2017 discharge: EU general budget, European Parliament

2018/2167(DEC) - 12/07/2018

PURPOSE: presentation of the annual report of the Court of Auditors on the implementation of the budget concerning the financial year 2017.

CONTENT: the Court of Auditors published its 41st annual report on the implementation of the general budget of the Union for the year 2017. This report follows a five-part structure:

- the statement of assurance (DAS) and a summary of the results of the audit on the reliability of accounts and the regularity of transactions;

- the analysis of budgetary and financial management;

- the Commission's performance reporting framework;

- the findings on EU revenue;

- the presentation of the main headings of the current multiannual financial framework (MFF), the results of the testing of the regularity of transactions.

The Court concludes that payments for 2017 are legal and regular, with the expenditure recorded in 2017 covering spending on a reimbursement basis. It believes that the EU accounts present a true and fair view of the EU's financial position.

The report also assessed the potential impact on the 2017 accounts of the United Kingdom's withdrawal from the European Union. On 29 March 2017, the United Kingdom (UK) formally notified the European Council of its intention to leave the European Union (EU). On 22 May 2017, the negotiations started for the withdrawal agreement between the EU and the UK.

Part Five (Financial Provisions) of the draft withdrawal agreement of 19 March 2018 concerning the financial settlement states that the UK will pay all its obligations under the current and previous Multiannual Financial Frameworks as if it were still a Member State.

Based on this, the Court concluded that the accounts as at 31 December 2017 correctly reflect the withdrawal process.

The audit also focuses on the budget implementation of the ***European Parliament***.

The overall audit evidence indicates that the level of error in spending ***on 'Administration' was not material***. For this MFF heading, testing of transactions produced an estimated overall level of error of 0.5 %.

As regards Parliament, weaknesses were found regarding procurement and uncompetitive tendering. Parliament stated that it has improved the process by a more intensive recourse to framework contracts with reopening of competition.

The Court recommended in the context of the revision of the Financial Regulation, the European Parliament improves the guidelines for authorising officers on the design and checks of the selection and award criteria for procurement procedures. It should also strengthen the procedure for submitting declarations of expenditure by requiring groups to provide supporting documentation together with their cost claims.

Parliament takes note of the recommendations.