European Central Bank ECB. Report 2000

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This is the report by the Court of Auditors on the operational efficiency of the European Central Bank (ECB) for 2000, together with the ECB's replies. One of the most important criticisms the Court makes relates to budgetary management and monitoring. The initial budget was 289 million EUR at the end of March 2000. At the end of September, in the light of predicted underspending, this was revised down to 227 million EUR. Concerning the expenditure for projects, there was an important decrease of 40 million EUR or 52% from the initial budget. The underspending is mainly due to delays in four main projects. In 2000, the utilisation was only 48% for the projects compared to the initial budget and 69% compared to the budget revised in September. As in previous years there was an important gap between the planning of projects and the effective ability to implement them. Once again the ECB was apparently too ambitious in its planned projects and the budget only served to a modest extent as a strategic tool for the effective management and control of expenditure. the Court also draws attention to the following: -the ECB decided in 1999 to mount an information campaign to assist the introduction of the Euro in 2002. The content and cost of the campaign were not clearly defined, and as a result there was no satisfactory objective basis on which to choose the successful contractor. A jury of 12 members used a 'comparative evaluation table' incorporating different criteria from he tender notice to recommend a contractor. -the Court points out several weaknesses in the physical inventory system, such as the lack of overall responsibility for the security of IT assets. The ECB replies as follows: -on budget management, the financial year project underspending mainly derived form four large projects out of a total of 38 projects. Underspending in projects for the calender year or the postponement of specific project steps from one financial year to the other are not an automatic indication on the progress of the project outside its overall timeframe or on a potential real overspending/underspending of the overall project budget. On budget utilisation rates, in 2000, the annual ECB budget was formally revised following the mid-year budget review. This was suggested by the Court in its 1999 report. -on the information campaign, the ECB states that on the basis of clearly defined objectives set out in the Court's own report, the purpose of the tender process was to find the best content-cost ratio. -a project to implement an overall IT asset management system will be proposed for 2002.