2019 discharge: General budget of the EU - European Parliament

2020/2141(DEC) - 18/03/2021 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) 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 2019.

Parliament's budgetary and financial management

Members noted that Parliament's final appropriations for 2019 totalled EUR 1 996 978 262, or 18.5 % of heading V of the Multiannual Financial Framework set aside for the 2019 administrative expenditure of the Union institutions as a whole, representing a 2.4% increase over the 2018 budget (EUR 1 950 687 373).

It pointed out that four chapters accounted for 67.8% 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), indicating a high level of rigidity for the major part of Parliament's expenditure.

98.8% of the appropriations entered in Parliament's budget, amounting to EUR 1 973 232 524, were committed, with a cancellation rate of 1.2%. Members noted with satisfaction that, as in previous years, a very high level of budget implementation was achieved. Payments totalled EUR 1 698 971 864, resulting in a payment appropriations execution rate of 86.1%.

Cancelled appropriations and transfers

Cancelled appropriations for the year 2019, amounting to EUR 23 745 738, mainly related to expenditure related to buildings, as well as to remuneration and other entitlements. Eighteen transfers were approved amounting to EUR 76 028 316 or 3.8% of final appropriations. 45.3% of the funds transferred related to Parliament's buildings policy and mostly, in particular, to help fund the annual payments for the Adenauer building project. Transfers linked to postponements in relation the U Ks decision to withdraw from the European Union amounted to 25%.

Legality and regularity of the transactions underlying those accounts

Members noted that the overall audit evidence indicates that spending on administration is not affected by a material level of error. On the basis of the three quantified errors, the estimated level of error present in heading V of the multiannual financial framework on administration is below the materiality threshold.

The Court found errors in one payment to one of the European political parties, which concerned non-compliance with expenditure eligibility rules, specifically, no written contractual documents and no supporting evidence for costs actually incurred were provided.

2019 discharge

The report pointed out that the European elections in May 2019 resulted in a split in two halves for the Parliament in 2019, the first focused on adopting legislation and the second on starting a new parliamentary term. The 9th legislature of Parliament was constituted with 61% of new Members, a substantial increase on past terms and the projected 50% on the basis of which Parliament’s 2019 budget had been established.

The postponement of the date for the UK’s withdrawal from the European Union at three occasions during 2019 had an important impact on Parliament's 2019 budget given that salaries and allowances of British Members and their assistants were paid for a longer period than initially foreseen.

Human resources

Members drew attention to the 6% staff reduction target which in 2019 required Parliament to eliminate 59 posts from its administration establishment plan. They acknowledged the simultaneous increase in the number of contractual agents and warned of the serious consequences that any budgetary cut in administration or any staff reduction may have in the future of the European civil service and the implementation of the Union's policies.

Communication and elections

The report noted with concern that the turnout of the 2019 European elections remained too low in certain countries and called for the campaign to ensure visibility of the European elections and the role of Parliament in the legislative process to be permanent.

Whilst noting with satisfaction that it was the first time since the first direct elections in 1979 that turnout has increased, Members regretted, however, that the Spitzenkandidaten system for the appointment of the President of the European Commission was not followed.