

## Discharge for 2016 – Second reports

During the October II plenary session, the European Parliament is due to bring to a close the discharge procedure for the Council's financial accounts for the year 2016, by voting on the second report of the Committee on Budgetary Control. It will also vote on the second report concerning the European Asylum Support Office. Both votes follow the European Parliament's decision in April 2018 to postpone discharge for 2016 in these cases.

### The discharge procedure

The [discharge procedure](#) is an *ex-post* control of spending under the EU's budget. At institutional level, it is up to the European Parliament to grant, postpone or reject discharge to different bodies. The Parliament acts on the recommendation of the Council, taking as a basis the annual report of the European Court of Auditors. The discharge procedure concerns the European Commission (including the executive agencies), other institutions (including Parliament, Council and European Council), decentralised agencies (among which the European Asylum Support Office – EASO) and joint undertakings. A separate discharge is granted for the European Development Fund, since formally speaking it sits outside the EU budget.

### Discharge to the Council

The Parliament grants discharge individually to each institution as manager of its own administrative budget. Since 2003, the Parliament has prepared a separate discharge decision for the Council (since 2011 for Council and European Council). However, the Council considers that the rules allow the Parliament to grant discharge only to the Commission, as being responsible for the entire budget. Since 2009, the Parliament has declined to grant discharge to the Council because of its lack of cooperation in the provision of information beyond what is set out in the [Financial Regulation](#).

In March 2017, the Committee on Budgetary Control (CONT) established a working group to draft a proposal on the Council discharge procedure and find a way forward. Although Parliament and Council had informal exchanges to discuss [solutions](#) to the current impasse, to date, no agreement has been struck.

### European Parliament position on the discharge to the Council and European Council

After the [decision](#) taken by the Parliament on 18 April 2018 to postpone discharge for the 2016 financial year, the CONT committee adopted its second [report](#) on 27 September 2018, in which it proposes to refuse to grant discharge to the Council and the European Council for that financial year.

CONT members regret that, as in previous years, the Council has not replied to the observations made by the Parliament in its discharge resolution. They concern the separation of the budget of the European Council and the Council, the lack of information on the building policy (and on the [Europa building](#) in particular) and the Council's absence from the Union [transparency register](#). CONT members also reiterate their call for progress reports on building projects and a detailed breakdown of the costs incurred to date.

Concerning possible new arrangements for the discharge exercise, CONT members urge the Council to react to the amended proposal sent to the Council on 21 July 2018, so that it can be applied as soon as possible. They insist that the Council's expenditure must be scrutinised in the same way as that of other institutions.

[Discharge 2016 – EU general budget: European Council and Council](#), 2017/2138(DEC). Committee responsible: CONT; Rapporteur: Marco Valli (EFDD, Italy).

## European Parliament position – European Asylum Support Office

On 18 April 2018, the European Parliament [decided](#) to postpone discharge to EASO for the financial year 2016. In its second [report](#), adopted on 27 September 2018, CONT proposes that the Parliament's concerns have been sufficiently addressed to grant 'the new *ad interim* Executive Director of the EASO discharge in respect of the implementation of the EASO's budget for the financial year 2016'.

EASO was the only decentralised agency for which the discharge was postponed earlier this year – on the one hand, because the European Court of Auditors refused to confirm the legality and regularity of the transactions underlying the accounts of EASO in its annual [report](#), and on the other, because an OLAF investigation, which concerned several middle or senior managers of the EASO, was ongoing, and CONT members wanted to wait for its results.

The first CONT report pointed to problems with procurement procedures, a low budget implementation rate and a high level of committed appropriations carried-over for administrative expenditure. The Parliament called on EASO to complete the corrective actions as soon as possible in the course of 2018.

In the second report, CONT members note with appreciation the decision of the EASO's Management Board on 6 June 2018 to release the Executive Director from his duties with immediate effect. They also welcome the strong corrective measures taken by the Commission's Directorate-General for Migration and Home Affairs, the management board and EASO's new *ad interim* executive director, and recognise that, apart from the completion of the OLAF investigation against the previous leadership of the EASO, they have responded sufficiently to the reservations set out in Parliament's decision to postpone granting discharge. CONT members would like to integrate the findings from the OLAF report in EASO's 2017 discharge report and, by doing so, ensure that possible new recommendations to EASO are fully implemented.

[Discharge 2016 – European Asylum Support Office \(EASO\)](#), 2017/2177(DEC). Committee responsible: CONT; Rapporteur: Bart Staes (Greens/EFA, Belgium).

