

# Procedure file

Basic information		
DEC - Discharge procedure	<a href="#">2010/2147(DEC)</a>	Procedure completed
2009 discharge: EU general budget, Economic and Social Committee		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>CONT</b> Budgetary Control		23/03/2010
		PPE <a href="#">RIVELLINI Crescenzo</a>	
		Shadow rapporteur	
		S&D <a href="#">AYALA SENDER Inés</a>	
		ALDE <a href="#">DE MAGISTRIS Luigi</a>	
		Verts/ALE <a href="#">STAES Bart</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.

**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](#)

ŠEMETA Algirdas

## Key events

20/07/2010	Non-legislative basic document published	<a href="#">SEC(2010)0963</a>	Summary
07/10/2010	Committee referral announced in Parliament		
28/03/2011	Vote in committee		Summary
06/04/2011	Committee report tabled for plenary	<a href="#">A7-0136/2011</a>	
10/05/2011	Results of vote in Parliament		
10/05/2011	Debate in Parliament		
10/05/2011	Decision by Parliament	<a href="#">T7-0199/2011</a>	Summary
10/05/2011	End of procedure in Parliament		
27/09/2011	Final act published in Official Journal		

## Technical information

Procedure reference	2010/2147(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/03968

## Documentation gateway

Non-legislative basic document	<a href="#">SEC(2010)0963</a>	20/07/2010	EC	Summary
Court of Auditors: opinion, report	N7-0083/2010 <a href="#">OJ C 303 09.11.2010, p. 0001</a>	09/09/2010	CofA	Summary
Committee draft report	<a href="#">PE450.682</a>	20/01/2011	EP	
Document attached to the procedure	<a href="#">05891/2011</a>	03/02/2011	CSL	Summary
Amendments tabled in committee	<a href="#">PE458.803</a>	21/02/2011	EP	

Committee report tabled for plenary, single reading	<a href="#">A7-0136/2011</a>	06/04/2011	EP	
Text adopted by Parliament, single reading	<a href="#">T7-0199/2011</a>	10/05/2011	EP	Summary

<b>Final act</b>
<a href="#">Decision 2011/560</a> <a href="#">OJ L 250 27.09.2011, p. 0097</a> Summary

## 2009 discharge: EU general budget, Economic and Social Committee

**PURPOSE:** presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2009, as part of the 2009 discharge procedure.

Analysis of the accounts of the EU Institutions: Section VI ? European Economic and Social Committee (EESC).

**CONTENT:** this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2009 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the Economic and Social Committee.

The document helps to bring insight into the EU budget mechanism and the way in which the budget has been managed and spent in 2009. It recalls that European Union's operational expenditure covers the various headings of the financial framework and takes different forms, depending on how the money is paid out and managed.

In accordance with the Financial Regulation, the Commission implements the general budget using the following methods:

- direct centralised management: direct implementation of the budget by the Commission services;
- indirect centralised management: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, such as the EU agencies of public law or with public service missions;
- decentralised management: the Commission delegates certain tasks for implementation of the budget to third countries;
- shared management: under this method of management budget implementation tasks are delegated to Member States. The majority of the expenditure falls under this mode ?Shared Management? involving the delegation of tasks to Member States, covering such areas as agricultural spending and Structural Actions;
- joint management: under this method, the Commission entrusts certain implementation tasks to an international organisation.

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.

Amongst the other legal elements relating to the implementation of the EU budget presented in this document, the paper focuses on the following issues:

- the way in which EU public expenditure is committed and spent;
- the means of recovery following irregularities detected;
- the modus operandi of the accounting system;
- the audit process followed by the European Parliament's granting of the discharge.

To recall, the final control is the discharge of the budget for a given financial year. 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 from its responsibility for management of a given budget by marking the end of that budget's existence.

Lastly, the document 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.

Implementation of appropriations under Section VI of the budget for the financial year 2009: the document comprises a series of detailed tables, the most important concerning the implementation of the budget. As regards the Economic and Social Committee's expenditure, the table on the financial and budgetary implementation of this institution shows the following:

A) Table showing the commitment appropriations:

- Commitments: EUR 120 million (98.02% rate of implementation)
- Carry-overs to 2010: (0.33% of authorised appropriations)
- Cancelled: EUR 2 million

B) Table showing the implementation of payments:

- Payments: EUR 117 million (91.69% rate of implementation)
- Carry-overs to 2010: EUR 8 million (5.95% of authorised appropriations)

- Cancellations: EUR 3 million.

Lastly, the annexes detail specific expenditure of the institutions, in particular:

- joint sickness insurance scheme: a valuation is made for the estimated liability that the EU has regarding its contributions to the Joint Sickness Insurance Scheme in relation to its retired staff. This gross liability has been valued at EUR 3 535 million. The calculations take into account active officials and pensioners from the various EU Institutions and Agencies.

For further details on the budgetary implementation of expenditure of Section VI of the budget (European Economic and Social Committee), please refer to the [Annual Activity Report 2009](#). The main challenges in 2009 were:

- overcoming the implications of the Lisbon Treaty for the Committee, focusing on strengthened participatory democracy, including fortifying existing links with national Economic and Social Councils and the European Institutions;
- providing technical advice and support to the Committee responsible for revising the Rules of Procedure, (preparing for implementation of the Lisbon Treaty);
- continuation of the action plan "Reimbursement" aimed at automating the chain of payments and reducing delays in travel reimbursements to Members;
- preparing the renewal of the Members' mandate;
- simplification of working methods and revision of some procedures;
- setting up a new establishment plan.

The report gives an overview of the results achieved as against the objectives set for 2009.

## 2009 discharge: EU general budget, Economic and Social Committee

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The Committee on Budgetary Control adopted the report by Crescenzo RIVELLINI (EPP, IT) recommending the European Parliament to grant the Secretary-General of the European Economic and Social Committee discharge in respect of the implementation of its budget for the financial year 2009.

The committee cites that in 2009 the European Economic and Social Committee (EESC) had commitment appropriations available amounting to a total of EUR 122 million (2008: EUR 118 million), with a utilisation rate of 98.02%, higher than the average of the other institutions (97.69%).

Internal malfunctioning of the EESC's Secretariat-General: Members notes with concern the allegations in relation to management within the EESC, which have led to a sanctioned case of internal complaint (whistleblowing). They also note that, on 11 March 2011, the European Anti-Fraud Office (OLAF) decided to open an investigation, and request the EESC and OLAF to report to the discharge authority on the progress and outcome of the case. Members consider that the allegations presented to OLAF clearly affect the reputation of the Union as they refer to the internal functioning of one its institutions, the EESC, and relate to a serious malfunctioning by its secretariat. They consider, furthermore, that the identified disruption practices are not limited to a single action, but may represent continuous irregularities that constitute an alleged case of maladministration;

These allegations relate primarily, but not exclusively, to the following:

- irregularities that cause pecuniary damage to the Union,
- irregularities in appointments of senior officials, in disciplinary proceedings, as well as the usurpation of the competences of the EESC Bureau,
- violation of the independence of the legal service of the EESC,
- violation of the obligation under Union law to inform OLAF,
- violation of the duty of transparency,
- infringement of Article 22a(3) of the Staff Regulations of Officials of the European Union which provides that officials shall not suffer any prejudicial effects from the institution as a result of having communicated information on irregularities, provided that they acted reasonably and honestly.

Members, therefore, call on the EESC and, in particular, on its Secretary General, to cooperate fully with OLAF and to provide all necessary assistance to OLAF agents to carry out their investigation. They also request the EESC and in particular its Secretary-General to report to Parliament's committee responsible for the discharge procedure on:

- the disciplinary proceedings conducted by the EESC and the economic consequences thereof, and in particular the disciplinary case No 2/2007,
- the staff policy on promotion of staff to management positions,
- the conflicts as regards the independence of the legal service of the EESC,
- the access of members of the EESC and members of its Bureau to all the information required, the state of the procedure and results of internal audits carried out by the EESC.

Members also call on the Ombudsman to inform Parliament's committee responsible for the discharge procedure, as soon as possible, of the results of its investigations, in particular with regard to the irregularities concerning the staff promotion procedure, since the Ombudsman has been requested to act in this specific case.

Audit of the EESC: Members note that the annual report of the Court of Auditors did not give rise to any significant observations as regards the EESC. They, nevertheless, call on the Court to confirm whether the audits of the 2009 reports found any evidence of irregularities that have already been the subject of disciplinary case No 2/2007.

As regards the rest, Members note:

- the further, minor increase in the number of permanent posts allocated to the EESC, and that the posts are consistently filled;
- the implementation of the Administrative Cooperation Agreement between the EESC and the Committee of the Regions (CoR) for the period 2008 to 2014;
- the efforts in the area of interinstitutional cooperation, in particular, the ongoing introduction of the staff management system 'Sysper2'.

Members reconfirm their position that declarations of financial interests of members of all Union institutions should be accessible on the Internet via a public register and request that the EESC take steps to make public the relevant information, and to follow up this issue in its Annual Activity Report.

## 2009 discharge: EU general budget, Economic and Social Committee

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PURPOSE: to grant discharge to the European Economic and Social Committee for the financial year 2009.

NON-LEGISLATIVE ACT: Decision 2011/560/EU of the European Parliament on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section VI - European Economic and Social Committee.

CONTENT: with the present decision, the European Parliament grants discharge to the Secretary-General of the European Economic and Social Committee for the implementation of its budget for the financial year 2009.

This decision is in line with the European Parliament's resolution adopted on 10 May 2011 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2011).

A parallel decision, adopted on the same day, approves the closure of this Institution's accounts.

## 2009 discharge: EU general budget, Economic and Social Committee

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The European Parliament adopted by 392 votes to 257, with 5 abstentions a decision to grant discharge to the Secretary-General of the European Economic and Social Committee in respect of the implementation of its budget for the financial year 2009.

Parliament also adopted by 567 votes to 75, with 11 abstentions a resolution containing a number of observations which forms an integral part of the discharge decision. The resolution recalls that, in 2009, the European Economic and Social Committee (EESC) had commitment appropriations available amounting to a total of EUR 122 million (2008: EUR 118 million), with a utilisation rate of 98.02%, higher than the average of the other institutions (97.69%).

Allegations regarding the EESC's internal management: in a series of amendments adopted in plenary, Parliament wonders about the allegation concerning the EESC's internal management, which led to the decision, on 11 March 2011, by the European Anti-Fraud Office (OLAF) to open an enquiry. It calls on the EESC and OLAF to inform the budgetary authority of the progress and results of the case. The Committee on Budgetary Control is invited to follow the issue closely, in order to obtain additional information on the impact of OLAF's investigation and to take its results into account in the 2010 discharge.

Specific information is asked of the EESC in regard to the following alleged irregularities:

- disciplinary procedures undertaken by the EESC and their economic consequences, in particular, Case No 2/2007;
- policy in regard to staff promotion to management positions
- the conflicts as regards the independence of the legal service of the EESC;
- the access of EESC members and members of its Bureau to all the information required;
- the state of the procedure and results of internal audits carried out by the EESC.

Parliament calls on the EESC to cooperate fully with OLAF and to provide all necessary assistance to OLAF staff to carry out their investigation. The Ombudsman is invited to inform Parliament's Committee on budgetary control, as soon as possible, of the results of its investigations relevant to disciplinary case No 2/2007.

Audit of the EESC: Parliament notes that the annual report of the Court of Auditors did not give rise to any significant observations as regards the EESC. It, nevertheless, calls on the Court to confirm whether the audits of the 2009 reports found any evidence of irregularities that have already been the subject of disciplinary case No 2/2007.

As regards the rest, Parliament notes:

- the further, minor increase in the number of permanent posts allocated to the EESC, and that the posts are consistently filled;
- the implementation of the Administrative Cooperation Agreement between the EESC and the Committee of the Regions (CoR) for the period 2008 to 2014;
- the efforts in the area of interinstitutional cooperation, in particular, the ongoing introduction of the staff management system 'Sysper2'.

Parliament reconfirms its position that declarations of financial interests of members of all Union institutions should be accessible on the Internet via a public register and requests that the EESC takes steps to make public the relevant information, and to follow up this issue in its Annual Activity Report.

Parliament welcomes the willingness of the EESC to accommodate the suggestion of the Parliament that travel expenses of members of the EESC should be based only on actual travel costs (and that daily allowances should be equal to those received by the Members of the European Parliament).

Lastly, in a new amendment adopted in plenary, Parliament calls on the EESC to undertake with urgency during 2011 a comprehensive spending review of all areas of activity to ensure all expenditure is delivering value for money in order to identify possible savings which will reduce the pressure on the budget in this period of austerity.