Basic information

2018/2167(DEC) DEC - Discharge procedure	Procedure completed
2017 discharge: EU general budget, European Parliament **Subject** 8.70.03.02 2017 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	SCHMIDT Claudia (PPE)	26/07/2018
	Shadow rapporteur PARGNEAUX Gilles (S&D) 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
28/06/2018	Non-legislative basic document published	COM(2018)0521	Summary
11/09/2018	Committee referral announced in Parliament		
20/02/2019	Vote in committee		
27/02/2019	Committee report tabled for plenary	A8-0108/2019	Summary
26/03/2019	Decision by Parliament	T8-0245/2019	Summary
26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	End of procedure in Parliament		
27/09/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/2167(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14103

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.836	17/12/2018	
Amendments tabled in committee		PE634.457	12/02/2019	
Committee report tabled for plenary, single reading		A8-0108/2019	27/02/2019	Summary
Text adopted by Parliament, single reading		T8-0245/2019	26/03/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05824/2019	11/02/2019	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0521	28/06/2018	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0013/2019 OJ C 357 04.10.2018, p. 0001	12/07/2018	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2019/1406
OJ L 249 27.09.2019, p. 0001

2017 discharge: EU general budget, European Parliament

2018/2167(DEC) - 27/02/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Claudia SCHMIDT (EPP, AT) 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 2017.

Parliament's budgetary and financial management

Members noted that Parliament's final appropriations for 2017 totalled EUR 1 909 590 000, or 19.25 % of heading V of the Multiannual Financial Framework set aside for the 2017 administrative expenditure of the Union institutions as a whole, representing a 3.9 % increase over the 2016 budget (EUR 1 838 613 983).

It pointed out that four chapters accounted for 69.5 % 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).

99 % of the appropriations entered in Parliament’s budget, amounting to EUR 1 889 574 057, were committed, with a cancellation rate of 1 %. They noted with satisfaction that, as in previous years, a very high level of budget implementation was achieved. Payments totalled EUR 1 599 788 767, resulting in a payment appropriations execution rate of 84.7 % and representing an increase of 0.3 % compared to the previous year.

Cancelled appropriations and transfers

Cancelled appropriations for the year 2017, amounting to EUR 17 451 943, were mainly related to remuneration and other entitlements, as well as to the expenditure related to buildings. Seven transfers were approved, which amounted to EUR 57 402 860 or 3.01 % of final appropriations. The majority of transfers were related to the Parliament’s buildings policy, and in particular to help fund the annual lease payments for the Konrad Adenauer building project.

Legality and regularity of the transactions underlying those accounts

Members noted that the overall audit evidence indicates that the spending on ‘administration’ is not affected by a material level of error. On the basis of the nine quantified errors, the estimated level of error present in heading 5 of the Multiannual Financial Framework on administration is 0.5 % (up from 0.2 % in 2016).

2017 discharge

Members noted the United Kingdom’s decision to withdraw from the European Union had a considerable impact in the different services of the Parliament, particularly on committees, research units and horizontal services. They noted that six temporary agents in the General Secretariat, 41 temporary agents in the political groups and in the non-attached Members’ secretariat as well as 30 contract agents are concerned by the United Kingdom’s decision to withdraw from the European Union. Their situation is being assessed on a case-by-case basis. There is assurance that no extension of contract will be denied on the sole ground of nationality.

Regarding staff, the budgetary authorities imposed an additional cut of 76 posts from the Parliament’s administration in 2017 as compensation for a staff increase for the political groups. Members are concerned that this significant reduction may have negative effects on Parliament’s performance and lead to an excessive workload for serving officials and a transfer of responsibilities to Members’ offices.

Single Seat

Members still strongly regretted that, despite repeated calls from the Parliament to establish a single seat, and the fact that citizens of the Union do not understand why the Parliament should divide its activities over two seats, so far the European Council has not even begun a discussion on how to meet Parliament´s requests in this respect. Estimated annual savings amount to EUR 114 million were Parliament to centralise its operations. Members called for practical steps to be taken quickly to establish a single seat for Parliament, in order to prevent any further waste of public money. They deplored the fact that over a single parliamentary term the costs generated by Parliament's geographic dispersion can amount to as much as EUR 1 billion.

2017 discharge: EU general budget, European Parliament

2018/2167(DEC) - 28/06/2018 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2017, as part of the 2017 discharge procedure.

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

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the **EU's consolidated accounts for the year 2017** 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 is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies with a view to granting discharge.

Discharge procedure: **the final step of a budget lifecycle is the discharge**. It is the decision by which the European Parliament ‘**releases**’ the Commission from its responsibility for management of a given budget by marking the end of that budget's existence. It is granted by the European Parliament on the recommendation of the Council.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

The procedure results in the granting, postponement or refusal of discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

All EU institutions and other agencies, bodies and joint undertakings are subject to their own discharge procedures.

(2) Implementation of the European Parliament's appropriations for the financial year 2017: 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 for 2017 totalled EUR 1 909 590 000. This represented a 3.9 % increase over the 2016 final budget (EUR 1 838 613 983).

As regards the budget implementation of the European Parliament, the 2017 report on financial and budgetary management stated that 2017 was marked by:

- the enhanced **security and cybersecurity**, notably in matters of physical and building security (the pedestrianisation of rue Wiertz in Brussels has been in force since 1 July 2017) and internalisation of the drivers' service. Cybersecurity measures were also put in place in response to cyber-attacks;
- continued preparation for **Brexit**;
- the increase empowerment of Members in their mandate. In 2017, legislative activity substantially increased as Parliament was in the mid of its 2014 - 2019 legislative term. The number of legislative files was significantly higher compared to 2016, following a rather expected pattern. With the end of the legislative term now coming in sight, activity on legislative files picked up and for 2018 a further increase can be expected;
- the opening of the House of European History on 4 May 2017. Parliament continued its strategy of installing the most successful elements of the Brussels Parlamentarium in the Information Offices with the opening of the Parlamentarium Simone Veil in Strasbourg and the decision on several other concrete projects to follow in due time;
- the continuation of the rationalisation and modernisation of key areas of Parliament's Administration (building policy, IT modernisation, environmental policy, staff policy);
- the creation of an Irish translation Unit given that the Irish language became a full EU official language in 2017.

2017 discharge: EU general budget, European Parliament

2018/2167(DEC) - 26/03/2019 - Text adopted by Parliament, single reading

The European Parliament decided by 464 votes to 144, with 33 abstentions, to grant discharge to its president in respect of the implementation of the European Parliament's budget for the financial year 2017.

Parliament's budgetary and financial management

Members noted that Parliament's final appropriations for 2017 totalled EUR 1 909 590 000, or 19.25 % of heading V of the Multiannual Financial Framework set aside for the 2017 administrative expenditure of the Union institutions as a whole, representing a 3.9 % increase over the 2016 budget (EUR 1 838 613 983).

It pointed out that four chapters accounted for 69.5 % 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).

99 % of the appropriations entered in Parliament's budget, amounting to EUR 1 889 574 057, were committed, with a cancellation rate of 1 %. They noted with satisfaction that, as in previous years, a very high level of budget implementation was achieved. Payments totalled EUR 1 599 788 767, resulting in a payment appropriations execution rate of 84.7 % and representing an increase of 0.3 % compared to the previous year.

Cancelled appropriations and transfers

Cancelled appropriations for the year 2017, amounting to EUR 17 451 943, were mainly related to remuneration and other entitlements, as well as to the expenditure related to buildings. Seven transfers were approved, which amounted to EUR 57 402 860 or 3.01 % of final appropriations. The majority of transfers were related to the Parliament's buildings policy, and in particular to help fund the annual lease payments for the Konrad Adenauer building project.

Legality and regularity of the transactions underlying those accounts

Members noted that the overall audit evidence indicates that the spending on 'administration' is not affected by a material level of error. On the basis of the nine quantified errors, the estimated level of error present in heading 5 of the Multiannual Financial Framework on administration is 0.5 % (up from 0.2 % in 2016).

2017 discharge

Members noted the United Kingdom's decision to withdraw from the European Union had a considerable impact in the different services of the Parliament, particularly on committees, research units and horizontal services. They noted that six temporary agents in the General Secretariat, 41 temporary agents in the political groups and in the non-attached Members' secretariat as well as 30 contract agents are concerned by the United Kingdom's decision to withdraw from the European Union. Their situation is being assessed on a case-by-case basis. There is assurance that no extension of contract will be denied on the sole ground of nationality.

Regarding staff, the budgetary authorities imposed an additional cut of 76 posts from the Parliament's administration in 2017 as compensation for a staff increase for the political groups. Members are concerned that this significant reduction may have negative effects on Parliament's performance and lead to an excessive workload for serving officials and a transfer of responsibilities to Members' offices.

House of European History

Members welcomed the opening of the House of European History in May 2017 and the Simone Veil Parlamentarium in Strasbourg in July 2017. Between May and December the House of European History welcomed 99 344 visitors. However, Parliament regretted that its opening was delayed for

more than one year and expressed concern that 99 344 visitors seems few relative to EUR 4.4 million in staff costs: EUR 2.7 million for permanent staff and EUR 1.7 million for contract agents (including the cost of the security agents). It invited the Bureau to undertake a cost-benefit analysis.

Members also regretted that documents relating to the tender procedure of the House of European History in January 2019 were not made available and expressed deep concerns regarding the requirements for the new tender.

Single Seat

Members still strongly regretted that, despite repeated calls from the Parliament to establish a single seat, and the fact that citizens of the Union do not understand why the Parliament should divide its activities over two seats, so far the European Council has not even begun a discussion on how to meet Parliament´s requests in this respect. Estimated annual savings amount to EUR 114 million were Parliament to centralise its operations. Members called for practical steps to be taken quickly to establish a single seat for Parliament, in order to prevent any further waste of public money. They deplored the fact that over a single parliamentary term the costs generated by Parliament's geographic dispersion can amount to as much as EUR 1 billion. They voiced opposition to the multiannual building projects intended to increase the office space available to Members in both Strasbourg and Brussels and called for practical steps to be taken quickly to establish a single seat for Parliament, in order to prevent any further waste of public money.

2017 discharge: EU general budget, European Parliament

2018/2167(DEC) - 11/02/2019 - 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 2017.

However, it considered that budget implementation required a series of comments from the Council which should be fully taken into account by the Commission.

The Council welcomed the fact that the administrative and related expenditure of the EU institutions remained, as in previous years, free from material error with an estimated level of error of 0.5 %, which while being well below the materiality threshold is higher by 0.3 % compared to the Court's findings for 2016 (0.2 %). 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 the Court's observations on the European Parliament related to work carried out on buildings under a contract resulting from a procurement procedure and to the lack of control on payment of subsidies to groups of visitors. The Council invited the European Parliament to improve the selection and award criteria for its procurement procedures and to strengthen its procedures in validating the reimbursements to requesting visitor groups in line with the Court's recommendation.

The Council took note that, as in previous years, there was a small number of errors relating to staff costs and some weaknesses in the Office for Administration and Payment of individual entitlements' (PMO) management of family allowances. It called on the Commission to improve its procedures to avoid errors related to staff expenditure.

2017 discharge: EU general budget, European Parliament

2018/2167(DEC) - 12/07/2018

PURPOSE: presentation of the annual report of the Court of Auditors on the implementation of the budget concerning the financial year 2017.

CONTENT: the Court of Auditors published its 41st annual report on the implementation of the general budget of the Union for the year 2017. This report follows a five-part structure:

- the statement of assurance (DAS) and a summary of the results of the 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 2017 are legal and regular, with the expenditure recorded in 2017 covering spending on a reimbursement basis. It believes that the EU accounts present a true and fair view of the EU’s financial position.

The report also assessed the potential impact on the 2017 accounts of the United Kingdom’s withdrawal from the European Union. On 29 March 2017, the United Kingdom (UK) formally notified the European Council of its intention to leave the European Union (EU). On 22 May 2017, the negotiations started for the withdrawal agreement between the EU and the UK.

Part Five (Financial Provisions) of the draft withdrawal agreement of 19 March 2018 concerning the financial settlement states that the UK will pay all its obligations under the current and previous Multiannual Financial Frameworks as if it were still a Member State.

Based on this, the Court concluded that the accounts as at 31 December 2017 correctly reflect the withdrawal process.

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

The overall audit evidence indicates that the level of error in spending ***on 'Administration' was not material***. For this MFF heading, testing of transactions produced an estimated overall level of error of 0.5 %.

As regards Parliament, weaknesses were found regarding procurement and uncompetitive tendering. Parliament stated that it has improved the process by a more intensive recourse to framework contracts with reopening of competition.

The Court recommended in the context of the revision of the Financial Regulation, the European Parliament improves the guidelines for authorising officers on the design and checks of the selection and award criteria for procurement procedures. It should also strengthen the procedure for submitting declarations of expenditure by requiring groups to provide supporting documentation together with their cost claims.

Parliament takes note of the recommendations.