Basic information

2017/2137(DEC) DEC - Discharge procedure	Procedure completed
2016 discharge: EU general budget, European Parliament **Subject** 8.70.03.06 2016 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	VAUGHAN Derek (S&D)	20/09/2017
	Shadow rapporteur SCHMIDT Claudia (PPE) CZARNECKI Ryszard (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) 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	OETTINGER Günther

Key events

Date	Event	Reference	Summary
26/06/2017	Non-legislative basic document published	COM(2017)0365	Summary
13/09/2017	Committee referral announced in Parliament		
19/03/2018	Vote in committee		
26/03/2018	Committee report tabled for plenary	A8-0105/2018	Summary
18/04/2018	Decision by Parliament	T8-0124/2018	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	End of procedure in Parliament		
03/10/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2137(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10621

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE612.130	29/01/2018	
Amendments tabled in committee		PE618.231	02/03/2018	
Committee report tabled for plenary, single reading		A8-0105/2018	26/03/2018	Summary
Text adopted by Parliament, single reading		T8-0124/2018	18/04/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05940/2018	09/02/2018	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0365	26/06/2017	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0008/2018 OJ C 322 28.09.2017, p. 0001	13/07/2017	Summary

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

Final act	
Budget 2018/1309 OJ L 248 03.10.2018, p. 0001	Summary

2016 discharge: EU general budget, European Parliament

2017/2137(DEC) - 26/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Derek VAUGHAN (S&D, UK) recommending the European Parliament to **give discharge** to its President in respect of the implementation of the budget of the European Parliament for the financial year 2016.

Parliament's budgetary and financial management: Members noted that Parliament's final appropriations for 2016 totalled EUR 1 838 613 983, or 19.39 % of heading V of the Multiannual Financial Framework (MFF) set aside for the 2016 administrative expenditure of the Union institutions as a whole, representing a 2.4 % increase over the 2015 budget.

It pointed out that four chapters accounted for 69.92 % 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).

Members pointed out that 99.2 % of the appropriations entered in Parliament’s budget, amounting to EUR 1 823 844 172, were committed, with a cancellation rate of 0.8 %. They noted with **satisfaction** that, as in previous years, a very high level of budget implementation was achieved.

Cancelled appropriations and transfers: the cancelled appropriations for the year 2016, amounting to EUR 14 769 811, were mainly related to remuneration and other entitlements, as well as, once more, to the expenditure related to **buildings**. Seven transfers were approved in 2016, which amounted to EUR 66 655 000 or 3.6 % of final appropriations. Members observed with concern that the majority of such transfers were, once more, related to the Parliament’s buildings policy, and in particular to the Konrad Adenauer building project. They stressed that level of the ‘mopping-up’ transfer continues to be very high and that effective budget management should be able to reduce such transfers to the bare minimum necessary. Members urged that Parliament’s buildings policy be laid down with sufficient clarity, as part of the budgetary strategy.

2016 discharge: Members noted that the overall audit evidence indicates that the spending on ‘administration’ is not affected by a material level of error. They noted that, on the basis of the 12 quantified errors, the estimated level of error present in heading 5 of the MFF on administration is 0.2 % (down from 0.6 % in 2015).

Members also noted the specific findings concerning Parliament contained in the annual report of the Court for 2016. They noted that for one **payment to a political group**, the Court found weaknesses in checks on the authorisation and settlement of expenditure made in 2015 but cleared in 2016. The Court found that payments were made without being covered by contracts resulting from a procurement procedure.

Parliament's Secretariat is encouraged to continue its additional efforts in assisting the political groups in improving their internal financial management. Political groups should improve the application of relevant rules for authorising and settling expenditure.

The report noted that, according to the Court, the **costs of the geographic dispersion of Parliament amount to EUR 114 million per year**. Members recalled that the estimate of the environmental impact of that dispersal is between 11 000 to 19 000 tonnes of CO2 emissions and called on the Council to **find a solution for this waste of taxpayers money**.

Members considered it appropriate to **keep the small increase** in budget line 422 'Expenditure related to parliamentary assistance', taking into account the higher workload through Brexit, growing number of trilogues and increasing number of temporary and special committees, which has reached a historical record of 25 standing and temporary committees, and the coincidence of the **end of legislature with the complex package of legislative MFF proposals**.

UK referendum: Members noted that, following the referendum held on 23 June 2016 in the United Kingdom the Bureau discussed the consequences in its meeting of 4 July 2016. The position of the President is that, as long as the United Kingdom remains a full member of the Union, British Members and Parliament staff enjoy exactly the same rights and obligations as all other Members and staff of the house.

They acknowledged that the referendum result had a **considerable impact** on committee secretariats, research units and horizontal services of the political directorates-general.

Administration and management of the European Parliament: Members made a series of remarks on the following issues:

- enhanced **social media** strategy in light of the 2019 elections;
- review of the system for calculating the reimbursement of travel expenses for **groups of visitors** sponsored by Members;
- assessment of the Accredited Parliamentary Assistants tasks and mission and reimbursements;
- the potential risks for **British staff** and on how to ensure that British staff do not become victims of Brexit, and that their statutory, contractual and acquired rights be fully safeguarded;
- assessment of the current situation of the **voluntary pension fund** which is still unavailable;
- renewal of the **car-fleet**: Members called on the Bureau to not limit itself to electric cars as a more environmentally-friendly solution since there are concerns regarding their production (including the sufficient availability of the necessary resources) and the disposal of batteries at the end of their life-cycle;

Lastly, Members made a number of recommendations regarding green public procurement and reducing plastic waste on the different sites of the European Parliament.

2016 discharge: EU general budget, European Parliament

2017/2137(DEC) - 26/06/2017 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 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 2016 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.

Consolidated annual accounts of the EU: this Commission document concerns the EU's consolidated accounts for the year 2016 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 European Parliament is the discharge authority within the EU. The **discharge** represents the **final step** of a budget lifecycle. It is 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.

(2) Implementation of the European Parliament's appropriations for the financial year 2016: 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 1.839 billion.

As regards the budget implementation of the European Parliament, the 2016 report on financial and budgetary management stated that 2016 was marked by:

- increased legislative Parliamentary activity as it reached its mid-term of its 2014-2019 term including an increased amount of impact and European added value assessments from the European Parliamentary research service (EPRS). Also, there was an important increase in the number of legislative proposals submitted to Parliament;
- the considerable impact of the UK Brexit vote in June 2016;
- a deteriorating security context and terrorist attacks. A high-level working group was created to deal with the increased security issues;
- enhanced security of the Parliament and reinforced cooperation with the national authorities and other institutions. In this regard, a proposal was adopted to internalise the Members' transport service;
- this was the first year in which the Members' Research Service was fully operational;
- the House of European History's construction works were completed in 2016, the opening is planned for May 2017;
- the new welcome point for groups of visitors situated in the Atrium Building in Brussels was created.

2016 discharge: EU general budget, European Parliament

2017/2137(DEC) - 09/02/2018 - 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 2016.

The Council notes with satisfaction that the **estimated level of error** reported by the Court for payments in the "Administration" policy area further decreased by 0.6 percentage points to **0.2 % in 2016**, well below the materiality threshold of 2 %. It welcomes that **no serious weaknesses** were identified by the Court in the systems examined.

The Council underlines the need to respect the principles of annuality and of sound financial management and that the carry-over of appropriations should always be compliant with the rules of the Financial Regulation and be motivated with factual and genuine reasons.

The Council also regrets the Court's observation in relation to the **management of funds within the European Parliament** and more particularly to the control of allocations for political groups. It underlines that respect of the principle of transparency is instrumental to the Union's accountability towards its citizens. It therefore underlines 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.

The Council regrets that not all the EU institutions, bodies and agencies have achieved **the 5 % reduction of posts in the establishment plan** by the end of 2017 and urges these institutions, bodies and agencies to carry out the remaining reduction as soon as possible in order to achieve this target fully.

The Council also notes the Court's findings that the total number of staff posts in the establishment plans decreased by 1.1 % between 2012 and 2017, the number of posts actually occupied by staff increased by 0.4 % over the period from 1 January 2013 to 1 January 2017, and the actual payments for salaries for permanent officials and temporary agents increased by 9.2 % between 2012 and 2016.

While recognising that during the period 2013-2017 some EU institutions, bodies and agencies were tasked with new responsibilities and equipped with new resources, the Council considers that the gap between the expectations and the outcome is significant.

2016 discharge: EU general budget, European Parliament

2017/2137(DEC) - 13/07/2017

PURPOSE: presentation of the Annual report of the Court of Auditors on the implementation of the budget concerning the financial year 2016.

CONTENT: the Court of Auditors published its 40th annual report on the implementation of the general budget of the Union for the year 2016. This report follows a five-part structure:

- the statement of assurance (DAS) and a summary of the results of our audit on the reliability of accounts and the regularity of transactions;
- the analysis of budgetary and financial management;
- the Commission's performance reporting framework;

- the findings on EU revenue;
- the presentation of the main headings of the current multiannual financial framework (MFF), the results of the testing of the regularity of transactions.

The Court concludes that **payments for 2016 are legal and regular, with the exception of those based on the cost reimbursement payments**. It believes that the EU accounts present a true and fair view of the EU's financial position.

The audit also focuses on the budget implementation of the **European Parliament**.

Overall, audit evidence indicates that **spending on 'Administration' is not affected by a material level of error**. For this MFF heading area, testing of transactions indicates that the estimated level of error present in the population is 0.2 %.

The Court noted that the institutions had **collectively cut the number of posts** in the establishment plan by 4% over the period from 2013 to 2017. The institutions had reduced the number of staff (posts actually occupied by a staff member) by 1.4 % between 2013 and 2017.

Parliament remains fully committed to implement the agreed cuts. 60 posts will be deleted in 2018 and 59 in 2019, as specified in 2015.

The Court also examined how the budgeted number of **contract staff** had changed. This number rose from 4 517 to 5 417 between 2013 and 2017 - an increase of 19.9 %. Contract staff made up 11.4 % of the number of staff in the establishment plan in 2013, and 14.2 % in 2017. The European Parliament's use of contract staff to perform tasks previously carried out by external contractors accounts for most of this increase.

For one payment to a political group, the Court found weaknesses in checks on the authorisation and settlement of expenditure made in 2015 but cleared in 2016. It also found that payments were made without being covered by contracts resulting from a procurement procedure.

The Court recommended that the European Parliament **reviews its framework for monitoring the implementation of budget appropriations allocated to political groups**. It should also provide better guidance to political groups and monitor more effectively how they apply the rules for authorising and settling expenditure, and how they carry out procurement procedures.

Parliament takes note of the recommendation and will aim for improvements while keeping the current set of rules.

2016 discharge: EU general budget, European Parliament

2017/2137(DEC) - 03/10/2018 - Final act

PURPOSE: to grant discharge to the European Parliament for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1309 of the European Parliament on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section I — European Parliament.

CONTENT: the European Parliament decided to **grant discharge** to its President for the implementation of its budget for the financial year 2016.

This decision is accompanied by a resolution of the European Parliament containing the observations which form an integral part of the discharge decision in respect of the implementation of the general budget of the European Union for the financial year 2016 (*please refer to the summary dated 18.4.2018*).

Parliament noted that Parliament's final appropriations for 2016 totalled **EUR 1 838 613 983**, or 19.39 % of heading 5 of the Multiannual Financial Framework (MFF) set aside for the 2016 administrative expenditure of the Union institutions as a whole, representing a 2,4 % increase over the 2015 budget (EUR 1 794 929 112). A **very high level of budget implementation** was achieved. Payments totalled EUR 1 538 531 527, resulting in an implementation rate of 84.4 % and representing an increase of 0.7 % compared to the previous year.

The Court is asked to keep the responsible committee informed on the implementation of its recommendation to review the framework for monitoring the implementation of budget appropriations allocated to **political groups** and monitor more effectively how they apply the rules for authorising and settling expenditure, and how they carry out procurement procedures.

Parliament asked for a technical solution that allows Members to use their individual page on the Parliament's website for the voluntary publication of meetings with **interest representatives**. It urged the Parliament's Bureau and the Secretary-General to make this possible without further delay.

It supported the reorganisation and improvement of entrances to all Parliament buildings at the three places of work on the basis of a new security concept which guarantees a safe working environment for parliamentary activities while retaining Parliament's openness.

Parliament regretted the fact that, according to the Court, the cost of Parliament's **geographical dispersion** amounts to EUR 114 million per year. It recalled that the environmental impact of this dispersion is estimated at between 11 000 and 19 000 tonnes of CO_2 emissions and noted that in 2016, the total cost for the reimbursement of Members' travel expenses alone to the European Parliament for plenary sessions in Strasbourg amounted to no less than EUR 21 352 262.

The Council was asked to find a solution for a **single seat** for the European Parliament so that taxpayers' money would not be wasted.

Parliament also took note of the President's position, who stressed that as long as the United Kingdom remained a full member of the Union, British Members and staff of Parliament would enjoy exactly the same rights and obligations as all other Members and staff of the institution.

2016 discharge: EU general budget, European Parliament

2017/2137(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided by 540 votes to 47, with 4 abstentions, to **grant discharge** to its president in respect of the implementation of the European Parliament's budget for the financial year 2016.

Parliament's budgetary and financial management: Parliament's final appropriations for 2016 totalled EUR 1 838 613 983, or 19.39 % of heading V of the Multiannual Financial Framework (MFF) set aside for the 2016 administrative expenditure of the Union institutions as a whole, representing a 2.4 % increase over the 2015 budget.

Four chapters accounted for 69.92 % 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).

Members pointed out that **99.2 % of the appropriations entered in Parliament's budget, amounting to EUR 1 823 844 172, were committed**, with a cancellation rate of 0.8 %. They noted with satisfaction that, as in previous years, a very high level of budget implementation was achieved.

Cancelled appropriations and transfers: the cancelled appropriations for the year 2016, amounting to EUR 14 769 811, were mainly related to remuneration and other entitlements, as well as, once more, to the expenditure related to buildings. Seven transfers were approved in 2016, which amounted to EUR 66 655 000 or 3.6 % of final appropriations.

Members observed with concern that the majority of such transfers were, once more, related to the **Parliament's buildings policy**, and in particular to the Konrad Adenauer building project. They stressed that level of the 'mopping-up' transfer continues to be very high and that effective budget management should be able to reduce such transfers to the bare minimum necessary. They urged for Parliament's buildings policy to be laid down with sufficient clarity, as part of the budgetary strategy.

2016 discharge: Parliament noted that the overall audit evidence indicates that the spending on 'administration' is not affected by a material level of error. It also noted that, on the basis of the 12 quantified errors, the estimated level of error present in heading 5 of the MFF on administration is 0.2 % (down from 0.6 % in 2015).

- Management of funds by political groups: Members also noted the specific findings concerning Parliament contained in the annual report of the Court of Auditors for 2016. They noted with concern that the Court found **weaknesses in checks** on the authorisation and settlement of expenditure made without being covered by contracts resulting from a procurement procedure.

Parliament's Secretariat is encouraged to continue its additional efforts in **assisting the political groups in improving their internal financial management.** Political groups should improve the application of relevant rules for authorising and settling expenditure.

- Geographical dispersion: according to the Court, the costs of the geographic dispersion of Parliament amount to EUR 114 million per year. Members recalled that the estimate of the **environmental impact** of that dispersion is between 11 000 to 19 000 tonnes of CO2 emissions and called on the Council to find a solution for this waste of taxpayers' money.

Moreover, Members noted with regret that in 2016, the total cost of reimbursements solely for Members' travel expenses for plenary sessions in Strasbourg amounted to as much as EUR 21 352 262. They called on the Council to find a solution toward a **single seat** for the European Parliament.

- Parliamentary assistants: for the purposes of equal treatment of workers, Members called for swift action to be taken to bring the **daily hotel allowance and the subsistence allowance** for parliamentary assistants on mission in Strasbourg into line with that for officials and other staff.

In addition, Members considered it appropriate to **keep the small increase in budget line 422 'Expenditure related to parliamentary assistance'**, taking into account the higher workload through Brexit, growing number of trilogues and increasing number of temporary and special committees, which has reached a historical record of 25 standing and temporary committees, and the coincidence of the end of legislature with the complex package of legislative MFF proposals.

- Follow-up to the United Kingdom referendum: Members noted the position of the President of Parliament is that, as long as the United Kingdom remains a full member of the Union, British Members and Parliament staff enjoy exactly the same rights and obligations as all other Members and staff of the house.

They acknowledged that the referendum result had a considerable impact on committee secretariats, research units and horizontal services of the political directorates-general.

Administration and management of the European Parliament: Members made a series of remarks on the following issues:

- enhanced **social media strategy** in light of the 2019 elections;
- review of the system for calculating the reimbursement of **travel expenses** for groups of visitors sponsored by Members;
- assessment of the **Accredited Parliamentary Assistants'** tasks, mission and reimbursements;
- the potential risks for British staff and on how to ensure that British staff do not become victims of **Brexit**, and that their statutory, contractual and acquired rights be fully safeguarded;
-

the application of **zero-tolerance** towards violence in any form be it structural, sexual, physical or psychological and the creation of a **central complaints office** for reporting harassment cases;

- Parliament's medium-term **building strategy** should take into account recent developments on the Luxembourg and Strasbourg premises and should be focused on the Brussels premises and in particular on the future of the Paul-Henri Spaak building
- good cooperation between the unions and the Secretary-General based on fair working conditions for **interpreters**, while ensuring the smooth running of parliamentary work at the same time;
- assessment of the current situation of the **voluntary pension fund** which is still unavailable (its estimated actuarial deficit rose from EUR 286 million at the end of 2015 to EUR 326,2 million at the end of 2016);
- the improvement of information technology services;
- renewal of the car-fleet: the Bureau should not limit itself to electric cars as a more environmentally-friendly solution since there are concerns regarding their production (including the sufficient availability of the necessary resources) and the disposal of batteries at the end of their life-cycle.

Members called on the Secretary-General to:

- take measures to deal with significantly increasing hotel prices in Strasbourg
- negotiate with the Belgian railways to offer more direct trains between Brussels-Luxembourg railway station and Zaventem Airport at peak arrival and departure times for Members;
- promote train travel for Members.

Lastly, Members made a number of recommendations regarding **green public procurement** and reducing plastic waste on the different sites of the European Parliament.