

# 2008 discharge: EU general budget, Council

2009/2070(DEC) - 10/11/2009

**PURPOSE:** to present the report of the Court of Auditors on the implementation of the budget for the financial year 2008 (other institutions - Council).

**CONTENT:** in its annual report for the financial year 2008, the Court focuses on the legality and regularity of the operating expenditure of the institutions. In 2008, the Court carried out audits in all the institutions on the following selected topics (procurement contracts, late payment penalties, payments on carried-over appropriations, transfers of acquired pension rights, etc...). In addition, the Court assessed the compliance of the supervisory and control systems applied by each institution with the requirements of the Financial Regulation.

In 2008, the Court notes that **all the institutions operated satisfactorily the supervisory and control systems** required by the Financial Regulation and the **transactions tested were free from material error of legality and regularity**.

Although the legality and regularity of the transactions underlying the accounts have been confirmed by the Court of Auditors, it does however draw attention to a number of findings which should be taken into consideration by the institutions concerned.

Nevertheless, in the specific case of the audit of the **Council**, the following is noted:

**SESAME programme:** SESAME (*Secured European System for Automatic Messaging*) is a secure communication system that has been under development by the Council since 2002. The initial target implementation date for the new system was July 2004. In January 2009, the target implementation date was further postponed to the end of 2012. There were many changes to the initial project design. As a result, the annual budget for SESAME was overestimated each year up to 2008. The resulting over budgeting of EUR 57 million was then available for transfer to other Council budget lines. The continued over-budgeting for SESAME, which evidenced a weakness in its planning and implementation, did not comply with the budgetary principle of accuracy required by the Financial Regulation.

The Council states that the budget amounts have always been based on expenditure estimates for the coming year in line with agreed policy decisions. The reasons for the delay, and the consequential budget slippage over recent years, stem mainly from changes in the programme's scope after the date that the Secretariat introduced the proposal for the coming budget year and the number of stakeholders and Council preparatory bodies involved.

The Council considers that there is a reasonable prospect that the programme will shortly move to the next phase. In light of this experience, the Council is currently considering ways of improving its coordination on structures for the governance of major IT projects such as SESAME.