



Plenary sitting

A8-0107/2016

8.4.2016

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

Rapporteur: Ryszard Czarnecki

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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 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 (A8-0107/2016),
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;
 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 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, 20.2.2014.

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.

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 (A8-0107/2016),
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. Acknowledges the crucial role of the Court in ensuring better and smarter spending of European funds; recalls that the Court is in a pre-eminent position to provide the legislator and the budgetary authority with valuable opinions on the results and outcomes achieved by the Union's policies, with a view to improving the economy, efficiency and effectiveness of Union-financed activities;
 5. Welcomes the Court's reform project started in late 2014 aimed at streamlining the audit process, transforming the Court into a task-based organisation and expanding the scope of work of the staff; invites the Court to inform the discharge authority of the objectives achieved and of the impact identified following this reform;
 6. 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 audits 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 and provide better guidance to private auditors so as to significantly reduce the augmented administrative burden;

7. 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;
8. Building upon this good cooperation asks the Court of Auditors to prepare a special report on whether the Commission has made good use of its powers in supporting and controlling Member States when implementing Union law;
9. 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; is of the opinion that, pursuant to Article 287(3) TFEU, closer cooperation between the Court and national supreme audit institutions should be pursued, in particular in connection with conducting the performance (value for money) audit reports of different Union policies and programmes and the auditing of shared-management arrangements; expects concrete results as regards the sharing of the Court's annual work programme;
10. Takes note of the Court's initiative to reform its chambers' system and is interested to learn more about the proposal;
11. Takes note from the Court that the year 2014 set a record in the output delivered by the institution; welcomes new features such as the landscape review;
12. Takes note that the timescales required to produce special reports have shortened 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;
13. Encourages the Court to examine the relationship between the number and timeliness of special reports;
14. Insists that the recommendations in special reports are often unclear and that they should consistently disclose the positive and the negative conduct of the countries concerned;
15. 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; calls on

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).

the Court to make sure that further cuts will not adversely affect the quality of its reports;

16. Calls on the Court to ensure, along with merit and expertise, the geographical balance of its staff, in particular in management *and directorial* posts;
17. Appreciates the efforts made by the Court to improve gender balance among its staff; highlights and welcomes the increase in the number of women auditors, which will doubtless have repercussions in terms of their presence in positions of responsibility in that sector, as well as the creation of a network of women auditors; stresses the need to continue working in this direction;
18. Appreciates the efforts made by the Court in relation to professional training for its auditors, with a view to making the management and updating of knowledge more effective; congratulates the Court on its collaboration with the University of Metz/Nancy in creating specialist courses in European auditing, and encourages the Court to establish contacts with other European universities for the same purpose;
19. Takes note that the balance of funds available in the 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;
20. Reiterates its call for the Court's building policy to be attached to its annual activity report;
21. 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; asks the Court to consider outsourcing translation as an additional way of saving costs;
22. 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;
23. 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;
24. 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;
25. 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; endorses the environmental strategy implemented by the Court up until now including its focus on reducing its energy consumption, higher utility of video-conferencing, installation of a rain water recovery system and promotion of sustainable mobility;

26. Welcomes the improved clarity of the Court's messages through the media; expects such improvements to continue;
27. Appreciates the cooperation between the Court and Parliament's Committee on Budgetary Control and welcomes the Court's regular feedback in response to Parliament's requests.

RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

Date adopted	4.4.2016
Result of final vote	+: 20 -: 1 0: 0
Members present for the final vote	Louis Aliot, Inés Ayala Sender, Dennis de Jong, Martina Dlabajová, Ingeborg Gräßle, Verónica Lope Fontagné, Monica Macovei, Dan Nica, Gilles Pargneaux, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Tomáš Zdechovský
Substitutes present for the final vote	Marian-Jean Marinescu, Miroslav Poche
Substitutes under Rule 200(2) present for the final vote	Birgit Collin-Langen, Bodil Valero