II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 1 June 1976

giving a discharge to the Commission in respect of the implementation of the budget and of the rectifying and supplementary budgets of the European Communities for the financial year 1972

(77/119/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 1972,

Having regard to the report of the Audit Board on the accounts for the financial year 1972, to which report are annexed the replies of the institutions to the comments concerning them,

Whereas the Council has adopted the budget of the European Communities for the financial year 1972 [1];

Whereas two rectifying and supplementary budgets [2] [3] were adopted during the financial year 1972, one increasing *inter alia* food-aid appropriations for the Guarantee Section of the European Agricultural Guidance and Guarantee Fund taking into account, by way of exception, for the 1972 financial year, payments made up to 31 January 1973 by the authorities and bodies referred to in Article 4 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy [4];

Whereas the Commission made payments relating to appropriations carried over from the financial year 1971 (or previous financial year) from an appropriation of 2 414 545 074 units of account over and above the aforementioned appropriation amounts;

Whereas certain appropriations available at the close of the financial year 1972 have been carried forward to the financial year 1973;

Whereas the observations and comments in the report of the Audit Board on the accounts for the financial year 1972 contain references to certain irregularities and mistakes; whereas suitable action should be taken on this matter;

[1] OJ No L 202, 4. 9. 1972, p. 1.

[2] OJ No L 240, 23. 10. 1972, p. 1.
[3] OJ No L 287, 26. 12. 1972, p. 32.
[4] OJ No L 94, 28. 4. 1970, p. 13.

Whereas, however, the general implementation by the Commission of the budgets for the financial year 1972 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 report of the Audit Board on the accounts for the financial year 1972 are as set out in Annex I.

Article 2

1. The Council notes that:

(a) total payments made from appropriations for the financial year 1972 (management of own resources) are as follows:

(in units of account)

1. administrative and operating expenditure (Titles I to IV):		
— Commission	126 280 549·56	
— repayment to Member States of 10% of amounts paid	127 042 696·70	
— European Parliament	13 656 725·06	
— Council	20 195 162·56	
— Court of Justice	3 061 901·80	290 237 035·68
2. research and investment expenditure		63 740 893·99
3. European Social Fund		54 805 656·48
4. EAGGF:		
— Guarantee Section	2 289 723 599·62	
— Guidance Section	5 370 816·00	2 295 094 415·62
	Total (a)	2 703 878 001·77

(b) total payments made from appropriations to be financed according to an *ad hoc* scale are as follows:

1. EAGGF:	
— Guarantee Section	—
— Guidance Section	870 260·44

(in units of account)

2. food aid	18 842 681·00	
3. measures to combat African swine fever and aid to redundant workers in sulphur mines in Italy	1 548 000·00	21 260 941·44
	Total (a) + (b)	2 725 138 943·21

(c) total appropriations carried over from the financial year 1972 to the financial year 1973 (management of own resources) are as follows:

1. administrative and operating expenditure (Titles I to IV):		
— Commission	12 597 287·60	
— repayment to Member States of 10% of amounts paid	48 639 749·34	
— European Parliament	1 360 808·12	
— Council	3 006 760·16	
— Court of Justice	438 639·76	66 043 244·98
2. research and investment expenditure		12 270 079·05
3. European Social Fund		42 692 682·66
4. EAGGF:		
— Guarantee Section		265 301 475·72
— Guidance Section		169 459 184·00
5. food aid		82 823 000·00
	Total (c)	638 589 666·41

(d) total appropriations carried over from the financial year 1972 to the financial year 1973 to be financed according to an *ad hoc* scale are as follows:

EAGGF:		
— Guarantee Section	145 000 000·00	
— Guidance Section	200 409 885·34	345 409 885·34
	Total (c) + (d)	983 999 551·75

2. The Council notes that the sum of the totals under (1) (a), (b), (c) and (d), viz: 3 709 138 494·96 units of account, is to be covered by equivalent revenue as follows:

(in units of account)

(a) in accordance with Decision 70/243/ECSC, EEC, Euratom:		
— by own resources	1 756 824 460·60	
— by financial contributions	1 236 613 157·39	
— by the amount provided for the appropriations carried forward from the financial year 1971 to the financial year 1972 and cancelled	268 094 981·20	3 261 532 599·19
— by revenue connected with research and investment activities	9 493 549·36	
— by Member States' contributions to the Euratom complementary programmes (established entitlements)	26 953 950·40	
— by the amount of the ECSC levies allocated to administrative expenditure	18 000 000·00	
— by other miscellaneous revenue	26 487 569·23	80 935 068·99
	Total (a)	3 342 467 668·18
(b) by financial contributions:		
— in accordance with Article 200 (1) of the EEC Treaty	1 548 000·00	
— in accordance with Council Regulation No 130/66/EEC of 26 July 1966 on the financing of the common agricultural policy (1):		
EAGGF:		
— Guarantee Section	145 000 000·00	
— Guidance Section	1 337 000·00	
— in accordance with Article 7 of Council Regulation (EEC) No 728/70 of 21 April 1970 on additional provisions for the financing of the common agricultural policy (2):		
EAGGF: Guidance Section	199 943 145·78	
— in accordance with Article 5 of Council Regulation (EEC) No 2052/69 of 17 October 1969 on the Community financing of expenditure arising from the implementation of the Food Aid Convention (3)	18 842 681·00	366 670 826·78
	Total (a) and (b)	3 709 138 494·96

The calculation of the contribution of the Member States to the financing of the budget for the financial year 1972 is reproduced in Annex II.

3. The Council notes that the amount of payments from appropriations carried over from the financial year 1971 is 1 792 527 476·33 units of account.

Article 3

The Council hereby gives a discharge to the Commission in respect of the implementation of the budget and of the rectifying and supplementary budgets of the European Communities for the financial year 1972, as shown by the following table:

(1) OJ No 165, 21. 9. 1966, p. 2965/66.
(2) OJ No L 94, 28. 4. 1970, p. 9.
(3) OJ No L 263, 21. 10. 1969, p. 6.

(in units of account)

	Balances brought forward from 1971 to 1972	Payments against appropriations brought forward	Amounts carried over from 1972 to 1973 from appropriations brought forward	Cancellations	Total appropriations for the financial year 1972	Commitments at 31 December 1972	Payments made by 31 December 1972 or 15 February 1973	Balances carried forward from 1972 to 1973 (1)	Cancellations
	1	2	3	4	5	6	7	8	9
Administrative and operating expenditure (Titles I to IV)	61 182 505·82	59 428 386·40	—	1 754 119·42	372 871 875·00	357 294 844·72	291 785 035·68	66 043 244·98	15 043 594·34
Research and investment expenditure	7 102 189·53	6 236 003·67	—	866 185·86	78 143 543·00	(2) 96 548 410·84	63 740 893·99	12 270 079·05	2 132 569·96
European Social Fund	—	—	—	—	97 750 000·00	85 436 310·34	54 805 656·48	42 692 682·66	251 660·86
EAGGF:									
— Guarantee Section	1 911 667 919·50	1 659 043 698·82		252 624 220·68	2 882 190 000·00	2 555 025 075·34	2 289 723 599·02	410 301 475·72	182 164 924·66
— Guidance Section	421 415 459·00	67 819 387·44	346 144 744·56	7 451 327·00	839 551 300·00	205 704 864·78	6 241 076·44	369 869 069·34	463 441 154·22
Food aid	13 177 000·00	—	—	13 177 000·00	102 123 000·00	49 300 666·00	18 842 681·00	82 823 000·00	457 319·00
Total	2 414 545 073·85	1 792 527 476·33	346 144 744·56	275 872 852·96	4 372 629 718·00	3 349 310 172·02	2 725 138 943·21	983 999 551·75	663 491 223·04

(1) The amounts in column 8 do not represent the difference between columns 6 and 7 as they include the 'carry forwards' referred to in Article 6 (1) (b) of Financial Regulation 73/91/ECSC, EEC, Euratom (OJ No L 116, 1. 5. 1973, p. 1).
(2) Commitments contracted in 1972 on commitment appropriations opened for the 1972 financial year and on commitment appropriations available at the close of the 1971 financial year.

Done at Brussels, 1 June 1976.

For the Council
The President
G. THORN

ANNEX I

VIEWS OF THE COUNCIL AS REFERRED TO IN ARTICLE 1

1. **General comments**

The Council asks the Commission to examine the possibility of submitting appropriate proposals to deal with the substantive and procedural questions which have arisen in connection with the discharge given to the Commission for the implementation of the budget for the financial year 1972, particularly as regards the auditing of the accounts of the EAGGF, Guarantee Section.

2. **Situation regarding the auditing procedures** (No 2 of the report)

The Council draws the attention of the Commission to the Audit Board's comments to be found in No 2 of the report and asks the Commission to take the necessary measures to facilitate the normal exercise of outside control.

ANNEX II

CALCULATION OF THE CONTRIBUTION OF THE MEMBER STATES TO THE FINANCING OF THE BUDGET FOR THE FINANCIAL YEAR 1972

1. **Establishing the appropriations to be covered in accordance with Decision 70/243/ECSC, EEC, Euratom**

(in units of account)

Category of expenditure	Payments made during financial year	Appropriations carried forward to 1973	Appropriations carried forward from 1971 and cancelled (to be deducted)	Amount
1. Research and investment expenditure	63 740 893·99	12 270 079·05	866 185·86	75 144 787·18
2. European Social Fund	54 805 656·48	42 692 682·66	—	97 498 339·14
3. EAGGF:				
— Guarantee Section	2 289 723 599·62	265 301 475·72	252 297 675·94	2 302 727 399·40
— Guidance Section	5 370 816·00	169 459 184·00	—	174 830 000·00
4. — Administrative and operating expenditure:				
— Commission	126 280 549·56	12 597 287·60	1 548 503·86	137 329 333·30
— Parliament	13 656 725·06	1 360 808·12	111 901·76	14 905 631·42
— Council	20 195 162·56	3 006 760·16	72 057·96	23 129 864·76
— Court of Justice	3 061 901·80	438 639·76	21 655·84	3 478 885·72
— Food aid	—	82 823 000·00	13 177 000·00	69 646 000·00
5. Refund to the Member States of 10 % of own resources	127 042 696·72	48 639 749·34	—	175 682 446·06
	2 703 878 001·79	638 589 666·41	268 094 981·22	3 074 372 686·98

(in units of account)

Category of revenue	Amount
1. Miscellaneous revenue relating to research and investment activities	9 493 549·36
2. Other miscellaneous revenue	26 487 569·23
3. ECSC levies allocated to administrative expenditure	18 000 000·00
4, Member States' contributions to Euratom complementary programmes	26 953 950·40 (1)
	80 935 068·99
Appropriations to be covered pursuant to Decision 70/243/ECSC, EEC, Euratom	2 993 437 617·99

(1) Belgium: 3 143 228·68,
Germany: 11 228 320·00,
France: 2 015 708·61,
Italy: 8 295 184·31,
Luxembourg: 51 778·64,
Netherlands: 2 219 730·16.

2. Allocation of expenditure in accordance with Article 3 (2) of Decision 70/243/ECSC, EEC Euratom

(in units of account)

	Own resources paid	Contribution from Member States according to Article 3 (2) scale	Total share of Member States	Relative share (%)
Belgium	153 383 861·66	84 089 694·70	237 473 556·36	7·9331
Germany	621 760 514·22	406 845 728·78	1 028 606 243·00	34·3621
France	368 471 594·22	403 135 889·31	771 607 483·53	25·7766
Italy	375 353 386·40	249 795 857·79	625 149 244·19	20·8840
Luxembourg	2 790 337·74	2 473 226·32	5 263 564·06	0·1758
Netherlands	235 064 766·36	90 272 760·49	325 337 526·85	10·8684
Total	1 756 824 460·60	1 236 613 157·39	2 993 437 617·99	100·0000

3. Adjustment of the relative share of each Member State for the financial year 1972 in accordance with the first subparagraph of Article 3 (3) of Decision 70/243/ECSC, EEC, Euratom

	Relative share used as reference (1971)	Upper limits (+ 1%)	Lower limits (— 1·5%)	Relative share before adjustment	Difference: below the lower limit	Difference: above the upper limit	Allocation of balance	Relative share after adjustment
Belgium	8·3402	8·4236	8·2151	7·9331	+0·2820	—	+0·0511	8·2662
Germany	31·7001	32·0171	31·2246	34·3621	—	—2·3450	—	32·0171
France	27·9280	28·2073	27·5091	25·7766	+1·7352	—	+0·2453	27·7544
Italy	21·5264	21·7417	21·2035	20·8840	+0·3195	—	+0·1520	21·3555
Luxembourg	0·2011	0·2031	0·1981	0·1758	+0·0223	—	+ 0·0015	0·1996
Netherlands	10·3042	10·4072	10·1496	10·8684	—	—0·4612	—	10·4072
Total	100·0000	101·0000	98·5000	100·0000	+2·3563	—2·8062	+0·4499	100·0000

Balance to be allocated: — 0·4499

4. Contributions of the Member States to the financing of the budget for the financial year 1972 in accordance with Decision 70/243/ECSC, EEC, Euratom

(in units of account)

	Allocation of expenditure		Breakdown of revenue	
	%	Amounts	Own resources paid	Contributions chargeable, financial year 1972
Belgium	8·2662	247 443 540·38	153 383 861·66	94 059 678·72
Germany	32·0171	958 411 915·59	621 760 514·22	336 651 401·37
France	27·7544	830 810 650·25	368 471 594·22	462 339 056·03
Italy	21·3555	639 263 570·51	375 353 386·40	263 910 184·11
Luxembourg	0·1996	5 974 901·48	2 790 337·74	3 184 563·74
Netherlands	10·4072	311 533 039·78	235 064 766·36	76 468 273·42
Total	100·0000	2 993 437 617·99	1 756 824 460·60	1 236 613 157·39

5. Contributions of the Member States provided for

(in units of account)

	Belgium	Germany	France	Italy	Luxembourg	Netherlands	Total
— In Article 200 (1) of the EEC Treaty (to finance administrative expenditure)	122 292·00	433 440·00	433 440·00	433 440·00	3 096·00	122 292·00	1 548 000·00
— In Regulation No 130/66/EEC:							
EAGGF:							
— Guarantee Section	11 762 915·00	43 964 741·00	31 792 191·00	37 834 101·00	233 645·00	19 422 403·00	145 000 000 00
— Guidance Section	108 297·00	417 144·00	427 840·00	271 411·00	2 674·00	109 634·00	1 337 000·00
— In Article 7 of Regulation (EEC) No 728/70:							
EAGGF: Guidance Section	16 495 309·53	63 381 977·21	55 984 080·82	42 987 776·34	399 886·29	20 694 115·59	199 943 145·78
— In Article 5 of Regulation (EEC) No 2052/69 (food aid)	1 439 581·00	5 728 175·00	5 728 175·00	4 070 019·00	124 362·00	1 752 369·00	18 842 681·00
Total	29 918 398·53	113 925 477·21	94 365 726·82	85 596 747·34	763 663·29	42 100 813·59	366 670 826·78

6. Liquid assets

(in units of account)

	Advances made in 1972		Amounts to be paid	Amounts held by the Commission at the end of the financial year 1971	Established entitlements	Difference (b+e—f)
	Amounts requested	Amounts paid				
a	b	c	d	e	f	g
Belgium	78 255 000	78 255 000	—	27 858 032·54	94 059 678·72	12 053 353·82
Germany	324 850 000	324 850 000	—	87 969 605·95	336 651 401·37	76 168 204·58
France	393 236 000	393 236 000	—	98 774 023·57	462 339 056·03	29 670 967·54
Italy	234 765 000	234 765 000	—	73 546 960·93	263 910 184·11	44 401 776·82
Luxembourg	2 647 000	2 467 000	180 000	684 888·41	3 184 563·74	147 324·67
Netherlands	73 447 000	73 447 000	—	26 951 284·90	76 468 273·42	23 930 011·48
Total	1 107 200 000	1 107 020 000	180 000	315 784 796·30	1 236 613 157·39	186 371 638·91