

2011 discharge: EU general budget, European Council and Council

2012/2169(DEC) - 17/04/2013 - Text adopted by Parliament, single reading

The European Parliament adopted by 570 votes to 5, with 10 abstentions, a decision to **postpone granting the Secretary-General of the Council discharge in respect of the implementation of the European Council's and the Council's budget for the financial year 2011.**

In parallel, Parliament adopted a resolution in which it makes a number of recommendations that should be taken into account when discharge is granted.

Parliament welcomes the conclusion of the Court of Auditors that the payments as a whole for the year ended on 31 December 2011 for administrative and other expenditure of the institutions and bodies were free from material error.

Members point out that in the 2011 annual report, the Court of Auditors included observations on the **European Council and the Council concerning procurement procedures** relating to cleaning services and the purchase of service clothing and shoes, in which certain weaknesses in the application of selection and award criteria were identified. They consider that the budget of the European Council and the Council should be separated in order to contribute to the transparency of their financial management and to better accountability of both institutions.

Members note that in 2011, the European Council and the Council had available commitment appropriations of EUR 507 million, with a utilisation rate of 90%, lower than in 2010. For Members, they are concerned that the underspend rate has risen and continues to be high and they call for the budget underspend rate to be improved and for the changes made to be monitored. They suggest the development of **key performance indicators** within the most critical areas, such as delegations' travel envelopes, logistics and interpretation.

Democratic scrutiny of Parliament: Parliament highlights the role that the Treaty on the Functioning of the European Union gives Parliament in respect of the budget discharge. It notes that, contrary to what the Council has claimed, there is **no Parliament-Council 'gentlemen's agreement'** concerning discharge for the Council. It reiterates its hope that Parliament will receive the complete annual activity report. It points out that Parliament's legal service, as well as independent legal experts, agree that **Parliament has a right to that information.** Members also hope that Parliament will receive the internal budget decisions of the Council.

Moreover, Parliament regrets that the Council continues to **refuse to answer Parliament's questions** and considers that effective supervision of the Union's budget implementation requires that the Council be willing to have an open and formal dialogue with Parliament's Committee on Budgetary Control. It reiterates that Parliament is still waiting for the reply of the Council on the actions and request for documents concerning the previous discharge and that **the expenditure of the Council must be scrutinised in the same way as that of other institutions.**

In parallel, Members regret the difficulties encountered in discharge procedures for the 2007, 2008, 2009 and 2010 financial years, which were due to lack of cooperation from the Council and point out that the Parliament refused to grant discharge to the Secretary-General of the Council in respect of the implementation of the Council's budget for the financial years 2009 and 2010 for the same reasons.

With regard to the lack of cooperation from the Council as regards budget transparency, Members consider it desirable for Parliament to exercise its power to grant discharge pursuant to the Treaty on the Functioning of the European Union in line with current interpretation and practice, namely to grant discharge to each heading of the budget individually in order to maintain transparency and democratic accountability towards Union taxpayers. Parliament recalls that during negotiations on a revised Financial Regulation, **no agreement could be reached on ways in which the discharge procedure could be improved**. It believed that if the Council continues to refuse to cooperate with Parliament, Parliament's Committee on Budgetary Control is forced to introduce to the Commission its questions and request for information about the budget of the Council.

Members are convinced that Parliament and the Council, as joint legislators, should apply the same standards of transparency and call on the Council to improve its performance in this area without delay.

Audit policy: Parliament takes special note of and voices concern at the internal audit recommendations for the year 2011 and urges the Council to take concrete measures to improve the implementation of those recommendations.

It calls on the Council to provide a **thorough written explanation detailing the total amount of appropriations used in the purchase of the Résidence Palace building**, the budget items from which those appropriations were drawn, and the purpose that the building will serve no later than 1 July 2013.

EEAS: Parliament is dismayed that the creation of the EEAS was not anticipated in the draft budget 2011 and takes note that an increase of appropriations was necessary in order to prepare for the accession of Croatia and to reinforce the office of the President of the European Council.