

Procedure file

Basic information		
DEC - Discharge procedure	2018/2167(DEC)	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	26/07/2018
		Shadow rapporteur	
		 PARGNEAUX Gilles	
		 CZARNECKI Ryszard	
		 ALI Nedzhmi	
		 JÁVOR Benedek	
		 VALLI Marco	
		 JALKH Jean-François	
		Committee for opinion	Rapporteur for opinion
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 Budget	Commissioner OETTINGER Günther

Key events			
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	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	Decision by Parliament	T8-0245/2019	Summary
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

Non-legislative basic document		COM(2018)0521	28/06/2018	EC	Summary
Court of Auditors: opinion, report		N8-0013/2019 OJ C 357 04.10.2018, p. 0001	12/07/2018	CofA	Summary
Committee draft report		PE626.836	17/12/2018	EP	
Supplementary non-legislative basic document		05824/2019	11/02/2019	CSL	Summary
Amendments tabled in committee		PE634.457	12/02/2019	EP	
Committee report tabled for plenary, single reading		A8-0108/2019	27/02/2019	EP	Summary
Text adopted by Parliament, single reading		T8-0245/2019	26/03/2019	EP	Summary

Final act

Budget 2019/1406
[OJ L 249 27.09.2019, p. 0001](#)

2017 discharge: EU general budget, European Parliament

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 Parliaments 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 Parliamentarium in the Information Offices with the opening of the Parliamentarium 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 Parliaments 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

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

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.

Parliaments 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 Parliaments 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 Parliaments 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 Kingdoms 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 Kingdoms 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 Parliaments 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 Parliaments 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

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.

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House of European History

Members welcomed the opening of the House of European History in May 2017 and the Simone Veil Parliamentarium 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.