



Procedure file

Basic information		
DEC - Discharge procedure	2011/2206(DEC)	Procedure completed
2010 discharge: EU general budget, Economic and Social Committee		
Subject 8.70.03.07 Previous discharges		

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	CONT Budgetary Control		03/03/2011	
		S&D AYALA SENDER Inés		
		Shadow rapporteur		
		PPE MARINESCU Marian-Jean		
		Verts/ALE STAES Bart		
		ECR CZARNECKI Ryszard		
		EFD ANDREASEN Marta		
		NI EHRENHAUSER Martin		
	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.			

European Commission	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.
	Commission DG Budget	Commissioner ŠEMETA Algirdas

Key events

26/07/2011	Non-legislative basic document published	COM(2011)0473	Summary
12/10/2011	Committee referral announced in Parliament		
27/03/2012	Vote in committee		
30/03/2012	Committee report tabled for plenary	A7-0092/2012	Summary
10/05/2012	Results of vote in Parliament		
10/05/2012	Debate in Parliament		
10/05/2012	Decision by Parliament	T7-0160/2012	Summary
10/05/2012	End of procedure in Parliament		
17/10/2012	Final act published in Official Journal		

Technical information

Procedure reference	2011/2206(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/07067

Documentation gateway

Non-legislative basic document	COM(2011)0473	26/07/2011	EC	Summary
Court of Auditors: opinion, report	N7-0107/2011 OJ C 326 10.11.2011, p. 0001	08/09/2011	CofA	Summary
Committee draft report	PE475.756	08/02/2012	EP	
Document attached to the procedure	06081/2012	17/02/2012	CSL	Summary
Amendments tabled in committee	PE483.639	07/03/2012	EP	
Committee report tabled for plenary, single reading	A7-0092/2012	30/03/2012	EP	Summary
Text adopted by Parliament, single reading	T7-0160/2012	10/05/2012	EP	Summary

2010 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 2010, as part of the 2010 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 2010 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

(1) Purpose: the document helps to bring insight into the EU budget mechanism and the way in which the budget has been managed and spent in 2010. 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.

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:

- accounting principles applicable to the management of EU spending (business continuity, consistency of accounting methods, comparability of information ...);
- consolidation methods of figures for all major controlled entities (institutions and agencies);
- the recognition of financial assets in the EU (tangible and intangible assets, financial assets and other miscellaneous investments);
- the way in which EU public expenditure is committed and spent, including pre-financing;
- 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 (please refer to the follow-up reports presented in this procedure file).

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 2010: 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 125 million (98% rate of implementation)
- Carry-overs to 2011: (0.14% of authorised appropriations)
- Cancelled: EUR 2 million

B) Table showing the implementation of payments:

- Payments: EUR 121 million (90.36% rate of implementation)
- Carry-overs to 2011: EUR 8 million (0.14% of authorised appropriations)
- Cancellations: EUR 4 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 3 791 million for 2010.

(3) Budget implementation conclusions: the main characteristics of the budget implementation of the European Economic and Social Committee for 2010 are as follows:

- organisation of a range of economic, social, cultural and educational events centred on a plethora of themes, reflecting the diversity of Europe and its interests and concerns;

- the focus areas can be divided into sustainable environmental development and solutions to climate change and energy issues; sustainable solutions for economic and social development in wake of the economic crisis;
- increased citizen and civil society involvement;
- international and inter-European dialogue and debate.

On an internal level, the Secretariat's main achievements in 2010 were as follows:

- coordinating the whole exercise of the Renewal of the Committee;
- coordinating the preparation of the Annual Work Programme and Annual Activity Report, including the impact report and the key activity and performance indicators;
- in liaison with the relevant departments, close monitoring of implementation of the Secretariat's main overall priorities;
- coordinating and monitoring working parties and task forces planned or set up on an ad hoc basis;
- coordinating implementation of the new cooperation agreement with the Committee of the Regions (CoR), normalising working relations with the CoR;
- drafting of an electronic Newsletter for Members, coordinating responses to Members' questions and developing new, more effective and targeted means of communicating with Members and within the Committee's Secretariat;
- monitoring the Key Activity and Performance Indicators (KAPIs) published on the intranet.

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 2010](#).

2010 discharge: EU general budget, Economic and Social Committee

The Committee on Budgetary Control adopted the report by Inés AYALA SENDER (S&D, ES) on discharge to be granted to the Secretary-General of the European Economic and Social Committee (EESC) in respect of the implementation of the budget for the financial year 2010.

Members emphasise that in its 2010 Annual Report the Court of Auditors identified errors in relation to the recruitment of a permanent member of staff and a procurement procedure for interpreting services. In this regard, they are satisfied with the explanations provided by the Committee of the Regions (CoR) regarding these errors, and with the decisions taken in order to ensure that such situations do not recur.

Members note that in 2010 the European Economic and Social Committee (EESC) had available commitment appropriations amounting to a total of EUR 127.2 million (EUR 122 million in 2009), and that the implementation rate of these appropriations was 98% (also 98% in 2009). They stress that the EESC budget is purely administrative: 70% is spent on persons working with the institution and 30% on buildings, furniture, equipment and various operating expenditure.

They call on the EESC to limit increases of future budgets to a strict minimum and to finance new or extended activities primarily from savings and rationalisation of existing expenditure.

In parallel, Members reiterate Parliament's call in its resolution on discharge to the EESC for the financial year 2009 to undertake with urgency a comprehensive spending review of all areas of activity to ensure all expenditure is delivering value for money.

They welcome the fact that in its annual report the Court of Auditors concluded, based on its audit work, that the payments as a whole for the year ended 31 December 2010 for the administrative and other expenses of the institutions and bodies were free from material error. However, they point out that the Court of Auditors included observations in its 2010 annual report concerning the reimbursement of travel expenses to EESC members and the awarding of contracts based on a restricted procedure. They welcome the reform of the system for reimbursing expenses to members on the basis of real costs only. They also welcome the changes made as regards confirmation of attendance and reimbursement for taking part in video conferences.

Members also note:

- the publication of the declarations of financial interests of the EESC's members;
- the recent increased interest on the part of EESC members in financial and budgetary matters;
- the fact that the two Committees (the CoR and the European Economic and Social Committee) finally obtained EMAS (EU Eco-Management and Audit Scheme) certification for the use of renewable energies;
- the administrative cooperation agreement between the two Committees is operating satisfactorily, thus enabling them to make budgetary savings.

They suggest, in particular, an enhanced compatibility of the priority budget lines of the two Committees as this would in turn lead to an increase in savings and to additional reinforcement of the inter-institutional cooperation. They call on the EESC to improve the quality of the summary of the internal audit service's activities in order for Parliament to be able to assess the monitoring and control mechanisms at the EESC.

They also call for: i) better financial planning and budgetary management ; ii) an exhaustive table of all the human resources at the EESC's disposal in its annual activity report.

Lastly, Members call on the Ombudsman to inform the Committee on Budgetary Control of the results of the investigations into staff promotion procedures.

2010 discharge: EU general budget, Economic and Social Committee

PURPOSE: to grant discharge to the European Economic and Social Committee for the financial year 2010.

NON-LEGISLATIVE ACT: Decision 2012/556/EU of the European Parliament on discharge in respect of the implementation of the European Union's General Budget, section VI European Economic and Social Committee, for the financial year 2010.

CONTENT: with the present decision, and in accordance with Article 318 of the Treaty on the Functioning of the European Union, the European Parliament grants discharge to the Secretary-General of the European Economic and Social Committee in respect of the implementation of the budget for the financial year 2010.

The decision is in line with the European Parliament's resolution adopted on 10 May 2012 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2012).

2010 discharge: EU general budget, Economic and Social Committee

The European Parliament adopted by 551 votes to 86, with 9 abstentions, a decision to grant discharge to the Committee the Secretary-General of the European Economic and Social Committee (EESC) in respect of the implementation of the budget for the financial year 2010.

In its accompanying resolution, adopted by 502 votes to 89 with 28 abstentions, Parliament emphasises that in its 2010 Annual Report the Court of Auditors identified errors in relation to the recruitment of a permanent member of staff and a procurement procedure for interpreting services. In this regard, it is satisfied with the explanations provided by the Committee of the Regions (CoR) regarding these errors, and with the decisions taken in order to ensure that such situations do not recur.

Parliament notes that in 2010 the European Economic and Social Committee (EESC) had available commitment appropriations amounting to a total of EUR 127.2 million (EUR 122 million in 2009), and that the implementation rate of these appropriations was 98% (also 98% in 2009). It stresses that the EESC budget is purely administrative: 70% is spent on persons working with the institution and 30% on buildings, furniture, equipment and various operating expenditure.

Members call on the EESC to limit increases of future budgets to a strict minimum and to finance new or extended activities primarily from savings and rationalisation of existing expenditure.

In parallel, they reiterate Parliament's call in its resolution on [discharge to the EESC for the financial year 2009](#) to undertake with urgency a comprehensive spending review of all areas of activity to ensure all expenditure is delivering value for money.

They welcome the fact that in its annual report the Court of Auditors concluded, based on its audit work, that the payments as a whole for the year ended 31 December 2010 for the administrative and other expenses of the institutions and bodies were free from material error. However, they point out that the Court of Auditors included observations in its 2010 annual report concerning the reimbursement of travel expenses to EESC members and the awarding of contracts based on a restricted procedure. They welcome the reform of the system for reimbursing expenses to members on the basis of real costs only. They also welcome the changes made as regards confirmation of attendance and reimbursement for taking part in video conferences.

Parliament also notes:

- the publication of the declarations of financial interests of the EESC's members;
- the recent increased interest on the part of EESC members in financial and budgetary matters;
- the fact that the two Committees (the CoR and the European Economic and Social Committee) finally obtained EMAS (EU Eco-Management and Audit Scheme) certification for the use of renewable energies;
- the administrative cooperation agreement between the two Committees is operating satisfactorily, thus enabling them to make budgetary savings.

It suggests, in particular, an enhanced compatibility of the priority budget lines of the two Committees as this would in turn lead to an increase in savings and to additional reinforcement of the inter-institutional cooperation. It calls on the EESC to improve the quality of the summary of the internal audit service's activities in order for Parliament to be able to assess the monitoring and control mechanisms at the EESC.

Parliament also calls for: i) better financial planning and budgetary management ; ii) an exhaustive table of all the human resources at the EESC's disposal in its annual activity report; iii) all opinions issued by the EESC to be attached to the relevant files.

Plenary welcomes the decision taken by the EESC to organise an assessment of its work, as the Committee of the Regions has already done (CAF : Common Assessment Framework), following the recommendation contained in this resolution, as adopted by the Committee on Budgetary Control on 27 March 2012.

Lastly, Members call on the Ombudsman to inform the Committee on Budgetary Control of the results of the investigations into staff promotion procedures.