

Council Decision 77/575/EEC, Euratom, ECSC (25 April 1977)

Caption: The Treaty of Brussels of 22 July 1975, which entered into force on 1 June 1977, confers on Parliament the exclusive power to give discharge to the Commission in respect of the implementation of the budget of the European Communities. This Decision, dated 25 April 1977, which gives discharge to the Commission, is the final Decision that the Council takes in this field.

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Council Decision of 25 April 1977 giving a discharge to the Commission in respect of the implementation of the budget and of the amending and supplementary budgets of the European Communities for the financial year 1975 (77/575/EEC, Euratom, ECSC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 78d thereof,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 206 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 180 thereof,

Having regard to the Treaty establishing a single Council and a single Commission of the European Communities, and in particular Article 20 thereof,

Having regard to the accounts of revenue and expenditure and the financial statements relating to the transactions made under the budget for the financial year 1975,

Having regard to the report of the Audit Board on the accounts for the financial year 1975 to which report are annexed the replies by the institutions to the comments concerning them,

Whereas the European Parliament has adopted the budget of the European Communities for the financial year 1975 ⁽¹⁾;

Whereas during the financial year 1975, three amending and supplementary budgets were adopted, the first ⁽²⁾ amending research and investment appropriations, and enabling the Regional Fund to begin operating, the second ⁽³⁾ constituting the second tranche of the Communities' contribution to an international emergency aid project for the assistance of the developing countries most affected by the crisis, and the third ⁽⁴⁾ increasing research and investment appropriations and the appropriations for the Guarantee Section of the European Agricultural Guidance and Guarantee Fund;

Whereas the Commission made payments relating to appropriations carried over from the financial year 1974 (or previous financial years) from an appropriation of 2 321 976 447 units of account over and above the aforementioned appropriation amounts;

Whereas certain appropriations available at the close of the financial year 1975 have been carried forward to the financial year 1976;

Whereas the observations and comments in the Audit Board's report on the accounts for the financial year 1975 contain references to certain irregularities and errors and whereas appropriate action should be taken on this matter;

Whereas, "however, the general implementation by the Commission of the budgets for the financial year 1975 was such as to entitle it to be given a discharge in respect of the implementation of these budgets.

HAS DECIDED AS FOLLOWS:

Article 1

The views of the Council on the observations and comments in the Audit Board's report on the accounts for the financial year 1975 are as set out in the Annex.

Article 2

1. The Council notes that:

(units of account)

(a) total payments made from the appropriations for the financial year (management of own resources) amount to 5 004 589 554.62

(b) total payments made from appropriations to be financed according to an *ad hoc* scale amount to 80 063,78

(c) total appropriations carried forward from the financial year 1975 to the financial year 1976 (management of own resources) amount to 1 238 176 554,61

2. The Council notes that the sum of the totals under paragraph 1, viz.: 6 242 846 173,01

is to be covered by equivalent revenue as follows:

(a) in accordance with Decision 70/243/ECSG EEC, Euratom ⁽⁵⁾ of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources:

— by own resources 3 741 101 246.20

— by financial contributions 2 151 995 462.70

— by the amount provided for the appropriations carried forward from the financial year 1974 to the financial year 1975, and which is cancelled 29 157 480.59

— by revenue connected with research and investment activities 6 035 500.81

— by Member States' contributions to the Euratom complementary programmes 12 633 429.30

— by the amount of the ECSC levies allocated to administrative expenditure 18 000 000.00

— by other miscellaneous revenue 283 842 989.70

(b) by financial contributions in accordance with Article 200 (1) of the EEC Treaty 80 063.78

3. The Council notes that payments from appropriations carried forward from the financial year 1974 amount to 1 406 557 950.84

Article 3

The Council hereby gives a discharge to the Commission in respect of the implementation of the budget and of the amending and supplementary budgets of the European Communities for the financial year 1975, as shown by the following table.

[...]

Done at Luxembourg, 25 April 1977.

For the Council
The President
J. SILKIN

ANNEX

Position of the Council referred to in Article 1

Extra-budgetary accounts

(Section 5 (c) of the report)

The Council draws the attention of the institutions to the Audit Board's comments on the use of bank accounts and asks the institutions concerned to limit as far as possible the amounts in existing accounts.

Staff expenditure

(Sections 9 to 20 of the report)

The Council has the following comments:

- the Audit Board's comments are felt to be justified,
- the Commission is asked to comply with the provisions concerning the staff of the European Communities, since the strict application of existing provisions is the only way of ensuring uniform treatment for all staff,
- it is pointed out that if the Commission feels that a particular provision is having an undesirable effect, it should duly propose the appropriate amendments; the Commission should furthermore preferably inform the Council, prior to taking unilateral action, of any major difficulties in applying in practice the provisions adopted by the Council.

The Council considers that the provisions concerning staff cannot be freely interpreted.

The Council supports the Audit Board's comments regarding the exchange rates applied for the re-purchase of pension rights (Section 17 (e) of the report).

Transfer of emoluments in a currency other than that of the country of employment

(Section 18 of the report)

The Council agrees with the Audit Board's view. It is apparent from paragraph (e) that, despite the restrictions imposed on such transfers, advantage is being taken of the provision for speculative purposes.

European Social Fund

(Sections 31 to 40 of the report)

The Council agrees with the Audit Board's comments on the delays in payments made by the Fund. These delays have in some cases caused the cancellation of appropriations and in other cases the re-allocation of

funds to other projects which the Commission had originally considered to be less urgent.

European Agricultural Guidance and Guarantee Fund

Distillation of table wines

(Section 53 of the report)

The Council disagrees with the Commission's view that the forwarding of detailed calculations to the Council would complicate the taking of political decisions. On the contrary, if supplied with detailed information the Council would be able to take its decisions in fuller knowledge of the facts.

Food aid

(Sections 80 to 83 of the report)

The Council draws the Commission's attention to the delays in implementation and clearance both of the aid programmes and of emergency aid. It asks the Commission to submit a report on the measures being taken in order to prevent such delays and in order to recover the costs of delays attributable to the recipient countries from those countries.

Research and investment appropriations

(Sections 94 to 100 of the report)

The Council draws the Commission's attention to the need for further improvement in the Joint Research Centre accounting system. It notes that the Commission will make some effort to improve the financial management of research and investment appropriations.

⁽¹⁾ OJ No L 54, 28. 2. 1975, p. 1.

⁽²⁾ OJ No L 175, 7. 7. 1975, p. 1.

⁽³⁾ OJ No L 175, 1. 7. 1975, p. 59.

⁽⁴⁾ OJ No L 40, 16. 2. 1976, p. 1.

⁽⁵⁾ OJ No L 94, 28. 4. 1970, p. 19.