

Procedure file

Basic information		
DEC - Discharge procedure	2012/2171(DEC)	Procedure completed
2011 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		29/02/2012	
		ECR CZARNECKI Ryszard		
		Shadow rapporteur		
		PPE DEUTSCH Tamás		
		PPE SONIK Bogusław		
		S&D KALFIN Ivailo		
		ALDE SKYLAKAKIS Theodoros		
		Verts/ALE STAES Bart		
		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.
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

Commissioner

[Budget](#)

ŠEMETA Algirdas

Key events

25/07/2012	Non-legislative basic document published	COM(2012)0436	Summary
13/09/2012	Committee referral announced in Parliament		
19/03/2013	Vote in committee		
21/03/2013	Committee report tabled for plenary	A7-0092/2013	Summary
16/04/2013	Debate in Parliament		
17/04/2013	Results of vote in Parliament		
17/04/2013	Decision by Parliament	T7-0128/2013	Summary
17/04/2013	End of procedure in Parliament		
16/11/2013	Final act published in Official Journal		

Technical information

Procedure reference	2012/2171(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/10381

Documentation gateway

Non-legislative basic document	COM(2012)0436	25/07/2012	EC	Summary
Court of Auditors: opinion, report	N7-0127/2012 OJ C 344 12.11.2012, p. 0001	06/09/2012	CofA	Summary
Committee draft report	PE497.968	29/01/2013	EP	

Document attached to the procedure		05752/2013	01/02/2013	CSL	Summary
Amendments tabled in committee		PE506.046	27/02/2013	EP	
Committee report tabled for plenary, single reading		A7-0092/2013	21/03/2013	EP	Summary
Text adopted by Parliament, single reading		T7-0128/2013	17/04/2013	EP	Summary

Final act

[Decision 2013/546](#)
[OJ L 308 16.11.2013, p. 0122](#) Summary

2011 discharge: EU general budget, Court of Auditors

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2011, as part of the 2011 discharge procedure.

Analysis of the accounts of the EU Institutions: Section V Court of Auditors.

Legal reminder: the consolidated annual accounts of the European Union for the year 2011 have been prepared on the basis of the information presented by the institutions and bodies under Article 129.2 of the Financial Regulation applicable to the general budget of the European Union. They were prepared in accordance with Title VII of this Financial Regulation and with the accounting principles, rules and methods set out in the notes to the financial statements.

The objective of the financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of users. The objective is to provide information useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it.

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 2011. It recalls that the 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 or indirect centralised management (by means of bodies or agencies of public law or other); decentralised management where the Commission delegates certain tasks for the implementation of the budget to third countries; and, thirdly, shared management where budget implementation tasks are delegated to Member States, in areas such as agricultural expenditure 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 (the consolidated financial statements of the EU comprise all significant controlled entities institutions, organisations and agencies, this being 50 controlled entities, 5 joint ventures and 4 associates). In comparison with 2010, the scope of consolidation has been extended by 7 controlled entities (one institution, 6 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 (cash advances intended for the benefit of an EU organ);
- 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 recap, 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. When granting the discharge, Parliament may highlight some observations that it considers important, often by recommending that the Commission takes action on the aspects in question.

The document also details specific expenditure of the institutions, in particular: i) pensions of former Members and functionaries of institutions; ii) joint sickness insurance scheme and iii) buildings.

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.

2) Implementation of appropriations under Section V of the budget for the financial year 2011: the document also comprises a series of detailed tables, the most important of which concern the implementation of the budget. Concerning the Court of Auditor's expenditure, information drawn from the [Annual Activity Report 2011 Court of Auditors of the European Union](#) shows the following financial information:

- final appropriations: 2011: EUR 144.331 million;
- commitments: EUR 134.337 million (rate of commitments entered into: 93%);
- payments: EUR 121.250 million.

3) Budgetary implementation - conclusions: the main characteristics of the Court of Auditors budgetary implementation for the financial year 2011 were chiefly marked by:

- 42 specific annual reports published on the EU's agencies, decentralised bodies
- and other institutions including annual reports on the EU budget and on the European Development Fund (EDF) for the 2010 financial year;
- 16 special reports adopted on specific budgetary areas or management topics
- 7 opinions providing contributions on budget reform, such as the modernisation of public procurement policy and the Commission's legislative proposal for the rules governing Cohesion spending after 2013
- Position paper on the consequences for public accountability and public audit in the EU and the role of the European Court of Auditors (ECA) in the light of the current financial and economic crisis.
- The budget implementation was also notable for:
 - the putting in place of performance indicators on the quality and impact of the work of the Court;
 - adoption of ethical guidelines for the audit management framework;
 - revision of the auditing and reporting processes;
 - deployment of staff from administration to core audit tasks;
- major construction work on the ECAs second extension building project (construction of building K3 at an estimated total cost of EUR 79 million).

2011 discharge: EU general budget, Court of Auditors

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) in which it calls on the European Parliament to grant the Secretary-General of the Court of Auditors discharge in respect of the implementation of the Court of Auditors' budget for the financial year 2011.

Members note that the Court of Auditors' annual accounts are audited by an independent external auditor in order to apply the same principles of transparency and accountability that it applies to its auditees. They emphasise that in 2011, the Court of Auditors' commitment appropriations amounted to a total of EUR 134.337 million and the implementation rate for those appropriations was 93% last year. They encourage the Court of Auditors to continue to assess the quality and impact of its work.

Moreover, Members encourage the Court of Auditors to examine what lessons can be learned from the recently revealed harassment case and call for preventive measures to safeguard against workplace harassment and for details of all measures taken in respect of staff in the private offices of Members of the Court of Auditors.

On an operational level, Members note that the Court of Auditors made a total of 379 audit visits in 2011, 343 to Member States and 36 to third countries. They call on the Court of Auditors to increase both the number and effectiveness of on-site audit visits. In this respect, they reported a total of seven cases of suspected fraud arising from its audit work to the European Anti-Fraud Office (OLAF).

Lastly, they agree with the internal audit service recommendations to create a new set of key performance indicators to measure the implementation of that strategy.

2011 discharge: EU general budget, Court of Auditors

The European Parliament adopted by 558 votes to 40, with 11 abstentions, a decision to grant the Secretary-General of the Court of Auditors discharge in respect of the implementation of the Court of Auditors' budget for the financial year 2011.

In its resolution accompanying the discharge decision, Parliament noted that the Court of Auditors' annual accounts are audited by an independent external auditor in order to apply the same principles of transparency and accountability that it applies to its auditees. It emphasises that in 2011, the Court of Auditors' commitment appropriations amounted to a total of EUR 134.337 million and the implementation rate for those appropriations was 93% last year. It encourages the Court of Auditors to continue to assess the quality and impact of its work.

Staff: Parliament welcomes the reinforcement of audit posts in 2011, compared to the number of staff in other services. Plenary points to the considerable geographical imbalance as regards director posts: four nationals from the United Kingdom and one national from France, Spain, Belgium, Denmark, Greece, Ireland and Italy. It finds the gender balance at the level of Directors and Heads of Units still very unbalanced (72% male and 28% female) and points out the importance of geographical balance at all levels of staff. Members request that the Court of Auditors also provide a breakdown by nationality. Parliament calls on the Court of Auditors to maintain the best possible working environment for its staff and its Members in the future. It encourages the Court of Auditors to examine what lessons can be learned from the recently revealed harassment case and whether the procedure applied during the investigation by the Court of Auditors was fully in line with its Rules of Procedure. It calls for preventive measures to safeguard against workplace harassment and for details of all measures taken in respect of staff in the private offices of Members of the Court of Auditors.

On an operational level, Parliament notes that the Court of Auditors made a total of 379 audit visits in 2011, 343 to Member States and 36 to third countries. It calls on the Court of Auditors to increase both the number and effectiveness of on-site audit visits. It agrees with the internal audit service recommendations to create a new set of key performance indicators to measure the implementation of that strategy.

OLAF: lastly, Parliament notes that certain cases brought to light by the Court have been transferred to OLAF which is currently dealing with them. They concern 17 cases of possible suspected fraud to OLAF arising from denunciation letters received by the Court of Auditors. Parliament supports the Court of Auditors' continuous close cooperation with OLAF, and urges the Court of Auditors to assess whether and, if

so, how this number can be increased in relation to the overall image, action and effectiveness of the Court of Auditors in this sector.

2011 discharge: EU general budget, Court of Auditors

PURPOSE: to grant discharge to the Court of Auditors for the financial year 2011.

NON-LEGISLATIVE ACT: Decision 2013/546/EU of the European Parliament on discharge in respect of the implementation of the European Unions General Budget, section V Court of Auditors, for the financial year 2011.

CONTENT: with the present decision, and in accordance with Article 318 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament grants discharge to the Secretary-General of the Court of Auditors in respect of the implementation of the budget for the financial year 2011.

The decision is in line with the European Parliament's resolution adopted on 17 April 2013 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 17 April 2013).