



Plenary sitting

A8-0089/2018

23.3.2018

REPORT

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section V – Court of Auditors (2017/2140(DEC))

Committee on Budgetary Control

Rapporteur: Ingeborg Gräßle

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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 2016, Section V – Court of Auditors (2017/2140(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2016¹,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017)0365 – C8-0251/2017)²,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' replies³,
 - having regard to the statement of assurance⁴ 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 2016, 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 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 1605/2002⁵, and in particular Articles 55, 99, 164, 165 and 166 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0089/2018),
1. Grants the Secretary-General of the Court of Auditors discharge in respect of the implementation of the budget of the Court of Auditors for the financial year 2016;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Court of Auditors, the European Council, the Council, the Commission, the Court of Justice of the European Union, 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).

¹ OJ L 48, 24.2.2016.

² OJ C 323, 28.9.2017, p. 1.

³ OJ C 322, 28.9.2017, p. 1.

⁴ OJ C 322, 28.9.2017, p. 10.

⁵ OJ L 298, 26.10.2012, p. 1.

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 2016, Section V – Court of Auditors (2017/2140(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 2016, Section V – Court of Auditors,
 - having regard to the European Parliament resolution of 4 February 2014 on the future role of the Court of Auditors¹,
 - having regard to Regulation (EU, EURATOM) 2015/1929 of the European Parliament and of the Council of 28 October 2015 amending Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0089/2018),
- A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;
1. Notes that the annual accounts of the Court of Auditors (the 'Court') are audited by an independent external auditor - PricewaterhouseCoopers Sàrl - in order to apply the same principles of transparency and accountability that the Court applies to its auditees; takes note of the auditor's opinion that 'the financial statements give a true and fair view of the financial position of the Court';
 2. Emphasises that in 2016, the Court's final appropriations amounted to a total of EUR 137 557 000 (compared to EUR 132 906 000 in 2015) and that the overall rate of implementation for the budget was 99 %;
 3. Stresses that the Court's budget is entirely administrative, being used on expenditure concerning persons working within the institution, buildings, movable property equipment and miscellaneous operating expenditure;
 4. Notes that under the current discharge procedure, annual activity reports are submitted to the Court in June, submitted by the Court to the Parliament in October and voted in plenary by May; notes that by the time discharge is closed, if not postponed, at least 17 months have passed since the closing of annual accounts; points out that auditing in the private sector follows a much stricter timeline; stresses that the discharge procedure needs to be streamlined and sped up; requests that the Court follows the good example

¹ Text adopted, P7_TA(2014)0060

set by the private sector and proposes to set a deadline for the submission of annual activity reports for 31 March of the following year, a deadline for the submission of the Court's reports for 1 July and subsequently to review the timetable for the discharge procedure as set down in Article 5 of Annex IV to Parliament's Rules of Procedure so that the vote on the discharge can be held in the plenary part-session of November, thereby closing the discharge procedure within the year following the accounting year in question;

5. Welcomes the overall prudent and sound financial management of the Court in the 2016 budget period; expresses support for the successful paradigm shift towards performance-based budgeting in the Commission's budget planning introduced by Vice-President Kristalina Georgieva in September 2015 as part of the 'EU Budget Focused on Results' initiative; encourages the Court to apply the method to its own budget-planning procedure;
6. Takes note of the Court's opinion No 1/2017 on the revision of the Financial Regulation where it is proposed to update the arrangement for auditing the decentralised agencies; regrets that in the context of the revision of the Financial Regulation, no inter-institutional agreement could be found which would ensure a reduction of the administrative burden resulting from the current arrangement; invites the Court to make a proposal on how the current arrangement could be improved and how such an improvement could contribute to the synchronisation of the Court's annual report and the annual reports on the agencies;
7. Notes the creation of a high-level working group to work on improving the added value of the annual report for its users; calls on the Court to share the criteria used in this exercise with the Parliament;
8. Regrets that the extent of considerations in Chapter 10 of the annual report remains limited; asks the Court to provide more detailed data on each institution in order to achieve a better view of the weaknesses in administrative expenditures; considers that country specific reporting by the Court for every Member State would be welcome in the future;
9. Regrets that prior to 2016, there was a gender imbalance of three women to 25 men within the members of the Court; welcomes that the number of women went up to four in 2016; reiterates its support for the criteria for appointment of Members of the Court endorsed in its resolution on the future role of the Court of Auditors adopted on 4 February 2014¹;
10. Notes that the Court reformed its chambers and committees in 2016 with significant impact on the preparation of its work; notes also that this reform is complementary to the introduction of a task-based organisation and the establishment of an institution-wide network to strengthen knowledge management; commends the Court for the reforms and looks forward to receiving the assessment report of the new measures;

¹ Text adopted, P7_TA(2014)0060

11. Notes that the 13-month target timeframe for producing the special reports has not yet been met; maintains that the Court has to respect this timeframe without compromising the quality of the reports and the targeting of its recommendations;
12. Welcomes the good cooperation of the Court with Parliament's Committee on Budgetary Control, particularly with regard to presenting and following up on the special reports; considers that the presentation of those reports in the specialised committees of Parliament after they have been presented to the Committee on Budgetary Control allows for essential follow-up on the activities they evaluate and raises awareness of the implementation and cost-effectiveness of Union policies;
13. Finds the cooperation and exchange of practices between the Court and the Member States' Supreme Audit Institutions very positive; encourages the Court to continue this collaboration;
14. Observes that the Court is complying with the interinstitutional agreement to reduce staff by 5% over a period of five years; is concerned that, as a result, the remaining resources available in each service do not allow for absorption of additional workload; calls on the budgetary authorities to be mindful of the long-term impact of staff cuts, in particular regarding the institution's ability to improve gender and geographical imbalances as well as the need for building on the capacity of experienced officials to take over management posts, when planning the future allocation of financial resources for personnel;
15. Notes the improvement of gender balance at managerial level in 2016; notes also that the equal opportunities action plan 2013-2017 is being evaluated; calls on the Court to continue promoting gender balance, in particular at managerial level, and report on the strategy and results of the action plan;
16. Notes the creation of a post-graduate university diploma in 'Audit of public organisations and policies'" and a master's degree programme on 'Management of public organisations' in cooperation with the University of Lorraine, targeting the continuous professional development of the staff of the Court; asks the Court to provide the discharge authority with further information about the agreements related to the creation of these programmes;
17. Notes the increased amount of outsourced translation in 2016, particularly in August; takes note of the Court's justification and calls for a better organisation of its internal translation services in order to generate economic savings;
18. Notes the summary of the Court's building policy included in its 2016 annual activity report;
19. Notes that the Court followed the Parliament's recommendation on the use of official vehicles in the 2015 discharge resolution in a phased manner; finds that the actions taken to rationalise the management of the fleet go in the right direction; welcomes the new interinstitutional call for tender on car leasing launched in 2016, which aims to generate economic savings in this regard;
20. Supports the Court's e-publishing policy and its achievements in lowering its

environmental footprint; regrets that the website of the Court does not offer a user-friendly search system and asks for an effective improvement of the accessibility of reports;

21. Notes that the negotiations between the Court and the European Anti-Fraud Office (OLAF) on an administrative arrangement are ongoing and foreseen to be concluded in 2018; calls on the Court to inform Parliament of the progress in the negotiations;
22. Reiterates its calls on the Court to inform the Parliament, in compliance with the existing rules on confidentiality and data protection, of closed OLAF cases, where the Court or any of the individuals working for it were the subject of the investigation;
23. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;
24. Welcomes the Court's ethical framework to prevent conflicts of interest as well as misconducts and unethical behaviours by staff and Members; stresses the importance of ensuring and guaranteeing the independence of its Members; welcomes the planned audit on the ethical framework of selected Union institutions in 2018;
25. Regrets the decision by the United Kingdom to withdraw from the European Union; observes that at this point no predictions can be made about the financial, administrative, human and other consequences related to the withdrawal, asks the Court to perform impact assessments and inform the Parliament on the results by the end of 2018.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	20.3.2018
Result of final vote	+: 21 -: 2 0: 0
Members present for the final vote	Nedzhmi Ali, Inés Ayala Sender, Zigmantas Balčytis, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Raffaele Fitto, Ingeborg Gräßle, Cătălin Sorin Ivan, Jean-François Jalkh, Arndt Kohn, Notis Marias, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Indrek Tarand, Marco Valli, Derek Vaughan, Tomáš Zdechovský, Joachim Zeller
Substitutes present for the final vote	Julia Pitera, Miroslav Poche

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

21	+
ALDE	Nedzhmi Ali, Martina Dlabajová
EFDD	Marco Valli
ENF	Jean-François Jalkh
GUE/NGL	Dennis de Jong
PPE	Tamás Deutsch, Ingeborg Gräßle, Julia Pitera, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Tomáš Zdechovský, Joachim Zeller
S&D	Inés Ayala Sender, Zigmantas Balčytis, Cătălin Sorin Ivan, Arndt Kohn, Miroslav Poche, Derek Vaughan
VERTS/ALE	Bart Staes, Indrek Tarand

2	-
ECR	Raffaele Fitto, Notis Marias

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention