



2017/2137(DEC)

29.1.2018

DRAFT REPORT

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section I – European Parliament (2017/2137(DEC))

Committee on Budgetary Control

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CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	3
2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	5

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section I – European Parliament (2017/2137(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2016¹,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017)0365 – C8-0248/2017)²,
 - having regard to the report on budgetary and financial management for the financial year 2016, Section I – European Parliament³,
 - having regard to the Internal Auditor’s annual report for the financial year 2016,
 - having regard to the Court of Auditors’ annual report on the implementation of the budget for the financial year 2016, together with the institutions’ replies⁴,
 - having regard to the statement of assurance⁵ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Article 318 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002⁶, and in particular Articles 164, 165 and 166 thereof,
 - having regard to the Bureau decision of 16 June 2014 on the Internal Rules on the implementation of the European Parliament’s budget⁷, and in particular Article 22 thereof,
 - having regard to Rule 94 and Rule 98(3) of, and Annex IV to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0000/2018),
- A. whereas the President adopted Parliament's accounts for the financial year 2016 on 28

¹ OJ L 48, 24.2.2016.

² OJ C 323, 28.9.2017, p. 1.

³ OJ C 266, 11.8.2017, p. 1.

⁴ OJ C 322, 28.9.2017, p. 1.

⁵ OJ C 322, 28.9.2017, p. 10.

⁶ OJ L 298, 26.10.2012, p. 1.

⁷ PE 422.541/Bur.

June 2017;

- B. whereas the Secretary-General, as principal authorising officer by delegation, certified, on 24 June 2016, his reasonable assurance that the resources assigned for Parliament's budget have been used for their intended purpose, in accordance with the principles of sound financial management and that the control procedures established give the necessary guarantees concerning the legality and regularity of the underlying transactions;
- C. whereas Article 166(1) of Regulation (EU, Euratom) No 966/2012 requires each Union institution to take all appropriate steps to act on the observations accompanying the Parliament's discharge decision;
 - 1. Grants its President discharge in respect of the implementation of the budget of the European Parliament for the financial year 2016;
 - 2. Sets out its observations in the resolution below;
 - 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section I – European Parliament (2017/2137(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section I – European Parliament,
 - having regard to Rule 94 and Rule 98(3) of, and Annex IV to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0000/2018),
- A. whereas in his certification of the final accounts, the European Parliament's ("Parliament's") accounting officer stated his reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the European Parliament;
- B. whereas, in accordance with the usual procedure, 141 questions were sent to Parliament's administration and written replies were received and discussed publicly by the Committee on Budgetary Control (CONT), in the presence of the vice-president responsible for the budget, the Secretary-General and the internal auditor;
- C. whereas there is permanent scope for improvement in terms of quality, efficiency and effectiveness in the management of public finances, and scrutiny is necessary to ensure that political leadership and Parliament's administration are held accountable to Union citizens;

The European Parliament's budgetary and financial management

1. Notes that Parliament's final appropriations for 2016 totalled EUR 1 838 613 983, or 19,39% of heading V of the Multiannual Financial Framework¹ set aside for the 2015 administrative expenditure of the Union institutions as a whole representing a 2,4 % increase over the 2015 budget (EUR 1 794 929 112);
2. Notes that total revenue entered in the accounts as at 31 December 2016 was EUR 183 381 513 (2015: EUR 176 367 724), including EUR 30 589 787 in assigned revenue (2015: EUR 27 988 590);
3. Emphasises 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) and Chapter 42 (Expenditure relating to parliamentary assistance), indicating a high level of rigidity for the major part of the Parliament's

¹ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020.

expenditure;

4. Observes the figures on the basis of which Parliament's accounts for the financial year 2016 were closed, namely:

(a) Available appropriations (EUR)	
appropriations for 2016:	1 838 613 983
non-automatic carry-overs from financial year 2015:	-
automatic carry-overs from financial year 2015:	289 323 907
appropriations corresponding to assigned revenue for 2016:	30 589 787
carry-overs corresponding to assigned revenue from 2015:	103 055 269
Total:	2 261 582 946
(b) Utilisation of appropriations in the financial year 2016 (EUR)	
commitments:	2 225 465 435
payments made:	1 900 199 164
appropriations carried forward automatically including those arising from assigned revenue:	324 909 094
appropriations carried forward non-automatically:	-
appropriations cancelled:	36 094 295
(c) Budgetary receipts (EUR)	
received in 2016:	183 381 513
(d) Total balance sheet at 31 December 2016 (EUR)	
	1 574 480 381

5. Points 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 %; notes with satisfaction that, as in previous years, a very high level of budget implementation was achieved; notes that the payments totalled EUR 1 538 531 527, resulting in the payment appropriations execution rate of 84,4 % and representing an increase of 0,7 % compared to the previous year;
6. Underlines the fact that the cancelled appropriations for the year 2016, amounting to EUR 14 769 811, were mainly related to remuneration and other entitlements, as well as to the expenditure related to buildings;
7. Notes that in the 2016 financial year, seven transfers were approved in accordance with Articles 27 and 46 of the Financial Regulation, which amounted to EUR 66 655 000 or 3,6 % of final appropriations; observes that the majority of transfers were related to the Parliament's buildings policy, and in particular to the Konrad Adenauer building project;

The European Court of Auditor's opinions on the reliability of the 2016 accounts and on the legality and regularity of the transactions underlying those accounts

8. Recalls that the European Court of Auditors (the "Court") performs a specific assessment of administrative and other expenditure as a single policy group for all the European institutions; points out that administrative and related expenditure comprises

of expenditure on human resources (salaries, allowances and pensions), accounting for 60 % of total administrative expenditure, and expenditure on buildings, equipment, energy, communications and information technology;

9. Recalls that the audit involved an examination of a representative sample of 100 payment transactions, including a risk-based sample of 20 commitments which have been approved close to the end of the 2016 financial year and automatically carried over to 2017, in order to check the usage of the budget according to the principle of annuality;
10. Acknowledges from the Court that the overall audit evidence indicates that the spending on 'administration' is not affected by a material level of error; notes that, on the basis of the 12 quantified errors, the estimated level of error present in heading 5 of the Multiannual Financial Framework on administration is 0,2 % (down from 0,6 % in 2015);

Management of funds by the political groups

11. Recalls that the political groups are responsible to the Parliament for managing the funds allocated to them, within the powers conferred upon them by the Bureau; notes with concern that the Court found weaknesses in checks on the authorisation and settlement of expenditure related to one political group and that the payments were being made without being covered by contracts resulting from a procurement procedure;
12. Takes note of the Court's recommendation that the Parliament review its framework for monitoring the implementation of budget appropriations allocated to political groups, to provide better guidance and monitor the application of the rules more effectively;
13. Endorses the responses given by the Parliament in the adversarial procedure with the Court;
14. Encourages the Parliament's Secretariat to continue its additional efforts in assisting the political groups in improving their internal financial management and in providing them with better guidance; calls on the political groups to further improve the application of relevant rules for authorising and settling expenditure, as well as to improve and further harmonise how they carry out procurement procedures;

The internal auditor's annual report

15. Notes that at the competent open committee meeting with the internal auditor held on 23 January 2017, the internal auditor presented his annual report and described that in 2016 he had adopted reports on the following subjects:
 - Review of the project for the new Financial Management System (FMS) - Phase 3;
 - Follow-Up of Open Actions from Internal Audit Reports;
 - Audiovisual Sector;
 - Recruitment Process for Officials and Temporary Staff;
 - External expertise on works' projects in the Directorate-General for Infrastructure and Logistics (DG INLO);

- Activity Reporting Process;
 - Recruitment Process for Contract Staff;
 - IT Infrastructure & Operations: Data Centre Inventory and Management of External Expertise;
16. Recalls that the annual activity report is a cornerstone of the European Parliament's governance structure; emphasises in the audit of the activity reporting process, which focused on the effectiveness of the annual activity reports as a tool for reporting on accountability and performance, the following recommendations of the internal auditor:
- an integrated framework for planning and reporting should be adopted; it should cover both the setting of strategic objectives and each directorate-general's annual operational objectives, establish key result indicators, and enhance reporting on performance in the annual activity reports;
 - the Secretary-General should appoint a service with an expanded mandate for the coordination and monitoring of the activity reporting process;
 - the assessment of the Internal Control Framework and the reporting thereon should be enhanced, by appointing an Internal Control Coordinator in each DG, providing suitable guidance and tools to the directorates-general, and ensuring coherent reporting on internal controls in the annual activity reports;
 - Parliament-specific guidelines for drawing up the Declaration of Assurance and assessing the need for making possible reservations should be adopted;
17. Notes that the 2016 follow-up process resulted in the closure of 22 of the 48 open actions validated, as well as that the risk profile of the overdue actions continued to be progressively reduced in 2016; notes in particular that at year-end, 10 of the 26 open actions were in the "significant risk" category, and the remaining 16 in the "moderate risk" category;

Follow-up to the 2015 discharge resolution

18. Acknowledges the written answers to the 2015 discharge resolution provided to the Committee on Budgetary Control on 4 October 2017, as well as the presentation by the Secretary-General on the various questions and requests of Parliament's 2015 discharge resolution and the exchange of views with Members that followed;

Parliament's 2016 discharge

19. Notes the exchange of views between the vice-president responsible for the budget, Secretary-General and the Committee on Budgetary Control in the presence of the internal auditor, on 23 January 2018 in the context of the 2016 Parliament discharge;
20. Notes 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; notes the position of the President that, as long as the United Kingdom remains a full member of the Union, British Members and Parliament's staff enjoy exactly the same rights and obligations as all other Members and staff of the house;

21. Acknowledges that the referendum had a considerable impact on committee secretariats, research units and horizontal services of the political directorates-general; notes that the Parliament's services prepared analytical material based on fact-finding work to consider the impact of the United Kingdom's withdrawal on the policy areas and legislation in their respective fields; acknowledges moreover that future work on this issue is of a very complex legal nature, as well as that the expertise built up in committee secretariats and policy departments is ready to be mobilised during the subsequent phases of the withdrawal process based on the political decisions taken;
22. Welcomes the improved cooperation in the security field between the Parliament and the national authorities of its host countries, in particular the Belgian authorities;
23. Recalls that openness to the public is a hallmark of the Parliament; supports 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 Parliament's openness; notes that these entrances, modernised in 2015, were equipped with new access control systems and have been incorporated into the new central integrated physical access control system;
24. Notes the publication of seven "Cost of Non-Europe" reports, as well as five "European Added Value Assessments" which were completed in 2016;
25. Welcomes the revision of allowance rates for accredited parliamentary assistants (APAs) incurred in respect of their duty travel between Parliament's three places of work; notes that for officials and other servants, the hotel ceiling for Strasbourg missions is set at EUR 180 and daily allowance at EUR 192, whereas APAs' accommodation, meals and ancillary expenses for Strasbourg missions are respectively reimbursed at a flat rate of EUR 137, EUR 160 or EUR 183;
26. Observes that trainees employed by Members have a private-law contract with the Member, which does not entitle them to have a similar status in Parliament as that of other categories of Parliament staff; regrets that there is no facility or legal framework within the Directorate-General for Finance (DG FINS) to arrange a scheme for direct advance payments to such trainees prior to missions; notes that many Members do not use the services of a paying agent to remunerate the trainees they engage, asks the Parliament to evaluate as soon as possible whether such a scheme could be implemented;

Directorate-General for Communication (DG COMM)

27. Recalls that the key performance indicator of DG COMM is the total outreach or exposure attained across the entire range of Parliament's communication platforms and channels; notes with satisfaction that, with regards to the Parliament's presence in the media and average coverage per month, there was a 12% increase compared to 2015, and 7% increase compared to the election year 2014; acknowledges in addition significant results for the Parliament's use of social media, as well as actions related to raising awareness among young people; points out, however, that the Parliament's communication activities should continue to improve, in particular by increasing outreach on social media;

28. Notes that DG COMM launched a new multi-annual work programme for grants in the area of media and events organisation covering the period 2016-2019; acknowledges that for the award of a grant in the media category, 102 framework partnership agreements were established and 48 grant applications were selected for a total amount of EUR 3,99 million; notes that in the area of events organisation, 18 projects were selected for the award of a grant for a total amount of EUR 0,8 million;
29. Notes with satisfaction the major technical and editorial improvements of Parliament's public website, in particular search engine optimisation of the website; notes that the Responsive Web Design project and the live streaming and video-on-demand platform renewal project, which aim to redesign the website to make it adaptive to all kinds of devices, were launched in 2016 and successfully implemented to parts of the website; calls for a continuation of these projects and their implementation on all sections of the Parliament's website;
30. Notes a significant increase in the volume of requests submitted to the Citizens' Enquiries service (Askep) since 2014, mainly as a result of seemingly coordinated 'write-in' campaigns on topical issues; suggests that the Parliament's replies be advertised to Members who might be unaware of their existence;
31. Draws attention to the latest Eurobarometer survey commissioned by the Parliament, where a specific question on the image of the Parliament was posed; is pleased that, according to the survey the percentage of citizens who have a positive view of the Parliament is on the rise;

Directorate-General for Personnel

32. Welcomes the fact that promoting equal opportunities remains a key component of Parliament's human resource management policy; notes that the action plan for the promotion of gender equality and diversity, approved by the Bureau in 2015, continued to be implemented during 2016 together with its specific objectives and all other related measures;
33. Welcomes the fact that a roadmap for "Gender Equality in the European Parliament Secretariat" has been adopted; notes that the roadmap outlines concrete actions and a clear timeline for specific measures regarding management, professional training, awareness-raising on gender equality, work-life balance measures and a regular monitoring of gender balance through statistics;
34. Welcomes the fact that the percentage of female heads of unit, appointed by the Secretary-General, almost doubled in ten years, from 21 % in 2006 to 36 % in 2016;
35. Regrets that the number of women holding posts at the level of director-general fell from 33,3 % in 2015 to 16,7% in 2016; notes the number of women at director level remained steady from 2015 to 2016 at 29,2 % and 29, 8% respectively;
36. Acknowledges that, in accordance with the Interinstitutional agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management¹, 57

¹ OJ C 373, 20.12.2013, p. 1

posts were removed from the Parliament's establishment plan for 2016, in line with the requirement for a 5 % reduction in staff posts; notes that two further posts were removed with a view to being transferred to the Commission in connection with interinstitutional IT projects; notes moreover that the Parliament was to reduce its establishment plan by a further 76 posts as of 1 January 2017 following the decision of the budgetary authority;

37. Is concerned that the relatively low number of harassment complaints brought forward in 2016 both to the Advisory Committee on Harassment for staff and by APAs could imply the lack of appropriate channels; welcomes in this regard the proposal of the Secretary-General to introduce a network of confidential counsellors who can be contacted by APAs, trainees working for Members, group staff and all other staff and trainees; acknowledges that these counsellors would be selected for their expertise and inter-personal skills, and would undergo targeted training; encourages revision of the composition of the advisory committees dealing with harassment complaints, ensuring equal representation of Members, APAs and staff, and gender balance; hopes that an external auditor can be appointed swiftly in order to further improve the internal processes;

Directorate-General for Infrastructure and Logistics

38. Notes that the updated proposal for the Parliament's medium-term building strategy, taking into account recent developments on the Luxembourg and Strasbourg premises, should be focused on the Brussels premises and in particular on the future of the Paul-Henri Spaak building; notes in addition that crucial Brexit-related factors defining the future of the building policy, such as potential consequences of Brexit on multilingualism, on the number of posts for officials in the establishment plan and on the number of Members of the European Parliament are still unknown; acknowledges that reliable planning can be done only after the Brexit process has come to its conclusion;
39. Acknowledges that the Bureau mandated the Secretary-General to work out detailed proposals on possible options for the refurbishment of the Paul-Henri Spaak building; notes in addition that these proposals should address all possible options, including no action, renovation or reconstruction, and that the proposals should be accompanied by detailed assessments on the feasibility of the projects and address any relevant legal matters; notes that the detailed proposals being prepared by DG INLO were to be presented to the Bureau at the beginning of 2018;
40. Notes that most of Parliament's buildings were not designed and constructed taking into account the Eurocodes requirements for structural integrity, as those norms did not exist at the time of their construction; notes that the only buildings compliant with Eurocodes standards for structural integrity are the Willy Brandt and the Wilfried Martens buildings; acknowledges that the risk generated by the potential vulnerability of the structures of the different buildings is mitigated partly by operational measures taken by DG INLO and the Directorate-General for Security and Safety (DG SAFE), and that further organisational changes are foreseen to address this issue;
41. Recalls that the Bureau adopted a proposal for bringing the Members' transport service in-house at its meeting of 11 April 2016; notes that the procedure for bringing the

drivers' service in-house allowed for a qualitative and quantitative increase of the services provided to Members, as well as for an effective and efficient response to unforeseeable emergency situations or sudden increases in demand;

42. Welcomes the introduction of the test project for digital transmission of supporting documents between DG INLO's initiating service and the *ex ante* service for the expenditure commitments of the Strasbourg Maintenance Unit; notes with satisfaction that, on the basis of positive experiences, the project was extended to the Strasbourg Projects Unit; encourages DG INLO to continue with the implementation of the digital transmission of documents wherever possible, in order to reduce costs and increase the efficiency of related services;
43. Notes that the revision of prices in Parliament's self-service canteen was required in order to move away from subsidised services and towards a concession type of contract, where the catering provider bears the full economic and commercial risk; welcomes the fact that trainees in the Parliament continue to be entitled to a discount of EUR 0,50 on the main dishes in all self-service restaurants in Brussels and Luxembourg; asks DG INLO to monitor future price increases to ensure the services remain appropriately and fairly priced;

Directorate-General for Interpretation and Conferences

44. Notes that the overall average number of hours per week staff interpreters spent delivering interpretation services in their booth increased from 11:54 in 2014 to 13:25 in 2016; recalls that, when the staff regulations were revised in 2013, the weekly working time for all staff of the European institutions increased from 37,5 to 40-42 hours which resulted in an increase in the weekly working time in the interpretation service as well; encourages future cooperation between the trade unions and the Secretary-General;
45. Notes with satisfaction that the Bureau adopted a "Strategy for the Modernisation of Conference Management" in the Parliament, submitted to it by the Secretary-General; acknowledges that the strategy foresees single point of contact and support for conference organisers and should be supported by an integrated conference service using a customised IT platform; acknowledges furthermore that one-stop assistance while an event is in progress and one-stop management and support are to be progressively put in place for technical meeting room facilities;

Directorate-General for Finance

46. Recalls that the Bureau endorsed at its meeting of 26 October 2015 a new approach with the goal of enhancing client orientation and reducing the administrative burden for Members by introducing two new instruments, "the Portal" and the "e-Portal"; welcomes the implementation of "the Portal", a single front desk integrating all services related to financial and social entitlement formalities, which became fully operational in July 2016; notes that the electronic on-line version of the front desk, "the e-Portal", has been accessible since January 2015 with concise information regarding the rules in force and the status of Members' rights;
47. Notes that the current contract with the Parliament's travel service expires at the end of 2018 and that an open call for tender is under preparation to select a new travel agency

to assist the Parliament in the handling and organisation of work-related travel; requests that the new contract contain strengthened conditions, in particular with regard to ticket pricing and the availability at all times of the travel service's call centre, including at weekends;

Directorate-General for Innovation and Technological Support

48. Recalls that a key strategic pillar for Parliament in a world of open communication is strengthening ICT security; welcomes in this regard the nomination of the chief information security officer in October 2016;
49. Acknowledges that, in the framework of the cybersecurity action plan, the "cybersecurity culture" pillar focuses on awareness-raising and training activities to ensure that the Parliament's ICT users are informed of the risks and contribute to its first line of defence in this regard; takes note of the awareness-raising campaign concerning cybersecurity risks, which includes visual reminders throughout the Parliament's premises, articles published on the Parliament's internal newsletter concerning cybersecurity and information sessions for MEPs, assistants and staff;
50. Takes note of the project "ICT3MEPs" which should improve ICT services offered to MEPs and their staff while working in their constituencies; observes that the first phase of the project was implemented in October 2016, providing access management for local assistants; notes however, that the project still leaves room for improvement; calls on the relevant services to continue with the implementation project taking into account the needs of the users;
51. Welcomes the implementation of Wi-Fi access for the Parliament's visitors, which is another step towards a digitally more inclusive Parliament; points out, however, that ICT security should remain paramount and that the Parliament's internal network should be shielded from potential malicious external attacks;

Directorate-General for Security and Safety

52. Acknowledges the new optimised system for organising security tasks which the Secretary-General presented to the Bureau in January 2018; acknowledges moreover that this new system takes into account the specificity of security agents' role and function, and is based on reconciling their professional and family life balance, promoting equality of treatment between all agents and providing a work pattern which protects security agents' health and respects their biorhythm; hopes that an open dialogue can be maintained in order to remain attentive to the needs of this vulnerable group of staff working in a very tense security context;

Environmentally-friendly Parliament

53. Recalls that the Bureau launched the Environmental Management System project in Parliament on 19 April 2004; notes that a revised environmental policy was adopted by the Bureau in 2016 which retains and reaffirms the commitment of Parliament to continuous environmentally-focused improvements;
54. Commends the Parliament's commitment to green public procurement; notes that the

“EP Implementation Guide on Green Public Procurement”, which is designed to help authorising officers at the Parliament to successfully launch green purchasing policy and procedures, was approved in June 2016;

55. Notes with satisfaction that the Bureau endorsed a road-map, proposed by the Secretary-General, to move towards an electric car fleet; acknowledges that by the end of 2017, half of all cars and minibuses for the Parliament’s car fleet should be electric vehicles or plug-in hybrid vehicles, as well as that from 2018, any car newly acquired for the Parliament’s car fleet should be a plug-in hybrid or electric; notes that in 2020, all cars in the Parliament’s car fleet should be electric vehicles or plug-in hybrid vehicles, while in 2021 this should also apply to all of the Parliament’s minibuses; acknowledges moreover that a cost-benefit analysis should be conducted before every major renewal of the car fleet;

Annual report on contracts awarded

56. Recalls that the Financial Regulation¹ and its Rules of Application² lay down the information to be provided to the budgetary authority, and to the public, concerning the award of contracts by the institution; notes that the Financial Regulation requires publication of the contracts awarded with a value of more than EUR 15 000, a value that corresponds to the threshold above which a competitive tendering becomes compulsory;
57. Notes that of a total of 219 contracts awarded in 2016, 77 were based on open or restricted procedures, with a value of EUR 436 million, and 141 on negotiated procedures, with a total value of EUR 64 million; notes that the total number of contracts awarded by negotiated procedures was 14 % lower in 2016 (141 against 151 in 2015) with a reduction in value of 29 % (EUR 64 million against EUR 90 million in 2015);
58. Notes the following breakdown of contracts by type awarded in 2016 and 2015:

Type of contract	2016		2015	
	Number	Percentage	Number	Percentage
Services	169	77 %	194	77 %
Supply	36	16 %	34	13 %
Works	13	6 %	18	7 %
Building	1	1 %	8	3 %
Total	219	100 %	254	100 %

Type of contract	2016		2015	
	Value (EUR)	Percentage	Value (EUR)	Percentage

¹ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 – OJ L 298, 26.10.2012.

² Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union – OJ L 362, 31.12.2012.

Services	244 881 189	49 %	539 463 943	70 %
Supply	155 805 940	31 %	78 424 245	11 %
Works	97 640 851	19 %	92 889 168	12 %
Building	1 583 213	1 %	55 804 154	7 %
Total	499 911 194	100 %	766 581 510	100 %

(Annual report on the contracts awarded by the European Parliament, 2016, p.6)

59. Notes the following breakdown of contracts awarded in 2016 and 2015 by type of procedure used:

Type of procedure	2016		2015	
	Number	Percentage	Number	Percentage
Open	70	32 %	93	37 %
Restricted	70	3%	10	4 %
Negotiated	141	64%	151	59 %
Competition	-	-	-	-
Exceptional	1	1%	-	-
Total	219	100 %	254	100 %

Type of procedure	2016		2015	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Open	406 408 732	81 %	636 333 284	83 %
Restricted	29 190 756	6 %	40 487 367	5 %
Negotiated	64 284 705	13 %	89 760 859	12 %
Competition	-	-	-	-
Exception	27 000	0 %	-	-
Total	499 911 194	100 %	766 581 510	100 %

(Annual report on the contracts awarded by the European Parliament, 2016, p.8)

Political groups (budget item 4 0 0)

60. Notes that, in 2016, the appropriations entered under budget item 4 0 0, attributed to the political groups and non-attached Members were used as follows:

Group	2016					2015				
	Annual appropriations	Own resources and carried-over appropriations	Expenditures	Rate of use of annual appropriations	Amounts carried over to next period	Annual appropriations	Own resources and carried-over appropriations	Expenditures	Rate of use of annual appropriations	Amounts carried over to next period
EPP	17 400	8 907	18 303	105,19 %	8 005	17 440	10 198	17 101	98,06 %	8 745
S&D	15 327	5 802	15 713	102,51 %	5 417	15 256	5 748	15 379	100,81 %	7 633
ECR	6 125	2 518	5 835	95,25 %	2 809	5 959	1 614	5 065	84,99 %	2 779
ALDE	5 759	2 366	6 448	111,98 %	1 676	5 692	2 517	5 865	103,03 %	2 839
GUE/NGL	4 340	1 729	4 662	107,43 %	1 407	4 305	1 256	3 832	89,02 %	2 156
Greens/EFA	4 180	1 557	3 921	93,82 %	1 815	4 153	1 293	3 890	93,67 %	2 078
EFDD	3 820	1 873	2 945	77,10 %	1 910	3 843	1 643	3 629	94,45 %	1 919
ENF**	-	-	-	-	-	1 587	0	827	52,09 %	793
Non-attached Members	772	216	616	79,90 %	257	1 627	533	1 001	61,51 %	214
Total***	57 723	24 968	58 443	101,25 %	23 296	59 860	24 803	56 588	94,53 %	29 155
* all amounts in thousands EUR										
** the final amounts of eligible expenses relating to the ENF group will be established at a later stage										
*** the total does not include amounts related to the ENF group										

61. Notes with concern that, in the case of one political group, the independent external auditor issued a qualified audit opinion; is particularly concerned that the auditor identified non-compliance with the “Rules on the use of appropriations from budget item 400” in the instances of costs for which an adequate supporting documentation could not be obtained, as well as in the instance of procurement obligations not having been met for 10 service providers;
62. Expresses its concern at the reputational risk for Parliament that any such irregularities constitute and is convinced of the need for quick and effective action to prevent and address any similar irregularities in the future;

European political parties and European political foundations

63. Notes that, in 2016, the appropriations entered under budget item 4 0 2, attributed to the political groups and non-attached Members were used as follows¹:

Party	Abbreviation	Own resources	EP grant	Total revenue ²	EP grant as % of eligible expenditure (max. 85 %)	Revenue surplus (transfer to reserves) or loss
European People's Party	EPP	1 734	6 918	10 650	85%	304
Party of European Socialists	PES	1 408	7 154	9 512	85%	12
Alliance of Liberals and Democrats for Europe Party	ALDE	611	2 337	3 162	85%	88
European Green Party	EGP	502	1 795	2 587	85%	78
Alliance of European Conservatives and Reformists	AECR	472	2 292	3 232	85%	-240
Party of the European Left	EL	335	1 594	2 119	85%	25
European Democratic Party	PDE	107	518	625	85%	4
EUDemocrats	EUD	54	238	341	85%	11
European Free Alliance	EFA	158	777	1 008	85%	5
European Christian Political	ECPM	109	493	665	85%	0

¹ All amounts in thousands of EUR

² Total revenue includes previous year's carry-over in accordance with Article 125(6) of the Financial Regulation

Movement						
European Alliance for Freedom	EAF	68	391	459	85%	-40
European Alliance of National Movements	AEMN	61	229	391	85%	0
Movement for a Europe of Liberties and Democracy	MENL	189	785	1 020	85%	0
Alliance for Peace and Freedom	APF	62	329	391	85%	-5
Total		5 870	25 850	36 160	85%	242

64. Notes that, in 2016, the appropriations entered under budget item 4 0 3, attributed to the political groups and non-attached Members were used as follows¹:

Foundation	Abbreviation	Affiliated to party	Own resources	EP final grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)
Wilfried Martens Centre for European Studies	WMCES	EPP	965 665	4 878 174	5 843 839	85%
Foundation for European Progressive Studies	FEPS	PES	1 041 910	4 430 253	5 472 163	84%
European Liberal Forum	ELF	ALDE	248 996	1 126 430	1 375 426	85%
Green European Foundation	GEF	EGP	204 866	1 090 124	1 294 990	85%
Transform Europe	TE	EL	217 209	901 484	1 118 693	85%
Institute of European Democrats	IED	PDE	50 690	272 033	322 724	85%
Centre Maurits Coppieters	CMC	EFA	71 952	318 411	390 362	85%

¹ All amounts in thousands of EUR

New Direction - Foundation for European Reform	ND	AECR	316 916	1 503 964	1 820 880	85%
European Foundation for Freedom	EFF	EAF	41 923	226 828	268 751	85%
Organisation For European Interstate Cooperation*	OEIC	EUD	21 702	126 727	148 429	99%
Christian Political Foundation for Europe	SALLUX	ECPM	61 024	326 023	387 047	85%
Identités & Traditions européennes	ITE	AEMN	37 896	184 685	222 581	85%
Foundation for a Europe of Nations and Freedom	FENL	MENL	96 726	549 357	646 084	85%
Europa Terra Nostra	ETN	APF	37 461	151 403	188 864	85%
Total**			3 414 937	16 085 895	19 500 832	85%
<p>(*) the final grant for OEIC represents 99% of the expenditure, because some of them were reclassified to non-eligible expenditure thereby lowering the total eligible expenditure.</p> <p>(**) the table does not include the figures for the IDDE due to 2016 grant termination procedure. Grant decision ongoing.</p>						