

2006 discharge: EC general budget, Council

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PURPOSE: to present the final annual accounts of the European Communities for the financial year 2006 – Other institutions: section II – Council.

CONTENT: this document establishes the amount of expenditure and the balance sheet of the Council for 2006 and presents an analysis of its financial management.

The figures: the following figures are taken from the provisional annual accounts of the Council for the financial year 2006. These figures may be subject to amendment after consolidation.

- **Authorised appropriations for 2006:** EUR 591 752 953;
- **Appropriations committed amount to:** EUR 558 172 930, a utilisation rate of 94.3%;
- **Appropriations cancelled:** EUR 33 580 023
- **Appropriations carried over from 2006 to 2007:** EUR 91 209 024 (16.3% of appropriations in 2006);
- **Appropriations carried over from 2005 to 2006:** EUR 110 161 780 (91.8% utilisation rate of appropriations).

Main axes of expenditure for 2006: the implementation of the Council's budget was marked by a significant difference between budget forecasts and the implementation of this budget, resulting in a cancellation of appropriations to the value of EUR 33.6 million. There are several reasons for this difference:

- the low rate of staff occupation (average of 86%);
- the success of a new allocation system for interpretation as well as the lack of interpreters for the new languages (general staffing problems);
- Member States failing to justify the amounts granted for delegates' travel expenses;
- lower production of pages in the Official Journal of the EU than expected;
- delays in the SESAME project (Title III of the budget).

The budgetary year was also marked by the development of the activities of the Council. In net terms, these activities developed as follows:

- the number of European summits: 3 in 2006 (as in 2005);
- the number of councils: 76 in 2006 (compared to 80 in 2005);
- the number of COREPER meetings: 120 (compared to 123 in 2005);
- the number of working group meetings: 4 037 (compared to 3 918 in 2005);
- the number of legislative acts published in the Official Journal: 1 317 acts in 2006 (compared to 1 056 in 2005).

The other main points concerning the implementation of the Council's budget can be summarised as follows:

Title I (Staff costs): this sector was mainly marked by the low implementation rate of appropriations entered into chapter 1100 "basic salaries": a budget of EUR 212 million had been entered into this item but some EUR 20 million was redeployed to other areas. The significant saving made is mainly due to the difficulties in recruiting staff, given the reduced number of successful candidates in the European civil

service competitions. The under-estimation of staff (14% on average) for the year led to an average under-implementation of around EUR 15 million. The unused appropriations were transferred to other lines within the same category of expenditure.

This budget item was also marked by:

- the low implementation rate of item 1102 “Entitlements under the Staff Regulations related to the personal circumstances of the staff member” for the same reasons previously described;
- the reduction in the amount of expenditure for social security cover.

The surplus amounts from these items were redeployed to other budget lines or cancelled. The title was also marked by the reinforcement of the line “other servants” (EUR 350 000).

Title II (Operating expenditure): Title II of the Council’s budget was mainly marked by the non-utilisation of item 2001 “annual lease payments” in its entirety (EUR 14.4 million). This entire amount was used to reinforce the line “purchase of premises” to enable the full purchase of the LEX building (item 2002). From the beginning, this line (2002) was granted a “p.m.”. An additional EUR 84.31 million was necessary to ensure the purchase of the LEX building and the crèche, via several transfers of appropriations. A large proportion of this figure (around EUR 35 million) was carried over to 2007. Item 2003 (“fitting-out of premises”) was also reinforced (EUR 540 000) in order to proceed with work in the LEX building. A proportion of the budget for the security and surveillance of buildings was redeployed.

The title was also marked by the reinforcement of the budget established for the purchase of information technology equipment (item 2100): a budget of EUR 7.2 million was unnecessarily established, reinforced by an additional budget of EUR 4.2 million. However, EUR 9 million out of the EUR 11.4 million available was ultimately carried over to 2007. Items 2101 (outside assistance for the development of data-processing systems) and 211 (furniture) applied the same system (reinforcement of the budget and carry-over of a proportion of the appropriations to 2007).

In terms of chapter 22 “operating expenditure”, there is a significant difference between the forecasted amounts and the actual expenditure. This can be explained as follows:

- travel costs: an overall budget of EUR 30.8 million was available; the savings made from the under-implementation of the envelopes assigned to the Member States for travel costs of delegates in 2005 enabled the reinforcement of appropriations for this line by EUR 673 000;
- interpretation costs: a budget of EUR 72 million was set aside for this item; on the basis of the chronic under-utilisation of this item for the envelopes established for requested or general interpretation services, some EUR 26.5 million was used for transfers of appropriations to other lines;
- Official Journal: this item was marked by a substantially lower overall production of pages in the Official Journal than first forecast, resulting in a saving of EUR 2.8 million used in other budget lines.

Title III (Expenditure resulting from specific missions carried out by the institution): this budget item was marked by:

- the under-implementation of appropriations from item 3001 (“allowances for CFSP/ESDP seconded experts”);
- the reinforcement of item 3010 (“Missions”) to provide for the increasing number of missions of this type;
- the reinforcement of item 3101 (“fitting-out of premises”);

- the under-implementation of item 3102 (“work to make premises secure”): only a proportion of the work planned for this item was carried out;
- the reinforcement of item 3112 (“building security and surveillance”): the aim was to improve the security of the Kortenberg 150-158 building.

Lastly, this title was also characterised by the redeployment of EUR 18.6 million (out of the EUR 33 million set aside) of expenditure linked to the SESAME project, which, as in 2005, was delayed (see [DEC /2006/2072](#)). These amounts were redeployed to other budget lines or cancelled.

Title 10 (EUR 5 million – contingency reserves) was transferred in full via a “mop up” transfer in order to help towards the purchase of the LEX building.