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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 V – Court of Auditors (2017/2140(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 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 (A8-0000/2018),
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 / Postpones its decision on granting 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

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.

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 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 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 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 (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. 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 the audit of the decentralised agencies; regrets that the legislative proposal does not foresee any reduction of the excessive administrative burden that continues to be borne by the decentralised agencies; reminds the Court that the audit of the decentralised agencies "remain under the full responsibility of the Court, which manages all administrative and procurement procedures required"¹;
 5. 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 European Parliament;
 6. 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 of the administrative expenditures;
 7. 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

¹ Agreement of the Parliament, the Council and the Commission in paragraph 54 of the Common Approach.

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;

8. Notes that the 13 months 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;
9. Welcomes the good cooperation of the Court with Parliament's Committee on Budgetary Control (CONT), 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 in CONT allows for essential follow-up on the activities they evaluate and raises awareness of the implementation and cost-effectiveness of Union policies;
10. 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;
11. Observes that the Court is complying with the interinstitutional agreement to reduce staff by 5% over a period of five years; asks to be informed how this reduction matches with the 19 recruitments made in 2016;
12. 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;
13. Takes note of the creation of a post-graduation 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; asks the Court to clarify whether the course laureates are being oriented towards a career in Union institutions and bodies;
14. 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;
15. Notes the summary of the Court's building policy included in its 2016 annual activity report;
16. 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;
17. Supports the Court's e-publishing policy and its achievements in lowering its environmental footprint; regrets that the website does not offer a user-friendly search system and asks for an effective improvement of the accessibility of reports;

18. 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;
19. 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;
20. 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.