2006 discharge: EC general budget, Court of Auditors

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PURPOSE: to present the final annual accounts of the European Communities for the financial year 2006 – Other institutions: Section V – Court of Auditors.

CONTENT: this document sets out the amount of expenditure and the financial statement of the Court of Auditors for 2006 and presents an analysis of its financial management.

Summary in figures: the figures mentioned hereafter are taken from the internal provisional annual accounts for the financial year 2006 relating to the Court of Auditors. These amounts may be subject to amendments after consolidation.

- **Appropriations authorised for the financial year 2006**: EUR 113 196 491;
- **Committed appropriations**: EUR 100 976 934.57 (89.21% of the budget being utilised);
- **Paid appropriations**: EUR 93 728 633.21;
- **Cancelled appropriations**: EUR 12 219 556.43 (10.79% of the budget)
- **Appropriations carried over from 2006 to 2007**: EUR 7 248 301.36 (7.18% of the budget);
- **Appropriations carried over from 2005 to 2006**: EUR 6 284 404.

Main axes of 2006 expenditure: the implementation of the Court of Auditor's budget is characterised by the low level of staff occupation and, therefore, by the under-execution of Title I appropriations (personnel expenditure) and by the closure of real estate expenditure by the Institution.

Concerning the building extension works of the Court in Luxembourg (building K2), the Court indicates that the construction of this new building was successfully completed in 2004. The accounts linked to this building project were closed in 2006. The total cost of the project was shown to be inferior to the amount initially forecast (approximately 6% less than the amount forecast, that is a sum of EUR 1 656 million). This budget and the interest from the bank were transferred, in their entirety, to the general budget of the Communities, at the end of 2005.

The other main characteristics of the implementation of the Court's budget can be summarised as follows:

Title I (*Personnel expenditure*): this budgetary title is characterised by the low implementation rate for commitments entered in chapter 11 "Basic salaries" used at a level of 87.71% (some EUR 9.9 million was under-executed due to difficulties linked to the recruitment of personnel, stemming from the reduced number of laureates in the various examinations for the European Civil Service).

The title was also characterised by the relatively low rate of budgetary implementation for missions (79% of the initially planned budget). The Court believes that this post was overvalued when the 2006 budget was determined. Mission expenses are directly related to the Court's Work Programme, which cannot be fully anticipated at the time of budgetary planning. In 2006, the utilisation of missions was, therefore, inferior to the budgetary prevision.

The title was also characterised by the under-utilisation of expenditure on exchanges of experts (chapter 15). Given that this chapter has increased in breadth in recent years, the Court had forecast a significant amount to meet the increasing needs of this post. Finally, this amount was not fully utilised and progresses less rapidly than that of previous years.

Title II (*Buildings and operating expenditure*): no major developments occurred in relation to Title II of the Court of Auditor's budget in 2006.