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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 2014, Section V – Court of Auditors (2015/2158(DEC))

Committee on Budgetary Control

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CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	3
2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	5

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 2014, Section V – Court of Auditors (2015/2158(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2014¹,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015)0377 – C8-0203/2015)²,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2014, 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 2014, 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 V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0000/2016),
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 2014 / 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 2014;
 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 Auditors, the European Ombudsman, the European Data Protection Supervisor and the European

¹ OJ L 51, 20.2.2014.

² OJ C 377, 13.11.2015, p. 1.

³ OJ C 373, 5.11.2015, p. 1.

⁴ OJ C 377, 13.11.2015, p. 146.

⁵ OJ L 298, 26.10.2012, p. 1.

External Action Service, and to arrange 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 2014, Section V – Court of Auditors (2015/2158(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 2014, Section V – Court of Auditors,
 - having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0000/2016),
1. Notes that the annual accounts of the Court of Auditors ("the Court") are audited by an independent external auditor - PricewaterhouseCoopers SARL - in order to apply the same principles of transparency and accountability that it 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 2014, the Court's final appropriations amounted to a total of EUR 133 498 000 (EUR 142 761 000 in 2013) and that the overall rate of implementation for the budget was 98,8 % compared to 92 % in 2013; welcomes the improvement in the executions rate with a reduced budget;
 3. Stresses that the Court's budget is purely administrative, with a large amount being used on expenditure concerning persons working within the institution;
 4. Takes note of the Court's reform project started in late 2014 to streamline the audit process and transform the Court into a task-based organisation; is of the opinion that both projects need to be assessed during and after the Court's strategy 2013-2017 to ensure that the objectives of the reform were achieved;
 5. Reminds the Court that Parliament, the Council and the Commission agreed in point 54 of the common approach on decentralised agencies from 2012 that all aspects of outsourced external audits "remain under the full responsibility of the ECA, which manages all administrative and procurement procedures required and finances these, as well as any other costs associated with outsourced external audits, from its own budget"; deeply regrets that the new audit approach of involving private sector auditors resulted in an augmented administrative burden for the decentralised agencies; notes with concern that this resulted in an increase of administrative burden by 85 %, to more than 13 000 hours compared to the previous audit managed by the Court, equating to an average of 3,5 full time equivalents; regrets that the time spent on procurement and administration of the audit contracts created more than 1 400 hours of additional work for the decentralised agencies, and that the total additional expenditure of external private sector audit in 2014 amounted to EUR 550 000; reiterates its call to the Court to follow the agreed common

approach and contract and pay for agencies' external auditors as well as provide better guidance for the private auditors in order to significantly reduce the augmented administrative burden;

6. Notes with satisfaction that the Court is planning to carry out a review of the European Court of Justice to assess its performance, following Parliament's request made in its discharge resolution of 29 April 2015 for the financial year 2013¹;
7. Supports the Court in its efforts to devote more resources to performance audits; expects the tasked-based organisation of audit staff to enable the Court to assign resources more flexibly without undermining its mission;
8. Takes note that the timescales to produce special reports have improved since 2008 although they have not yet achieved the 18-month target; stresses that the target must be realistic so as not to compromise the quality of the reports;
9. Insists that the special reports' recommendations are often unclear and that they should consistently disclose the positive and the negative conduct of the countries concerned;
10. Notes with satisfaction that the obligation of a 5 % staff reduction is being implemented without negative impact on the Court's policy of reinforcing its audit services;
11. Calls on the Court to ensure, along with merit and expertise, the geographical balance of staff, in particular in management posts;
12. Takes note that the balance of funds available in the fiduciary contract created to pay for the K3 building will be used to finance the upgrading of the K2 building; is interested in knowing the extent of those works;
13. Reiterates its call for the Court's building policy to be attached to its annual activity report;
14. Recognises that the Court has been making efforts to reduce translation costs; believes that envisaging a cooperation agreement for translation - as the consultative committees have with Parliament - could be considered as part of the Court's 2013-2017 strategy to improve efficiency and reduce costs;
15. Acknowledges the results achieved by the inter-institutional committee for translation and interpretation in agreeing a harmonised methodology which enables direct comparisons of the translation costs of all institutions; welcomes the fact that the Court is providing data according to this methodology;
16. Calls on the Court to include in its annual activity reports, in compliance with the existing rules on confidentiality and data protection, the results and consequences of closed OLAF cases, where the institution or any of the individuals working for it were the subject of the investigation;

¹ Resolution of the European Parliament, of 29 April 2015, 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 2013, Section V — Court of Auditors (OJ L 255, 30.9.2015, p. 123).

17. Takes note that implementation of the internal auditor service recommendations to review the rules included in the guide to missions was postponed for technical reasons;
18. Takes note of the Court's first steps towards a paperless environment; supports the Court in its objectives but expects Parliament's Committee on Budgetary Control to continue to receive a few paper copies of the Court's reports;
19. Welcomes the improved clarity of the Court's messages through the media; expects such improvements to continue;
20. Appreciates the cooperation between the Court and Parliament's Committee on Budgetary Control and welcomes regular feedback in response to Parliament's requests.