



EUROPEAN PARLIAMENT

2009 - 2014

Plenary sitting

A7-0212/2014

20.3.2014

REPORT

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section V – Court of Auditors (COM(2013)0570 – C7-0277/2013 – 2013/2200(DEC))

Committee on Budgetary Control

Rapporteur: Tamás Deutsch

CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION.....	3
2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	4
RESULT OF FINAL VOTE IN COMMITTEE.....	8

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 2012, Section V – Court of Auditors (COM(2013)0570 – C7-0277/2013 – 2013/2200(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2012¹,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013)0570 – C7-0277/2013)²,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, 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 2012 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 Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁵, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - 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 1605/2002⁶, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0212/2014),
1. Grants the Secretary-General of the Court of Auditors discharge in respect of the implementation of the Court of Auditors' budget for the financial year 2012;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

¹ OJ L 56, 29.2.2012.

² OJ C 334, 15.11.2013, p. 1.

³ OJ C 331, 14.11.2013, p. 1.

⁴ OJ C 334, 15.11.2013, p. 122.

⁵ OJ L 248, 16.9.2002, p. 1.

⁶ OJ L 298, 26.10.2012, p. 1.

2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section V – Court of Auditors (COM(2013)0570 – C7-0277/2013 – 2013/2200(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2012¹,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013)0570 – C7-0277/2013)²,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, 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 2012 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 Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁵, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - 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 1605/2002⁶, and in particular Articles 164, 165 and 166 thereof,
 - having regard to its previous discharge decisions and resolutions,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0212/2014),
1. Notes that the Court of Auditors' annual accounts 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 statement gives a true and fair view of the financial position of the Court and of its financial performance and its cash flows for the year ... ended”; requests that it be given access to the assurance report concerning the regularity of the use of the Court of Auditors' resources and the validity of the control procedures in place in

¹ OJ L 56, 29.2.2012.

² OJ C 344, 15.11.2013, p. 1.

³ OJ C 331, 14.11.2013, p. 1.

⁴ OJ C 334, 15.11.2013, p. 122.

⁵ OJ L 248, 16.9.2002, p. 1.

⁶ OJ L 298, 26.10.2012, p. 1.

2012; calls for scrutiny to be brought to bear on the Court of Auditors as regards the legality and regularity of the transactions underlying its accounts;

2. Emphasises that in 2012, the Court of Auditors' commitment appropriations amounted to a total of EUR 137 345 000 (EUR 134 337 000 in 2011) and that the overall rate of implementation for the budget was 96 %; notes that the Court of Auditors' budget is purely administrative;
3. Supports the Court of Auditors' assessment of the quality and impact of its work and commends the results achieved; believes that the Court of Auditors should improve target setting to ensure that the results achieved effectively reach the targets;
4. Supports the Court of Auditors in its efforts to devote more resources to performance audits and the examination of whether or not economy, effectiveness and efficiency have been achieved; recalls the need for the budgetary and legislative authority of the Court of Auditors to provide not only a statement of assurance on the reliability of the accounts and the legality and regularity of underlying transactions but to also provide reliable and viable opinions on the results obtained by the different policies of the Union;
5. Calls on the Court of Auditors to examine the possibility of presenting its annual report by 30 June, as this would lead to a significant improvement in the audit of the Union accounts and would enhance and streamline both the performance and the effectiveness of Union spending by having the discharge voted before 31 December of the year following the financial year audited;
6. Invites the Court of Auditors to take into consideration in its annual work programme the political priorities of the legislators and the issues of major interest to Union citizens communicated by Parliament's Committee on Budgetary Control;
7. Takes note that 2012 is the final year of the strategic period 2009-2012, giving a mitigated image of results achieved by the policies put in place;
8. Reminds the Court of Auditors of the need to improve time plans, even where there is no deadline, as in the case of Court of Auditors' Special Reports; regrets that the timeliness of the audit findings continue to be far from the long-term target; challenges the Court of Auditors to streamline targets and to pay particular attention to ensuring the improvement of quality in each of the stages of the audit process for the strategy 2013-2017;
9. Calls on the Court of Auditors to include a timeline in each of its Special Reports, setting out the individual stages of the report (from initial groundwork to publication);
10. Notes that the average time to produce a Special Report has been reduced from 25 months to 20 months since 2008; regrets, however, that in 2012, the Court of Auditors did not reach the strategic goal of an average production time of 18 months for Special Reports;
11. Insists on the need to take effective measures to increase the percentage of statements of preliminary findings issued within two months;
12. Welcomes the continued reinforcement of audit posts in 2012, compared to the number of staff in other services and encourages the Court of Auditors to continue its engagement in finding efficiency gains in the support services; takes note of the successful recruitment of new staff to audit posts; is concerned, however, about the slight increase in vacant post at the end of 2012 compared to 2011;
13. Calls on the Court of Auditors to inform the discharge authority about its policy on

secondments of experts from national supreme audit institutions to the Court of Auditors and vice versa; calls on the Court of Auditors to provide more information in this respect in its next Annual Activity Report;

14. Points out that some Member States are over-represented at managerial level, while the Member States which joined the Union in the last 10 years are still under-represented at Head of Unit and Director level; reiterates the need for a greater geographical balance at all levels of the administration;
15. Congratulates the Court of Auditors for completing the K3 building on schedule and within budget;
16. Takes note of the substantial pricing variation of translation cost per language; is of the opinion that such a high discrepancy of costs, even including indirect costs, should be better aligned; calls on the Court of Auditors to apply the method for calculating the translation costs per page the same way as it is done in the other institutions in order to be able to compare the translation costs between institutions in an equal manner;
17. Finds the adoption of the new Code of Conduct for the Members of the Court of Auditors a positive step to improve performance; asks to be informed about breaches to the Code of Conduct in the future;
18. Is firmly of the opinion that the three-year-mandate of the President of the Court of Auditors should only be renewable once;
19. Notes that a high-level group within the Court of Auditors was created to monitor the new initiative to streamline the processes to produce reports; asks to be informed of this high-level group's working plan and time frame;
20. Takes note that in 2012, the Court of Auditors reported a total of eight cases of suspected fraud arising from its audit work and eight cases arising from denunciation letters to the European Anti-Fraud Office (OLAF); notes that OLAF decided to open an enquiry in six cases in the former and three cases in the latter;
21. Emphasises the fact that the number of denunciation letters was half of what it was compared to 2011; supports the Court of Auditors' continuing close cooperation with OLAF;
22. Calls on the Court of Auditors to include in its Annual Activity Report 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, as well as the results of the cases referred to OLAF by the Court of Auditors arising from its audit work and from denunciation letters;
23. Recalls the case of alleged harassment and abuse of power by a former Member of the Court of Auditors which occurred in 2012 and which resulted in a lawsuit filed by three employees of the Court of Auditors against their institution; takes note of the efforts of the Court of Auditors with regard to this harassment case, including preventive measures introduced and assistance and protection given to complainants; encourages the Court of Auditors to review its procedures for dealing with harassment and abuse of power and to further improve the working environment for its staff and its Members in order to fully guarantee dignity in the workplace;
24. Congratulates the Court of Auditors for the successful implementation of the agreed

action plans; suggests that in light of the internal audit service's recommendations to human resources, all allowances should be included in officials' personal files;

25. Continues to be interested in receiving the main conclusions arising from the monitoring of the internal audit service *ex post* verifications and the changes impact results attached to the annual activity report;
26. Welcomes the cooperation between the Court of Auditors and Parliament's Committee on Budgetary Control, the clear follow-up of the discharge resolution from the previous year and regular feedback on the basis of Parliament's demands;
27. Calls on the Court of Auditors to include in its next annual report a review of the follow-up of Parliament's recommendations in this resolution.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	18.3.2014
Result of final vote	+: 24 -: 2 0: 0
Members present for the final vote	Marta Andreasen, Inés Ayala Sender, Zuzana Brzobohatá, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Gerben-Jan Gerbrandy, Ingeborg Gräßle, Cătălin Sorin Ivan, Rina Ronja Kari, Monica Luisa Macovei, Jan Mulder, Eva Ortiz Vilella, Monika Panayotova, Crescenzo Rivellini, Paul Rübig, Bogusław Sonik, Bart Staes, Georgios Stavrakakis, Michael Theurer, Derek Vaughan
Substitute(s) present for the final vote	Amelia Andersdotter, Philip Bradbourn, Esther de Lange, Vojtěch Mynář, Jan Olbrycht, Markus Pieper, Barbara Weiler