

Procedure file

Basic information		
DEC - Discharge procedure	2009/2072(DEC)	Procedure completed
2008 discharge: EU general budget, Court of Auditors		
Subject 8.70.03.07 Previous discharges		

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	CONT Budgetary Control		01/10/2009	
		ECR CZARNECKI Ryszard		
	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 Budget	Commissioner ŠEMETA Algirdas

Key events			
23/07/2009	Non-legislative basic document published	SEC(2009)1089	Summary
07/10/2009	Committee referral announced in Parliament		
23/03/2010	Vote in committee		Summary
26/03/2010	Committee report tabled for plenary	A7-0097/2010	
21/04/2010	Debate in Parliament		
05/05/2010	Results of vote in Parliament		
05/05/2010	Decision by Parliament	T7-0095/2010	Summary
05/05/2010	End of procedure in Parliament		
25/09/2010	Final act published in Official Journal		

Technical information	
Procedure reference	2009/2072(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/00626

Documentation gateway					
Non-legislative basic document		SEC(2009)1089	23/07/2009	EC	Summary
Document attached to the procedure		N7-0036/2009 OJ C 269 10.11.2009, p. 0001	10/11/2009	CofA	Summary
Committee draft report		PE430.315	09/02/2010	EP	
Amendments tabled in committee		PE439.355	03/03/2010	EP	
Committee report tabled for plenary, single reading		A7-0097/2010	26/03/2010	EP	
Text adopted by Parliament, single reading		T7-0095/2010	05/05/2010	EP	Summary

Final act
Decision 2010/501

2008 discharge: EU general budget, Court of Auditors

PURPOSE: to present the final annual accounts of the European Communities for the financial year 2008 - 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 2008. It presents an analysis of its financial management as well as its main axes of expenditure.

The figures mentioned hereafter are taken from the [Report on the Budgetary and Financial Management for the financial year 2008](#).

Information concerning the Court of Auditors is taken from the Court's [Annual Activity Report for 2008](#) which can be found on the Court's website, in which it provides more detailed information on the missions and the tasks carried out in 2008.

CONTENT:

2008 appropriations:

- Commitments (final appropriations): EUR 132 769 183
- Committed appropriations: EUR 120 633 663
- Implementation rate: 90.86%
- Payments: EUR 108 333 378
- Implementation rate: 89.8%
- Transfers: in the course of the financial year, the Court effected 20 budgetary transfers for a total amount of EUR 2 601 103. These transfers were undertaken to ensure the smooth working of the various departments of the Court and to meet any requirements this entailed.

(2) Main axes of 2008 expenditure: as the independent audit institution of the EU, the Court of Auditors has a unique role to play in contributing to the improvement of the EU financial management and to promoting accountability and transparency. It does this through the audit services it renders and the example it sets. The Court presents the results of its audits in the annual or specific reports. This year the Court presented, for the first time, a 'clean' opinion on the reliability of the EU accounts.

The Court acknowledged, also in 2008, the developments being made at EU and national level that may lead to significant improvements in EU financial management in the future. Two examples in this Annual Activity Report are the ongoing EU budget review process, to which the Court has actively contributed, and the issuing by the Commission of its communication on the 'Tolerable risk of error'.

In the domain of international relations, the Court took the lead in organising discussions of the Contact Committee of the Heads of the EU Supreme Audit Institutions (SAI) on EU budget reform and the Revised Lisbon Strategy, as well as recently hosting a workshop on the role of the EU SAIs in the light of the measures being taken to address the current financial crisis. A significant step taken in 2008 by the Court to realise its mission and vision was the development of its Audit Strategy for the period 2009 to 2012. The Audit Strategy sets two priority goals: (i) to maximise the overall impact from its audits; and (ii) to increase efficiency by making best use of its resources. These goals will guide the Court's work programmes over the period.

In terms of its operational activities, the Court notes that, in addition to its 2008 annual report on EU expenditure, it drew up 28 special annual reports on the agencies and other decentralised Community bodies, 12 special reports as well as 5 opinions on proposed regulations or issues concerning financial management.

3) Salient facts of the 2008 budget implementation:

Title I (People working with the institution): in 2008, the utilisation rate of appropriations of Title I equals 89.31% (in 2007 this rate was 89.41%). Appropriations in the chapter concerning 'Officials and temporary staff' were utilised in 2008 at 88.64%. An amount of EUR 9 916 566 was not used due to the continuing effects of the delay noted in the last years in anticipated recruitment brought about by the lower than expected number of laureates from external competitions. This year's utilisation rate concerning 'Other staff and external services' of 81.05% was mainly caused by an unused budget of EUR 537 951 in the budget line concerning contract workers. The Court also encountered difficulties in recruiting and keeping suitable staff. In fact some contract agents became temporary agents following selection procedures, others resigned before the end of their contract (mainly because they found better paid jobs elsewhere) and/or were not replaced when their contract ended. In addition, the recruitment of contract agents is difficult due to the lack of attractiveness of the salaries and due to the fact that part of the laureates from the selection procedures are already working in other institutions.

There are a number of missions carried out in 2008 for which expense claims were not received or had been received but not fully processed by the end of the financial year. Other amounts for which legal obligations existed but invoices were not received in 2008 are 'further training for staff', 'early childhood centre' and 'miscellaneous expenditure on recruitment'.

Title II (Buildings, movable property, equipment and miscellaneous operating expenditure): the rate of utilisation of appropriations in Title II reached 98.28% in 2008 (compared to 95.92% in 2007). Payments amounted to a total of EUR 12 958 863, equivalent to 56.60% of the final appropriations and to 57.59% of the commitments. The large amount (EUR 5 504 660) carried over in the chapter on 'buildings and associated costs' impacts negatively on the implementation rates mentioned above. This amount is largely explained by the work being carried out in the Court's 'K1' building to bring it into conformity with national health, safety and environmental legislation. After some technical problems were encountered, this work is running later than planned, with the result that fewer payments were made in 2008 than anticipated. It is expected that the work will be fully completed and paid for in the first half of 2009. For other major amounts contributing to the carry-over, 'cleaning and maintenance', 'Energy consumption and Security', the amounts were committed but the invoices were not yet

received at year end. The Court also notes an important amount of appropriations for the lines concerning IT due to, yet again, undelivered invoices at the end of the year. The same problem concerns the publication of the Annual Report, Special Report 7/08, Specific Annual Reports, Report of the external auditor plus other related costs like distribution, stocking, etc?

2008 discharge: EU general budget, Court of Auditors

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) recommending the European Parliament to grant the Court of Auditors' Secretary-General discharge in respect of the implementation of its budget for the financial year 2008.

The committee cites that in 2008 the Court of Auditors had commitment appropriations available amounting to a total of EUR 133 million (2007: EUR 122 million), with a utilisation rate of 90.66%, below the average of the other institutions (95.67%).

The report recalls that, as regards the financial year 2008, the Court's accounts were audited by an external firm, PricewaterhouseCoopers and that the conclusions were favourable. Members note that the 2008 report of the Court's internal auditor was largely positive.

Members also note the Court's efforts to improve the procedure for the publication and presentation of its annual reports which are its main activity. They hope that an agreed procedure for this decisive stage in the discharge process can be established for future use, with due regard for the absolute independence of the Court.

The committee recalls its suggestion to consider a possibility to devise a more rational structure for the Court, and asks the Court to consider alternative models with a view to reducing the total number of members, by capping the number of members and adopting, for example, a rotation system based on the principle of equality among members.

Members note that the current procedure of the publication and presentation of the Court's special reports, while adding to the Court's identity and visibility, raises some concerns: while the Parliament fully respects the right of the Court to submit the observations in the form of special reports at any time, it considers that current procedure, which commences with the special report's public presentation and the Court's press conference well in advance of the presentation of the special report to the Committee on Budgetary Control, may not fully reflect the Court's role as a reporting institution assisting the Parliament and Council in exercising their powers of control over the implementation of the budget.

Members highlight the shortage of suitable laureates which prevented the Court to recruit as many new staff as planned. They request the Court to report on its progress in shortening delays in its recruitment process.

In addition, Members welcome:

- the setting up of the Joint Committee on equal opportunities, the progress made in the areas of IT and telecommunications, and effective management of office space;
- the establishment of framework monitoring effectiveness of internal controls, as well as the adoption of Key Performance Indicators;
- the new integrated system for management and financial control (SAP), in operation since 1 January 2008, which enabled budget savings and gains in efficiency for the three institutions involved (the Council, the Court of Auditors and the Court of Justice);
- the ongoing successful interinstitutional cooperation with the Court of Justice of the European Union as regards training.

The report recalls that, in compliance with the Court's Code of Conduct, Court members communicate a declaration of their financial interests to the President of the Court. Members consider that these declarations should be accessible on the Internet via a public register (which is currently not the case).

2008 discharge: EU general budget, Court of Auditors

The European Parliament adopted a decision on discharge to be granted to the Court of Auditors' Secretary-General in respect of the implementation of its budget for the financial year 2008. Furthermore, Parliament adopted a resolution with observations which are an integral part of the decision to grant discharge.

Firstly, the resolution cites that, in 2008, the Court of Auditors had commitment appropriations available amounting to a total of EUR 133 million (2007: EUR 122 million), with a utilisation rate of 90.66%, below the average of the other institutions (95.67%).

Parliament recalls that, as regards the financial year 2008, the Court's accounts were audited by an external firm, PricewaterhouseCoopers and that the conclusions were favourable. Parliament notes that the 2008 report of the Court's internal auditor was largely positive.

Parliament also notes the Court's efforts to improve the procedure for the publication and presentation of its annual reports which are its main activity. It hopes that an agreed procedure for this decisive stage in the discharge process can be established for future use, with due regard for the absolute independence of the Court.

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Parliament highlights the shortage of suitable laureates which prevented the Court from recruiting as many new staff as planned. It requests the Court to report on its progress in shortening delays in its recruitment process.

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Parliament recalls that, in compliance with the Court's Code of Conduct, Court members communicate a declaration of their financial interests to the President of the Court. It considers that these declarations should be accessible on the Internet via a public register (which is currently not the case).

2008 discharge: EU general budget, Court of Auditors

PURPOSE: to grant discharge to the Court of Auditors for the financial year 2008.

LEGISLATIVE ACT: Decision 2010/501/EU of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2008 (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 2008.

This decision is in line with the European Parliament's resolution adopted on 5 May 2010 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 5 May 2010).