2012 discharge: EU general budget, European Parliament

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The Committee on Budgetary Control adopted the report by Ctlin Sorin IVAN (S&D, RO) in which it called on the European Parliament to grant discharge to its President in respect of the implementation of the European Parliament budget for the financial year 2012.

Added value of Parliament's discharge procedure: Members highlighted the added value of the parliamentary procedure leading up to the annual Parliament discharge. They pointed out that this resolution remains principally focussed on the budget implementation and discharge for the financial year 2012 and that its **main goal is to ensure that taxpayers' public money is used in the best possible w**ay while highlighting where improvements can be made.

Parliament's 2012 budgetary and financial management: Members noted that the Union general budget for 2012 totalled EUR 148.2 billion million in commitment appropriations, of which Parliament's budget accounted for EUR 1.718 billion (20% of the amount set aside for the 2012 administrative expenditure of the Union institutions as a whole). They noted that authorised appropriations in Parliament's final budget for 2012 represented a 1.9% increase over the 2011 budget and that 99% of the final current appropriations were committed, with a cancellation rate of 1%.

Parliament's report on budgetary and financial management: Members noted that Parliament decided to conduct an end-of-year "mopping-up" transfer from various budget lines amounting to EUR 45 000 000 in unspent funds intended for the second instalment of the acquisition of the Trebel building in Brussels (EUR 35 000 000) and the construction of the new KAD building in Luxembourg. They stated that as a result of this, an estimated EUR 10.4 million in financing charges will be saved over the construction and loan amortisation periods. They deplored, nevertheless, the fact that Parliament has repeatedly requested that in the interest of budgetary clarity, buildings expenditure be entered in the budget rather than being financed through a "mopping-up "transferas requested in several previous discharge resolutions.

Court of Auditors' opinions on the reliability of the EP’s 2012 accounts: overall, Members welcomed the fact that the Court of Auditors found that the testing of transactions indicates that the most likely error present in the population is nil and that the supervisory and control systems of the administrative expenditure were assessed as effective. They also welcomed the positive opinion as regards the DG’s audits and insisted on transparency as regards the entire process leading to the discharge procedure to ensure that citizens of the Union are provided with a true and accurate view of the way that Parliament takes its decisions and uses the resources placed at its disposal.

Code of conduct and conflicts of interest: Members recalled that the Code of Conduct for Parliament's Members with respect to financial interests and conflicts of interest requires

Members to fully disclose any remunerated activities outside Parliament, the remuneration they receive and any other function they perform which may give rise to conflicts of interest and that the code expressly **prohibits Members from accepting any sum of money or other gift in exchange for influencing Parliament decisions**. They noted that it lays down clear rules on accepting gifts and on former Members engaging in lobbying. The committee asked that the administration scrutinises at least 15% of these declarations on a regular and annual basis.

The President's political activities: Members called for detailed information on how the President, as a politically neutral figure, has kept his duties in office separate from his preparations to head the Socialists and Democrats' list in the European elections, in particular with regard to the staff in his cabinet and in Parliament's information offices and to travel expenses. They considered that in connection with many of those activities, no distinction has been made between the two roles and called for clear segregation of office holders' functions, following the Commission's approach, **so that Union taxpayers do not have to pay for the election campaigns of European list leaders**.

Working places of Parliament: Members recalled that significant historical reasons motivated the seat of the Parliament to be established and that the question of determination of the seat of a Union institution is the exclusive competence of the Member States. They noted that the expenditure arising from the geographic dispersion of Parliament constitutes an important identified area of potential savings and welcomed the Secretary- General's report of August 2013 regarding the financial impact of the geographic dispersion of the European Parliament. The report expressed a theoretical net saving when consolidating the three places of work into one, in Brussels, at estimated **EUR 88.9 million per year** which represents roughly 5% of Parliament's budget in 2014, 1.03% of the total administrative budget of the Union, and 0.06% of the overall budget of the Union (the estimated net effect per Union citizen per year of EUR 0.18 if the three places of work of the Parliament were to be consolidated into one). In addition, 10 703 tonnes of CO2 emissions per year would be saved if Strasbourg (10 235) and Luxembourg (468) were no longer used as places of work. In this context, Members are looking forward to the publication of the Court of Auditors study to provide a comprehensive analysis of the potential savings for the Union budget if Parliament had only one working place, as requested in its resolution of 20 November 2013 on the location of the seats of the European Union's Institutions.

Management of Parliament's administration: strengthening operational efficiency: Members called on Parliament's responsible bodies to continue improving, at all possible levels, efficiency in Parliament's daily work. They considered that during the 2009-2014 legislative term, in a difficult economic and financial context, often random and temporary, although significant, savings were achieved. They believed that Parliament's administration should identify additional efficiency measures that carry systematic and definitive structural savings, firstly by reducing Parliament's budget and secondly by allowing for the redeployment of resources to Parliament's new areas of intervention, notably to reinforce the scrutiny dimension over the Commission's implementation of the Union's policies. They also called on Parliament's administration to consider increasing the use of the available technologies such as teleconferences and teleworking in order to reduce the administrative and travelling costs.

In parallel, Members made a series of recommendations aimed towards certain Parliament DGs, in particular the following:

- **DG Presidency** by highlighting difficulties in the appointment of the Director-General for this post;
- **DG Communication** pointing out that: (i) the inconsistency of cash payments to visitors groups although Parliament's administration encourages payment by bank transfer or a mix of both methods instead; (ii) the amount of running costs of the "House of European History" (EUR 800 000 /year); (iii) EuroparlTV whose funding amounts to EUR 5 million in 2014 while the project is not a core activity of Parliament and requests that a cost-benefit analysis be carried out before any new EuroparlTV activities are developed.
- **DG infrastructure** noting that repairing the ceiling support frame in Parliament's Brussels Chamber will involve costs just above EUR 2 million and acknowledging that the regular on-going inspection and preventive maintenance policy for Parliament's buildings introduced in 2012 detected the structural defects in the wooden ceiling beams, thus preventing a major disaster, potentially including the loss of life and huge damage to the building in question.
- **DG IT** stressing that personal and confidential individual mail-boxes of selected Members, parliamentary assistants and officials have been compromised after the Parliament has been subject

to a man-in-the-middle attack where a hacker has captured the communication between private smartphones and the public Wi-Fi of the Parliament. In this regard, Members ask that all parliamentary ICT and telecommunications systems be subject to an independent third party security audit with a view to completing a clear roadmap towards a more robust ICT security policy in 2015.

Lastly, Members made a series of recommendations on the European Parliament's policy as regards exceptional negotiated procedures and on the importance of political groups within the European Parliament. In this regard, they stressed that the political groups are key actors for Parliament and the Union as a whole as their transnational nature represents a **unique model** in the world and their role is crucial in order to guarantee a strong democratic accountability of all Union institutions.