










Procedure file

| Basic information | | |
|---|----------------|---------------------|
| DEC - Discharge procedure | 2016/2158(DEC) | Procedure completed |
| 2015 discharge: EU general budget, European Ombudsman | | |
| Subject 8.70.03.05 2015 discharge | | |

| Key players | | | |
|--|---|--|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | CONT Budgetary Control |  JÁVOR Benedek | 08/08/2016 |
| | | Shadow rapporteur | |
| | |  MARINESCU Marian-Jean | |
| | |  IVAN Cătălin Sorin | |
| | |  CZARNECKI Ryszard | |
| | |  THEURER Michael | |
| | |  VALLI Marco | |
| | |  KAPPEL Barbara | |
| | Committee for opinion | Rapporteur for opinion | Appointed |
| PETI Petitions | The committee decided not to give an opinion. | | |
| REGI Regional Development | The committee decided not to give an opinion. | | |
| AFCO Constitutional Affairs | The committee decided not to give an opinion. | | |
| DEVE Development | The committee decided not to give an opinion. | | |
| CULT Culture and Education | The committee decided not to give an opinion. | | |
| AFET Foreign Affairs | The committee decided not to give an opinion. | | |
| PECH Fisheries | The committee decided not to give an opinion. | | |
| AGRI Agriculture and Rural Development | The committee decided not to give an opinion. | | |
| ENVI Environment, Public Health and Food Safety | The committee decided not to give an opinion. | | |
| EMPL Employment and Social Affairs | The committee decided not to give an opinion. | | |

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|------------------------|---|---|
| European Commission | BUDG Budgets | The committee decided not to give an opinion. |
| | ITRE Industry, Research and Energy | The committee decided not to give an opinion. |
| | JURI Legal Affairs | The committee decided not to give an opinion. |
| | ECON Economic and Monetary Affairs | The committee decided not to give an opinion. |
| | LIBE Civil Liberties, Justice and Home Affairs | The committee decided not to give an opinion. |
| | INTA International Trade | 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. |
| | FEMM Women's Rights and Gender Equality | The committee decided not to give an opinion. |
| Commission DG | Commissioner | |
| Budget | GEORGIEVA Kristalina | |

Key events

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|------------|--|---|---------|
| 10/07/2016 | Non-legislative basic document published | COM(2016)0475 | Summary |
| 04/10/2016 | Committee referral announced in Parliament | | |
| 22/03/2017 | Vote in committee | | |
| 31/03/2017 | Committee report tabled for plenary | A8-0142/2017 | Summary |
| 26/04/2017 | Debate in Parliament |  | |
| 27/04/2017 | Results of vote in Parliament |  | |
| 27/04/2017 | Decision by Parliament | T8-0153/2017 | Summary |
| 27/04/2017 | End of procedure in Parliament | | |
| 29/09/2017 | Final act published in Official Journal | | |

Technical information

| | |
|----------------------------|---------------------------|
| Procedure reference | 2016/2158(DEC) |
| Procedure type | DEC - Discharge procedure |
| Other legal basis | Rules of Procedure EP 159 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | CONT/8/07406 |

Documentation gateway

| | | | | |
|--|----------------------------|------------|-----|---------|
| Non-legislative basic document | COM(2016)0475 | 11/07/2016 | EC | Summary |
| Committee draft report | PE593.845 | 07/02/2017 | EP | |
| Supplementary non-legislative basic document | 05876/2017 | 17/02/2017 | CSL | Summary |

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|---|--|------------------------------|------------|----|---------|
| Amendments tabled in committee | | PE600.918 | 07/03/2017 | EP | |
| Committee report tabled for plenary, single reading | | A8-0142/2017 | 31/03/2017 | EP | Summary |
| Text adopted by Parliament, single reading | | T8-0153/2017 | 27/04/2017 | EP | Summary |

Final act

Budget 2017/1626
[OJ L 252 29.09.2017, p. 0136](#) Summary

2015 discharge: EU general budget, European Ombudsman

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

Analysis of the accounts of the EU Institutions: European Ombudsman.

Legal reminder: the consolidated annual accounts of the European Union for the year 2015 have been prepared on the basis of the information presented by the institutions and bodies under Article 148(2) of the Financial Regulation applicable to the general budget of the European Union.

(1) Governance and budgetary principles: the organisational governance of the EU consists of institutions, agencies and other EU bodies. The main institutions in the sense of being responsible for drafting policies and taking decisions are the EP, the European Council, the Council and the Commission.

The EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the Multiannual Financial Framework (MFF), the Commission carries out specific programmes, activities and projects in the field.

The budget is prepared by the Commission and usually agreed in mid-December by the Parliament and the Council, based on the procedure of Art. 314 TFEU.

According to the principle of budget equilibrium, the total revenue must equal total expenditure (payment appropriations) for a given financial year.

EU revenues: the EU has two main categories of funding: own resources revenues and sundry revenues. Own resources can be divided into traditional own resources (such as custom levies), the own resource based on value added tax (VAT) and the resource based on gross national income (GNI). Sundry revenues arising from the activities of the EU (e.g. competition fines) normally represent less than 10 % of total revenue. Own resources revenue make up the vast majority of EU funding.

Expenditure of the EU institutions: the EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- Direct management: the budget is implemented directly by the Commission services.
- Indirect management: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, such as the EU agencies.
- Shared management: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

Consolidated annual accounts of the EU: this Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It also presents the accounting principles applicable to the European budget (in particular, consolidation).

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.

Audit and discharge: the EU's annual accounts and resource management are audited by the European Court of Auditors, its external auditor, which as part of its activities draws up for the European Parliament and the Council:

- an annual report on the activities financed from the general budget, detailing its observations on the annual accounts and underlying transactions;
- an opinion, based on its audits and given in the annual report in the form of a statement of assurance, on (i) the reliability of the accounts and (ii) the legality and regularity of the underlying transactions involving both revenue collected from taxable persons and payments to final beneficiaries.

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 (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. This discharge procedure may produce three outcomes: (i) the granting; (ii) postponement; (iii) or the refusal of the discharge.

The document also 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 the Ombudsmans appropriations for the financial year 2015: the document comprises a series of detailed annexes, the most important concerning the implementation of the budget. As regards the Ombudsmans expenditure, the document stated that the available appropriations in 2015 amounted to EUR 11 million, with an implementation rate of payments of 86.37%.

As regards the implementation of the Ombudsmans budget, the [2015 Annual Activity Report](#) stated that the Ombudsman concentrated on the three way strategy to improve the impact, relevance and visibility of the office.

This year was characterised by the following:

- conducting strategic inquiries into problems in EU institutions (17 033 complaints of which 2007 were handled and 1060 requested were replied to by the Ombudsman 261 inquiries were opened on the basis of complaints and 277 were closed);
- enhancing transparency in EU-US trade negotiations, for example, the Commission made great strides in proactively publishing many Transatlantic and Trade Investment (TTIP) documents;
- combating against revolving door cases (to prevent former officials being hired by private organisations to put pressure on the Commission through lobbying);
- strengthening the transparency of activities of the European Central Bank and Frontex (to ensure that the fundamental rights of migrants who are forcibly returned from the EU are respected).

2015 also saw the launch of reform proposals for the European Network of Ombudsmen (ENO), such as conducting parallel inquiries at the national and European level.

2015 discharge: EU general budget, European Ombudsman

Based on the observations contained in the report by the Court of Auditors, the Council called on the European Parliament to grant discharge to all of the EU institutions in respect of the implementation of their respective budgets for the financial year 2015.

The Council welcomed that the administrative and related expenditure of the EU institutions remained free from material error with an estimated level of error of 0.6 %, which is well below the materiality threshold. It noted with satisfaction that no serious weaknesses were identified by the Court in the supervisory and control systems and in the examined annual activity reports.

The Council took note of a limited number of errors detected by the Court, notably in the recruitment and procurement procedures and in the management of staff allowances.

2015 discharge: EU general budget, European Ombudsman

The Committee on Budgetary Control adopted the report by Benedek JÁVOR (Greens/EFA, HU) calling on the European Parliament to give discharge to the European Ombudsman in respect of the implementation of the budget of the European Ombudsman for the financial year 2015.

It welcomed the fact that the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the Ombudsman. The Court concluded that the payments as a whole for the year ended on 31 December 2015 for administrative and other expenditure of the institutions and bodies were free from material error.

Financial and budgetary management: the Ombudsmans budget is purely administrative and amounted in 2015 to EUR 10 346 105 (EUR 9 857 002 in 2014). The total appropriations, 92.32 % were committed (compared to 97.87 % in 2014) and 86.19 % paid (compared to 93.96 % in 2014), with a utilisation rate of 92.32 % (compared to 97.87 % in 2014). The utilisation rate continued to decrease in 2015. The lowering of the utilisation rate in 2015 influenced the Ombudsmans decision to reduce several budget lines, namely, those for missions, representation expenses and publications, and translations.

Ombudsmans actions: Members made a series of observations and recommendations on the management of the Ombudsman:

- extend the scope of the concept of performance-based budgeting (PBB) in its daily activities: this concept should not apply only to the Ombudsmans budget as a whole but should also include the setting of specific, measurable, attainable, realistic and time-based (SMART) targets to individual departments, units and staffs annual plans;
- improve the transparency of recruitment conditions and processes;
- ensure that an updated version of its organisational chart is available on its website;
- analyse the situation and to work out rules in order to avoid conflicts of interests if it considers it to be necessary;
- monitor the implementation of internal rules for the protection of whistleblowers on an ongoing basis and to evaluate whether they provide appropriate protection for Parliaments accredited parliamentary assistants
- interpret maladministration as widely as possible when performing its duties and to develop closer cooperation with Parliaments Committee on budgetary control in its strategic work.

The report noted that the results achieved in the complaints handling in 2015 and welcomed the fact that the Union institutions complied with the Ombudsman's proposals at a rate of 90 %. The Ombudsman is called upon to provide a breakdown of compliance of the Union institutions with its proposals in its annual activity reports.

Members welcomed the achievement of gender balance at management level in 2015 but called on the Ombudsman to correct this geographic imbalance at middle and senior management level, and, in particular, the overrepresentation of managers emanating from the Member State of which the Ombudsman is a national.

Lastly, Members welcomed the provision of exhaustive information on all the human resources at the Ombudsmans disposal, broken down according to grade, sex and nationality. That information be automatically included in the Ombudsmans annual activity report. They expected

the Ombudsman to continue to strive for consistent quality in its annual activity report.

2015 discharge: EU general budget, European Ombudsman

The European Parliament decided to grant discharge to the European Ombudsman in respect of the implementation of the budget of the European Ombudsman for the financial year 2015.

In its resolution accompanying the decision on discharge, adopted by 529 votes to 91 with 12 abstentions, Parliament welcomed the fact that the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the Ombudsman.

The payments as a whole for the year ended on 31 December 2015 for administrative expenditure were free from material error.

Financial and budgetary management: the Ombudsmans budget amounted in 2015 to EUR 10 346 105 (EUR 9 857 002 in 2014). The total appropriations, 92.32 % were committed (compared to 97.87 % in 2014) and 86.19 % paid (compared to 93.96 % in 2014).

The utilisation rate continued to decrease in 2015. The lowering of the utilisation rate in 2015 influenced the Ombudsmans decision to reduce several budget lines, namely, those for missions, representation expenses and publications, and translations.

Ombudsmans actions: Members welcomed the efficient implementation of the annual management plan in 2015 within the strategy towards 2019. The large majority of the targets settled by the Ombudsman to assess its performance through key performance indicators were reached.

Members made a series of observations and recommendations on the management of the Ombudsman:

- extend the scope of the concept of performance-based budgeting (PBB) in its daily activities: this concept should not apply only to the Ombudsmans budget as a whole but should also include the setting of specific, measurable, attainable, realistic and time-based (SMART) targets to individual departments, units and staffs annual plans;
- improve the transparency of recruitment conditions and processes;
- ensure that an updated version of its organisational chart is available on its website;
- analyse the situation and to work out rules in order to avoid conflicts of interests if it considers it to be necessary;
- monitor the implementation of internal rules for the protection of whistleblowers on an ongoing basis and to evaluate whether they provide appropriate protection for Parliaments accredited parliamentary assistants;
- inform the discharge authority regularly about the impact of its inquiries;
- interpret maladministration as widely as possible when performing its duties and to develop closer cooperation with Parliaments Committee on budgetary control in its strategic work.

As regards the handling of complaints, Parliament welcomed the fact that the Union institutions complied with the Ombudsman's proposals at a rate of 90 %. The Ombudsman is called upon to provide a breakdown of compliance of the Union institutions with its proposals in its annual activity reports.

While welcoming the fact that gender balance was achieved at management level in 2015, Members called on the Ombudsman to correct the geographic imbalance at middle and senior management level, and, in particular, the overrepresentation of managers emanating from the Member State of which the Ombudsman is a national.

Lastly, Members welcomed the provision of exhaustive information on all the human resources at the Ombudsmans disposal, broken down according to grade, sex and nationality. That information be automatically included in the Ombudsmans annual activity report.

2015 discharge: EU general budget, European Ombudsman

PURPOSE: to grant discharge to the European Ombudsman for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1626 of the European Parliament on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section VIII European Ombudsman.

CONTENT: with the present decision, the European Parliament grants the European Ombudsman discharge in respect of the implementation of the budget of the European Ombudsman for the financial year 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27 April 2017).

Amongst Parliaments main observations in the resolution accompanying the discharge decision, the latter called for further improvement of the transparency of recruitment conditions and processes. It welcomed the continuation of the Ombudsman's investigations into revolving door cases in the Commission.

As regards the process of introducing internal rules for the protection of whistleblowers, Parliament asked the Ombudsman to monitor the implementation of those rules on an ongoing basis and to evaluate whether they provide appropriate protection for Parliament's accredited parliamentary assistants.

The clear geographic imbalance at middle and senior management level should also be remedied according to Parliament.