
EUROPEAN PARLIAMENT

Working Documents

1982-1983

10 November 1982

DOCUMENT 1-834/82

REPORT

drawn up on behalf of the Committee on Budgetary Control

on the ~~report~~ report of the Court of Auditors on the financial
statements of the ECSC at 31 December 1980

and

the discharge to be granted to the Commission of the
European Communities in respect of the ECSC accounts for the
financial year 1980

Rapporteur Mr V. GABERT

l. d. /

20 October 1982

PE 80.778/fin.

Consultation by Council

By letter of 28 December 1981, the Commission of the European Communities forwarded to the European Parliament, the report of the Court of Auditors on the financial statements of the ECSC for the 1980 financial year.

On 21 January 1982 the President of the European Parliament referred this report to the Committee on Budgetary Control.

On 16 March 1982 the Committee on Budgetary Control confirmed the appointment of Mr Gabert as rapporteur.

It considered the draft report at its meeting of 2 November 1982 and adopted the motion for a resolution unanimously and the proposal for a decision by 10 votes to none with one abstention.

The following took part in the vote: Mr Aigner, chairman; Mr Price, third vice-chairman; Mr Gabert, rapporteur; Mr Arndt (deputizing for Mr Lalumière), Mr Balfe (deputizing for Mr Orlandi), Mr Gouthier, Mrs Herklotz (deputizing for Mr Wettig), Mr Kellett-Bowman, Mr Key, Mr Notenboom and Mr Saby.

The explanatory statement will be presented orally by the rapporteur.

The Committee on Budgetary Control hereby submits to the European Parliament the following motion for a resolution and proposal for a decision:

MOTION FOR A RESOLUTION

on the report of the Court of Auditors on the financial statements of the ECSC at 31 December 1980

PROPOSAL FOR A DECISION

on the discharge to be granted to the Commission of the European Communities in respect of the financial year 1980

The European Parliament,

- A. having regard to the financial statements of the ECSC at 31 December 1980¹,
 - B. having regard to the Court of Auditors' report on these financial statements (Doc. 1-925/81),
 - C. having regard to the report of the Committee on Budgetary Control (Doc. 1-834/82),
 - D. whereas it has expressed serious concern in its resolutions on the delay in completing the discharge procedure for the financial years 1978 and 1979 and the financial year 1980,
 - E. whereas in the same resolutions it hoped that the discharge procedures for the EEC and EAEC on the one hand and for the ECSC on the other hand could be conducted simultaneously,
1. Notes that the comprehensive supplementary report of the Court of Auditors and the Commission's replies to that report became available only in mid-October 1982 and therefore that the important question of the soundness of the financial management can be assessed only after careful study of these documents;

¹ OJ No. C 347, 31.12.1981

2. Points out that it can only evaluate the regularity of the accounting operations and the Commission's financial management in respect of the financial year 1980;
3. Wishes to draw up a report assessing the soundness of the financial management, after obtaining and examining other information;

with regard to the granting of the discharge in respect of the financial year 1980

4. Expresses satisfaction at the fact that the Commission and the Court of Auditors have reached an agreement on the way in which the financial activities and balance sheet of ECSC are to be presented and audited;
5. Expresses satisfaction also at the fundamental improvement in the arrangement and breakdown of items in the representation of the accounts for the financial year 1980, which has now been brought into line with the layout contained in the proposal for a directive concerning the submission of the annual accounts of credit institutions;
6. Points out that it is essential for the Commission in future to make up fully the substantial delay which has arisen in the keeping of the accounts during the financial year in question, so that, in accordance with the Court of Auditors' wishes, the accounts can become a proper instrument of financial management;
7. Calls on the Commission, therefore, to continue and intensify its efforts to harmonize the various accounting methods, which must be based on the same criteria and thus be fully compatible and verifiable, and its efforts to make greater use of data processing in its accounting department;
8. Endorses the comments made by the Court of Auditors on the need to step up controls relating to the prices of bonds in the portfolio and to the financial situation of debtors who are in difficulties, so that the individual items on the balance sheet reflect the actual value of the activities in question;
9. Awaits the submission in the annex to the balance sheet and profit and loss accounts, of more detailed explanations of the accounting principles used;

10. Considers the continuing delays in the transfer of the Member States' contributions to be unacceptable, calls on the Commission to do its utmost to obtain the unpaid contributions from the Member States in accordance with the principle of annual budgeting;

Proposal for a decision on the discharge

11. Grants a discharge in respect of the financial year 1980 on the basis of the following figures, which are taken from the balance sheet at 31 December 1980¹, and of the statement by the Court of Auditors' recognizing the regularity of the accounting operations and of the Commission's financial management.

A. BALANCE SHEET

EUA

ASSETS

| | |
|--|----------------------|
| I. Cash and balances with central banks | 5.760.379 |
| II. Loans and advances to credit institutions | 548.184.736 |
| III. Debt securities held in portfolio | 264.243.139 |
| IV. Loans outstanding | 5,514.673.415 |
| V. Unamortized issuing costs and reimbursement premiums | 72.722.065 |
| VI. Bank deposits for coupons and securities due but not presented for payment | 55.471.293 |
| VII. Land and buildings | 286.389 |
| VIII. Other assets | 25.201.409 |
| IX. Accrued income | 155.563.851 |
| | ----- |
| Total | <u>6.642.106.676</u> |

LIABILITIES

| | | |
|------|--|----------------------|
| I. | Coupons and securities due but not presented for payment | 55.471.223 |
| II. | Medium- and long-term borrowings | 5.405.735.297 |
| III. | Other liabilities | 14.823.929 |
| IV. | Accrued interest and commission payable | 224.587.699 |
| V. | Commitments concerning the ESCS operational budget | 496.000.916 |
| VI. | Reserves | 445.347.043 |
| VII. | Unallocated surplus of revenue | 140.569 |
| | | ----- |
| | Total | <u>6.642.106.676</u> |

B. REVENUE AND EXPENDITURE**EUA****REVENUE**

| | |
|--------------------------------------|-------------|
| I. Interest received | 538.682.392 |
| II. Profit on repurchased securities | 4.110.303 |
| III. Miscellaneous | 2.239.285 |
| IV. Levies and fines | 116.604.607 |
| V. Contributions from Member States | 28.000.000 |
| | ----- |
| Total revenue | 689.636.587 |

EXPENDITURE

| | |
|--|-------------|
| I. Interest paid | 429.401.595 |
| II. Commissions paid | 3.870.354 |
| III. Contribution to administrative costs | 5.000.000 |
| IV. Value adjustments for losses on loans and provisions for general risks relating to ECSC activities | 11.572.097 |
| V. Value adjustments in respect of securities | 580.265 |
| VI. Realized losses in respect of securities | 941.235 |
| VII. Amortization of issuing costs and reimbursement premiums | 16.052.529 |
| VIII. Other charges | 439.909 |
| IX. Research expenditure | 40.962.596 |

| | |
|---|-------------|
| X. Rehabilitation expenditure | 35.667.540 |
| XI. Assistance to coking coal plants | 10.942.478 |
| XII. Interest subsidies under Article 54 | 7.437.504 |
| XIII. Interest subsidies under Article 56 | 10.593.799 |
| XIV. Loss on exchange | 1.691.396 |
| | ----- |
| Total expenditure | 575.153.297 |
| | ----- |
| XV. Surplus of revenues over expenditure | 114.483.290 |
| | ----- |
| | 689.636.587 |