















Procedure file

Basic information		
DEC - Discharge procedure	2018/2176(DEC)	Procedure completed
2017 discharge: EU general budget, European External Action Service (EEAS)		
Subject 8.70.03.02 2017 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgetary Control	 KOHN Arndt	27/07/2018
		Shadow rapporteur	
		 SALAFRANCA SÁNCHEZ-NEYRA José Ignacio	
		 KLINZ Wolf	
		 JÁVOR Benedek	
		 VALLI Marco	
		 JALKH Jean-François	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Constitutional Affairs	The committee decided not to give an opinion.	
 Development	The committee decided not to give an opinion.		
 International Trade	The committee decided not to give an opinion.		
 Foreign Affairs		03/09/2018	
	 GILL Neena		
European Commission	Commission DG Budget	Commissioner OETTINGER Günther	

Key events			
27/06/2018	Non-legislative basic document published	COM(2018)0521	Summary
11/09/2018	Committee referral announced in Parliament		
20/02/2019	Vote in committee		

28/02/2019	Committee report tabled for plenary	A8-0109/2019	Summary
26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	Decision by Parliament	T8-0251/2019	Summary
26/03/2019	End of procedure in Parliament		
27/09/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/2176(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14263

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		PE626.817	12/12/2018	EP	
Committee opinion	AFET	PE630.542	23/01/2019	EP	
Amendments tabled in committee		PE634.539	05/02/2019	EP	
Supplementary non-legislative basic document		05824/2019	11/02/2019	CSL	Summary
Committee report tabled for plenary, single reading		A8-0109/2019	28/02/2019	EP	Summary
Text adopted by Parliament, single reading		T8-0251/2019	26/03/2019	EP	Summary

Final act

Budget 2019/1424
[OJ L 249 27.09.2019, p. 0111](#)

2017 discharge: EU general budget, European External Action Service (EEAS)

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 External Action Service.

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 EEASs appropriations for the financial year 2017: 2017 was a challenging year and the EEAS has once more been at the forefront of the EUs response: terrorism, hybrid threats, ongoing and new conflicts, irregular migration, human rights violations, and increasing contest of the multilateral order. To the South, instability and fragility persisted while, to the East, the European security order continued to be violated.

2017 was also significant regarding migration, and cooperation with Africa in this regard. This included effective action on returns, resettlement, and humane conditions for migrants. The EU's dedicated efforts to support the Libyan Coast Guard continued.

Overall, the EEAS budget of EUR 660 million for 2017 has been executed at 31/12/2017 to 99.7 % in commitments and 86.7% in payments. The rate of execution in payments will increase with payments made in 2017 on commitments carried over.

As regards the budget implementation of the EEAS, the [Annual Activity Report 2017](#) stated that the 2017 was characterised by the following:

- the establishment of two Task Forces in 2017, on Career and Gender Equality respectively and the results of these two Task Forces work and recommendations are currently being implemented;
- increased efforts in the training sector and the expansion of training options. The security of staff and information and the effective management of resources remained top priorities for the EEAS in 2017;
- new emphasis was placed on communication during 2017, thanks in part to the support of the European Parliament in granting additional budgetary resources for Strategic Communication.

2017 discharge: EU general budget, European External Action Service (EEAS)

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 41th 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 Commissions 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 EUs financial position.

The report also assessed the potential impact on the 2017 accounts of the United Kingdoms 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 External Action Service.

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

The Court did not detect any specific problem regarding the European External Action Service.

2017 discharge: EU general budget, European External Action Service (EEAS)

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 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.

The Court did not identify any specific problems concerning the European External Action Service (EEAS).

2017 discharge: EU general budget, European External Action Service (EEAS)

The Committee on Budgetary Control adopted the report by Arndt KOHN (S&D, DE) calling on the European Parliament to grant the High Representative of the Union for Foreign Affairs and Security Policy discharge in respect of the implementation of the budget of the European External Action Service (EEAS) for the financial year 2017.

Members welcomed the fact that, according to the Court of Auditors, the overall level of error for the MFF Heading 5 (Administration), including the budget of the European External Action Service (EEAS) continues to be relatively low with an estimation at 0.5 % in 2017. The Court did not identify material levels of error in the EEAS annual activity report.

Members noted with appreciation that the previous recommendations made in relation to the improvement of the monitoring system for the timely updating of the personal situation and data of members of staff, with a potential impact on the calculation of family allowances, have been implemented in most respects. They considered, however, that consistency checks in relation to the management of family allowances require ongoing attention.

The EEAS has also improved procurement procedures in delegations. However, the former weaknesses identified in public procurement and the management of security services still deserve a steady attention and monitoring.

Budgetary and financial management

The report noted that carry-overs of appropriations have increased in 2017 and amounted to EUR 85 911 000 (compared to EUR 77 450 000 in 2016). The total budget of the EEAS for 2017 amounted to EUR 660 million with an increase of 3.75 % compared to 2016.

A contribution of EUR 54.9 million was also received from the EDF and the trust funds. Additional carry-overs and appropriations released from decommitments brought the total amount to EUR 59.7 million (including also assigned revenues of the financial year).

The headquarters budget amounted to EUR 236.7 million out of which EUR 153.8 million (or 64.6 %) concerned the payment of salaries and other entitlements of statutory and external staff, EUR 32.2 million (or 14 %) were for buildings and associated costs, and EUR 33 million (i.e. 14 %) were related to IT computer systems, equipment and furniture.

Building policy

Members called for the EEAS buildings policy to be annexed to the annual activity report, particularly in view of the fact that it is important for its costs to be properly rationalised and not to be excessive. The EEAS is urged to provide the discharge authority with a detailed list of building contracts concluded in 2017.

Staff

Members acknowledged that the number of budget lines used to finance the operations related to Commission staff in the delegations (34 different lines originating in various Headings of the Commission budget, plus the EDF Funds) increases the complexity of budget management. They encouraged the EEAS to keep on working with the European Commission to simplify the budget lines when possible in order to reduce the complexity of budget management.

The EEAS reduced its staff by 5 % over the period 2013-2017 in compliance with the inter-institutional agreement. However, Members are concerned that increasing average work load and understaffing issues could have detrimental effects on the health and quality of life of members of staff as well as on the long-term organisational development of the institution.

The report encouraged the EEAS to cooperate with national universities offering courses dedicated to a diplomatic career in order to promote the European diplomatic service at an early stage and to create an institute dedicated to the education of future European diplomats.

Brexit

Lastly, Members noted that the initial assessment of the level of administrative expenditure of EUR 6.7 million for staff and infrastructure expenditure over a period of nine months related to the opening of a delegation in London in view of the fact that the United Kingdom will become a third country.

2017 discharge: EU general budget, European External Action Service (EEAS)

The European Parliament decided by 489 votes to 140, with 9 abstentions, to grant discharge to the High Representative of the Union for Foreign Affairs and Security Policy in respect of the implementation of the budget of the European External Action Service (EEAS) for the 2016 financial year.

Members welcomed the fact that, according to the Court of Auditors, the overall level of error for the MFF Heading 5 (Administration), including the budget of the European External Action Service (EEAS) continues to be relatively low with an estimation at 0.5 % in 2017. The Court did not identify material levels of error in the EEAS annual activity report.

Parliament noted with appreciation that the previous recommendations made in relation to the improvement of the monitoring system for the timely updating of the personal situation and data of members of staff, with a potential impact on the calculation of family allowances, have been implemented in most respects. They considered, however, that consistency checks in relation to the management of family allowances require ongoing attention.

The EEAS has also improved procurement procedures in delegations. However, the former weaknesses identified in public procurement and the management of security services still deserve a steady attention and monitoring.

Budgetary and financial management

The resolution noted that carry-overs of appropriations have increased in 2017 and amounted to EUR 85 911 000 (compared to EUR 77 450 000 in 2016). The total budget of the EEAS for 2017 amounted to EUR 660 million with an increase of 3.75 % compared to 2016.

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The resolution encouraged the EEAS to cooperate with national universities offering courses dedicated to a diplomatic career in order to promote the European diplomatic service at an early stage and to create an institute dedicated to the education of future European diplomats.

Performance

Parliament considered the EEAS to be a vital actor in international cooperation regarding peace, security and human development. It stressed the importance of using wisely the scarce resources available and of constantly improving the consistency and coherence of the Union's external and internal action.

The EEAS is called on to:

- continue its efforts to modernise its approaches and to invest in new skills and capabilities;
- provide a follow-up report to the 2017 discharge in preparation for the discharge procedure for the financial year 2018.

Brexit

Lastly, Members noted that the initial assessment of the level of administrative expenditure of EUR 6.7 million for staff and infrastructure expenditure over a period of nine months related to the opening of a delegation in London in view of the fact that the United Kingdom will become a third country.