DECISION OF THE EUROPEAN PARLIAMENT

of 4 April 2001

closing the accounts in respect of the implementation of the general budget of the European Union for the 1999 financial year (Commission)

(2001/445/EC, ECSC, Euratom)

THE EUROPEAN PARLIAMENT,

Having regard to the budget of the European Union for the 1999 financial year,

Having regard to the consolidated revenue and expenditure account and balance sheet for the 1999 financial year (SEC(2000) 537 — C5-0310/2000, SEC(2000) 538 — C5-0311/2000, SEC(2000)1624 — C5-0313/2000) [1],

Having regard to the annual report concerning the 1999 financial year and the special reports of the Court of Auditors and the Institutions' replies (C5-0617/2000) [2],

Having regard to the Statement of Assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty (C5-0617/2000),

Having regard to the Council recommendation of 12 March 2001 (C5-0127/2001),

Having regard to Article 276 of the EC Treaty, Article 78g of the ECSC Treaty and Article 180b of the EAEC Treaty,

Having regard to the Financial Regulation of 21 December 1977, and in particular Article 89 thereof,

Having regard to Rule 93 and Annex V of its Rules of Procedure,

Having regard to the report of the Committee on Budgetary Control and the opinions of the interested committees (A5-0113/2001),

Whereas:

A. Pursuant to Article 275 of the EC Treaty responsibility for drawing up the revenue and expenditure account lies with the Commission,

1. Notes that the revenue and expenditure for the 1999 financial year amounted to:

(euro)

(a) Revenue	86 908 069 717,84
(b) Expenditure	– 84 268 265 870,26
Appropriations carried over from 1998 to 1999 which lapsed	508 101 761,56
Exchange differences for the year	71 984 361,71
Total	**3 219 889 970,85**

[1] OJ C 343, 1.12.2000.
[2] OJ C 342, 1.12.2000.

2. Notes that total revenue is broken down as follows:

(euro)

Own resources	82 083 049 970,25
Surpluses available	3 471 880 781,99
Other revenue (Titles 4 to 9)	1 353 138 965,60
Total	**86 908 069 717,84** (*)

(*) Total gross revenue for the year comes to EUR 88 447 803 041,15 . When the costs incurred by the Member States in the collection of own resources (EUR 1 539 733 323,31), are taken into account, total net revenue collected in respect of 1999 comes to EUR 86 908 069 717,84.

3. Notes that total expenditure is broken down as follows:

	(euro)	*(%)*
1. Common agricultural policy	39 573 891 000,00	46,96
2. Structural operations	30 347 563 000,00	36,01
3. Internal policies	4 868 147 000,00	5,78
4. External action	4 725 027 000,00	5,61
5. Administrative expenditure	4 453 325 000,00	5,28
6. Reserves	300 069 000,00	0,36
Total (*)	**84 268 022 000,00**	**100,00**

(*) Explanation of difference between amount (b) in paragraph 1 (EUR 84 268 265 870) and the total in point 3 (EUR 84 268 022 000):
1. amount (b) in paragraph 1 comes from the calculation of the balance for the financial year. That calculation is determined by the own resources Regulation. As indicated in the footnote on page 13 of Volume IV: EFTA-EEA appropriations carried over from 1998 to 1999 could not be included in the calculation of the balance for the 1998 financial year, since the carry-over decision was adopted after the closure of accounts, i. e. that amount should have been part of the 1998 budget balance, but, as it was not communicated until after the accounts were closed, it should be included in the balance for the following year;
2. the total in point 3 comes from page 24 of Volume IV. Account should be taken of the footnotes on page 24, indicating that implementation of Title B6 has been underestimated by EUR 52 300 , and page 13 and page 26, indicating that the amount of appropriations carried over by the Commission must be increased by an amount of EUR 192 080 and corresponds to EFTA's appropriations (see 1).

4. Notes the following consolidated balance sheet drawn up by the Commission:

ASSETS

(euro)

I.	Initial costs	0,00
II.	Intangible fixed assets	6 517 892,73
III.	Tangible fixed assets	3 019 119 517,68
IV.	Investments	1 777 820 170,33
V.	Long-term assets	2 557 209 489,14
VI.	Stocks	151 863 752,23
VII.	Short-term assets	5 256 704 957,33
VIII.	Cash investments	40 454 375,92
IX.	Disposable assets	11 254 861 205,20
X.	Transitional accounts	251 026 662,54
	Total	**24 315 578 023,10**

LIABILITIES

(euro)

I. Own capital	9 039 080 663,72
II. Provisions for risks and liabilities	1 206 681 575,52
III. Long-term liabilities	2 811 331 841,58
IV. Short-term liabilities	10 736 834 742,31
V. Transitional accounts	521 649 199,97
Total	**24 315 578 023,10**

5. Is concerned that the failure to draw up comprehensive financial statements indicates a lack of adequate data checks, management supervision and budget procedures; calls on the Commission to introduce an effective accounting system to allow anomalies to be discovered in good time; asks the Commission to introduce procedures to enable each Directorate-General and delegation to draw up interim aggregate financial statements every six months; notes that, under the reform programme, the system will be fully operational by 2003;

6. Recalls that the Court of Auditors, in the context of its Statement of Assurance, is of the opinion that the accounts reflect reliably the Communities' revenue and expenditure and the financial statement at the end of the year, but as in previous years, has voiced reservations regarding the effect of a number of errors and weaknesses on the consolidated revenue and expenditure account, including:

   (a) a net understatement of fixed assets of around EUR 240 million, as buildings of the European Parliament and European Court of Justice are not included and inconsistencies in the treatment of depreciation between, and even within, different Commission Directorates-General,

   (b) an understatement of short-term amounts receivable from Member States, in the area of own resources and EAGGF Guarantee Section debtors,

   (c) a material understatement of sundry debtors, essentially sums paid to various intermediate bodies but not yet transferred to final recipients,

   (d) the inaccurate and inadequate presentation of information on advances and payments on account at 31 December 1999, as a result of incorrect recording by the authorising officers and technical problems linked to the introduction of SINCOM2,

   (e) the understatement of commitments by some EUR 2 600 million,

   (f) the overstatement of commitments still to be settled by some EUR 940 million, since they are maintained in the accounts although they no longer represent an obligation to make further payments owing to poor monitoring by various Commission departments,

   (g) the overstatement of potential receivable amounts;

7. Approves the closure of the accounts for the implementation of the general budget for the 1999 financial year;

8. Instructs its President to forward this Decision to the Council, the Commission, the Court of Justice, the Court of Auditors and the European Investment Bank and to have it published in the Official Journal (L series).

The Secretary-General
Julian PRIESTLEY

The President
Nicole FONTAINE