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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 II – European Council and Council
(2015/2156(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 2014, Section II – European Council and Council (2015/2156(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 – C8-0201/2015)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 1605/2002¹, 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 and the opinion of the Committee on Constitutional Affairs (A8-0000/2016),
1. 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 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 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 for their publication in the *Official Journal of the European Union* (L series).

¹ OJ L 51, 20.02.2014.

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.

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 II – European Council and Council (2015/2156(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 II – European Council and Council,
 - 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 and the opinion of the Committee on Constitutional Affairs (A8-0000/2016),
1. Notes that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2014 for administrative and other expenditure of the institutions and bodies were free from material error;
 2. Takes note that in its 2014 annual report, the Court of Auditors observed that a small number of errors relating to the calculation of staff costs and some weaknesses in the management of family allowances were detected in respect of the audited topics for the European Council and the Council;
 3. Calls on the European Council and the Council to improve the management of the identified weaknesses and to correct the errors observed by the Court;
 4. Notes that in 2014, the European Council and the Council had an overall budget of EUR 534 200 000 (EUR 535 511 300 in 2013), with an implementation of 91,3 %; notes the increase of the utilisation rate in 2014;
 5. Takes note of the decrease of EUR 1,3 million (- 0,2 %) in the Council's budget for 2014;
 6. Continues to be concerned at the high underspending rate that covers almost all categories; reiterates its calls for the development of key performance indicators to improve the budgetary planning;
 7. Is concerned at the very high amount of appropriations being carried over from 2014 to 2015, particularly those on property, plant and equipment; firmly believes that the repeated trend of carrying over appropriations is against the principles of annuality and sound financial management of the Financial Regulation;
 8. 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;

¹ OJ L 298, 26.10.2012, p. 1.

9. Reiterates its call on the European Council and the Council to send Parliament their annual activity report with a comprehensive overview of all human resources available to both institutions, broken down by category, grade, sex, nationality and vocational training;
10. Finds that the Council's major transfers within budget lines could be avoided with a better budgetary programming;
11. Acknowledges the results achieved by the interinstitutional agreement committee for translation and interpretation in settling a harmonised methodology which enables direct comparisons of the translation costs of all the institutions; welcomes the fact that the Council is providing data according to this methodology;
12. Stresses that one of the main financial objectives of the General Secretariat of the Council for 2014 – the delivery of the Europa building by the end of 2015 - was not achieved; regrets the delay and asks to be informed of the financial consequences of the postponement;
13. Reiterates its call for the institution's building policy to be attached to its annual activity report, especially given that it is important that the costs of such a policy are properly rationalised and that such costs not be excessive;
14. Calls on the Council to implement internal whistleblowing rules without further delay;

Reasons for postponement of the decision on granting discharge

15. Reiterates that the Council ought to be transparent and fully accountable to Union citizens for the funds entrusted to it as a Union institution; stresses that this implies that the Council take part fully and in good faith in the annual discharge procedure, just as the other institutions do; considers, in this regard, that effective supervision of the Union's budget implementation requires cooperation between Parliament and the Council through a working arrangement; regrets the difficulties encountered in the discharge procedures to date;
16. Takes note of the letter from the secretary general of the Council in response to the invitation of Parliament's Committee on Budgetary Control to attend the exchange of views on 11 January 2016; notes that the letter does not reply to the invitation, nor to the written questionnaire sent to the General Secretariat on 25 November 2015 with questions from members of Parliament, but simply reiterates the Council position on the exchange of financial information already expressed in the past;
17. Recalls that Parliament grants discharge to the other institutions after considering the documents provided and the replies given to its questions; regrets that Parliament repeatedly encounters problems in receiving answers from the Council;
18. Reiterates that it is only possible to implement effective budgetary control if there is cooperation between Parliament and the Council, the main elements of which must comprise formal meetings between representatives of the Council and Parliament's Committee on Budgetary Control, answering questions asked by the committee's members on the basis of a written questionnaire and submitting documents to serve as

background material for budgetary controls on request;

19. Reiterates that without the cooperation of the Council as stated above, Parliament is not in the position to make an informed decision on granting discharge;
20. Underlines the Parliament's power to grant discharge pursuant to Articles 316, 317 and 319 of the Treaty on the Functioning of the European Union and Articles 164 to 167 of the Financial Regulation, and affirms that granting or not granting discharge is a duty Parliament has towards Union citizens;
21. Recalls that each of the institutions, as defined in Article 2b) of the Financial Regulation, has autonomy to implement its own section of the budget pursuant to article 55 of the Financial Regulation; affirms that, according to the practice and the interpretation of the current rules, and in order to maintain transparency and democratic accountability towards Union taxpayers, the Parliament grants discharge to each institution individually;
22. Regrets the fact that not all the Union institutions respect the same standards in relation to transparency and believes that the Council should make improvements in that regard.