Basic information

2007/2038(DEC) DEC - Discharge procedure	Procedure completed
2006 discharge: EC general budget, European Parliament **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	POMÉS RUIZ José Javier (PPE-DE)	27/03/2007

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
DEVE Development	The committee decided not to give an opinion.	
INTA International Trade	The committee decided not to give an opinion.	
BUDG Budgets	The committee decided not to give an opinion.	
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	

TRAN	Transport and Tourism	The committee decided not to give an opinion.	
REGI	Regional Development	The committee decided not to give an opinion.	
AGRI	Agriculture and Rural Development	The committee decided not to give an opinion.	
PECH	Fisheries	The committee decided not to give an opinion.	
CULT	Culture and Education	The committee decided not to give an opinion.	
JURI	Legal Affairs	The committee decided not to give an opinion.	
LIBE	Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
AFCO	Constitutional Affairs	The committee decided not to give an opinion.	
FEMM	Women's Rights and Gender Equality	The committee decided not to give an opinion.	
PETI	Petitions	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2847	2008-02-12

European Commission

Commission DG	Commissioner
Budget	KALLAS Siim

Key events

Date	Event	Reference	Summary
		SEC(2007)1055	Summary

30/03/2007	Non-legislative basic document published		
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
01/04/2008	Committee report tabled for plenary	A6-0091/2008	
22/04/2008	Decision by Parliament	T6-0134/2008	Summary
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		
22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information

Procedure reference	2007/2038(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53915

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE398.566	07/02/2008	
Amendments tabled in committee		PE402.746	10/03/2008	
Committee report tabled for plenary, single reading		A6-0091/2008	01/04/2008	
Text adopted by Parliament, single reading		T6-0134/2008	22/04/2008	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2007)1055	30/03/2007	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0005/2008 OJ C 273 15.11.2007, p. 0001	15/11/2007	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2009/0185 OJ L 088 31.03.2009, p. 0001	Summary

2006 discharge: EC general budget, European Parliament

2007/2038(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted by 597 votes in favour, 50 against and 40 abstentions, a decision to grant its President discharge in respect of the implementation of the European Parliament budget for the financial year 2006.

At the same time, the Parliament adopted by 563 votes in favour, 63 against and 51 abstentions, a resolution containing observations forming an integral part of the decision on the discharge. The report had been tabled for consideration in plenary by José Javier **POMÉS RUIZ** (EPP-ED, ES), on behalf of the Committee on Budgetary Control.

First of all, the plenary welcomes and supports its President's firm commitment to ensure that the **assistants' statute**, to be proposed by the Commission and approved by the Council, enters into force **at the same time as the Members' Statute**. However, the Parliament calls on the Commission and the Council to fully cooperate with it in order to ensure that the new statute for assistants is adopted before the next European elections in June 2009.

The discharge - a political exercise: recalling the main figures on the basis of which Parliament's accounts for the financial year 2006 were closed (final appropriations: EUR 1 321 600 000), the Parliament notes that discharge is a **political decision** and that, in this context, the Parliament is the **sole discharge authority**. It believes that all the institutions and bodies should be treated on a footing of equality and that procedures should be harmonised. It also believes the discharge exercise should also cover the decisions taken by the President, the Bureau and the Conference of Presidents of the EP given that political responsibility lies with the elected Members, not the officials. The Parliament also makes a series of technical observations aiming to reiterate the importance of political dialogue, in the context of the discharge procedure, between those responsible for the budget and budgetary control at the most senior levels of the Institution. It asks that this dialogue be better structured, notably by establishing closer links between the Bureau of the EP and the Committee on Budgets, and between the Bureau of the EP and the Committee on Budgetary Control, by creating an ad hoc **working group** in this area. The Parliament welcomes the initial talks that were held in this context and expects these deliberations to continue in the future. More generally, the Parliament believes that budgetary and discharge procedures should be **complementary** supporting the interoperability of the two procedures.

Parliament's financial management and the Director-Generals' activity reports: the Parliament returns to the implementation of the Parliament's budget and regrets the fact that its competent bodies have never implemented the decisions taken by plenary during previous discharge procedures and that they have continued their practice of 'non-budgetisation' of Parliament's property policy for future acquisitions. Therefore, it reiterates its request for the Internal Rules to be amended so that any property project with significant financial implications would be subject to the approval of the Committee on Budgets. In addition, the Parliament demands that the draft budget be drawn up in such a way that it better reflects the actual needs of the Parliament. For their part, the Directorates-General are called to present readable reports containing comparable information. The Parliament welcomes the fact that the Parliament's internal auditor has put in place an effective Internal Control Framework, which will monitor high-risk areas.

Procurement: the Parliament also considers the issue of procurement procedures and notes that in 2006, 67% of contracts were awarded on the basis of open (62 %) and restricted (5 %) procedures and that 33% of contracts were awarded by the negotiated procedure (therefore, a net increase compared to the previous year). It asks the Secretary-General of the Parliament to explain this evolution and to report on the progress made on setting up a contracts database. In this context, the Parliament awaits the creation of a single central database, managed by the Commission, to be set up for all the Community contracts, in order to increase transparency in this area.

Political groups: reiterating that the political groups are responsible for the management and use of the EP budget appropriations granted to them, the Parliament welcomes the fact that external auditors have confirmed that the political groups' accounts complied with the rules in force. It notes that the political groups used, on average, only 67.4 % of the appropriations available to them and regrets that the authorising officer was instructed to recover certain amounts from many European political parties.

The parliamentary assistance allowance (PAA): the Parliament regrets the fact that the Court of Auditors observed inadequacies in the greater part of the sums paid to MEPs under the PAA (lack of satisfactory supporting documents in relation to the expenses incurred in the Member's name). It calls on MEPs to correctly and consistently apply the Rules Governing the Payment of Expenses and Allowances to Members of the European Parliament (PEAM rules), and to promptly identify any irregularities in this area. Furthermore, the Parliament calls on the Parliament's administration to establish a procedure in order to improve communication and to make it more visible for MEPs, to ensure systematic compliance with the deadlines for supplying

supporting documents and to promptly follow up observations made by the Court of Auditors in this area. Aware of the problems and difficulties arising with regard to bringing the PAAs into line with the social and fiscal legislation of each of the 27 Member States, the Parliament calls for an immediate start to the negotiations with the Member States and the Belgian Government in order to finalise this dossier as quickly as possible. On this issue the Parliament supports the internal auditor's proposal which suggests a two-stage evolution for Members' assistants' working conditions: (i) that the contractual relation between the assistant(s) and the Member would be systematically based on a contract of employment; (ii) that all assistants be integrated into the staff category covered by the rules governing other servants of the Communities. It recalls, however, that assistance to Members calls for **flexibility and mobility** and that the new statute for assistants should set **minimum standards for pay and social rights in conformity with applicable European legislation**. The plenary also accepted the principle of a working group on the Members' Statute and Assistants and Pension Fund, and that a Member (to be nominated) of the Committee on Budgetary Control should participate in this working group **as an observer**.

Moreover, in relation to assistance contracts, the Parliament insists that:

- the Parliament conclude framework contracts exclusively with undertakings in Member States specialised in the management, in accordance with the applicable national law, of tax and social security issues related to employment contracts;
- service provider contracts temporarily be handled by paying agents in the Member States, until a definitive solution is found, and that the paying agent be responsible for the compliance of service provider contracts with the tax and social security legislation of the Member State in question;
- no service provider contract which does not comply with these provisions be accepted;
- no relatives of Members be employed;
- non-compliance with national legislation or the PEAM rules automatically lead to the suspension of payments and the recovery of unduly paid amounts.

Voluntary Pension Fund: the Parliament notes that the actuarial deficit of the Members' Voluntary Pension Fund (which has existed since 2001) fell to EUR 26.6 million in 2006, thus improving the actuarial financial position of this fund. It draws the Bureau's attention to its discharge resolution for last year, in which the Parliament advocates that the Voluntary Pension Fund should be **confined to honouring existing rights** (those acquired as at June 2009). Consequently, neither present MEPs nor other members could go on contributing to the fund. The Parliament was surprised by the recent recommendation of the Conference of Presidents of 13 March 2008, that members of the Voluntary Pension Fund may still acquire new pension entitlements once the Members' Statute has entered into force. The resolutions on discharge for 2004 and 2005 had, however, highlighted that the activities of the Voluntary Pension Fund should be limited to honouring acquired rights as of the next legislature. Consequently, the Parliament insists that the Bureau's working group fully respects the decisions made by the Parliament.

Preparation of implementation of the Treaty of Lisbon: the Parliament recalls that in the course of the 2007 budget procedure, it had called on the Commission to carry out a mid-term evaluation of its staff needs. It invites its administration to proceed to an evaluation of its staff, on that basis. It would also like to know how many officials and other servants are necessary to assist Members in their work of co-legislation, following the entry into force of the Treaty of Lisbon.

Multiplication of the Parliament's work places: lastly, the Parliament welcomes the fall in the estimated operating costs stemming from the requirement to maintain several places of work, from EUR 203 million in 2002 to EUR 155 million for 2007 (a reduction of almost 24 % over the five-year period). It therefore calls on its administration to continue the rationalisation process.

2006 discharge: EC general budget, European Parliament

2007/2038(DEC) - 22/04/2008 - Final act

PURPOSE: to grant discharge to the European Parliament for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/185/EC, Euratom of the European Parliament on the discharge for implementing the general budget of the European Union for the financial year 2006 (Section I – European Parliament).

CONTENT: with the present decision, the European Parliament grants discharge to its President for the implementation of the general budget for 2006.

This decision is in line with the European Parliament's resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).

2006 discharge: EC general budget, European Parliament

2007/2038(DEC) - 15/11/2007

PURPOSE: presentation of the report of the Court of Auditors on the implementation of the budget concerning the financial year 2006 (other institutions – European Parliament).

CONTENT: in its annual report for the financial year 2006, the Court focuses on the legality and regularity of the operating expenditure of the institutions. While, on the whole, the institutions put in place a satisfactory monitoring and control framework in 2006, the Court notes a certain number of weaknesses in terms of compliance with procurement procedures by the institutions (particularly a lack of competition between tenderers in the case of negotiated procedures).

For the rest, the Court notes that the incidence of error for the expenditure samples selected for scrutiny by the Court was not significant. However, the Court expects the identified weaknesses to be addressed in the future.

Monitoring and control systems of the institutions: the audit of areas showing a specific risk indicated that shortcomings affected the monitoring and control systems for allowance payments to members of certain institutions. As for the European Parliament, in particular, the Court considers that the Bureau (of the European Parliament) should have taken measures when the documents deemed essential to justify certain expenditure were not presented in a reasonable timeframe.

Specific comments on the European Parliament: the audit commented on the following points: evaluation of monitoring and control systems corresponding to: i) expenditure and allowances of MEPs; ii) negotiated procurement procedures.

- **Assistance allowances of MEPs**: since 1998 the Court has, on several occasions, pointed out weaknesses in the regulatory framework established by the Bureau for the payment of allowances for assistance to Members of the European Parliament (MEPs). In 2006 the expenditure for the MEPs assistance allowances amounted to around **EUR 132 million**. In 2004 the rules concerning the submission of supporting documentation by MEPs were amended so that MEPs were required to present by 1 November 2005 documentary evidence of the use of their allowance, for the period July 2004-June 2005. This deadline was subsequently extended several times and the supporting documents presented by the MEPs and regarded as adequate justifications by the responsible administrative department only cover 27.2 % (EUR 11.9 million) for 2004 (July-December) and 22.5 % (EUR 27.1 million) for 2005 (full year) of the relevant expenditure. At the same time, the deadline for submitting supporting documents relating to the year 2006 was extended to 30 April 2007. However, no measures had been taken by the Bureau to ensure that the obligation to supply adequate supporting documentation had been complied with. The Court notes, therefore, that the Bureau has not ensured that the rules requiring the submission of adequate supporting documentation have been implemented effectively. As the major part of the amounts paid for MEPs assistance allowance have not been subsequently justified by appropriate supporting documents of the expenses incurred on behalf of the MEPs, the Court considers that there is not sufficient documentation to demonstrate that the MEPs have actually employed or engaged the services of one or more assistants and that the duties or services mentioned in the contracts signed by the MEPs have really been carried out. The Court concludes, therefore, that the Bureau should take action in order to obtain the documents considered essential to prove that the expenditure was justified. Should these documents not be presented within reasonable time, appropriate measures, such as **suspension of payments** and/or **issuing of recovery orders**, should be initiated for the sums not justified;
- **Procurement procedures of the European Parliament:** the audit identified numerous weaknesses in the operation of internal and management controls over the procurement procedures, in particular concerning planning, compliance with applicable regulations and rules, reliability of management information and sound financial management. A detailed action plan comprising 144 individual actions was drawn up by the European Parliament and some concrete measures have already been taken in 2006 by the Secretary General to clarify the situation, such as the establishment of an advisory body (the Procurement Forum) and the setting up of a central register of contracts.

Replies of the European Parliament: as regards the missing supporting documents for allowance expenditure of MEPs, the Parliament specifies that since 2004, Quaestors and the Bureau of the European Parliament had taken measures to simplify the technical documents to be submitted for the regularisation of MEPs' expenses.

Considering the widely differing situations in the Member States the Bureau finally decided not to impose a final deadline to comply with new obligations for submitting supporting documents. In 2006, a new set of rules, called the 'Codex' (rights and obligations of assistants and their Members) was imposed according to which the documentation had to be delivered before 30 April 2007. Consequently, a huge number of documents was received by the Parliament and is now under examination. In addition, the Parliament indicates that if MEPs do not satisfy the obligation of providing the necessary supporting documents after this date, personalised letters will be sent to them explaining that if they do not comply with the obligation of presenting the missing documents the Authorising Officer by Delegation can suspend payments and the Secretary General can decide to recover unduly paid sums.

Lastly, the Parliament notes that, as of now, before any reimbursement of MEPs' assistance costs, basic mandatory documents must be submitted by MEPs, such as application forms and contracts between the Member and the assistant(s), where this concerns service providers (approximately half the assistants) or a paying agent. Other documents such as proof of social security coverage must also be submitted within 3 months. The Parliament indicates, in this respect, that all MEPs now comply with these conditions.

2006 discharge: EC general budget, European Parliament

2007/2038(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: presentation of the final accounts for the 2006 financial year of the European Communities – Section I – European Parliament.

CONTENT: this document provides the expenditures and the balance sheet of the European Parliament for the 2006 financial year and presents an analysis of its financial management.

Summary: the figures that follow are taken from the report on the annual accounts of the Communities for the 2006 financial year (Final Annual Accounts of the European Communities – Financial Year 2006 - VOLUME I).

- **Initial appropriations:** EUR 1 321 600 000 (an increase of 3.9% compared with 2005);

- **Amending budget**: not applicable in 2006;
- **Authorised appropriations for 2006 financial year** (including carryovers from the previous year and various revenues):

    - 1 343 738 898.05 EUR in commitments,
    - 1 440 301 787.03 EUR in payments;

- **Budgetary implementation** :

- commitments: **EUR1 306 325 432** (99% of budgetary commitments),
- payments: **EUR1 117 587 610** (86% of payments).

Main axes of 2006 expenditure: the European Parliament's Secretariat General defined key axes for actions (and therefore expenditure) for the year in the four areas that follow:

1. communication policy;
2. enlargement;
3. completion of the "*Raising the Game*" project;
4. better financial management.

Results in these areas 2006 : overall, the results obtained in these four main areas of expenditure targeted by the EP's Secretariat General may be summarised as follows:

1) Communication policy: this objective included making the Parliament a focal point for debate on the future of Europe,further developing multilingualism and progressingwith the major communications projects (web TV, internet and Visitors' centre). Concerning the debate on the future of Europe, Citizens' Forums were organised by the Information Offices in the Member States concerned. The aim was to engage in a series of debates, to enable as wide a cross-section of European citizens as possible (general public, national politicians, civil society and the media) to participate, make their views and concerns known and give them the chance to have their say on the future of Europe. Debates were held on a number of subjects including enlargement, globalisation and the European social model, economic and social policies, industrial restructuring and its effects, people's expectations from Europe and increasing awareness of the role of the EP. As regards multilingualism, Parliament's EUROPARL website is published in 22 official EU languages. All the part-sessions in 2006 were covered by LIVE streaming on Internet in all EU languages. Lastly, considerable investment in the necessary technical platform for the Web-TV project took place.

2) Enlargement: this objective included in particular completing recruitment of staff, especially linguists, from all 10 new Member States (EU10) and paving the way for the successful integration of Bulgaria and Romania (EU2). Around 1 000 posts have been created for the EU10 2004 enlargement (87% of which were filled in 2006) and 113 posts were created for EU2 to prepare for the 2007 enlargement. As far as interpretation is concerned, EU10 language needs were covered satisfactorily but problems arose in the recruitment of Latvian, Slovak, Slovene, and, in particular, Maltese interpreters. Lastly, regarding translation, around 80% of posts in the EU10 units were filled. The challenge of moving to a 20-language regime can be considered as having been successfully met (with the notable exception of Maltese which remains a problem). It should also be noted that an Office had been opened in Nicosia (and temporary offices would also be opened in Sofia and Bucharest).

3) 'Raising the Game': this is a Parliament initiative entailing the reorganisation of the support structures for parliamentary committees, the setting up of a Tabling Office responsible for verifying texts and expanding the Library. At the end of 2006, the support machinery put in place for parliamentary work enabled Parliament to take up the challenges created by the increase in its powers and responsibilities. Subject to a number of adjustments, the 'Raising the Game' project may be considered as completed.

4) Better financial management: this objective covered more training for financial actors, implementing the actions plans arising out of self-assessment and internal audit activities, identifying possible improvements to the financial regulation and preparing for entry into force of the Members' Statute in 2009. Concerning the Statute for Members, Parliament's Bureau set up a working party and mandated it to establish a schedule for implementation and to provide policy guidelines for preparations for entry into force of the Statute in 2009: it was expected to complete its tasks in 2007.

As far as the **implementation of the budget** was concerned, 2006 saw the following:

- a rise of 8% (compared with 2005) in the chapter relating to staff(due largely to adaptations to salaries because of promotions and changes in certain temporary posts),
- the recruitment of personnel as a result of enlargement (EU10 + EU2),
- the application of the new system for auxiliary agents (replaced by contractual agents),
- the establishment of an Early Childhood Centre (crèche : +36% budget increase),
- the unblocking of the reserve for information and communication policy following the agreement of Parliament's Bureau,
- the regression of appropriations provided for in the chapter dealing with Parliament's real estate.

As far as Parliament's **property policy** is concerned, 2006 was marked by a fall of 7% in property-related expenditure compared with 2005. Most of the institution's property projects are now under way and therefore have received allocations. The Parliament has ongoing projects in Strasbourg, Brussels, as well as Nicosia, where the Parliament has decided to set up a new local office. The Parliament also purchased a building in The Hague and in Valetta to house its information offices with the Commission.

The following **budgetary points** should be noted:

- an increase of 14% of the budget for IT,
- expenditure remained stable for parliamentary assistance (10% of the overall budgetary allocation with EUR 133 689 000 commitments),
- expenditure remained stable for the 'Members of the Institution' chapter (10% of the 2006 budget with EUR 72 million): the greatest part of this allocation goes towards Members' transport costs and daily allowances – plenary sessions, committee and delegation meetings, political group meetings,… In 2006, Members made a total of 12 665 journeys to attend sessions and mini-sessions in Strasbourg and Brussels, 17 741 journeys for committee meetings in Brussels and 5 400 for political group meetings in Brussels;
- a decreased of 14% in the Institution's current expenditure (posts, IT consumption, telephones),

- an increase of 21% in the ‘Meetings and conferences’ chapter because of the increase in the costs of missions (total: 27 824 missions in 2006 covering 87 973 working days of which 5 278 missions to Brussels, 19 932 to Strasbourg and 2 134 to Luxembourg),
- a 21% increase in the chapter relating to ‘expertise and information’: an important part of this increase was due to the higher number of visitors’ groups to the EP (170 000 visitors in 2006), the *Euroscola* programme and the reception of opinion multipliers from third countries. The chapter also showed an increase in the expenditures relating to the organisation of events such as the ‘European Day for Victims of Terrorism’, the visit of the South-American singer, Juanes, in relation to combating anti-personnel mines in the world, the celebrations of the 20th anniversary of the enlargement of the Community to Spain and Portugal, and by the publication of a million brochures on the European Parliament.