

2006 discharge: EC general budget, Court of Justice

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

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

The figures: the following figures have been taken from the provisional annual accounts for the financial year 2006 for the Court of Justice. These figures may be amended following consolidation.

- **Authorised appropriations for 2006:** EUR 250 338 602.
- **Appropriations committed amounted to:** EUR 238 293 961.93, a 95.2% utilisation rate;
- **Appropriations paid amounted to:** EUR 225 025 288.09;
- **Appropriations carried over from 2005 to 2006:** EUR 14 741 764.50 (84.1% used);
- **Appropriations carried over from 2006 to 2007:** EUR 13 268 673.84 (5.3% of overall appropriations available).

Main axes of 2006 expenditure: compared to 2005 expenditure, an increase of 11.7% was recorded, mostly due to the increase in lease-purchase payments of the outbuildings of the Court (some EUR 10 million).

The highlights of the Court of Justice's budgetary implementation can be summarised as follows:

Title I (Expenditure relating to persons working for the Institution): this Title was particularly marked by surplus appropriations relating to the basic salaries of staff. Some EUR 2.6 million from Item 1100 (Basic Salaries) was transferred due to difficulties in recruiting enlargement staff. The reserve lists provided were not sufficient to mobilise permanent staff from new Member States, which is why the Court resorted to temporary workers. The majority of this amount was transferred to Item 2001 "Lease/purchase payments" (see the explanations below).

The other transfers of appropriations of surplus amounts from Title I were used to give tenure to a certain number of officials or to reinforce the budget item relating to travel expenses due to the wave of recruitment following the 2004 enlargement.

This budget item was also marked by the following elements:

- **Mission and travel expenses:** the expenses for these budget items increased by 46.7% compared to 2005 due to the FIDE Congress (biennial meeting of the International Federation for European Law);
- **Strengthening of the sociomedical infrastructure:** expenses for this item increased by 30% due to the increase in annual visits and complementary medical examinations of officials (in particular, extra medical supplies and medication were bought to combat a potential pandemic of avian flu);
- **Increase in appropriations relating to the social service of the Institution** (service that deals with relations between members of staff);
- **Increase in entertainment and representation expenses;**

- Increase in “interinstitutional cooperation” expenditure, including the costs of translation and interpretation (as an indication, the number of pages translated externally in 2006 was 21.4% compared to 22% in 2005, while the interpretation service resorted to using 291 auxiliary conference interpreters, a large increase compared to 2005 due to the new official languages following the 2004 enlargement).

Title II (Buildings, equipment and operating expenditure): it is mainly the redevelopment of property that marks the budgetary implementation of Title II, with a very large increase in expenditure in 2006 (+30% compared to 2005). This increase essentially comes from budget item 2001 for **lease/purchase payments** of the outbuildings of the Court. This budget item was reinforced by an overall transfer of EUR 1 540 000. In effect, during the drawing up of the 2006 budget, a sum of EUR 8.5 million was attributed to lease /purchase payments of outbuildings. However, a reassessment of the maintenance costs of these buildings indicated that the cost would rise to some EUR 12 million, forcing the Institution to attribute an additional EUR 1.54 million to Item 2001 “lease/purchase” for 2006 (this Item amounting to EUR 10 039 687.76).

The net decrease in costs for property expertise figures among the other significant amendments to the budget. To ensure the monitoring of construction work for the new complex of the Court and its outbuildings, it was, in fact, decided to call upon an external expert. Costs of building expertise, in particular, only amounted to EUR 40 000 instead of the EUR 400 000 initially set out. A proportion of this amount was used to reinforce Items for the operating costs of the buildings of the Institution (for example, gas, electricity, heating, cleaning and maintenance costs).

The other main expenditure for this Title is characterised as follows:

- Consolidation of the budget Item for data-processing work, totalling EUR 980 000 (funding of several calls for tender and various amounts of data-processing work);
- Decrease in current administrative expenditure of around 4.8%;
- Decrease in expenditure on publishing and information of around 16%;
- Decrease in subsidies and financial contributions of 3% (student visits, study grants).

Title III (Specific mission costs): expenditure for this Title increased by some 184.4% compared to 2005. It covers lawyers’ fees and other costs that could fall under the responsibility of the Institution in the framework of free legal representation, which is difficult to plan for (thus in 2005, this Title was under-implemented by 81% compared to the initial amount set out).