Basic information

2016/2152(DEC) DEC - Discharge procedure	Procedure completed
2015 discharge: EU general budget, European Parliament **Subject** 8.70.03.05 2015 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	DE JONG Dennis (GUE/NGL)	04/08/2016
	Shadow rapporteur DEUTSCH Tamás (PPE) VAUGHAN Derek (S&D) MARIAS Notis (ECR) ALI Nedzhmi (ALDE) JÁVOR Benedek (Verts/ALE) VALLI Marco (EFDD) JALKH Jean-François (ENF)	

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.	

European Commission

Commission DG	Commissioner

Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
11/07/2016	Non-legislative basic document published	COM(2016)0475	Summary
04/10/2016	Committee referral announced in Parliament		
22/03/2017	Vote in committee		
03/04/2017	Committee report tabled for plenary	A8-0153/2017	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Decision by Parliament	T8-0146/2017	Summary
27/04/2017	Results of vote in Parliament		
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2152(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07194

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE593.979	08/02/2017	
Amendments tabled in committee		PE599.866	13/03/2017	
Committee report tabled for plenary, single reading		A8-0153/2017	03/04/2017	Summary
Text adopted by Parliament, single reading		T8-0146/2017	27/04/2017	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05876/2017	17/02/2017	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2016)0475	11/07/2016	Summary

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

Final act	
Budget 2017/1602 OJ L 252 29.09.2017, p. 0001	Summary

2015 discharge: EU general budget, European Parliament

2016/2152(DEC) - 11/07/2016 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

Analysis of the accounts of the EU Institutions: **European Parliament**.

Legal reminder: the consolidated annual accounts of the European Union for the year 2015 have been prepared on the basis of the information presented by the institutions and bodies under Article 148(2) of the Financial Regulation applicable to the general budget of the European Union.

(1) Governance and budgetary principles: the organisational governance of the EU consists of institutions, agencies and other EU bodies. The main institutions in the sense of being responsible for drafting policies and taking decisions are the **EP**, the European Council, the Council and the Commission.

The EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the Multiannual Financial Framework (MFF), the Commission carries out specific programmes, activities and projects in the field.

The budget is prepared by the Commission and usually agreed in mid-December by the Parliament and the Council, based on the procedure of Art. 314 TFEU.

According to the principle of budget equilibrium, the total revenue must equal total expenditure (payment appropriations) for a given financial year.

EU revenues: the EU has two main categories of funding: own resources revenues and sundry revenues. Own resources can be divided into traditional own resources (such as custom levies), the own resource based on value added tax (VAT) and the resource based on gross national income (GNI). Sundry revenues arising from the activities of the EU (e.g. competition fines) normally represent less than 10 % of total revenue. Own resources revenue make up the vast majority of EU funding.

Expenditure of the EU institutions: the EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- **Direct management**: the budget is implemented directly by the Commission services.
- **Indirect management**: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, such as the EU agencies.
- **Shared management**: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

Consolidated annual accounts of the EU: this Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It also presents the accounting principles applicable to the European budget (in particular, consolidation).

The document also presents the different financial actors involved in the budget process (accounting officers, internal officers and authorising officers) and recalls their respective roles in the context of the tasks of sound financial management.

Audit and discharge: the EU's annual accounts and resource management are audited by the European Court of Auditors, its external auditor, which as part of its activities draws up for the European Parliament and the Council:

- an annual report on the activities financed from the general budget, detailing its observations on the annual accounts and underlying transactions;
- an opinion, based on its audits and given in the annual report in the form of a statement of assurance, on (i) the reliability of the accounts and (ii) the legality and regularity of the underlying transactions involving both revenue collected from taxable persons and payments to final beneficiaries.

The discharge represents the political aspect of the external control of budget implementation and is **the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget** by marking the end of that budget's existence. This discharge procedure may produce three outcomes: (i) the granting; (ii) postponement; (iii) or the refusal of the discharge.

The document also presents a series of tables and detailed technical indicators on (i) the balance sheet; (ii) the economic outturn account; (iii) cashflow tables; (iv) technical annexes concerning the financial statements.

(2) Implementation of the European Parliament's appropriations for the financial year 2015: the document comprises a series of detailed annexes, the most important concerning the implementation of the budget.

As regards the expenditure of the European Parliament, the table on the financial and budgetary management of this institution states that the final appropriations amounted to **EUR 2.207 billion**, committed to 80.24%.

As regards the budget implementation of the European Parliament, the 2015 report on financial and budgetary management stated that 2015 was marked by:

- an **increase in appropriations for security**. The terrorist acts prompted immediate action to enhance building security, chiefly in Brussels, but also a review of Parliament's activities in the light of this new constraint.
- as regards security, Parliament approved the iPACS (integrated Physical Access Control System) project for the acquisition of new security techniques to step up security at the Institution by giving it modern, integrated, non-invasive technological tools capable of assimilating future technological developments. It will make it possible to maintain security and protection at Parliament's premises in the three places of work in a coordinated, coherent and integrated manner, with the aid of a single genuinely integrated system.

This year also witnessed:

- continued efforts which begun in 2011 to bring about structural improvements in order to provide Parliament with all the resources it needs to play its role in the legislative process to the full and enable it to capitalise to the full on the enhanced powers conferred on it by the Treaty of Lisbon. The development and build-up of the Members' Research Service (EPRS) has moved to a further stage:
- the carrying out of multiannual programmes designed to rationalise and modernise key areas of its Administration. Two decisions with a direct impact on the buildings strategy were taken by the Bureau in 2015: the decision on the Brussels visitor reception strategy, and the decision on the second phase for construction of the KAD Building;
- improved external communication from Parliament in particular with the House of European History and the continuation of the future European museum.

2015 discharge: EU general budget, European Parliament

2016/2152(DEC) - 03/04/2017 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Dennis de JONG (EPP, DE) recommending the European Parliament to **give discharge** to its President in respect of the implementation of the budget of the Court for the financial year 2015.

Parliament's budgetary and financial management: Members noted that Parliament's final appropriations for 2015 totalled EUR 1 794 929 112, or 19.78 % of heading V of the Multiannual Financial Framework set aside for the 2015 administrative expenditure of the Union institutions as a whole, representing a 2.2 % increase compared to the 2014 budget.

It pointed out that four chapters accounted for 71 % 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).

2015 discharge: Members noted that overall audit evidence indicated that the spending on administration is not affected by a material level of error, but that on the basis of the seven quantified errors the estimated level of error present under heading 5 of the MFF on administration is 0.6 % (up from 0.5 % in 2014).

They noted that Parliament, which costs about **EUR 3.60 per citizen per year**, does not need to shy away from comparisons with other parliamentary systems, especially since one-third of costs is accounted for by basic factors (multilingualism and number of sites) over which Parliament itself has limited influence and which do not apply to other parliaments in that form.

They acknowledged that, according to the Court, **the costs of the geographic dispersion of Parliament amount to EUR 114 million per year** and noted the finding that in the 2013 Fox-Häfner report 78 % of all missions by Parliament staff coming under the Staff Regulations arise as a direct result of the fact that Parliament's services are geographically dispersed.

Members recalled that the estimate of the environmental impact of that dispersal is between 11 000 to 19 000 tonnes of CO2 emissions. They called on the Bureau to request the Secretary-General to develop without delay a roadmap for a single seat for Parliament. They reiterated their call on Parliament and the Council to address, in order to create **long-term savings**, the need for a roadmap for a single seat, as stated by Parliament in several previous resolutions.

They stated that the withdrawal of the UK and the need to reallocate the European Agencies which currently have their seats in the UK could provide an **excellent opportunity to solve several issues in the same time**. They pointed however to Article 341 TFEU which establishes that the seats of the institutions of the Union shall be determined by common accord of the governments of the Member States and Protocol 6 annexed to the TEU and the TFEU which lays down that Parliament shall have its seat in **Strasbourg**. In this regard, Members recalled that a single-seat solution **requires Treaty change**.

Members also noted the issue of the cost of long missions.

Specific indemnities for the EP's President: Members recalled that all officials and other servants of the Union, even those who work within cabinets, are to carry out their duties solely with the interests of the Union in mind. They pointed out that Union officials are paid by taxpayers' money, **which is not intended to finance press or other staff engaged in promoting any national political interest of a President**.

They called on the Bureau to lay down clear provisions in Parliament's regulations. Moreover, they took note of the decision of the President of 21 October 2015 , by which he sought to appoint people to managerial posts within Parliament without observing procedures, and in particular without calls for applications. Members insisted that that decision by the President be formally revoked.

They also noted that, on 15 December 2015, the President gave himself authority to allocate an **uncapped special allowance** to his cabinet staffers, over and above the existing cabinet allowance. They once again raised the question of the lawfulness of that authority and the validity of the special allowances and asked for consideration to be given to whether the decision concerned should be revoked.

Administration and management of the European Parliament: Members made a series of recommendations concerning the following:

- management of the subsidy scheme for visitors' groups;
- conflicts of interest;
- financing of political parties;
- the LUX prize:
- the house of European history;
- the activities of certain DGs.

Lastly, Members made a number of recommendations regarding energy performance and the reduction of food waste on the different sites of the European Parliament.

2015 discharge: EU general budget, European Parliament

2016/2152(DEC) - 17/02/2017 - Supplementary non-legislative basic document

Based on the observations contained in the report by the Court of Auditors, the Council called on the European Parliament to **grant discharge to all of the EU institutions in respect of the implementation of their respective budgets for the financial year 2015**.

The Council welcomed that the administrative and related expenditure of the EU institutions remained **free from material error** with an estimated level of error of **0.6 %**, which is well below the materiality threshold. It noted with satisfaction that **no serious weaknesses** were identified by the Court in the supervisory and control systems and in the examined annual activity reports.

The Council took note of a limited number of errors detected by the Court, notably in the **recruitment and procurement procedures** and in the **management of staff allowances**.

The Council regretted the Court's observation related to the management of funds within the European Parliament, particularly to the control of **allocations for political groups**. It underlined that respect to the principle of transparency is instrumental to the Union's accountability towards its citizens. It therefore underlined the importance of strengthening the control framework and providing better guidance to the political groups through **reinforced monitoring of the application of the rules of the Financial Regulation**.

2015 discharge: EU general budget, European Parliament

2016/2152(DEC) - 27/04/2017 - Final act

PURPOSE: to grant discharge to the European Parliament for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1602 of the European Parliament on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section I European Parliament.

CONTENT: with the present decision, the European Parliament grants discharge to its President for the implementation of its budget for the financial year 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27 April 2017).

Amongst Parliaments main observations, the latter noted that Parliament's final appropriations for 2015 totalled EUR 1 794 929 112, or 19.78 % of heading 5 of the Multiannual Financial Framework (MFF).

It expressed its satisfaction with the commitment of Parliament's administration to continuously improving the performance of Parliament's services as a whole and to do so in an efficient manner, although it also considered that it is taking too long in some cases to put the changes into practice.

Parliament also noted that, on 15 December 2015, the President gave himself authority to allocate an uncapped special allowance to his cabinet staffers, over and above the existing cabinet allowance, despite the fact that the Staff Regulations make no provision for such a special allowance. It raised again the question of the lawfulness of that authority and the validity of the special allowances and asked for consideration to be given to whether the decision concerned should be revoked.

Lastly, Parliament regretted the repeated delays of the opening of the House of European History, which was originally planned for March 2016, was subsequently delayed till September and November 2016 and is now scheduled to take place on 6 May 2017.

2015 discharge: EU general budget, European Parliament

2016/2152(DEC) - 27/04/2017 - Text adopted by Parliament, single reading

The European Parliament decided by 490 votes to 144, with 9 abstentions, to **grant discharge to its President** in respect of the implementation of the budget of the Court for the financial year 2015.

In a resolution adopted by 350 votes to 273, with 12 abstentions, Parliament made a series of recommendations which should be taken into consideration when granting discharge.

These recommendations may be summarised as follows:

Parliament's budgetary and financial management: Parliament noted that Parliament's final appropriations for 2015 totalled EUR 1 794 929 112, or 19.78 % of heading V of the Multiannual Financial Framework set aside for the 2015 administrative expenditure of the Union institutions as a whole, representing a 2.2 % increase compared to the 2014 budget.

It pointed out that four chapters accounted for 71 % 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).

2015 discharge: Parliament noted that overall audit evidence indicated that the spending on administration is not affected by a material level of error, but that on the basis of the seven quantified errors the estimated level of error present under heading 5 of the MFF on administration is 0.6 % (up from 0.5 % in 2014). It noted that, against this background, the work undertaken by Parliament in the context of the discharge procedure offers an opportunity to consider more thoroughly the accounts of Parliament’s administration and called for the **strengthening of in-house expertise on accounts and auditing** that rapporteurs can make use of in the preparation of their discharge reports.

It asked the Internal Auditor to make his reports on follow-up, developments and solutions relating to problems identified in the course of his mandate available to the Committee on Budgetary Control and asked the Secretary-General to introduce procedures for the assessment of performance and results.

It noted that Parliament, which costs about **EUR 3.60 per citizen per year**, does not need to shy away from comparisons with other parliamentary systems, especially since one-third of costs is accounted for by basic factors (multilingualism and number of sites) over which Parliament itself has limited influence and which do not apply to other parliaments in that form.

Members acknowledged that, according to the Court, **the costs of the geographic dispersion of Parliament amount to EUR 114 million per year** and noted the finding, in its resolution of 20 November 2013 on the location of the seats of the European Union’s Institutions, that **78 % of all missions by Parliament staff coming under the Staff Regulations arise as a direct result of the fact that Parliament's services are geographically dispersed**.

Parliament recalled that the estimate of the environmental impact of that dispersal is between 11 000 to 19 000 tonnes of CO_2 emissions. It called on the Bureau to request the Secretary-General to develop without delay a roadmap for a single seat for Parliament. It reiterated its call on the Council to address, in order to create **long-term savings**, the need for a roadmap for a single seat, as stated by Parliament in several previous resolutions.

It stated that the withdrawal of the UK and the need to reallocate the European Agencies which currently have their seats in the UK could provide an **excellent opportunity to solve several issues in the same time**. Members pointed however to Article 341 TFEU which establishes that the seats of the institutions of the Union shall be determined by common accord of the governments of the Member States and Protocol 6 annexed to the TEU and the TFEU which lays down that Parliament shall have its seat in **Strasbourg**. In this regard, Members recalled that a single-seat solution **requires Treaty change**.

Long-term missions: Parliament recalled that the Administration decided to discontinue the practice of long-term missions leading to considerable savings. Parliament views this as a major contradiction given the fact that 13 members of staff are currently on long-term missions, with an expatriation allowance and daily allowances, to a place where that person was already living and working. This is a reprehensible use of taxpayers' money. This is why the Parliament insisted on a clarification of the circumstances of every long-term mission, and in particular on the disclosure of the reasons and costs for that long-term mission.

Missions of some Parliament officials: Parliament recalled that **all officials and other servants of the Union**, even those who work within cabinets, are to **carry out their duties solely with the interests of the Union in mind**, according to the rules laid down in the Staff Regulations. They are paid by taxpayers' money, which is not intended to finance press or other staff engaged in promoting any national political interest of a President.

Moreover, Parliament noted that, on 15 December 2015, the President gave himself authority to **allocate an uncapped special allowance** to his cabinet staffers, over and above the existing cabinet allowance. It raised the question of the lawfulness of that authority and the validity of the special allowances and asked for consideration to be given to whether the decision concerned should be revoked.

Transparency register and conflict of interest: Parliament stressed that some journalists find it difficult to obtain the specific information they are looking for. However, it pointed out that transparency of Parliament and its administration is essential for the legitimacy of the institution and that, always respecting the rules governing the protection of personal data, access to information should be improved. It recalled, in an amendment adopted in plenary, the obligation on Members to inform the administration immediately of any change in their declarations of interests.

It believes that Members ought to be able to use Parliament's website to provide their constituents with the greatest possible transparency on their activities and, therefore, called upon the Secretary-General to develop a system that Members can use to publish details of their meetings with interest representatives.

Administration and management of the European Parliament: Parliament made a series of recommendations concerning the following:

- management of the subsidy scheme for visitors' groups;
- conflicts of interest;
- parliamentary assistants and Members;
- the LUX prize;
- the house of European history;
- the activities of certain DGs.

Parliament also considered the issue of the **general expenditure allowance** and called on the Bureau to define and publish the rules concerning the use of this type of allowance. It reminded Members that the **GEA does not constitute an additional personal salary**. It asked the Secretary-General to publicise this possibility as a priority and urged Members to **return surpluses at the end of their mandate**.

As regards the financing of European political parties, Members called on the Parliament and the Commission to present a **proposal for a revision of the current Union legal act** on the statute and funding of **European political parties and European political foundations**, including stricter requirements for the setting up of European political parties and foundations, in order to prevent abuses.

It considered it to be essential to look into any deficiencies in the current system of internal and external controls in respect of the avoidance of major irregularities.

On communication, Parliament expressed concern about the effectiveness of Parliament's communication strategy. It called for a comprehensive review of the current strategy and, in particular for a more active approach towards those who are not automatically interested in Parliament's activities or who may even be sceptical about its functioning.

It noted that with the establishment of the Parlamentarium and the opening of the House of European History, the **Parliament and its surroundings are becoming a citizens' and tourist attraction** that will bring about a better knowledge of the role of Parliament and illustrate for citizens Parliament's commitment to consensual values such as human rights and solidarity.

Lastly, Parliament made a number of recommendations regarding energy performance and the reduction of food waste on the different sites of the European Parliament.