Basic information

2017/2145(DEC) DEC - Discharge procedure	Procedure completed
2016 discharge: EU general budget, European External Action Service (EEAS) **Subject** 8.70.03.06 2016 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	VALLI Marco (EFDD)	31/08/2017
	Shadow rapporteur PITERA Julia (PPE) KOHN Arndt (S&D) CZARNECKI Ryszard (ECR) DE JONG Dennis (GUE/NGL) JÁVOR Benedek (Verts/ALE) JALKH Jean-François (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	PREDA Cristian Dan (PPE)	14/09/2017
DEVE Development	The committee decided not to give an opinion.	
INTA International Trade	The committee decided not to give an opinion.	
AFCO Constitutional Affairs	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		
20/03/2018	Vote in committee		
28/03/2018	Committee report tabled for plenary	A8-0128/2018	Summary
18/04/2018	Decision by Parliament	T8-0130/2018	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	2017/2145(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10764

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE613.512	30/01/2018	
Committee opinion	AFET	PE612.252	31/01/2018	
Amendments tabled in committee		PE618.347	06/03/2018	
Committee report tabled for plenary, single reading		A8-0128/2018	28/03/2018	Summary
Text adopted by Parliament, single reading		T8-0130/2018	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 2018/1327
OJ L 248 03.10.2018, p. 0127 Summary

2016 discharge: EU general budget, European External Action Service (EEAS)

2017/2145(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 External Action Service**.

Consolidated annual accounts of the EU: this Commission document concerns the EU's consolidated annual accounts for the year 2016, 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. It 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 EEAS's appropriations for the financial year 2016: management of the EEAS budget continues to be a challenging exercise, particularly in relation to the network of EU Delegations. 2016 was the first year where the common overhead costs of all the delegation offices (rent, security, cleaning, and other overheads), including EDF delegations, were **financed entirely from the budget lines of the EEAS**. This made management of the budget for this type of expenditure simpler and more efficient.

Overall, the EEAS budget of **EUR 636.1 million for 2016** has been executed at 31.12.2016 to 99.7 % in commitments and 87.5% in payments. The rate of execution in payments will increase with payments made in 2017 on commitments carried over.

As regards the budget implementation of the EESC, the Annual Activity Report 2016 stated that the 2016 was characterised by the following:

- war in neighbouring countries, high numbers of people seeking refuge in the EU countries, mass migration, terrorist attacks targeting innocent citizens and a much reduced level of trust in the architecture of global governance;
- heightened security for staff and installations including an EUR 8 million reinforcement of the administrative budget by the budgetary authority for security;
- improved awareness and a sustained staff training efforts;
- a number of additional measures were taken in 2016 with the creation of a new Division "Migration and Human Security" to mitigate migration challenges;
- an improved business plan for its headquarters;
- the network of EU Delegations did not undergo any changes in 2016; no Delegations were closed, nor were any new ones opened.

2016 discharge: EU general budget, European External Action Service (EEAS)

2017/2145(DEC) - 03/10/2018 - Final act

PURPOSE: to grant discharge to the European External Action Service (EEAS) for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1327 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 X — European External Action Service.

CONTENT: the European Parliament decided to **grant discharge** to the High Representative of the Union for Foreign Affairs and Security Policy in respect of the implementation of the budget of the European External Action Service 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*).

The final EEAS budget of **EUR 636.1 million** for 2016 was executed at 99.7 % in commitments and 87.5 % in payments as at the year-end.

Parliament regretted that, as in 2015, the Court again found **weaknesses in the procurement procedures** organised by EU delegations for contracts below the EUR 60 000 threshold. It invited the EEAS to continue its efforts to support and monitor the implementation of procurement rules and procedures in delegations. It encouraged it to consider the possibility of introducing global or regional procurement procedures to cover several European Union delegations, as an alternative to individualised low value contracts.

The EEAS is also encouraged to take measures to reduce the high rate of anomalies detected during **ex-ante** verifications of financial transactions, such as the unavailability of supporting documents or the ineligibility of expenditures.

The resolution stressed that **geographical balance**, i.e. proportional relationship between the members of staff of a particular nationality and the size of the relevant Member State, should remain one of the guiding principles of resources management, particularly with respect to the Member States that acceded to the Union in or after 2004.

Parliament reaffirmed its concern about **gender imbalances** in EEAS staff at senior levels of administration. It called on the EEAS to continue to improve its policy in order to prevent all forms of psychological or sexual harassment, as well as cases of conflict.

The EEAS is requested to fulfil its legal obligation to send to the European Parliament, without delay and without request, **all relevant documents** related to negotiations on international agreements, including negotiating directives, agreed texts and minutes of each round of negotiations.

2016 discharge: EU general budget, European External Action Service (EEAS)

2017/2145(DEC) - 13/07/2017 - Court of Auditors: opinion, report

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 External Action Service**.

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.

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 institutions are **achieving the 5 % reduction target** by eliminating vacant posts in the establishment plan and by not replacing staff members leaving upon retirement, illness or at the end of temporary contracts.

The Court found weaknesses in the procurement procedures organised by the EEAS in non-EU countries. It brought these to the attention of the EEAS' s management.

2016 discharge: EU general budget, European External Action Service (EEAS)

2017/2145(DEC) - 28/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Marco VALLI (EFDD, IT) calling on the European Parliament to grant the High Representative of the Union for Foreign Affairs and Security Policy discharge in respect of the implementation of the budget of the European External Action Service (EEAS) for the financial year 2016.

Members noted that the EEAS has continued to implement its administrative budget **without being affected by major errors** and that the overall level of error in the spending related to the 'Administration' budget has been estimated by the Court of Auditors at 0.2 %. They regretted that the Court found again, as in 2015, **weaknesses in procurement procedures** organised by Union delegations for contracts worth less than EUR 60 000. The report acknowledged that the EEAS undertook a series of initiatives aiming at reducing errors in procurement procedures by improving the training, support and advice provided to the delegation staff responsible for procurement. The EEAS is asked to continue its efforts to actively support and monitor the implementation of procurement rules and procedures in the delegations in order to improve the overall compliance and effectiveness of their tendering procedures and contract management.

Budget and financial management: Members observed that the final EEAS budget of EUR 636.1 million for 2016 was executed at 99.7 % in commitments and 87.5 % in payments as at the year-end. They took note of the current budget breakdown, namely EUR 222.7 million for EEAS headquarters and EUR 413.4 million for the delegations.

Members underlined that the execution of the EEAS administrative budget, particularly for the delegations, should improve in efficiency, since certain delegations have been receiving separate contributions from the Commission from 33 different budget lines regarding the administrative costs of Commission staff in delegations. The Commission is called on to work in cooperation with the Council and the Parliament towards a budgetary simplification in order to improve budget management and provide a transparent overview to Union citizens of the costs.

EEAS actions: Members made a series of observations on the management of the EEAS:

- continue its efforts to actively support and monitor the implementation of procurement rules and procedures in the delegations in order to improve the overall compliance and effectiveness of their tendering procedures and contract management;

- consider the possibility of introducing **global or regional procurement procedures** covering several Union delegations to replace individual low value contracts;
- evaluate to what extent such an arrangement could reduce weaknesses in procurement procedures and to inform the Parliament's Committee on Budgetary Control of the result of this analysis;
- encourage the EEAS to take measures to reduce this high rate of anomalies in ***ex ante*** **verification** of financial transactions;
- set up rules on **lobbying** in order to distinguish between economic diplomacy and lobbying and to secure transparency for lobbying both in the headquarters and in the delegations;
- undertake an in-depth assessment of its recruitment policy to allow for better implementation of the **geographical balance** policy pursued by the EEAS;

- continue implementing the recommendations of the Court in its special report on the EEAS' management of its **buildings** around the world. In this regard, in 2016, the EEAS contracted a service provider to systematically monitor market information and to calculate returns on investment against the existing renting options;
- fully implement the recommendation in cooperation with the Commission to prepare a detailed action plan in order to enhance effectiveness of Union support to **Palestine**.

2016 discharge: EU general budget, European External Action Service (EEAS)

2017/2145(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided by 542 votes to 35, with 15 abstentions, to **grant discharge** to the High Representative of the Union for Foreign Affairs and Security Policy in respect of the implementation of the budget of the European External Action Service (EEAS) for the 2016 financial year.

Members noted that the EEAS has continued to implement its administrative budget without being affected by major errors and that the overall level of error in the spending related to the 'Administration' budget has been estimated by the Court of Auditors at 0.2 %.

They regretted that the Court found again, as in 2015, **weaknesses in procurement procedures** organised by Union delegations for contracts worth less than EUR 60 000. The report acknowledged that the EEAS undertook a series of initiatives aiming at reducing errors in procurement procedures by improving the training, support and advice provided to the delegation staff responsible for procurement. The EEAS is asked to continue its efforts to actively support and monitor the implementation of procurement rules and procedures in the delegations in order to improve the overall compliance and effectiveness of their tendering procedures and contract management.

Parliament encouraged the EEAS to take measures to **reduce the high rate of anomalies** detected in *ex ante* verifications of financial transactions, as well as to improve the **transparency of documents** not only to improve the quality of monitoring and control, but also as an efficient instrument to prevent fraud and corruption.

Budget and financial management: Members observed that the final EEAS budget of EUR 636.1 million for 2016 was executed at 99.7 % in commitments and 87.5 % in payments as at the year-end. They took note of the current budget breakdown, namely EUR 222.7 million for EEAS headquarters and EUR 413.4 million for the delegations.

Members underlined that the execution of the EEAS administrative budget, particularly for the delegations, should improve in efficiency, since certain delegations have been receiving separate contributions from the Commission from 33 different budget lines regarding the administrative costs of Commission staff in delegations. The Commission is called on to work in cooperation with the Council and the Parliament towards a budgetary simplification in order to improve budget management and provide a transparent overview to Union citizens of the costs.

EEAS activities:

Members made a series of observations on the management of the EEAS and recommended it to:

- continue its efforts to actively support and monitor the implementation of procurement rules and procedures in the delegations in order to improve the overall compliance and effectiveness of their tendering procedures and contract management;
- consider the possibility of introducing **global or regional procurement procedures** covering several Union delegations to replace individual low value contracts;
- evaluate to what extent such an arrangement could reduce weaknesses in procurement procedures and to inform the Parliament's Committee on Budgetary Control of the result of this analysis;
- encourage the EEAS to take measures to reduce this high rate of anomalies in ***ex ante*** **verification** of financial transactions;
- set up rules on **lobbying** in order to distinguish between economic diplomacy and lobbying and to secure transparency for lobbying both in the headquarters and in the delegations;
- undertake an in-depth assessment of its **recruitment policy** to allow for better implementation of the geographical balance policy pursued by the EEAS (out of 136 heads of Union delegations, only 21 come from the 13 Member States that joined the Union after 2004);
- improve its policy to prevent any form of psychological and **sexual harassment,** as well as cases of conflict (in 2016, the EEAS Mediation Service was notified of 75 cases of conflict, harassment or poor work environment);
- continue implementing the recommendations of the Court in its special report on the EEAS' management of its **buildings** around the world. In this regard, in 2016, the EEAS contracted a service provider to systematically monitor market information and to calculate returns on investment against the existing renting options;
- fulfil their legal obligation to send to the Parliament without delay and without requiring requests all relevant documents related to negotiations on **international agreements**;
- fully implement the recommendation in cooperation with the Commission to prepare a detailed action plan in order to enhance effectiveness of Union support to **Palestine**.

Lastly, Parliament welcomed the establishment of the mission support platform to provide centralised administrative support to **Common Security and Defence Policy (CSDP) missions.** It drew attention to the importance of addressing the financing of the platform, with a clear and transparent framework.

2016 discharge: EU general budget, European External Action Service (EEAS)

2017/2145(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 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.

In this context, the Council acknowledges that by focusing solely on the headcount based on establishment plan posts, the methodology chosen was **not suited** to achieve the goal of reducing administrative expenditure.

The Court **detected weaknesses in the procurement procedures** put in place by the EEAS in third countries. These were brought to the attention of the management.