Basic information

2016/2155(DEC) DEC - Discharge procedure	Procedure completed
2015 discharge: EU general budget, Court of Auditors **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	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
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		
03/04/2017	Committee report tabled for plenary	A8-0151/2017	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Decision by Parliament	T8-0149/2017	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	2016/2155(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07347

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE593.841	06/02/2017	
Amendments tabled in committee		PE600.913	07/03/2017	
Committee report tabled for plenary, single reading		A8-0151/2017	03/04/2017	Summary
Text adopted by Parliament, single reading		T8-0149/2017	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 2017/1618 OJ L 252 29.09.2017, p. 0120	Summary

2015 discharge: EU general budget, Court of Auditors

2016/2155(DEC) - 03/04/2017 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Benedek JÁVOR (Greens/EFA, HU) 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 2015.

Members took note of the opinion of the external auditor that the financial statements of the Court give a true and fair view of the financial position of the Court.

Budgetary and financial management: in 2015, the Court's final appropriations amounted to a total of EUR 132 906 000 (compared to EUR 133 498 000 in 2014) and that the **overall rate of implementation for the budget was 98.68 %.**

The Court's reform was implemented in 2015 and was considered to be a success by the Court.

Court's action: 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;
- resolve the audit of the agencies issue within the context of the ongoing revision of the Financial Regulation, and the subsequent revision of the Framework Financial Regulation;
- work with the other institutions of the Union to develop the performance indicators and priorities for a good financial governance;
- give more prominence to special report by the recipient institutions; that the effectiveness of separate special reports could be enlarged if they were grouped together in time in relation to specific policy areas;
- publish a first special report on conflicts of interests by the end of June 2017 and annually thereafter;
- promote gender balance, in particular in 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;
- revise its calculation system based on working days of absence per individual employee;
- target its well-being activities better in order to include proactive and positive human resources' development, with the participation of as many staff members as possible;
- enact the submission of declarations of interests, instead of declarations of the absence of conflicts of interests;
- include the planning for the upgrade works of three of the Court's buildings in its annual activity report and to ensure the implementation of the highest possible standards of energy efficiency during the upgrades;
- clarify how that directorate improved its translation work;
- consider a more rational use of the Court's official vehicles;
- note the progress in negotiations between the Court and the European Anti-Fraud Office (OLAF) and consider the possibility of an administrative arrangement; envisage the possibility of making recommendations on better communication about the budget of the Union, its functions and its mission, and on how better explain it to European citizens.

The Court is called upon to include 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 Court or any member of its staff were the subject of the investigation.

2015 discharge: EU general budget, Court of Auditors

2016/2155(DEC) - 27/04/2017 - 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 2015.

In its resolution accompanying the decision on discharge, adopted by 534 votes to 91 with 7 abstentions, Parliament took note of the auditor's opinion that the Court's financial statements give a **true and fair view of the financial position** of the Court.

Budgetary and financial management: in 2015, the Court's final appropriations amounted to a total of EUR 132 906 000 (compared to EUR 133 498 000 in 2014) and that the **overall rate of implementation for the budget was 98.68 %,** slightly below that of 2014.

Court's action: Members appreciated the cooperation between the Court of Auditors and Parliament's Committee on Budgetary Control and called for an **even more structured annual debate** between the Court's president and Parliament's Conference of Committee Chairs. They made a series of recommendations to the Court, for example:

- 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;
- present proposals to resolve the audit of the agencies issue within the context of the ongoing revision of the Financial Regulation, and the subsequent revision of the Framework Financial Regulation;
- work with the other institutions of the Union to develop the performance indicators and priorities for a good financial governance;
- respect the timeframe for the adoption of special reports without compromising the quality of the reports and improve the recommendations in its special reports to be even more targeted;
- publish a first special report on conflicts of interests by the end of June 2017 and annually thereafter;
- promote gender balance, in particular in 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;
- revise its calculation system based on working days of absence per individual employee;
- target its well-being activities better in order to include proactive and positive human resources' development, with the participation of as many staff members as possible;
- enact the submission of declarations of interests, instead of declarations of the absence of conflicts of interests;
- establish clear rules regarding "revolving doors";
- include the planning for the upgrade works of three of the Court's buildings in its annual activity report and to ensure the implementation of the highest possible standards of energy efficiency during the upgrades;
- clarify how that directorate improved its translation work;
- consider a more rational use of the Court's official vehicles;
- note the progress in negotiations between the Court and the European Anti-Fraud Office (OLAF) and consider the possibility of an administrative arrangement;
- envisage the possibility of making recommendations on better communication about the budget of the Union, its functions and its mission, and on how better explain it to European citizens.

Parliament welcomed the creation of a transparency portal on the Court's website as well as the fact that the Court has already in place rules on whistleblowing.

The Court is called upon to include 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 Court or any member of its staff were the subject of the investigation.

2015 discharge: EU general budget, Court of Auditors

2016/2155(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 Auditors

2016/2155(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: **European Court of Auditors**.

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 Court of Auditors’ 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 141 million** (total payments in 2015 with an implementation rate of 91.7%).

As regards the Court of Auditor’s expenditure, the information is drawn from the Court of Auditors 2015 Annual Activity Report and highlighted that 2015 was marked by:

- **the production of annual reports on the EU budget** and the European Development Funds (EDFs), as well as specific annual reports on the accounts of over 50 EU agencies and other bodies. It produced 52 specific annual reports for the 2014 financial year and 25 special reports on a range of topics and eight opinions were issued during the year on new or revised EU legislation with significant financial impact;

- audit visits to Member State authorities, other recipients of EU funds in the EU and beyond its borders;
- the Court currently owns three buildings (K1, K2 and K3) and rents small spaces for its IT disaster recovery centre, along with a meeting room.

External audit of the ECA: the ECA's annual accounts are audited by an independent external auditor (PricewaterhouseCoopers Sàrl).

2015 discharge: EU general budget, Court of Auditors

2016/2155(DEC) - 27/04/2017 - Final act

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

NON-LEGISLATIVE ACT: Decision (EU) 2017/1618 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 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 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, the latter called on the Court of Auditors to further work with the other institutions of the Union to develop the performance indicators and priorities for a good financial governance.

Parliament noted the Court's reinforced ethical framework to prevent conflicts of interests, as well as misconduct by members of staff. The Court is called upon to report to Parliament on the **revision of its internal anti-harassment rules**.

As regards the ongoing gender imbalance issue, Parliament called on the Court to promote gender balance, in particular in management posts.