

European Communities

EUROPEAN PARLIAMENT

Working Documents

1979 - 1980

10 December 1979

DOCUMENT 1-578/79

Report

drawn up on behalf of the Committee on Budgets

on the ~~the~~ outcome of Council's deliberations
on the amendments adopted by the European
Parliament to Section V - Court of Auditors -
of the draft general budget of the European
Communities for the 1980 financial year.

Rapporteur: Mr Robert JACKSON

On 6 September 1979, the Committee on Budgets appointed Mr Robert JACKSON rapporteur on Section V - Court of Auditors of the draft general budget of the European Communities for the financial year 1980.

The Committee on Budgets adopted the following report and the annexed amendments by 26 votes with 4 abstentions at its meeting of 4 December 1979.

Present: Mr Notenboom, acting Chairman; Mr Spinelli, second Vice-Chairman; Mr Rossi, third Vice-Chairman; Mr Robert Jackson, rapporteur; Mr Adonnino, Mr Aigner, Mr Ansquer, Mr Baillet, Mr Balfe, Mr Barbi, Mr Bonde, Mr Colla, Mr D'Angelosante (deputizing for Mrs Boserup), Mr Dankert, Mr Flanagan, Mr Forth, Mrs Gaspard, Mr Gouthier, Mrs Gredal, Mr Hord, Mr Megahy (deputizing for Mr O'Leary), Mr Motchane, Mr Nord, Lord O'Hagan, Mr Orlandi, Mr Pfennig, Mr K. Schön, Mrs Scrivener, Mr Simonnet, Mr J. M. Taylor and Mr Tuckman.

C O N T E N T S

	<u>Page</u>
A MOTION FOR A RESOLUTION	5
B EXPLANATORY STATEMENT	6

ANNEXES: Amendments
PDA 563/147
PDA 563/148

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 the outcome of Council's deliberations on the amendments adopted by the European Parliament to Section V - Court of Auditors - of the draft general budget of the European Communities for the 1980 financial year

The European Parliament

- having regard to the Council's deliberations on the amendments to the 1980 draft general budget adopted by Parliament on 7 November 1979, (Doc. 1-563/79)
 - having regard to the report by the Committee on Budgets (Doc. 1-578/79),
 - whereas the Council's deliberations on its amendments of 7 November 1979, which had been adopted following an exhaustive analysis of the requirements and programmes of the Court of Auditors, are not accompanied by a reasoned justification and cannot therefore be regarded as a valid statement of position.
1. Confirms by way of the amendments, its decision of 7 November 1979, strengthening the establishment plan of the Court of Auditors and treating the members of the institution on an equal footing with members of other Community institutions as regards their representation expenses.
 2. Considers that increases in the establishment plan are fully necessary to permit the Court of Auditors to carry out the major responsibilities assigned to it by the Treaty.
 3. Notes the guidelines submitted to it by the Court of Auditors in respect of the representation and mission expenses incurred by its members; considers, subject to detailed examination by its Budgetary Control Committee, that these guidelines should serve as a general basis for the incurring of such expenditure by members of all Community institutions.

EXPLANATORY STATEMENT

1. Your rapporteur proposes, and the Committee on Budgets of the Parliament accepted two amendments to the draft budget of the Court of Auditors for 1980:

- (i) Amendment no. 87 adding 18 posts (2 A 3, 3 A 6, 2 A 7, 1 B 2, 2 B 3, 1 C 2, 4 C 3, 3 C 4) to its establishment plan, converting 2 B 5 posts into 1 B 4 and 1 B 3; converting 6 temporary C 1 posts into 6 B3 secretarial posts; creating 4 new temporary A 4 posts; regarding 3 secretarial posts grades B 3, B 4 and B 5 to 3 B posts in the same grade. The expenditure required amounts to 715,695 EUA.

- (ii) Amendment no. 88, under item 2400 (entertainment and representation expenses of members of the institution) increase by 23,500 EUA.

2. For the first amendment it was necessary, in order to strengthen the major control sectors within the establishment plan of the Court, to ask, originally, for 41 permanent posts and 4 temporary posts to be allocated as follows:

(a) For the control sector

1. Supervision of European Schools and external and decentralised bodies:
1 a 6/7, 1 C;
2. EAGGF Guidance Section:
1 A 4/5, 1 C;
3. Regional Fund:
1 A3, 1 A4/5, 1 A6/7, 1 B, 1 C;
4. ECSC and banking management and
5. Social Fund and other expenditure:
1 A4/5, 1 A6/7, 1 B, 1 C;
6. Operational expenditure of the institutions:
2 A6/7, 1 C;
7. Expenditure on staff:
1 A6/7, 1 B, 1 C;
8. EAGGF Guarantee Section:
1 A3, 1 A4/5, 1 A6/7, 1 B;
9. Expenditure on development - Stabex - cooperation with developing countries and third countries:
1 A6/7, 2 B;
10. Research and investment, energy, industry and
11. General accounts:
1 A6/7, 2 B;
12. Computerised Control Section:
1 A 4/5;
13. Autonomous revenue of the Community:
2 B.

(b) For the 'horizontal', i.e. administrative, services:

1 A 6/7, 2 B, 4 C;

(c) For the language service

3 LA 7, 1 C;

(d) General service staff

1 D, 3 C;

Of these posts, Council agreed, in its first reading of the budget on September 11 1979, to only 23 posts, without any breakdown.

Therefore the remainder was included in the parliamentary amendment.

3. The remainder of these posts intended to complete the Court's control auditing teams, particularly for the following sectors: the EAGGF Guarantee and Guidance Sections; the Regional Fund, and the operational expenditure of the institutions, expenditure on development, Stabex and cooperation with development of third countries.

4. These new posts are also accompanied by proposed upgradings for the assistants of Members of the Court who are assigned with administrative duties. The Court accompanied its request with full explanations, providing a job description for each post sought and an account of the strength of each section within the establishment plan.

5. In his explanatory statement, your rapporteur indicated that a certain re-examination of priorities should take place, as regards the disposition of staff, with greater emphasis on the need to control certain funds, i.e. the Social Fund.

6. It was also noted that the Court had stated its intention not to request further posts for next year. This would be possible as the Court considered that were the extra posts agreed it would be fully equipped to meet the tasks set it by the Treaties.

7. The amendment on the entertainment and representation allowances would put members of the Court of Auditors on an equal footing with members of the other institutions. Your rapporteur added, in the justification, a remark to the effect that the Court should set an example to the other institutions by applying strict rules to its members as to the use of these allowances.

8. He annexes to this report the text of guidelines submitted by the Court of Auditors in respect of the representation and mission expenses incurred by its members.

9. These two amendments were adopted unanimously by the European Parliament at the session of 7 November 1979.

Council rejected both amendments, without any justification.

Conclusion

10. In the absence of any new argument against these amendments, your rapporteur proposes retableting them. In particular, the strengthening of the Court's establishment plan is vital to permit it to carry out the duties assigned to it by the Treaties.

11. Without prejudice to the deliberations of the Budgetary Control Committee, your rapporteur draws attention to the guidelines submitted to the Court of Auditors which should be taken as a basis for the guidelines for the incurring of such expenses by members of all the Community institutions.

ANNEX 1

MEMORANDUM SUBMITTED BY THE COURT OF AUDITORS ON 27 NOVEMBER
1979 ON THE REPRESENTATION AND MISSION EXPENSES OF THE COURT
OF AUDITORS

PART I

1. The credits inscribed in the budget under item 2400 "Entertainment and representation expenses: Members of the Institution" shall be committed by the President of the Court and shall be divided as follows:

- (a) A first part shall be set aside to meet the corporate entertainment and representation requirements of the Court. The relevant commitments shall indicate the date, the place and the purpose of the function, as well as the names and official positions of the principal guests and the number of participants.
- (b) A second part shall be divided annually among the Members of the Court in order to meet entertainment and representation expenses incurred by a Member in the exercise of his official duties.

Expenditure under this second heading shall not cover functions attended exclusively by officials and other servants of the Community.

The Members' claims for reimbursement under (b) shall indicate:

- i) the date and place of the function,
- ii) the name and the official position of the principal guest,
- iii) the number of participants.

Invoices or other supporting documents shall be attached to the claim for reimbursement.

- (c) A third part shall be divided annually among the Members of the Court, to cover vouched expenses which Members incur for representation of a kind generally covered by the lump sum allowances granted to Members of the Commission and of the Court of Justice.

Reimbursement of expenses incurred under (c) shall be made on the basis of invoices or other supporting documents accompanied by the Member's statement that the expenses were incurred in the discharge of his duties. The President as the Authorising Officer may at all times satisfy himself as to the accuracy of the statements submitted.

2. Claims for repayment under 1. shall be made as soon as possible after the event.
3. The Court shall fix a flat-rate figure of payment (per person) for meals, which may be adjusted from time to time as prices change. If the average cost of all the representational meals of a Member in a full calendar year exceeds the figure fixed by the Court, the Member shall himself bear the excess for the year.
4. The Court shall fix a flat-rate figure (per person) for reimbursing the cost of meals at the homes of Members. This figure may be adjusted from time to time as the relevant costs change.
5. The cost of gifts or other reasonable representational expenses incurred for reasons of courtesy or in observance of custom (such as gifts on official visits) may be reimbursed, subject to the production of bills or vouchers whenever possible.

PART II

Mission expenses of Members of the Court

6. A commitment in respect of mission expenses shall be sought as soon as possible. The following particulars shall be given:
 - a) purpose and place of the mission,
 - b) mode of transport and tickets (if any) to be procured,
 - c) likely duration of mission,
 - d) the currency in which any advance required is to be paid.
7. Where a mission is likely to involve expenditure of 10,000 Luxembourg francs or more, an advance related to the estimated cost may be made, if requested by the Member. If a mission is cancelled or if the advance proves excessive, repayment shall be made in the currency in which the advance was made.
8. A Member may travel on mission by official car or by air, rail or shipping service.
9. The duration of a mission shall be the period between the time of departure from and return to the Court's headquarters. It shall not include periods of leave; nor shall it include week-ends or official holidays save where the mission so requires.

10. Payment of mission expenses shall be claimed as soon as possible after the Member's return. The cost of hotel accommodation (excluding meals) is repayable.
11. Where a mission has taken less than twelve hours in any one day, half of the appropriate daily subsistence allowance shall be paid. Otherwise the daily allowance shall be paid in full.
12. Charges for telephone calls, telegrams, taxis or hired cars necessarily incurred for the purposes of a mission shall be allowed subject to the presentation of receipts or other vouchers wherever possible.
13. Repayment of exceptional expenditure not covered under paragraphs 6 - 12 is subject to approval by the President.

PART III

Use of official cars by Members of the Court

14. The use of a Member's official car shall be subject to the rules set out in the Annex.

ANNEX

Rules regarding the use of the official cars of Members of the Court of Auditors

1. Subject to the following paragraphs, the Court accepts as a cost against the budget all charges for the running, servicing, repair etc. of the cars allocated to the Members. Each car, together with the driver, is always at the disposal of the Member to whom it is allocated. Each driver is instructed that the car may be used only with the authority of the Member concerned.
2. The Court pays all costs for each official mission journey, for other journeys in the service of the Court and, in addition, for 30.000 km per calendar year for each car. Each driver is required to keep a log-book. Where a car is used for an official mission, he is required to write against the kilometric usage the word "Mission". Where it is used for other journeys in the service of the Court, this is written against the kilometric usage. At the end of the year a calculation is made for each Member of the total kilometrage which his car has travelled for missions and other journeys in the service of the Court: to this is added the allocation of 30.000 kms. Any kilometrage which the car has travelled in excess of this total (including any use by the Member of one of the service cars) is charged to the Member personally on the basis described in paragraph 3.
3. All payments for petrol, ferry and toll charges are passed through the accounting office and are noted on a register for each car. At the end of the year, the total of these costs, divided by the kilometrage total, gives an average cost per kilometre. Members are charged at this rate for any additional usage.
4. The salary and lump sum payment in lieu of overtime paid to each driver is met entirely by the Court. On official mission journeys and other journeys in the service of the Court, the driver is also entitled to the rates of daily allowance set out in Annex VII of the Staff Regulations. When such allowances are payable to the driver on journeys which do not fall into either of those categories, they are paid by the Court on certification by the Member. The Court records all payments of allowance for the drivers which fall into this final category, totals them at the end of the year, and charges the Member personally for any excess over FB 70.000.

EUROPEAN PARLIAMENT

3 DECEMBER 1979...

Doc. 563/147

COUNCIL MODIFICATIONS
TO PARLIAMENT'S AMENDMENTS TO THE DRAFT BUDGET
OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1980 (Doc. 37879)

AMENDMENT No. 147.

tabled by Mr Robert Jackson,
rapporreur

to the Council's modification to Parliament's amendment No. 87.

SECTION V - COURT OF AUDITORS

Table of staff - amend the establishment plan as follows:

Permanent posts

- (a) add the following 18 posts (from 23 to 41): 2 A 3, 3 A 6, 2 A 7, 1 B 2, 2 B 3, 1 C 2, 4 C 3, 3 C 4;
- (b) convert 2 B 5 posts into 1 B 4 and 1 B 3;
- (c) convert 6 temporary C 1 posts into 6 B 3 secretarial posts;
- (d) create 4 new temporary A 4 posts;
- (e) regrade 3 secretarial posts grades B 3, B 4 and B 5 respectively to 3 B posts in the same grades.

A - Expenditure

Increase payment appropriations by 715,695 EUA.

B - Compensation

-

C - Revenue

Increase revenue by 573,165 EUA.

o o o

The total increase is broken down as follows:

Item 1100	- +	328,160	(from 6,109,940 to 6,438,100)
Item 1101	- +	35,180	(from 654,990 to 690,170)
Item 1102	- +	57,040	(from 1,062,100 to 1,119,140)
Item 1103	- +	17,950	(from 42,950 to 60,900)
Item 1130	- +	9,845	(from 183,300 to 193,145)

Item 1131	- +	2,205	(from	40,930	to	43,135)
Article 119	- +	14,250	(from	267,600	to	281,850)
Article 120	- +	14,000	(from	33,500	to	47,500)
Item 1211	- +	10,475	(from	9,000	to	19,475)
Item 1221	- +	41,000	(from	120,500	to	161,500)
Item 1231	- +	13,760	(from	77,000	to	90,760)
Item 1241	- +	44,900	(from	38,700	to	83,600)
Article 129	- +	3,930	(from	8,960	to	12,890)
Item 1301	- +	100,000	(from	350,000	to	450,000)
Chapter 15	- +	15,000	(from	70,000	to	85,000)
Item 2200	- +	3,000	(from	27,000	to	30,000)
Item 2210	- +	5,000	(from	40,000	to	45,000)

REMARKS

Modify accordingly the remarks against the items referred to above.

Justification

As stated in the report by the Committee on Budgets, the requests made by the Court of Auditors are a repetition of those which the Council did not grant last year and which the Court and Parliament considered necessary to make up the structure which is essential to an institution with extensive auditing responsibilities if it is to be effective.

The Committee on Budgets considers that the Court of Auditors must be in a position to carry out the auditing programme which it has already notified to the relevant bodies within Parliament.

It considers the allocation of posts requested by the Court of Auditors to be reasonable, especially as the Court has stated its intention - once its structure has been completed by the posts referred to in the amendment - not to request further posts for next year in the belief that its secretariat would then be adequately equipped to meet the needs and obligations of the Treaties.

o
o o

AMENDMENT TO
COUNCIL MODIFICATIONS

BUDGET

EUROPEAN PARLIAMENT

.. 3. DECEMBER, 1979 ..

Doc. 563/148

COUNCIL MODIFICATIONS
TO PARLIAMENT'S AMENDMENTS TO THE DRAFT BUDGET
OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR ¹⁹⁸⁰.... (Doc. 37879)

AMENDMENT No 148..

tabled by Mr Robert JACKSON,
rapporteur

to the Council's modification to Parliament's amendment No. ⁸⁸.....

SECTION V - COURT OF AUDITORS

PAYMENTS

Title 2 : Buildings, equipment and miscellaneous operating
expenditure
Chapter 24 : Entertainment and representation expenses
Article 240 : Entertainment and representation expenses
Item 2400 : Members of the institution

A - Expenditure

Increase the appropriation by 23,500 EUA (from 46,500 to 70,000).

B - Compensation

-

C - Revenue

Increase revenue by the same amount.

COMMITMENTS

-

REMARKS

-

Justification

The rapporteur has noted that the Court of Auditors calculated these appropriations in accordance with the same criteria used by the Community institutions. While recognising that the Members must utilise these appropriations with the utmost care, he considers that the Council decision, which - in the way it has been framed - applied only to the entertainment and representation expenses for the Members of the Court of Auditors, is an arbitrary one.