

2009 discharge: EU general budget, European Parliament

2010/2143(DEC) - 10/05/2011 - Text adopted by Parliament, single reading

The European Parliament adopted by 518 votes to 107, with 34 abstentions, a decision granting discharge to its President in respect of the implementation of its budget for the financial year 2009.

Parliament also adopted by 534 votes to 91, with 25 abstentions, a resolution containing a number of observations which forms an integral part of the discharge decision. These observations may be summarised as follows:

1) Major changes in Parliament's budget management during 2009: Parliament recognises that the current financial situation requires that Parliament and all the other European Union institutions find the most cost effective ways of using financial and staff resources, including possible savings, as well as electronic tools and methods, to provide efficient services. In an amendment adopted in plenary, Parliament calls for a **long-term review of the Parliament's budget** and asks for future potential savings to be identified in order to reduce costs and create resources for the long-term running of the Parliament as part of the legislative authority.

Parliament deplores, like last year, the significant amount of outstanding actions in respect of the audit carried out by the Internal Auditor on the internal control framework. Although they welcome the fact that a good number of actions are under way, Members encourage all the institution's directorates-general to continue their efforts to improve their procedures in regard to management and control.

Noting that 2009 was the first year of implementation for the **Statute for Members of the European Parliament and for the Statute for Accredited Parliamentary Assistants**, Parliament observes a certain number of initial problems with the implementing measures for the Assistants' Statute. It observes that current rules for payment of the General Expenditure allowance, which state that money is to be paid to a personal account of the Member but which do not require any proof of expenditure, have led to the creation of a division between those Members who account for the expenditure in full and publish details thereof and those who do not adopt such transparent procedures and who, thereby, risk the accusation that a proportion of the allowance is being used to supplement their personal income. It therefore calls on the Secretary-General of the institution to propose arrangements to ensure that expenditure of the allowance is transparent in all cases and used for the purposes intended.

As regards the **medium-and long-term property policy** (buildings strategy), Parliament calls on the Secretary-General to start negotiations with the Belgian authorities with a view to reducing the additional percentage (33%) that the Parliament has to pay if it purchases 'State' owned property. Although it notes improvements in Parliament's governance thanks to information and communication technologies (ITCs), it calls for the introduction of much clearer procedures for procurement in this area.

Main remaining challenges: Parliament highlights a certain number of issues that need to be resolved within the institution. These include:

- **security:** Parliament strongly disapproves of the evident deficiencies in Parliament's security and calls on the administration to re-deploy the responsible manager to new tasks. It finds it astonishing that around 900 people work in Parliament's security services, most of them as external contract staff and also points to the steady increase in total security costs (some EUR 43 million in 2009). Given these high costs, Parliament expects reforms in this area to increase efficiency. The new

security policy should aim to strike a balance between security concerns, on the one hand, and accessibility and openness, on the other hand, in order to enable Parliament to remain, as much as possible, an open and accessible institution. **It stresses that more video surveillance is not a desirable way to proceed.** It calls for a clear security strategy offering a smart, modern, state-of-the-art security service as well as for improved communication and cooperation with local police forces and for police patrols to be stepped up in the district;

- **Externalisation:** Parliament recalls that some 990 external members of staff are accommodated in Parliament's premises. It considers that the need for such accommodation should have to be justified. It deplores Parliament's excessive dependence on external IT or buildings experts;
- **buildings policy:** Parliament stresses the need to develop, in-house, the high-quality property expertise that is essential in order significantly to improve the planning and procurement of the future purchases and long-term leases of Parliament's buildings. It asks for an estimate of the loss incurred by the sale of the old Parliament building in Brussels to the Committee of the Regions, taking into account the price per square metre of the offices which are currently being purchased or leased. It also calls for an in-depth analysis of the actual use of Parliament's buildings before any further purchases are undertaken. It considers it preferable that the Parliament's buildings are located close to each other, even if this preference is in contradiction with the fact that there are three official places of work (in three different countries);
- **Information and Communication Technologies (ICT) sector:** Parliament highlights, in relation to the IT applications' development process, the structural problem of a high-degree of reliance on external experts which poses serious legal and operational risks. It calls for an action plan to seek to achieve an adequate mix of Parliament staff and external resources as well as an appropriate balance between internal application development and deliverables-based contracting. **It is appalled by the huge data roaming costs reimbursed to staff members who neglect spiralling costs when in Strasbourg and elsewhere outside Brussels.** It urges IT management to create a control tool whereby extremely high costs are prevented by the detection of sharp increases in an early stage;
- **exceptional negotiated procedures:** faced with the increase in the number and proportion of exceptional negotiated procedures registered between 2007 and 2008, Parliament reiterates its call to the Secretary-General and the Authorising Officers by delegation to take effective and efficient measures in order to reverse that trend and avoid fraud and conflicts of interest.

2) Report on budgetary and financial management: Parliament notes that, in 2009, Parliament received revenue amounting to EUR 141 250 059 (EUR 151 054 374 in 2008) which included EUR 27 576 932 in assigned revenue. It welcomes the **positive Statement of assurance by the Secretary-General** as well as the fact that, currently, each Director-General (Authorising Officers by delegation) prepares his or her own Annual Activity Report. It notes, however, some weaknesses in reporting regarding the minimum Internal Control Standards. It therefore reiterates its calls for Parliament's internal control systems to be strengthened and suggests, in the interests of transparency, the publication of certain information on the Parliament's Intranet.

Parliament also calls for an **Annual report on public contracts awarded.** This would highlight the value of procurement contracts, that amount approximately to a third of Parliament's overall budget, given that public procurement is an area vulnerable to mismanagement. It therefore repeats its request to regularly evaluate the procurement systems and in particular to perform internal controls on the contracts awarded in negotiated and restricted procedures.

3) Annual Report of the Court of Auditors for 2009: Parliament welcomes the fact that the Court of Auditors found the payments as a whole to be free from material error. However, it notes certain shortcomings in regard to:

- engagement of temporary and contractual agents
- allowances for staff
- organisation and functioning of political groups.

As regards the management of Parliament's administration, Parliament comments DG by DG. The key observations relate to:

- problems in the internal management of the Visitors' Centre (long delay in the opening of the Centre and poor planning and problems in regard to procurement procedures);
- delays in taking decisions regarding the House of European History and on the total cost of this initiative;
- the management of visitor groups' costs;
- the exorbitant cost of WebTV (Parliament calls for a reduction in the cost of this service);
- the management and relevance of certain prizes awarded by Parliament;
- the 2009 electoral campaign (a high cost in view of the subsequent poor participation rate);
- the Washington liaison office;
- the official transport system which costs EUR 1.3 million in Strasbourg and EUR 2.4 million in Brussels (the plenary calls for cost reductions in this area);
- certain recruitment (such as the recruitment of Members' family members as assistants- or the over-representation of some nationalities among the officials).

Missions to the three places of work: once again, Parliament stresses the need to further rationalise the missions between the three working places, justifying and monitoring them better in order to avoid unnecessary missions and costs. Given the lack of available human resources in some languages and by the fact that new supplies of interpreters and translators may be put at risk by lack of university curricula in some Member States, Parliament proposes that, for certain meetings, interpretation services are only provided in the six most commonly used languages (FR, DE, EN, PL, ES, IT). It recalls the current budget constraints in many Member States due to the financial and economic crisis and the need to critically review expenditure, including at Union level. In this regard, the **plenary stresses that real savings could be achieved if Parliament only had one workplace in the same location.**

Lastly, Parliament makes the following recommendations with a view to:

1. further limiting Parliament's actuarial deficit (which went from some EUR 120 million in 2008 to EUR 84.5 million in 2009) thanks to the improvements in the markets. In this regard, the plenary welcomed Parliament's Bureau's decision that Parliament would assume its legal responsibility to guarantee the right of members of its voluntary pension scheme to a supplementary pension and that the pension age would rise from 60 to 63;
2. Greening the Parliament by means of a series of initiatives to reduce certain expenditures and by reducing Parliament's carbon footprint.