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**A8-0116/2015**

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# REPORT

on discharge in respect of the implementation of the general budget of the  
European Union for the financial year 2013, Section II – European Council and  
Council  
(2014/2079(DEC))

Committee on Budgetary Control

Rapporteur: Ryszard Czarnecki

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## **1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION**

**on discharge in respect of the implementation of the general budget of the European Union for the financial year 2013, Section II – European Council and Council (2014/2079(DEC))**

*The European Parliament,*

- having regard to the general budget of the European Union for the financial year 2013<sup>1</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2013 (COM(2014)0510 – C8-0148/2014)<sup>2</sup>,
  - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2013, together with the institutions' replies<sup>3</sup>,
  - having regard to the statement of assurance<sup>4</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
  - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup>,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>6</sup>, and in particular Articles 55, 99, 164, 165 and 166 thereof,
  - having regard to Rule 94 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0116/2015),
1. Postpones its decision on granting the Secretary-General of the Council discharge in respect of the implementation of the budget of the European Council and of the Council for the financial year 2013;
  2. Sets out its observations in the resolution below;

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<sup>1</sup> OJ L 66, 8.03.2014.

<sup>2</sup> OJ C 403, 13.11.2014, p. 1.

<sup>3</sup> OJ C 398, 12.11.2014, p. 1.

<sup>4</sup> OJ C 403, 13.11.2014, p.128.

<sup>5</sup> OJ L 248, 16.9.2002, p. 1.

<sup>6</sup> OJ L 298, 26.10.2012, p. 1.

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

## 2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2013, Section II – European Council and Council (2014/2079(DEC))**

*The European Parliament,*

- having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2013, Section II – European Council and Council,
  - having regard to the Decision of the European Ombudsman of 26 February 2015 closing her own-initiative inquiry OI/1/2014/PMC concerning whistleblowing,
  - having regard to Rule 94 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0116/2015),
- A. Whereas all Union institutions ought to be transparent and fully accountable to the citizens of the Union for the funds entrusted to them as Union institutions;
- B. Whereas in the absence of replies to Parliament's questions and the lack of sufficient information, Parliament is not in the position to make an informed decision about granting the discharge;
1. Notes that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2013 for administrative and other expenditure of the institutions and bodies were free from material error;
  2. Takes note that in its 2013 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics for the European Council and the Council;
  3. Notes that in 2013, the European Council and the Council had an overall budget of EUR 535 511 300 (EUR 533 920 000 in 2012), with an implementation of 86,7 %; regrets the decrease of the utilisation rate in 2013, compared to 91,8 % in 2012;
  4. Is concerned that the underspending rate continues to be high and relates to almost all categories; reiterates its calls for the development of key performance indicators to improve the budgetary planning for the coming years;
  5. Takes note that EUR 71 376 244 of commitments were cancelled in 2013 due to underspending and a reduction in the use of facilities;
  6. Is surprised to learn that EUR 5 million committed for the acquisition of the 'Europa' building was carried over to 2014 for actual payment; considers this balance, in addition to other appropriations carried over, as going against the principles of annuality and

sound financial management of the Financial Regulation;

7. Reiterates that the budget of the European Council and the Council should be separated in order to contribute to the transparency of the financial management of the institutions and to improve the accountability of both institutions;
8. Reiterates its call on the European Council and the Council to send Parliament their annual activity report with a comprehensive overview of all human resources available to both institutions, broken down by category, grade, sex, nationality and vocational training; notes that this table should be automatically included in the annual activity report of the institutions;
9. Welcomes the establishment of the Audit Committee in the Council's General Secretariat and the adoption of a new internal audit charter; asks the Council to keep Parliament informed of the benefits and results of these changes;
10. Regrets that in 2013, there was a decrease in the implementation of the follow-up remarks made by the internal audit; agrees with the Council on "the importance of timely implementation of audit recommendations"<sup>1</sup>; expects this procedure to be carried out without delay;
11. Is concerned by the delayed implementation of audit recommendations by the translation service;
12. Observes with concern the enormous disparities in translation costs for the different Union institutions; asks consequently that the Interinstitutional Working Group on Translation identify the causes of these disparities and put forward solutions that will bring this imbalance to an end and produce harmonised translation costs that fully respect quality and linguistic diversity; notes, with this in mind, that the Working Group should relaunch a collaboration between the institutions in order to share best practices and outcomes and identify those areas in which cooperation or agreements between the institutions may be strengthened; notes that the Working Group should also aim to establish a unified methodology for presentation of translation costs which all the institutions can use, in order to simplify the analysis and comparison of these costs; notes that the Working Group should present the results of this work before the end of 2015; calls on all the institutions to be actively involved in the work of the Interinstitutional Working Group; recalls in this regard the fundamental importance of respect for multilingualism in the Union institutions in order to guarantee equal treatment and equal opportunities for all Union citizens;
13. Considers that at a time of crisis and budgetary cuts in general, the cost of 'away days' for staff at the Union institutions has to be reduced and that these should take place, where possible, on the institutions' own premises as the added value derived from these away days does not justify such high costs;
14. Is concerned by the shortage of women in positions of responsibility in Union

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<sup>1</sup> Summary of 2013 Annual Activity Report by the Internal Auditor of the General Secretariat of the Council, page 2.

institutions; calls on the Council to set in motion an equal opportunities plan referring especially to management posts, with the aim of correcting this imbalance as soon as possible;

15. Regrets that the drafting of a handbook for the management of building projects has been delayed;
16. Takes note that some of the audit recommendations on the 'Europa' building project are still lagging behind execution; reiterates its call for the Council to provide a thorough written explanation detailing the total amount of appropriations used in the purchase of the building;
17. Demands that the institution's building policy be attached to its annual activity report, especially given that it is important that the costs of such a policy are properly rationalised and that such costs are not excessive;
18. Takes note of the zero growth (0,3 %) (EUR 1,6 million) in the Council's budget for 2013; considers it a positive trend and expects it to continue in the coming years;
19. Calls on the Council to cooperate with other institutions to come up with a unified methodology of presenting translation costs in order to simplify the analysis and comparison of the costs;
20. Is concerned by the delayed adoption of the internal whistleblowing rules; calls on the Council to implement these without further delay;
21. Calls on the Council to include in its annual activity reports, in compliance with the existing rules on confidentiality and data protection, the results and consequences of closed OLAF cases, where the institution or any of the individuals working for it were the subject of the investigation;

#### ***Reasons of postponement of the decision on granting discharge***

22. Reiterates that the Council ought to be transparent and fully accountable to Union citizens for the funds entrusted to it as a Union institution; stresses that this implies that the Council shall take part fully and in good faith in the annual discharge procedure, just as the other institutions do; considers, in this regard, that effective supervision of the Union's budget implementation requires cooperation between Parliament and the Council through a working arrangement; regrets the difficulties encountered in the discharge procedures to date; takes note, nonetheless, of the interest shown by the current Presidency of the Union in reconciling positions, as well as of the letter from the Secretary General of the Council in response to questions tabled by the Committee on Budgetary Control in which he expresses his willingness to support actively tangible measures to reach a 'modus vivendi' as called for by Parliament in its resolution of 23 October 2014<sup>1</sup>; stresses the need to improve the capacity for dialogue between the two institutions in order to find a solution as soon as possible that will enable compliance with the Treaty mandate and accountability to citizens;

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<sup>1</sup> OJ L 334, 21.11.2014, p. 95.

23. Reiterates that it is only possible to implement effective budgetary control with the cooperation of Parliament and the Council, the main elements of which must comprise of formal meetings between representatives of the Council and Parliament's Committee on Budgetary Control, answering questions asked by the committee's members on the basis of a written questionnaire and submitting documents to serve as background material for budgetary controls on request;
24. Reiterates that without the cooperation of the Council as stated above, Parliament is not in the position to make an informed decision on granting discharge;
25. Agrees with the Commission's views in its letter of 23 January 2014 to Parliament that it is desirable for Parliament to continue to give, postpone or refuse discharge to the other institutions – including the Council – as has been the case up until now;
26. Fully endorses and supports the Commission's views in its letter that all institutions are fully part of the follow-up process to the observations made by Parliament in the discharge exercise and that all institutions should cooperate to ensure the smooth functioning of the discharge procedure in full respect of the relevant provisions in the Treaty on the Functioning of the European Union and the relevant secondary law;
27. Advises the Council that the Commission stated in its letter that it will not oversee the implementation of the budgets of the other institutions and that giving a response to questions addressed to another institution would infringe upon the autonomy of that institution to implement its own section of the budget; recalls that Parliament grants discharge to the other institutions after considering the documents provided and the replies given to the questions; regrets that Parliament repeatedly encounters problems in receiving answers from the Council;
28. Considers it democratic for Parliament to exercise its power to grant discharge pursuant to Articles 316, 317 and 319 of the Treaty on the Functioning of the European Union in line with current interpretation and practice, namely to grant discharge to each heading of the budget individually in order to maintain transparency and democratic accountability towards Union taxpayers; affirms, therefore, that granting or not granting discharge is a duty Parliament has towards the Union citizens;
29. Is of the opinion that the discharge-related legal framework of the Union should be revised in order to clarify the discharge making process;
30. Regrets the fact that not all the Union institutions respect the same standards in relation to transparency and believes that the Council should make improvements in that regard.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	23.3.2015
<b>Result of final vote</b>	+: 27 -: 0 0: 0
<b>Members present for the final vote</b>	Nedzhmi Ali, Inés Ayala Sender, Zigmantas Balčytis, Ryszard Czarnecki, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Ingeborg Gräßle, Rina Ronja Kari, Bogusław Liberadzki, Verónica Lope Fontagné, Monica Macovei, Fulvio Martusciello, Dan Nica, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Igor Šoltes, Bart Staes, Michael Theurer, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Joachim Zeller
<b>Substitutes present for the final vote</b>	Caterina Chinnici, Iris Hoffmann, Andrey Novakov
<b>Substitutes under Rule 200(2) present for the final vote</b>	Laura Ferrara