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Budgets & bluebells in Brussels: Springtime in the European Parliament

Nicholas Aiossa · Wednesday, April 26th, 2017

Update: On the 27th of April a majority of MEPs voted against amendments to increase transparency and financial accountability of the General Expenditure Allowance, specifically voting against keeping separate back accounts, keeping any receipts, or having to pay unused money back at the end of their mandate. See voting details [here](#).

It is that time of year again here in Brussels. As predictable as the bluebells blooming in *les bois* bordering the city, the Parliament will be voting once again this week on its annual financial [discharge report](#). And, once again, MEPs will be debating and voting on whether their own allowances will be given any transparency or accountability.

MEPs are entitled to a number of allowances designed to help carry out their mandate. The problem child of these various allowances is the General Expenditure Allowance (GEA). This budget line is meant for office expenses related to their work as a MEP, such as rental costs for constituency office space, phone bills, or office supplies. The GEA amounts to € 4,342 per month/per MEP and the Parliament transfers this sum to the MEPs' bank account of their choosing, including their own personal accounts by default. The spending under this budget line amounts to just under €40 million a year in taxpayers' money.

No Transparency. No Receipts.

For public funds, the GEA occupies a unique position as possibly being the only EU budget line that completely lacks transparency and, more astonishing, absolutely no financial controls. Despite the impression that the GEA is an additional salary for MEPs or some magical pot of money to be used as desired, it is not. It is public money that has rules in place in the [Members' Statute](#), accompanying [implementing measures](#) and financial regulation, on how it must be spent. There are also [internal guidelines](#) that are given to MEPs to clarify what this money should be used for.

Yet, as we [confirmed](#) last year through an [access to document appeal](#), the Parliament cannot shed any light on how individual MEPs are spending their office allowance. This is for the simple reason the Parliament does not possess any documents. No receipts. No financial spot checks. No audits. Nothing. The only certain fact we can be sure of is that MEPs are spending the money. It follows that the money that is not used for its intended purposes should be paid back to the Parliament. However, the [Secretary General confirmed](#) that 98.4% of all MEPs in

2014, including departing ones from the last mandate, used the full amount of their GEA, down to the last centime.

Despite the [majority of MEPs](#) calling for the auditing of the GEA, the Secretary General has maintained his [position](#) that auditing this allowance would take 45-75 new staff members, though it's unclear how this figure was arrived at, and thus be too expensive. The Parliament's Bureau, comprised of the President and Vice Presidents, has also displayed strong resistance to addressing the GEA. MEPs have rightly adopted measures to improve transparency and financial scrutiny of EU funds in order to prevent fraud and misuses in the Member States. Yet, they are quite comfortable in allowing their own allowances to remain in an appalling black hole of fiscal accountability and transparency.

Opposing Forces

Some MEPs have already decided to partially fill the accountability shortfall left by the Parliament. In 2009, Westminster was rocked by an expenses scandal that saw MPs abusing their allowances to, among other things, subsidise their own property development, improperly pay for their own mortgages and purchase the now infamous £1,600 [duck house](#). While this scandal initiated long-overdue reforms of the UK system, it also prompted changes among the UK delegations in the European Parliament. Realising the fraud risk of unchecked public spending by politicians and the political damage misuse can cause among voters, British delegations in Brussels began submitting their expenses for external professional audits on a periodic basis for their GEA and published the details. These published accounts include every UK MEP delegation, such as the [Conservatives](#), [Labour](#), and [UKIP](#) (for a time). Individual MEPs from other national political parties, also believe in the importance of auditing and publishing details on their use of the GEA, such as [Benedek Jávor](#) and [Roberta Metsola](#).

Whereas some MEPs of all political stripes have increased transparency and accountability to the GEA, others have been equally united in thwarting these types of efforts. Many national delegations, mostly from the two largest political groups, have proactively attempted to prevent any attempts at changing the status quo. Last April was significant in that the Parliament, for the first time, adopted a [report](#) that called for full transparency and auditing of the GEA. These amendments were ultimately, yet narrowly, passed, even though, all of the EPP and many members S&D [voted against](#) (*Amendments 1 and 7, pp. 82-85*).

When Parliament's political leadership, the Bureau, was reminded of this report's demands in their [meeting last December](#), a robust opposition front against any changes to the status quo emerged. This included then-president Martin Schulz, Vice President Alexander Graf Lambsdorff and Vice President Rainer Wieland. British Conservative Member Richard Ashworth's recently adopted another [report](#) reiterating calls for transparency of the GEA, despite [amendments](#) in committee aimed at deleting or watering down the wording.

Easy Interim Fix

Despite parliamentary protests of administrative burden and the need for dozens of new civil servants to institute financial controls on the GEA, there is an easy budget-neutral fix. The Bureau of the Parliament could decide to earmark a percentage of a MEP's secretarial or GEA existing allowances for carrying out an external professional audit. There already is precedent for the Bureau earmarking allowances and it is a decision that could be made as soon as their

next meeting in Strasbourg on the 15th of May. It should be an interim measure only, establishing best practices, until the Parliament installs proper financial control mechanisms

There is no doubt that a lack of accountability involving elected parliamentarians erodes public trust and any subsequent scandals amplifies this while simultaneously feeding into the Eurosceptic narrative. Given past allegations and convictions over misuse of their other allowances, the risk of fraud and potential scandal involving the GEA should be of great concern to the MEPs, the Parliament, and its leadership. However, it is not.

There is a growing awareness and subsequent pressure to change the current MEPs' expenses system by bringing about more transparency and accountability of public money. This year will most likely see a ruling by the European Court of Justice on a [case](#) brought against the European Parliament by 28 journalists for its refusal to release documents relating to MEPs' expenses, including the General Expenditure Allowance. A number of civil society organisations, including Transparency International EU, are also working on a project called [openbudgets.eu](#), which aims to provide tools for public spending data, so that citizens, journalists and civil society can verify how tax payers' money is being spent.

It is finally time for the Parliament to get its own house in order and put in place robust transparency and accountability rules on how MEPs spend public money.

The European Parliament needs to:

- Immediately adopt a Bureau decision earmarking a percentage of the Secretarial allowance or the GEA for MEPs to carry out an external professional audit of the GEA, which should serve as an interim measure;
- Carry out a parliamentary internal audit of the General Expenditure Allowance, as already stipulated in the European Parliament discharge report;
- Supply additional internal resources for the Directorate General of Finance to put into place robust financial control mechanisms for all MEP allowances, including the GEA;
- Increase transparency and publish details of how MEPs spend public money, in open source format;
- Provide clearer guidelines for MEPs on the GEA.

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