2016 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 2016, as part of the 2016 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 2016 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.

Consolidated annual accounts of the EU: this Commission document concerns the EU's consolidated accounts for the year 2016 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It also presents the accounting principles applicable to the European budget (in particular, consolidation).

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.

Audit and discharge: the EU’s annual accounts and resource management are audited by the European Court of Auditors, its external auditor, which as part of its activities draws up for the European Parliament and the Council:

- an annual report on the activities financed from the general budget, detailing its observations on the annual accounts and underlying transactions;
- an opinion, based on its audits and given in the annual report in the form of a statement of assurance, on (i) the reliability of the accounts and (ii) the legality and regularity of the underlying transactions involving both revenue collected from taxable persons and payments to final beneficiaries.

The European Parliament is the discharge authority within the EU. The **discharge** represents the **final step** of a budget lifecycle. It is 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 (and other EU bodies) from its responsibility for management of a given budget** by marking the end of that budget's existence.

This discharge procedure may produce three outcomes: (i) the granting; (ii) postponement; (iii) or the refusal of the discharge.

(2) Implementation of the European Parliament’s appropriations for the financial year 2016: 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 1.839 billion.

As regards the budget implementation of the European Parliament, the 2016 report on financial and budgetary management stated that 2016 was marked by:

- increased legislative Parliamentary activity as it reached its mid-term of its 2014-2019 term including an increased amount of impact and European added value assessments from the European Parliamentary research service (EPRS). Also, there was an important increase in the number of legislative proposals submitted to Parliament;
- the considerable impact of the UK Brexit vote in June 2016;
- a deteriorating security context and terrorist attacks. A high-level working group was created to deal with the increased security issues;
- enhanced security of the Parliament and reinforced cooperation with the national authorities and other institutions. In this regard, a proposal was adopted to internalise the Members' transport service;
- this was the first year in which the Members' Research Service was fully operational;
- the House of European History's construction works were completed in 2016, the opening is planned for May 2017;
- the new welcome point for groups of visitors situated in the Atrium Building in Brussels was created.