



EUROPEAN DATA PROTECTION SUPERVISOR

Annual accounts of the European Data Protection Supervisor

Financial year 2016

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CERTIFICATION OF THE ACCOUNTS

The annual accounts of the European Data Protection Supervisor for the year 2016 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by myself in my capacity as the Commission's Accounting Officer, as are to be applied by all the institutions and Union bodies.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Data Protection Supervisor in accordance with Article 68 of the Financial Regulation.

I have obtained from the authorising officers, who certified its reliability, all the information necessary for the production of the accounts that show the European Data Protection Supervisor's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the European Data Protection Supervisor.

[signed]

Rosa ALDEA BUSQUETS

Accounting Officer

12 June 2017

BACKGROUND INFORMATION ON THE EDPS

The European Data Protection Supervisor (EDPS) is an independent supervisory authority based in Brussels which ensures that the European institutions and bodies respect the right to privacy when they process personal data and develop new policies. A number of specific duties of the EDPS are laid down in Regulation (EC) No 45/2001. The three main fields of work are:

- (1) **Supervision:** The EDPS monitors the processing of personal data in the EU administration and ensures compliance with the data protection rules;
- (2) **Consultation:** The EDPS advises the European Commission, the European Parliament and the Council on proposals for new legislation and a wide range of other issues having an impact on data protection and
- (3) **Cooperation:** The EDPS cooperates with other data protection authorities in order to promote consistent data protection throughout Europe.

The EDPS operates as a unique and independent institution with its own budgetary responsibility before the Parliament and the Council. Its budget is entirely administrative and is funded directly by the EU General Budget.

As an EU institution, within the context of the Financial Regulation (FR), the EDPS is required to prepare and adopt its own annual accounts, which are ultimately consolidated within those of the EU. The preparation of the annual accounts is entrusted to the EDPS Accounting Officer who is (on the decision of the EDPS) the Accounting Officer of the Commission.

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.

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BALANCE SHEET

EUR '000

| | Note | 31.12.2016 | 31.12.2015 |
|---|------|--------------|--------------|
| NON-CURRENT ASSETS | | | |
| <i>Intangible assets</i> | 2.1 | 69 | 161 |
| <i>Property, plant and equipment</i> | | 41 | 43 |
| | | 110 | 204 |
| CURRENT ASSETS | | | |
| <i>Exchange receivables and non-exchange recoverables</i> | 2.2 | 130 | 11 |
| | | 130 | 11 |
| TOTAL ASSETS | | | |
| | | 240 | 215 |
| CURRENT LIABILITIES | | | |
| <i>Payables</i> | 2.3 | (8) | - |
| <i>Accrued charges and deferred income</i> | 2.4 | (332) | (296) |
| | | (339) | (296) |
| TOTAL LIABILITIES | | | |
| | | (339) | (296) |
| NET ASSETS | | | |
| | | (100) | (81) |
| <i>Accumulated surplus (deficit)</i> | | (81) | 6 |
| <i>Economic result of the year</i> | | (19) | (87) |
| NET ASSETS | | | |
| | | (100) | (81) |

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

| | Note | 2016 | 2015 |
|---|------|----------------|----------------|
| REVENUE | | | |
| Revenue from non-exchange transactions | | | |
| <i>Funds transferred from the Commission</i> | | 7 607 | 6 968 |
| <i>Other non-exchange revenue</i> | 3.1 | 925 | 946 |
| Total | | 8 532 | 7 914 |
| <hr/> | | | |
| EXPENSES | | | |
| <i>Staff and pension costs</i> | 3.2 | (5 804) | (5 614) |
| <i>Other expenses</i> | 3.3 | (2 747) | (2 386) |
| | | (8 551) | (8 001) |
| <hr/> | | | |
| ECONOMIC RESULT OF THE YEAR | | (19) | (87) |

CASHFLOW STATEMENT ¹

| | EUR '000 | |
|---|----------|------|
| | 2016 | 2015 |
| <i>Economic result of the year</i> | (19) | (87) |
| Operating activities | | |
| <i>Amortisation and depreciation</i> | 101 | 102 |
| <i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i> | (119) | 29 |
| <i>Increase/(decrease) in payables</i> | 8 | (6) |
| <i>Increase/(decrease) in accrued charges and deferred income</i> | 36 | (36) |
| Investing activities | | |
| <i>(Increase)/decrease in intangible assets and property, plant and equipment</i> | (7) | (3) |
| NET CASHFLOW | – | – |
| <i>Net increase/(decrease) in cash and cash equivalents</i> | – | – |
| <i>Cash and cash equivalents at the beginning of the year</i> | – | – |
| <i>Cash and cash equivalents at year-end</i> | – | – |

¹ The EDPS does not have its own bank accounts. All payments are processed via the Commission's treasury system and registered in a liaison account. At year-end, this account is regularised and the total cash transfer is reflected in the statement of financial performance as funds transferred from the Commission.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

| | Accumulated Surplus/(Deficit) | Economic result of the year | Net Assets |
|---|----------------------------------|--------------------------------|---------------|
| BALANCE AS AT 31.12.2014 | (3 945) | 3 951 | 6 |
| <i>Allocation of the 2014 economic result</i> | 3 951 | (3 951) | - |
| <i>Economic result of the year</i> | - | (87) | (87) |
| BALANCE AS AT 31.12.2015 | 6 | (87) | (81) |
| <i>Allocation of the 2015 economic result</i> | (87) | 87 | - |
| <i>Economic result of the year</i> | - | (19) | (19) |
| BALANCE AS AT 31.12.2016 | (81) | (19) | (100) |

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about financial position, performance and cashflows of an entity that is useful to a wide range of users.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, reliability, understandability and comparability.

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional and reporting currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Euro exchange rates

| Currency | 31.12.2016 | 31.12.2015 | Currency | 31.12.2016 | 31.12.2015 |
|------------|-----------------|------------|------------|-----------------|------------|
| BGN | 1.9558 | 1.9558 | PLN | 4.4103 | 4.2639 |
| CZK | 27.0210 | 27.0230 | RON | 4.5390 | 4.5240 |
| DKK | 7.4344 | 7.4626 | SEK | 9.5525 | 9.1895 |
| GBP | 0.8562 | 0.7340 | CHF | 1.0739 | 1.0835 |
| HRK | 7.5597 | 7.6380 | JPY | 123.4000 | 131.0700 |
| HUF | 309.8300 | 315.9800 | USD | 1.0541 | 1.0887 |

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to; accrued and deferred income and charges, provisions, financial risk on accounts receivables, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

1.3. BALANCE SHEET

1.3.1. Intangible assets

Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met. The costs capitalisable include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred.

1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land and works of art are not depreciated as they are deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

| Type of asset | Straight line depreciation rate |
|-------------------------------|---------------------------------|
| <i>Buildings</i> | <i>4 % to 10 %</i> |
| <i>Plant and equipment</i> | <i>10 % to 25 %</i> |
| <i>Furniture and vehicles</i> | <i>10 % to 25 %</i> |
| <i>Computer hardware</i> | <i>25 % to 33 %</i> |
| <i>Other</i> | <i>10 % to 33 %</i> |

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

Leases

Leases of tangible assets, where the entity has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The interest element of the finance lease payment is charged to statement of financial performance over the period of the lease at a constant periodic rate in relation to the balance outstanding. The rental obligations, net of finance charges, are included in financial liabilities (non-current and current). The interest element of the finance cost is charged to the statement of financial performance over the lease period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The assets held under finance leases are depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease.

1.3.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.4. Financial assets

The financial assets are classified in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available for sale financial assets. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

(i) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the entity. Derivatives are also categorised in this category. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. During this financial year, the entity did not hold any investments in this category.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. During this financial year, the entity did not hold any investments in this category.

(iv) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are classified as either current or non-current assets, depending on the period of time the entity expects to hold them, which is usually the maturity date.

Initial recognition and measurement

Purchases and sales of financial assets at fair value through profit and loss, held-to-maturity and available for sale (except cash and cash equivalents) are recognised on trade date - the date on which the entity commits to purchase or sell the asset. Loans and term deposits are recognised at settlement date. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through profit and loss transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

Subsequent measurement

Financial assets at fair value through profit and loss are subsequently carried at fair value with gains and losses arising changes in the fair value being included in the statement of financial performance in the period in which they arise.

Loans and receivables and held-to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value being recognised in the fair value reserve. Interest on available for sale

financial assets calculated using the effective interest method is recognised in the statement of financial performance.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

1.3.5. Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. The amount of the pre-financing may be reduced (wholly or partially) by the acceptance of eligible costs (which are recognised as expenses).

Pre-financing is, on subsequent balance sheet dates, measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

1.3.6. Receivables and recoverables

As the EU accounting rules require a separate presentation of exchange and non-exchange transactions, for the purpose of drawing up the accounts, receivables are defined as stemming from non-exchange transactions and recoverables are defined as stemming from exchange transactions (when the entity receives value from another entity without directly giving approximately equal value in exchange).

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly (see 1.3.4 above).

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial instruments and classified and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

1.3.8. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

1.3.9. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services and non-exchange transactions related e.g. to cost claims from beneficiaries, grants or other EU funding.

Where grants or other funding is provided to the beneficiaries, the cost claims are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

1.3.10. Accrued and deferred income and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued income will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance it is distinguished between:

(i) Revenue from non-exchange transactions

Revenue from non-exchange transactions are taxes and transfers because the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability (pre-financing received).

(ii) Revenue from exchange transactions

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

1.4.2. Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions account for the majority of the entity's operating expenses. They relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.5.2. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

The balance under this heading (kEUR 69) mainly relates to a data protection case management software that was developed for the EDPS and has been operational since October 2013. The amortisation rate for intangible assets is 25 % giving the total amortisation expense of kEUR 92 for the year.

2.2. EXCHANGE RECEIVABLES AND NON-EXCHANGE RECOVERABLES

On 31 December 2016 EDPS does not have any amounts related to non-exchange recoverables.

The increase in the total amount of exchange receivables is related to prepaid expenses of the amount of kEUR 108 which mainly relate to IT services provided by 3rd parties (kEUR 61) and to other services provided by 3rd parties (kEUR 35).

Exchange receivables from staff amount to kEUR 21.

LIABILITIES

2.3. PAYABLES

The whole amount relates to an invoice that was unpaid at year end.

2.4. ACCRUED CHARGES AND DEFERRED INCOME

The whole amount refers to accrued charges. The most significant accrued charges concern untaken staff holidays (kEUR 78), other services provided by 3rd parties (kEUR 117) and IT related costs for services provided by 3rd parties (kEUR 41).

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

3.1. OTHER NON-EXCHANGE REVENUE

| | EUR '000 | |
|--------------|------------|------------|
| | 2016 | 2015 |
| <i>Staff</i> | 925 | 915 |
| <i>Other</i> | – | 31 |
| Total | 925 | 946 |

The amount under the sub-heading 'Staff' relates to retirement taxes, retirement contributions and other deductions from staff salaries.

In 2015 the amount under the sub-heading 'Other' concerned the reimbursement of a surplus from the translation services price stability reserve (accumulated in prior years by the Translation Centre for the Bodies of the EU). The decrease in the amount under this heading relates to the absence of such revenue in 2016.

EXPENSES

3.2. STAFF AND PENSION COSTS

These amounts are paid directly by the European Commission to the beneficiaries and recharged to the EDPS using a liaison account.

3.3. OTHER EXPENSES

| | EUR '000 | |
|---|--------------|--------------|
| | 2016 | 2015 |
| <i>Property, plant and equipment related expenses</i> | 101 | 102 |
| <i>Land and buildings</i> | 798 | 837 |
| <i>External non-IT services</i> | 958 | 556 |
| <i>External IT services</i> | 421 | 532 |
| <i>Missions</i> | 188 | 164 |
| <i>Communications & publications</i> | 97 | 83 |
| <i>Training costs</i> | 71 | 63 |
| <i>Experts costs</i> | 63 | 27 |
| <i>Office supplies & maintenance</i> | 43 | 21 |
| <i>Recruitment costs</i> | 7 | 2 |
| Total | 2 747 | 2 386 |

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

At 31.12.2016 outstanding commitments not yet expensed amounted to kEUR 641. The amount comprises the budgetary RAL ('Reste à Liquider') less related amounts which have been included as expenses in the 2016 statement of financial performance. The budgetary RAL is an amount representing open commitments for which payments and/or de-commitments have not yet been made.

4.2. RELATED PARTIES

The related parties of EDPS are the other EU consolidated entities and the key EDPS management personnel. Transactions between these parties take place within normal EDPS operations and therefore, no specific disclosure requirements are necessary for these transactions, in accordance with the EU accounting rules.

REPORTS ON THE IMPLEMENTATION OF THE BUDGET AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.

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1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1. Budgetary principles

The establishment and implementation of the budget of EDPS is governed by the following basic principles set out in the Financial Regulation applicable to the general budget of the Union:

Principles of unity and budgetary accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of EDPS.

No expenditure may be committed or authorised in excess of the appropriations authorised by the budget.

An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

Principle of annuality

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December.

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

Principle of universality

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

Principle of specification

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and items.

Principle of sound financial management

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published in the Official Journal of the European Union within three months of their adoption.

1.2. Structure and presentation of the budget

The EDPS budget, as with other EU institutions, is not balanced since the revenue is shown in the Commission's budgetary accounts. This is because the Commission is the institution which collects the own resources and distributes the revenues to the other EU institutions. The only source of EDPS budget revenue is the revenue from taxes and other deductions from its staff.

As the whole of the expenditure is of an administrative nature, all EDPS appropriations are of the non-differentiated type.

The budgetary accounts shall present a true and fair view of the budgetary revenue and expenditure operations.

The structure of the budgetary implementation reports shall be the same as that of the EDPS budget itself.

Title 1 budget lines are related to staff expenditure such as salaries and allowances for persons working with EDPS. It also includes recruitment expenses, staff missions, and expenses for the socio-medical infrastructure.

Title 2 budget lines relate to all buildings, equipment and miscellaneous administrative expenditure.

Title 3 budget lines relate to the creation of the EDPB (European Data Protection Board) which would be administratively attached to the EDPS Secretariat. The first appropriations were requested for 2015 in order to create an internal Task Force by mid-2015 with the mandate of executing preliminary preparatory work.

1.3. Highlights of the budgetary implementation

In 2016, the EDPS was allocated a budget of EUR 9 288 043. This represents an increase of 4.55 % compared to the 2015 budget.

In our budget proposal for 2016, as recommended by the European Commission, we applied our policy of austerity. Most budgetary lines, for the fourth consecutive year, remained frozen to 0% and the overall increase as to EDPS current activities was of 1.30%, which equalled the nominal freeze at the 2014 level recommended by the European Commission.

Nevertheless, some additional resources were requested for some activities foreseen in the EDPS Multiannual Financial Framework 2014-2020 (MFF 2014-2020). Within the framework of the new General Data Protection Regulation (GDPR), one of the most significant activities was the creation of a small task-force in 2015, with the responsibility of assessing the necessary legal, operational and budgetary means for the future set up of a new EU body, the European Data Protection Board (EDPB). Our financial planning was built on the assumption that, as foreseen in the draft of the GDPR being under negotiation at that time, the EDPS would be asked to provide a Secretariat to the future EDPB. Therefore, in order to prepare the transition and the transformation of the Article 29 Working Party into the future EDPB, we only requested a very moderate increase of resources to reinforce the task-force.

The budget implementation control mechanism created in 2011, which monitors the implementation rate of each budget line, provides the Management Board of the institution with a comparison between the estimated and the actual consumption, as well as the evolution of the implementation rate from one year to another. The intensive and continuous use of this tool has resulted in a more efficient use of the EDPS human and financial resources and therefore has consolidated a positive evolution of the budget implementation rate.

2. BUDGET RESULT

EUR '000

| | Title | 2016 | 2015 |
|--|-------|----------------|----------------|
| Revenue | | 925 | 982 |
| of which: | | | |
| Revenue accruing from persons working with the institutions and other Union bodies | 4 | 925 | 915 |
| Miscellaneous revenue | 9 | | 67 |
| Expenditure | | (7 867) | (7 580) |
| of which: | | | |
| Staff expenditure | A-1 | (5 671) | (5 715) |
| Admin expenditure | A-2 | (1 653) | (1 551) |
| Operational expenditure | B0-3 | (542) | (313) |
| Payment appropriat. carried over to the following year | | (914) | (795) |
| of which: | | | |
| Staff expenditure | A-1 | (137) | (97) |
| Admin expenditure | A-2 | (772) | (603) |
| Operational expenditure | B0-3 | (5) | (95) |
| Cancellation of unused appropri. carried over from year n-1 | | 149 | 498 |
| Evolution of assigned revenue | | - | - |
| Exchange rate differences | | 0 | (0) |
| Budget result | | (7 706) | (6 895) |

3. IMPLEMENTATION OF BUDGET REVENUE

3.1. Title 4

EUR '000

| | | Income appropriations | | Entitlements established | | | Revenue | | | | Outstanding |
|----------------------|---|-----------------------|--------------|--------------------------|---------|------------|--------------|---------|------------|-------------|-------------|
| | | Initial budget | Final budget | Current year | Carried | Total | Current year | Carried | Total | % | |
| | | 1 | 2 | 3 | 4 | 5=3+4 | 6 | 7 | 8=6+7 | 9=8/2 | 10 |
| 4 0 0 0 | Proceeds from taxation of the salaries, wages and allowances of officials and other servants | 495 | 495 | 445 | - | 445 | 445 | - | 445 | 90 % | - |
| 4 0 4 0 | Proceeds from the special levy on the salaries of Members of the institution, officials and other servants in active employment | 83 | 83 | 88 | - | 88 | 88 | - | 88 | 106 % | - |
| Total chapter 4 0 | | 578 | 578 | 533 | - | 533 | 533 | - | 533 | 92 % | - |
| 4 1 0 0 | Staff contributions to the pension scheme | 394 | 394 | 392 | - | 392 | 392 | - | 392 | 100 % | - |
| Total chapter 4 1 | | 394 | 394 | 392 | - | 392 | 392 | - | 392 | 100 % | - |
| Total Title 4 | | 972 | 972 | 925 | - | 925 | 925 | - | 925 | 95 % | - |
| GRAND TOTAL | | 972 | 972 | 925 | - | 925 | 925 | - | 925 | 95 % | - |

4. IMPLEMENTATION OF BUDGET EXPENDITURE

4.1. Breakdown & changes in commitment appropriations

4.1.1. Title 1

EUR '000

| | | Budget appropriations of the year | | | Additional appropriations | | Total | Total approp. available |
|----------------------|---|-----------------------------------|---------------------|-----------|---------------------------|-----------|----------|----------------------------|
| | | Initial adopted budget | Amending budgets | Transfers | Final budget adopted | Carryover | | |
| | | 1 | 2 | 3 | 4 = 1+2+3 | 5 | 6 | 7 = 5+6 |
| | | | | | | | | 8 = 4+7 |
| 1 0 0 0 | Remuneration and allowances | 641 | - | 9 | 650 | - | - | 650 |
| 1 0 0 2 | Temporary allowances | 164 | - | (9) | 155 | - | - | 155 |
| 1 0 1 0 | Further training | 25 | - | (15) | 10 | - | - | 10 |
| 1 0 1 1 | Mission expenses, travel expenses and other ancillary expenditure | 59 | - | 15 | 74 | - | - | 74 |
| Total chapter 1 0 | | 889 | - | - | 889 | - | - | 889 |
| 1 1 0 0 | Remuneration and allowances | 4 329 | - | (250) | 4 079 | - | - | 4 079 |
| 1 1 0 1 | Entitlements on entering the service, transfer and leaving the service | 50 | - | - | 50 | - | - | 50 |
| 1 1 1 0 | Contract staff | 272 | - | 310 | 582 | - | - | 582 |
| 1 1 1 1 | Cost of traineeships and staff exchanges | 179 | - | (43) | 136 | - | - | 136 |
| 1 1 1 2 | Services and work to be contracted out | 51 | - | (17) | 34 | - | - | 34 |
| 1 1 2 0 | Mission expenses, travel expenses and other ancillary expenditure | 132 | - | - | 132 | - | - | 132 |
| 1 1 2 1 | Recruitment costs | 7 | - | - | 7 | - | - | 7 |
| 1 1 2 2 | Further training | 79 | - | - | 79 | - | - | 79 |
| 1 1 2 4 | Medical service | 15 | - | - | 15 | - | - | 15 |
| 1 1 2 5 | Union nursery centre and other day nurseries and after-school centres | 80 | - | (5) | 75 | - | - | 75 |
| 1 1 2 6 | Relations between staff and other welfare expenditure | 6 | - | 5 | 11 | - | - | 11 |
| Total chapter 1 1 | | 5 200 | - | - | 5 200 | - | - | 5 200 |
| Total Title 1 | | 6 089 | - | - | 6 089 | - | - | 6 089 |

4.1.2. Title 2

| | | EUR '000 | | | | | | | |
|----------------------|--|------------------------|-----------------------------------|----------------|----------------------|---------------------------|-----------------------|----------|---------------------------|
| | | Initial adopted budget | Budget appropriations of the year | | Final budget adopted | Additional appropriations | | Total | Total appropri. available |
| | | 1 | Amending budgets 2 | Transfers 3 | 4=1+2+3 | Carryover 5 | Assigned revenue 6 | 7=5+6 | 8=4+7 |
| 2 0 0 0 | Rents, charges and buildings expenditure | 922 | - | - | 922 | - | - | - | 922 |
| 2 0 1 0 | Equipment | 368 | - | 300 | 668 | - | - | - | 668 |
| 2 0 1 1 | Supplies | 15 | - | (4) | 11 | - | - | - | 11 |
| 2 0 1 2 | Other operating expenditure | 110 | - | 48 | 158 | - | - | - | 158 |
| 2 0 1 3 | Translation and interpretation costs | 775 | - | (372) | 403 | - | - | - | 403 |
| 2 0 1 4 | Expenditure on publishing and information | 112 | - | - | 112 | - | - | - | 112 |
| 2 0 1 5 | Expenditure in connection with the activities of the institution | 144 | - | 28 | 172 | - | - | - | 172 |
| Total chapter 2 0 | | 2 446 | - | - | 2 446 | - | - | - | 2 446 |
| Total Title 2 | | 2 446 | - | - | 2 446 | - | - | - | 2 446 |

4.1.3. Title 3

| | | EUR '000 | | | | | | | |
|----------------------|---|------------------------|-----------------------------------|----------------|----------------------|---------------------------|-----------------------|----------|---------------------------|
| | | Initial adopted budget | Budget appropriations of the year | | Final budget adopted | Additional appropriations | | Total | Total appropri. available |
| | | 1 | Amending budgets 2 | Transfers 3 | 4=1+2+3 | Carryover 5 | Assigned revenue 6 | 7=5+6 | 8=4+7 |
| 3 0 1 0 | Remuneration and allowances | 358 | - | - | 358 | - | - | - | 358 |
| 3 0 1 1 | Entitlements on entering, leaving the service and on transfer | 25 | - | - | 25 | - | - | - | 25 |
| 3 0 2 0 | Contract staff | 77 | - | - | 77 | - | - | - | 77 |
| 3 0 2 1 | Cost of traineeships and staff exchanges | 140 | - | - | 140 | - | - | - | 140 |
| 3 0 3 0 | Mission expenses, travel expenses and other ancillary expenditure | 15 | - | - | 15 | - | - | - | 15 |
| 3 0 3 1 | Recruitment costs | 11 | - | - | 11 | - | - | - | 11 |
| 3 0 3 2 | Further training | 11 | - | - | 11 | - | - | - | 11 |
| 3 0 3 3 | Medical service | 1 | - | - | 1 | - | - | - | 1 |
| 3 0 3 4 | Community nursery centre and other day nurseries and after-school centres | 16 | - | - | 16 | - | - | - | 16 |
| 3 0 4 3 | Information technology equipment and services | 100 | - | - | 100 | - | - | - | 100 |
| Total chapter 3 0 | | 753 | - | - | 753 | - | - | - | 753 |
| Total Title 3 | | 753 | - | - | 753 | - | - | - | 753 |
| GRAND TOTAL | | 9 288 | - | - | 9 288 | - | - | - | 9 288 |

4.2. Breakdown & changes in payment appropriations

4.2.1. Title 1

| EUR '000 | | | | | | | | | | |
|----------------------|--|-----------------------------------|------------------|-----------|---------------------------|-----------|------------------|-----------|--------------------------------|--|
| | | Budget appropriations of the year | | | Additional appropriations | | | | | |
| | | Initial adopted budget | Amending budgets | Transfers | Final budget adopted | Carryover | Assigned revenue | Total | Total appropriations available | |
| | | 1 | 2 | 3 | 4=1+2+3 | 5 | 6 | 7=5+6 | 8=4+7 | |
| 1 0 0 0 | Remuneration and allowances | 641 | - | 9 | 650 | - | - | - | 650 | |
| 1 0 0 2 | Temporary allowances | 164 | - | (9) | 155 | - | - | - | 155 | |
| 1 0 1 0 | Further training | 25 | - | (15) | 10 | 4 | - | 4 | 14 | |
| 1 0 1 1 | Mission expenses, travel expenses and other ancillary expenditure | 59 | - | 15 | 74 | 22 | - | 22 | 97 | |
| Total chapter 1 0 | | 889 | - | - | 889 | 26 | - | 26 | 915 | |
| 1 1 0 0 | Remuneration and allowances | 4 329 | - | (250) | 4 079 | - | - | - | 4 079 | |
| 1 1 0 1 | Entitlements on entering the service, transfer and leaving the service | 50 | - | - | 50 | - | - | - | 50 | |
| 1 1 1 0 | Contract staff | 272 | - | 310 | 582 | - | - | - | 582 | |
| 1 1 1 1 | Cost of traineeships and staff exchanges | 179 | - | (43) | 136 | 0 | - | 0 | 137 | |
| 1 1 1 2 | Services and work to be contracted out | 51 | - | (17) | 34 | - | - | - | 34 | |
| 1 1 2 0 | Mission expenses, travel expenses and other ancillary expenditure | 132 | - | - | 132 | 26 | - | 26 | 158 | |
| 1 1 2 1 | Recruitment costs | 7 | - | - | 7 | 1 | - | 1 | 8 | |
| 1 1 2 2 | Further training | 79 | - | - | 79 | 25 | - | 25 | 103 | |
| 1 1 2 4 | Medical service | 15 | - | - | 15 | 7 | - | 7 | 22 | |
| 1 1 2 5 | Union nursery centre and other day nurseries and after-school centres | 80 | - | (5) | 75 | 9 | - | 9 | 84 | |
| 1 1 2 6 | Relations between staff and other welfare expenditure | 6 | - | 5 | 11 | 3 | - | 3 | 14 | |
| Total chapter 1 1 | | 5 200 | - | - | 5 200 | 72 | - | 72 | 5 272 | |
| Total Title 1 | | 6 089 | - | - | 6 089 | 97 | - | 97 | 6 187 | |

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4.2.2. Title 2

| | | EUR '000 | | | | | | | |
|----------------------|--|------------------------|-----------------------------------|-----------|----------------------|------------|---------------------------|------------|---------------------------|
| | | Initial adopted budget | Budget appropriations of the year | Transfers | Final budget adopted | Carryover | Additional appropriations | Total | Total appropri. available |
| | | 1 | Amending budgets | 3 | 4=1+2+3 | 5 | Assigned revenue | 7=5+6 | 8=4+7 |
| 2 0 0 0 | Rents, charges and buildings expenditure | 922 | - | - | 922 | 1 | - | 1 | 923 |
| 2 0 1 0 | Equipment | 368 | - | 300 | 668 | 264 | - | 264 | 931 |
| 2 0 1 1 | Supplies | 15 | - | (4) | 11 | 5 | - | 5 | 16 |
| 2 0 1 2 | Other operating expenditure | 110 | - | 48 | 158 | 14 | - | 14 | 172 |
| 2 0 1 3 | Translation and interpretation costs | 775 | - | (372) | 403 | 176 | - | 176 | 579 |
| 2 0 1 4 | Expenditure on publishing and information | 112 | - | - | 112 | 109 | - | 109 | 221 |
| 2 0 1 5 | Expenditure in connection with the activities of the institution | 144 | - | 28 | 172 | 36 | - | 36 | 208 |
| Total chapter 2 0 | | 2 446 | - | - | 2 446 | 603 | - | 603 | 3 049 |
| Total Title 2 | | 2 446 | - | - | 2 446 | 603 | - | 603 | 3 049 |

4.2.3. Title 3

| | | EUR '000 | | | | | | | |
|----------------------|---|------------------------|-----------------------------------|-----------|----------------------|------------|---------------------------|------------|---------------------------|
| | | Initial adopted budget | Budget appropriations of the year | Transfers | Final budget adopted | Carryover | Additional appropriations | Total | Total appropri. available |
| | | 1 | Amending budgets | 3 | 4=1+2+3 | 5 | Assigned revenue | 7=5+6 | 8=4+7 |
| 3 0 1 0 | Remuneration and allowances | 358 | - | - | 358 | - | - | - | 358 |
| 3 0 1 1 | Entitlements on entering, leaving the service and on transfer | 25 | - | - | 25 | - | - | - | 25 |
| 3 0 2 0 | Contract staff | 77 | - | - | 77 | - | - | - | 77 |
| 3 0 2 1 | Cost of traineeships and staff exchanges | 140 | - | - | 140 | - | - | - | 140 |
| 3 0 3 0 | Mission expenses, travel expenses and other ancillary expenditure | 15 | - | - | 15 | - | - | - | 15 |
| 3 0 3 1 | Recruitment costs | 11 | - | - | 11 | - | - | - | 11 |
| 3 0 3 2 | Further training | 11 | - | - | 11 | - | - | - | 11 |
| 3 0 3 3 | Medical service | 1 | - | - | 1 | - | - | - | 1 |
| 3 0 3 4 | Community nursery centre and other day nurseries and after-school centres | 16 | - | - | 16 | - | - | - | 16 |
| 3 0 4 3 | Information technology equipment and services | 100 | - | - | 100 | 95 | - | 95 | 195 |
| Total chapter 3 0 | | 753 | - | - | 753 | 95 | - | 95 | 848 |
| Total Title 3 | | 753 | - | - | 753 | 95 | - | 95 | 848 |
| GRAND TOTAL | | 9 288 | - | - | 9 288 | 795 | - | 795 | 10 083 |

4.3. Implementation of commitment appropriations

4.3.1. Title 1

EUR '000

| | | Commitments made | | | | | | Appropriations carried over to 2017 | | | Appropriations lapsing | | | |
|----------------------|--|------------------------|--------------------------|------------------|-----------------------|--------------|-------------|-------------------------------------|-------------|-------|---------------------------|------------------|-----------------------|-------------|
| | | Total approp. availab. | From final adopt. budget | From carry overs | From assigned revenue | Total | % | Assigned revenue | By decision | Total | From final adopted budget | From carry overs | From assigned revenue | Total |
| | | 1 | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9=7+8 | 10 | 11 | 12 | 13=10+11+12 |
| 1 0 0 0 | Remuneration and allowances | 650 | 650 | - | - | 650 | 100 % | - | - | - | - | - | - | - |
| 1 0 0 2 | Temporary allowances | 155 | 120 | - | - | 120 | 78 % | - | - | - | 35 | - | - | 35 |
| 1 0 1 0 | Further training | 10 | 4 | - | - | 4 | 40 % | - | - | - | 6 | - | - | 6 |
| 1 0 1 1 | Mission expenses, travel expenses and other ancillary expenditure | 74 | 74 | - | - | 74 | 100 % | - | - | - | - | - | - | - |
| Total chapter 1 0 | | 889 | 848 | - | - | 848 | 95 % | - | - | - | 41 | - | - | 41 |
| 1 1 0 0 | Remuneration and allowances | 4 079 | 3 953 | - | - | 3 953 | 97 % | - | - | - | 126 | - | - | 126 |
| 1 1 0 1 | Entitlements on entering the service, transfer and leaving the service | 50 | - | - | - | - | 0 % | - | - | - | 50 | - | - | 50 |
| 1 1 1 0 | Contract staff | 582 | 550 | - | - | 550 | 95 % | - | - | - | 32 | - | - | 32 |
| 1 1 1 1 | Cost of traineeships and staff exchanges | 136 | 136 | - | - | 136 | 100 % | - | - | - | - | - | - | - |
| 1 1 1 2 | Services and work to be contracted out | 34 | 34 | - | - | 34 | 100 % | - | - | - | - | - | - | - |
| 1 1 2 0 | Mission expenses, travel expenses and other ancillary expenditure | 132 | 132 | - | - | 132 | 100 % | - | - | - | - | - | - | - |
| 1 1 2 1 | Recruitment costs | 7 | 7 | - | - | 7 | 100 % | - | - | - | - | - | - | - |
| 1 1 2 2 | Further training | 79 | 79 | - | - | 79 | 100 % | - | - | - | - | - | - | - |
| 1 1 2 4 | Medical service | 15 | 7 | - | - | 7 | 50 % | - | - | - | 7 | - | - | 7 |
| 1 1 2 5 | Union nursery centre and other day nurseries and after-school centres | 75 | 50 | - | - | 50 | 67 % | - | - | - | 25 | - | - | 25 |
| 1 1 2 6 | Relations between staff and other welfare expenditure | 11 | 11 | - | - | 11 | 100 % | - | - | - | - | - | - | - |
| Total chapter 1 1 | | 5 200 | 4 960 | - | - | 4 960 | 95 % | - | - | - | 240 | - | - | 240 |
| Total Title 1 | | 6 089 | 5 808 | - | - | 5 808 | 95 % | - | - | - | 281 | - | - | 281 |

4.3.2. Title 2

EUR '000

| | | Commitments made | | | | | | Appropriations carried over to 2017 | | | Appropriations lapsing | | | |
|----------------------|--|------------------------|--------------------------|------------------|-----------------------|--------------|-------------|-------------------------------------|-------------|-------|---------------------------|------------------|-----------------------|-------------|
| | | Total approp. availab. | From final adopt. budget | From carry overs | From assigned revenue | Total | % | Assigned revenue | By decision | Total | From final adopted budget | From carry overs | From assigned revenue | Total |
| | | 1 | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9=7+8 | 10 | 11 | 12 | 13=10+11+12 |
| 2 0 0 | Rents, charges and buildings expenditure | 922 | 922 | - | - | 922 | 100 % | - | - | - | - | - | - | - |
| 2 0 1 0 | Equipment | 668 | 668 | - | - | 668 | 100 % | - | - | - | - | - | - | - |
| 2 0 1 1 | Supplies | 11 | 11 | - | - | 11 | 100 % | - | - | - | - | - | - | - |
| 2 0 1 2 | Other operating expenditure | 158 | 158 | - | - | 158 | 100 % | - | - | - | - | - | - | - |
| 2 0 1 3 | Translation and interpretation costs | 403 | 383 | - | - | 383 | 95 % | - | - | - | 21 | - | - | 21 |
| 2 0 1 4 | Expenditure on publishing and information | 112 | 112 | - | - | 112 | 100 % | - | - | - | - | - | - | - |
| 2 0 1 5 | Expenditure in connection with the activities of the institution | 172 | 172 | - | - | 172 | 100 % | - | - | - | 0 | - | - | 0 |
| Total chapter 2 0 | | 2 446 | 2 425 | - | - | 2 425 | 99 % | - | - | - | 21 | - | - | 21 |
| Total Title 2 | | 2 446 | 2 425 | - | - | 2 425 | 99 % | - | - | - | 21 | - | - | 21 |

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4.3.3. Title 3

EUR '000

| | Total approp availab | From final adopt budget | Commitments made | | Total | % | Appropriations carried over to 2017 | | | Appropriations lapsing | | | Total |
|--|----------------------------|-------------------------------|---------------------|-----------------------------|--------------|-------------|-------------------------------------|-------------|----------|---------------------------------|---------------------|-----------------------------|-----------------|
| | | | From carry overs | From assigned revenue | | | Assigned revenue | By decision | Total | From final adopted budget | From carry overs | From assigned revenue | |
| | 1 | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9=7+8 | 10 | 11 | 12 | 13=10+11 +12 |
| 3 0 1 0 Remuneration and allowances | 358 | 303 | - | - | 303 | 85 % | - | - | - | 55 | - | - | 55 |
| 3 0 1 1 Entitlements on entering, leaving the service and on transfer | 25 | - | - | - | - | 0 % | - | - | - | 25 | - | - | 25 |
| 3 0 2 0 Contract staff | 77 | 72 | - | - | 72 | 93 % | - | - | - | 5 | - | - | 5 |
| 3 0 2 1 Cost of traineeships and staff exchanges | 140 | 64 | - | - | 64 | 46 % | - | - | - | 76 | - | - | 76 |
| 3 0 3 0 Mission expenses, travel expenses and other ancillary expenditure | 15 | 4 | - | - | 4 | 28 % | - | - | - | 11 | - | - | 11 |
| 3 0 3 1 Recruitment costs | 11 | - | - | - | - | 0 % | - | - | - | 11 | - | - | 11 |
| 3 0 3 2 Further training | 11 | 3 | - | - | 3 | 26 % | - | - | - | 8 | - | - | 8 |
| 3 0 3 3 Medical service | 1 | 1 | - | - | 1 | 100 % | - | - | - | - | - | - | - |
| 3 0 3 4 Community nursery centre and other day nurseries and after-school centres | 16 | - | - | - | - | 0 % | - | - | - | 16 | - | - | 16 |
| 3 0 4 3 Information technology equipment and services | 100 | 100 | - | - | 100 | 100 % | - | - | - | - | - | - | - |
| Total chapter 3 0 | 753 | 547 | - | - | 547 | 73 % | - | - | - | 206 | - | - | 206 |
| Total Title 3 | 753 | 547 | - | - | 547 | 73 % | - | - | - | 206 | - | - | 206 |
| GRAND TOTAL | 9 288 | 8 780 | - | - | 8 780 | 95 % | - | - | - | 508 | - | - | 508 |

4.4. Implementation of payment appropriations

4.4.1. Title 1

EUR '000

| | | Payments made | | | | | | Appropriations carried over to 2017 | | | | Appropriations lapsing | | | |
|----------------------|--|------------------------|---------------------------|------------------|-----------------------|--------------|-------------|-------------------------------------|-------------|------------------|------------|------------------------|------------------|-----------------------|-------------|
| | | Total approp. availab. | From final adopted budget | From carry overs | From assigned revenue | Total | % | Automatic carry overs | By decision | Assigned revenue | Total | From final budget | From carry overs | From assigned revenue | Total |
| | | 1 | 2 | 3 | 4 | 5=2+3+4 | 6 = 5/1 | 7 | 8 | 9 | 10=7+8+9 | 11 | 12 | 13 | 14=11+12+13 |
| 1 0 0 0 | Remuneration and allowances | 650 | 650 | - | - | 650 | 100 % | - | - | - | - | - | - | - | - |
| 1 0 0 2 | Temporary allowances | 155 | 120 | - | - | 120 | 78 % | - | - | - | - | 35 | - | - | 35 |
| 1 0 1 0 | Further training | 14 | - | 4 | - | 4 | 26 % | 4 | - | - | 4 | 6 | - | - | 6 |
| 1 0 1 1 | Mission expenses, travel expenses and other ancillary expenditure | 97 | 57 | 13 | - | 71 | 73 % | 17 | - | - | 17 | - | 9 | - | 9 |
| Total chapter 1 0 | | 915 | 827 | 17 | - | 844 | 92 % | 21 | - | - | 21 | 41 | 9 | - | 50 |
| 1 1 0 0 | Remuneration and allowances | 4 079 | 3 953 | - | - | 3 953 | 97 % | - | - | - | - | 126 | - | - | 126 |
| 1 1 0 1 | Entitlements on entering the service, transfer and leaving the service | 50 | - | - | - | - | 0 % | - | - | - | - | 50 | - | - | 50 |
| 1 1 1 0 | Contract staff | 582 | 550 | - | - | 550 | 95 % | - | - | - | - | 32 | - | - | 32 |
| 1 1 1 1 | Cost of traineeships and staff exchanges | 137 | 129 | - | - | 129 | 95 % | 7 | - | - | 7 | - | 0 | - | 0 |
| 1 1 1 2 | Services and work to be contracted out | 34 | 12 | - | - | 12 | 34 % | 23 | - | - | 23 | - | - | - | - |
| 1 1 2 0 | Mission expenses, travel expenses and other ancillary expenditure | 158 | 119 | 20 | - | 139 | 88 % | 14 | - | - | 14 | - | 6 | - | 6 |
| 1 1 2 1 | Recruitment costs | 8 | 2 | 1 | - | 3 | 38 % | 5 | - | - | 5 | - | - | - | - |
| 1 1 2 2 | Further training | 103 | 29 | 12 | - | 41 | 39 % | 50 | - | - | 50 | - | 13 | - | 13 |
| 1 1 2 4 | Medical service | 22 | - | 5 | - | 5 | 24 % | 7 | - | - | 7 | 7 | 2 | - | 9 |
| 1 1 2 5 | Union nursery centre and other day nurseries and after-school centres | 84 | 41 | 1 | - | 42 | 50 % | 9 | - | - | 9 | 25 | 8 | - | 33 |
| 1 1 2 6 | Relations between staff and other welfare expenditure | 14 | 10 | 3 | - | 12 | 91 % | 1 | - | - | 1 | - | - | - | - |
| Total chapter 1 1 | | 5 272 | 4 844 | 43 | - | 4 887 | 93 % | 116 | - | - | 116 | 240 | 29 | - | 269 |
| Total Title 1 | | 6 187 | 5 671 | 60 | - | 5 731 | 93 % | 137 | - | - | 137 | 281 | 38 | - | 318 |

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4.4.2. Title 2

EUR '000

| | | Payments made | | | | | | Appropriations carried over to 2017 | | | | Appropriations lapsing | | | |
|-------------------|--|------------------------|---------------------------|------------------|-----------------------|---------|---------|-------------------------------------|-------------|------------------|----------|------------------------|------------------|-----------------------|-------------|
| | | Total approp. availab. | From final adopted budget | From carry overs | From assigned revenue | Total | % | Automatic carry overs | By decision | Assigned revenue | Total | From final budget | From carry overs | From assigned revenue | Total |
| | | 1 | 2 | 3 | 4 | 5=2+3+4 | 6 = 5/1 | 7 | 8 | 9 | 10=7+8+9 | 11 | 12 | 13 | 14=11+12+13 |
| 2 0 0 | Rents, charges and buildings expenditure | 923 | 798 | - | - | 798 | 87 % | 124 | - | - | 124 | - | 1 | - | 1 |
| 2 0 1 0 | Equipment | 931 | 277 | 260 | - | 537 | 58 % | 391 | - | - | 391 | - | 4 | - | 4 |
| 2 0 1 1 | Supplies | 16 | 7 | 4 | - | 10 | 66 % | 5 | - | - | 5 | - | 1 | - | 1 |
| 2 0 1 2 | Other operating expenditure | 172 | 102 | 11 | - | 113 | 66 % | 56 | - | - | 56 | - | 3 | - | 3 |
| 2 0 1 3 | Translation and interpretation costs | 579 | 311 | 174 | - | 485 | 84 % | 71 | - | - | 71 | 21 | 2 | - | 23 |
| 2 0 1 4 | Expenditure on publishing and information | 221 | 63 | 32 | - | 96 | 43 % | 49 | - | - | 49 | - | 76 | - | 76 |
| 2 0 1 5 | Expenditure in connection with the activities of the institution | 208 | 94 | 10 | - | 104 | 50 % | 77 | - | - | 77 | 0 | 26 | - | 26 |
| Total chapter 2 0 | | 3 049 | 1 653 | 491 | - | 2 144 | 70 % | 772 | - | - | 772 | 21 | 112 | - | 133 |
| Total Title 2 | | 3 049 | 1 653 | 491 | - | 2 144 | 70 % | 772 | - | - | 772 | 21 | 112 | - | 133 |

4.4.3. Title 3

EUR '000

| | | Payments made | | | | | | Appropriations carried over to 2017 | | | | Appropriations lapsing | | | |
|-------------------|---|------------------------|---------------------------|------------------|-----------------------|---------|---------|-------------------------------------|-------------|------------------|----------|------------------------|------------------|-----------------------|-------------|
| | | Total approp. availab. | From final adopted budget | From carry overs | From assigned revenue | Total | % | Automatic carry overs | By decision | Assigned revenue | Total | From final budget | From carry overs | From assigned revenue | Total |
| | | 1 | 2 | 3 | 4 | 5=2+3+4 | 6 = 5/1 | 7 | 8 | 9 | 10=7+8+9 | 11 | 12 | 13 | 14=11+12+13 |
| 3 0 1 0 | Remuneration and allowances | 358 | 303 | - | - | 303 | 85 % | - | - | - | - | 55 | - | - | 55 |
| 3 0 1 1 | Entitlements on entering, leaving the service and on transfer | 25 | - | - | - | - | 0 % | - | - | - | - | 25 | - | - | 25 |
| 3 0 2 0 | Contract staff | 77 | 72 | - | - | 72 | 93 % | - | - | - | - | 5 | - | - | 5 |
| 3 0 2 1 | Cost of traineeships and staff exchanges | 140 | 60 | - | - | 60 | 43 % | 4 | - | - | 4 | 76 | - | - | 76 |
| 3 0 3 0 | Mission expenses, travel expenses and other ancillary expenditure | 15 | 4 | - | - | 4 | 28 % | - | - | - | - | 11 | - | - | 11 |
| 3 0 3 1 | Recruitment costs | 11 | - | - | - | - | 0 % | - | - | - | - | 11 | - | - | 11 |
| 3 0 3 2 | Further training | 11 | 3 | - | - | 3 | 26 % | - | - | - | - | 8 | - | - | 8 |
| 3 0 3 3 | Medical service | 1 | - | - | - | - | 0 % | 1 | - | - | 1 | - | - | - | - |
| 3 0 3 4 | Community nursery centre and other day nurseries and after-school centres | 16 | - | - | - | - | 0 % | - | - | - | - | 16 | - | - | 16 |
| 3 0 4 3 | Information technology equipment and services | 195 | 100 | 95 | - | 195 | 100 % | - | - | - | - | - | - | - | - |
| Total chapter 3 0 | | 848 | 542 | 95 | - | 637 | 75 % | 5 | - | - | 5 | 206 | - | - | 206 |
| Total Title 3 | | 848 | 542 | 95 | - | 637 | 75 % | 5 | - | - | 5 | 206 | - | - | 206 |
| GRAND TOTAL | | 10 083 | 7 867 | 646 | - | 8 512 | 84 % | 914 | - | - | 914 | 508 | 149 | - | 657 |

5. COMMITMENTS OUTSTANDING

5.1. Title 1

| | | Commitments outstanding at the end of prev. year | | | | Commitments of the year | | | | EUR '000 |
|----------------------|---|--|---|-----------|----------|--|--------------|---|---------------------------------------|--|
| | | Comm. carried forward from prev. year | Decommit. Revaluation Cancellations | Payments | Total | Commitments made during the year | Payment | Cancellation of comm. which cannot be carried forward | Commit. outstanding at year-end | Total commitments outstanding at year-end |
| | | 1 | 2 | 3 | 4=1+2-3 | 5 | 6 | 7 | 8=5-6-7 | 9=4+8 |
| 1 0 0 0 | Remuneration and allowances | - | - | - | - | 650 | 650 | - | - | - |
| 1 0 0 2 | Temporary allowances | - | - | - | - | 120 | 120 | - | - | - |
| 1 0 1 0 | Further training | 4 | - | 4 | - | 4 | - | - | 4 | 4 |
| 1 0 1 1 | Mission expenses, travel expenses and other ancillary expenditure | 22 | (9) | 13 | - | 74 | 57 | - | 17 | 17 |
| Total chapter 1 0 | | 26 | (9) | 17 | - | 848 | 827 | - | 21 | 21 |
| 1 1 0 0 | Remuneration and allowances | - | - | - | - | 3 953 | 3 953 | - | - | - |
| 1 1 1 0 | Contract staff | - | - | - | - | 550 | 550 | - | - | - |
| 1 1 1 1 | Cost of traineeships and staff exchanges | 0 | (0) | - | - | 136 | 129 | - | 7 | 7 |
| 1 1 1 2 | Services and work to be contracted out | - | - | - | - | 34 | 12 | - | 23 | 23 |
| 1 1 2 0 | Mission expenses, travel expenses and other ancillary expenditure | 26 | (6) | 20 | - | 132 | 119 | - | 14 | 14 |
| 1 1 2 1 | Recruitment costs | 1 | - | 1 | - | 7 | 2 | - | 5 | 5 |
| 1 1 2 2 | Further training | 25 | (13) | 12 | - | 79 | 29 | - | 50 | 50 |
| 1 1 2 4 | Medical service | 7 | (2) | 5 | - | 7 | - | - | 7 | 7 |
| 1 1 2 5 | Union nursery centre and other day nurseries and after-school centres | 9 | (8) | 1 | - | 50 | 41 | - | 9 | 9 |
| 1 1 2 6 | Relations between staff and other welfare expenditure | 3 | - | 3 | - | 11 | 10 | - | 1 | 1 |
| Total chapter 1 1 | | 72 | (29) | 43 | - | 4 960 | 4 844 | - | 116 | 116 |
| Total Title 1 | | 97 | (38) | 60 | - | 5 808 | 5 671 | - | 137 | 137 |

5.2. Title 2

| | | Commitments outstanding at the end of prev. year | | | | Commitments of the year | | | | Total commitments |
|----------------------|--|--|-------------------------------------|------------|----------|----------------------------------|--------------|---|---------------------------------|-------------------------|
| | | Comm. carried forward from prev. year | Decommit. Revaluation Cancellations | Payments | Total | Commitments made during the year | Payment | Cancellation of comm. which cannot be carried forward | Commit. outstanding at year-end | outstanding at year-end |
| | | 1 | 2 | 3 | 4=1+2+3 | 5 | 6 | 7 | 8=5-6-7 | 9=4+8 |
| 2 0 0 0 | Rents, charges and buildings expenditure | 1 | (1) | - | - | 922 | 798 | - | 124 | 124 |
| 2 0 1 0 | Acquisition of immovable property | 264 | (4) | 260 | - | 668 | 277 | - | 391 | 391 |
| 2 0 1 1 | Fitting-out and security work | 5 | (1) | 4 | - | 11 | 7 | - | 5 | 5 |
| 2 0 1 2 | Cleaning and maintenance | 14 | (3) | 11 | - | 158 | 102 | - | 56 | 56 |
| 2 0 1 3 | Water, gas, electricity and heating | 176 | (2) | 174 | - | 383 | 311 | - | 71 | 71 |
| 2 0 1 4 | Building security and surveillance | 109 | (76) | 32 | - | 112 | 63 | - | 49 | 49 |
| 2 0 1 5 | Insurance | 36 | (26) | 10 | - | 172 | 94 | - | 77 | 77 |
| Total chapter 2 0 | | 603 | (112) | 491 | - | 2 425 | 1 653 | - | 772 | 772 |
| Total Title 2 | | 603 | (112) | 491 | - | 2 425 | 1 653 | - | 772 | 772 |

5.3. Title 3:

| | | Commitments outstanding at the end of prev. year | | | | Commitments of the year | | | | Total commitments |
|----------------------|---|--|-------------------------------------|------------|----------|----------------------------------|--------------|---|---------------------------------|-------------------------|
| | | Comm. carried forward from prev. year | Decommit. Revaluation Cancellations | Payments | Total | Commitments made during the year | Payment | Cancellation of comm. which cannot be carried forward | Commit. outstanding at year-end | outstanding at year-end |
| | | 1 | 2 | 3 | 4=1+2+3 | 5 | 6 | 7 | 8=5-6-7 | 9=4+8 |
| 3 0 1 0 | Remuneration and allowances | - | - | - | - | 303 | 303 | - | - | - |
| 3 0 2 0 | Contract staff | - | - | - | - | 72 | 72 | - | - | - |
| 3 0 2 1 | Cost of traineeships and staff exchanges | - | - | - | - | 64 | 60 | - | 4 | 4 |
| 3 0 3 0 | Mission expenses, travel expenses and other ancillary expenditure | - | - | - | - | 4 | 4 | - | - | - |
| 3 0 3 2 | Further training | - | - | - | - | 3 | 3 | - | - | - |
| 3 0 3 3 | Medical service | - | - | - | - | 1 | - | - | 1 | 1 |
| 3 0 4 3 | Information technology equipment and services | 95 | - | 95 | - | 100 | 100 | - | - | - |
| Total chapter 3 0 | | 95 | - | 95 | - | 547 | 542 | - | 5 | 5 |
| Total Title 3 | | 95 | - | 95 | - | 547 | 542 | - | 5 | 5 |
| GRAND TOTAL | | 795 | (149) | 646 | - | 8 780 | 7 867 | - | 914 | 914 |

6. Glossary

ABAC

This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.

Accounting

The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.

Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

Adjustment

Amending budget or transfer of funds from one budget item to another

Adopted budget

Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority. Cf. Budget.

Agencies

EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.

Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

Annuality

The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.

Appropriations

Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.

Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure. Main sources of external assigned revenue are financial contributions from third countries to programmes financed by the Union. Main sources of internal assigned revenue is revenue from third parties in respect of goods, services or work supplied at their request; (c) revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium. The complete list of items constituting assigned revenue is given in the Financial Regulation Art.21.2.

Authorising Officer (AO)

The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

Budget

Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.

Budget result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for Agencies.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

Budgetary authority

Institutions with decisional powers on budgetary matters: the European Parliament and the Council of Ministers

Budgetary commitment

A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

Cancellation of appropriations

Unused appropriations that may no longer be used.

Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

Commitment appropriations

Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Art. 7 FR: Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.

De-commitment

Cancellation of a reservation of appropriations

Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Art. 7 FR: Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.

Earmarked revenue

Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue)

Economic result

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

Entitlements established

Entitlements are recovery orders that the European Union must establish for collecting income.

Exchange rate difference

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.

Expenditure

Term used to describe spending the budget from all types of funds sources.

Financial regulation (FR)

Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union. (OJ L 298, 26.10.2012)

Funds Source

Type of appropriations (e.g.: C1, C2, etc.)

Grants

Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.

Implementation

Cf. Budget implementation

Income

Cf. Revenue

Joint Undertakings (JUs)

A legal EU-body established under the TFEU. The term can be used to describe any collaborative structure proposed for the "efficient execution of Union research, technological development and demonstration programmes".

Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.

Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.

Legal commitment

A legal commitment establishes a legal obligation towards third parties.

Non-differentiated appropriations

Non-differentiated appropriations are for operations of an annual nature. (Art. 9 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments

Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

Outstanding commitment

Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.

Outturn

Cf. Budget result

Payment

A payment is a cash disbursement to honour legal obligations.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Art. 7 FR).

RAL

Sum of outstanding commitments. Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid. They *stem directly* from the existence of multiannual programmes and the dissociation between commitment and payment appropriations. (Cf. Outstanding commitments)

Recovery

The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.

Result

Cf. Outturn

Revenue

Term used to describe income from all sources financing the budget.

Rules of application

Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.

Surplus

Positive difference between revenue and expenditure (see Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.

Transfer

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization.