

2008 discharge: EU general budget, Court of Auditors

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PURPOSE: to present the final annual accounts of the European Communities for the financial year 2008
- 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 2008. It presents an analysis of its financial management as well as its main axes of expenditure.

The figures mentioned hereafter are taken from the [Report on the Budgetary and Financial Management for the financial year 2008](#).

Information concerning the Court of Auditors is taken from the Court's [Annual Activity Report for 2008](#) which can be found on the Court's website, in which it provides more detailed information on the missions and the tasks carried out in 2008.

CONTENT:

2008 appropriations:

- **Commitments** (final appropriations): EUR 132 769 183
- **Committed appropriations:** EUR 120 633 663
- **Implementation rate:** 90.86%
- **Payments:** EUR 108 333 378
- **Implementation rate:** 89.8%
- **Transfers:** in the course of the financial year, the Court effected 20 budgetary transfers for a total amount of EUR 2 601 103. These transfers were undertaken to ensure the smooth working of the various departments of the Court and to meet any requirements this entailed.

(2) Main axes of 2008 expenditure: as the independent audit institution of the EU, the Court of Auditors has a unique role to play in contributing to the improvement of the EU financial management and to promoting accountability and transparency. It does this through the audit services it renders and the example it sets. The Court presents the results of its audits in the annual or specific reports. This year the Court presented, for the first time, a 'clean' opinion on the reliability of the EU accounts.

The Court acknowledged, also in 2008, the developments being made at EU and national level that may lead to significant improvements in EU financial management in the future. Two examples in this Annual Activity Report are the ongoing EU budget review process, to which the Court has actively contributed, and the issuing by the Commission of its communication on the 'Tolerable risk of error'.

In the domain of international relations, the Court took the lead in organising discussions of the Contact Committee of the Heads of the EU Supreme Audit Institutions (SAI) on EU budget reform and the Revised Lisbon Strategy, as well as recently hosting a workshop on the role of the EU SAIs in the light of the measures being taken to address the current financial crisis. A significant step taken in 2008 by the Court to realise its mission and vision was the development of its Audit Strategy for the period 2009 to 2012. The Audit Strategy sets two priority goals: (i) to maximise the overall impact from its audits; and (ii) to increase efficiency by making best use of its resources. These goals will guide the Court's work programmes over the period.

In terms of its operational activities, the Court notes that, in addition to its 2008 annual report on EU expenditure, it drew up 28 special annual reports on the agencies and other decentralised Community bodies, 12 special reports as well as 5 opinions on proposed regulations or issues concerning financial management.

3) Salient facts of the 2008 budget implementation:

Title I (*People working with the institution*): in 2008, the utilisation rate of appropriations of Title I equals 89.31% (in 2007 this rate was 89.41%). Appropriations in the chapter concerning "Officials and temporary staff" were utilised in 2008 at 88.64%. An amount of EUR 9 916 566 was not used due to the continuing effects of the delay noted in the last years in anticipated recruitment brought about by the lower than expected number of laureates from external competitions. This year's utilisation rate concerning "Other staff and external services" of 81.05% was mainly caused by an unused budget of EUR 537 951 in the budget line concerning contract workers. The Court also encountered difficulties in recruiting and keeping suitable staff. In fact some contract agents became temporary agents following selection procedures, others resigned before the end of their contract (mainly because they found better paid jobs elsewhere) and/or were not replaced when their contract ended. In addition, the recruitment of contract agents is difficult due to the lack of attractiveness of the salaries and due to the fact that part of the laureates from the selection procedures are already working in other institutions.

There are a number of missions carried out in 2008 for which expense claims were not received or had been received but not fully processed by the end of the financial year. Other amounts for which legal obligations existed but invoices were not received in 2008 are 'further training for staff', 'early childhood centre' and 'miscellaneous expenditure on recruitment'.

Title II (*Buildings, movable property, equipment and miscellaneous operating expenditure*): the rate of utilisation of appropriations in Title II reached 98.28% in 2008 (compared to 95.92 % in 2007). Payments amounted to a total of EUR 12 958 863, equivalent to 56.60% of the final appropriations and to 57.59% of the commitments. The large amount (EUR 5 504 660) carried over in the chapter on "buildings and associated costs" impacts negatively on the implementation rates mentioned above. This amount is largely explained by the work being carried out in the Court's 'K1' building to bring it into conformity with national health, safety and environmental legislation. After some technical problems were encountered, this work is running later than planned, with the result that fewer payments were made in 2008 than anticipated. It is expected that the work will be fully completed and paid for in the first half of 2009. For other major amounts contributing to the carry-over, "cleaning and maintenance", "Energy consumption and Security", the amounts were committed but the invoices were not yet received at year end. The Court also notes an important amount of appropriations for the lines concerning IT due to, yet again, undelivered invoices at the end of the year. The same problem concerns the publication of the Annual Report, Special Report 7/08, Specific Annual Reports, Report of the external auditor plus other related costs like distribution, stocking, etc...