

2004 discharge: EC general budget, Court of Auditors

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PURPOSE : presentation of the final annual accounts of the European Community for the financial year 2004 – 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 2004 and presents an analysis of its financial management. The available appropriations set out in the Court's 2004 budget amounted to EUR 97 million, with an 89% utilisation rate.

Main axes of 2004 expenditure : budget implementation of the Court can be characterised by the following :

- A slight under-utilisation of enlargement related expenditure ;
- The end of the building extension works.

Amendments to budget : during 2004, some budget items were subject to amendments totalling EUR 3,3 million. Appropriation transfers between items or chapters were made in order to fund these budget amendments.

The main amendments dealt with:

- The strengthening of external expertise;
- The evaluation of recruitment needs and the setting up of a recruitment competition in Luxembourg and medical examinations;
- Additional translations costs;
- The implementation of the « Notenboom » procedure : each year the Court produces a detailed analysis of its budget implementation and its needs for the remainder of the year with a view to respecting the principles of sound financial management : in 2004, the application of the procedure drove the Court to make budget transfers (EUR 532.000) to cover operational costs.

The main issues of the 2004 budget can be summarised as follows:

Title I (Staff costs) : appropriations under this headings were utilised at 88%. This is due to :

- Delays in anticipated recruitment brought about by the necessity of waiting for the conclusion of interinstitutional competitions and by the lower than expected number of laureates;
- Mission costs (a slow down has been observed for some years now);
- Exchanges of civil servants and experts (a utilisation rate of 27%). Appropriations in this chapter increased from EUR 291 000 in 2003 to EUR 801 000 in 2004 in anticipation of a greater need in the year of enlargement. The underutilisation results from a less than expected take up in 2004, by the audit offices of the Member States, of positions as detached national experts, following the changes in the rules relating to ICN posts.

Title II (Operational expenditure) : appropriations for moveable property and associated costs were utilised at 70%. The use of appropriations in this chapter is directly associated with the level of recruitment and resulting need for office equipment for staff. On the Court's extension in Luxembourg

(building K.2), it has been in construction since 2001 and was satisfactorily completed in 2004. It was occupied in 2003, ahead of the schedule date of June 2004. In 2004, an amount of EUR 461.730 was transferred to the special bank account for the project which is underpinned by a bank guarantee of up to EUR 10 million. This is an interesting bearing account interest is receivable by the Court on a quarterly basis. At the balance sheet date, the bank account was EUR 3.5 million.

DETAILED SYNTHESIS OF 2004 EXPENDITURE: this detailed synthesis analyses the breakdown of the Court of Auditor's expenditure for the financial year 2004. The figures mentioned can also be found in the "Final annual accounts of the European Communities - Financial year 2004 – Volume III".

Implementation rate in 2004 :

- Appropriations available for 2004: **EUR 96.925.410;**
- Appropriations committed amounted to EUR 85.934.099,96 EUR, a **88,66%** utilisation rate;
- Appropriations paid amounted to EUR 78.990.217,98;
- Appropriations carried over from 2003 to 2004 : EUR 5.588.870,41.

Main budget items and the use of commitment appropriations (Titles I and II):

- I : Institutional costs (Members and active staff) : EUR 73,4 million;
- II : Operational costs (buildings and material) : EUR 12,54 million.