



**2017/2138(DEC)**

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## **DRAFT REPORT**

on discharge in respect of the implementation of the general budget of the  
European Union for the financial year 2016, Section II – European Council and  
Council  
(2017/2138(DEC))

Committee on Budgetary Control

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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 II – European Council and Council (2017/2138(DEC))**

*The European Parliament,*

- having regard to the general budget of the European Union for the financial year 2016<sup>1</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017)0365 – C8-0249/2017)<sup>2</sup>,
  - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, 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 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 1605/2002<sup>5</sup>, 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 (A8-0000/2018),
1. Grants 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 2016 / 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 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 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

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<sup>1</sup> OJ L 48, 24.2.2016.

<sup>2</sup> OJ C 323, 28.9.2017, p. 1.

<sup>3</sup> OJ C 322, 28.9.2017, p. 1.

<sup>4</sup> OJ C 322, 28.9.2017, p. 10.

<sup>5</sup> OJ L 298, 26.10.2012, p. 1.

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 2016, Section II – European Council and Council (2017/2138(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 II – European Council and Council,
  - 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 (A8-0000/2018),
1. Notes that in its 2016 annual report, the Court of Auditors observed that no significant weaknesses had been identified with respect to the audited topics related to human resources and procurement for the European Council and Council;
  2. Notes that in 2016, the European Council and the Council had an overall budget of EUR 545 054 000 (EUR 541 791 500 in 2015), with an implementation rate on average of 93,5 %; notes the increase of EUR 3,3 million (+ 0,6 %) in the Council's budget for 2016;
  3. 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;
  4. Notes that travel expenses of delegations and interpretation still accounted for quite high under-spending in 2016 within DG Administration; takes note of a new policy being negotiated with the Member States to overcome this issue;
  5. Calls on the Council to provide full details on the human resources and facilities at the disposal of the ATHENA mechanism, and to guarantee the maximum level of transparency with respect to that mechanism;
  6. Maintains its concern with respect to the very high amount of appropriations being carried over from 2016 to 2017, particularly those for technical furniture, equipment and computer systems; reminds the Council that carry-overs are exceptions to the principle of annuality and should reflect actual needs;
  7. Reiterates its call for the overview of human resources to be broken down by category, grade, sex, nationality and vocational training;
  8. Notes the existence of a gender balance policy in the General Secretariat of the Council (GSC); welcomes the positive trend of women's representation in management posts reaching 31% by the end of 2016;
  9. Welcomes the information regarding the occupational activities of former senior

officials of the GSC who left the service<sup>1</sup> in 2016;

10. Notes that in 2016 the Secretary-General of the Council published his Decision 3/2016 adopting internal rules for reporting serious irregularities - Procedures for the implementation of Articles 22a, 22b and 22c of the Staff Regulations ('Whistleblowing'); recalls that the protection of whistleblowers is one of the main issues within the public administration;
11. Observes that the objective of the Council's establishment plan to comply with the interinstitutional agreement to reduce staff by 5% over the period of five years was achieved on 1 January 2017;
12. Notes with concern that the late delivery of the Europa building had a significant impact on the 2016 budget [of the European Council and of the Council](#); asks to be informed of the overall financial impact of the delay; asks for full public access to the information on buildings policy and related expenditures;
13. Reiterates its call for the building policy [of the European Council and of the Council](#) to be provided to the discharge authority; notes with satisfaction that the GSC obtained an EMAS certification in 2016 for its buildings;

#### *State of play*

14. Notes that failure to grant discharge has so far not led to consequences of any kind; stresses that the situation should be resolved as rapidly as possible, in the interest of the citizens of the Union; recalls that the European Parliament is the only institution directly elected by Union citizens and that its role in the discharge procedure is directly connected with citizens' right to be informed on how public money is spent;
15. Notes that a proposal to negotiate an agreement with the Council on the budget discharge procedure was submitted by Parliament's Committee on Budgetary Control (CONT) to the Parliament's Conference of Presidents (CoP) on 11 September 2017;
16. Notes that on 19 October 2017 the CoP approved the request to mandate the CONT Chair and coordinators of the political groups to enter into negotiations on behalf of the Parliament with a view to achieving a mutually satisfactory agreement on the cooperation of the Parliament and the Council in the discharge procedure in full respect of the different role of the two institutions in the discharge procedure;
17. Notes also that on 9 November 2017 a letter was sent to the Secretary-General of the Council, inviting submission of the Parliament's proposal to the responsible body of the Council in order to launch negotiations under the terms approved by the CoP;
18. Notes that in the meantime the Secretary-General of the Council was invited by CONT to attend the exchange of views with the secretaries-general of the other institutions, which took place on 4 December 2017, and that a written questionnaire was sent to the Secretary-General of the Council on 26 November 2017; observes that the Council reiterates its position of non-attendance to the exchange of views and that the

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<sup>1</sup> third and fourth paragraphs of Article 16 of the Staff Regulation of Officials of the EU.

questionnaire sent to the Council services with questions from the Members remaining unanswered;

19. Recalls that the procedure of giving discharge separately to the individual Union institutions and bodies is a long-standing practice accepted by all the other institutions except the Council, and that this procedure has been developed to guarantee transparency and democratic accountability towards EU citizens;
20. Reiterates that the Council must take part fully and in good faith in the annual discharge procedure, just as the other institutions do, and regrets the difficulties encountered in the discharge procedures to date;
21. Underlines that, pursuant to the Treaties, Parliament is the only discharge authority of the Union, and that, in full acknowledgment of Council's role as an institution giving recommendations in the discharge procedure, a distinction must be maintained in respect of the different roles of Parliament and Council in order to comply with the institutional framework laid down in the Treaties and in the Financial Regulation;
22. Recalls that Parliament grants discharge to the other institutions after considering the documents provided, the replies given to the questions and after hearing the secretaries-general of the other institutions; regrets that Parliament repeatedly encounters difficulties in receiving answers from Council;
23. Considers that effective supervision of the Union's budget implementation requires cooperation between Parliament and Council and looks forward to starting negotiations with a view to reaching a mutually satisfactory agreement.