










# Procedure file

Basic information		
DEC - Discharge procedure	2016/2157(DEC)	Procedure completed
2015 discharge: EU general budget, Committee of the Regions		
Subject 8.70.03.05 2015 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>CONT</b> Budgetary Control	 <a href="#">STAES Bart</a>	08/08/2016
		Shadow rapporteur	
		 <a href="#">MARINESCU Marian-Jean</a>	
		 <a href="#">IVAN Cătălin Sorin</a>	
		 <a href="#">CZARNECKI Ryszard</a>	
		 <a href="#">THEURER Michael</a>	
		 <a href="#">VALLI Marco</a>	
		 <a href="#">KAPPEL Barbara</a>	
		Committee for opinion	Rapporteur for opinion
<b>AFET</b> Foreign Affairs		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.	

European Commission	<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 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 GEORGIEVA Kristalina	

Key events			
11/07/2016	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	<a href="#">A8-0141/2017</a>	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Results of vote in Parliament		
27/04/2017	Decision by Parliament	<a href="#">T8-0151/2017</a>	Summary
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information	
Procedure reference	2016/2157(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07386

Documentation gateway
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Non-legislative basic document		COM(2016)0475	11/07/2016	EC	Summary
Committee draft report		<a href="#">PE593.840</a>	08/02/2017	EP	
Supplementary non-legislative basic document		<a href="#">05876/2017</a>	17/02/2017	CSL	Summary
Amendments tabled in committee		<a href="#">PE600.914</a>	07/03/2017	EP	
Committee report tabled for plenary, single reading		<a href="#">A8-0141/2017</a>	31/03/2017	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T8-0151/2017</a>	27/04/2017	EP	Summary

## Final act

Budget 2017/1624  
[OJ L 252 29.09.2017, p. 0133](#) Summary

## 2015 discharge: EU general budget, Committee of the Regions

**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: Committee of the Regions.

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 Committee of the Regions 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 CoRs expenditure, the summary of financial and budgetary implementation of this institution showed that the payment appropriations available for 2015 amounted to EUR 99 million with 87.37% of these committed.

As regards the budgetary implementation of the CoR, the [2015 Annual Activity Report](#) noted that the Committee focused on the following:

- the continuation of legislative monitoring with the adoption of opinions by the Committee of Regions (47 opinions and 7 resolutions);
- the continuation of cooperation with other EU institutions and regional and local authorities.

In 2015, the CoR elected Markku Markkula as its President and Karl-Heinz Lambertz as First Vice-President.

The CoR met six times in Plenary Session in 2015 and two extraordinary Bureau meetings were organised in Riga (LV) and Luxembourg (LU) marking the EU Presidencies of Latvia and Luxembourg.

This goal was already underlying the political priorities guiding the Strategic Management Plan 2015-2016:

- more involvement throughout all stages of the EU legislative process
- raise the CoR's institutional profile by building even more effective and trustful partnerships with other EU Institutions
- put regional and local authorities at the heart of designing and implementing European policies
- further develop the EU's decentralised communication with and within the regions.

The CoR signed a political cooperation agreement with the European Parliament, accompanied by a trilateral administrative cooperation agreement including the European Economic and Social Committee. The political cooperation agreement aims at reinforcing the democratic legitimacy of the EU and at contributing to the Treaty objective of pursuing territorial, social and economic cohesion in the Union.

## 2015 discharge: EU general budget, Committee of the Regions

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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, Committee of the Regions

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The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) calling on the European Parliament to give discharge to the Committee of the Regions in respect of the implementation of the general budget of the European Union for the financial year 2015, Section VII Committee of the Regions.

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 Committee. 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.

Budgetary and financial management: Members observed that, in 2015, the Committee had an approved budget of EUR 88 900 000 (compared with EUR 87 600 000 in 2014), of which EUR 87 200 000 comprised commitment appropriations with a utilisation rate of 98.2 %, a slight decrease.

Members welcomed the Committee's interest in having a more systematic approach to the cooperation with Parliament, particularly in political areas and with Parliament's research service (EPRS). They reiterated their request for a joint assessment of the budgetary savings resulting from the Agreement to be included in the next follow-up report of the Agreement.

They noted with concern that none of the targets set by the Committee in 2015 to increase involvement of Parliament and Council in activities related to the Committee opinions were achieved.

CoR actions: Members made a series of observations and recommendations on the management of the Committee:

- implementing the concept of performance-based budgeting (PBB) and good governance of human resources: this concept should also include the setting of specific, measurable, attainable, realistic and time-based (SMART) targets to individual departments, units and the annual plans of members of staff;
- improve its performance to ensure that the consistent decrease in the payment execution rate in 2015 in some budgetary items does

- not impact the budgetary management;
- improve the transparency of its operations and include all the data available on the missions undertaken by its Members in its annual activity report, with detailed expenses;
- join the future Inter-Institutional Agreement on a mandatory transparency register;
- improve its gender balance and report back to the discharge authority on the measures taken to tackle this issue, and the results achieved;
- assess the reasons, focus its human resources governance to improve the situation and target its well-being activities to include as many staff members as possible to help prevent this kind of absenteeism;
- implement the audit recommendations on performance of IT projects for internal applications;
- ensure the Committee immediately follow up on the two Union Civil Service Tribunals rulings and the European Anti-Fraud Offices (OLAF) case report, and Parliaments resolutions and brings the whistleblower case of the former internal auditor of the Committee to a just, honourable and equitable settlement before the end of 2017;
- work together with the EESC to follow-up immediately the ruling of the Union Civil Service Tribunal in a harassment case involving officials from both institutions, that it reports to Parliament on the progress and that it review its procedures for handling future allegations of harassment to ensure that they are in line with the case-law of the Civil Service Tribunal.

Lastly, Members welcomed the information on the Committees building policy in its annual activity report.

## 2015 discharge: EU general budget, Committee of the Regions

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**PURPOSE:** to grant discharge to the Committee of the Regions for the financial year 2015.

**NON-LEGISLATIVE ACT:** Decision (EU) 2017/1624 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 VII Committee of the Regions.

**CONTENT:** with the present decision, the European Parliament grants the Secretary-General of the Committee of the Regions discharge in respect of the implementation of the budget of the Committee of the Regions 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 regretted that none of the targets set by the Committee in 2015 to increase involvement of Parliament and Council in activities related to the Committee opinions were achieved.

As was the case last year, Parliament expressed concerned that the audit recommendations on performance of IT projects for internal application lag adequate implementation. This situation should be corrected without further delay.

Parliament considered it to be fundamental that the Committee work together with the European Economic and Social Committee to follow up immediately on the ruling of the Civil Service Tribunal in a harassment case involving officials from both institutions, that it report to Parliament on the progress and that it reviews its procedures for handling future allegations of harassment to ensure that they are in line with the case-law of the Civil Service Tribunal.

## 2015 discharge: EU general budget, Committee of the Regions

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The European Parliament decided to grant discharge to the Secretary-General of the Committee of the Regions in respect of the implementation of the general budget of the European Union for the financial year 2015.

In its resolution accompanying the decision on discharge, adopted by 517 votes to 107 with 11 abstentions, Parliament noted that in its 2015 annual report, 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 Committee.

The payments as a whole for the year ended 31 December 2015 for administrative and other expenditure of the institutions and bodies were free from material error.

**Budgetary and financial management:** in 2015, the Committee had an approved budget of EUR 88 900 000 (compared with EUR 87 600 000 in 2014), of which EUR 87 200 000 comprised commitment appropriations with a utilisation rate of 98.2 %, a slight decrease.

Parliament noted with satisfaction that the report on the implementation of the Cooperation Agreement between Parliament and the Committee was timely and positively assesses the cooperation between both institutions. It reiterated its request for a joint assessment of the budgetary savings resulting from the Agreement to be included in the next follow-up report of the Agreement.

Members welcomed the Committees interest in having a more systematic approach to the cooperation with Parliament, particularly in political areas and with Parliaments research service (EPRS). They noted with concern that none of the targets set by the Committee in 2015 to increase involvement of Parliament and Council in activities related to the Committee opinions were achieved.

**CoR actions:** Members made a series of observations and recommendations on the management of the Committee:

- implementing the concept of performance-based budgeting (PBB) and good governance of human resources: this concept should also include the setting of specific, measurable, attainable, realistic and time-based (SMART) targets to individual departments, units and the annual plans of members of staff;
- improve its performance to ensure that the consistent decrease in the payment execution rate in 2015 in some budgetary items does not impact the budgetary management;
- improve the transparency of its operations and include all the data available on the missions undertaken by its Members in its annual activity report, with detailed expenses;
- join the future Inter-Institutional Agreement on a mandatory transparency register;
- improve its gender balance imbalance in senior and middle management posts and report back to the discharge authority on the

measures taken to tackle this issue, and the results achieved;

- assess the reasons, focus its human resources governance to improve the situation and target its well-being activities to include as many staff members as possible to help prevent this kind of absenteeism;
- implement the audit recommendations on performance of IT projects for internal applications;
- ensure the Committee immediately follow up on the two Union Civil Service Tribunals rulings and the European Anti-Fraud Offices (OLAF) case report, and Parliaments resolutions and brings the whistleblower case of the former internal auditor of the Committee to a just, honourable and equitable settlement before the end of 2017;
- work together with the EESC to follow-up immediately the ruling of the Union Civil Service Tribunal in a harassment case involving officials from both institutions, that it reports to Parliament on the progress and that it review its procedures for handling future allegations of harassment to ensure that they are in line with the case-law of the Civil Service Tribunal.

Lastly, Parliament noted that the outsourcing rate of translation increased from 2.57 % in 2014 to nearly 10 % in 2015 due to the transfer of staff to Parliament under the Agreement. It called on the Committee for an assessment of the cost-effectiveness of the new arrangement now in practice.