




Basic information	
2001/2103(DEC) DEC - Discharge procedure	Procedure completed
2000 discharge: EC general budget, European Parliament Subject 8.70.03.07 Previous discharges	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	CONT Budgetary Control		VIRRANKOSKI Kyösti (ELDR)	29/05/2001
	Committee for opinion		Rapporteur for opinion	Appointed
	ECON Economic and Monetary Affairs		The committee decided not to give an opinion.	

Key events			
Date	Event	Reference	Summary
27/04/2001	Non-legislative basic document published	SEC(2001)0530 	
11/06/2001	Committee referral announced in Parliament		
21/03/2002	Vote in committee		Summary
21/03/2002	Committee report tabled for plenary	A5-0098/2002	
09/04/2002	Debate in Parliament		
10/04/2002	Decision by Parliament	T5-0167/2002	Summary
10/04/2002	End of procedure in Parliament		
17/06/2002	Final act published in Official Journal		

Technical information	
Procedure reference	2001/2103(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0098/2002	21/03/2002	
Text adopted by Parliament, single reading		T5-0167/2002 OJ C 127 29.05.2003, p. 0163-0561 E	10/04/2002	Summary
Council of the EU				
Document type	Reference	Date	Summary	
Supplementary non-legislative basic document	01649/2002	05/03/2002	Summary	
European Commission				
Document type	Reference	Date	Summary	
Non-legislative basic document	SEC(2001)0530 	27/04/2001	Summary	
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N5-0617/2001 OJ C 359 15.12.2001, p. 0011-0416	10/10/2001	Summary

Additional information			
Source	Document	Date	
European Commission	EUR-Lex		

Final act	
Budget 2002/0449 OJ L 158 17.06.2002, p. 0043	Summary

2000 discharge: EC general budget, European Parliament

PURPOSE : to present the Annual Report from the Court of Auditors on the implementation of the budget of the other Community Institutions for the financial year 2000 (European Parliament). **CONTENT** : the Annual Report for 2000 deals with the Community budget as a whole, including the operational appropriations of the other Community institutions. The Court has reviewed the information presented in Volumes I to IV of the revenue and expenditure account. Volumes I and III provide a commentary on budgetary management for the year and, in particular, explanations of variations between the initial approved budget and the appropriations finally available, as well as between the appropriations finally available and those utilised. This review did not seek to provide assurance as to the reliability of these explanations. Rather, it sought to identify any significant variations for which explanations are not provided and to identify any explanation that might be considered misleading. The review did not reveal any case where the explanations appeared to be implausible, except at the Council, where mission costs totalling some EUR 0,5 million relate to missions carried out in 1999 in the absence of any appropriations and pre-commitment. The general approach adopted by the institutions to the analysis of budgetary management fails to inform readers of the most significant features of expenditure for the year. All of the institutions focus on explaining variances between out turn and the budget, sometimes in great detail. The way they do this is, however, inconsistent both within and between institutions. The analysis often obscures key issues in budgetary management: for example, Parliament does not explain the operation of the procedure to apply unused appropriations on other budget lines to capital repayments on buildings; and none of the institutions explains the differences between sums committed and payments made. According to the Court, it is desirable for the institutions to provide a more global analysis in the future, focusing on the main trends in expenditure, and the major capital items, as well as offering key measures of economy and efficiency. With regard to the reliability of the accounts and legality and regularity of the underlying transactions, the samples and analytical tests carried out have revealed a situation which, save for some specific observations, remains satisfactory overall. The Court notes in particular, that for the first time, the budgetary accounts and financial statements supporting the consolidated balance sheet faithfully reflect the administrative expenditure of Community institutions and bodies. The off-balance-sheet commitments present future pension costs in a more informative manner. The annual cost of pension rights acquired during the financial year is now shown. However, in the view of the Court it would be better for the liability to be presented in the balance sheet and the annual charge included in the calculation of the economic result, in accordance with international accounting standards. Parliament has for the first time entered the Louise Weiss building in Strasbourg under the heading 'Leasing' in its balance sheet, for a net accounting value of EUR 367,4 million, in accordance with the provisions adopted by the Commission on the accounting management of non-financial fixed asset accounts and the Court's previous observations. The notes to the balance sheet do not mention that this is an estimated value or that costs of around EUR 21,5 million are contested by Parliament. Moreover, the value of this asset is to some extent underestimated, since this amount includes the value of the land, amounting to EUR 8,8 million, for which, contrary to the applicable rules, a cumulative depreciation sum of EUR 1,2 million has been calculated. Furthermore, EUR 20 million of this amount comprises the value of special equipment which Parliament has depreciated at a maximum annual rate of 25 %, producing a cumulative value at the end of the financial year 2000 of EUR 60 million, without disclosing the nature of the equipment concerned and the depreciation rates that should actually be applied. The Court notes that the improvement brought about by the new inventory management system (ELS) is indeed significant. The percentage represented by the value of assets whose inclusion in the inventory is required and which were entered in the balance sheet without being identified referred only to movable items (excluding, therefore, the value of immovable property likewise included in the balance sheet). However, the inventory does not show assets purchased by Parliament's political groups using appropriations made available to them. With regard to public procurement policies, in general, the procurement procedures applied by the institutions are legal and regular. Infringements, where they occur, result, in the main, from the lack of experience/expertise in the domain of tendering for particular services, and pressures on departments to adopt administratively convenient solutions, e.g. exemptions from tendering on 'technical grounds' to facilitate the commitment of funds before the year end. Consequently, the Court believes that the Institutions need to introduce a system of preventative measures, such as training authorising officers in procurement procedures and developing checklists, to complement the roles the ACPC and Financial Control currently play if compliance with the directives is to be improved further. Internal control systems reviews and compliance testing by the internal auditors will also be important in the future, due to the planned abolition of the ACPC and Financial Control.

2000 discharge: EC general budget, European Parliament

2001/2103(DEC) - 10/04/2002 - Final act

PURPOSE : to grant discharge in respect of the implementation of the general budget of the European Union for the 2000 financial year (Section I - European Parliament). **COMMUNITY MEASURE** : Decision 2002/449/EC, ECSC, Euratom of the European Parliament concerning the discharge in respect of the implementation of the general budget of the European Union for the 2000 financial year (Section 1 - European Parliament). **CONTENT** : with the present decision, the European Parliament gives discharge to its Secretary-General in respect of the implementation of its budget for the financial year 2000. There is a resolution which accompanies the discharge procedure which contains a series of comments which are an integral part of the discharge decision and which are contained in the Parliament's opinion (please refer to the summary of the European Parliament's resolution dated 10 April 2002).

2000 discharge: EC general budget, European Parliament

2001/2103(DEC) - 05/03/2002

PURPOSE : to present the Council Recommendations on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Communities for the financial year 2000 (other sections). **CONTENT** : having regard to the observations contained in the report from the Court of Auditors relating to the financial year 2000, the Council calls on the Parliament to give a discharge to the Commission for the financial year 2000. Nevertheless, the implementation of the budget is subject to a series of comments made by the Council which should be immediately be taken into consideration by the Commission. Firstly, the Council welcomes the fact that the Court considers the operations and accounts covered by heading 5 of the financial perspective satisfactory as a whole, as was already the case for the financial year 1999. The Council also welcomes the significant improvement in the management of tangible assets, other than property, thanks to the implementation of a new inventory system (ELS). The Council also notes with satisfaction that the Court considers that the procurement procedures applied in the institutions are in general legal and regular and that the control system complies with the Financial Regulation. Like the Court, it urges all the institutions to continue to improve these procedures, in particular through a system of preventive measures and training actions for authorising officers and managers. With regard to the follow-up to

various previous observations made by the Court concerning the institutions' management of expenditure on buildings, the Council points out that the Treaty does not allow European institutions to borrow. Nevertheless, in the light of its conclusions on the Court's special report No 5/2000, the Council considers it necessary that the institutions should, before undertaking large building projects, inform the budgetary authority, especially on the multi-annual financial implications. Lastly, the Council notes the Court's observations on the need for a match between the pay system and merit.

2000 discharge: EC general budget, European Parliament

2001/2103(DEC) - 27/04/2001

PURPOSE : to present the balance sheet and analysis of the financial management of the European Communities for the financial year 2000 (European Parliament). **CONTENT** : this document reveals that the appropriations in the Parliament's budget including the Supplementary and Amending Budget 2/2000 was EUR 979.924.397, the amount of 99,28%. These appropriations have been effectively paid from the amount of EUR 885.733.891 that is an automatic carryover of 8,95%. These appropriations transferred from the 1999 to the 2000 financial year amount to EUR 103.330.879 of which 91% has been spent. The implementation of the 2000 budget has been marked by a series of transfer appropriations between budget lines in order to ensure the working of the Institution. It should be noted that there is an increase in mission expenses and travel costs, notably outwith the 3 working areas of the Parliament for the joint parliamentary delegations on the grounds of an increased number of delegations and the increase in participation of the Members of the European Parliament which has been higher than in previous years (EUR +165.000). Furthermore, the budgetary Chapter 13 "Missions and Travel") has seen, in total, a change in the order of 2%. In addition, a decrease in 2000 can be noted in the costs for travel and entertaining in comparison with 1999. In the sector of assets, Supplementary and Amending Budget 2/2000 has amended the appropriations of the chapter. The main changes relate to the advance payments of certain Parliament buildings made on 15 July 200 and 15 January 2001. The SAB enabled the strengthening of appropriations of Article 206 of the European Parliament's budget 'Procurement of property assets' from an amount of EUR 15 million in order to speed-up the financing of buildings and to lighten the financial and budgetary burden of subsequent financial years. In this context, several transfer appropriations were made in order to proceed with the estimated advance payments. The Parliament's budget is also marked by the reduction of appropriations relating to the institution's administrative expenditure: certain appropriations from Chapter 23 "Current administrative costs" which have been reduced due to projects not being implemented throughout the year (e.g. refinancing of the Louise WEISS building in Strasbourg, also unforeseen savings in the voice telephony communications sector). In addition, one also notes the reduction in the cost of political group meetings within the Parliament and reductions in some publication costs. Lastly, from 2000, the Ombudsman's budget is separate from that of the European Parliament's budget and therefore becomes a section of the Union's budget in its own right (section VIII).

2000 discharge: EC general budget, European Parliament

2001/2103(DEC) - 10/04/2002 - Text adopted by Parliament, single reading

The European Parliament adopted, by 337 votes for, 97 against and 78 abstentions, the report by Kyösti Tapio VIRRANKOSKI (ELDR, FIN) which approves the Parliament's accounts for the year 2000, thus granting discharge in respecting the management of the 2000 budget. (Please refer to the previous text). In its resolution, the Parliament brings attention to a certain number of weaknesses in relation to the implementation of the budget. It calls for the accounts to be presented in a more user-friendly form. It instructs the Secretary-General to submit a working document on the feasibility and overall implications of revising the presentation of Parliament's accounts to its Committee on Budgetary Control by 1 July 2002. More specifically, as regards the implementation of the budget, the Parliament recognises that the generally favourable picture with regard to the take-up rate is distorted by the systematic recourse to the end-of-year mopping-up transfer which in recent years has been used to collect appropriations available throughout Parliament's budget in order to make capital injections by way of early repayment of the amounts due in respect of the Institution's buildings. As far as the management is concerned, Parliament's commitment to establish an independent internal audit service is underlined and it is stressed that the service must be independent with the possibility of communicating directly to the President of the Parliament when issues of gravity come to the attention of the internal auditor. With regard to the staff policy, the Parliament regrets the low proportion of women in positions of responsibility and it requests the Secretary-General to reflect on this shortage and seek to strike a balance between men and women. An important issue relates to the places of work and buildings, the resolution notes that even the variable costs of an ordinary five-day session in Strasbourg are about 33% higher than in Brussels in addition to other, much higher costs due to buildings, hotel expenses etc. Parliament instructs its Secretary-General to provide the Convention with a detailed analysis of the cost of maintaining three places of work. It has been observed that reducing the length of a Strasbourg part-session from 5 to 4 days, cutting it by one eighth, produces a derisory level of savings (0.97% of the total cost of the meeting). Parliament firmly stresses that the issue of the investment cost of the new LOW building in Strasbourg has to be solved immediately, and calls on the main partners and main shareholders of the promoter of the building, the city of Strasbourg and the Alsace Region to contribute in solving this issue; regrets that the Parliament has had to refer to the European Court of Justice to settle the dispute on the contractual completion date of the LOW building. In addition, Parliament points out that according to the relevant Bureau rules the reports by the political groups on their utilisation of appropriations for 2000 are in the public domain and recalls that the relevant Bureau rules empower the Committee on Budgetary Control each year to draw up a report on the basis of the statements of income and expenditure, the balance sheet and auditor's certificate forwarded by the political groups. Parliament notes that there is a tension between the necessity of separating the responsibilities of Parliament's administration and those of the political groups on the one hand and the Financial Regulation on the other which does not explicitly provide for any such separation. Parliament instructs the Bureau to ensure that Parliament's implementing rules of the Financial Regulation include a provision identifying the specific status of political groups so that their particular responsibilities can be clearly and properly regulated. Parliament also believes that the status and contractual arrangements related to parliamentary assistants need to be clarified through the establishment of a statute for this category of staff. It considers that such a statute should provide an exemption for service providers hired to carry out specific and time-limited tasks. Members should remain responsible for the appointment, category of remuneration and dismissal of their personal staff but it should be the Parliament's administration that must take overall responsibility for the administrative and contractual arrangements related to remuneration and social security. Finally, Parliament points to the relatively meagre budgetary resources allocated to information and Communication (EUR 25 million in 2000, representing only 2.5% of the total budget for the Parliament) and recommends the consequent need for an appropriate increase in budgetary resources for this sector. Parliament also suggests that the Parliament's public website (EUROPARL) be managed by DG III (Parliament) which would constitute a more efficient use of resources.