



Council of the
European Union

Brussels, 9 February 2018
(OR. en)

5940/18

FIN 91
PE-L 6

NOTE

From: Budget Committee

To: Permanent Representatives Committee/Council

Subject: Council recommendation on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2016

– *Adoption*

1. The Budget Committee examined the Court's annual report concerning the financial year 2016¹ in January and February 2018.
2. The annual report contains an assessment of the reliability of the consolidated accounts of the EU and the legality and regularity of the underlying transactions for the revenue and expenditure side of the EU budget, which form the basis for the Court's Statement of Assurance (DAS)².
3. The Court concluded that the revenue and the payments based on an entitlement basis underlying the accounts for the financial year 2016 are legal and regular in all material respects.

¹ OJ C 322, 28.9.2017.

² "Déclaration d'assurance".

4. The Court qualified its opinion on the legality and regularity of payments underlying the accounts of the expenditure covering spending on a reimbursement basis, materially affected by error. As payments made on an entitlement basis are on the contrary not affected by a material level of error, the Court considered that the estimated level of error is not pervasive.
5. On 8 February 2018, the Budget Committee reached an agreement on a draft Council recommendation on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2016. The text is set out in Addendum 1 to this note.
6. In accordance with 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 in particular Article 208(2) thereof, and the Financial Regulations of each body, the Council is required to draw up recommendations to the European Parliament on a discharge to be given to the bodies set up under the TFEU and the Euratom Treaty and which have legal personality and receive contributions charged to the budget. These draft recommendations are submitted for adoption by the Council as a separate "A" item³.
7. Furthermore, in accordance with Council Regulation (EC) No 58/2003⁴ of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, and in particular Article 14(3) thereof, and Commission Regulation (EC) No 1653/2004⁵ of 21 September 2004, on a "standard financial regulation" for the executive agencies and in particular Article 66, first paragraph, thereof, the Council is required to draw up recommendations to the European Parliament on a discharge to be given to the executive agencies. These draft recommendations are also submitted for adoption by the Council as a separate "A" item⁶.

³ Doc. 5941/18 ADD 1.

⁴ OJ L 11, 16.1.2003, p. 1

⁵ OJ L 297, 22.9.2004, p. 6.

⁶ Doc. 5942/18 ADD 1.

8. Moreover, in accordance with the relevant establishing acts and Article 208(2) of Regulation (EU, Euratom) No 966/2012, the Council is required to draw up recommendations to the European Parliament on a discharge to be given to the joint undertakings. These draft recommendations are also submitted for adoption by the Council as a separate "A" item⁷.
9. The Permanent Representatives Committee is asked to advise the Council to:
- adopt the Council recommendation on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2016 as set out in Addendum 1;
 - approve the general comments accompanying the recommendation, as contained in the ANNEX to the same Addendum 1;
 - instruct the President of the Council to have the above mentioned Council recommendation, together with the comments accompanying it, forwarded to the European Parliament, and to approve the draft letter in the the ANNEX to that effect;

⁷ Doc. 5943/18 ADD 1.

DRAFT LETTER

from : President of the Council

to : President of the European Parliament

Sir,

In accordance with Article 319(1) of the Treaty on the Functioning of the European Union, I am forwarding under separate cover¹ the Council recommendation of 20 February 2018 on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2016.

[Complimentary close].

¹ Doc. 5940/18 + ADD 1.