2002 discharge: EC general budget, European Parliament

2003/2211(DEC) - 21/04/2004 - Text adopted by Parliament, single reading

By adopting the report by Michiel van HULTEN (PES, NL), the European Parliament has voted to grant discharge to its Secretary General for the execution of the EP budget in 2002. Among the recommendations in the accompanying resolution - adopted by 436 votes in favour, 34 against and 48 abstentions - were increasing the accountability for the use of funds allocated to the political groups, reviewing the MEPs' allowances system and introducing a smoking ban in all public places in Parliament's buildings. Other issues dealt with in the accompanying resolution are as follows: - Implementation of the budget: Parliament congratulates the Secretary-General on the efficient use of the budgetary appropriations made available by Parliament. It takes note of the principal changes to the appropriations in the 2002 budget as originally adopted. They concern the European Convention, the addition of a budgetary line to Section I of the budget (Parliament) (Article 372) and the transfer of EUR 1 million from Chapter 101, preparations for enlargement, including "frontloading" operations whereby as a result of a supplementary and amending budget, the Commission was able to utilise appropriations available in 2002 in respect of expenditure initially planned for 2003 and a similar amount was added to Parliament's budget for 2003. - Presentation and content of the accounts: Parliament repeats its request to the Secretary-General for a report on the feasibility of publishing Parliament's accounts together with the analysis of budgetary management on Parliament's website. - Governance : Parliament recalls that the scope of the discharge procedure should cover not only the management activities of Parliament's Secretary-General and Administration, but also the decisions taken by its governing bodies, i.e. its President, Bureau and Conference of Presidents". It notes that discharge will in future be given to the President of the European Parliament rather than to the Secretary-General. Moreover, Parliament also notes that is at present no definition of the precise practical meaning of the political responsibility attaching to Parliament's governing bodies as regards the exercise of powers and the taking of decisions with significant financial consequences. It instructs its competent committee and Bureau to consider this matter and draw up specific proposals. Parliament also takes the view that in the interest of greater transparency and accountability such proposals might include: an annual financial review by the President on behalf of the Bureau setting out and commenting on the principal financial events and trends, as well as positive and negative developments during the financial year under review; an examination of the changes which would be necessary in order to anchor political responsibility for financial matters more firmly within Parliament's internal rules on the budget or its Rules of Procedure, including possibly the requirement for Vice-Presidents with responsibility for management functions to submit an annual declaration. - Implementation of the recast Financial Regulation: recognises the achievement of the Administration in having successfully completed the steps necessary to put the recast Financial Regulation into practical effect in the short allocated to it. Parliament points out, however, that there should be an in-depthanalysis of the effects brought about by applying the detailed rules for implementing the new Financial Regulation so that there is no recurrence of the operational failures which took place in 2003, the Info-Points Europe being one example of such lack of foresight. Parliament: notes that the revised text of the Rules governing the utilisation of appropriations entered against Item 3701 departs in several respects from the provisions of the Financial Regulation; considers that any derogations from the general rules contained in the Financial Regulation must be based on sound legal and practical considerations; calls on the Bureau to bring Parliament's Internal Rules and the Rules governing the utilisation of appropriations entered against item 3701 more closely into line with the provisions of the Financial Regulation and the Implementing Rules on the basis of the proposals made by the Secretaries-General. It asks the Secretaries-General of the political groups to present a further report, by 1 July 2004, setting out how the remaining divergences between the Financial Regulation and the Parliament's internal rules can be addressed, including, if necessary, a recommendation on how the Financial Regulation and/or the Implementing Rules could be amended to take account of the specific status of political groups. In addition, other salient features of the

resolution can be summarised as follows: - Reforms : Parliament regretted the failure by the Council to approve a Statute for Members, but said this did not relieve Parliament of its responsibility for ensuring that EU funds are spent in a honest and transparent manner. - Non-attached Members: Parliament states that not all non-attached Members have submitted the necessary documentation to the Administration concerning the financial year 2002. It is pointed out that under the rules currently in force as regards non-attached Members, the Administration is required to draw up a statement of revenue and expenditure and a balance sheet for each Member demonstrating the regularity of the accounts and their consistency with the rules. Parliament recalls that, until these new rules were adopted, responsibility for submitting the reports and accounts required by the rules governing budget line 3701 lay with each individual non-attached Member. It regrets that the Administration has been unable to forward the reports and accounts for 2002 to the competent committee because not all non-attached Members have yet provided a satisfactory account of their use of the relevant appropriations in 2002. Moreover, it is noted that unlike the political groups, the accounts of the non-attached Members are not subjected to an external audit. Parliament considers that the use by the non-attached Members of budget line 3701 appropriations falls within the purview of Parliament's internal auditor and that Article 13(8) of Parliament's internal rules on the implementation of the budget should be interpreted accordingly. - Members' allowances: Parliament regrets the failure of the Council to approve the Statute for Members which had the support of Parliament and would have been a fair system for all members. It believes that the introduction of a Statute for Members accompanied by reform of the system of expenses, as supported by the Parliament, would have been the best way of ensuring the fair and equal treatment of all Members. Parliament considers, however, that the Council's failure to approve the Statute does not relieve the Parliament of its responsibility for ensuringthat EU funds are spent in an honest and transparent manner. It calls on the Bureau, in the absence of an agreement on a common Statute for Members, to adopt, as a matter of urgency, new rules governing the payment of expenses and allowances using as a basis the decision of the Bureau of 28 May 2003. Parliament considers these new rules should enter into force at the beginning of the next parliamentary term and should provide for, inter alia, the reimbursement of travel expenses on the basis of actual costs incurred. - Secretarial allowance: Parliament notes that, according to the European Parliamentary Assistants Association, the Court of Auditors, the Parliament's own Financial Controller and Mr Onesta, the Vice-President responsible for the Statute for Assistants, the new rules on the payment of the secretarial allowance which entered into effect on 1 January 2001 still pose a number of problems, both in terms of ensuring compliance with the Financial Regulation and with relevant national legislation (taxation, social security and so on). It believes that, as soon as practically feasible, all payments to parliamentary assistants should be made by Parliament's Administration, either directly or through a national paying agent. It also points out that under such a system the Member would continue to be responsible for decisions such as recruitment, dismissal, leave and level of remuneration, but that Parliament's Administration would be responsible for ensuring that all payments comply with the Financial Regulation and with applicable national legislation. - Subsistence allowance: on this issue, Parliament considers that the attendance registers available for signature by Members must be supervised by a Parliament official at all times. It takes the view that the subsistence allowance is a flat-rate sum intended to cover all personal costs incurred by a Member whilst attending Parliament, including taxis and considers therefore that the separate taxi allowance (requiring receipts) introduced in September 2003 and extended in January 2004 is superfluous and should be abolished. - System of advance payments: Parliament believes that the existing system of advance payments should be replaced by a system of individual accounts into which all amounts due to and from each Member would be consolidated. - Health insurance: Parliament points out that Members are entitled to free health insurance cover under Parliament's rules. It considers that Parliament's health insurance cover for Members should be additional to any national scheme, whether public or private, and based on market conditions; further considers that Members who choose to take part in the Parliament's scheme should be required to pay a health insurance premium. It believes that a change in the rules to this effect should be introduced with effect from the beginning of the next parliamentary term. - Parliament's places of work: Parliament's Administration is called upon to continue and intensify the dialogue with local residents in the Quartier Léopold area, adjacent to the Parliament's Brussels buildings, in view of the ongoing construction work on the new D4 and D5 buildings. It considers that Parliament's Administration must ensure that living conditions do not

fall below an acceptable minimum as a result of the construction work, and that every effort must be made to accommodate the wishes of local residents with respect to the future configuration of, and access to, the area immediatelysurrounding the Parliament's buildings. Lastly, the Parliament has taken note of the decision taken by the Commission to ban smoking throughout its buildings (including bars and restaurants) as from 1 May 2004 and calls on Parliament's Administration and on the College of Quaestors to institute a ban on smoking throughout the public spaces in Parliament's buildings in the three working places with effect from 1 May 2004.