2006 discharge: EC general budget, European Parliament

2007/2038(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted by 597 votes in favour, 50 against and 40 abstentions, a decision to grant its President discharge in respect of the implementation of the European Parliament budget for the financial year 2006.

At the same time, the Parliament adopted by 563 votes in favour, 63 against and 51 abstentions, a resolution containing observations forming an integral part of the decision on the discharge. The report had been tabled for consideration in plenary by José Javier **POMS RUIZ** (EPP-ED, ES), on behalf of the Committee on Budgetary Control.

First of all, the plenary welcomes and supports its President's firm commitment to ensure that the **assistants' statute**, to be proposed by the Commission and approved by the Council, enters into force **at the same time as the Members' Statute**. However, the Parliament calls on the Commission and the Council to fully cooperate with it in order to ensure that the new statute for assistants is adopted before the next European elections in June 2009.

The discharge - a political exercise: recalling the main figures on the basis of which Parliament's accounts for the financial year 2006 were closed (final appropriations: EUR 1 321 600 000), the Parliament notes that discharge is a **political decision** and that, in this context, the Parliament is the **sole discharge authority**. It believes that all the institutions and bodies should be treated on a footing of equality and that procedures should be harmonised. It also believes the discharge exercise should also cover the decisions taken by the President, the Bureau and the Conference of Presidents of the EP given that political responsibility lies with the elected Members, not the officials. The Parliament also makes a series of technical observations aiming to reiterate the importance of political dialogue, in the context of the discharge procedure, between those responsible for the budget and budgetary control at the most senior levels of the Institution. It asks that this dialogue be better structured, notably by establishing closer links between the Bureau of the EP and the Committee on Budgets, and between the Bureau of the EP and the Committee on Budgetary Control, by creating an ad hoc **working group** in this area. The Parliament welcomes the initial talks that were held in this context and expects these deliberations to continue in the future. More generally, the Parliament believes that budgetary and discharge procedures should be **complementary** supporting the interoperability of the two procedures.

Parliament's financial management and the Director-Generals' activity reports: the Parliament returns to the implementation of the Parliament’s budget and regrets the fact that its competent bodies have never implemented the decisions taken by plenary during previous discharge procedures and that they have continued their practice of 'non-budgetisation' of Parliament's property policy for future acquisitions. Therefore, it reiterates its request for the Internal Rules to be amended so that any property project with significant financial implications would be subject to the approval of the Committee on Budgets. In addition, the Parliament demands that the draft budget be drawn up in such a way that it better reflects the actual needs of the Parliament. For their part, the Directorates-General are called to present readable reports containing comparable information. The Parliament welcomes the fact that the Parliament’s internal auditor has put in place an effective Internal Control Framework, which will monitor high-risk areas.

Procurement: the Parliament also considers the issue of procurement procedures and notes that in 2006, 67% of contracts were awarded on the basis of open (62 %) and restricted (5 %) procedures and that 33%

of contracts were awarded by the negotiated procedure (therefore, a net increase compared to the previous year). It asks the Secretary-General of the Parliament to explain this evolution and to report on the progress made on setting up a contracts database. In this context, the Parliament awaits the creation of a single central database, managed by the Commission, to be set up for all the Community contracts, in order to increase transparency in this area.

Political groups: reiterating that the political groups are responsible for the management and use of the EP budget appropriations granted to them, the Parliament welcomes the fact that external auditors have confirmed that the political groups' accounts complied with the rules in force. It notes that the political groups used, on average, only 67.4 % of the appropriations available to them and regrets that the authorising officer was instructed to recover certain amounts from many European political parties.

The parliamentary assistance allowance (PAA): the Parliament regrets the fact that the Court of Auditors observed inadequacies in the greater part of the sums paid to MEPs under the PAA (lack of satisfactory supporting documents in relation to the expenses incurred in the Member's name). It calls on MEPs to correctly and consistently apply the Rules Governing the Payment of Expenses and Allowances to Members of the European Parliament (PEAM rules), and to promptly identify any irregularities in this area. Furthermore, the Parliament calls on the Parliament's administration to establish a procedure in order to improve communication and to make it more visible for MEPs, to ensure systematic compliance with the deadlines for supplying supporting documents and to promptly follow up observations made by the Court of Auditors in this area. Aware of the problems and difficulties arising with regard to bringing the PAAs into line with the social and fiscal legislation of each of the 27 Member States, the Parliament calls for an immediate start to the negotiations with the Member States and the Belgian Government in order to finalise this dossier as quickly as possible. On this issue the Parliament supports the internal auditor's proposal which suggests a two-stage evolution for Members' assistants' working conditions: (i) that the contractual relation between the assistant(s) and the Member would be systematically based on a contract of employment; (ii) that all assistants be integrated into the staff category covered by the rules governing other servants of the Communities. It recalls, however, that assistance to Members calls for **flexibility and mobility** and that the new statute for assistants should set **minimum standards for pay and social rights in conformity with applicable European legislation**. The plenary also accepted the principle of a working group on the Members' Statute and Assistants and Pension Fund, and that a Member (to be nominated) of the Committee on Budgetary Control should participate in this working group **as an observer**.

Moreover, in relation to assistance contracts, the Parliament insists that:

- the Parliament conclude framework contracts exclusively with undertakings in Member States specialised in the management, in accordance with the applicable national law, of tax and social security issues related to employment contracts;
- service provider contracts temporarily be handled by paying agents in the Member States, until a definitive solution is found, and that the paying agent be responsible for the compliance of service provider contracts with the tax and social security legislation of the Member State in question;
- no service provider contract which does not comply with these provisions be accepted;
- no relatives of Members be employed;
- non-compliance with national legislation or the PEAM rules automatically lead to the suspension of payments and the recovery of unduly paid amounts.

Voluntary Pension Fund: the Parliament notes that the actuarial deficit of the Members' Voluntary Pension Fund (which has existed since 2001) fell to EUR 26.6 million in 2006, thus improving the actuarial financial position of this fund. It draws the Bureau's attention to its discharge resolution for last year, in which the Parliament advocates that the Voluntary Pension Fund should be **confined to honouring existing rights** (those acquired as at June 2009). Consequently, neither present MEPs nor other members could go on contributing to the fund. The Parliament was surprised by the recent

recommendation of the Conference of Presidents of 13 March 2008, that members of the Voluntary Pension Fund may still acquire new pension entitlements once the Members' Statute has entered into force. The resolutions on discharge for 2004 and 2005 had, however, highlighted that the activities of the Voluntary Pension Fund should be limited to honouring acquired rights as of the next legislature. Consequently, the Parliament insists that the Bureau's working group fully respects the decisions made by the Parliament.

Preparation of implementation of the Treaty of Lisbon: the Parliament recalls that in the course of the 2007 budget procedure, it had called on the Commission to carry out a mid-term evaluation of its staff needs. It invites its administration to proceed to an evaluation of its staff, on that basis. It would also like to know how many officials and other servants are necessary to assist Members in their work of co-legislation, following the entry into force of the Treaty of Lisbon.

Multiplication of the Parliament's work places: lastly, the Parliament welcomes the fall in the estimated operating costs stemming from the requirement to maintain several places of work, from EUR 203 million in 2002 to EUR 155 million for 2007 (a reduction of almost 24 % over the five-year period). It therefore calls on its administration to continue the rationalisation process.