2017 discharge: EU general budget, European Parliament

2018/2167(DEC) - 27/02/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Claudia SCHMIDT (EPP, AT) recommending the European Parliament to give discharge to its President in respect of the implementation of the budget of the European Parliament for the financial year 2017.

Parliament’s budgetary and financial management

Members noted that Parliament's final appropriations for 2017 totalled EUR 1 909 590 000, or 19.25 % of heading V of the Multiannual Financial Framework set aside for the 2017 administrative expenditure of the Union institutions as a whole, representing a 3.9 % increase over the 2016 budget (EUR 1 838 613 983).

It pointed out that four chapters accounted for 69.5 % of total commitments:

- Chapter 10 (Members of the institution),

- Chapter 12 (Officials and temporary staff),

- Chapter 20 (Buildings and associated costs)

- Chapter 42 (Expenditure relating to parliamentary assistance).

99 % of the appropriations entered in Parliament’s budget, amounting to EUR 1 889 574 057, were committed, with a cancellation rate of 1 %. They noted with satisfaction that, as in previous years, a very high level of budget implementation was achieved. Payments totalled EUR 1 599 788 767, resulting in a payment appropriations execution rate of 84.7 % and representing an increase of 0.3 % compared to the previous year.

Cancelled appropriations and transfers

Cancelled appropriations for the year 2017, amounting to EUR 17 451 943, were mainly related to remuneration and other entitlements, as well as to the expenditure related to buildings. Seven transfers were approved, which amounted to EUR 57 402 860 or 3.01 % of final appropriations. The majority of transfers were related to the Parliament’s buildings policy, and in particular to help fund the annual lease payments for the Konrad Adenauer building project.

Legality and regularity of the transactions underlying those accounts

Members noted that the overall audit evidence indicates that the spending on ‘administration’ is not affected by a material level of error. On the basis of the nine quantified errors, the estimated level of error present in heading 5 of the Multiannual Financial Framework on administration is 0.5 % (up from 0.2 % in 2016).

2017 discharge

Members noted the United Kingdom’s decision to withdraw from the European Union had a considerable impact in the different services of the Parliament, particularly on committees, research units and horizontal services. They noted that six temporary agents in the General Secretariat, 41 temporary agents in the political groups and in the non-attached Members’ secretariat as well as 30 contract agents are concerned by the United Kingdom’s decision to withdraw from the European Union. Their situation is being assessed on a case-by-case basis. There is assurance that no extension of contract will be denied on the sole ground of nationality.

Regarding staff, the budgetary authorities imposed an additional cut of 76 posts from the Parliament’s administration in 2017 as compensation for a staff increase for the political groups. Members are concerned that this significant reduction may have negative effects on Parliament’s performance and lead to an excessive workload for serving officials and a transfer of responsibilities to Members’ offices.

Single Seat

Members still strongly regretted that, despite repeated calls from the Parliament to establish a single seat, and the fact that citizens of the Union do not understand why the Parliament should divide its activities over two seats, so far the European Council has not even begun a discussion on how to meet Parliament´s requests in this respect. Estimated annual savings amount to EUR 114 million were Parliament to centralise its operations. Members called for practical steps to be taken quickly to establish a single seat for Parliament, in order to prevent any further waste of public money. They deplored the fact that over a single parliamentary term the costs generated by Parliament's geographic dispersion can amount to as much as EUR 1 billion.