



Procedure file

| Basic information | | |
|--|----------------|---------------------|
| DEC - Discharge procedure | 2007/2041(DEC) | Procedure completed |
| 2006 discharge: EC general budget, Court of Auditors | | |
| Subject 8.70.03.07 Previous discharges | | |

| Key players | | | |
|--|--|---|---|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | CONT Budgetary Control | | 27/03/2007 |
| | Committee for opinion | IND/DEM LUNDGREN Niels | Appointed |
| | AFET Foreign Affairs | Rapporteur for opinion | 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. | |

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|-------------------------------|--|---|--------------------|
| | PETI Petitions | The committee decided not to give an opinion. | |
| Council of the European Union | Council configuration Economic and Financial Affairs ECOFIN | Meeting 2847 | Date 12/02/2008 |
| European Commission | Commission DG Budget | Commissioner KALLAS Siim | |

Key events

| | | | |
|------------|--|---|---------|
| 30/03/2007 | Non-legislative basic document published | SEC(2007)1055 | Summary |
| 25/10/2007 | Committee referral announced in Parliament | | |
| 26/03/2008 | Vote in committee | | Summary |
| 01/04/2008 | Committee report tabled for plenary | A6-0093/2008 | |
| 22/04/2008 | Results of vote in Parliament |  | |
| 22/04/2008 | Debate in Parliament |  | |
| 22/04/2008 | Decision by Parliament | T6-0137/2008 | Summary |
| 22/04/2008 | End of procedure in Parliament | | |
| 31/03/2009 | Final act published in Official Journal | | |

Technical information

| | |
|----------------------------|---------------------------|
| Procedure reference | 2007/2041(DEC) |
| Procedure type | DEC - Discharge procedure |
| Legal basis | Rules of Procedure EP 94 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | CONT/6/53975 |

Documentation gateway

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|---|--|--|------------|------|---------|
| Non-legislative basic document | | SEC(2007)1055 | 30/03/2007 | EC | Summary |
| Court of Auditors: opinion, report | | N6-0005/2008 OJ C 273 15.11.2007, p. 0001 | 15/11/2007 | CofA | Summary |
| Committee draft report | | PE400.413 | 05/02/2008 | EP | |
| Amendments tabled in committee | | PE402.768 | 07/03/2008 | EP | |
| Committee report tabled for plenary, single reading | | A6-0093/2008 | 01/04/2008 | EP | |
| Text adopted by Parliament, single reading | | T6-0137/2008 | 22/04/2008 | EP | Summary |
| Commission response to text adopted in plenary | | SP(2008)3169 | 28/05/2008 | EC | |

Final act

[Budget 2009/192](#)
[OJ L 088 31.03.2009, p. 0076](#) Summary

2006 discharge: EC general budget, Court of Auditors

PURPOSE: to present the final annual accounts of the European Communities for the financial year 2006 ? Other institutions: Section V ? Court of Auditors.

CONTENT: this document sets out the amount of expenditure and the financial statement of the Court of Auditors for 2006 and presents an analysis of its financial management.

Summary in figures: the figures mentioned hereafter are taken from the internal provisional annual accounts for the financial year 2006 relating to the Court of Auditors. These amounts may be subject to amendments after consolidation.

- Appropriations authorised for the financial year 2006: EUR 113 196 491;
- Committed appropriations: EUR 100 976 934.57 (89.21% of the budget being utilised);
- Paid appropriations: EUR 93 728 633.21;
- Cancelled appropriations: EUR 12 219 556.43 (10.79% of the budget)
- Appropriations carried over from 2006 to 2007: EUR 7 248 301.36 (7.18% of the budget);
- Appropriations carried over from 2005 to 2006: EUR 6 284 404.

Main axes of 2006 expenditure: the implementation of the Court of Auditor?s budget is characterised by the low level of staff occupation and, therefore, by the under-execution of Title I appropriations (personnel expenditure) and by the closure of real estate expenditure by the Institution.

Concerning the building extension works of the Court in Luxembourg (building K2), the Court indicates that the construction of this new building was successfully completed in 2004. The accounts linked to this building project were closed in 2006. The total cost of the project was shown to be inferior to the amount initially forecast (approximately 6% less than the amount forecast, that is a sum of EUR 1 656 million). This budget and the interest from the bank were transferred, in their entirety, to the general budget of the Communities, at the end of 2005.

The other main characteristics of the implementation of the Court?s budget can be summarised as follows:

Title I (Personnel expenditure): this budgetary title is characterised by the low implementation rate for commitments entered in chapter 11 ? Basic salaries? used at a level of 87.71% (some EUR 9.9 million was under-executed due to difficulties linked to the recruitment of personnel, stemming from the reduced number of laureates in the various examinations for the European Civil Service).

The title was also characterised by the relatively low rate of budgetary implementation for missions (79% of the initially planned budget). The Court believes that this post was overvalued when the 2006 budget was determined. Mission expenses are directly related to the Court?s Work Programme, which cannot be fully anticipated at the time of budgetary planning. In 2006, the utilisation of missions was, therefore, inferior to the budgetary prevision.

The title was also characterised by the under-utilisation of expenditure on exchanges of experts (chapter 15). Given that this chapter has increased in breadth in recent years, the Court had forecast a significant amount to meet the increasing needs of this post. Finally, this amount was not fully utilised and progresses less rapidly than that of previous years.

Title II (Buildings and operating expenditure): no major developments occurred in relation to Title II of the Court of Auditor?s budget in 2006.

2006 discharge: EC general budget, Court of Auditors

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

Firstly, the parliamentary committee notes that the Court had the following appropriations available to assure its functions: EUR 113 596 668 in commitment appropriations (compared to EUR 107 548 618 in 2005) with a utilisation rate of 89%.

MEPs recall that the Court?s accounts were audited by an external firm, KPMG, which concluded that: ?(...) the financial statements ? of the Court ? give a fair view of the financial position as at 31 December 2006 and of its operating results for the year then ended?.

Pensions of former Members of the Court of Auditors: MEPs take note of the written answer provided by the Court to the rapporteur?s questionnaire as regards the accounting of the pensions of former Members of the Court, according to which the pension liability as at 31 December 2006 is presented by the ECA on its balance sheet (but not accounted for as a long term claim against Member States). However, pension payments to Members of the Court amounted to EUR 2.3 million. For this reason, MEPs request that the liability for future pension payments and also the long-term claim against the Member States be included in the balance sheet in order to give a clear picture of existing liabilities and of the true cost of auditing in the EU.

On the whole, MEPs indicate that the 2006 report of the Court?s Internal Auditor was largely positive, establishing that the quality of tender files and contracts was satisfactory although the choice of simplified or derogatory procedures could have been better justified.

Recruitment of personnel: MEPs note with concern the recruitment difficulties faced by the Court, particularly as regards professionally qualified staff. This is partly due to the higher cost of living in Luxembourg and the lesser attractiveness of the salary for the proposed grades (basic AD5 grade). However, the number of vacant posts has decreased in the space of a year, from 74 in 2006 and 56 in 2007, which shows the efforts made by the Court to close this gap. MEPs note that 5 new Members joined the Court in 2006 and hope that a more rational structure will be devised before the next enlargement, notably in order to reduce the total number of Members (MEPs suggest the introduction of a rotating system similar to that applying to the Governing Council of the ECB).

Declarations of financial interests: MEPs note that, in compliance with the ECA?s Code of Conduct, Members of the Court declare their financial interests and other assets (including shares, convertible bonds and investment certificates as well as land and real estate, together with their spouses? professional activities). Lastly, they reiterate their opinion that Members of all EU institutions should be required to submit a declaration of financial interests, which should be accessible on the Internet via a public register.

2006 discharge: EC general budget, Court of Auditors

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

LEGISLATIVE ACT: Decision 2009/192/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2006 (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 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 Auditors

The European Parliament adopted, by 615 votes in favour, 16 against and 36 abstentions, a Decision to grant the Court of Auditor's Secretary-General 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 for this institution.

At the same time, the Parliament adopted, by 615 votes in favour, 14 against and 41 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 the Court had the following appropriations available to assure its functions: EUR 113 596 668 in commitment appropriations (compared to EUR 107 548 618 in 2005) with a utilisation rate of 89%, i.e. lower than other institutions. In addition, the Parliament recalls that the Court's accounts were audited by an external firm, which concluded that the financial statements of the Court were completely satisfactory.

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

- Market procedures: On the whole, the Parliament indicates that the 2006 report of the Court's Internal Auditor was largely positive, establishing that the quality of tender files and contracts was satisfactory although the choice of simplified or derogatory procedures could have been better justified;
- Recruitment of personnel: the Parliament notes with concern the recruitment difficulties faced by the Court, particularly as regards professionally qualified staff. This is partly due to the higher cost of living in Luxembourg and the lesser attractiveness of the salary for the proposed grades (basic grades). However, the number of vacant posts has decreased in the space of a year, from 74 in 2006 and 56 in 2007, which shows the efforts made by the Court to close this gap. The Parliament notes that 5 new Members joined the Court in 2006 and hopes that a more rational structure will be devised before the next enlargement, notably in order to reduce the total number of Members (the Parliament suggests the introduction of a rotating system similar to that applying to the Governing Council of the ECB);
- Declarations of financial interests: the Parliament notes that, in compliance with the ECA's Code of Conduct, Members of the Court declare their financial interests and other assets (including shares, convertible bonds and investment certificates as well as land and real estate, together with their spouses' professional activities). Lastly, the Parliament reiterates its opinion that Members of all EU institutions should be required to submit a declaration of financial interests, which should be accessible on the Internet.