Basic information

2009/2069(DEC) DEC - Discharge procedure	Procedure completed
2008 discharge: EU general budget, European Parliament **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	STAES Bart (Verts/ALE)	01/10/2009
	Shadow rapporteur HERCZOG Edit (S&D) GERBRANDY Gerben-Jan (ALDE)	

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.	02/09/2009
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.	

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary

23/07/2009	Non-legislative basic document published	SEC(2009)1089	Summary
07/10/2009	Committee referral announced in Parliament		
23/03/2010	Vote in committee		Summary
26/03/2010	Committee report tabled for plenary	A7-0095/2010	
21/04/2010	Debate in Parliament		
05/05/2010	Decision by Parliament	T7-0136/2010	Summary
05/05/2010	Results of vote in Parliament		
05/05/2010	End of procedure in Parliament		
25/09/2010	Final act published in Official Journal		

Technical information

Procedure reference	2009/2069(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/00566

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE430.619	03/02/2010	
Amendments tabled in committee		PE439.268	03/03/2010	
Committee report tabled for plenary, single reading		A7-0095/2010	26/03/2010	
Text adopted by Parliament, single reading		T7-0136/2010	05/05/2010	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2009)1089	23/07/2009	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Document attached to the procedure	N7-0036/2009 OJ C 269 10.11.2009, p. 0001	10/11/2009	Summary

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

Final act	
Decision 2010/0492 OJ L 252 25.09.2010, p. 0001	Summary

2008 discharge: EU general budget, European Parliament

2009/2069(DEC) - 23/07/2009 - Non-legislative basic document

PURPOSE: to present the final annual accounts of the European Communities for the financial year 2007 – Other institutions: section I – European Parliament.

Note: this summary provides a general overview of the main trends in terms of the European Parliament's expenditure for the financial year 2008. It provides an overview of the budgetary and financial management of the budget of the institution, as well as of its main expenditures. The amounts presented below are taken from the Report on the budgetary and financial management of the European Parliament in 2008.

CONTENT:

1) European Parliament expenditure appropriations 2008:

- **authorised final appropriations:** EUR 1 452 517 167;
- **commitments**: EUR 1 401 962 800;
- **outturn rate:** 97%;
- **cancelled appropriations:** EUR 42 238 638
- **payments:** EUR 1 205 829 062
- **utilisation rate**: 86%.

2) Main axes of expenditure and main activities of the European Parliament for 2008: this report presents the budgetary and financial management by the European Parliament during financial year 2008. It outlines the financial situation and the events which have had a significant influence on activities and gives a synthetic account of the achievement of the objectives for the year. These may be summarised as follows:

- **preparing for application of the Lisbon Treaty:** this objective concerned preparation for changes in legislative and budgetary procedures, strengthening Parliament's role in EU external relations and the in-house reform. A technical-administrative Task-Force was set up by the Secretary-General to prepare the Secretariat for entry into force of the Lisbon Treaty. The Task Force dealt with consequences of procedural changes (legislative procedures, comitology), adaptation of the Rules of Procedure, impact of the subsidiarity check by national parliaments and global logistical issues. Nonetheless, following the 'no' vote in Ireland, preparations for implementation of the Lisbon Treaty were placed on hold. Parliament also participated in election observation missions;
- **preparing for the 2009 European elections so as to help reverse the voter turnout trend:** in this regard, a large number of initiatives were undertaken in order to provide information to citizens about Parliament's activity and achievements: i) production and installation of Multimedia Blue Box, billboards and external installations in three dimensions; ii) the projects: Pan European Countdown, Unusual Polling Stations, online communication campaign, TV and radio spots, production of PR material and purchase of space for online, radio and outdoor campaigns were prepared. The Parliament also organised and participated in several events such as the 9th Energy Globe Awards (which reward local and regional projects that contribute to energy conservation, environmental protection, or the supply of basic resources such as water and electricity to remote and poor communities) and participated in a second citizens' Agora on climate change with an exhibition of Yann Arthus-Bertrand photographs. Also worthy of mention were events such as the Lux Prize for Cinema, the Journalism Prize, the Charlemagne Prize, and the European Media Days, as well as the launch of EuroparlTV, which operates 24 hours a day in 20 languages;
- **stepping up services for Members:** this objective relates to the new Statute for Members, filling vacant posts for staff from the new Member States, language services, the analytical service within the Library, individual interpretation for Members and better provision of information on the various services available to them;
- **reforming and consolidating the General Secretariat of Parliament:** this objective included major restructuring of the EP General Secretariat, applying the staff consolidation plan, promoting Parliament as an open and inclusive institution, simplifying administration, pursuing the property policy, improving budgetary forecasts, complying with Eco-Management and Audit Scheme (EMAS) and reducing emissions of carbon dioxide (CO_2). Following the restructuring of the General Secretariat, various IT applications were adapted. Moreover, multi-DG support (MUST) replaced a single-DG support to achieve a synergy effect;
- **property policy:** Parliament pursued its property policy in 2008. The policy for the establishment of information offices is that the European Parliament's and the European Commission's offices should be together in 'Europe Houses' and that, where possible, the opportunities to buy

rather than rent should be exploited. In 2008 the building for a Europe House in London was purchased. It was one of the two remaining capital cities where no Europe House had been established;

- **environmental strategy:** Parliament was awarded an EN/ISO 14001:2004 certificate for its three main working sites in 2007. It is the first European institution to have received the certificate. The institution reduced its gas and fuel consumption by almost 25% over the last three years. It decided to use 100% green electricity in its three main places of work, while more than 50% of all waste is recycled, composted, or reused. The EP's decision to use green electricity at all three of its main places of work made it possible to cut carbon dioxide (CO2) emissions by 17%.

In conclusion, the European Parliament can be seen to have achieved the main objectives set by its Secretary-General for 2008.

3) Highlights of the 2008 budget implementation: the report analyses the proportion of total expenditure by Parliament by comparison with the planned spending. This comparison leads to the following main conclusions:

Title I: (*Persons working with the institution*): overall, this budget heading has been in line with estimates with only two exceptions:

- **the chapter on "Other staff and outside services"** was marked by a decrease of 18% in spending between 2007 and 2008. This decrease is largely explained by lower demand for "Conference interpreters, interpreters and conference technicians" for the translation of verbatims of debates and for the Interpretation ad Personam service;
- **the chapter on "Other expenditure relating to persons working with the institution"**, up by 23% compared to 2007 owing to an increase on the item "Current operating expenditure for restaurants and canteens".

Title II:*(Current administrative expenditur*e): the 14% decrease in this chapter between 2007 and 2008 was mainly due to lower spending for "Stationery, office supplies and miscellaneous consumables" and "Telecommunications", mostly concerning charges for telematic services. The decrease was partly compensated by an increase on "Legal costs and damages";

Title III: (*Expenditure resulting from the exercise of the institution's tasks*): this heading saw an increase of 38% compared to 2007 in the cost of "Expertise and information: acquisition, archiving, production and dissemination" due to the marked increase in "expenditure on publication, information and participation in public events" (+139%) and costs related to the "Parliamentary television channel (Web TV)" (+614 %) in connection with the organisation of European elections in 2009.

Title IV: (*Expenditure relating to certain institutions and bodies*): this chapter was marked by an increase of 19% compared to 2007. This mainly related to the heading "current administrative expenditure and expenditure relating to the political and information activities of the Political Groups and non-attached members" (+14%). The Bureau also assigned an additional amount of EUR 6 000 000 to finance the Political Groups and non-attached Members for the information campaign for the 2009 European elections.

2008 discharge: EU general budget, European Parliament

2009/2069(DEC) - 10/11/2009

PURPOSE: to present the report of the Court of Auditors on the implementation of the budget for the financial year 2008 (other institutions - European Parliament).

CONTENT: in its annual report for the financial year 2008, the Court focuses on the legality and regularity of the operating expenditure of the institutions. In 2008, the Court carried out audits in all the institutions on the following selected topics (procurement contracts, late payment penalties, payments on carried-over appropriations, transfers of acquired pension rights, etc…). In addition, the Court assessed the compliance of the supervisory and control systems applied by each institution with the requirements of the Financial Regulation

In 2008, the Court notes that **all the institutions operated satisfactorily the supervisory and control systems** required by the Financial Regulation and the **transactions tested were free from material error of legality and regularity**.

Although the legality and regularity of the transactions underlying the accounts have been confirmed by the Court of Auditors, it does however draw attention to a number of findings which should be taken into consideration by the institutions concerned.

Nevertheless, in the specific case of the audit of the **European Parliament**, the Court notes in particular the following:

Expenditure relating to the fitting out of premises: Parliament signed a contract in December 2007 concerning the fitting-out of premises which provided that the invoices were to be presented monthly after each period, on the basis of work completed. The audit of this expenditure showed that one invoice dated 17 November 2008 had been endorsed 'certified correct' and 'passed for payment', when in fact it represented advances for works not yet performed. The total amount paid irregularly in advance was **EUR 1 547 915**.

Parliament states this sum was purportedly in respect of works for the period of December 2008. Parliament acknowledges that this payment was irregularly made in advance of the works being carried out for the period in question. That payment was based on an erroneous assessment of the risks attaching to a failure to use appropriations carried over from 2007 to 2008 before the end of 2008. The payment was covered by a bank guarantee provided by the contractor and thus entailed no adverse budgetary consequences for the institution.

These circumstances were drawn to the Authorising Officer by Delegation's attention following the Court of Auditors' controls in the context of preparing the 2008 DAS. After discussing the matter with the Internal Auditor and informing the Secretary-General, the Authorising Officer by Delegation decided, in acknowledgment of the mistake and assuming responsibility for it, to refer the matter himself to the Financial Irregularities Panel. In the meantime, the Bureau has decided wide structural changes in the European Parliament DG concerned which will have the effect of centralising these responsibilities at the level of Director-General.

Follow-up to observations from past annual reports: the audit gave rise to remarks on actions and decisions taken as a follow-up to observations from past Annual Reports concerning the reimbursement of accommodation costs incurred on mission (2004 to 2007 Annual Reports). The Court considers that the Parliament should ensure that accommodation costs incurred on mission are reimbursed in compliance with the Staff Regulations. The Parliament's Bureau confirmed its support for the existing scheme of flat-rate reimbursement while agreeing to a modification of the system. As a result, the Parliament continues to pay accommodation costs on a lump-sum basis for claims relating to overnight stays in Luxembourg, Strasbourg and Brussels.

In its Annual Report for 2006, the Court of Auditors considered that there was insufficient documentation to demonstrate that MEPs actually employed or engaged the services of assistants, and that the duties or services mentioned in the contracts signed by the MEPs had been really carried out. The Bureau should take action in order to obtain the documents considered essential to prove that the expenditure was justified.

As regards the allowances for assistance to Members of the European Parliament (2006 Annual report), the Court considers that the Parliament should further enhance controls over the parliamentary assistance allowance, including random checks of invoices that the MEPs have in their possession and further develop the regulatory framework applied for the parliamentary assistance allowance, in order to address its weaknesses. Parliament states that from the new parliamentary term starting in 2009, assistance to Members will be provided by accredited parliamentary assistants chosen by MEPs, engaged by the Parliament, and by local agents engaged by Members. Council Regulation (EC) No 160/2009 amended the conditions of employment of other servants of the European Communities and created a category for accredited parliamentary assistants, which will be recruited starting from the new parliamentary term. These will be chosen by MEPs, employed by the European Parliament and paid at standard pay scales. They will be based in Parliament's offices, and provide assistance to specific Members of Parliament. The Court states that it will monitor the clearance by the Parliament of the MEPs' statements of expenditure related to the financial years 2004-2007.

The Court also highlights the issue of the multiplication factor applicable to salaries (2007 Report) and recalls that this resulted in the granting of a financial advantage to their staff, which the other institutions do not grant, and in higher expenses. The Parliament continues to apply its current practice while waiting for the Court of Justice's final rulings in cases brought in this respect by staff of the institutions. The Court of Auditors will monitor the follow-up to the Court of Justice ruling.

Lastly, as regards the additional pension scheme for Members of the European Parliament (2006 and 2007 Annual Report), the Court states that there should be clear rule established in the scheme to define the liabilities and responsibilities of the European Parliament and of the members of the scheme in case of a deficit. In March 2009, Parliament's Legal Service issued an opinion on the application of the new Statute for the Members of Parliament, which states that Parliament is bound to guarantee acquired pension rights. A new actuarial study should be performed in order to assess the impact of the decisions made by the Bureau concerning the measures applicable to the members of the scheme. Parliament should clarify its role in the management and supervision of the Fund's assets.

2008 discharge: EU general budget, European Parliament

2009/2069(DEC) - 05/05/2010 - Final act

PURPOSE: to grant discharge to the European Parliament for the financial year 2008.

LEGISLATIVE ACT: Decision 2010/429/EU, Euratom of the European Parliament on the discharge for implementing the general budget of the European Union for the financial year 2008 (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 2008.

This decision is in line with the European Parliament's resolution adopted on 5 May 2010 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 5 May 2010).

2008 discharge: EU general budget, European Parliament

2009/2069(DEC) - 05/05/2010 - Text adopted by Parliament, single reading

The European Parliament adopted by 535 votes to 73, with 29 abstentions, a decision granting discharge to its President in respect of the implementation of its budget for the financial year 2008.

In parallel, Parliament adopted by 548 votes to 45, with 38 abstentions a resolution containing a series of observations which are an integral part of the decision to grant discharge.

Parliament's final budget: Parliament notes that the figures on the basis of which Parliament's accounts for the financial year 2008 were closed amounted to **EUR 1 782 229 891.** Total payments as regards 2008 credits, including automatic and non-automatic carryovers to 2009 of those credits, correspond to 94% of total appropriations for 2008. Members also note that the EU's budget for 2008 totalled EUR 129 150 million in commitment appropriations, of which Parliament's budget accounted for EUR 1 453 million. This figure represents just over 1% of the Union's budget and amounts to 19.48 % of the EUR 7 284 million set aside for the administrative expenditure of the EU institutions as a whole.

Parliament's financial management: Parliament notes, in an amendment adopted in plenary, that with the utmost satisfaction the discharge reports on Parliament's implementation of its budget over the last decade have played an important role and brought about very positive developments in Parliament's financial management such as the Members' statute, the assistants' statute as well as the EMAS process. It is determined to continue this encouraging development towards excellence in public financial management.

Corporate governance in Parliament: Parliament stresses that key elements of good corporate governance include transparency and openness, responsibility and accountability of the persons entrusted with corporate governance in an organisation. It defines “accountability” as the acknowledgement and assumption of responsibility for actions, decisions and policies as well as the **obligation to report**, explain and be answerable for resulting consequences. Noting that Parliament is a complex organisation in which the boundary between political and administrative decisions is not always clear due to the multilayered character of its governance structure, Members consider that due attention must be paid to the role of **management** . It takes the view that Directors-General, Directors and Heads of Unit should be selected on the basis of merit, taking into account equal opportunities and geographical balance, their experience and their management capabilities.

Parliament believes that more sophisticated internal control and risk management systems will improve accountability and protect the political leadership and the administrative managers from financial and non-financial risks. It invites the competent services, therefore, to reinforce the minimum internal control standards and to remain in line with developments in risk management and corporate governance. It also recalls that the financial resources of Parliament comprise taxpayers' money and that any institution using public funds has an obligation to explain how those funds have been used.

Reputational risks: the resolution stresses that some reputational risks are much more dangerous than financial risks. It welcomes the creation of the post of risk manager and asks him to advise as soon as possible on the concept for a risk approach and strategy to be taken in the future. Members recall that the role and function of a specific risk manager should be to assist Authorising Officers in their managing of risks by advice and coordination.

Members as public persons: Parliament supports the right of taxpayers to scrutinise the use that Members, as public persons, make of their contribution, and invites Members to pay particular attention to the public interest in their use of European public funds. Having regard to the considerable reputational risks in this area of public politics, Parliament calls on both its Internal Auditor as well as the Court of Auditors to follow closely the functioning and efficiency of the new framework and to indicate any shortcomings and/or possibilities for improving public access to information on payments to Members, including expenditure for assistance.

Workload and new needs: Parliament stresses that the entry into force of the Lisbon Treaty has increased Parliament's powers and its workload. The working conditions in all places of work should adequately reflect the increased need for labour and material. In an amendment adopted in plenary, Parliament draws attention to the payments of Strasbourg renovations borne by Parliament and is of the opinion that those payments should not be borne by the taxpayer. In parallel, it stresses that there is very little added value of Parl-TV because of the small number of its viewers, and it is of the opinion that Parl-TV's financing and the whole project should be reviewed.

As regards the financial management of the Parliament and the discharge procedure, Members make the following observations:

Public procurement: Parliament notes that of a total of 358 contracts awarded in 2008, 140, with a value of EUR 485.2 million, were based on open or restricted procedures, and 218, with a value of EUR 197 million, were based on negotiated procedures. There was a large increase in 2008 in the number of exceptional negotiated procedures, and Members take the view that the increase clearly obliges the authorising officers to take measures to reverse the trend. They would like information on measures taken by 1 September 2010. Plenary invites the Secretary-General to ensure that the special training courses on procurement are continued and are attended by all staff dealing with procurement, that procurement is recognised as a specialised function in Parliament's register of professional skills for internal staff only and that procurement is considered as a 'sensitive post' subject to appropriate rotation and/or additional control measures.

Annual reports: noting that not all Annual Activity Reports complied with the Financial Regulation, Parliament expects all Directors-General to adhere to the rules on Annual Activity Reports. It also invites the Secretary-General to inform the discharge authority of the precise measures – and deadlines for implementation - he has taken or will take in order to reinforce the internal control system.

Annual Report of the Court of Auditors: Parliament makes the following observations on the Court of Auditors report for 2008:

Allowances for assistance to Members: it calls on Parliament’s administration to look at how far use might be made of new video-conferencing technologies as a way of reducing the cost of missions. It further notes that the new system which commenced on 14 July 2009 is expected to ensure proper compliance with the relevant rules and principles and to provide the best guarantee of transparency, legality and sound financial management of the parliamentary assistance allowance.

Additional pension scheme for Members: the resolution recalls the remarks of the Court of Auditors on the need to establish clear rules to define the liabilities and responsibilities of Parliament and of the members of the fund in the event of a deficit. It calls on the Secretary General to put forward a proposal by 31 December 2010 to resolve this, while respecting the decision by the plenary that no additional tax money will be used to cover the deficit. To recall, on 31 December 2008, the fund incurred an actuarial deficit of EUR 121 844 000.

Reports and audits: the resolution welcomes the fact that the Parliament’s Internal Audit Service has given priority to monitoring and advising upon the implementation of the new decentralised systems of internal control introduced by the Financial Regulation. However, Parliament questions the number of uncompleted actions showing an overall completion rate over a relatively long time period. Members believe that a review of Parliament's internal audit office should be conducted with a view to strengthening that service and thereby further improving financial scrutiny, and all the instruments should be provided that guarantee the fulfilment of the tasks of the Committee on Budgetary Control. They demand that Parliament receives - at the latest by 30 September 2010 - a complete explanation and exact answers why the new Visitors' Center is still not opened.

The European Parliament's prizes: Parliament considers Parliament's Prize for Journalism to be **inappropriate** as Parliament should not award prizes to journalists whose task is critically to examine the EU institutions and their work.

Closure of the accounts - without debate?: **European Political Parties**: although Parliament fully supports the creation of political parties and European political foundations and their activities, it considers it necessary to ensure maximum transparency and financial control of political parties at European level funded from the general budget of the European Union. The resolution highlight discrepancies as regards some Foundation’s internal control systems. Parliament believes that full transparency as regards the financial management of the parties and foundations and their achievement of

planned results is of utmost importance to the citizens of the Union. The resolution takes the view that the information presented to the discharge authority does not convincingly demonstrate that management and internal control systems operate effectively and that the information and documentation submitted by the parties and the foundations are not sufficient in order to comply with the justified expectations of citizens and taxpayers concerning transparency.

Buildings policy: Members repeat their call for Parliament to adopt a long-term strategy for property and buildings. They stress in particular that any such property and buildings strategy must also take into account the rising costs of maintaining buildings purchased and the necessity over the medium term of renovating them. The property and buildings strategy must ensure the sustainability of Parliament's budget and account must also be taken of the requirements created by the entry into force of the Lisbon Treaty. With regard to information offices, the resolution calls on Parliament and the Commission to agree a buildings policy for the medium and long term which plans well ahead and in particular sets out clearly the procedures for purchasing property, the role of the respective institutions and repayment periods.

Eco-Management and Audit Scheme (EMAS): noting that the International Organisation for Standardisation has awarded Parliament an ISO certificate for its environmental management systems for its three main working places, Members invite the Secretary-General to take measures aiming at creating - at all levels - a greater understanding of the need to avoid unnecessary waste in general and in particular as regards the number of paper dossiers produced. They suggest, therefore, that the use of Parliament's existing digital equipment be improved. As a general rule, they expect all decision-making bodies to give a high priority to environmental requirements in all decisions concerning, inter alia, buildings (including insulation, geothermic, bio fuels and photovoltaic panels), transport and office supplies. They recommend that Parliament - similarly to the practice in some Member States - participate in reimbursing staff expenses on public transport between their home and place of work against accepting losing access to Parliament's garages because such a system would reduce the number of cars driving into Brussels every morning and the corresponding carbon dioxide emissions. As regards transport in particular, Members note that every car purchased by Parliament in 2009 had CO_2 emissions that exceeded the average of those from new cars placed on the Union market in that year. They invite the competent authorities to renew, by 31 December 2010, the whole of Parliament's own fleet of sedan cars for protocol and representational purposes with cars with CO_2 emissions that do not exceed the Union average for the latest year in which Commission figures are available, to reserve the use of those cars to the President, political group Chairs and high-profile visitors. Further, they request that Parliament set up its own bicycle service during plenary sessions in Strasbourg with sufficient bicycles available.

Reimbursement of the costs of visits by sponsored groups: Parliament asks that the costs of a sponsored group visit should always be reimbursed to the group leader by bank transfer and not in cash. It further asks for a study to be conducted by the Parliament to examine whether the flat rate system for the reimbursement of travel expenses borne by official visitor groups is adequate with regard to their different departure points and destinations for the visits or whether the system of reimbursement of real costs – subject to a ceiling – would be more suitable for that type of group.