General Court. Members stated that the reform will enable the Court of Justice to continue to deal with the increase in the number of cases. They look forward to **analysing the achievements** of that reform in the Court of Justice's capacity to deal with cases within a reasonable period and in compliance with the requirements of a fair hearing.

The Court of Justice complies with the interinstitutional agreement to reduce staff by 5 % over a period of five years.

Parliament made a series of recommendations to the Court:

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- provide Parliament with the costs of translation;
- study the possibility of reducing the number of official cars at the disposal of its members and staff ;
- improve its information policy to the EU citizens.

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