



# Procedure file

Basic information		
DEC - Discharge procedure	2010/2145(DEC)	Procedure completed
2009 discharge: EU general budget, Court of Justice		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible		Rapporteur
	<b>CONT</b> Budgetary Control		Appointed 23/03/2010
			PPE <a href="#">RIVELLINI Crescenzo</a>
			Shadow rapporteur
			S&D <a href="#">AYALA SENDER Inés</a>
			ALDE <a href="#">DE MAGISTRIS Luigi</a>
			Verts/ALE <a href="#">STAES Bart</a>
	Committee for opinion		Rapporteur for opinion
	<b>AFET</b> Foreign Affairs		Appointed
			The committee decided not to give an opinion.
	<b>DEVE</b> Development		The committee decided not to give an opinion.
	<b>INTA</b> International Trade		The committee decided not to give an opinion.
	<b>BUDG</b> Budgets		The committee decided not to give an opinion.
	<b>ECON</b> Economic and Monetary Affairs		The committee decided not to give an opinion.
	<b>EMPL</b> Employment and Social Affairs		The committee decided not to give an opinion.
	<b>ENVI</b> Environment, Public Health and Food Safety		The committee decided not to give an opinion.
	<b>ITRE</b> Industry, Research and Energy		The committee decided not to give an opinion.
	<b>IMCO</b> Internal Market and Consumer Protection		The committee decided not to give an opinion.
	<b>TRAN</b> Transport and Tourism		The committee decided not to give an opinion.
	<b>REGI</b> Regional Development		The committee decided not to give an opinion.
	<b>AGRI</b> Agriculture and Rural Development		The committee decided not to give an opinion.
	<b>PECH</b> Fisheries		The committee decided not to give an opinion.
	<b>CULT</b> Culture and Education		The committee decided not to give an opinion.
	<b>JURI</b> Legal Affairs		The committee decided not to

European Commission		give an opinion.
	<b>LIBE</b> Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.
	<b>AFCO</b> Constitutional Affairs	The committee decided not to give an opinion.
	<b>FEMM</b> Women's Rights and Gender Equality	The committee decided not to give an opinion.
	<b>PETI</b> Petitions	The committee decided not to give an opinion.
	Commission DG <a href="#">Budget</a>	Commissioner ŠEMETA Algirdas

Key events			
20/07/2010	Non-legislative basic document published	<a href="#">SEC(2010)0963</a>	Summary
07/10/2010	Committee referral announced in Parliament		
22/03/2011	Vote in committee		Summary
07/04/2011	Committee report tabled for plenary	<a href="#">A7-0137/2011</a>	
10/05/2011	Results of vote in Parliament		
10/05/2011	Debate in Parliament		
10/05/2011	Decision by Parliament	<a href="#">T7-0160/2011</a>	Summary
10/05/2011	End of procedure in Parliament		
27/09/2011	Final act published in Official Journal		

Technical information	
Procedure reference	2010/2145(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/03924

Documentation gateway					
Non-legislative basic document		<a href="#">SEC(2010)0963</a>	20/07/2010	EC	Summary
Court of Auditors: opinion, report		N7-0083/2010 <a href="#">OJ C 303 09.11.2010, p. 0001</a>	09/09/2010	CofA	Summary
Committee draft report		<a href="#">PE450.685</a>	19/01/2011	EP	
Document attached to the procedure		<a href="#">05891/2011</a>	03/02/2011	CSL	Summary
Committee report tabled for plenary, single reading		<a href="#">A7-0137/2011</a>	07/04/2011	EP	

Text adopted by Parliament, single reading		<a href="#">T7-0160/2011</a>	10/05/2011	EP	Summary
<b>Final act</b>					
<a href="#">Decision 2011/558</a> <a href="#">OJ L 250 27.09.2011, p. 0089</a> Summary					

## 2009 discharge: EU general budget, Court of Justice

**PURPOSE:** presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2009, as part of the 2009 discharge procedure.

Analysis of the accounts of the EU Institutions: Section IV ? Court of Justice.

**CONTENT:** this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2009 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 Court of Justice.

The document helps to bring insight into the EU budget mechanism and the way in which the budget has been managed and spent in 2009. 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;
- joint management: under this method, the Commission entrusts certain implementation tasks to an international organisation.

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:

- the way in which EU public expenditure is committed and spent;
- 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.

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 IV of the budget for the financial year 2009: the document comprises a series of detailed tables, the most important concerning the implementation of the budget. As regards the Court of Justice's expenditure, the table on the financial and budgetary implementation of this institution shows the following:

A) Table showing the commitment appropriations:

- Commitments: EUR 313 million (98.50% rate of implementation)
- Carry-overs to 2010: EUR 1 million (0.37% of authorised appropriations)
- Cancelled: EUR 4 million

B) Table showing the implementation of payments:

- Payments: EUR 307 million (92.47% rate of implementation)
- Carry-overs to 2010: EUR 19 million (5.84% of authorised appropriations)
- Cancellations: EUR 6 million.

Lastly, the annexes detail specific expenditure of the institutions, in particular:

- pensions: an administrative budget heading includes the pension obligations towards the Members and former members of the Court of Justice (and General Court) and the European Union Civil Service Tribunal;

- joint sickness insurance scheme: a valuation is also 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 3 535 million. The calculations take into account active officials and pensioners from the various EU Institutions and Agencies, and their families, and active Members and pensioners from the Court of Justice.

For further details on the budgetary implementation of expenditure of Section IV of the budget (Court of Justice), please refer to the [Annual Activity Report 2009](#) and the [Report on Budgetary and Financial Management 2009](#). These documents outline the main administrative objectives of the Court of Justice for 2009. The main challenges were:

- the entry into force of the Lisbon Treaty and its consequences on the Court of Justice: (i) new appointment procedure for the Members of the Court and the General Court; (ii) new competences for the Court of Justice; (iii) new measures to strengthen the system of pecuniary sanctions in the event of non-compliance with a judgment establishing the failure to fulfil obligations;
- the consequences of the amendment of 13 January 2009 to the Rule of Procedure of the Court of Justice concerning the election of the President and the Presidents of the Chambers;
- improvement of the statistics concerning the Court's activity in 2009: increased productivity and the maintenance of a satisfactory level of efficiency as regards the duration of proceedings.

The report gives an overview of the results achieved as against the objectives set for 2009.

## 2009 discharge: EU general budget, Court of Justice

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The Committee on Budgetary Control adopted the report by Crescenzo RIVELLINI (EPP, IT) recommending the European Parliament to grant the Court of Justice's Registrar discharge in respect of the implementation of its budget for the financial year 2009.

The committee cites that in 2009 the European Court of Justice (ECJ) had commitment appropriations available amounting to a total of EUR 318 million (2008: EUR 297 million), with a utilisation rate of 98.5%, higher than the average of the other institutions (97.69%).

Members note that the Court of Auditors performed an in-depth assessment of supervisory and control systems in the Court of Justice, the European Ombudsman and the European Data Protection Supervisor which included the examination of an additional sample of transactions involving payments relating to human resources and to other administrative expenditure. As far as the Court of Justice is concerned, this assessment had broadly positive results.

However, the Court of Auditors indicated in its annual report that the Court of Justice failed to anticipate the expiry of a framework contract, and ordered services amounting to EUR 102 000 without applying competitive procurement procedures. Recalling that for the financial year 2008, a similar criticism was made; Member call on the Court of Justice to ensure that procurement procedures are better prepared and coordinated.

As regards the rest, Members welcome the fact that there were no other negative observations made by the Court of Auditors and note the good overall functioning of control and monitoring systems, as well as that of the internal audit unit of the Court of Justice.

Members welcome the increase in the number of cases completed by the Court of Justice (377

judgments and 165 orders compared to 333 and 161 respectively in 2008), and note that the number of preliminary ruling cases was the highest ever (302). They also note that the duration of the proceedings was practically unchanged, and welcomes the decrease in the number of cases pending at the end of 2009 (741 cases compared to 768 cases at the end of 2008). They, however, note the backlog of pending cases at the General Court continued to increase (from 1178 in 2008 to 1191 in 2009).

Members also welcome:

- the ongoing successful cooperation in the sphere of training with other institutions and with the European Administrative School;
- the modernisation of the Court of Justice's work methods, in particular computerisation of the Registry of the Court of Justice, where the Paper Register dating back to 1952 had finally been replaced by Electronic Register;
- the good interinstitutional cooperation on buildings, security, environmental protection and administrative management.

Lastly, they note the difficulties the Court of Justice experienced as regards recruitment of qualified conference interpreters, and the limitations as well as the need to use a range of interpretation techniques in order to be able to qualitatively and quantitatively satisfy all requests for interpretation. Given the importance of interpretation for proper functioning of judicial work, the Court of Justice should report on this in its upcoming annual reports.

## 2009 discharge: EU general budget, Court of Justice

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The European Parliament adopted by 358 votes to 36, with 12 abstentions a decision on discharge to be granted to the Registrar of the European Court of Justice in respect of the implementation of its budget for the financial year 2009.

Furthermore, Parliament adopted a resolution with observations which are an integral part of the decision to grant discharge. The resolution recalls that, in 2009, the Court of Justice had commitment appropriations available amounting to a total of EUR 318 million (2008: EUR 297 million), with a utilisation rate of 98.5%, higher than the average of the other institutions (97.69%).

Parliament notes that the Court of Auditors performed an in-depth assessment of supervisory and control systems in the Court of Justice, the European Ombudsman and the European Data Protection Supervisor which included the examination of an additional sample of transactions involving payments relating to human resources and to other administrative expenditure. As far as the Court of Justice is concerned, this assessment had broadly positive results.

However, the Court of Auditors indicated in its annual report that the Court of Justice failed to anticipate the expiry of a framework contract, and ordered services amounting to EUR 102 000 without applying competitive procurement procedures. Recalling that for the financial year

2008, a similar criticism was made; Members call on the Court of Justice to ensure that procurement procedures are better prepared and coordinated.

As regards the rest, Parliament welcomes the fact that there were no other negative observations made by the Court of Auditors and notes the good overall functioning of control and monitoring systems, as well as that of the internal audit unit of the Court of Justice.

From an internal perspective, Parliament welcomes the increase in the number of cases dealt with by the Court and welcomes:

- the ongoing successful cooperation in the sphere of training with other institutions and with the European Administrative School;
- the modernisation of the Court of Justice's work methods, in particular computerisation of the Registry of the Court of Justice, where the Paper Register dating back to 1952 had finally been replaced by Electronic Register;
- the good interinstitutional cooperation on buildings, security, environmental protection and administrative management.

Lastly, Parliament notes the difficulties the Court of Justice experienced as regards the recruitment of qualified conference interpreters, and the limitations, as well as the need, to use a range of interpretation techniques in order to be able to qualitatively and quantitatively satisfy all requests for interpretation. This matter should be covered in the next annual report of the Court of Justice.

## 2009 discharge: EU general budget, Court of Justice

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**PURPOSE:** to grant discharge to the Court of Justice for the financial year 2009.

**NON-LEGISLATIVE ACT:** Decision 2011/558/EU of the European Parliament on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section IV - Court of Justice.

**CONTENT:** with the present decision, the European Parliament grants discharge to the Registrar of the Court of Justice for the implementation of its budget for the financial year 2009.

This decision is in line with the European Parliament's resolution adopted on 10 May 2011 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2011).

A parallel decision, adopted on the same day, approves the closure of this Institution's accounts.