2001 discharge: EC general budget, Court of Justice

2002/2104(DEC) - 10/10/2002

PURPOSE : to present the Court of Auditor's Annual report on the implementation of the budget and other Community institutions for the financial year 2001 (Court of Justice). CONTENT : the annual report from the Court of Auditors relating to the financial year 2001 concentrates on the entire Community budget, including the operational appropriations for the other institutions. These appropriations are managed directly by these authorities and are used primarily to pay the salaries, allowances and pensions of persons working for the Community Institutions, as well as rent, property, purchases and miscellaneous administrative expenditure. The Court has reviewed the information presented in Volumes I to IV of the revenue and expenditure account published by the Commission. Volumes I and III provide a commentary on budgetary management for the year and, in particular, explanations of variations between the approved budget and the appropriations finally available, as well as between the appropriations finally available and those utilised. This review sought to identify any significant variations for which explanations are not provided and to identify any explanation that might be considered misleading. The review did not reveal any such case. It should be noted that in response to the Court's observations of the Annual Report concerning the financial year 2000, the Commission and the Parliament have improved the presentation and user-friendliness of their analysis of budgetary management. In particular, the Commission has provided some global analysis and has introduced a more logical and consistent presentation between chapters and the Parliament has given factual information about the results achieved with the budgetary appropriation used. However, institutions other than the Commission continue to focus on describing changes in levels of appropriations during the year and on commitment made and not on the differences between sums committed and sums paid. It is still the Court's opinion that it would be desirable for all the institutions to provide a more global analysis of their budgetary management which highlights and explains trends over time in expenditure and the funding of major capital items, and which offers key measures of economy and efficiency. As far as the Court of Justice is concerned, the report states that no observations arose from the audit of the audit of the Court of Justice's balance sheet. However, the reports outlines the remarks relating to heading (Weightings) in the budget sections of the Commission and the Court of Justice which states that appropriations are available to cover weightings applied to the transfer of part of the emoluments of Members of the Institutions to a country other than the country of employment. The suspension, which was decided on a provisional basis and pending receipt of clarification, was intended to enable the Administrative Committee to examine in depth the arguments which had prompted the Court of Auditors to contest the regularity of such transfers, in particular the contention that there was no specific legal basis for that practice in the absence of an express provision in the rules laid down by the Council governing the emoluments of Members and that the mere entry of the appropriations relating thereto could not constitute a sufficient basis for that item of expenditure, whichwould, moreover, necessitate the adoption of a basic act by the legislative authority. The Administrative Committee consequently took the view that the legal basis of the practice in question was to be found in the provisions of Article 17 of Annex VII of the Staff Regulations of Officials, which are applicable by analogy to Members, and that the institution was obliged to discontinue the suspension decided upon on 12 June 2002 and to resume the transfers in respect of Members on the same conditions, and in accordance with the same arrangements, as those applicable to officials. As indicated, the Court actually ceased to apply these weightings on 1 July 2002.