DECISION OF THE EUROPEAN PARLIAMENT

of 6 July 2000

closing the accounts relating to the implementation of the general budget of the European Union for the 1998 financial year

(2000/547/EC, ECSC, Euratom)

THE EUROPEAN PARLIAMENT,

Having regard to the budget of the European Union for the 1998 financial year,

Having regard to the consolidated revenue and expenditure account and balance sheet for the 1998 financial year [1],

Having regard to the annual report concerning the 1998 financial year (C5-0266/1999) [2] and the special reports of the Court of Auditors and the Institutions' replies,

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 (C5-0266/1999) [3],

Having regard to the Council recommendation of 13 March 2000 (C5-0154/2000),

Having regard to its resolution of 13 April 2000 on the postponement of discharge to the Commission in respect of implementation of the general budget of the European Union for the 1998 financial year,

Having regard to the ECSC Treaty and in particular Article 78g thereof,

Having regard to the EC Treaty and in particular Article 276 thereof,

Having regard to the EAEC Treaty and in particular Article 180b thereof,

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

Having regard to the report of the Committee on Budgetary Control (A5-0190/2000),

Whereas:

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 estimated revenue for the 1998 financial year and the resources finally approved for payments amounted to:

	(ECU million)
(a) **Revenue**	**83 652,2**
(b) **Appropriations for payments**	**83 833,7**

2. Notes the following amounts relating to commitments:

	(ECU million)
(a) **Appropriations available**	**91 257,2**
(b) **Commitments entered into**	**88 340,1**

[1] OJ C 350, 3.12.1999, p. 1.
[2] OJ C 349, 3.12.1999.
[3] OJ C 349, 3.12.1999, pp. 168 and 169.

3. Notes the following consolidated revenue and expenditure account for the 1998 financial year drawn up by the Commission:

	(ECU million)
(a) **Revenue**	**84 529,688**
(b) **Expenditure**	**81 637,410**
Outturn for the financial year	2 892,278
Appropriations carried over from previous year which lapsed	139,888
Exchange differences	– 9,069
(c) **Balance for the 1998 financial year**	**3 023,097**

This balance reflects the accounting situation only and does not include expenditure actually incurred during the financial year.

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

ASSETS

(ECU)

		31 December 1998
I.	Initial costs	0,00
II.	Intangible fixed assets	5 845 764,72
III.	Tangible fixed assets	3 310 191 517,32
IV.	Investments	1 759 379 676,18
V.	Long-term assets	5 220 957 624,15
VI.	Stocks	115 403 333,57
VII.	Short-term assets	3 398 243 672,09
VIII.	Cash investments	28 133 056,11
IX.	Disposable assets	10 369 743 197,83
X.	Transitional accounts	297 899 722,12
	Total	**24 505 797 564,09**

LIABILITIES

(ECU)

		31 December 1998
I.	Own capital	9 739 965 069,34
II.	Provisions for risks and liabilities	1 281 955 805,29
III.	Long-term liabilities	5 445 277 097,45
IV.	Short-term liabilities	7 588 124 501,33
V.	Transitional accounts	450 475 090,68
	Total	**24 505 797 564,09**

5. Recalls that, according to the statements made by the Court of Auditors in the context of its abovementioned Statement of Assurance, the figures presented in the consolidated revenue and expenditure account are marred by a number of errors and weaknesses:

(a) the understatement of fixed assets, essentially buildings, by around ECU 540 million;

(b) a net overstatement of debtors in the region of ECU 1 000 million principally resulting from the overstatement of sums likely to be recovered for unpaid customs duties and agricultural levies;

(c) an understatement of cash and debtors amounting to at least ECU 600 million because some amounts held on bank accounts, or paid as advances to third parties which act as agents for the Commission, have been omitted from the balance sheet;

(d) the inaccurate and inadequate presentation of information on advances and payments on account at 31 December 1998;

(e) the overstatement of commitments still to be settled by some ECU 660 million;

(f) the omission of certain commitments (ECU 352,7 million) and potential liabilities (at least ECU 2 794 million);

6. Approves the closure of the accounts for the implementation of the general budget for the financial year 1998.

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

The Secretary-General
Julian PRIESTLEY

The President
Nicole FONTAINE