

# Procedure file

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

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>CONT</b> Budgetary Control	 <a href="#">VAUGHAN Derek</a>	20/09/2017
		Shadow rapporteur	
		 <a href="#">SCHMIDT Claudia</a>	
		 <a href="#">CZARNECKI Ryszard</a>	
		 <a href="#">ALI Nedzhmi</a>	
		 <a href="#">JÁVOR Benedek</a>	
		 <a href="#">VALLI Marco</a>	
		 <a href="#">JALKH Jean-François</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
<b>TRAN</b> Transport and Tourism	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.		
<b>REGI</b> Regional Development	The committee decided not to give an opinion.		
<b>AFCO</b> Constitutional Affairs	The committee decided not to give an opinion.		
<b>DEVE</b> Development	The committee decided not to give an opinion.		
<b>CULT</b> Culture and Education	The committee decided not to give an opinion.		
<b>AFET</b> Foreign Affairs	The committee decided not to give an opinion.		
<b>PECH</b> Fisheries	The committee decided not to give an opinion.		

	<b>AGRI</b> Agriculture and Rural Development	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>EMPL</b> Employment and Social Affairs	The committee decided not to give an opinion.
	<b>BUDG</b> Budgets	The committee decided not to give an opinion.
	<b>ITRE</b> Industry, Research and Energy	The committee decided not to give an opinion.
	<b>JURI</b> Legal Affairs	The committee decided not to give an opinion.
	<b>ECON</b> Economic and Monetary 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>INTA</b> International Trade	The committee decided not to give an opinion.
	<b>IMCO</b> Internal Market and Consumer Protection	The committee decided not to give an opinion.
European Commission	Commission DG <a href="#">Budget</a>	Commissioner OETTINGER Günther

Key events			
25/06/2017	Non-legislative basic document published	<a href="#">COM(2017)0365</a>	Summary
13/09/2017	Committee referral announced in Parliament		
19/03/2018	Vote in committee		
26/03/2018	Committee report tabled for plenary	<a href="#">A8-0105/2018</a>	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	Decision by Parliament	<a href="#">T8-0124/2018</a>	Summary
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 159
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10621

Documentation gateway					
Non-legislative basic document		<a href="#">COM(2017)0365</a>	26/06/2017	EC	Summary
Court of Auditors: opinion, report		<a href="#">N8-0008/2018</a> <a href="#">OJ C 322 28.09.2017, p. 0001</a>	13/07/2017	CofA	Summary
Committee draft report		<a href="#">PE612.130</a>	29/01/2018	EP	
Supplementary non-legislative basic document		<a href="#">05940/2018</a>	09/02/2018	CSL	Summary
Amendments tabled in committee		<a href="#">PE618.231</a>	02/03/2018	EP	
Committee report tabled for plenary, single reading		<a href="#">A8-0105/2018</a>	26/03/2018	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T8-0124/2018</a>	18/04/2018	EP	Summary

Final act	
Budget 2018/1309 <a href="#">OJ L 248 03.10.2018, p. 0001</a>	Summary

## 2016 discharge: EU general budget, European Parliament

**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

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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

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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 CO<sub>2</sub> 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

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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 CO<sub>2</sub> 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;
- Parliaments 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.

## 2016 discharge: EU general budget, European Parliament

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**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 Parliaments 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 Parliaments website for the voluntary publication of meetings with interest representatives. It urged the Parliaments 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 Parliaments 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 CO2 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.