

EUROPEAN PARLIAMENT

Working Documents

1982-1983

25 October 1982

DOCUMENT 1-782/82

REPORT

drawn up on behalf of the Committee on Budgets

on Section V - COURT OF AUDITORS - of the
draft general budget of the European Communities
for the financial year 1983

Rapporteur: Mr H. SABY

On 27 January 1982, the Committee on Budgets appointed Mr Saby rapporteur for Section V - COURT OF AUDITORS - of the draft general budget of the European Communities for the financial year 1983.

At its meeting of 18 to 20 October 1982, The Committee on Budgets considered and adopted the draft amendments attached.

At that meeting it adopted the following motion for a resolution by 21 votes in favour, 0 votes against and 0 abstentions.

Present: Mr Lange (chairman); Mrs Barbarella (2nd vice-chairman); Mr Saby (rapporteur); Mr Abens, Mr Adam (deputizing for Mrs Nikolaou), Mr Aigner (deputizing for Mr Notenboom), Mr Arndt, Mr Baillet, Mr Balfour, Mr Barbagli, Mrs Boserup, Mr Croux, Lord Douro, Mr Jackson, Mrs Van Hemeldonck (deputizing for Mr Lalumière), Mr Langes, Mr Lega, Mr Louwes, Mr Mouchel (deputizing for Mr Ansquer), Mr Paulhan (deputizing for Mr Cousté), Mr Pfennig, Mr Price, Mr Protopapadakis, Mr Schön, Mrs Scrivener, Mr Simonnet, Mr Simpson (deputizing for Mr Kellett-Bowman) and Mrs Viehoff (deputizing for Mr Cluskey).

C O N T E N T S

	<u>Page</u>
A. MOTION FOR A RESOLUTION	5
B. EXPLANATORY STATEMENT	7

ANNEXES

Draft amendments Nos. 484, 485 and 486

The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

on Section V 'Court of Auditors' of the draft general budget of the European Communities for the financial year 1983

The European Parliament

- A. having regard to the draft general budget for the financial year 1983 established by the Council on Section V - Court of Auditors and the explanatory memorandum thereto (Doc. 1-700/82),
- B. having regard to the report of the Committee on Budgets (Doc. 1-782/82),
 1. Considers it desirable to reinstate the appropriations proposed by the Court of Auditors, which represent only a low rate of increase (10%) capable of covering in 1983 merely increases in expenditure associated with the rise in costs;
 2. Takes the view that, in accordance with the undertakings given by the Court to Parliament, the establishment of that institution remains substantially unchanged even with the requests submitted by the Court for the creation of 9 new posts, which are only in categories C and D, and 10 temporary posts in category A;
 3. Wishes to approve the draft budget of the Court essentially in line with the requests put forward by that institution and contained in the preliminary draft budget of the Communities, which provides for an increase of no more than around 10% over 1982, a rate of increase below the rate of 11.8% in non-compulsory expenditure fixed by the Commission for the annual rate of increase applicable to the 1983 financial year.

EXPLANATORY STATEMENT

1. In the preliminary draft forwarded to the Commission of the European Communities, the Court of Auditors had requested 9 additional new posts (1 A2, 1 C1, 2 C2, 1 C3, 1 C4, 3 D2) and 10 additional temporary posts at A4.
2. To cover this expenditure it deemed a budget of 17,937,780 ECU to be necessary, representing an increase of around 10% over the 1982 budget of 16,263,290 ECU.

The Council has reduced this request from 17,937,780 ECU to 16,420,771 ECU, giving an increase of 0.97% over the previous year. It achieved this result in particular by reducing by 5% the appropriations under Chapters 11 and 12 of the budget covering staff expenditure.

3. It must be pointed out that this budget, in the light especially of the general increase in prices, does not even preserve the status quo but falls below the level necessary to permit the Court to meet its needs in 1983.
4. The preliminary draft budget of the Court of Auditors has thus been cut by 8.46% both in commitment appropriations and in payment appropriations. Since its budget is in absolute terms the smallest of all the institutions, the consequences of this reduction are such as to impede the Court's activities considerably and possibly even paralyze them. The increase from 1982 to 1983 of 0.97% proposed by the Council is unrealistic and unacceptable.
5. In response to pressure from Parliament, the tasks of the Court are becoming more varied and numerous and it must have an establishment plan appropriate to these objectives.
6. In general, the rapporteur's intention is to reinstate the proposals contained in the preliminary draft budget.

Requests for staff and appropriations cut back by the Council

A - STAFF

7. The Court of Auditors wants each of its different audit sectors to be directed by an A2 official. This step would allow the Members of the Court to concentrate more on missions in the Member States, to step up the necessary contacts with the administrations of control organizations and, lastly, to discharge more fully their collegiate responsibility.

The 8 audit sectors would require 8 A2 posts. However, the Court already has 4 posts at that level, which have been transferred to the audit sectors. To continue this process of reorganization, the Court would like to have four additional A2 posts, of which only one has been requested under the budget.

The Council has not approved this post; the rapporteur proposes that it be maintained.

Moreover, the Committee on Budgetary Control has taken the same view and has adopted an amendment to that effect.

If the Committee on Budgets shares the rapporteur's point of view, therefore, it can simply endorse the amendment tabled by the Committee on Budgetary Control.

8. The Court of Auditors has also requested the creation of 10 temporary A4 posts. These posts would enable the Court to take on duly-qualified staff (one per Member State) from the highest external audit bodies of the Member States for successive periods. In this way it could foster the close relations essential with the national audit bodies, which would in turn facilitate on-the-spot audits by its staff, who frequently encounter difficulties due to the special nature of national systems.

The Council has approved only 3 posts, in the lower grade of the career bracket, that is to say A5, taking the view that the recruitment of these 10 temporary staff could be arranged on a rota basis with the aid of these three posts.

The Court of Auditors believes that grade A4 is more likely to enable it to secure the services of persons experienced in the audit sector.

Your rapporteur considers that the request of the Court of Auditors is well founded, and in the light of the Council's decision he proposes the creation of 7 temporary posts at A4 and the conversion from A5 to A4 of the 3 posts proposed by the Council.

The Committee on Budgetary Control is of the same opinion and has tabled an amendment accordingly, although it does not provide for the full number of temporary A4 posts.

9. For all its departments, the Court of Auditors has requested the creation of the following posts, justified by the increase in the volume of its existing work:

1 C1; 2 C2; 1 C3; 1 C4; 3 D2.

The Council has not approved any of these posts. We propose the reinstatement of these posts in the 1983 budget.

The Committee on Budgetary Control has come to the same conclusion and has tabled an amendment to that effect.

If the Committee on Budgets shares the view of the rapporteur, it can therefore simply endorse the amendment tabled by the Committee on Budgetary Control.

B - APPROPRIATIONS

10. The Council has made substantial cuts in the appropriations for virtually all the budget lines. In the analysis presented below, the appropriations have been divided into three categories: those directly linked to the audit activity of the Court of Auditors, staff expenditure and current administration.

11. Appropriations linked directly to the activity of the Court of Auditors as an institution responsible for the audit of all Community expenditure

Chapter 13 - Mission expenses

<u>Court of Auditors</u>	<u>Council</u>	<u>Reduction</u>
476,000	425,000	51,000

The reduction of 51,000 ECU is unacceptable for the Court, which has shown budgetary realism by reducing the 1982 appropriation of its own accord from 531,000 to 476,000, a sum that corresponds more closely to the realities of the implementation of the budget. To reduce this sum further would undermine the implementation of the audit programme of the Court of Auditors.

The Committee on Budgetary Control has decided to table an amendment increasing the appropriation by 50,000 ECU on the basis of the arguments set out above.

If the Committee on Budgets shares the rapporteur's view, it can simply endorse the amendment tabled by the Committee on Budgetary Control.

12. Chapter 27 - Official Journal and publications

<u>Court of Auditors</u>	<u>Council</u>	<u>Reduction</u>
665,000	600,000	65,000

Publication of the annual report in the Official Journal is obligatory under the Financial Regulation. As regards the publication of the Court's opinions and other reports, the Court considers that freedom of choice as to the form of such publications is one of the pre-conditions for the independence of external control.

In the light of these arguments the Committee on Budgetary Control has decided to table an amendment increasing the appropriation by 60,000 ECU.

If the Committee on Budgets shares the rapporteur's view, it can simply endorse the amendment tabled by the Committee on Budgetary Control.

13. Staff appropriations - standard abatement

Apart from the reductions associated with its decisions on posts, the Council has applied a standard 5% abatement on all staff appropriations, including those relating to Members of the Court taking up their duties and to staff already employed.

This abatement, which might have been partly understandable when the Court of Auditors was being established and a large number of posts would remain vacant, can no longer be justified, given the fact that the open competition procedures for category A and B posts were completed in 1982, so that all the posts in these categories will be filled in the course of the year.

The Court of Auditors provides a summary of the situation in Annex 1 and requests that the appropriations be reinstated. The total sum involved is 617,817 ECU.

14. Other reductions - staff appropriations and current administration

Annex 2 shows a list of the other reductions applied by the Council. The Court of Auditors points especially to those headings to which the Council has applied reductions that will lead to particular difficulties in administrative management.

1110 - Auxilliary staff reduction: 30,000

1172 - Other services reduction: 25,000

The Council has approved no new category C posts, where the staff levels are particularly low in relation to categories A, B and L. The Court of Auditors must have a sufficient margin for manoeuvre to enable it to deal with day-to-day work.

151 - Further training of staff reduction: 35,000

The Court of Auditors wants to maintain its efforts to bring up to a comparable level the knowledge of staff recruited from different countries and backgrounds.

2202 - Hire of office machines reduction: 35,000

After studies and trials lasting over one year, the Court of Auditors wants to acquire 10 word-processing machines. The Council has approved only 5 machines. The Court's requests for staff - which have not in fact been approved - take account of the increase in productivity achievable with this equipment, the hire of which the Court believes to be essential.

For all these reasons we propose that the appropriations requested in the preliminary draft budget be reinstated.

EUROPEAN PARLIAMENT

21. OCTOBER 1982..

Doc.1-700/484

DRAFT
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1983

DRAFT AMENDMENT No. 484

tabled by Mr SABY, on behalf of the Committees on Budgets and
Budgetary Control

Section V - Court of Auditors

List of posts

- Create the following posts:

Cat. A: 1 A 2 established post
7 A 4 temporary posts
Cat. C: 1 C 1 post, 2 C 2 posts, 1 C 3 post, 1 C 4 post
Cat. D: 3 D 2 posts

- Upgrade the 3 A 5 temporary posts approved by the Council into A 4 temporary posts.

A - Expenditure

- Increase the appropriations under Chapter 11 by 226,310 ECU, broken down as follows:

Item 1100	:	169,100
1101	:	14,200
1102	:	25,370
1130	:	5,080
1131	:	1,690
119	:	7,950
1103	:	2,050
1143	:	470
1144	:	400

B - Compensation

C - Revenue

- Increase by the same amount (226,310 ECU), including

under Article	400	:	17,350
	401	:	11,400
	402	:	3,550

total			32,300

Justification

- The creation of an A2 post forms part of the Court's plan to place each of its audit sectors under the authority of a director. The development aid sector should benefit from the creation of the post in question, firstly on the grounds of the effectiveness and quality of the work carried out hitherto in this sector and, secondly, because of the need for the Court to be represented at a sufficiently high level on the occasion of numerous contacts with third countries.
- The creation of the 2 A4 posts and the up-grading of the 3 A5 posts into A4 posts are intended to enable the Court to take on for short successive periods staff from national audit bodies in order to facilitate contacts between the Court of Auditors of the Communities and the national Courts of Auditors. Grade A4 is necessary to acquire staff with adequate experience.
- The creation of the C and D posts represents the reinstatement of posts deleted by the Council without reasonable justification.

The Committee on Budgets considers the Court's request to be well founded and welcomes its intention to step up relations with the international control authorities by implementing a programme of exchanges of appropriately qualified staff.

The 7 staff and their recruitment at A4 appear to be indispensable to the satisfactory implementation of this programme.

EUROPEAN PARLIAMENT

21 OCTOBER 1982...

Doc. 1-700/485

DRAFT
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1983

DRAFT AMENDMENT No. 485

tabled by Mr SABY, rapporteur, on behalf of the Committee on Budgets

SECTION V - COURT OF AUDITORS

Payments

Chapter 11 'Staff' and Chapter 12 'Allowances and expenses on entering and leaving the service and on transfer'.

A. EXPENDITURE

Increase the payment appropriation under these two chapters by 617,817 ECU (from 11,769,881 to 12,387,698 ECU) in accordance with the breakdown shown below (reinstatement of the appropriations shown in the preliminary draft budget).

B. COMPENSATION

-

C. REVENUE

Increase revenue by the same amount.

Breakdown of appropriations

<u>Line</u>	<u>Heading</u>	<u>Increase</u>
1100	Basic salaries	420,515
1101	Family allowances	46,005
1102	Expatriation allowances	65,175
1103	Secretarial allowances	3,199
1110	Auxiliary staff	3,500
1111	Auxiliary interpreters	1,500
1112	Local staff	5,500
1130	Insurance against sickness	15,420

1131	Insurance against accidents	2,823
1140	Birth grants	300
1141	Annual leave travel expenses	6,000
1145	Special allowance for accounting officers and administrators of imprest accounts	150
1146	Constitution or maintenance of pension rights for temporary staff	341
1149	Other allowances and repayments	150
115	Overtime	4,000
1170	Freelance interpreters	600
1172	Other services and work sent out for translation	
1190	Provisional appropriation to cover any adjustments to the remuneration	14,816
120	Misc. expenditure on recruitment	1,500
1210	Travel expenses for Members	472
1211	Travel expenses for staff	635
1220	Installation allowances for Members	3,150
1221	Installation allowances for staff	8,850
1230	Removal expenses for Members	1,620
1231	Removal expenses for staff	4,750
124	Temporary daily allowances	935
125	Allowances for staff assigned non-active status, etc	5,270
129	Provisional appropriation to cover any adjustments to remuneration	641
		<hr/>
		618,817 ECU

Justification

The rapporteur intends to cancel the standard 5% abatement of the staff appropriations decided by the Council. He considers that this abatement would tend to obstruct the Court of Auditors in the normal performance of its activities.

EUROPEAN PARLIAMENT

21 OCTOBER 1982
.....

Doc.1-700/ 486

DRAFT
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1983

DRAFT AMENDMENT No. 486.

tabled by Mr H. SABY, rapporteur, on behalf of the Committee on Budgets

SECTION V - COURT OF AUDITORS

CHAPTERS 11, 15, 16, 22, 23, 25 and 26

A) EXPENDITURE

Reinstate, under the chapters listed, the appropriations entered in the preliminary draft budget, in other words increase the appropriations by 207,200 ECU in accordance with the breakdown shown in the annex.

B) COMPENSATION

-

C) REVENUE

Increase revenue by the same amount.

JUSTIFICATION

The amounts proposed by the Court of Auditors in its estimates are based on the realities of the implementation of the budget and are necessary to ensure that the Court enjoys the freedom of action necessary to discharge independently the functions entrusted to it by the treaties.

A N N E X

<u>Line</u>	<u>Heading</u>	<u>PRELIMINARY DRAFT</u>	<u>DRAFT</u>	<u>INCREASE PROPOSED BY EP</u>
1110	- Auxiliary Staff	104,000	70,000	34,000
115	- Overtime	85,000	80,000	5,000
1172	- Other services and work sent out for translation and typing	100,000	75,000	25,000
15	- Graduate traineeships and further training of staff	115,000	80,000	35,000
16	- Expenditure on social welfare	55,000	43,600	11,400
2202	- Hire of office machines	70,000	35,000	35,000
223	- Vehicles	122,000	110,000	12,000
225	- Documentation and library expenditure	55,300	47,000	8,300
230	- Stationery and office supplies	93,000	86,000	7,000
231	- Postal charges and tele- communications	155,500	140,000	15,500
25	- Expenditure on formal and other meetings	14,000	10,000	4,000
26	- Expenditure on studies, surveys and consultations	40,000	25,000	15,000
			TOTAL	207,200

PE 80.531/486
Or. Fr.