

# Procedure file

Basic information		
DEC - Discharge procedure	<a href="#">2010/2143(DEC)</a>	Procedure completed
2009 discharge: EU general budget, European Parliament		
Subject 8.70.03.07 Previous discharges		

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	<b>CONT</b> Budgetary Control		23/03/2010	
		PPE <a href="#">ITÄLÄ Ville</a>		
		Shadow rapporteur		
		S&D <a href="#">SCHALDEMOSE Christel</a>		
		ALDE <a href="#">GERBRANDY Gerben-Jan</a>		
		Verts/ALE <a href="#">STAES Bart</a>		
	Committee for opinion	Rapporteur for opinion	Appointed	
	<b>AFET</b> Foreign Affairs	The committee decided not to give an opinion.		
	<b>DEVE</b> Development	The committee decided not to give an opinion.		
	<b>INTA</b> International Trade	The committee decided not to give an opinion.		
	<b>BUDG</b> Budgets	The committee decided not to give an opinion.		
	<b>ECON</b> Economic and Monetary Affairs	The committee decided not to give an opinion.		
	<b>EMPL</b> Employment and Social Affairs	The committee decided not to give an opinion.		
	<b>ENVI</b> Environment, Public Health and Food Safety	The committee decided not to give an opinion.		
<b>ITRE</b> Industry, Research and Energy	The committee decided not to give an opinion.			
<b>IMCO</b> Internal Market and Consumer Protection	The committee decided not to give an opinion.			
<b>TRAN</b> Transport and Tourism	The committee decided not to give an opinion.			
<b>REGI</b> Regional Development	The committee decided not to give an opinion.			
<b>AGRI</b> Agriculture and Rural Development	The committee decided not to give an opinion.			
<b>PECH</b> Fisheries	The committee decided not to give an opinion.			
<b>CULT</b> Culture and Education	The committee decided not to give an opinion.			

	<b>JURI</b> Legal Affairs	The committee decided not to give an opinion.
	<b>LIBE</b> Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.
	<b>AFCO</b> Constitutional Affairs	The committee decided not to give an opinion.
	<b>FEMM</b> Women's Rights and Gender Equality	The committee decided not to give an opinion.
	<b>PETI</b> Petitions	The committee decided not to give an opinion.
European Commission	Commission DG <a href="#">Budget</a>	Commissioner ŠEMETA Algirdas

### Key events

20/07/2010	Non-legislative basic document published	<a href="#">SEC(2010)0963</a>	Summary
07/10/2010	Committee referral announced in Parliament		
22/03/2011	Vote in committee		Summary
28/03/2011	Committee report tabled for plenary	<a href="#">A7-0094/2011</a>	
10/05/2011	Results of vote in Parliament		
10/05/2011	Debate in Parliament		
10/05/2011	Decision by Parliament	<a href="#">T7-0196/2011</a>	Summary
10/05/2011	End of procedure in Parliament		
27/09/2011	Final act published in Official Journal		

### Technical information

Procedure reference	2010/2143(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/03739

### Documentation gateway

Non-legislative basic document	<a href="#">SEC(2010)0963</a>	20/07/2010	EC	Summary
Court of Auditors: opinion, report	<a href="#">N7-0083/2010</a> <a href="#">OJ C 303 09.11.2010, p. 0001</a>	09/09/2010	CofA	Summary
Document attached to the procedure	<a href="#">05891/2011</a>	03/02/2011	CSL	Summary
Committee draft report	<a href="#">PE450.727</a>	03/02/2011	EP	
Amendments tabled in committee	<a href="#">PE458.841</a>	22/02/2011	EP	
Committee report tabled for plenary, single	<a href="#">A7-0094/2011</a>	28/03/2011	EP	

reading					
Text adopted by Parliament, single reading		<a href="#">T7-0196/2011</a>	10/05/2011	EP	Summary

## Final act

[Decision 2011/548](#)  
[OJ L 250 27.09.2011, p. 0001](#) Summary

## 2009 discharge: EU general budget, European Parliament

**PURPOSE:** presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2009, as part of the 2009 discharge procedure.

Analysis of the accounts of the EU Institutions: Section I ? European Parliament.

**CONTENT:** this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2009 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU?s General Budget, including the European Parliament.

The document helps to bring insight into the EU budget mechanism and the way in which the budget has been managed and spent in 2009. It recalls that European Union's operational expenditure covers the various headings of the financial framework and takes different forms, depending on how the money is paid out and managed.

In accordance with the Financial Regulation, the Commission implements the general budget using the following methods:

- direct centralised management: direct implementation of the budget by the Commission services;
- indirect centralised management: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, such as the EU agencies of public law or with public service missions;
- decentralised management: the Commission delegates certain tasks for implementation of the budget to third countries;
- shared management: under this method of management budget implementation tasks are delegated to Member States. The majority of the expenditure falls under this mode ?Shared Management? involving the delegation of tasks to Member States, covering such areas as agricultural spending and Structural Actions;
- joint management: under this method, the Commission entrusts certain implementation tasks to an international organisation.

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.

Amongst the other legal elements relating to the implementation of the EU budget presented in this document, the paper focuses on the following issues:

- the way in which EU public expenditure is committed and spent;
- the means of recovery following irregularities detected;
- the modus operandi of the accounting system;
- the audit process followed by the European Parliament?s granting of the discharge.

To recall, the final control is the discharge of the budget for a given financial year. 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 from its responsibility for management of a given budget by marking the end of that budget's existence.

Lastly, the document 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.

Implementation of appropriations under Section I of the budget for the financial year 2009: the document comprises a series of detailed tables, the most important concerning the implementation of the budget. Concerning the European Parliament?s expenditure, the table on the financial and budgetary implementation of this institution shows the following:

A) Table showing the commitment appropriations:

- Commitments: EUR 1 467 million (91.94% rate of implementation)
- Carry-overs to 2010: EUR 26 million (1.65% of authorised appropriations)
- Cancelled: EUR 102 million

B) Table showing the implementation of payments:

- Payments: EUR 1 466 million (81.5% rate of implementation)
- Carry-overs to 2010: EUR 212 million (11.78% of authorised appropriations)
- Cancellations: EUR 121 million.

Lastly, the annexes detail specific expenditure of the institutions, in particular:

- pensions: an administrative budget heading includes the pension obligations towards Members and former Members of the EU institutions. Also included under this heading is a liability relating to the pensions of certain Members of Parliament;
- joint sickness insurance scheme: a valuation is also made for the estimated liability that the EU has regarding its contributions to the Joint Sickness Insurance Scheme in relation to its retired staff. This gross liability has been valued at EUR 3 535 million;
- buildings: another heading covers the amounts included correspond to amounts committed to be paid during the term of the contracts. Included here is the outstanding contractual obligation of EUR 441 million relating to building contracts of the Parliament in 2009.

For further details on the budgetary implementation of expenditure of Section I of the budget (European Parliament), please refer to the [Report on budgetary and financial management for the financial year 2009 \(European Parliament\)](#). This report outlines the use made of financial resources and the events which had a significant influence on activities during the year.

Among the objectives set for Parliament's Secretariat in 2009, special attention should be drawn to the following:

- the information campaign for the 2009 European elections and communication activities;
- implementation of the new statutes for Members and assistants;
- restructuring and consolidation of Parliament's Secretariat;
- preparations for implementation of the Lisbon Treaty.

The report gives an overview of the results achieved as against the objectives set for 2009.

## 2009 discharge: EU general budget, European Parliament

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The Committee on Budgetary Control adopted the report by Ville ITÄLÄ (EPP, FI) recommending that the European Parliament give discharge to its President in respect of the implementation of its budget for the financial year 2009.

Overall findings: the committee recognises that the current financial situation requires that Parliament and all the other European Union institutions find the most cost effective ways of using financial and staff resources, including possible savings, as well as electronic tools and methods, to provide efficient services. In this context, Members deplore, like last year, the significant amount of outstanding actions in respect of the audit carried out by the Internal Auditor on the internal control framework. Although they welcome the fact that a good number of actions are under way, Members encourage all the institution's directorates-general to continue their efforts to improve their procedures in regard to management and control.

Noting that 2009 was the first year of implementation for the Statute for Members of the European Parliament and for the Statute for Accredited Parliamentary Assistants, Members observe a certain number of initial problems with the implementing measures for the Assistants' Statute. A series of measures have, however, been proposed which should enable certain problems to be resolved. This Statute has resulted in a significant increase in the workload registered by the administration which has required the redeployment, by the administration, of additional staff in order to deal with the increased amount of work.

As regards the medium-and long-term property policy (buildings strategy), Members call on the Secretary-General to start negotiations with the Belgian authorities with a view to reducing the additional percentage (33%) that the Parliament has to pay if it purchases State-owned property. Although they note improvements in Parliament's governance thanks to information and communication technologies (ICTs), they call for the introduction of much clearer procedures for procurement in this area.

Members highlight a number of main remaining challenges:

- security: Members strongly disapprove of the evident deficiencies in Parliament's security and call on the administration to re-deploy the responsible manager to new tasks. They find it astonishing that around 900 people work in Parliament's security services, most of them as external contract staff and also points to the steady increase in total security costs (some EUR 43 million in 2009). The request the overhaul of these services in order to increase their efficiency. The report states that the new security policy should aim to strike a balance which is cost effective between internal staff and external agents and between security concerns, on the one hand, and accessibility and openness, on the other hand, in order to enable Parliament to remain, as much as possible, an open and accessible institution. It stresses that more video surveillance is not a desirable way to proceed and stresses the need for a clear security strategy offering a smart, modern, state-of-the-art security service. Members deplore the lack of security in Parliament's vicinity and call for improved communication and cooperation with local police forces. would result in a more efficient use of resources;
- externalisation: Members note with great concern the high number (some 990) of external members of staff who are accommodated in Parliament's offices. They take the view that the need for such accommodation should be written into the original specifications and the services should duly justify why they need to have external IT or buildings experts on site. Members deplore the overdependence on external (technical) expertise, especially in the IT and buildings sectors resulting from structural imbalances between internal and external resources and call for a cost-effective balance to be struck between in-house and external expertise in each area of parliamentary activity;
- buildings policy: Members stress the need to develop, in-house, the high-quality property expertise that is essential in order significantly to improve the planning and procurement of the future purchases and long-term leases of Parliament's buildings. They ask for an estimate of the loss incurred by the sale of the old Parliament building in Brussels to the Committee of the Regions, taking into account the price per square metre of the offices which are currently being purchased or leased. They also call for an in-depth analysis of the actual use of Parliament's buildings and of the need for rules applicable to all categories of users and to develop, as a matter of priority, a single, reliable database containing all relevant information about all the persons accommodated in Parliament's buildings. The report notes that a second crèche in Brussels is a priority project. It considers it preferable that the Parliament's buildings are located close to each other. However, this preference is in contradiction with the fact that there are three official places of work;
- information and Communication Technologies (ICT) sector: Members highlights, in relation to the IT applications' development

process, the structural problem of a high-degree of reliance on external experts which poses serious legal and operational risks. They call for an action plan to seek to achieve an adequate mix of Parliament staff and external resources as well as an appropriate balance between internal application development and deliverables-based contracting. Members are appalled by the huge data roaming costs reimbursed to staff members who neglect spiralling costs when in Strasbourg and elsewhere outside Brussels. They urge IT management to create a control tool whereby extremely high costs are prevented by the detection of sharp increases in an early stage. Attention is drawn to the fact that, for Parliament, the increasing use of external companies for implementing IT projects, in addition to being financially detrimental, runs the risk that it will lose important parts of its know-how as well as its ability to manage and supervise projects delivered by external contractors. A decision to use external companies to be based on a cost-benefit analysis is called for.

- exceptional negotiated procedures: faced with the increase in the number and proportion of exceptional negotiated procedures registered between 2007 and 2008, Members reiterate their call to the Secretary-General and the Authorising Officers by delegation to take effective and efficient measures in order to reverse that trend.

Report on budgetary and financial management: Members note that, in 2009, Parliament received revenue amounting to EUR 141 250 059 (EUR 151 054 374 in 2008) which included EUR 27 576 932 in assigned revenue. They welcome the Statement of assurance by the Secretary-General. They also appreciate that, currently, each Director-General (Authorising Officers by delegation) prepares his or her own Annual Activity Report.

The committee notes, however, some weaknesses in reporting regarding the minimum Internal Control Standards in the annual activity reports and proposes, in order to improve reporting, to review those standards and to establish an integrated internal reporting system. Members reiterate their request that the Secretary-General inform the Committee on Budgetary Control of the precise measures, including the deadlines for implementation, that he has taken or will take in order to reinforce Parliament's internal control system.

In order to increase transparency within Parliament, Members suggest that the mission statements, the work programme and the organigramme of Parliament's administrative entities, including units and services, should be made available on Parliament's internal website. Members also call for an Annual report on contracts awarded. The report stresses that the value of procurement contracts amounts approximately to a third of Parliament's overall budget and that public procurement is the area most vulnerable to mismanagement. It therefore repeats its request to regularly evaluate the procurement systems and in particular to perform internal controls on the contracts awarded in negotiated and restricted procedures.

Annual Report of the Court of Auditors for 2009: on the whole, Members welcome the fact that the Court of Auditors found the payments as a whole to be free from material error. However, they note certain shortcomings in regard to:

- engagement of temporary and contractual agents
- allowances for staff
- organisation and functioning of political groups.

As regards the management of Parliament's administration, Members make remarks DG by DG. The key observations relate to:

- problems in the internal management of the Visitors' Centre (long delay in the opening of the Centre and poor planning and problems in regard to procurement procedures);
- delays in taking decisions regarding the House of European History and on the total cost of this initiative;
- the management of visitor groups' costs;
- the exorbitant cost of WebTV;
- the management and relevance of certain prizes awarded by Parliament (e.g. Lux Prize).

Missions to the three places of work: once again, Members stress the need to further rationalise the missions between the three working places, justifying and monitoring them better in order to avoid unnecessary missions and costs.

Given the lack of available human resources in some languages and by the fact that new supplies of interpreters and translators may be put at risk by lack of university curricula in some Member States, Members propose that for certain meetings, interpretation services are only provided in the six most commonly used languages (FR, DE, EN, PL, ES, IT). Members stress that real savings could be achieved if Parliament only had one workplace in the same location as the other Union institutions (in fact, the estimated annual cost arising from the geographical dispersion of Parliament has been estimated at around EUR 160 million, accounting for about 9% of Parliament's total budget). A decision to limit the Parliament's places of work would not only save EUR 160 million but would also reduce Parliament's carbon footprint. Members invite Parliament's President and those Members who negotiate the Union's budget to propose, on Parliament's behalf, to the European Council that they make it possible for the Union to make these savings.

Lastly, Members make a certain number of recommendations with a view to:

- Further limiting Parliament's Voluntary Pension Fund's actuarial deficit (which went from some EUR 120 million in 2008 to EUR 84.5 million in 2009) thanks to the improvements in the markets;
- Greening the Parliament by means of a series of initiatives to reduce certain expenditures and by reducing Parliament's carbon footprint.

## 2009 discharge: EU general budget, European Parliament

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PURPOSE: to grant discharge to the European Parliament for the financial year 2009.

NON-LEGISLATIVE ACT: Decision 2011/548/Euratom of the European Parliament on discharge in respect of the implementation of the European Union general budget for the financial year 2009, Section I - European Parliament.

CONTENT: with the present decision, the European Parliament grants discharge to its President on the implementation of the European Parliament's budget for the financial year 2009.

This decision is in line with the European Parliament's resolution adopted on 10 May 2011 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2011).

A parallel decision, adopted on the same day, approves the closure of this Institution's accounts.

## 2009 discharge: EU general budget, European Parliament

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The European Parliament adopted by 518 votes to 107, with 34 abstentions, a decision granting discharge to its President in respect of the implementation of its budget for the financial year 2009.

Parliament also adopted by 534 votes to 91, with 25 abstentions, a resolution containing a number of observations which forms an integral part of the discharge decision. These observations may be summarised as follows:

1) Major changes in Parliament's budget management during 2009: Parliament recognises that the current financial situation requires that Parliament and all the other European Union institutions find the most cost effective ways of using financial and staff resources, including possible savings, as well as electronic tools and methods, to provide efficient services. In an amendment adopted in plenary, Parliament calls for a long-term review of the Parliament's budget and asks for future potential savings to be identified in order to reduce costs and create resources for the long-term running of the Parliament as part of the legislative authority.

Parliament deplores, like last year, the significant amount of outstanding actions in respect of the audit carried out by the Internal Auditor on the internal control framework. Although they welcome the fact that a good number of actions are under way, Members encourage all the institution's directorates-general to continue their efforts to improve their procedures in regard to management and control.

Noting that 2009 was the first year of implementation for the Statute for Members of the European Parliament and for the Statute for Accredited Parliamentary Assistants, Parliament observes a certain number of initial problems with the implementing measures for the Assistants' Statute. It observes that current rules for payment of the General Expenditure allowance, which state that money is to be paid to a personal account of the Member but which do not require any proof of expenditure, have led to the creation of a division between those Members who account for the expenditure in full and publish details thereof and those who do not adopt such transparent procedures and who, thereby, risk the accusation that a proportion of the allowance is being used to supplement their personal income. It therefore calls on the Secretary-General of the institution to propose arrangements to ensure that expenditure of the allowance is transparent in all cases and used for the purposes intended.

As regards the medium-and long-term property policy (buildings strategy), Parliament calls on the Secretary-General to start negotiations with the Belgian authorities with a view to reducing the additional percentage (33%) that the Parliament has to pay if it purchases 'State' owned property. Although it notes improvements in Parliament's governance thanks to information and communication technologies (ITCs), it calls for the introduction of much clearer procedures for procurement in this area.

Main remaining challenges: Parliament highlights a certain number of issues that need to be resolved within the institution. These include:

- security: Parliament strongly disapproves of the evident deficiencies in Parliament's security and calls on the administration to re-deploy the responsible manager to new tasks. It finds it astonishing that around 900 people work in Parliament's security services, most of them as external contract staff and also points to the steady increase in total security costs (some EUR 43 million in 2009). Given these high costs, Parliament expects reforms in this area to increase efficiency. The new security policy should aim to strike a balance between security concerns, on the one hand, and accessibility and openness, on the other hand, in order to enable Parliament to remain, as much as possible, an open and accessible institution. It stresses that more video surveillance is not a desirable way to proceed. It calls for a clear security strategy offering a smart, modern, state-of-the-art security service as well as for improved communication and cooperation with local police forces and for police patrols to be stepped up in the district;
- Externalisation: Parliament recalls that some 990 external members of staff are accommodated in Parliament's premises. It considers that the need for such accommodation should have to be justified. It deplores Parliament's excessive dependence on external IT or buildings experts;
- buildings policy: Parliament stresses the need to develop, in-house, the high-quality property expertise that is essential in order significantly to improve the planning and procurement of the future purchases and long-term leases of Parliament's buildings. It asks for an estimate of the loss incurred by the sale of the old Parliament building in Brussels to the Committee of the Regions, taking into account the price per square metre of the offices which are currently being purchased or leased. It also calls for an in-depth analysis of the actual use of Parliament's buildings before any further purchases are undertaken. It considers it preferable that the Parliament's buildings are located close to each other, even if this preference is in contradiction with the fact that there are three official places of work (in three different countries);
- Information and Communication Technologies (ICT) sector: Parliament highlights, in relation to the IT applications' development process, the structural problem of a high-degree of reliance on external experts which poses serious legal and operational risks. It calls for an action plan to seek to achieve an adequate mix of Parliament staff and external resources as well as an appropriate balance between internal application development and deliverables-based contracting. It is appalled by the huge data roaming costs reimbursed to staff members who neglect spiralling costs when in Strasbourg and elsewhere outside Brussels. It urges IT management to create a control tool whereby extremely high costs are prevented by the detection of sharp increases in an early stage;
- exceptional negotiated procedures: faced with the increase in the number and proportion of exceptional negotiated procedures registered between 2007 and 2008, Parliament reiterates its call to the Secretary-General and the Authorising Officers by delegation to take effective and efficient measures in order to reverse that trend and avoid fraud and conflicts of interest.

2) Report on budgetary and financial management: Parliament notes that, in 2009, Parliament received revenue amounting to EUR 141 250 059 (EUR 151 054 374 in 2008) which included EUR 27 576 932 in assigned revenue. It welcomes the positive Statement of assurance by the Secretary-General as well as the fact that, currently, each Director-General (Authorising Officers by delegation) prepares his or her own Annual Activity Report. It notes, however, some weaknesses in reporting regarding the minimum Internal Control Standards. It therefore reiterates its calls for Parliament's internal control systems to be strengthened and suggests, in the interests of transparency, the publication of certain information on the Parliament's Intranet.

Parliament also calls for an Annual report on public contracts awarded. This would highlight the value of procurement contracts, that amount approximately to a third of Parliament's overall budget, given that public procurement is an area vulnerable to mismanagement. It therefore repeats its request to regularly evaluate the procurement systems and in particular to perform internal controls on the contracts awarded in negotiated and restricted procedures.

3) Annual Report of the Court of Auditors for 2009: Parliament welcomes the fact that the Court of Auditors found the payments as a whole to be free from material error. However, it notes certain shortcomings in regard to:

- engagement of temporary and contractual agents
- allowances for staff
- organisation and functioning of political groups.

As regards the management of Parliament's administration, Parliament comments DG by DG. The key observations relate to:

- problems in the internal management of the Visitors' Centre (long delay in the opening of the Centre and poor planning and problems in regard to procurement procedures);
- delays in taking decisions regarding the House of European History and on the total cost of this initiative;
- the management of visitor groups' costs;
- the exorbitant cost of WebTV (Parliament calls for a reduction in the cost of this service);
- the management and relevance of certain prizes awarded by Parliament;
- the 2009 electoral campaign (a high cost in view of the subsequent poor participation rate);
- the Washington liaison office;
- the official transport system which costs EUR 1.3 million in Strasbourg and EUR 2.4 million in Brussels (the plenary calls for cost reductions in this area);
- certain recruitment (such as the recruitment of Members' family members as assistants- or the over-representation of some nationalities among the officials).

Missions to the three places of work: once again, Parliament stresses the need to further rationalise the missions between the three working places, justifying and monitoring them better in order to avoid unnecessary missions and costs. Given the lack of available human resources in some languages and by the fact that new supplies of interpreters and translators may be put at risk by lack of university curricula in some Member States, Parliament proposes that, for certain meetings, interpretation services are only provided in the six most commonly used languages (FR, DE, EN, PL, ES, IT). It recalls the current budget constraints in many Member States due to the financial and economic crisis and the need to critically review expenditure, including at Union level. In this regard, the plenary stresses that real savings could be achieved if Parliament only had one workplace in the same location.

Lastly, Parliament makes the following recommendations with a view to:

1. further limiting Parliament's actuarial deficit (which went from some EUR 120 million in 2008 to EUR 84.5 million in 2009) thanks to the improvements in the markets. In this regard, the plenary welcomed Parliament's Bureau's decision that Parliament would assume its legal responsibility to guarantee the right of members of its voluntary pension scheme to a supplementary pension and that the pension age would rise from 60 to 63;
2. Greening the Parliament by means of a series of initiatives to reduce certain expenditures and by reducing Parliament's carbon footprint.