2013 discharge: EU general budget, European Parliament

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PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2013, as part of the 2013 discharge procedure.

Analysis of the accounts of the EU Institutions: **European Parliament**.

Legal reminder: the consolidated annual accounts of the European Union for the year 2013 have been prepared on the basis of the information presented by the institutions and bodies under Article 148(2) of the Financial Regulation applicable to the general budget of the European Union. They were prepared in accordance with Title IX of this Financial Regulation.

(1) Purpose: the document helps to bring insight into the EU budget mechanism and **the way in which the budget has been managed and spent in 2013**, including the different expenses of the European institutions. It should be recalled that only the Commission budget contains administrative appropriations and operating appropriations. **The other Institutions have only administrative appropriations.**

The document also presents the different financial actors involved in the budget process (accounting officers, internal officers and authorising officers) and recalls their respective roles in the context of the tasks of sound financial management.

Amongst the other legal elements relating to the implementation of the EU budget presented in this document, the paper focuses on the following issues:

- accounting principles applicable to the management of EU spending (business continuity, consistency of accounting methods, comparability of information ...);
- consolidation methods of figures for all major controlled entities (the consolidated financial statements of the EU comprise all significant controlled entities –institutions, organisations and agencies);
- the recognition of financial assets in the EU (tangible and intangible assets, financial assets and other miscellaneous investments);
- the way in which EU public expenditure is committed and spent, including pre-financing (cash advances intended for the benefit of an EU organ);
- the means of recovery following irregularities detected;
- the modus operandi of the accounting system;
- the audit process followed by the European Parliament's granting of the discharge.

Discharge procedure: the final control is the discharge of the budget for a given financial year. The discharge represents the **political aspect of the external control of budget implementation** and is the **decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission from its responsibility for management of a given budget** by marking the end of that budget's existence. When granting discharge, Parliament may make observations which it considers important and often recommends the Commission and the other institutions to **take actions concerning these matters.**

The document also details specific expenditure of the institutions, in particular: (i) pensions of former Members and officials of institutions; (ii) joint sickness insurance scheme and (iii) buildings.

The document also presents a series of tables and detailed technical indicators on (i) the balance sheet; (ii) the economic outturn account; (iii) cashflow tables; (iv) technical annexes concerning the financial statements.

(2) Implementation of the European Parliament's appropriations for the financial year 2013: the document comprises a series of detailed annexes, the most important concerning the implementation of the budget. As regards the expenditure of the European Parliament, the table on the financial and budgetary management of this institution states that the final appropriations amounted to EUR 1.857 billion, committed to 98.6%. Further information concerning the implementation of the European Parliament's budget is drawn from the Report on the budgetary and financial management of the European Parliament for 2013.

(3) Budgetary implementation - conclusions: in more general and political terms, the implementation of the Parliament's budget in 2013 was marked by the continuation of action, begun in 2011, to bring about structural improvements in order to give Parliament all the resources it needs to play its role in the legislative process to the full and enable it to capitalise to the full on the enhanced powers conferred on it by the Treaty of Lisbon.

The institution also continued to implement multiannual programmes to rationalise and modernise key sectors of its administration, particularly in the field of security, and undertook significant development of its **information and communication policy with a view to the 2014 elections**.

The document highlighted that the institutional changes arising from Croatia's accession were completed without any significant difficulties.

More technically, the major projects implemented by Parliament in 2013 may be summarised as follows:

- **continuation of institutional changes related to the Lisbon Treaty, including**: (i) support for research; (ii) knowledge management; (iii) issues relating to external policy co-decision procedure and consent; (iv) improving plenary sitting services;
- **communications strategy and preparing for the 2014 elections**: (i) centrally organised activities in EP and decentralised activities in the Member States; (ii) EYE (European Youth Event to raise awareness of European identity); (iii) the continuation of the House of European History project; (iv) improving services to visitors;
- **further institutional changes arising from the accession of Croatia**;
- **continuing to implement the multiannual programmes to rationalise and modernise key parts of Parliament's Administration**: (i) building/property policy (planning permission granted for the construction of Trebel building in Brussels, continuing work on the Konrad Adenauer building in Luxembourg, negotiations for a new building in Sofia (BG); temporary closure of zone A of the Paul-Henri Spaak in Brussels following the discovery of cracks in three of the ceiling beams in the Chamber roof during inspections in September 2012 as part of the new policy on maintenance and renovation; (ii) environmental policy; (iii) catering policy with a revision of costing of meals in restaurants and canteens; (iv) modernisation of information technologies/security; (iv) relations with national parliaments; (v) further restructuring of the security services;
- **other technical modernisation measures** (in particular assistance to Members and archive management).