
EUROPEAN PARLIAMENT

Working Documents

1978 - 1979

23 October 1978

DOCUMENT 396/78

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 1979

Rapporteur: Mr C. RIPAMONTI

1.2.1

PE 54.945/fin.



On 14 March 1978 the Committee of Budgets appointed Mr RIPAMONTI rapporteur on Section V (Court of Auditors).

At its meeting of 17 October 1978 the Committee on Budgets unanimously adopted the following resolution.

The amendment adopted by the Committee on Budgets at the same meeting is annexed to this report.

Present: Mr Lange, chairman; Mr Aigner, first vice-chairman; Mr Bangemann, second vice-chairman; Mr Ripamonti, rapporteur; Lord Bessborough, Lord Bruce of Donington, Mr Dalyell, Mr Dankert, Mr Früh, Mr Meintz, Mr Nielsen, Mr Radoux, Mr Rossi, Mr Schreiber, Mr Shaw, Mr Spinelli, Mr Verhaegen (deputizing for Mr H.W. Müller) and Mr Würtz.

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Annex: Amendment

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 1979

The European Parliament,

- having regard to the draft general budget for the 1979 financial year drawn up by the Council (Section V - Court of Auditors) and its explanatory memorandum (Doc. 296/78),
 - having regard to the report of the Committee on Budgets (Doc. 396/78),
 - considering the reasons that prompted the Court of Auditors to draw up its estimates,
 - considering inadequate the reasons given by the Council when drawing up the draft budget for 1979 (Section V), for reducing the amounts requested by the Court,
 - considering that the Court should be in a position to assume its responsibilities and that any reservations regarding its activities and organization should be made after its activities have been reviewed rather than when its estimates are submitted,
1. Considers it essential to grant the Court of Auditors most of the staff it has requested for 1979 - and in any case all the posts for the auditing sectors - in the light of the detailed auditing programme it submitted to Council and Parliament and the corresponding breakdown over the 16 priority areas of intervention which the Court has now laid down;
 2. Reinstates some of the appropriations requested, particularly with regard to the posts it feels the Court should be granted.
 3. Freezes some of the posts requested and instructs its Committee on Budgets to release them at the end of the first and second quarters of 1979 in collaboration with the Court of Auditors depending on the establishment of or progress made by the Court with the programmes.

EXPLANATORY STATEMENTINTRODUCTION

1. In December 1977 Parliament approved the first budget of the Court of Auditors for 1978 which, in its explanatory memorandum on the draft general budget submitted in October that year, the Council had described as enabling the Court to establish its initial structure.

When approving the budget Parliament asked 'the Court to draw up during 1978 its definite programme of action ... and to examine the budgetary implications thereof with Parliament'¹.

2. The programme was drawn up during the year and the Committee on Budgets was able to take cognisance of it at numerous meetings with the Members of the Court, particularly the meeting on 24 May 1978 which was attended by two Members of the Court, Mr Mart and Mr Lelong. It was laid down in particular during the consideration and adoption by Parliament on 11 May 1978 of the supplementary budget No. 3 of the Communities for 1978 relating to the Court of Auditors.

The Court informed the Committee on Budgets that the structure it proposed (allocation of seats among the various Members and structure of its secretariat establishment plan) obviously corresponded to the requirements of permanent control over all sectors of Community activity and allowed for the in-depth activity needed for effective control. Tasks were allocated among the nine Members as follows:

- (a) EAGGF Guidance Section, Regional Fund, Documentation Directorate and legal service;
- (b) ECSC activities, Social Fund and budget and accounting division;
- (c) EAGGF Guarantee Section and programming division;
- (d) Research and investment expenditure, extra-budgetary expenditure and Directorate for working methods and professional training;
- (e) own resources, annual reports of activities and opinions;
- (f) European Development Fund (EDF) Title 9, 'Miscellaneous revenue' and relations with the Community institutions;

¹ Resolution adopted by Parliament on 15 December 1977

- (g) Expenditure on staff of the institutions, energy policy, Directorate for administration and personnel, and the language service;
- (h) Administrative expenditure of the European Bank; information offices and Statistical Office and relations with national audit bodies;
- (i) External bodies, European Schools, Euratom Agency, etc., and secretariat of the Court.

3. When the 140 posts in the Court's establishment plan allocated by the budgetary authority in 1978 were released it emerged, as was only to be expected in its first year of operation, that the Court's programme could only be conceived in terms of creating a structural nucleus to cope with the most urgent tasks including its obligations under the Treaties such as drawing up, on the basis of its audit activities, an annual report on the financial activities of the Community institutions.

The Court also established permanent relations with the national audit bodies and began to carry out the in-depth control for which it had been created - and which, despite its merits, the former Audit Board provided for in the 1957 Treaty had been unable to carry out in full mainly because of lack of staff¹.

It also dealt with specific problems raised by the Council or Parliament. In some cases it did so by virtue of the powers conferred on it by the Treaty and in others - e.g. Parliament's requests - it did so in order to help Parliament to make better use of its power of political control and power to grant a discharge.

¹ The number of pages in the last (1976) report by the Audit Board devoted to each of the sectors of Community activity controlled clearly shows the shortcomings and inconsistencies in the Audit Board's work because it lacked the necessary powers or methods of control. For instance, 25 pages are devoted to EAGGF Guidance Section activities and 23 to controlling staff management and the Staff Regulations of officials while 10 pages are devoted to the Social Fund and 7 to the Regional Fund (although it is true that the 1976 report dealt with the first year of activity of the Fund, 1975)

It also made preparations for drawing up a careful report on the implementation of the 1977 budget in order to rectify a more or less structural weakness of past years; the delays in submitting the reports had meant that the discharge decisions - and the problems raised by the audit - were of historical rather than current interest and reduced the effectiveness of the audits.

4. Obviously when drawing up what the Court itself regards as a flexible programme, adaptable to any subsequent increase in its activities, the Court created operational units as a nucleus for services that would subsequently have to be expanded.

What has the Court been able to do in the most crucial areas of control during this financial year? Mainly to meet the requirements of the annual report. The Court in fact informed the Committee on Budgets that because its activities were just getting under way, and in order to ensure that its programme remained realistic, it had had to select which auditing operations should be undertaken and which subjects dealt with.

5. It did however provide a first list of studies already tackled which provided an idea of the proportions that the Court's control activities could, or rather should, have in mind to meet the standards required by Parliament, which must exercise its powers of control in full knowledge of the facts. Due recognition must therefore be given to the collaboration expected of the Court under the last paragraph of Article 16 of the Treaty of 22 July 1975 (which lays down that the Court should assist the Assembly and the Council in exercising their powers of control over the implementation of the budget).

It is also evident that it is the Assembly rather than the Council that can insist on certain standards since it is the Assembly, acting on a recommendation from the Council, that is solely responsible for granting the discharge.

6. The studies currently under way are as follows:

- (a) Revenue: three studies, although not on the most difficult problems of the sector. They cover exemptions from customs duties not in keeping with the common external tariffs; the effects of various exemptions from paying compensatory amounts that seem to be granted in several Member States; the criteria applied by the Commission in calculating its monthly cash requirements in order to collect own resources;

- (b) Agricultural markets: four specific studies have been undertaken:
- the first on deflection of trade in the wheat sector;
 - the second on the system of public tendering for public stocks of foodstuffs;
 - the third on the 'Christmas butter' programme;
 - the fourth, more general and longer-term, on the internal controls carried out in the agricultural market by the relevant Directorates-General in the Commission and on methods of external control, i.e. by the Court of Auditors;
- (c) Developing countries: a special study has been started on the functioning of the Stabex system (system for stabilizing exports from developing countries);
- (d) Research: The Court of Auditors has only announced initial studies since it intends to carry out a comprehensive study of Joint Research Centre activities. It has also initiated a special study on indirect research projects;
- (e) Extra-budgetary accounts: a separate study will in all probability be made on extra-budgetary accounts;
- (f) Administrative expenditure: two separate studies have been initiated on telephone costs and the functioning of some of the information offices in the capitals of the Member States.

7. This list shows only the first areas to which the Court intends to devote special attention.

The list of requests made by the Control Subcommittee between 1 January and the end of April this year gives an indication of how the Court's activities will develop in accordance with the requests made by the European Parliament and in particular by its subcommittee. The subcommittee has asked for a separate study on the cost of surveys on the cattle population, the co-responsibility levy, subsidies for slaughtering cattle, trade in butter, the organization and cost of the 'Christmas butter' programme and the cost of the cold storage of meat. On more general lines, it has asked the Court to keep a constant check on all possible sources of fraud that could prejudice Community finances. (It is true however that a great many of these requests have yet to be officially forwarded by Parliament to the Court.)

THE REQUESTS MADE BY THE COURT IN ITS ESTIMATES

8. In order to reinforce the 16 sectors of activity described above the Court requested an increase of 86 posts in its establishment plan, which would bring the number of permanent posts up from 140 to 226 in 1979.

Is this request to be regarded as excessive? Certainly not, given the Court's programme of activities and the fact that in 1978 some sectors had only one official allotted to them and sometimes not even a category A official.

9. The Court's establishment plan for 1978 provided, for each Member, 2 category A assistants and a corresponding number of support staff (C or D). For the 16 sectors mentioned above the number of posts was as follows:

- (a) EAGGF Guidance Section, Regional Fund, documentation service and legal service: 6 A; 5 B; 3 B secretarial posts;
- (b) ECSC, Social Fund, budget and accounting division: 3 A; 4 B and 3 B secretarial posts;
- (c) EAGGF Guarantee Section and programming division: 6 A; 2 B;
- (d) Research and investment expenditure, extra-budgetary expenditure and Directorate for working methods and professional training: 7 A; 3 B;
- (e) Own resources, annual reports of activities and opinions: 4 A;
- (f) EDF, food aid and relations with the Community institutions: 3 A; 3 B; 1 C;

- (g) Expenditure on staff of the institutions, energy, administration and personnel: 8 A; 4 B; 1 C; 18 LA; 6 C and 2 D in the language service and 6 D general service staff;
- (h) Administrative expenditure, statistical office, information offices, European Bank and relations with national control institutions: 2 A; 3 B;
- (i) External bodies, schools, Euratom Agency, secretariat of the Court and liaison office in Brussels: 2 A; 3 B; 2 B secretarial posts and 2 C.

Of these services, the following are described as 'horizontal':

- the directorate for documentation and the legal service;
- the budget and accounting division;
- relations with national audit bodies;
- the directorate for administration and personnel and the language service;
- the secretariat of the Court and the liaison office in Brussels;
- the directorate for relations with the Community institutions;
- the directorate for working methods and professional training;
- the annual reports and opinions service.

The 'vertical' services are those concerned with control of the various types of Community expenditure.

10. On the basis of the requests made by the Court for 1979, the situation can be summarized as follows (the Court of Auditors has not yet given a breakdown by sector in order to keep staff mobility at a maximum, make the best possible use of its staff and allow for any modifications or additions to its programme of action). In this connection the representative of the Court stated at a meeting with the Committee on Budgets that the allocation of staff will depend mainly on the programmes):

ESTABLISHMENT PLAN REQUESTED BY THE COURT OF AUDITORS

in its preliminary estimates and adopted by the
Council only in the case of 35 posts

	1978 situation at 1 June 1978	1979	Increase
<u>HORIZONTAL SERVICES</u>	3 A 2 3 A 3 5 A 4/5 9 B + 2 BS 6 C	4 A 2 4 A 3 7 A 4/5 2 A 6/7 16 B + BS 13 C	+ 1 A 2 + 1 A 3 + 2 A 4/5 + 2 A 6/7 + 5 B + 7 C
Totals by category	11 A; 11 B; 6 C;	17 A; 16 B; 13 C;	+ 6 A; + 5 B; + 7 C
<u>CONTROL SECTORS</u>	7 A 3 12 A 4/5 11 A 6/7 19 B + 1 BS 6 C	11 A 3 25 A 4/5 24 A 6/7 31 B + BS 22 C	+ 4 A 3 + 13 A 4/5 + 13 A 6/7 + 11 B + BS + 16 C
Totals by category	30 A; 20 B; 6 C	60 A; 31 B; 22 C	+ 30 A; + 11 B; + 16 C
<u>OTHER SERVICES</u>	9 A 4/5 T 9 A 6/7 T 1 LA 3 6 LA 4/5 12 LA 6/7 2 BS 18 C 6 C T 17 D	9 A 4/5 T 9 A 6/7 T 1 LA 3 6 LA 4/5 12 LA 6/7 3 BS 3 BS T 20 C 3 C T 25 D	- - - - - + 1 BS + 3 BS T + 2 C - 3 C T + 8 D
Totals by category	18 A; 19 LA; 2B; 24 C; 17 D	18 A; 19 LA; 6 B; 23 C; 25 D	+ 4 B; - 1 C; + 8 D
<u>GRAND TOTAL</u> IN DETAIL	3 A 2 10 A 3 17 A 4/5 9 A 4/5 T 11 A 6/7 9 A 6/7 T 33 B + BS 30 C 6 C T 17 D 19 LA	4 A 2 15 A 3 32 A 4/5 9 A 4/5 T 26 A 6/7 9 A 6/7 T 50 B + BS 3 BS T 55 C 3 C T 25 D 19 LA	+ 1 A 2 + 5 A 3 + 15 A 4/5 - + 15 A 6/7 - + 17 B + BS + 3 BS T + 25 C - 3 C T + 8 D -
GRAND TOTAL by category	59 A; 33 B; 36 C; 17 D; 19 LA	95 A; 53 B; 58 C; 25 D; 19 LA	+ 36 A; + 20 B; + 22 C; + 8 D

ESTABLISHMENT PLAN OF THE COURT OF AUDITORS

1978
situation at
1 June 1978

1979

Increase

	<u>Perm.</u>	<u>Temp.</u>	<u>Perm.</u>	<u>Temp.</u>	<u>Perm.</u>	<u>Temp.</u>
<u>LANGUAGE</u>	1 LA 3		1 LA 3			
	6 LA 4/5		6 LA 4/5			
<u>SERVICE</u>	12 LA 6/7		12 LA 6/7			
	8 C		8 C			
	2 D		2 D			
Totals by category	19 LA;8 C; 2 D		19 LA;8 C; 2 D			
<u>MEMBERS</u>		9 A 4/5		9 A 4/5		
		9 A 6/7		9 A 6/7		
<u>ASSISTANTS</u>	2 BS		3 BS	3 BS	+ 1 BS	+ 3 BS
	10 C	6 C	9 C	3 C	- 1 C	- 3 C
	9 D		9 D			
Totals by category	2 B; 10 C 9 D	18 A;6 C	3 B; 9 C; 9 D	18 A; 3 B;3 C	+ 1 B + 1 C	+ 3 B - 3 C
<u>GENERAL SERVICE</u>			3 C		+ 3 C	
<u>STAFF</u>	6 D		14 D		+ 8 D	
Totals by category	6 D		3 C; 14 D		3 C;8 D	
<u>GRAND TOTAL IN</u>		9 A 4/5		9 A 4/5		
<u>DETAIL</u>		9 A 6/7		9 A 6/7		
	1 LA 3		1 LA 3			
	6 LA 4/5		6 LA 4/5			
	12 LA 6/7		12 LA 6/7			
	2 BS		3 BS	3 BS	+ 1 BS	+ 3 BS
	18 C	6 C	20 C	3 C	+ 2 C	- 3 C
	17 D		25 D		+ 8 D	
GRAND TOTAL by category	19 LA;2 B; 18 C;17 D	18 A; 6 C	19 LA;3 B; 20C;25 D	18 A; 3 B;3C	+ 1 B + 2 C + 8 D	+ 3 B - 3 C

11. The amendments made to the estimates involve expenditure of the order of 4,780,250 EUA broken down under the following main headings:

	<u>EUA</u>
<u>Staff, posts authorized, including allowances:</u>	1,632,817
<u>New staff:</u>	1,205,130
<u>Acceleration of recruitment:</u>	300,000
<u>Rent and associated expenditure:</u>	703,790
<u>Other increases (Titles I, II and X):</u>	938,513
	<u>4,780,250</u>
	=====

According to its own estimates, the expenditure of the Court of Auditors thus amounted to 14,762,305 EUA compared with 9,982,055 EUA in 1978, an increase of 47.88%.

12. When submitting its requests as regards the establishment plan and increased appropriations, the Court of Auditors explained that the increases were needed to ensure that it functioned normally at administrative level and to increase the number of staff in all control sectors since at present there was barely a skeleton staff in each sector.

THE COUNCIL'S DELIBERATIONS

13. The Council granted the Court of Auditors 35 of the 86 posts requested by it: 12 A; 8 B; 12 C and 3 D.

It also reduced the appropriations requested to 12,270,580 EUA which represents a 22.9% increase over 1978 appropriations.

The reductions in appropriations do not only affect staff requests; they affect all the items in the estimates to some extent.

COMMENTS BY THE COMMITTEE ON BUDGETS

14. Several aspects of the Council's decision or attitude have to be accepted with reservation, if not rejected.

15. The Council first states that the explanatory statement given by the Court of Auditors was inadequate (it is only 4 pages long) and that the Court should include more exhaustive comments in its estimates. It points out that 'this would considerably facilitate the task of the budget authority when examining the estimates'. The Council thus puts forward arguments that may be regarded as justified but that it itself contradicts for the following reasons:

- (a) In the first paragraph of its explanatory memorandum on the Court of Auditors, the Council states that the Court had, at various stages in the discussions, presented other arguments than those given in the estimates;
- (b) The Council in turn explains and justifies its comments on the estimates of the Court of Auditors in less than two pages of explanatory memorandum, which are, moreover, of little substance;
- (c) When asked by the rapporteur for a supplementary analytical document giving its reasons for drastically reducing the Court's requests the departments of the Council (unlike the Court which forwarded a document justifying each post requested under each article and item) did not feel it necessary to do so. As the Council points out with regard to the Court of Auditors, this situation does not facilitate the task of the Committee on Budgets or of Parliament which, in this particular case, is the budgetary authority with the final word as regards the estimates of the Court of Auditors;
- (d) The Council's attitude is moreover unacceptable in that (and this is apparent from its explanatory memorandum) it has not taken into consideration the basic arguments put forward by the Court of Auditors which are merely concerned with the need to establish the auditing operations entrusted to an institution set up by the 1975 Treaty - mainly at Parliament's suggestion - to cope with the undeniable need for control.

16. The Council in fact puts forward the view that 'the auditing sectors should have priority over the so-called horizontal sectors' and adds that 'the reduction which it felt obliged to make in the requests submitted by the Court of Auditors for 1979 is not such as to compromise the powers conferred on the Court of Auditors by the Treaty'.

It is scarcely conceivable that Parliament could accept this attitude which reflects:

- (a) Firstly, unjustified interference in the Court's assessment of its internal organization and thus with its right to take its own decisions in accordance with the powers conferred on it by the Treaty;
- (b) Secondly, the fact that secondary considerations are put above the main point of the 1979 budget, which is to give the Court's activities at least a minimum of substance.

Although it is obviously true that Parliament, like the Council, must be critical if the Court's activities prove inadequate or badly organized, it is absurd to criticize in advance - in only the second year of activity of such an important institution - when any action or request by the Court is still at the planning stage. At this stage, such an attitude smacks of unjustified accusation rather than of objective criticism or decision.

17. The Committee on Budgets feels that quite another course ought to be followed, based more on the idea of inter-institutional collaboration than on condemnation of the proposals of a new-born institution. It feels that, in the light of the declarations made by the Court as regards its organization and programme (see the first chapter of this report), the Court ought in general to have the posts it requested.

However, if there has to be any austerity as regards the requests made (for 86 posts) or the possibility of postponing until next year some of the requests approved by the Committee on Budgets, this austerity can only be allowed to affect the horizontal services (i.e. those less directly connected with the auditing programme).

The Committee on Budgets therefore feels it can grant the Court of Auditors 73 posts out of the 86 requested, i.e. 38 more than the 35 proposed by the Council. Modifications to the draft budget would thus be as follows: 2 A 3; 3 A 4; 7 A 5; 3 A 6; 6 A 7; 1 B 1; 3 B 2; 2 B 3; 2 C 1; 5 C 2; 3 C 3; and 1 D 1.

These 38 extra posts are divided between the vertical sector - the actual auditing sector - and the horizontal - administrative - sector as follows:

vertical sector: 2 A 3; 3 A 4; 6 A 5; 3 A 6; 6 A 7; 1 B 1; 2 B 2; 2 B 3;
1 C 1; 5 C 2; 1 C 3;

horizontal sector: 1 A 5; 1 B 2; 1 C 1;

general services: 2 C 3; 1 D 1.

According to the Court of Auditors, the 35 posts granted by the Council could be allocated as follows:

Category	Vertical sector	Horizontal sector	General services
A 2		1	
A 3	2		
A 4	2		
A 5	2		
A 6	2		
A 7	2	1	
Total	10	2	
B 1	1		
B 2	3		
B 3	1	1	
B 4	1		
B 5		1	
Total	6	2	
C 1	2		
C 2	2	1	
C 3	3	1	
C 4	2	1	
Total	9	3	
D 1			1
D 2			1
D 3			1
Total			3
GRAND TOTAL	25	7	3

18. Moreover, in order to enable the budgetary authority to follow the development of the Court's activity effectively, two-thirds of the posts should be frozen and released in two stages, at the end of the first and second quarters of 1979. The release decision will provide Parliament with two opportunities for discussing the Court's main problems with that institution. The posts will be released by the Committee on Budgets.

It goes without saying that at the same time the parliamentary body responsible, the Committee on Budgets, will ensure that the provisions of the Staff Regulations as regards recruiting new staff and the procedures for filling posts under Article 29 are properly implemented.

19. In view of the above, the Council's proposed reduction of staff appropriations can be accepted inasfar as the foreseeable duration of expenditure in 1979 is to be reduced from 9 to 6 months.

Other reductions concerning various items can also be accepted in the interests of greater budgetary austerity (which the Court of Auditors certainly did not fail to bear in mind when submitting its estimates).

But others must be rejected since they either jeopardize the sound functioning of the institution or are connected with reinstatement of the establishment plan proposed by the Court.

These considerations affect:

(a) as regards staff appropriations:

- the overall increase in appropriations under Article 110 concerning officials and temporary staff holding a post provided for in the list of posts;
- the addition to item 'auxiliary staff' of the appropriations restored by the rapporteur (corresponding to the 3 extra posts which he proposed) which appeared in the proposals of the Court of Auditors with the appropriations intended for hastening staff recruitment. This change is reasonable in view of the proposed freezing of the 38 extra posts.
- the appropriations under Articles 113 and 114 concerning sickness insurance and other allowances connected with remuneration;
- the appropriations for installation allowances under Item 1221;
- certain appropriations under item 2210;

(b) acceptance of the reductions made by the Council in the appropriations for:

- overtime (Article 115 from 95,000 to 80,000 EUA);
- adjustments to remunerations (Article 119 from 680,000 to 570,140 EUA and in view of the fact that most of the appropriations for 1979 will not be available until almost the end of the year);
- miscellaneous expenditure on recruitment (Article 120 from 40,000 to 35,000 EUA);

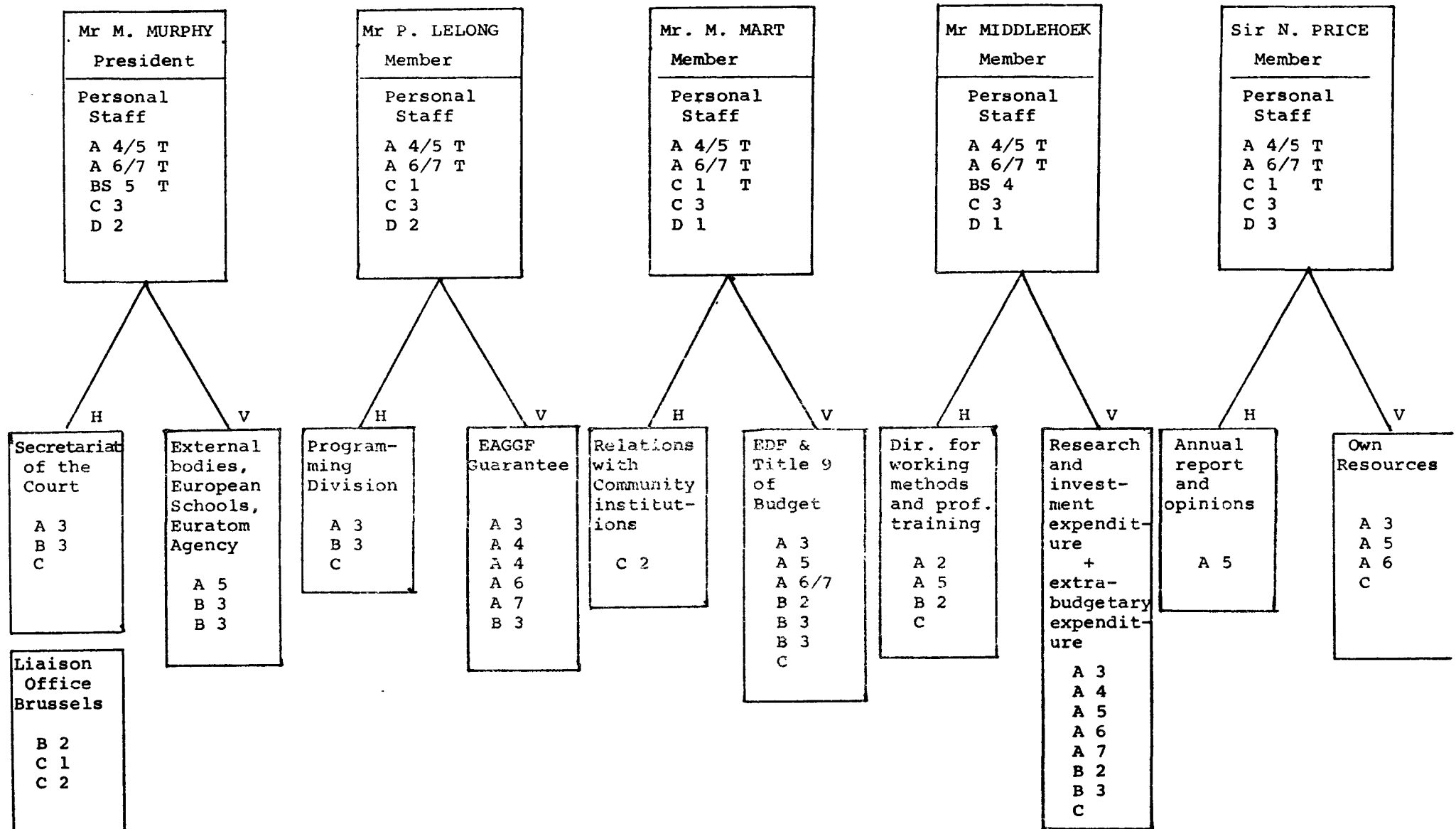
- removal expenses of staff (Item 1231 from 105,000 to 66,800 EUA since removal expenses for new staff will in all probability depend on the rate of recruitment in 1980);
- expenditure on social welfare (Chapter 14 from 51,500 to 36,000 EUA), although this will probably make it necessary for the Court to make a transfer to this item in the course of the year;
- the organization of training courses (Chapter 15 from 85,000 to 65,000 EUA);
- expenditure associated with the rental of buildings (Chapter 21 from 1,553,040 to 1,253,800 including the 400,000 EUA for rent entered in Chapter 100 'non-allocated provisional appropriations');
- movable property and associated expenditure (Chapter 22 from 64,510 to 40,000 EUA);
- Article 223 'transport equipment' (from 140,750 to 95,000 EUA); Article 225, 'documentation and library expenditure' (from 62,565 to 50,000 EUA); Chapter 23 'stationery and office supplies' (from 90,400 to 80,000 EUA); Article 235 'other administrative expenditure' (from 50,850 to 40,000 EUA); Article 239 'services between institutions and joint interpreting service' (from 248,000 to 219,500 EUA; reductions made in the appropriations for the joint interpreting service could however create difficulties that the Court could nevertheless mitigate by using the 'contingency reserve');
- entertainment expenses and meetings in general (Chapters 24 and 25 from 37,000 to 80,000 EUA and from 30,000 to 10,000 EUA);
- consultations and studies (Chapter 26 from 110,000 to 100,000 EUA);
- publications (Chapter 27 from 132,500 to 110,000 EUA);
- the reserve to cover differences in exchange rates (Chapter 102 from 60,000 to 0 EUA. This reduction is justified by the fact that for the time being no appropriation has been proposed for this item in the estimates of the other institutions);

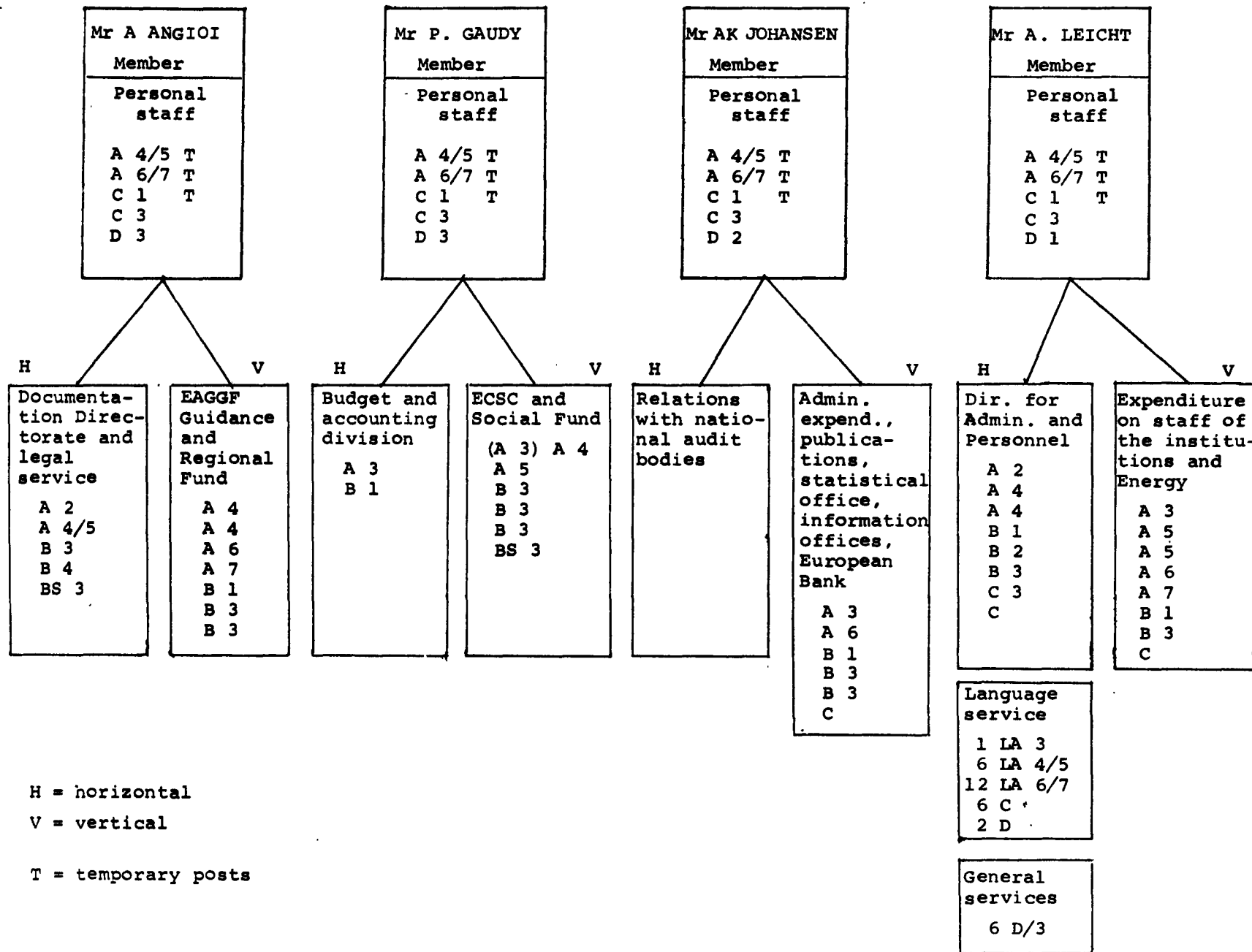
(c) On the other hand, in view of the fact that it is directly connected with the recruitment of staff, the appropriation for 'furniture' (Article 221) which the Council had reduced from 233,580 to 117,000 EUA should be increased but, in the interests of subsequently reducing expenditure, only to 210,000 EUA.

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20. In conclusion, the rapporteur again points out how essential it is for the control of Community revenue and expenditure that the Court of Auditors should be able to play its role to the full and therefore be able to provide itself with the organization it deems best suited to these needs.


The permanent dialogue between Parliament and its bodies and the Court is not only a guarantee of good collaboration but, if the Court should be open to criticism, should provide the occasion for discussion any shortcomings in its activities. It is inadvisable and unthinkable that requests should be rejected as early as the second year. In the rapporteur's view, they serve mainly to strengthen a structure that is already well-organized and potentially efficient but - as was only to be expected in the first year of operation - is still in the embryonic stage.





EUROPEAN PARLIAMENT

19 October 1978

Doc. 296/233 DRAFT
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1979

DRAFT AMENDMENT No. 233

tabled by Mr RIPAMONTI, on behalf of the Committee on Budgets
SECTION V - COURT OF AUDITORS

List of posts - adjust the establishment plan by the following 38 new posts and the conversions shown below :

- (a) 2 A 3, 3 A 4, 7 A 5, 3 A 6, 6 A 7, 1 B 1, 3 B 2, 2 B 3, 2 C 1, 5 C 2, 3 C 3, 1 D 1 ;
- (b) convert one permanent C 1 into one permanent B S 3 ;
- (c) convert three temporary C 1 into three temporary B S 3.

These posts are frozen. They will be released in two stages at the end of the first two quarters of 1979, in the light of the establishment and performance of the Court's auditing activities, which are to be organized in sixteen sectors.

A - Expenditure

Increase the payment appropriation by 1,135,157 EUA (from 7,049,290 to 8,184,447 EUA) in accordance with the breakdown shown below.:

B - Compensation

-

C - Revenue

Increase revenue by 883,800 EUA

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The overall increase is to be broken down as follows :

Item 1100 - Basic salaries + 500,465 (from 5,168,110 to 5,668,575)

This amendment does not include the increase in appropriations shown in the breakdown against Item 1100 in respect of acceleration of recruitment, in view of the fact that these posts are frozen. The difference between the sum initially earmarked by the Court of Auditors for this heading and that allowed by the Council (164,300 - initial 300,000 - Council's 135,700) now appears under Item 1110 'Auxiliary staff' 5,532,875 EUA.

PF 55.232

Item 1101 - Family allowances	+ 59,840	(from 466,480 to 526,320)
Item 1102 - Expatriation allowances (including Art. 97 of ECSC Staff Regulations)	+ 113,990	(from 888,910 to 1,002,900)
Item 1103 - Temporary fixed allowances	+ 16,310	(from 39,150 to 55,460)
Item 1110 - Auxiliary staff	+ 164,300	(from 110,000 to 274,300)
Item 1130 - Insurance against sickness	+ 19,940	(from 155,500 to 175,440)
Item 1131 - Insurance against accidents and occupa- tional diseases	+ 4,460	(from 34,720 to 39,180)
Item 1141 - Annual leave travel expenses	+ 34,022	(from 61,520 to 95,542)
Item 1221 - Staff	+ 128,000	(from 117,900 to 245,900)
Item 2210 - New purchases	+ 93,830	(from 117,000 to 210,830)

REMARKS

Modify the remarks against the above items accordingly.

Justification

As is pointed out in the report submitted by Mr RIPAMONTI to the Committee on Budgets, the latter considers it necessary to allow the Court to pursue its activities in accordance with the programme it has drawn up, which is to be organized in sixteen sectors :

- (a) EAGGF Guidance Section, Regional Fund, documentation service and legal service ;
- (b) ECSC, Social Fund, budget and accounting division ;
- (c) EAGGF Guarantee Section and programming division ;
- (d) Research and investment expenditure, extra-budgetary expenditure and directorate for working methods and professional training ;
- (e) Own resources, annual reports of activities and opinions ;
- (f) EDF, food aid and relations with the Community institutions ;
- (g) Expenditure on staff of the institutions, energy sector, administration and personnel sector ;
- (h) Administrative expenditure, Statistical Office, information offices, European Bank and relations with national audit bodies ;
- (i) External bodies, European Schools, EURATOM agency, secretariat of the Court and Brussels liaison office.

These 38 posts would be additional to the 35 allowed by the Council in the draft budget, which means that 73 out of the 86 posts requested would be approved, with the result also that all the 57 posts requested for auditing work proper would be reinstated.

FINANCIAL IMPLICATIONS

BREAKDOWN BY ITEM

EXPENDITURE - Chapter 11 - Article 110 - Item 1100		5,668,575	EUA	
	Item 1101	526,320	EUA	
	Item 1102	1,002,900	EUA	
	Item 1103	55,460	EUA	
	Item 1110	274,300	EUA	
	Article 113 - Item 1130	175,440	EUA	
	Item 1131	39,180	EUA	
	Article 114 - Item 1141	95,542	EUA	
	Chapter 12 - Article 122 - Item 1221	245,900	EUA	
	Chapter 22 - Article 221 - Item 2210	210,830	EUA	
REVENUE	- Chapter 40	207,512	1,556,137	EUA
	- Chapter 41	43,845	393,720	EUA
	TOTAL :	251,357	1,949,857	EUA

