

European Communities

EUROPEAN PARLIAMENT

Working Documents

1980 - 1981

3 November 1980

DOCUMENT 1-544/80

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 1981

Rapporteur: Mr V. ANSQUER

On 28 April 1980 the Committee on Budgets appointed Mr Ansquer rapporteur on Section V - Court of Auditors - of the draft general budget of the European Communities for the financial year 1981.

The Committee on Budgets at its meeting of 29 October 1980 adopted the following motion for a resolution by 20 votes to none with 1 abstention. The amendments adopted by the Committee on Budgets at the same meeting are annexed to this report.

Present: Mr Lange, chairman; Mr Spinelli, second vice-chairman; Mr Ansquer, rapporteur; Mr Adonnino, Mr Arndt, Mr Balfe, Mr Battersby (deputizing for Mr Newton Dunn), Mr Brok (deputizing for Mr Ryan), Mr Cořla, Mr Doublet (deputizing for Mr Flanagan), Mr Forth, Mr Gouthier, Mrs Hoff, Mr Howell, Mr R. Jackson, Mr Jalton, Mr Lega, Mr Megahy (deputizing for Mr Motchane), Mr O'Leary, Mr Pfennig, Mrs Pruvot (deputizing for Mr Rossi), Mr Konrad Schön, Mr Seeler (deputizing for Mr Orlandi), Mrs Scrivener, Mr J. M. Taylor, Mr Tuckman, Mr von der Vring (deputizing for Mr Dankert).

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PDA 516

DA 517

A

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 1981

The European Parliament,

- having regard to the draft general budget for the 1981 financial year drawn up by the Council (Section V - Court of Auditors) and the explanatory memorandum (Doc. 1-465/80),
- having regard to the report of the Committee on Budgets (Doc. 1-544/80),
- (a) Whereas the Court of Auditors has become an indispensable aid for the European Parliament in fulfilling its tasks of budgetary control,
- (b) Whereas it is appropriate that the difficulties likely to confront the Court of Auditors resulting from Greek accession should be eased as far as possible by the necessary extension to its establishment plan,
- (c) Whereas certain control sectors still require strengthening,
- (d) Whereas the Court of Auditors has furnished ample justification for its requests for extra posts, accompanying them with a job description for each post,
- (e) Whereas Council has provided no justification for its decisions reducing the number of posts requested,
- 1. Decides that the establishment plan of the Court of Auditors should be further strengthened to make full allowance for the consequences of Greek membership of the Community and to strengthen certain control sectors; amends the draft budget accordingly;
- 2. Decides to remain within the budgetary limits of the existing draft budget which permit a reasonable but not excessive increase in expenditure in comparison with 1980;

3. Asks therefore the Court of Auditors to make the necessary extra effort to find any further expenditure required for these new posts from within the overall limits of the existing draft budget;

4. Believes that the Court of Auditors must be entitled to proceed to certain external consultations for specific problems which should not necessitate the recruitment of permanent officials; therefore increases the appropriations available for this item by means of a compensated amendment.

EXPLANATORY STATEMENTIntroduction

1. The first few years of the Court of Auditors' existence have already demonstrated that it is capable of playing an important role in the budgetary and financial affairs of the Community: a role of particular importance for Parliament which has found the Court of Auditors to be an indispensable help in its budgetary control tasks. Close liaison has been established between Parliament's Committee on Budgetary Control, and indeed the Committee on Budgets, and the Court of Auditors.

2. The tasks of this new body are continuing to mount. It is to be hoped that during the course of next year, when the entire budgetary structure is under review, the Court of Auditors will have a full role to play in helping to assess the economic performance of certain Community policies.

3. The Court of Auditors has been exemplary in the supply of information to the budgetary authority. It accompanies its requests with ample justification and includes a job description for each post requested. Furthermore, it has kept your rapporteur informed of the developments subsequent to the initial launching of its estimates, both as regards its establishment plan and expenditure. In this way Parliament has been able to follow the negotiations taking place within Council.

The 1981 draft budget

4. In 1980 the budget of the Court of Auditors amounted to 13,039,290 EUA.

In its estimates for 1981 it requested an increase to 15,458,670 EUA.

The Council has proposed for the draft budget 14,764,815 EUA.

This represents an increase of 13.23% in comparison with 1980.

5. However, it is worth pointing out that this percentage figure is artificially high, because as a result of the difficulties accompanying the conclusion of the 1980 budgetary procedure, the Parliament voted extra staff for the Court of Auditors but declined to vote any extra appropriations in order

to limit the increase in expenditure for the 1980 budget. If allowance is made for the extra expenditure which would normally have accompanied the creation of these posts, the rate of increase for the 1981 draft budget is 9.38%.

6. This seems to your rapporteur to be appropriate. He takes the view that if it is possible, the budgetary authority should remain within the overall volume of the budget laid down in the 1981 draft. He therefore asks the Court of Auditors to make an extra effort to remain within this envelope.

Establishment plan

7. As Council states in its explanatory statement (Volume 7), the establishment plan for 1980 for the Court of Auditors was set at 237 posts. By 1 July of this year 38 posts were still vacant. This fact encouraged Council to adopt a restrictive attitude to the Court of Auditors' requests for extra posts. However, this judgment seems unfair since, in fact, the 1980 establishment plan was not adopted until 10 July 1980 and the filling of any new posts takes time. Your rapporteur understands that the Court of Auditors has now filled 17 posts by statutory means. This situation is satisfactory and compares favourably with the current situation in other institutions.

8. The Court of Auditors requested a further 28 posts for the 1981 establishment plan. These posts are mostly to cover the consequences of Greek accession but also involve 4 extra posts to strengthen the control sectors (particularly the Guarantee and Guidance sections of the EAGGF, own resources, and the European Regional Development Fund).

9. The Council, in its draft, reduced these requests to 15 (exclusively for the Greek member's private office and the linguistic services). However, in its decision on the Greek member's private office it did not agree to the necessary staff to place the new member on an equal footing with the other members of the Court of Auditors. It provided no justification for the refusal to strengthen other control sectors - apart from indicating that these extra posts could be found from the unfilled posts from 1980. However, as your rapporteur has already explained, there are far fewer of these unfilled posts than the Council seems to realize.

10. Therefore, your rapporteur proposes to accord the extra posts proposed by the Court of Auditors: however, for the financing of these extra posts, once the officials concerned have been recruited, your rapporteur suggests to the Court of Auditors that they seek to find the extra appropriations from within the existing level of Chapter 11 of the budget. The volume of extra appropriations that would normally be necessary (220,480 EUA) compares with a total for Chapter 11 of 9.9 mEUA.

The following table shows the breakdown of posts requested by the Court of Auditors, those agreed to by Council and the new proposals of the rapporteur, who has prepared an amendment to restore the posts deleted by Council.

<u>PROPOSALS OF THE RAPPOREUR CONCERNING THE ESTABLISHMENT PLAN</u>			
<u>OF THE COURT OF AUDITORS</u>			
	<u>Court of Auditors'</u> <u>proposals</u>	<u>Council's draft</u>	<u>Rapporteur's</u> <u>proposals</u>
1. Greek member	5 (1 A 4, 1 A 6, 1 BS 3, 1 C 3, 1 D 2)	4 (1 A 4, 1 A 6, 1 BS 3, 1 D 2)	+1 (1 C 3)
2. Control tasks	4 (1 A 5/4, 2 A 6/7, 1 B 2/3)	-	+4 (as shown)
3. Greek linguists	4 LA and 2 C	4 LA	+ 2 C
4. Other linguistic services	6 LA and 6 C	3 LA 4 C	+ 3 LA + 2 C
5. Administrative post in the language service	1 B 1	-	+ 1 B 1
	<hr/> 28	<hr/> 15	<hr/> + 13

Your rapporteur recognises that the highly specialised nature of the work of the Court of Auditors, and the need for complete precision in its texts, requires it to be able to recruit translators of the highest quality.

Other items

11. One point remains concerning a particular item of expenditure:

The Court of Auditors requested 100,000 EUA for Article 260 'Consultations and studies'. This was considered necessary in order to permit the Court of Auditors to have recourse to external experts, thus obviating the need for recourse to permanent recruitments. So technical is much of the Court of Auditors' work now that it must be anticipated that this approach will become more frequent.

Council agreed to 50,000 EUA but transferred this item to Chapter 100 'Provisional appropriations'. No justification was provided and the only effect of this decision would be to oblige the institutions to go through the rather cumbersome transfer procedure during the course of the 1981 financial year. Therefore, your rapporteur proposes a compensated amendment, placing the 50,000 EUA on the line and eliminating the expenditure provisionally earmarked under Chapter 100.

Conclusions

12. The Committee on Budgets

- (i) Agrees with the overall limits set for expenditure in the draft budget of the Court of Auditors for 1981;
- (ii) Considers, however, that the establishment plan requires strengthening as a result of Greek accession and the need to reinforce certain control sectors;
- (iii) Therefore amends the draft budget of the Court of Auditors to create the extra posts, but requests it to keep within the overall limits of expenditure laid down within the draft budget;
- (iv) Further amends the Court of Auditors' budget as regards the external studies carried out at the Court of Auditors' request.

DELIBERATIONS OF THE COMMITTEE ON BUDGETS AT ITS MEETING OF
29 OCTOBER 1980

N O M E N C L A T U R E							P O S I T I O N O F C O M M I T T E E O N B U D G E T S		Result of the vote and Remarks
Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		
							Pos.	Neg.	
Staff	Creation of 13 posts (3A, 3LA, 2B, 5C)			68.295/1		ANSQUER	X		18/1/1
Item 1000	Members' basic salaries	- 438,250		363		CAPANNA		X)
Item 1001	Members' residential allowance	- 65,737.5		364		"		X)
Item 1002	Members' family allowances	- 36,000		365		"		X)
Art. 101	Members' insurance sickness risks	- 15,950		366		"		X)
Art 109	Provisional appropriations adaptations of emoluments of members	- 33,262.5		367		"		X) 1/21/0
Item 1210	Members' travel allowances	- 450		368		"		X)
Item 1220	Members' installation allowances	- 6,120		369		"		X)
Item 1230	Members' removal expenditure	- 4,500		370		"		X)
Item 1300	Members' mission expenditure	- 30,000		371		"		X)
Item 2231	Replacement of transport equipment	- 12,000		372		"		X	0/25/0
Item 2400	Members' representation allowances	+ 24,000		68.295/2		ANSQUER		X	4/21/1
Item 2400	" " "	- 25,000		373		CAPANNA		X	1/20/0
Art. 260	Consultations and studies of a limited character	+ 50,000		68.295/3		ANSQUER	X		22/0/6



EUROPEAN PARLIAMENT

30. OCTOBER 1980...

Doc. 1-465/516



DRAFT
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1981

DRAFT AMENDMENT No. 516.

tabled by Mr ANSQUER on behalf of the Committee on Budgets

Section V - COURT OF AUDITORS

Establishment plan

Add the following posts:

(a) in the new Greek Members cabinet	:	1 C 3/2 post
(b) to strengthen the audit sector	:	1 A 5/4 post, 2 A 7/6 posts, 1 B 3/2 post
(c) for the Greek language service	:	2 C 3/2 posts
(d) for the other language services	:	3 IA 7/6 posts and 2 C 3/2 posts
(e) administrative post in the language service	:	1 B 1 post
Total	:	<u>13</u> posts

A - Expenditure

Unchanged

B - Compensation

-

C - Revenue

Unchanged

COMMITMENTS

-

REMARKS

-

Justification

Your rapporteur proposes that all of the posts requested by the Court of Auditors should be approved because the reasons given by the Council for refusing a number of these posts are invalid.

In volume VII (explanatory memorandum of the draft budget) the Council points out that on 1 July 1980 38 of the 237 posts in the Court of Auditors' establishment plan were still vacant. As a result the Council has adopted a restrictive attitude to the Court of Auditors' requests.

However, the Council's attention should be drawn to the fact that the 1980 budget was not adopted until 10 July 1980. Moreover, it always takes a certain amount of time to fill posts. Your rapporteur has been informed that the Court has, since the adoption of the 1980 budget, filled 17 of the posts vacant, by statutory means. This situation is satisfactory.

The aim of the Court of Auditors' requests was twofold:

- (1) to ensure that it was able to work in a seventh Community language from January 1981;
- (2) to reinforce certain audit sectors, in particular the two EAGGF sections, own resources and the ERDF.

In the rapporteur's view, these proposals are very reasonable, but he has already expressed his intention of keeping, as far as possible, to the expenditure limits set by the Council in the 1981 draft budget. He therefore asks the Court of Auditors to keep within these limits and to take the additional appropriations which in the normal course of events would be required for these new posts (i.e. 220,000 EUA) from the total of Chapter 11, which amounts to 9.9 m EUA. This additional effort would make it possible to keep the Court of Auditors' rate of increase in the budget to 13.2%, which seems reasonable and justified.

DRAFT AMENDMENT

BUDGET

EUROPEAN PARLIAMENT

30 OCTOBER 1980

Doc. 1-465/517



DRAFT
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1981

DRAFT AMENDMENT No. 517.

tabled by Mr ANSQUER, on behalf of the Committee on Budgets

SECTION V - COURT OF AUDITORS

Article 260 : Limited consultations, studies and surveys

A - Expenditure

Increase payment appropriations by 50,000 EUA

B - Compensation

Chapter 100 : 'Provisional appropriations'
Decrease the appropriations by 50,000 EUA

C - Revenue

Unchanged

COMMITMENTS

Schedule

REMARKS

Unchanged

Justification

The Court of Auditors requested an appropriation of 100,000 EUA for this article. That amount would have enabled the Court of Auditors to employ outside experts in order to avoid recruiting permanent officials. The assessment of economic policies by the Court of Auditors has become so complicated that it will probably become increasingly necessary to call on the services of outside experts.

The Council has approved 50,000 EUA, which it has transferred without explanation to Chapter 100 (provisional appropriations).

This procedure will only force the institutions to resort to transfers of appropriations during the financial year.

To avoid this, your rapporteur proposes that an amendment (with compensation) should be tabled entering the 50,000 EUA against Article 260 and reducing the appropriations provisionally entered against Chapter 100.

