

P7_TA(2013)0406

2011 discharge: European Council and Council

1. European Parliament decision of 9 October 2013 on discharge in respect of the implementation of the European Union general budget for the financial year 2011, Section II – European Council and Council (COM(2012)0436 – C7-0226/2012 – 2012/2169(DEC))

The European Parliament,

- having regard to the European Union general budget for the financial year 2011¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012)0436 – C7-0226/2012)²,
- having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, 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 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to its decision of 17 April 2013⁵ postponing its decision on granting discharge for the financial year 2011, and the accompanying resolution,
- 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 Communities⁶, 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 1605/2002⁷, and in particular Articles 164, 165 and 166 thereof,
- having regard to the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 17 May 2006 on budgetary discipline and sound financial management⁸,

¹ OJ L 68, 15.3.2011.

² OJ C 348, 14.11.2012, p. 1.

³ OJ C 344, 12.11.2012, p. 1.

⁴ OJ C 348, 14.11.2012, p. 130.

⁵ Texts adopted, P7_TA(2013)0126.

⁶ OJ L 248, 16.9.2002, p. 1.

⁷ OJ L 298, 26.10.2012, p. 1.

⁸ OJ C 139, 14.6.2006, p. 1.

- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the second report of the Committee on Budgetary Control (A7-0310/2013),
1. Refuses to grant the Secretary-General of the Council discharge in respect of the implementation of the European Council's and the Council's budget for the financial year 2011;
 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 European Council, 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).

2. European Parliament resolution of 9 October 2013 with observations forming an integral part of the decision on the discharge for implementation of the European Union general budget for the financial year 2011, Section II – European Council and Council (COM(2012)0436 – C7-0226/2012 – 2012/2169(DEC))

The European Parliament,

- having regard to the European Union general budget for the financial year 2011¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012)0436 – C7-0226/2012)²,
- having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, 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 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to its decision of 17 April 2013⁵ postponing its decision on granting discharge for the financial year 2011, and the accompanying resolution,
- 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 Communities⁶, 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 1605/2002⁷, and in particular Articles 164, 165 and 166 thereof,
- having regard to the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 17 May 2006 on budgetary discipline and sound financial management⁸,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the second report of the Committee on Budgetary Control (A7-0310/2013),

¹ OJ L 68, 15.3.2011.

² OJ C 348, 14.11.2012, p. 1.

³ OJ C 344, 12.11.2012, p. 1.

⁴ OJ C 348, 14.11.2012, p. 130.

⁵ Texts adopted, P7_TA(2013)0126.

⁶ OJ L 248, 16.9.2002, p. 1.

⁷ OJ L 298, 26.10.2012, p. 1.

⁸ OJ C 139, 14.6.2006, p. 1.

- A. Whereas in a democratic society, taxpayers and public opinion have the right to be kept informed of the use of public funds¹;
 - B. Whereas citizens have the right to know how their taxes are being spent and how the power entrusted to political bodies is handled;
 - C. Whereas the Council, as a Union institution, should be subject to democratic accountability towards the citizens of the Union as far as it is a beneficiary of the general budget of the European Union;
 - D. Whereas Parliament is the sole directly elected body among the Union institutions and has responsibility to grant discharge in respect of the implementation of the general budget of the European Union;
1. Emphasises Parliament's role specified in the Treaty on the Functioning of the European Union (TFEU) in respect of the budget discharge;
 2. Points out that under Article 335 TFEU, "the Union shall be represented by each of the institutions, by virtue of their administrative autonomy, in matters relating to their respective operation" and that accordingly, taking into account Article 55 of the Financial Regulation, the institutions are individually responsible for the implementation of their budgets;
 3. Notes that under Rule 77 of its Rules of Procedure, "the provisions governing the procedure for granting discharge to the Commission in respect of the implementation of the budget shall likewise apply to the procedure for granting discharge to [...] the persons responsible for the implementation of the budgets of the other institutions and bodies of the European Union such as the Council (as regards its activity as executive), the Court of Justice of the European Union, the Court of Auditors, the European Economic and Social Committees and the Committee of the Regions";

Opinion of the Court of Auditors on the European Council and Council in its statement of assurance for the financial year 2011

4. Emphasises the fact that in the annual report concerning the financial year 2011, the Court of Auditors included observations on the European Council and the Council concerning procurement procedures relating to cleaning services and the purchase of service clothing and shoes, in which certain weaknesses in the application of selection and award criteria were identified;
5. Notes the Council's explanations concerning the procurement shortcomings and its assurance of full respect of the spirit and the principles of the Financial Regulation;
6. Shares the Court of Auditors' recommendations that authorising officers should improve the design, coordination and performance of procurement procedures through appropriate checks and better guidance; recommends the stricter application of the procurement rules, with which all the Union institutions are bound to comply;

¹ Judgment of the Court of Justice of 20 May 2003 in Joined Cases C-465/00, C-138/01 and C-139/01 *Österreichischer Rundfunk and others* ([2003] ECR I-4989, paragraph 85).

7. Notes that the Council did not provide any further reply to the Court of Auditors' recommendation relating to the appropriate checks and better guidance of procurement procedures;

Pending issues

8. Regrets the difficulties encountered in discharge procedures for the financial years 2007, 2008, 2009 and 2010, which were due to a lack of cooperation from the Council; points out that Parliament refused to grant discharge to the Secretary-General of the Council in respect of the implementation of the Council's budget for the financial years 2009 and 2010 for the reasons set out in its resolutions of 10 May 2011¹, 25 October 2011², 10 May 2012³ and 23 October 2012⁴;
9. Expects that future annual activity reports which are received by Parliament from the Council will include a comprehensive overview of all human resources broken down by category, grade, sex, nationality and vocational training, as well as the internal budget decisions of the Council;
10. Stresses that the budget of the European Council and the Council should be separated in order to contribute to the transparency of their financial management and to ensure better accountability of both institutions;
11. Reiterates that the Council must provide a thorough written explanation detailing the total amount of appropriations used in the purchase of the Résidence Palace building, the budget items from which those appropriations were drawn, the instalments that have been paid thus far, the instalments that are yet to be paid and the purpose that the building will serve;
12. Regrets that the Council continues to refuse to answer Parliament's questions;
13. Reiterates that it is still waiting for a reply from the Council to the questions and the request for documents set out in its resolution of 10 May 2012; calls on the Secretary-General of the Council to provide Parliament's Committee on Budgetary Control with comprehensive written answers to these questions;
14. Insist that the expenditure of the Council must be scrutinised in the same way as that of other institutions; is of the opinion that the fundamental elements of such scrutiny are laid down in its resolution of 23 October 2012;
15. Welcomes, however, the fact that the Presidency in office of the Council accepted Parliament's invitation to the debate held in plenary on 16 April 2013 on the 2011 discharge reports; endorses the fact that the Presidency was open to developing a beneficial cooperation between Parliament and the Council;
16. Notes the Irish Presidency's proposal to establish an interinstitutional working group to negotiate possible solutions to the Council's discharge; looks to the Lithuanian Presidency of the Council for a specific proposal;

¹ OJ L 250, 27.09.2011, p.25.

² OJ L 313, 26.11.2011, p. 13.

³ OJ L 286, 17.10.2012, p. 23.

⁴ OJ L 350, 20.12.2012, p. 71.

The right of Parliament to grant discharge

17. Emphasises Parliament's prerogatives to grant discharge pursuant to Articles 317, 318 and 319 of the TFEU, in line with current interpretation and practice, namely to grant discharge to each heading of the budget individually in order to maintain transparency and democratic accountability towards Union taxpayers;
18. Recalls that the Commission, in its reply of 25 November 2011 to the letter from the Chair of the Committee on Budgetary Control, wrote that it is desirable for Parliament to continue to give, postpone or refuse discharge to the other institutions, including the Council, as has been the case up until now;
19. Is of the opinion that in any event, an assessment must be carried out of the Council's management as a Union institution during the financial year under examination, thereby upholding Parliament's prerogatives, in particular the assurance of democratic accountability towards the citizens of the Union;
20. Believes, therefore that some progress could be achieved if Parliament and the Council could set up together a list of documents to be exchanged in order to fulfil their respective roles in the discharge process;
21. Considers that a satisfactory cooperation between both institutions materialised in an open and formal dialogue procedure can be a positive sign to be sent to the citizens of the Union in these difficult times.