

# Procedure file

Basic information		
DEC - Discharge procedure	2007/2040(DEC)	Procedure completed
2006 discharge: EC general budget, Court of Justice		
Subject 8.70.03.07 Previous discharges		

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	<b>CONT</b> Budgetary Control		27/03/2007	
		IND/DEM <a href="#">LUNDGREN Niils</a>		
	Committee for opinion	Rapporteur for opinion	Appointed	
	<b>AFET</b> Foreign Affairs	The committee decided not to give an opinion.		
	<b>DEVE</b> Development	The committee decided not to give an opinion.		
	<b>INTA</b> International Trade	The committee decided not to give an opinion.		
	<b>BUDG</b> Budgets	The committee decided not to give an opinion.		
	<b>ECON</b> Economic and Monetary Affairs	The committee decided not to give an opinion.		
	<b>EMPL</b> Employment and Social Affairs	The committee decided not to give an opinion.		
	<b>ENVI</b> Environment, Public Health and Food Safety	The committee decided not to give an opinion.		
	<b>ITRE</b> Industry, Research and Energy	The committee decided not to give an opinion.		
	<b>IMCO</b> Internal Market and Consumer Protection	The committee decided not to give an opinion.		
	<b>TRAN</b> Transport and Tourism	The committee decided not to give an opinion.		
	<b>REGI</b> Regional Development	The committee decided not to give an opinion.		
	<b>AGRI</b> Agriculture and Rural Development	The committee decided not to give an opinion.		
	<b>PECH</b> Fisheries	The committee decided not to give an opinion.		
	<b>CULT</b> Culture and Education	The committee decided not to give an opinion.		
	<b>JURI</b> Legal Affairs	The committee decided not to give an opinion.		
	<b>LIBE</b> Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.		
<b>AFCO</b> Constitutional Affairs	The committee decided not to give an opinion.			

	<b>FEMM</b> Women's Rights and Gender Equality	The committee decided not to give an opinion.
	<b>PETI</b> Petitions	The committee decided not to give an opinion.
<b>Council of the European Union</b>	Council configuration <a href="#">Economic and Financial Affairs ECOFIN</a>	Meeting <a href="#">2847</a>
<b>European Commission</b>	Commission DG <a href="#">Budget</a>	Commissioner KALLAS Siim
		Date 12/02/2008

### Key events

30/03/2007	Non-legislative basic document published	<a href="#">SEC(2007)1055</a>	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
01/04/2008	Committee report tabled for plenary	<a href="#">A6-0097/2008</a>	
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		
22/04/2008	Decision by Parliament	<a href="#">T6-0136/2008</a>	Summary
22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

### Technical information

Procedure reference	2007/2040(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 100
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53955

### Documentation gateway

Non-legislative basic document	<a href="#">SEC(2007)1055</a>	30/03/2007	EC	Summary
Court of Auditors: opinion, report	<a href="#">N6-0005/2008</a> <a href="#">OJ C 273 15.11.2007, p. 0001</a>	15/11/2007	CofA	Summary
Committee draft report	<a href="#">PE400.414</a>	05/02/2008	EP	
Amendments tabled in committee	<a href="#">PE402.766</a>	07/03/2008	EP	
Committee report tabled for plenary, single reading	<a href="#">A6-0097/2008</a>	01/04/2008	EP	
Text adopted by Parliament, single reading	<a href="#">T6-0136/2008</a>	22/04/2008	EP	Summary
Commission response to text adopted in plenary	<a href="#">SP(2008)3169</a>	28/05/2008	EC	

## 2006 discharge: EC general budget, Court of Justice

**PURPOSE:** to present the final annual accounts of the European Communities for the financial year 2006 ? Other institutions: section IV ? Court of Justice.

**CONTENT:** this document establishes the level of expenditure and the balance sheet of the Court of Justice for 2006 and presents an analysis of its financial management.

The figures: the following figures have been taken from the provisional annual accounts for the financial year 2006 for the Court of Justice. These figures may be amended following consolidation.

- Authorised appropriations for 2006: EUR 250 338 602.
- Appropriations committed amounted to: EUR 238 293 961.93, a 95.2% utilisation rate;
- Appropriations paid amounted to: EUR 225 025 288.09;
- Appropriations carried over from 2005 to 2006: EUR 14 741 764.50 (84.1% used);
- Appropriations carried over from 2006 to 2007: EUR 13 268 673.84 (5.3% of overall appropriations available).

Main axes of 2006 expenditure: compared to 2005 expenditure, an increase of 11.7% was recorded, mostly due to the increase in lease-purchase payments of the outbuildings of the Court (some EUR 10 million).

The highlights of the Court of Justice's budgetary implementation can be summarised as follows:

**Title I (Expenditure relating to persons working for the Institution):** this Title was particularly marked by surplus appropriations relating to the basic salaries of staff. Some EUR 2.6 million from Item 1100 (Basic Salaries) was transferred due to difficulties in recruiting enlargement staff. The reserve lists provided were not sufficient to mobilise permanent staff from new Member States, which is why the Court resorted to temporary workers. The majority of this amount was transferred to Item 2001 ?Lease/purchase payments? (see the explanations below).

The other transfers of appropriations of surplus amounts from Title I were used to give tenure to a certain number of officials or to reinforce the budget item relating to travel expenses due to the wave of recruitment following the 2004 enlargement.

This budget item was also marked by the following elements:

- Mission and travel expenses: the expenses for these budget items increased by 46.7% compared to 2005 due to the FIDE Congress (biennial meeting of the International Federation for European Law);
- Strengthening of the sociomedical infrastructure: expenses for this item increased by 30% due to the increase in annual visits and complementary medical examinations of officials (in particular, extra medical supplies and medication were bought to combat a potential pandemic of avian flu);
- Increase in appropriations relating to the social service of the Institution (service that deals with relations between members of staff);
- Increase in entertainment and representation expenses;
- Increase in ?interinstitutional cooperation? expenditure, including the costs of translation and interpretation (as an indication, the number of pages translated externally in 2006 was 21.4% compared to 22% in 2005, while the interpretation service resorted to using 291 auxiliary conference interpreters, a large increase compared to 2005 due to the new official languages following the 2004 enlargement).

**Title II (Buildings, equipment and operating expenditure):** it is mainly the redevelopment of property that marks the budgetary implementation of Title II, with a very large increase in expenditure in 2006 (+30% compared to 2005). This increase essentially comes from budget item 2001 for lease/purchase payments of the outbuildings of the Court. This budget item was reinforced by an overall transfer of EUR 1 540 000. In effect, during the drawing up of the 2006 budget, a sum of EUR 8.5 million was attributed to lease/purchase payments of outbuildings. However, a reassessment of the maintenance costs of these buildings indicated that the cost would rise to some EUR 12 million, forcing the Institution to attribute an additional EUR 1.54 million to Item 2001 ?lease/purchase? for 2006 (this Item amounting to EUR 10 039 687.76).

The net decrease in costs for property expertise figures among the other significant amendments to the budget. To ensure the monitoring of construction work for the new complex of the Court and its outbuildings, it was, in fact, decided to call upon an external expert. Costs of building expertise, in particular, only amounted to EUR 40 000 instead of the EUR 400 000 initially set out. A proportion of this amount was used to reinforce Items for the operating costs of the buildings of the Institution (for example, gas, electricity, heating, cleaning and maintenance costs).

The other main expenditure for this Title is characterised as follows:

- Consolidation of the budget Item for data-processing work, totalling EUR 980 000 (funding of several calls for tender and various amounts of data-processing work);
- Decrease in current administrative expenditure of around 4.8%;
- Decrease in expenditure on publishing and information of around 16%;
- Decrease in subsidies and financial contributions of 3% (student visits, study grants).

**Title III (Specific mission costs):** expenditure for this Title increased by some 184.4% compared to 2005. It covers lawyers' fees and other costs that could fall under the responsibility of the Institution in the framework of free legal representation, which is difficult to plan for (thus in 2005, this Title was under-implemented by 81% compared to the initial amount set out).

## 2006 discharge: EC general budget, Court of Justice

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The Committee on Budgetary Control adopted the report by Nils LUNDGREN (ID, SE) recommending that the Parliament grant the Court of Justice's Registrar discharge in respect of the implementation of the Court of Justice budget for the financial year 2006.

First of all, the parliamentary committee recalls that, in 2006, the European Court of Justice (ECJ) had available commitment appropriations amounting to a total of EUR 252 306 372.60 (compared to EUR 232 602 467.74 in 2005), with a utilisation rate of 94.58%.

Overall, MEPs welcome the adoption by the ECJ of a code of conduct applying to Members and former Members of the Court of Justice, the Court of First Instance and the Civil Service Tribunal, including an obligation to submit a declaration of financial interests. However, they regret that this information has not been published on the ECJ's website.

Likewise, MEPs express their satisfaction that, since 1 October 2007, two separate administrative units carry out the internal audit and verification of accounts, ending a situation criticised in previous years by both the European Court of Auditors and Parliament.

MEPs also express their satisfaction with the audits carried out by the internal auditor (on the organisation and budgetary management of visits, on insurance contracts, on procedures relating to minimum standards of internal control, on the management of removal expenses, and on telephone usage) as well as the action taken following the recommendation made during the 2005 discharge procedure.

Procurement: while MEPs welcome the reduction of the number of negotiated contracts as a proportion of the number of contracts awarded (from 38% in 2005 to 34% in 2006 with a value of more than EUR 60 000), they believe that further efforts should be made to further reduce this proportion.

Expenditure on buildings of the Court: MEPs point to the criticism in the special report No 2/2007 of the Court of Auditors on expenditure on buildings that the independent expert, whose appointment was provided for in the framework contract for the extension of the ECJ's main building (the 'Palais'), was not appointed from the start and the original framework contract set out only general principles. However, the independent expert (KPMG) has now finally been appointed and has started the work of monitoring all accounting records. MEPs hope that the initial budget will be respected and encourage the ECJ to monitor closely all aspects of the progress of the project.

The parliamentary committee also notes that a lease-purchase contract has now been signed between the Grand Duchy of Luxembourg and the ECJ setting out the provisions necessary to supplement the framework contract of 2001 and providing for the sale to the ECJ of the land on which the complex is situated for the symbolic price of EUR 1 when the ECJ becomes the owner of the buildings. It recalls that the Court of Auditors pointed out that there had been a 'lack of competition' concerning the building of the extension to the Court of Justice in Luxembourg in its 2007 Special Report. MEPs therefore call on the Commission to submit, by July 2008 at the latest, the findings of the further investigations into this situation.

Personnel: lastly, MEPs highlight that, in 2006, the number of officials and agents in service rose over the year by 4.8% to 1 786. However, the Court continues to have difficulties in recruiting qualified staff for interpreter and IT specialist posts.

## 2006 discharge: EC general budget, Court of Justice

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**PURPOSE:** to grant discharge to the Court of Justice for the financial year 2006.

**LEGISLATIVE ACT:** Decision 2009/191/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2006 (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 for the financial year 2006.

This decision is in line with the European Parliament's resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).

## 2006 discharge: EC general budget, Court of Justice

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The European Parliament adopted, by 634 votes in favour, 17 against and 39 abstentions, a Decision to grant the Court of Justice's Registrar discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this institution.

At the same time, the Parliament adopted by 621 votes in favour, 15 against and 40 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Nils LUNDGREN (ID, SE) on behalf of the Committee on Budgetary Control.

The Resolution recalls that, in 2006, the European Court of Justice (ECJ) had available commitment appropriations amounting to a total of EUR 252 306 372 (compared to EUR 232 602 467 in 2005), with a utilisation rate of 94.58%.

Overall, the Parliament welcomes the adoption by the ECJ of a code of conduct applying to Members and former Members of the Court of Justice, the Court of First Instance and the Civil Service Tribunal, including an obligation to submit a declaration of financial interests. However, it regrets that this information has not been published on the ECJ's website. Likewise, the Parliament expresses its satisfaction that, since 1 October 2007, two separate administrative units carry out the internal audit and verification of accounts, ending a situation criticised in previous years by both the European Court of Auditors and the Parliament. The Parliament also welcomes the quality of the results of the audits carried out by the Court as well as the action taken following the recommendation made during the 2005 discharge procedure.

The Parliament also makes a series of observations which can be summarised as follows:

- Procurement: while the Parliament welcomes the reduction of the number of negotiated contracts as a proportion of the number of

contracts awarded (from 38% in 2005 to 34% in 2006 with a value of more than EUR 60 000), it believes that further efforts should be made to further reduce this proportion;

- Expenditure on buildings of the Court: the Parliament notes that a lease-purchase contract has been signed between the Grand Duchy of Luxembourg and the ECJ, setting out the provisions necessary to supplement the framework contract of 2001 and providing for the sale to the ECJ of the land on which the complex is situated for the symbolic price of EUR 1 (when the ECJ becomes the owner of the buildings). It recalls that the Court of Auditors pointed out that there had been a 'lack of competition' concerning the building of the extension to the Court of Justice in Luxembourg in its 2007 Special Report and therefore calls on the Commission to submit, by July 2008 at the latest, the findings of the further investigations into this situation;
- Personnel: lastly, MEPs highlight that, in 2006, the number of officials and agents in service rose over the year by 4.8% to 1 786. However, the Court continues to have difficulties in recruiting qualified staff for interpreter and IT specialist posts.