# 2007 discharge: EU general budget, European Parliament

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The Committee on Budgetary Control adopted the report drawn up by Paulo CASACA (PES, PT) recommending that the Parliament grant its President discharge in respect of the implementation of the European Parliament's budget for the financial year 2007.

The committee recalls that the final accounts show that, in 2007, the Parliament had a total budget of EUR 1.789 billion (balance sheet at 31 December 2007). MEPs also recall that this discharge is the last of the 2004-2009 parliamentary term, during which a large number of changes in EU budgetary management in general, and in Parliament's management in particular, have taken place (with the implementation of the new Financial Regulation, the revision of Staff Regulations and Rules applicable to other servants, the accession of 12 new Member States and a significant increase in the number of staff, etc.).

**Statement of assurance (DAS) by the Secretary-General**: welcoming the Secretary-General's statement in which he certifies that he has a reasonable assurance that Parliament's budget has been implemented in accordance with the principles of sound financial management and that the control framework put in place provides the necessary guarantees as to the legality and regularity of the underlying operations, MEPs regret the observation included in the DAS that the regulatory framework governing parliamentary allowances, including expenditure on parliamentary assistance, has become so complex that it presents serious weaknesses. They recall, in this regard, that a new system should come into force by July 2009.

**European Union House**: MEPs point out that rather than returning unspent money to the Member States, Parliament decided - as in previous years - to conduct an end-of-year "mopping-up" transfer from various budget lines amounting to EUR 25 million intended for the purchase of a building in Vienna for the establishment of a European Union House, jointly with the Commission.

**Contracts and procurement**: MEPs recall that the European Parliament publishes general information about contracts awarded on its website, and that, in accordance with the Financial Regulation, it publishes (i) specific information on contracts of a value of over EUR 60 000 in the Official Journal and (ii) a list of contracts of a value of between EUR 25 000 and EUR 60 000 on its website. MEPs also note that, despite amendments to the Financial Regulation, its rules on procurement are still excessively cumbersome for smaller institutions, especially in relation to tenders for contracts for relatively small amounts. They therefore invite the Commission to consult extensively with the Secretaries-General and administrations of the other institutions in order to ensure that their concerns are also fully taken into account in the final draft.

**Activity reports by the Directors-General**: MEPs observe with satisfaction that all Directors-General were able to give an unreserved statement of assurance in respect of the implementation of the budget by their services in 2007. They make the following observations on reading the activity reports in question:

- **DG Presidency**: MEPs stress that the area of security is a very sensitive sector and call on the Parliament to put into practice clear rules defining the chain of command and crisis management structure within Parliament's administration. They express concern at the increasing number of cases of petty crime in the premises of Parliament, concerning mostly theft of personal items such as briefcases, portable computers, mobile phones, etc. Moreover, MEPs call on their administration

to look into the possibility of selling the body scanners which it purchased (Parliament voted against the use of such scanners in airports);

- **DG Communication**: aware of the long and heavy procedures linked to the preparations for the new visitors' centre, MEPs call on the Secretary-General to fill the new posts foreseen for 2009 for the visitors centre project team as soon as possible. They welcome the work undertaken by DG Communication in preparation for the launch of the WEB-TV project, as well as the Strategy and Action Plan for the 2009 European Elections. They also welcome the ever-growing involvement of Parliament in European social and cultural life, as exemplified by events such as the Lux Prize, the European Parliament prize for journalism, the citizens' prize, the European Charlemagne youth prize, the Energy Globe Awards, AGORA and the Youth Media Days);
- **DG Personnel**: MEPs welcome the introduction of "Streamline", which allows a considerable increase of efficiency and can be very easily used by all staff members. MEPs note the considerable difficulty in interpreting the multiplication factor system (Annex XIII to the Staff Regulations) for paying staff and call for an evaluation by an independent external body of the overall impact of the 2004 reform of the Staff Regulations, analysing the costs and benefits of the reform and in particular identifying any unintended consequences having a negative impact on the running of the institutions;
- **DG Infrastructure and Logistics**: MEPs regret that after having bought the SDM, WIC and IP3 buildings in Strasbourg, asbestos was found in much greater amounts than initially indicated. They urge the complete removal of asbestos found in these building. Moreover, they await the final cost estimates for the extension of the sports centre in Brussels;
- **DG Translation and DG Interpretation and Conferences**: MEPs note with concern the statement by DG Translation in its activity report that the code of conduct on multilingualism is only respected in 60% of cases. They consider that any move away from multilingualism would be seriously damaging to democracy and the normal discharge of the duties of Members, and calls on the Secretary-General to ensure that the code is properly applied. MEPs also note that working conditions for interpreters have deteriorated in this parliamentary term owing to ever-increasing work pressure. MEPs also call on the Secretary General to provide an overview for the year 2007, and, if possible, for the year 2008, of meetings which were cancelled at such a late stage that interpreters and other supporting staff could not be rescheduled;
- **DG Finance**: MEPs call for clear explanations on the correct application of, and their rights and obligations under, the new Member's Statute, and the proper handling of assistants' contracts. MEPs also consider that they should be entitled to use the mode of transport that is best adapted to their parliamentary work agenda. Moreover, they call for an overall analysis by an independent body of the sound financial management, effectiveness and efficiency of contracts with external service providers in areas such as IT, security, bars, restaurants, canteens, travel office, cleaning and building maintenance;
- **DG Innovation and Technological Support**: MEPs note that, in 2007, there were major problems with the state of IT governance in Parliament, requiring important changes to the structures, traditions and management of the institution's IT policy. They consider it of the utmost urgency to introduce all major requirements for modern IT governance and planning tools. This objective requires an in-depth analysis of Parliament's needs and strategies in order to bring political requirements into line with IT instruments.

**Parliamentary assistance allowance**: MEPs welcome the achievement - in response to previous discharge resolutions (2006) - in having obtained the necessary supporting documents to regularise virtually all claims (99.9 % by amount) for the period 2004-2007. They call on the Secretary-General to provide Members who have complied with the rules concerning the use of the parliamentary assistance allowance with a letter from administration stating so.

**Voluntary pension fund**: MEPs note that, in spring 2008, the total membership of the scheme was 1 113, including 478 active MEPs. They stress that at 31 December 2007 the fund's assets were EUR 214 887 336. Moreover, MEPs note - in relation to the accounts of the ASBL managing the

Members' voluntary pension fund - the independent auditor's statement that the assets of the ASBL were actuarially deficient by EUR 30 917 229 as at 31 December 2007 and note further the external auditor's statement that the final responsibility for the payment of benefits **rests with Parliament**. MEPs consider, however, that this interpretation does not accord fully with the original conception of the voluntary pension fund as a self-governing entity outside the structures of the institution. They therefore invite Parliament’s Legal Service to give its views before the entry into force of the new statute on the question as to whether ultimate financial responsibility for the voluntary pension fund lies with the fund and its members or with Parliament. Noting the intention to negotiate a convention between Parliament and the fund, MEPs point out that **under no circumstances will Parliament provide extra money from the budget to cover the fund's deficit**, as it did in the past. They stress that the Parliament commissioned an updated actuarial study examining the fund following the recent financial/banking crisis. MEPs also note that the Bureau decided not to comply with a recommendation by the European Ombudsman (complaint 655/2006/(SAB)ID) that Parliament should give access to the list of members of the voluntary pension scheme, notwithstanding a positive opinion of the European Data Protection Supervisor. They therefore call on the Bureau to reconsider its position and to publish the list.

**Environment**: lastly, MEPs recall that, on 27 November 2007, the President and Secretary-General signed an agreement for an environmental certification of Parliament's buildings, and that Parliament now has EMAS (Environmental Management Scheme) certification for all three places of work. They stress that the Bureau set a 30% reduction in carbon emissions by 2020 as the first and main target for the environmental management system. They therefore call on the Secretary-General to inform its competent committees to provide precise figures on $CO_2$ emissions reductions achieved.