2018 discharge: EU general budget, European Parliament

2019/2056(DEC) - 13/05/2020 - Text adopted by Parliament, single reading

The European Parliament decided by 568 votes to 85, with 38 abstentions, to **grant discharge** to its President in respect of the implementation of the general budget of the European Parliament for the financial year 2018.

In the resolution accompanying its discharge decision (adopted by 579 votes to 89, with 24 abstentions), the European Parliament made a series of observations:

Parliament's budgetary and financial management

Parliament has observed the following:

- Parliament's final appropriations for 2018 amounted to EUR 1 950 687 373, i.e. 18.9% of heading V of the multiannual financial framework (MFF) for 2018 for the administrative expenditure of the Union institutions as a whole, which represents an increase of 2.2% compared to the 2017 budget (EUR 1 909 590 000);

- the total amount of revenue entered in the accounts as at 31 December 2018 was EUR 193 998 910 (compared to EUR 206 991 865 in 2017), of which EUR 30 783 590 was assigned revenue (compared to EUR 50 052 674 in 2017);

- four chapters alone accounted for 67.6% of total commitments, namely Chapter 10 (Members of the institution), Chapter 12 (officials and temporary staff), Chapter 20 (buildings and associated costs) and Chapter 42 (expenditure relating to parliamentary assistance), which indicates a high level of rigidity for the major part of Parliament's expenditure;

- 99.2 % of the appropriations entered in Parliament's budget, amounting to EUR 1 934 477 627, were committed, which represents a cancellation rate of 0.8 %. Parliament noted a very high level of budget implementation. EUR 1 636 858 018, which corresponds to an implementation rate for payment appropriations of 84.6%;

- the appropriations cancelled in the financial year 2018, amounting to EUR 16 209 746, mainly concerned remuneration and other entitlements and expenditure related to buildings;

- during the financial year 2018, eleven transfers were approved for an amount of EUR 53 533 500, i.e. 2.7 % of the final appropriations. The majority of the transfers were related to Parliament's buildings policy, and in particular to the contribution to the financing of ground rent for the Konrad Adenauer building project.

Reliability of accounts

Parliament found that the information from the Court of Auditors' audit indicates that, overall, expenditure on administration is not affected by a material level of error. Taking into account the 13 quantified errors, the estimated level of error in heading 5 of the MFF (administration) is below the materiality level.

Due to the terrorist attacks in recent years, the institutions, including the Parliament, considered it necessary to reinforce the protection of persons and buildings. Members noted with concern that the Court found weaknesses in the procedures organised by Parliament and the Commission.

Members welcomed the actions that the internal auditor agreed with the directorates-general responsible as a result of the assurance assignments and the recommendations that he issued following the consulting assignments. Agreed actions included: (i) the audit on building maintenance, refurbishment and operation; (ii) the information systems audit;(iii) the audit of individual entitlements of members of staff; (iv) the audit of the staff shop in Luxembourg.

Parliament's 2018 discharge

Parliament called on the Secretary-General to establish a plan of action and a timetable enabling the Bureau to follow up and/or to respond to the recommendations contained in Parliament's discharge resolutions and to include the results in the annual monitoring document.

Members welcomed the measures taken by the institution to strengthen physical security and the security of buildings, as well as cybersecurity and communications security. They also expressed concern about the delay in the construction of the Konrad Adenauer building in Luxembourg, which was originally planned for 2018 but is unlikely to be completed before 2023.

Parliament noted that the UK's decision to withdraw from the European Union has had a considerable impact on the various departments of the Parliament, particularly as regards committees, research units and horizontal services. It welcomed the Bureau's decision of 2 May 2018 on staff of British nationality, which provides that no official shall be dismissed on the grounds of his or her British nationality.

Members noted the successful implementation of the 5% staff reduction target, which obliged Parliament to remove 60 administrative posts from its establishment plan in 2018. They suggested setting up a communication strategy aimed at Member States and European citizens in order to respond to the many unfair criticisms levelled at the EU civil service over the years.

Environmentally friendly Parliament and carbon neutrality by 2030

The resolution stressed the need for Parliament to lead by example and contribute to sustainable development through the way it operates. Parliament's commitment to green public procurement was commended.

Members reiterated their concern that a geographic dispersion of the parliament results in 78 % of all missions by Parliament staff and that the environmental impact is between 11 000 and 19 000 tonnes of CO2 emissions.

Parliament was called on to develop a strategy to become carbon-neutral by 2030 and to present its strategy to the discharge authority.

Parliament also welcomed the package of measures and instruments put in place following the Bureau's approval of the proposal to provide Members with an efficient and high-quality mode of travel that would minimise the impact on the environment, through a gradual transition of Parliament's car fleet to electric vehicles and the environmentally-friendly promotion of all means of transport.

Geographical dispersion of Parliament - single seat

Parliament noted that the additional expenditure involved in not having a single seat goes against the principle of sound financial management and against the principle of budgetary discipline.

The vast majority of Parliament expressed in various resolutions support for a single seat to ensure efficient spending of Union taxpayers money. The Court estimated that moving from Strasbourg to Brussels could generate annual savings of EUR 114 million plus a one-off saving of EUR 616 million if the Strasbourg buildings are successfully divested, or a one-off cost of EUR 40 million if they are not.

Noting that a single seat can only be achieved by a unanimous Treaty change, Members urged the Council to take note of Parliament's position and take its responsibility and act accordingly.