



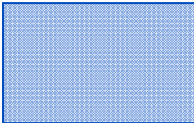
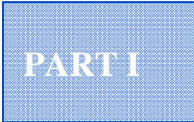



European Economic and Social Committee

ANNUAL ACTIVITY REPORT 2014

(Section VI of the EU-budget)

(June 2015)

Tables of contents

	Page
	Statement of Assurance 11
	Presentation and main Achievements 2014 15
	Annual General Accounts 2014 (Accrual Accounting Principle) 33
	Annual Budgetary Accounts 2014 (Modified Cash Accounting Principle) and Report on Budgetary and Financial Management 61
	Appendices 99

PART I

1. PRESENTATION.....	15
1.1 WHAT IS THE EESC?.....	15
1.2 WHAT ARE THE EESC'S OBJECTIVES?	15
1.3 WHAT IS ORGANISED CIVIL SOCIETY?.....	15
1.4 HOW IS CIVIL SOCIETY REPRESENTED?.....	16
1.5 NATIONAL ALLOCATION OF SEATS.....	16
1.6 WHAT ARE OPINIONS?.....	16
1.7 HOW IS THE EESC ORGANISED?	19
2. MAIN ACHIEVEMENTS 2014.....	20
2.1 ACTIVITIES	20
2.1.1 Legislative and related work.....	20
2.1.2 Impact studies.....	22
2.1.3 Projects.....	22
2.1.4 A voice for civil society	23
2.1.5 Supporting citizens' initiatives	23
2.1.6 Conferences and debates	23
2.1.7 Cooperation with national economic and social councils.....	25
2.1.8 'Going Local' and other communication activities.....	26
2.1.9 Fostering organised civil society beyond our borders	27
2.2 ADMINISTRATION.....	27

PART II

1. CERTIFICATION BY THE ACCOUNTING OFFICER.....	33
2. ACCOUNTING POLICIES.....	35
2.1 LEGAL PROVISIONS AND THE FINANCIAL REGULATION.....	35
2.2 ACCOUNTING PRINCIPLES.....	35
2.3 CURRENCY AND BASIS FOR CONVERSION.....	36
2.4 THE ECONOMIC OUTTURN ACCOUNT.....	36
2.4.1 Revenue.....	36
2.4.2 Expenditure.....	36
2.5 BALANCE SHEET.....	37
2.5.1 Intangible fixed assets.....	37
2.5.2 Tangible fixed assets.....	37
2.5.3 Depreciation rates.....	37
2.5.4 Leases.....	38
2.5.5 Impairment of assets.....	38
2.5.6 Receivables.....	38
2.5.7 Cash and cash equivalents.....	38
2.6 USE OF ESTIMATES.....	38
3. THE ECONOMIC OUTTURN ACCOUNT.....	41
4. THE BALANCE SHEET.....	45
5. STATEMENT OF CHANGES IN NET ASSETS.....	47
6. NOTES.....	49

PART III

1.	GENERAL REMARKS ON THE BUDGET.....	61
1.1	BUDGET OUTTURN 2014.....	61
1.2	ESTABLISHING THE BUDGET 2014.....	61
2.	REVENUE.....	65
3.	FINAL APPROPRIATIONS.....	67
3.1	HUMAN RESOURCES.....	67
3.2	OTHER RESOURCES - PART 1/2.....	68
3.3	OTHER RESOURCES - PART 2/2.....	69
3.4	TOTAL: HUMAN RESOURCES + OTHER RESOURCES.....	69
4.	USE OF FINAL APPROPRIATIONS (C1) IN 2014.....	72
4.1	HUMAN RESOURCES.....	72
4.2	OTHER RESOURCES - PART 1/2.....	74
4.3	OTHER RESOURCES - PART 2/2.....	76
5.	USE OF APPROPRIATIONS AUTOMATICALLY CARRIED FORWARD FROM 2013 TO 2014 (C8).....	82
5.1	HUMAN RESOURCES AND OTHER RESOURCES - PART 1/2.....	82
5.2	OTHER RESOURCES - PART 2/2.....	84
6.	USE OF ASSIGNED REVENUE IN 2014 (C4).....	90
7.	RE-USED 2013 APPROPRIATIONS (C5).....	92
8.	APPROPRIATIONS FROM EXTERNAL ASSIGNED REVENUE (R0).....	94

PART IV

1.	APPENDIX A: INTERNAL CONTROL ENVIRONMENT.....	99
1.1	STAFF ALLOCATION AND MOBILITY (ICS 3).....	99
1.1.1	Establishment plan	99
1.1.2	Mobility	99
1.1.3	HR reporting.....	100
1.2	STAFF APPRAISAL AND DEVELOPMENT (ICS 4).....	100
1.2.1	Appraisals/promotions.....	100
1.2.2	Training and professional development.....	100
1.2.3	360° assessment	100
1.2.4	Mentoring programme.....	100
1.2.5	E-learning	101
1.3	PROCESSES AND PROCEDURES (ICS 8)	101
1.4	INFORMATION AND COMMUNICATION (ICS 12).....	101
1.4.1	External communication.....	101
1.4.2	Internal Communication.....	102
1.4.3	IT	102
1.5	ACCOUNTING AND FINANCIAL REPORTING (ICS 13).....	102
1.6	INTERNAL AUDIT CAPABILITY (ICS 16).....	102
2.	APPENDIX B: MAIN RECOMMENDATIONS OF THE INTERNAL AUDITOR CONTAINED IN AUDIT REPORTS PRODUCED IN 2014 AND ACTION TAKEN TILL DATE.....	103
2.1	AUDITS AND AUDIT WORK.....	103
2.2	INVOLVEMENT OF AND COOPERATION BY THE INTERNAL AUDIT SERVICE ON OTHER ISSUES.....	104
2.3	CONDITIONS FOR INTERNAL AUDIT WORK	104
3.	APPENDIX C: DISPOSING OF FIXED ASSETS 2014.....	107
	FINANCIAL REGULATION, ART. 157: PROPERTY INVENTORIES.....	107
	RULES OF APPLICATION, ART. 253: PROCEDURE FOR DISPOSING OF TANGIBLE ASSETS.....	107
3.1	DISPOSING OF IMMOVABLE PROPERTY OR MAJOR INSTALLATIONS FREE OF CHARGE IN 2014.....	107
4.	APPENDIX D: KEY ACTIVITY AND PERFORMANCE INDICATORS ("KAPIS").....	109
4.1	INTRODUCTION	109
4.2	SCOPE AND INTERPRETATION	109
4.3	PRESENTATION.....	109
4.4	DEVELOPMENT	110
4.5	DIRECTORATES FOR LEGISLATIVE WORK	110
4.6	DIRECTORATE FOR LEGISLATIVE PLANNING, RELATIONS WITH INSTITUTIONS AND CIVIL SOCIETY	114
4.7	COMMUNICATION	117

4.8	DIRECTORATE FOR HUMAN RESOURCES AND INTERNAL SERVICES	121
4.8.1	Recruitment, careers, training Unit.....	122
4.8.2	Staff support services, individual rights, equal opportunities Unit.....	130
4.8.3	Meetings organised.....	133
4.9	DIRECTORATE FOR BUDGET AND FINANCE	135
4.9.1	Service to members unit	135
4.9.2	Finance and Financial Verification unit	136
4.9.3	Accounting service	137
4.10	DIRECTORATE FOR LOGISTICS.....	139
4.10.1	Infrastructure unit	139
4.10.2	IT and Telecommunications Unit	141
4.10.3	Printing and distribution Unit	146
4.11	DIRECTORATE FOR TRANSLATION	150
5.	APPENDIX E: RESULTS OF EX-POST CONTROLS 2014.....	157
5.1	OVERALL ASSESSMENT OF THE COSTS AND BENEFITS OF CONTROLS.....	158
5.2	RESULTS OF EX POST VERIFICATION	158
6.	APPENDIX F: REPORT ON BUILDING CONTRACTS 2014 AND REPORT TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ACCORDING TO ART. 203(3) OF THE FINANCIAL REGULATION.....	164
6.1	BUILDING CONTRACTS 2014.....	164
6.2	ARTICLE 203 FR REPORT	165
6.2.1	Part 1: The expenditure and surface area for each building.....	165
6.2.2	Part 2: The expected evolution of the global programming	165
6.2.3	Part 3: Project implementation of new building projects previously submitted to the European Parliament and the Council	166
6.2.4	Table: Expenditure and surface for each building (CoR and EESC together).....	167
7.	APPENDIX G: INSTRUCTIONS GIVEN REGARDING DECISIONS WHICH ARE IRREGULAR OR CONTRARY TO THE PRINCIPLES OF SOUND FINANCIAL MANAGEMENT DURING 2014.....	168
7.1	ARTICLE 73.3 INSTRUCTIONS RECEIVED IN 2014.....	168
8.	APPENDIX H: WAIVING OF RECOVERY OF AMOUNTS RECEIVABLE INVOLVING EUR 100,000 OR MORE IN 2014.....	170
8.1	WAIVING OF RECOVERY OF AMOUNTS RECEIVABLE INVOLVING EUR 100,000 OR MORE IN 2014	170
9.	APPENDIX I: REPORT ON ORDERS/CONTRACTS AND NEGOTIATED PROCEDURES 2014	172
9.1	ORDERS/CONTRACTS AND NEGOTIATED PROCEDURES	172
9.2	REPORT ON NEGOTIATED PROCEDURES ACCORDING TO ARTICLE 53 OF THE RULES OF APPLICATION FOR THE FINANCIAL REGULATION.....	173
9.3	REPORT ON ORDERS/CONTRACTS ACCORDING TO ARTICLE 124 OF THE RULES OF APPLICATION FOR THE FINANCIAL REGULATION	174
10.	APPENDIX J: AVERAGE PAYMENT TIMES – PAYMENT DELAY SUSPENSION.....	180
10.1	FIGURES ON AVERAGE PAYMENT TIMES – PAYMENT DELAY SUSPENSION	183
11.	APPENDIX K: FOLLOW-UP TO OBSERVATIONS IN THE PARLIAMENT'S 2013 DISCHARGE RESOLUTION.....	184

11.1 EUROPEAN PARLIAMENT RESOLUTION OF 29 APRIL 2015 WITH OBSERVATIONS FORMING AN INTEGRAL PART OF ITS DECISION ON DISCHARGE FOR IMPLEMENTATION OF THE GENERAL BUDGET OF THE EUROPEAN UNION FOR THE FINANCIAL YEAR 2013, SECTION VI.....	184
12. APPENDIX L: RESULTS AND CONSEQUENCES OF CLOSED EUROPEAN ANTI-FRAUD OFFICE (OLAF) CASES 2014.....	194
12.1 THE RESULTS AND CONSEQUENCES OF CLOSED EUROPEAN ANTI-FRAUD OFFICE (OLAF) CASES, WHERE THE EESC OR ANY OF THE INDIVIDUALS WORKING FOR THE COMMITTEE WERE THE SUBJECT OF THE INVESTIGATION.....	194
13. APPENDIX M: DISTRIBUTION OF STAFF BY NATIONALITY, FUNCTION GROUP AND GENDER (INCLUDING FOR MANAGEMENT).....	196



European Economic and Social Committee

**Statement of Assurance
by the
Authorising Officer by Delegation**

Brussels, June 2015

I, the undersigned,

Secretary-General of the European Economic and Social Committee (EESC),

In my capacity as authorising officer by delegation,

Declare that the information contained in this report gives a true and fair view;

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions;

This reasonable assurance is based on my own judgement and the information at my disposal, such as the rigorous verification procedures applied at the EESC in accordance with the internal financial rules, the result of ex-post controls, the observations of the Internal Audit service and the findings of the reports of the Court of Auditors for years prior to the year of this declaration;

Confirm that I am not aware of anything not declared here which could harm the interests of the institution.

Luis Planas Puchades
Secretary-General

PART I

Presentation and main achievements 2014

1. PRESENTATION

1.1 WHAT IS THE EESC?

The European Economic and Social Committee (EESC) is an advisory body of the European Union with its headquarters in Brussels. Since its establishment in 1957, the EESC has provided a unique forum for consultation, dialogue and consensus among representatives of the various economic, social and civil components of organised civil society. The EESC has a distinctive place in the EU's decision-making process as a consultative body which acts as an intermediary between the "legislative" (the European Parliament and the Council) and "executive" (the Commission) arms. The EESC ensures that civil society organisations have a say in Europe's development.

1.2 WHAT ARE THE EESC'S OBJECTIVES?

The EESC is committed to European integration. It strengthens the European Union's democratic legitimacy by enabling national civil society organisations to express their views at the European level.

The Committee fulfils three key missions:

- Helping to ensure that European policies and legislation tie in better with economic, social and civic circumstances on the ground, by assisting the European Parliament, the Council and European Commission, making use of EESC members' experience and representativeness, and stimulating dialogue and efforts to secure consensus which serves the general interest of the EU;
- Promoting the development of a more participatory European Union which is more in touch with popular opinion, by acting as an institutional forum representing, informing, expressing the views of and securing dialogue with organised civil society;
- Promoting the values on which European integration is founded and advancing the cause of democracy and participatory democracy, as well as the role of civil society organisations, in Europe and across the world.

1.3 WHAT IS ORGANISED CIVIL SOCIETY?

Organised civil society describes a wide range of organisations, networks, associations, groups and movements which are independent from government and sometimes come together to take forward their common interests through collective action. These groups often act as intermediaries between decision-makers and citizens and enable people to become actively engaged in efforts to improve living conditions.

1.4 HOW IS CIVIL SOCIETY REPRESENTED?

The EESC is made up of 353 members from all 28 Member States. These members are not politicians, but employers, trade unionists and representatives of groups such as professional and community associations, farmers, youth organisations, women's groups, consumers, environmental campaigners and many more. They come from all social and professional backgrounds and have a vast range of knowledge and experience. They are not based full-time in Brussels, but rather have their own jobs in their home countries, ensuring that they maintain direct contact with their grassroots. Nominated by their governments, they are appointed by the Council for a period of five years. They then work independently in the interests of all EU citizens. Debating issues involving and affecting civil society and adopting opinions, the Committee members play an integral part in the process of policy formation and the preparation of decisions at EU level.

1.5 NATIONAL ALLOCATION OF SEATS

The EESC now has 353 members since Croatia joined the EU on 1 July 2013. Members are nominated by national governments and appointed by the Council of the European Union for a renewable five-year term of office. The latest renewal was in October 2010 for the 2010-2015 mandate. The national allocation of seats is as follows:

Members per country

- 24 members: Germany, France, Italy and the United Kingdom
- 21 members: Spain and Poland
- 15 members: Romania
- 12 members: Belgium, Bulgaria, Czech Republic, Greece, Hungary, the Netherlands, Austria, Portugal and Sweden
- 9 members: Denmark, Ireland, Croatia, Lithuania, Slovakia and Finland
- 7 members: Estonia, Latvia and Slovenia
- 6 members: Cyprus and Luxemburg
- 5 members: Malta

1.6 WHAT ARE OPINIONS?

The European Parliament, the European Commission and the Council of Ministers are obliged, by virtue of the European treaties, to consult the EESC on a wide range of policy issues when passing new laws. The EESC examines proposals, draws up and adopts opinions based on a consensus reached between its members. After they are adopted in plenary session, the opinions are sent to the European institutions and published in the EU's Official Journal.

In addition, the EESC can also adopt own-initiative opinions on any question pertaining to the European Union, its policies and how these might evolve. It also produces exploratory opinions, as requested by EU institutions, in spheres where they think it has the appropriate skills and expertise

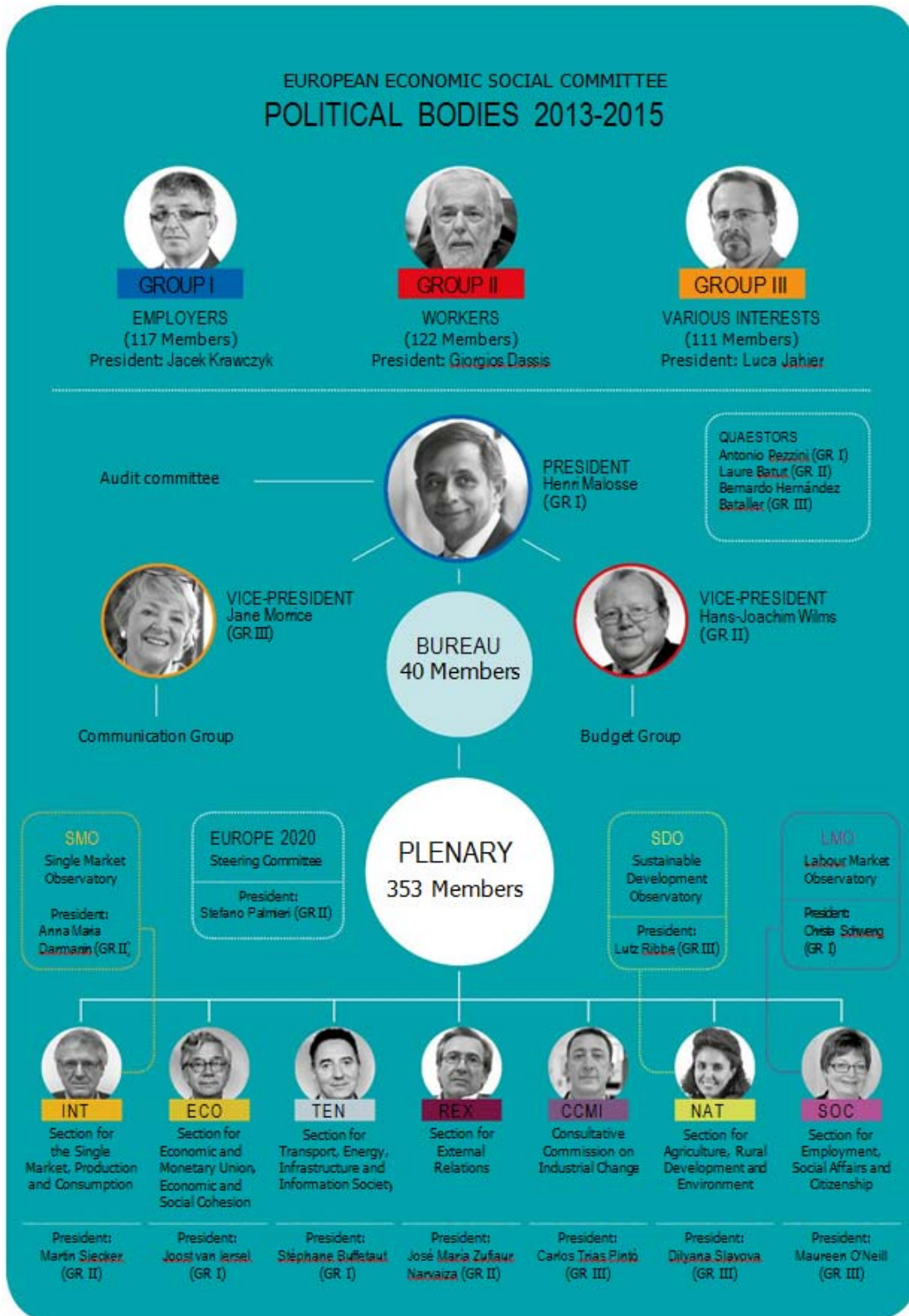
and which are of concern to citizens. The EESC may also publish information reports examining any aspect relevant to EU policies.

An opinion is prepared as follows:

- The European Commission, Parliament or Council makes a request or the EESC uses its own initiative
- authorisation of work by the Bureau
- rapporteur and study group members appointed by groups
- drafting by rapporteur, often assisted by study group
- discussion and adoption by sections
- adoption by plenary
- the opinion is sent to EU institutions and published in EU's Official Journal

Each year, some 150 opinions are published in the EU's Official Journal in the 24 official languages of the Union.

POLITICAL BODIES OF THE EESC



1.7 HOW IS THE EESC ORGANISED?

EESC members work in three groups: Employers (Group I), Workers (Group II) and Various Interests (Group III). The aim is to build consensus between all three so that EESC opinions reflect the economic and social interests of citizens. Jacek Krawczyk from Poland is president of the Employers' Group, George Dassis from Greece is president of the Workers' Group, while Luca Jahier from Italy is the president of the Various Interests Group.

The EESC has six sections, covering different aspects of the EU's work, ranging from the economy to social affairs. Members participate in one or more of these sections depending on their areas of expertise, and it is here that much of the preparatory work on opinions is carried out. The EESC also has a Consultative Commission on Industrial Change (CCMI), which helps EU industry anticipate and adapt to the impact of globalisation. The EESC has also set up three specialist observatories – on the single market, the labour market and sustainable development – plus a steering committee for the EU's 2020 Strategy for Growth and Jobs.

Every two-and-a-half years, the EESC elects a Bureau made up of 40 members, along with a president and two vice-presidents chosen from each of the three groups, in rotation. The president, who is currently Henri Malosse (Group I) from France, is responsible for the orderly conduct of the Committee's business and represents the EESC in relations with other institutions and bodies. The two vice-presidents – currently Jane Morrice (Group III) from the UK and Hans-Joachim Wilms (Group II) from Germany – are responsible for communication and the budget respectively. The Bureau's main task is to organise and coordinate the work of the EESC's various bodies and to lay down policy guidelines for this work.

2. MAIN ACHIEVEMENTS 2014

2.1 ACTIVITIES

2.1.1 Legislative and related work

The EESC assists the European Parliament, the Council and European Commission, promoting dialogue to secure consensus which serves the EU's general interest.

Cooperation with the European Parliament

61 opinions were adopted on referral from the European Parliament. Members and consultative staff actively participated in 170 EP Committee, Group, Inter-Group and individual meetings, with 28 meetings taking place between EESC/EP rapporteurs and Section-CCMI/EP Committee chairs. In total, some 139 meetings were held with representatives of the European Parliament.

Cooperation with the European Council and the Council of the European Union

The Greek and Italian EU presidencies formally requested six exploratory opinions, which were all adopted in 2014. These were on the following topics:

- The European Union Strategy for the Adriatic and Ionian Region
- Community Led Local Development
- European immigration policy
- European immigration policy and relations with third countries
- Youth employment measures
- Consumer protection and appropriate treatment of over-indebtedness

The EESC's section presidents, the president of the Europe 2020 Steering Committee and various rapporteurs attended a total of 14 informal EU ministerial meetings covering:

- Single European Sky
- Energy policy
- Cohesion policy (both Greek and Italian presidencies)
- Labour and environment
- Eastern Partnership
- Women's empowerment
- Forced labour
- Industry
- Climate change
- Digital economy
- EU-Cariforum Trade and Development

- EESC post-2015 conclusions
- Cooperation under European partnership for agriculture and rural development.

EESC section presidents and rapporteurs actively participated in a variety of EU Presidency conferences covering topics such as:

- The Eurofi High-Level Seminar 2014
- The Eurofi Financial Forum
- Future of the Economic and Monetary Union
- Reflections and proposals for the next term of the European Parliament and for the six-month Italian presidency
- The EU Strategy for the Adriatic and Ionian Region
- The 7th Programming Committee Meeting INTERREG EUROPE
- Moving Ahead towards an EU Urban Agenda
- Women's socio-economic empowerment
- The Transatlantic Trade Investment Partnership (TTIP).

Ministers, permanent secretaries, ambassadors and representatives of the EU presidencies, Council and Member State governments attended a variety of EESC-organised conferences, debates and events on topics such as:

- Maritime industries
- Energy, environment and climate
- Airport capacity
- EU energy policy
- Digital agenda
- EU cohesion policy
- Financing for the real economy
- The role of tax policy in a functioning Economic and Monetary Union
- Community Led Local Development
- Macro-regional strategies across Europe
- ACP-EU meeting of economic and social actors
- EU-Central Asia Strategy
- Euromed Summit of ESCs and similar institutions

Cooperation with the European Commission

The EESC adopted three exploratory opinions in 2013 that were specifically requested by the European Commission. These were on the following topics:

- Airport capacity in the EU
- EU Strategy for the Adriatic and Ionian Region (EUSAIR)
- EU Strategy for the Alpine Region

In the framework of the mid-term review of the EU 2020 Strategy, the EESC was particularly involved in discussions on the implementation of the European semester, namely through its Europe 2020 Steering Group.

In 2014, 58 high-level meetings were held with Commissioners, Directors-general and Directors and EESC delegations attended 88 high level conferences organised by the Commission.

2.1.2 Impact studies

In 2014, three ex-post impact studies were completed in order to assess the implementation and impact of EU legislation in a critical way and from the civil society point of view. These studies examined the following issues:

- "The Working of the Services Directive in the Construction Sector" – drawn up by the Single Market Observatory (SMO)
- "Implementation of EU policies for youth employment" – drawn up by the Labour Market Observatory (LMO)
- "The role of civil society in the implementation of the EU Renewable Energy Directive" – drawn up by the Sustainable Development Observatory (SDO).

2.1.3 Projects

The "projects" approach was launched in 2013. The objective is to translate certain recommendations expressed by the Committee in its opinions into concrete action. This approach is characterised by the involvement of external partners, and by the combined use of several instruments to achieve practical results.

In 2014, 8 new projects were launched:

- Energy Dialogue
- European Medias
- Europe 2020 Strategy
- Platform of the EU outermost regions' civil society organisations
- More Europe locally
- My Europe tomorrow
- New attitudes towards consumption
- EU-US Commercial negotiations

2.1.4 A voice for civil society

The EESC promotes the development of a more participatory European Union, which is more in touch with popular opinion, by acting as an institutional forum representing, informing, and expressing the views of and securing dialogue with organised civil society.

Civil Society Day 2014

Civil Society Day is an annual initiative organised by the European Economic and Social Committee and the EESC Liaison Group with European civil society networks. The purpose of the Civil Society Day is to enhance political dialogue between the Committee and European civil society organisations, and to establish genuine structured civil dialogue with the European institutions. The topic for discussion of the Civil Society day held on 18 March 2014 was "Beyond agendas and manifestos: What Europe for us?" The economic, social and civic aspects of European citizenship were at the centre of the discussions, which focused mainly on the expectations of Europeans.

2.1.5 Supporting citizens' initiatives

As an advocate of inclusivity, the right to participate and the voice of civil society, the EESC has supported the idea of a citizens' initiative from the outset. The Committee has invited spokespeople from the European Citizens' Initiatives (ECI) to present their projects. The EESC also co-organised an ECI Day, on 15 April, which enabled initiative organisers to share their experiences, assess strengths and weaknesses and express their needs and concerns. The information gathered will help prepare the groundwork for ECIs in the future.

2.1.6 Conferences and debates

By organising numerous high-level conferences, the EESC has been instrumental in promoting a more participatory EU that is in touch with public opinion.

Active inclusion and social investment

This conference, jointly organised with Eurofound on 16 June, was a follow-up to two EESC opinions on social investment (SOC/481 and SOC/496). The conference underlined the need for an integrated implementation of the three pillars of the active inclusion strategy (adequate income support, inclusive labour markets and access to quality services), as defined in the Commission Recommendation of 2008, and concluded that the Social Investment Package of February 2013 was the main tool for achieving the social inclusion objectives of the Europe 2020 strategy. As this package represents a paradigm shift from social spending to social investment, Member States were urged to apply a social investment approach to their social policies and the European institutions were requested to support and evaluate measures taken to this effect.

A new global partnership: European civil society positions on the post-2015 framework

On 13 and 14 February, the EESC conference "A new global partnership: European civil society positions on the post-2015 framework" brought together more than 250 stakeholders and participants from a wide range of backgrounds to voice their positions on and debate the United Nations post-2015 agenda for sustainable development, its underlying principles of integration and universality, priority themes it should address, its implications and the transformations that will have to take place in our societies. The conference was organised by the Sustainable Development Observatory (SDO) and the REX section at the request of the European Commission and prepared in broad partnership with civil society organisations and networks involved in the post-2015 debate. The conference conclusions and recommendations provided timely input to the Communication of the European Commission "A decent life for all" of July 2014, which laid the ground for the EU position at the launch of the negotiations in 2014. The messages of the conference were presented at a side-event, organised by the SDO, at the Open-Working-Group on Sustainable Development Goals at the UN headquarters in New York.

Social Entrepreneurship

On 16 and 17 January, the EESC and the European Commission co-hosted a major participatory event on social entrepreneurship. Much more than a simple conference, this special Strasbourg event was organised in an interactive way. For two days, the Palais des Congrès became a gigantic forum for meeting and exchange, where participants were able to share their experiences, express their concerns, and also relate their success stories. Participants gathered information and tackled multiple problems.

Collaborative consumption

A conference "Boosting Partnerships in the Collaborative Consumption", co-organised by the EESC, European Sharing Economy Coalition, OuiShare and ShareNL, was held in the EESC premises on 3 July. The objective of this event was to explore how stakeholders can forge partnerships to establish the necessary policy framework conditions and create an enabling environment for collaborative consumption to be a success for Member States, business, consumers and local communities in the EU. The conference was followed by a Sharefest, to define a series of initiatives in collaborative consumption that can help citizens out in their daily life.

European consumer day

The 16th European Consumer Day was held on 14 March in Thessaloniki. A very important topic – "Consumer protection and social inclusion in times of crisis" – featured on the agenda on this occasion. Even in times of crisis, consumers still have their rights. Those rights are legally binding and even a long-lasting crisis cannot be used as an excuse for the lack of enforcement. In this context, fundamental questions were raised during the conference: What challenges lie ahead for policy makers in the field of consumer protection? Are enforcement bodies efficient enough, or are consumer rights just a mirage in these difficult times? How to fight over-indebtedness and financial exclusion?

Completing EMU

Following an important conference that was organised in Rome, a series of discussions were held between September and December in finance ministries in Paris and Berlin in addition to a meeting at the European Central Bank with ECB vice-president, Vítor Constâncio, together with high-level EIB officials to discuss the need for completing EMU in order to overcome the crisis effectively and promote growth and employment.

Industrial policy

On 12 November, the EESC and the European Policy Centre (EPC) organised a high-level conference focused on the prospects for European industrial policy. A few months after the European Commission's communication on fostering a European Industrial Renaissance and immediately after the new college of European commissioners had taken office, the conference focused on the role of industrial policy in stimulating the European economy and on strategies that the EU should establish to promote re-industrialisation.

On 14 November, another conference on the topic "Fourth industrial revolution: An opportunity for the EU to take the lead?" was organised. The discussions focused on the answers that the EU could propose for the new emerging paradigm: the Internet of Things and the Internet of Services, currently known in Europe as the Fourth industrial revolution.

Towards a more effective Europe 2020: civil society's proposals for boosting social inclusion and competitiveness in Europe

On 4 and 5 December, as part of the activities of the Italian presidency of the Council of the European Union, the Europe 2020 Steering Committee organised a high-level conference on "Towards a more effective Europe 2020: civil society's proposals for boosting social inclusion and competitiveness in Europe" in Rome. During the conference, the EESC presented a major report, prepared in cooperation with its network of national economic and social councils and similar organisations, on the mid-term review of the Europe 2020 strategy.

2.1.7 Cooperation with national economic and social councils

The EESC successfully carried out a number of activities involving national economic and social councils (ESCs). The EESC was also instrumental in helping the presidency of the network of EU ESCs (France) to organise the annual meeting of presidents and secretaries-general on "The Role of the ESCs and the expectations of civil society towards the European Union".

2.1.8 'Going Local' and other communication activities

'Going Local' is an outreach activity performed by EESC members and designed to bring local civil society closer to the EU decision-making process.

Going Local, Being Local

The EESC's 'Going Local, Being Local' initiative is about fostering closer ties between the Committee and grassroots organised civil society. The aim is to strengthen the Committee's responsiveness to the concerns of local economic and social interest groups. This can be accomplished in a number of ways, from members speaking at local conferences and organising local events to hosting visitors in Brussels.

In 2014, the EESC organised 69 going local events, with 100 EESC members involved (this figure does not include the on-going important task of promoting EESC opinions and impact assessments by sections and groups). A one-stop shop for applications and evaluation was created. The Communication Department provided logistical support and promotional material for 41 internal events, 125 in-house partnerships and 88 events outside the EESC. The Communication Department organised the annual exchange of best practice meeting for communication contact points in Zagreb on 17 and 18 March 2014. In the run-up to the European elections, a specific training course was organised for communication contact points under the going local initiative.

Your Europe, Your Say!

'Your Europe, Your Say!' has taken place in Brussels every year since 2010 and simulates the work undertaken by EESC members. Students come to the EESC's headquarters to debate, negotiate and reach consensus on topics that are a high priority for young people.

Hosting visitors in Brussels

The EESC received 348 visitor groups from all over the world in 2014. They were mostly made up of members of civil society organisations and students specialising in European affairs.

Civil society and social media

The use of social media was stepped up in 2014 with regular action relating to all important EESC events, the setting up of a coherent training policy and on-request tailored coaching sessions for specific teams. Regular training sessions for members also continued throughout the year.

The mobile application "EUnearU" was developed from December 2012 onwards and the first release for Apple devices was launched in July 2013. At the request of the Communication Group the Android release was made available and promoted to EESC members as of April 2014 via their Intranet, the Newsletter for members and information desks during plenary sessions.

2.1.9 Fostering organised civil society beyond our borders

EESC members were influential players at numerous high-level international meetings, helping to promote European values beyond the EU's borders and share civil society concerns.

2014 key events included:

- First meeting of the EU-Africa Network of Economic and Social Stakeholders
- Joint meeting with the EU-Russia Civil Society Forum
- Meeting of EU-ACP economic and social actors
- Preparatory meeting on the EU-Ukraine Civil Society Platform with representatives of the Ukrainian side of the Platform
- First meeting of the EU-Cariforum Consultative Committee
- First joint meeting of the EU and Central American Advisory Groups and Civil Society Dialogue Forum under the Trade and Sustainable Development Title of the Association Agreement with Central America
- Euromed Summit of economic and social councils and similar institutions

In 2014, new joint committees were launched with civil society from Serbia, Cariforum (Caribbean Forum from ACP countries), Colombia/Peru and Central America.

2.2 ADMINISTRATION

The Committee is serviced by a secretariat-general, headed by a secretary-general who reports to the president, representing the Bureau. Some 800 staff members work at the EESC.

The EESC seeks to attract, train and retrain skilled staff, optimise the organisational structure and promote an environment which encourages a work/life balance and is conducive to personal and professional development; great efforts have also been made to adapt budgets to the constraints of the current exceptional financial and economic situation

Human resources highlights of the year at the EESC

- Closer interinstitutional cooperation between the European Parliament and the EESC: the EESC and the Committee of the Regions signed a cooperation agreement with the European Parliament on 5 February 2014.
- Closer interinstitutional cooperation with other EU institutions: contacts were further developed, mainly with regard to implementation of the new Staff Regulations, both at formal (interinstitutional joint committees) and informal (bilateral contacts and ad hoc working groups) levels. The EESC also continued its close cooperation with EPSO (participation in selection boards, production of videos for EPSO) and held the presidency of the interinstitutional joint committee (COPARCO).

- Providing the administration with the tools to face future challenges: a new organisational structure and implementing measures (flexibility and learning and development) were established for the Committee's secretariat-general to enable the administration to provide a better service to the institution and support to its members.
- Fostering a culture of mobility in the EESC: the EESC encourages internal mobility, a means of professional development. Guidelines were set and measures will be implemented to develop a culture of mobility, with appropriate career guidance and training support, in order to make the most of staff potential.
- Stronger HR forward planning and career guidance: The administration has continued to develop a forward-looking approach to its activities, namely in the area of workforce planning, and its contribution to organisational design. The directorate has consequently had a new unit in charge of HR Planning and Training since January 2015.
- Improved internal communication, social dialogue and relations with in-house partners: communication was strengthened with the different stakeholders (active and retired staff, social partners, members, etc.) by consolidating internal communication tools (HR TV, HR InfoPoint) and developing new activities (a mentoring programme for newcomers, EESC induction day) and through on-going dialogue with staff representatives.
- Increased efficiency, flexibility and modernisation of administrative procedures: several activities were carried out in an approach based on continuous improvement and the need to adapt to budgetary constraints and staffing cuts. Examples include the greater use of project teams and pooling of resources, and the computerised management via Sysper2 of a broader range of HR procedures (individual rights, time management, salary slips, etc.).

Other administrative highlights

- Common Assessment Framework (CAF)

In 2014, the administration continued to draw inspiration from the 2013 CAF exercise for the implementation of new working methods within the Directorate. The Common Assessment Framework is a management tool developed by and for the public sector. It is based on the assumption that leadership in the areas of strategy, planning, and taking account of people, partnerships, resources and processes radically improves organisational performance and relations with the public and with society at large. The aim of the CAF is to be the catalyst for a process of overall improvement in organisations. In particular, it aims to facilitate self-assessment in public organisations with a view to diagnosing and defining improvements in the search for excellence.

- EU Eco-Management and Audit Scheme (EMAS)

Like many private and public organisations, the EESC is working on reducing the carbon footprint and energy cost of its activities by continuously improving its environmental performance. These efforts over the last few years have borne remarkable results and earned the Committee a Brussels ecodynamic enterprise label in 2009. In late December 2011, they were crowned by the awarding of EMAS and ISO 14001 certification. Considerable progress has been

made on rationalising the use of paper by means of electronic interfaces, for example in the areas of leave and applications management. It was in the field of mobility, however, that the administration launched its most striking initiatives for all staff. An enterprise travel plan was developed to promote the use of greener modes of transport (public transport, walking and cycling in particular). For this, a series of activities were implemented and promoted and practical measures were taken to encourage staff to take an active part in this change of behaviour.

Useful links

EESC website: www.eesc.europa.eu

Facebook: www.eesc.europa.eu/facebook

Twitter: www.eesc.europa.eu/twitter

YouTube: www.eesc.europa.eu/youtube

LinkedIn: www.linkedin.com/company/european-economic-and-social-committee

EESC president's website: www.eesc.europa.eu/president

EESC president on Twitter: <https://twitter.com/MalosseHenri>

Working with young people: www.eesc.europa.eu/youth

Your Europe, Your Say!: www.eesc.europa.eu/YourEuropeYourSay

EUnearU: www.eesc.europa.eu/eunearu

R EU Ready – the EESC game: <http://www.eesc.europa.eu/?i=portal.en.r-eu-ready>

PART II

Annual General Accounts 2014

(Accrual Accounting Principle)

1. CERTIFICATION BY THE ACCOUNTING OFFICER

Brussels, June 2015

The annual accounts of the European Economic and Social Committee for the year 2014 have been prepared in accordance with the Title IX of the Financial Regulation applicable to the general budget of the European Union, the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the presentation of the annual accounts of the European Economic and Social Committee in accordance with Article 68 of the Financial Regulation.

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show the European Economic and Social Committee'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 Economic and Social Committee.



Stavros Giaprakis
Accounting Officer

2. ACCOUNTING POLICIES

This chapter contains a description of the policies, principles, methods and assumptions lying beneath the annual general accounts.

The accounting policies remain unchanged from the previous year.

2.1 LEGAL PROVISIONS AND THE FINANCIAL REGULATION

The main source of principles is the Financial Regulation and its Implementing Rules (Council and Commission Regulations). On top of this the Accounting Officer of the Commission has issued rules regarding the Harmonised Chart of Accounts and also 18 accounting rules, covering important accounting topics.

The Commission also provides a Consolidation Manual.

From 2005 the accounting rules have been based on the Accrual Accounting Principle and inspired by International Public Sector Standards (IPSAS) or by default International Financial Reporting Standards (IFRS).

2.2 ACCOUNTING PRINCIPLES

The objectives of a financial statement is to provide useful information about the financial position, performance and cash flows of an entity to a wide range of users. For a public sector entity such as the EESC, the objectives are more specifically to provide information useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it.

If it is to present a true and fair view, a financial statement must not only supply relevant information to describe the nature and range of an institution's activities, explain how it is financed and supply valid information on its operations, but do so in a clear and comprehensible manner which allows a comparison between financial years.

The accounting system of the European Institutions comprises general accounts and budget accounts. These accounts are kept in euro on the basis of the calendar year. The budget accounts (Part III of this report) give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle⁽¹⁾. The general accounts (Part II of this report) allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet on 31 December.

The accounting policies described in this document are the basis of the general accounts (accrual accounting).

⁽¹⁾ This differs from cash-based accounting because of elements such as carry-overs.

2.3 CURRENCY AND BASIS FOR CONVERSION

The financial statements are presented in euros.

Foreign currency transactions are translated into euros using the exchange rates at the date of the transaction.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are converted into euros on the basis of the exchange rates applying on 31 December of the year.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the economic outturn account.

2.4 THE ECONOMIC OUTTURN ACCOUNT

2.4.1 Revenue

The vast majority of revenue is funds transferred from the Commission. All transfers received on the bank account of the European Economic and Social Committee within the reporting year is recognised as revenue.

Revenue from the sale of goods 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.

2.4.2 Expenditure

Exchange expenses arising from the purchase of goods are recognised when the supplies are delivered and accepted by the European Economic and Social Committee. They are valued at original invoice cost.

When any 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 already due to the beneficiaries but not yet reported are estimated and recorded as accrued expenses.

2.5 BALANCE SHEET

2.5.1 Intangible fixed assets

Intangible fixed assets are valued at their acquisition price, with the exception of assets acquired free of charge that are valued at their market value. Tangible and intangible fixed assets are valued at their historic value converted into euros at the rate applying when they were purchased. The book value of a fixed asset is equal to its acquisition price or production cost, plus or minus revaluations, depreciation and other amounts written off. See depreciation rates below.

2.5.2 Tangible fixed assets

All property, plant and equipment are stated at historical cost less depreciation (excluding land), and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 associated with the item will flow to the European Economic and Social Committee and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the economic outturn account during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

2.5.3 Depreciation rates

Type of asset	Straight line depreciation rate
Intangible assets	25%
Buildings	4%
Plant, machinery and equipment	12.5% to 25%
Furniture	10% to 25%
Fixtures and fittings	12.5% to 25%
Computer hardware	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. 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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the economic outturn account.

2.5.4 Leases

Leases of tangible assets, where the European Economic and Social Committee have substantially all the risks and rewards of ownership, are classified as financial leases. Financial leases are classified 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. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The rental obligations, net of finance charges, are included in other long-term liabilities. The interest element of the finance cost is charged to the economic outturn account 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 acquired under financial 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 of ownership are classified as operating leases. Payments made under operating leases are charged to the economic outturn account on a straight-line basis over the period of the lease.

2.5.5 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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 value in use.

2.5.6 Receivables

Receivables are carried at original invoice amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the European Economic and Social Committee will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is recognised in the economic outturn account statement.

2.5.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. They include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.6 USE OF ESTIMATES

In accordance with generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management. Significant estimates include, but are not limited to, amounts for employment benefits, provisions for future charges, financial risk on accounts receivables, accrued income and charges, contingent assets and liabilities, and degree of

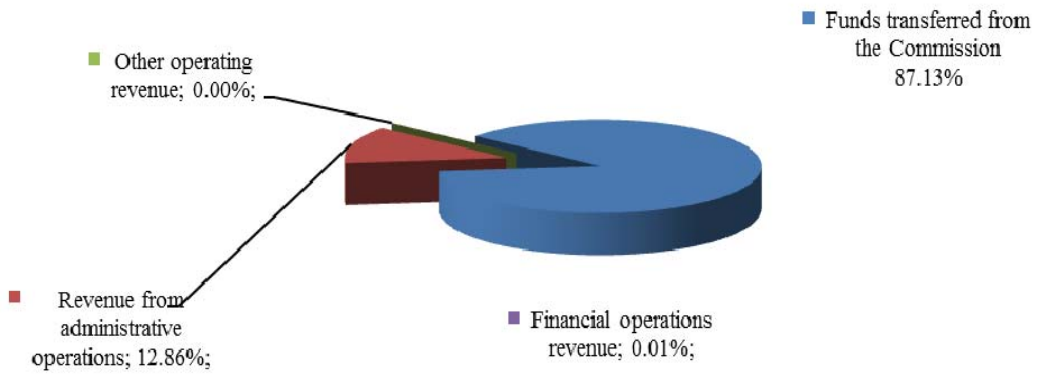
impairment of fixed assets. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

3. THE ECONOMIC OUTTURN ACCOUNT

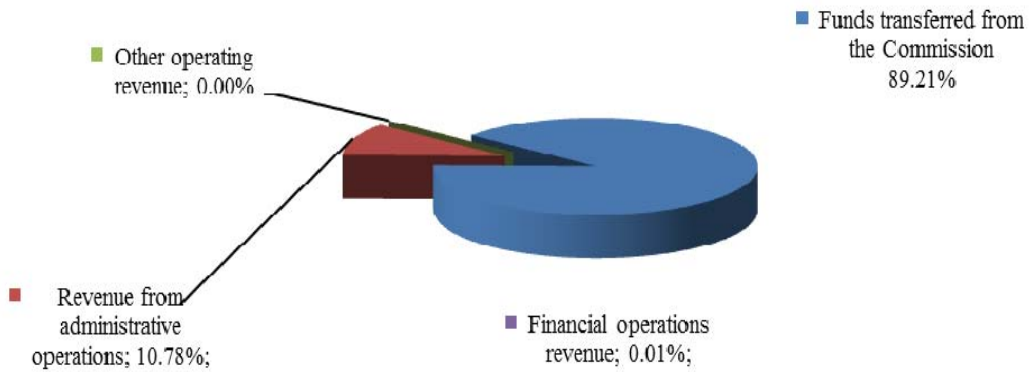
	Note	2014	2013
<u>Operating Revenue</u>			
Funds transferred from the Commission		101,400,000	119,150,000
Revenue from administrative operations		14,974,106	14,402,919
Other operating revenue		841	3,367
	1	<u>116,374,947</u>	<u>133,556,286</u>
<u>Operating Expenses</u>			
<u>Administrative expenses</u>			
Staff expenses		(66,310,908)	(65,960,211)
Members expenses		(18,337,565)	(17,283,920)
Fixed assets related expenses		(5,139,492)	(5,157,482)
Interpreter services		(6,519,535)	(7,194,812)
ICT		(5,137,110)	(5,129,957)
Security and surveillance of buildings		(3,475,100)	(3,359,011)
Rent		(3,391,170)	(3,287,664)
Cleaning and maintenance		(2,369,059)	(2,291,482)
Other administrative expenses		(5,862,677)	(8,196,794)
		<u>(116,542,616)</u>	<u>(117,861,333)</u>
<u>Operational expenses</u>			
Other operating expenses		(4,334)	(1,680)
		<u>(4,334)</u>	<u>(1,680)</u>
		<u>(116,546,950)</u>	<u>(117,863,013)</u>
Surplus from operating activities		(172,003)	15,693,273
Financial operations revenue		6,357	6,081
Financial operations expenses	2	(7,521,759)	(7,676,053)
Deficit from non-operating activities		<u>(7,515,402)</u>	<u>(7,669,972)</u>
Economic result of the year		(7,687,406)	8,023,301

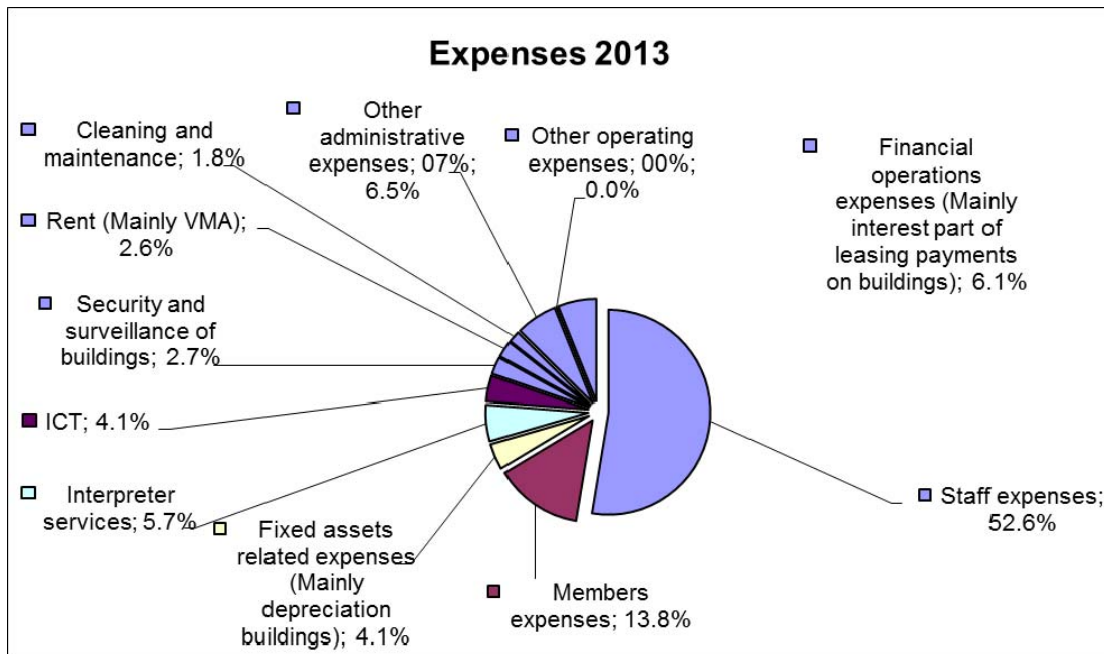
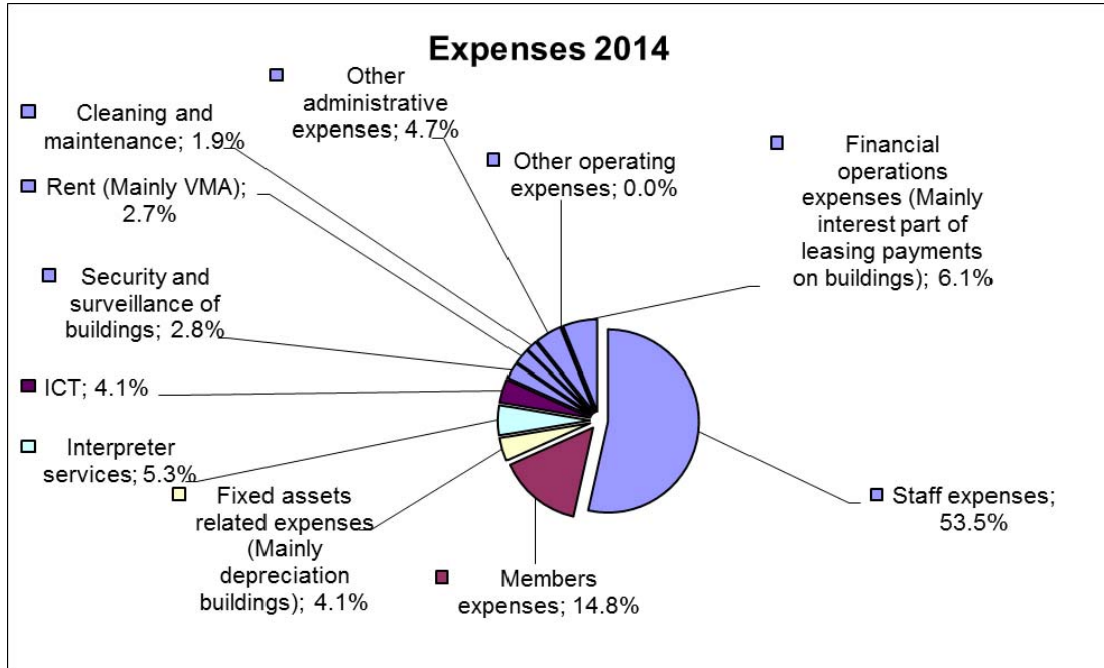
As the European Economic and Social Committee is not a profit-maximising organisation, the economic result of the year should be interpreted with care, and no direct management conclusions should be derived from it. The revenue side is quite arbitrary. The funds transferred from the Commission are not accrually founded.

Revenue 2014



Revenue 2013

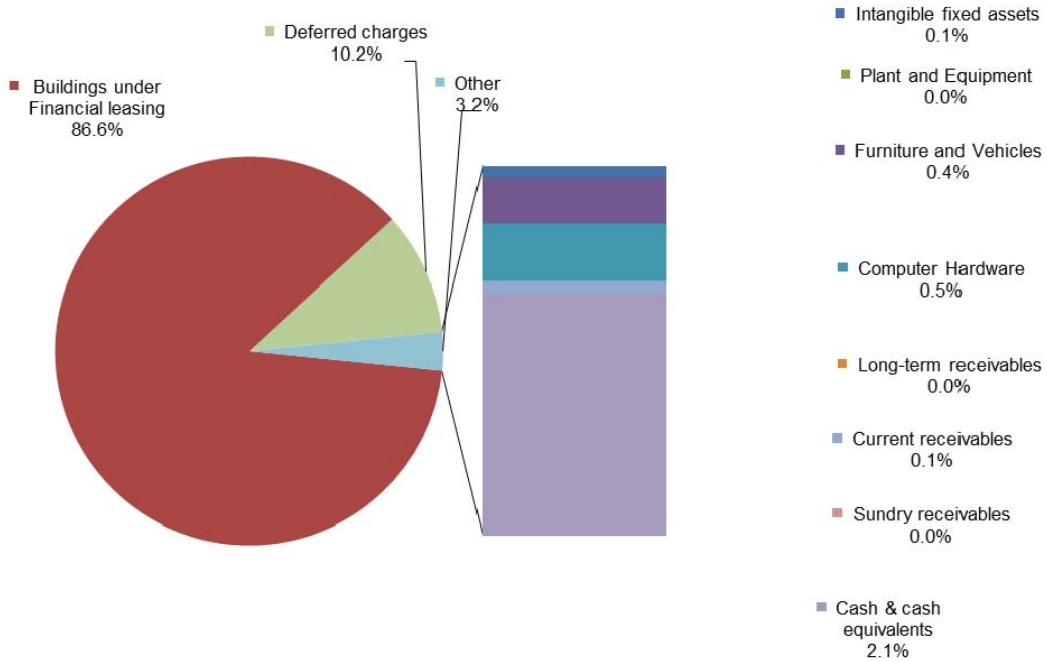




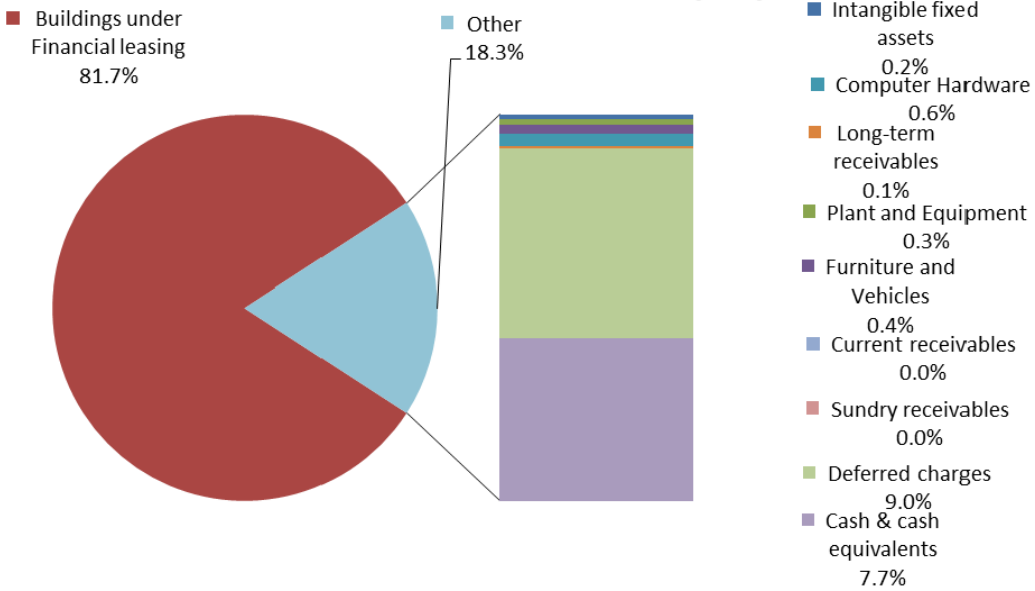
4. THE BALANCE SHEET

	Note	31/12/2014	31/12/2013
<u>I. Non-current assets</u>			
Intangible fixed assets	3	<u>140,484</u>	<u>251,484</u>
<u>Tangible fixed assets</u>			
Buildings under Financial leasing	4	112,606,486	117,230,577
Plant and Equipment	5	4,253	455,696
Other fixtures and fittings	5	398,538	
Furniture	6	548,550	612,500
Computer Hardware	7	616,297	880,053
		<u>114,174,124</u>	<u>119,178,826</u>
Long-term receivables	8	56,760	59,403
		<u>114,371,368</u>	<u>119,489,713</u>
<u>II. Current assets</u>			
<u>Short-term receivables</u>			
Current receivables	9	137,906	46,969
Sundry receivables		16,866	50,896
Deferred charges		13,259,188	12,957,373
		<u>13,413,960</u>	<u>13,055,238</u>
Cash & cash equivalents		<u>2,668,133</u>	<u>10,999,666</u>
		<u>16,082,092</u>	<u>24,054,904</u>
Total assets		130,453,460	143,544,616
<u>III. Non-current liabilities</u>			
Other long-term liabilities	10	95,863,678	100,093,258
		<u>95,863,678</u>	<u>100,093,258</u>
<u>IV. Current liabilities</u>			
Provisions for risks and Charges	11	43,200	1,080,036
Accounts payable		<u>43,200</u>	<u>1,080,036</u>
Current payables	12	3,080,903	3,351,473
Long-term liabilities falling due within the year	13	4,229,581	3,984,351
Sundry payables		29,789	18,358
Accrued charges		7,204,575	7,328,000
		<u>14,544,848</u>	<u>14,682,182</u>
Total liabilities		110,451,726	115,855,476
<u>V. Net assets</u>			
Contingent assets	14		
Contingent liabilities and Commitments for future funding	15		
		20,001,734	27,689,140

Distribution of Assets 31/12/2014



Distribution of Assets 31/12/2013



5. STATEMENT OF CHANGES IN NET ASSETS

	Accumulated Surplus/(Deficit)	Economic Outturn of the Year	Total Net Assets
<u>Balance as of 31 December 2013</u>	19,665,839	8,023,301	27,689,140
Allocation of the Economic Outturn 2013	8,023,301	(8,023,301)	0
Economic Outturn of 2014	<u>0</u>	(7,687,406)	(7,687,406)
Balance as of 31 December 2014	27,689,140	(7,687,406)	20,001,734

Note: The European Economic and Social Committee has no share capital or previously injected capital. The Net Assets is exactly that – the difference between the valuation of the assets and the valuation of the liabilities. The main differences are between the principles for depreciation on buildings and the payment profile on the liabilities regarding the buildings held under long leases.

6. NOTES

NOTE 1

Operating Revenue

	2014	2013
Funds transferred from the Commission	<u>101,400,000</u>	<u>119,150,000</u>
Revenue from staff	11,014,158	10,416,369
Other administrative revenue	3,959,948	3,986,551
Revenue from administrative operations	<u>14,974,106</u>	<u>14,402,919</u>
Miscellaneous operating revenue	0	643
Exchange rate gains	841	2,724
Other operating revenue	<u>841</u>	<u>3,367</u>
	116,374,947	133,556,286
Non-exchange revenue	114,423,107	131,477,467
Exchange revenue	1,951,840	2,078,819
	116,374,947	133,556,286

NOTE 2

Financial Operations Expenses

	2014	2013
Other interest expenses	(7,515,567)	(7,668,387)
Other financial expenses (bank charges)	(6,192)	(7,666)
	(7,521,759)	(7,676,053)

NOTE 3

Intangible Fixed Assets

	31/12/2014	31/12/2013
<u>Computer Software</u>		
Gross carrying amount 1, January	1,140,912	937,578
Additions	12,057	203,334
Disposals		0
Transfer between headings	(43,676)	0
Other changes	31,128	
Gross carrying amount 31, December	<u>1,140,421</u>	<u>1,140,912</u>
Accumulated amortization 1, January	(889,428)	(774,814)
Amortization	(86,691)	(114,614)
Disposals		0
Transfer between headings	(19,753)	0
Other changes	(4,065)	
Accumulated amortization 31, December	<u>(999,937)</u>	<u>(889,428)</u>
Net Carrying Amount 31, December	140,484	251,484
Non-capitalised research costs	0	0
Non-capitalised development costs	1,980,431	1,768,541
	1,980,431	1,768,541

NOTE 4

Buildings under Financial Leasing

	31/12/2014	31/12/2013
Gross carrying amount 1, January	163,684,283	163,684,283
Additions	0	0
Gross carrying amount 31, December	163,684,283	163,684,283
Accumulated depreciation 1, January	(46,453,706)	(41,829,615)
Depreciation	(4,624,091)	(4,624,091)
Accumulated depreciation 31, December	(51,077,797)	(46,453,706)
Net Carrying Amount 31, December	112,606,486	117,230,577

	Capital	Interest
<u>Distribution of charges</u>		
Cumulative charges paid 31/12 - 2014	63,591,026	94,507,906
<u>Charges to be paid</u>		
< 1 year	4,229,581	5,288,833
1-5 years	19,674,687	18,510,951
> 5 years	76,188,989	21,672,668
	100,093,257	45,472,452
Gross Carrying Amount 31, December	163,684,283	139,980,358

At 31 December 2014, the European Economic and Social Committee (EESC) and the Committee of Regions (CoR) together had five buildings² under long-term leases:

	TOTAL NET ASSET VALUE	TOTAL DEBT
Building Bertha von Suttner (BvS), Rue Montoyer 92-102	40,752,541	41,919,818
Building Jacques Delors (JDE), Rue Belliard 103-113	98,751,783	83,818,541
Building Remorqueur (REM), Rue Belliard 93	8,216,590	0
Rue Belliard 68-72 (B68-72)	19,678,155	19,115,846
Rue de Trèves 74 (TR74)	17,567,513	20,505,549
TOTAL	184,966,582	165,359,754

These long-term leases are defined as finance leases and are thus recognised and accounted for as assets, and their associated lease obligations as liabilities,

² For completeness should be mentioned that part of the building "Van Maerlant II" has been rented from the European Commission since 1 April 2007. This contract is not defined as a financial lease.

The EESC-part of the total net-asset-value is EUR 112,606,486. On the liability-side the EESC-part of the total debt is EUR 100,093,259 (other long term liabilities EUR 95,863,678 and long-term liabilities falling due within 1 year EUR 4,229,581).

In 2009, the EESC and the CoR signed an agreement as follows:

- According to the practice in previous years, each Committee's share in the net asset values and the liabilities of these five buildings is fixed as follows:

	EESC	CoR
BvS	67%	33%
JDE	67%	33%
REM	50%	50%
B68-72	40%	60%
TR74	40%	60%

- Each Committee's contribution to the lease payments is defined in the cooperation agreement between the two Committees, These depend on the respective proportion of the number of staff of each Committee according to the respective establishment plans, adopted by the budgetary authority, on 1 January of the previous financial year and may differ from the shares as defined in the table above.

NOTE 5

Plant and Equipment

	31/12/2014	31/12/2013
Gross carrying amount 1 January	3,216,991	3,031,394
Additions	0	195,055
Disposals	0	(9,459)
Transfers between headings	(3,069,302)	0
Other changes	(62,730)	
Gross carrying amount 31. December	<u>84,959</u>	<u>3,216,991</u>
Accumulated depreciation 1. January	(2,761,295)	(2,607,217)
Depreciation	(3,536)	(163,537)
Disposals	0	9,459
Transfers between headings	2,621,396	0
Other changes	62,729	
Accumulated depreciation 31, December	<u>(80,706)</u>	<u>(2,761,295)</u>
Net Carrying Amount 31. December	4,253	455,696

Other Fixtures and Fittings

	31/12/2014	31/12/2013
Gross carrying amount 1 January	0	0
Additions	116,419	0
Disposals	0	
Transfers between headings	1,453,625	
Other changes	542	0
Gross carrying amount 31. December	<u>1,570,586</u>	<u>0</u>
Accumulated depreciation 1. January	0	0
Depreciation	(176,472)	0
Disposals	0	0
Transfers between headings	(997,585)	
Other changes	2,009	0
Accumulated depreciation 31. December	<u>(1,172,048)</u>	<u>0</u>
Net Carrying Amount 31. December	398,538	0

In 2014, the new category 'Other Fixtures and Fittings' has been added further to the implementation of the new inventory system Abac Assets. This has led to the automatic transfer of assets between the existing headings and this new heading.

NOTE 6**Furniture**

	31/12/2014	31/12/2013
Gross carrying amount 1, January	2,266,592	2,253,083
Additions	60,151	157,755
Disposals	(55,795)	(144,246)
Transfers between headings	1,147,003	0
Other changes	(30,698)	0
 Gross carrying amount 31, December	 <u>3,387,253</u>	 <u>2,266,592</u>
Accumulated depreciation 1, January	(1,654,092)	(1,665,846)
Depreciation	(131,800)	(132,492)
Disposals	55,795	144,246
Transfers between headings	(1,145,351)	0
Other changes	36,745	0
 Accumulated depreciation 31, December	 <u>(2,838,703)</u>	 <u>(1,654,092)</u>
Net Carrying Amount 31, December	548,550	612,500

NOTE 7**Computer Hardware**

	31/12/2014	31/12/2013
Gross carrying amount 1, January	3,211,215	3,111,440
Additions	195,541	290,041
Disposals	(161,374)	(190,266)
Transfers between headings	512,350	0
Other changes	39,941	0
 Gross carrying amount 31, December	 <u>3,797,673</u>	 <u>3,211,215</u>
Accumulated depreciation 1, January	(2,331,162)	(2,054,709)
Depreciation	(507,574)	(466,719)
Disposals	161,374	190,266
Transfers between headings	(458,707)	0
Other changes	(45,307)	0
 Accumulated depreciation 31, December	 <u>(3,181,376)</u>	 <u>(2,331,162)</u>
Net Carrying Amount 31, December	616,297	880,053

NOTE 8

Long-Term Receivables

	31/12/2014	31/12/2013
Other (Advances to Members)	56,760	59,403
	56,760	59,403

NOTE 9

Current Receivables

	31/12/2014	31/12/2013
<u>Customers</u>		
Gross total	37,740	6,177
Amounts written down	0	0
Net Value	<u>37,740</u>	<u>6,177</u>
<u>Member States</u>		
Gross total	1,249	3,351
Amounts written down	0	0
Net Value, VAT to be recovered	<u>1,249</u>	<u>3,351</u>
<u>Other Institutions</u>		
Gross total	98,916	37,440
Amounts written down	0	0
Net Value	<u>98,916</u>	<u>37,440</u>
	137,905	46,969

NOTE 10

Other Long-Term Liabilities

	31/12/2014	31/12/2013
Buildings under Financial Leasing (*)	95,863,678	100,093,258
	95,863,678	100,093,258

(*) Part of the charges (capital) that has to be paid after 1 year. See also Note 4.

NOTE 11

Provisions for Risks and Charges

	31/12/2014	31/12/2013
Possible pending court case and other on-going legal cases	43,200	1,080,036
	43,200	1,080,036

NOTE 12

Current Payables

	31/12/2014	31/12/2013
<u>Vendors</u>		
Gross total	<u>49,424</u>	<u>314,389</u>
<u>Other Institutions</u>		
European Commission	3,000,819	2,963,680
European Parliament	19,540	73,404
External Action Service EAS	11,119	0
Gross total	<u>3,031,479</u>	<u>3,037,084</u>
	3,080,903	3,351,473

NOTE 13

Long Term Liabilities Falling Due Within The Year

	31/12/2014	31/12/2013
Buildings under Financial Leasing (*)	4,229,581	3,984,351
	4,229,581	3,984,351

(*) Part of the charges (capital) that has to be paid within 1 year. See also Note 4.

NOTE 14

Contingent Assets

	31/12/2014	31/12/2013
Performance guarantees (*)	0	0
	0	0

(*) The sum of performance guarantees in supplier contracts is EUR 964,592 on 31/12/2014. As the probability of inflow of economic benefits is low (estimated by management to be less than 5%) the value is insignificant.

NOTE 15**Contingent Liabilities and Commitments for future funding**

	31/12/2014	31/12/2013
<u>Commitments for future funding</u>		
Commitments against appropriations not yet consumed (RAL)	2,293,827	1,966,255
Operating leases	9,533,780	11,464,128
Contractual Commitments	4,950,520	4,130,703
Other (**)	65,266,495	67,750,223
	82,044,622	85,311,309

(**) As the EESC and the CoR have jointly signed the long-lease contracts on the buildings, the EESC considered for years, they are responsible in solidarity for the payments.

Therefore, the difference between the total liability and the booked liability was recognised as a contingent liability. It can be calculated like this:

Total liability 31/12/2014:	165,359,745
Booked by EESC:	(100,093,259)
Contingent liability:	65,266,495

Nevertheless, in order to adopt a common approach with the CoR and as recommended by the European Court of Auditors, these contingent liabilities won't be disclosed anymore as of the 2015 accounts.

PART III

**Annual Budgetary Accounts 2014
(Modified Cash Accounting Principle)
and
Report on Budgetary and Financial
Management**

1. GENERAL REMARKS ON THE BUDGET

1.1 BUDGET OUTTURN 2014

The 2014 budget amounted to EUR 128.6 million, of which EUR 122.9 million were spent (a take-up rate of 95.6%), taking the committed final appropriations for the financial year (C1) including the appropriations carried over as of right from 2014 to 2015 into account (see table in heading 4). The take-up rate was higher than the year before (94.1%).

The take-up rate of appropriations carried over as of right from 2013 to 2014 was on a lower level than the year before (73.3%; 79.9% in 2013; see table in heading 5 below for detail).

1.2 ESTABLISHING THE BUDGET 2014

The EESC initially submitted 2014 budget estimates for a total amount of EUR 132 291 727, 1.68% up on the 2013 budget. The budget included a 1%-staff reduction in line with the Commission's proposal for changes to the Staff Regulations; no new posts were requested for 2014. Further to the impact of the staff reduction (7 posts), other cost-saving measures proposed by the Commission, estimated to be in the order of EUR 100 000, were included. Also in line with Commission guidelines, this budget included the impact in 2014 of the pending Court decisions on the salary adjustments for 2011 and 2012 and the impact of the salary adjustments for 2013 and 2014. The draft budget 2014 represented a moderate nominal increase in line with indications received from the Commission and the budgetary authority to limit rises to expected inflation (+1.7%).

In line with the conclusions of the European Council of 7/8 February 2013, and in order to respond to the need to show solidarity to face the exceptional economic challenges of the European Union, the Commission proposed to suspend the salary adjustment method in the new staff regulation for two years, i.e. in 2013 and 2014. In consequence, the EESC had to submit a second draft budget, taking account of a salary freeze for 2013 and 2014. The revised budget totalled EUR 130 986 509 corresponding to a 0.68% increase on 2013.

The Council in its reading imposed targeted reductions to the EESC by applying a cut to the appropriations related to the salary adjustments in 2011 and 2012. The 2014 abatement rate, however, was maintained at 5.5%. The EESC budget was thus reduced to EUR 128 542 321, representing a 1.2% decrease on the voted Budget of 2013.

The European Parliament restored the appropriations cut by the Council, bringing the budget back to EUR 130 986 509. The appropriations restored were meant to cover the effects of the 1.7% staff salary adjustment for 2011 and 2012 in 2014. Moreover, an amount of EUR 600 000 for the remuneration of officials was put into reserve, conditional on the signature of a cooperation agreement with the European Parliament which included the transfer of staff and posts to the EP.

The negotiations on the second draft budget for 2014 were concluded within the 21-day conciliation period on 12 November with an agreement on the joint conclusions on Budget 2014. The EESC 2014 budget was finally adopted on 19 November 2013 by the Council and on 20 November 2013 by the European Parliament. The EESC budget amounted to a total of EUR 128 559 380 corresponding to a decrease by 1.19% on the previous annual budget. The initially allocated appropriations for the 2011 and 2012 salary adjustments had been removed, as well as the amount in reserve, recompensing for the conclusion of the cooperation agreement with the Parliament. The budgetary authority also approved the new establishment plan reducing staff from 727 to 720, taking into account the 7 posts suppressed in the context of the annual 1% staff reduction for the period 2013-2017.

The "Joint statement on heading 5 and salary adjustments"⁽¹⁾ annexed to the budget decision 2014 covered the possible budgeting of the salary and pensions adjustment in case of a favourable ruling of the Court of Justice. In such a situation, the Commission would be requested to submit a draft amending budget to cover the impact of the 2011 and 2012 salary adjustments for the institutions.

1.3 BUDGET GOVERNANCE 2014

The Budget Group, the EESC's supervisory body for financial and budgetary affairs, is composed of 9 members and prepares all draft decisions of a financial or budgetary nature to be adopted by the EESC's Bureau. It meets in general once a month in preparation of the EESC's Bureau meeting.

The Budget Group supervises the budgetary procedures, in particular the discharge, the Court of Auditors' annual report, the annual activity report of the Secretary General as EESC's authorising officer by delegation, the establishment of the draft budget and the budget implementation.

Within the Budget Group, a subgroup, consisting of 3 members, analyses and comments the draft budget proposal of the Secretary-General, in close cooperation with the latter. The Budget Group then submits its draft budget proposal to the Bureau for adoption and submission to the Budgetary Authority. In its draft budgets, the EESC has consistently respected the budgetary guidelines issued by the Commission and the Budgetary Authority, taking full account of the exceptional economic, financial and budgetary situation in the EU. This has resulted in a nominally virtually unchanged budget since 2011 (therefore, taking into account inflation, a significant reduction in real terms).

The Budget Group supervises budgetary implementation, through regular reporting, as well as sectorial hearings (in 2014: buildings, IT, security, interpretation, members' reimbursement procedures). It proposes the allocation of decentralised budgets to the various spending actors and the authorisation of members' meetings and it authorises members' training.

In 2014, the Budget Group prepared updates of the EESC's regulations on authorisation of members' meetings and on the reimbursement of external participants to EESC activities. It ensured follow-up

(1) Heading 5 concerns "Administrative expenditure" in the EU Budget.

of the impact on budget, staff and translation capacity of the cooperation agreement with EP, signed in 2014.

2. REVENUE

	2014	2013
Revenue from staff	<u>11,014,157.84</u>	<u>10,416,368.62</u>
Taxation on salaries and pensions	4,793,148.97	4,567,749.67
Refunds of wages and allowances of Members of the institution	0.00	0.00
Special levy	923,301.38	9,778.95
Contribution to the pension scheme	5,017,875.75	5,165,463.07
Transfer or purchase of pension rights	276,616.04	673,376.93
Contribution of CCP staff to pensions	3,215.7	0.00
Other administrative revenue	<u>3,963,665.77</u>	<u>3,991,898.33</u>
Sale of other movable property - Assigned revenue	1,080.90	3,699.30
Sale of publications, printed works and films	0.00	1,060.85
Proceeds from letting and subletting immovable property	1,460,637.25	1,455,048.75
Investments or loans granted, bank and other interest on the institution's accounts	5,331.30	4,286.92
Supply of services and works to others institutions	1,950,758.98	2,058,047.99
Repayment of amounts wrongly paid - Assigned revenue	394,720.58	45,445.06
Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institutions.	887.93	533.67
Other contributions and refunds in connection with the administrative operation of the institution - Assigned revenue	100,905.73	189,753.62
Insurance payments received - Assigned revenue	49,343.10	217,593.20
Miscellaneous revenue	0.00	16,428.97
TOTAL REVENUE	14,977,823.61 €	14,408,266.95€

3. FINAL APPROPRIATIONS

3.1 HUMAN RESOURCES

	Initial Appropriations 2014	Transfers 2014	Amendments 2014	Final Appropriations 2014	Final Appropriations 2013
<u>Members and Delegates</u>	<u>19,533,937.00</u>	<u>0.00</u>	<u>0.00</u>	<u>19,533,937.00</u>	<u>19,533,937.00</u>
Salaries, allowances and insurance	106,080.00	0.00	0.00	106,080.00	106,080.00
Travel and subsistence allowances	18,901,194.00	-67,000.00	0.00	18,834,194.00	18,801,194.00
Travel and subsistence allowances, CCMI	472,382.00	67,000.00	0.00	539,382.00	552,382.00
Further training, language courses and other training	54,281.00	0.00	0.00	54,281.00	74,281.00
<u>Officials and Temporary Staff</u>	<u>65,085,681.00</u>	<u>0.00</u>	<u>0.00</u>	<u>65,085,681.00</u>	<u>66,428,959.00</u>
Remuneration and allowances	64,467,848.00	0.00	0.00	64,467,848.00	65,172,858.00
Paid overtime	30,102.00	0.00	0.00	30,102.00	34,405.00
Entering, transfers and leaving the service	587,731.00	0.00	0.00	587,731.00	664,508.00
Provisional appropriation	0.00	0.00	0.00	0.00	557,188.00
<u>Other staff and outside services</u>	<u>4,184,719.00</u>	<u>-60,000.00</u>	<u>0.00</u>	<u>4,124,719.00</u>	<u>4,391,461.00</u>
Other staff	2,052,423.00	0.00	0.00	2,052,423.00	2,165,064.00
Graduate traineeships, grants and exchanges of officials	867,739.00	-60,000.00	0.00	807,739.00	928,436.00
Entering, transfers and leaving the service	66,896.00	0.00	0.00	66,896.00	68,848.00
Supplementary services for the translation service	424,810.00	0.00	0.00	424,810.00	429,810.00
Expert advice connected with consultative work	742,851.00	0.00	0.00	742,851.00	742,851.00
Interinstitutional cooperation and external services	30,000.00	0.00	0.00	30,000.00	30,000.00
Provisional appropriation	0.00	0.00	0.00	0.00	26,452.00
<u>Other expenditure</u>	<u>1,830,252.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,830,252.00</u>	<u>1,894,000.00</u>
Recruitment	55,000.00	0.00	0.00	55,000.00	80,000.00
Further training	505,752.00	0.00	0.00	505,752.00	522,000.00
Mission expenses	432,500.00	0.00	0.00	432,500.00	450,000.00
Social welfare	42,000.00	0.00	0.00	42,000.00	21,500.00
Social contacts between members of staff	185,000.00	0.00	0.00	185,000.00	170,500.00
Medical service	80,000.00	0.00	0.00	80,000.00	85,000.00
Early Childhood Centre and approved day nurseries	530,000.00	0.00	0.00	530,000.00	565,000.00
<u>Total Human Resources</u>	<u>90,634,589.00</u>	<u>-60,000.00</u>	<u>0.00</u>	<u>90,574,589.00</u>	<u>92,248,357.00</u>

3.2 OTHER RESOURCES – PART 1/2

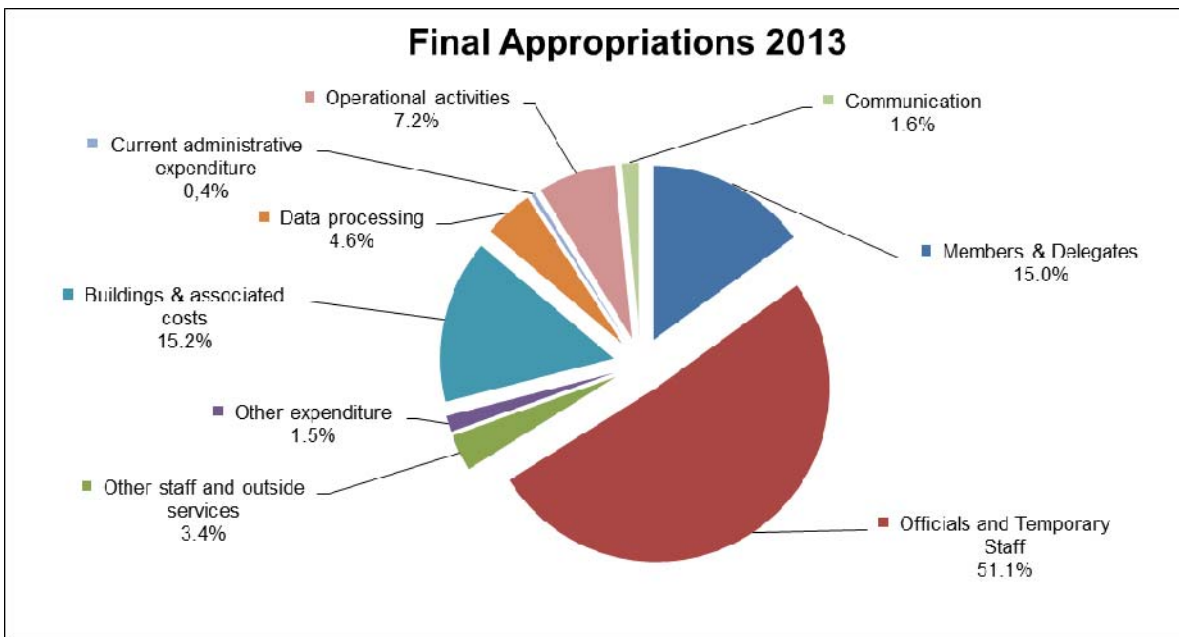
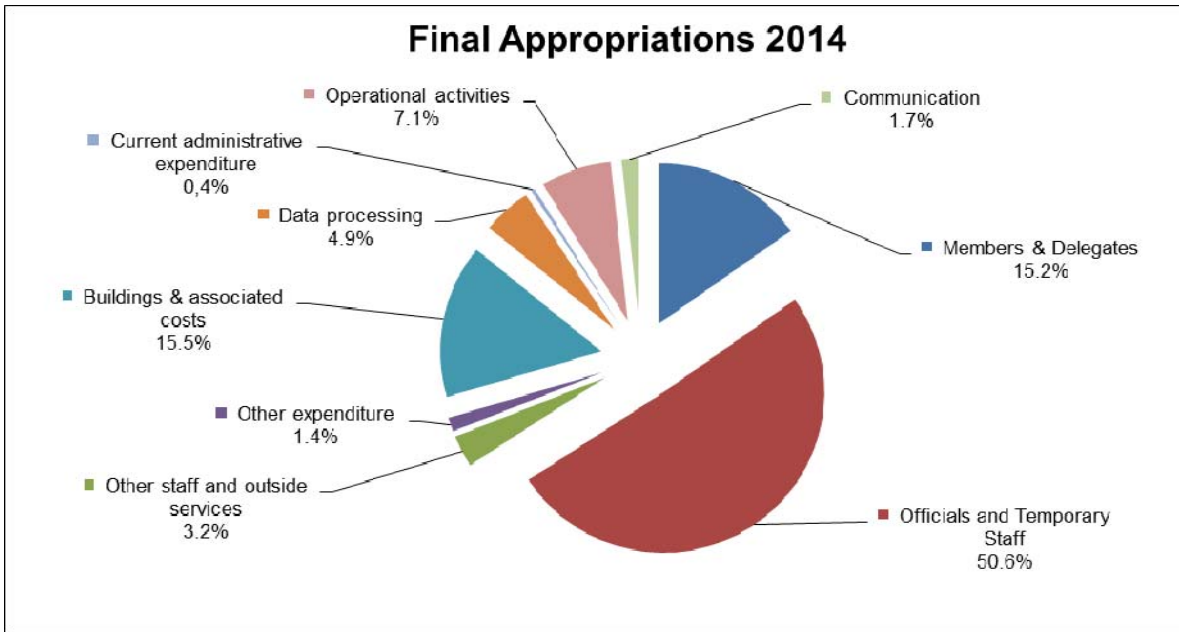
	Initial Appropriations 2014	Transfers 2014	Amendments 2014	Final Appropriations 2014	Final Appropriations 2013
<u>Buildings & associated costs</u>	<u>19,728,928.00</u>	<u>198,342.00</u>	<u>0.00</u>	<u>19,927,270.00</u>	<u>19,728,687.00</u>
Rent	2,100,019.00	0.00	0.00	2,100,019.00	2,069,777.00
Annual lease payments and similar expenditure	11,582,176.00	-82,258.80	0.00	11,499,917.20	11,527,157.55
Fitting-out of premises	321,275.00	822,542.00	0.00	1,143,817.00	308,006.45
Other expenditure on buildings	56,943.00	7,482.80	0.00	64,425.80	56,943.00
Cleaning and maintenance	2,539,992.00	0.00	0.00	2,539,992.00	2,708,447.00
Energy consumption	965,466.00	-505,306.00	0.00	460,160.00	905,379.00
Security and surveillance	2,052,711.00	0.00	0.00	2,052,711.00	2,082,710.00
Insurance	110,346.00	-44,118.00	0.00	66,228.00	70,267.00
<u>Data processing</u>	<u>6,062,390.00</u>	<u>163,673.00</u>	<u>0.00</u>	<u>6,226,063.00</u>	<u>6,026,204.00</u>
Purchase, servicing and maintenance of equipment and software	1,514,025.00	92,540.13	0.00	1,606,565.13	1,514,025.00
Outside assistance	1,887,328.00	147,040.00	0.00	2,034,368.00	2,013,194.00
Telecommunications	1,377,714.00	-38,260.13	0.00	1,339,453.87	1,319,114.00
Furniture	231,188.00	-69,024.00	0.00	162,164.00	127,346.00
Technical equipment and installations	963,224.00	31,377.00	0.00	994,601.00	963,225.00
Vehicles	88,911.00	0.00	0.00	88,911.00	89,300.00
<u>Current administrative expenditure</u>	<u>518,450.00</u>	<u>9,057.00</u>	<u>0.00</u>	<u>527,507.00</u>	<u>576,527.00</u>
Stationary, office supplies and miscellaneous consumables	214,030.00	-20,132.00	0.00	193,898.00	214,031.00
Financial charges	4,500.00	0.00	0.00	4,500.00	9,500.00
Legal costs and damages	50,000.00	60,000.00	0.00	110,000.00	80,000.00
Postage on correspondence and delivery charges	125,000.00	-40,000.00	0.00	85,000.00	125,000.00
Other administrative expenditure	124,920.00	9,189.00	0.00	134,109.00	147,996.00
<u>Operational activities</u>	<u>9,469,511.00</u>	<u>-311,072.00</u>	<u>0.00</u>	<u>9,158,439.00</u>	<u>9,390,175.00</u>
Internal meetings	227,430.00	30,000.00	0.00	257,430.00	290,430.00
Organisation of and participation in conferences, congresses and meetings	587,745.00	71,200.00	0.00	658,945.00	597,745.00
Organisation of CCMI	75,000.00	0.00	0.00	75,000.00	65,000.00
Representation obligations	139,000.00	-30,000.00	0.00	109,000.00	91,000.00
Interpreting	8,440,336.00	-382,272.00	0.00	8,058,064.00	8,346,000.00

3.3 OTHER RESOURCES – PART 2/2

	Initial Appropriations 2014	Transfers 2014	Amendments 2014	Final Appropriations 2014	Final Appropriations 2013
<u>Communication</u>	<u>2,145,512.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,145,512.00</u>	<u>2,134,450.00</u>
Communication	845,500.00	0.00	0.00	845,500.00	788,500.00
Publishing and promotion of publications	503,000.00	0.00	0.00	503,000.00	510,000.00
Official Journal	430,000.00	0.00	0.00	430,000.00	460,000.00
Studies, research and hearings	155,000.00	0.00	0.00	155,000.00	155,000.00
Documentation and library	169,762.00	0.00	0.00	169,762.00	171,700.00
Archiving and related work	42,250.00	0.00	0.00	42,250.00	49,250.00
<u>Provisional appropriations</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Provisional appropriations	0.00	0.00	0.00	0.00	0.00
<u>Total Other Resources</u>	<u>37,924,791.00</u>	<u>60,000.00</u>	<u>0.00</u>	<u>37,984,791.00</u>	<u>37,856,043.00</u>

3.4 TOTAL: HUMAN RESOURCES + OTHER RESOURCES

TOTAL FINAL APPROPRIATIONS	128,559,380.00	0.00	0.00	128,559,380.00	130,104,400.00
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4. USE OF FINAL APPROPRIATIONS (C1) IN 2014

4.1 HUMAN RESOURCES

	Note	Final Appropriations	Committed	Percentage Committed
Human resources		90,574,589.00	87,523,827.51	96.63%
Members & Delegates		19,533,937.00	18,872,024.00	96.61%
Salaries, allowances and insurance	(a)	106,080.00	76,000.00	71.64%
Travel and subsistence allowances		18,834,194.00	18,202,361.00	96.65%
Travel and subsistence allowances, CCMI		539,382.00	539,382.00	100.00%
Further training, language courses and other training		54,281.00	54,281.00	100.00%
Officials and Temporary Staff		65,085,681.00	63,336,765.04	97.31%
Remuneration and allowances		64,467,848.00	62,947,253.95	97.64%
Paid overtime		30,102.00	18,765.35	62.34%
Entering, transfers and leaving the service	(b)	587,731.00	370,745.74	63.08%
Provisional appropriation		0.00	0.00	0.00%
Other staff and outside services		4,124,719.00	3,601,245.57	87.31%
Other staff		2,052,423.00	2,027,863.74	98.80%
Graduate traineeships, grants and exchanges of officials	(c)	807,739.00	695,361.76	86.09%
Entering, transfers and leaving the service		66,896.00	43,359.07	64.82%
Supplementary services for the translation service	(d)	424,810.00	274,810.00	64.69%
Expert advice connected with consultative work	(e)	742,851.00	542,851.00	73.08%
Interinstitutional cooperation and external services		30,000.00	17,000.00	56.67%
Provisional appropriation		0.00	0.00	0.00%
Other expenditure		1,830,252.00	1,713,792.90	93.64%
Recruitment		55,000.00	48,470.55	88.13%
Further training		505,752.00	487,205.43	96.33%
Mission expenses	(f)	432,500.00	391,910.77	90.62%
Social welfare		42,000.00	33,000.00	78.57%
Social contacts between members of staff	(g)	185,000.00	157,206.15	84.98%
Medical service		80,000.00	66,000.00	82.50%
Early Childhood Centre and approved day nurseries		530,000.00	530,000.00	100.00%

III.

ANNUAL BUDGETARY ACCOUNTS 2014 AND REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT

Payments	Appropriations carried forward to 2015	Unused Appropriations	Percentage of Unused Appropriations
85,854,507.22	1,669,320.29	3,050,761.49	3.37%
17,899,501.06	972,522.94	661,913.00	3.39%
74,297.82	1,702.18	30,080.00	28.36%
17,288,482.72	913,878.28	631,833.00	3.35%
501,697.98	37,684.02	0.00	0.00%
35,022.54	19,258.46	0.00	0.00%
63,273,542.41	63,222.63	1,748,915.96	2.69%
62,923,071.18	24,182.77	1,520,594.05	2.36%
18,765.35	0.00	11,336.65	37.66%
331,705.88	39,039.86	216,985.26	36.92%
0.00	0.00	0.00	0.00%
3,288,020.52	313,225.05	523,473.43	12.69%
1,995,940.77	31,922.97	24,559.26	1.20%
635,495.45	59,866.31	112,377.24	13.91%
43,359.07	0.00	23,536.93	35.18%
184,785.35	90,024.65	150,000.00	35.31%
428,439.88	114,411.12	200,000.00	26.92%
0.00	17,000.00	13,000.00	43.33%
0.00	0.00	0.00	0.00%
1,393,443.23	320,349.67	116,459.10	6.36%
40,611.90	7,858.65	6,529.45	11.87%
326,802.37	160,403.06	18,546.57	3.67%
357,597.17	34,313.60	40,589.23	9.38%
18,987.84	14,012.16	9,000.00	21.43%
116,863.93	40,342.22	27,793.85	15.02%
26,405.44	39,594.56	14,000.00	17.50%
506,174.58	23,825.42	0.00	0.00%

4.2 OTHER RESOURCES – PART 1/2

	Note	Final Appropriations	Committed	Percentage Committed
<u>Other resources</u>		<u>37,984,791.00</u>	<u>35,423,335.50</u>	<u>93.26%</u>
Buildings & associated costs		19,927,270.00	19,041,004.57	95.55%
Rent		2,100,019.00	1,997,951.68	95.14%
Annual lease payments and similar expenditure		11,499,917.20	11,499,917.20	100.00%
Fitting-out of premises	(h)	1,143,817.00	816,468.47	71.38%
Other expenditure on buildings		64,425.80	62,077.73	96.36%
Cleaning and maintenance	(i)	2,539,992.00	2,174,186.95	85.60%
Energy consumption		460,160.00	460,160.00	100.00%
Security and surveillance		2,052,711.00	1,998,457.14	97.36%
Insurance	(j)	66,228.00	31,785.40	47.99%
Data processing		6,226,063.00	6,133,798.12	98.52%
Purchase, servicing and maintenance of equipment and software		1,606,565.13	1,603,137.43	99.79%
Outside assistance		2,034,368.00	2,033,835.86	99.97%
Telecommunications		1,339,453.87	1,324,453.87	98.88%
Furniture	(k)	162,164.00	99,492.58	61.35%
Technical equipment and installations		994,601.00	988,393.25	99.38%
Vehicles		88,911.00	84,485.13	95.02%
Current administrative expenditure		527,507.00	487,944.33	92.50%
Stationary, office supplies and miscellaneous consumables	(l)	193,898.00	162,915.69	84.02%
Financial charges		4,500.00	4,500.00	100.00%
Legal costs and damages		110,000.00	105,269.87	95.70%
Postage on correspondence and delivery charges		85,000.00	81,861.54	96.31%
Other administrative expenditure		134,109.00	133,397.23	99.47%
Operational activities		9,158,439.00	7,945,093.74	86.75%
Internal meetings		257,430.00	256,892.00	99.79%
Organisation of and participation in conferences, congresses and meetings	(m)	658,945.00	492,434.81	74.73%
Organisation of CCMI	(n)	75,000.00	30,766.93	41.02%
Representation obligations	(o)	109,000.00	60,000.00	55.05%
Interpreting	(p)	8,058,064.00	7,105,000.00	88.17%

III.

ANNUAL BUDGETARY ACCOUNTS 2014 AND REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT

Payments	Appropriations carried forward to 2015	Unused Appropriations	Percentage of Unused Appropriations
29,147,935.33	6,275,400.17	2,561,455.50	6.74%
16,338,086.97	2,702,917.60	886,265.43	4.45%
1,581,407.65	416,544.03	102,067.32	4.86%
11,499,917.20	0.00	0.00	0.00%
0.00	816,468.47	327,348.53	28.62%
13,265.00	48,812.73	2,348.07	3.64%
1,402,536.80	771,650.15	365,805.05	14.40%
460,160.00	0.00	0.00	0.00%
1,350,123.00	648,333.84	54,253.86	2.64%
30,677.02	1,108.38	34,442.60	52.01%
4,555,009.27	1,578,788.85	92,264.88	1.48%
1,315,149.85	287,987.58	3,427.70	0.21%
1,543,112.65	490,723.21	532.14	0.03%
1,143,808.00	180,645.87	15,000.00	1.12%
35,376.56	64,116.02	62,671.42	38.65%
444,377.39	544,015.86	6,207.75	0.62%
73,184.82	11,300.31	4,425.87	4.98%
337,104.49	150,839.84	39,562.67	7.50%
114,739.57	48,176.12	30,982.31	15.98%
1,773.24	2,726.76	0.00	0.00%
65,269.87	40,000.00	4,730.13	4.30%
57,245.50	24,616.04	3,138.46	3.69%
98,076.31	35,320.92	711.77	0.53%
6,802,160.16	1,142,933.58	1,213,345.26	13.25%
182,578.33	74,313.67	538.00	0.21%
400,338.75	92,096.06	166,510.19	25.27%
30,766.93	0.00	44,233.07	58.98%
36,905.13	23,094.87	49,000.00	44.95%
6,151,571.02	953,428.98	953,064.00	11.83%

4.3 OTHER RESOURCES – PART 2/2

	Note	Final Appropriations	Committed	Percentage Committed
Communication		2,145,512.00	1,815,494.74	84.62%
Communication	(q)	845,500.00	757,325.74	89.57%
Publishing and promotion of publications	(r)	503,000.00	476,293.54	94.69%
Official Journal	(s)	430,000.00	306,439.15	71.26%
Studies, research and hearings	(t)	155,000.00	87,862.15	56.69%
Documentation and library		169,762.00	145,336.65	85.61%
Archiving and related work		42,250.00	42,237.50	99.97%
TOTAL FINAL APPROPRIATIONS		128,559,380.00	122,947,163.01	95.63%

Payments	Appropriations carried forward to 2015	Unused Appropriations	Percentage of Unused Appropriations
1,115,574.44	699,920.30	330,017.26	15.38%
456,130.31	301,195.43	88,174.26	10.43%
184,560.55	291,732.99	26,706.46	5.31%
306,439.15	0.00	123,560.85	28.74%
46,862.16	41,000.00	67,137.84	43.31%
121,582.27	23,754.38	24,425.35	14.39%
0.00	42,237.50	12.50	0.03%
115,002,442.55 €	7,944,720.46	5,612,216.99	4.37%

For all budget lines having uncommitted appropriations of more than EUR 25,000, representing more than 5% of the final appropriations, more detailed information is provided below.

(a) Salaries, allowances and insurance

These appropriations cover insurances for members, the special duty allowance for the president and the vice-presidents and specific interventions in favour of disabled members. EESC members do not receive salaries. A safety margin is needed to cover interventions in favour of disabled members.

(b) Entering, transfers and leaving the service

These appropriations cover various statutory allowances and costs for removals for officials and temporary agents at entry and/or departure. Estimates of costs are bound to be inaccurate, particularly for a small institution with a low number of annual cases, because the various allowances are highly dependent on the individual situation of the officials concerned, and removals can take place up to two years after entering the service and three years after leaving the service. Furthermore, the cost of removal may vary considerably depending on the distance from Brussels of the place from/to which the removal takes place.

(c) Graduate traineeships, grants and exchanges of officials

The budget request for 2014 was based on an estimate of 10 seconded national experts (SNEs) over the full period in light of reasonably foreseeable new or extended secondments. At the end of 2014, the active population reached only 7 SNEs. 3 departures were not replaced, as the candidates did not possess the level of expertise required.

(d) Supplementary services for the translation service

With improved management of the demand for translation, the need for outsourcing was significantly lower than in previous years. Demand for translation is intrinsically variable from one year to another and outsourcing is only applied when internal translation capacity is insufficient.

(e) Expert advice connected with consultative work

The monitoring tool for experts' costs was renewed to better satisfy the needs of the services, and the rules for the authorisation of the use of external expert advice in consultative work were tightened. This new monitoring and regulatory environment together with a reduced need for expert advice have helped containing demand.

(f) Mission expenses

The budget estimates for 2014 were based on the implementation in the previous years, corrected for expected inflation, and included a small safety margin in order to cover the inherently variable nature

of this expenditure. In the light of the current budgetary austerity, additional efforts were made in 2014 to reduce the mission costs to a strict minimum.

(g) Social contacts between members of staff

These appropriations cover social events and support for the staff committee, social support for family members and initiatives related to mobility. The consumption of the appropriations for encouraging staff to use public transport ("mobility plan") nearly reached 100%. Consumption for social events has been lower due to cost restrictions maintained in the context of the current economic situation.

(h) Fitting-out of premises

The main reason for the low level of consumption was the unsuccessful outcome of a major call for tender for the replacement of the electric heating by a gas heating, for which a transfer of appropriations had been carried out.

(i) Cleaning and maintenance

The under-execution is the consequence of lower spending due to the late signature of a lifts contract.

(j) Insurance

An amount is kept in reserve to cover the deductible franchise in case of damage as stipulated in the framework contract. Since there were no claims, this reserve was not spent.

(k) Furniture

The combination of a delay in the conclusion of an inter-institutional call for tenders, the lower prices of the current contracts and decreasing demand resulted in less spending than foreseen. Appropriations are adjusted downwards in the draft estimates 2016.

(l) Stationary, office supplies and miscellaneous consumables

The under-execution of this budget line can be ascribed to the change of the framework contract during 2013. The prices of this new contract are lower than the prices in the previous one. Appropriations are adjusted downwards in the draft estimates 2016.

(m) Organisation of and participation in conferences, congresses and meetings

This budget item covers the organisation of and participation in conferences, congresses and meetings involving third parties. The corresponding expenditure is highly dependent on the EESC's work programme, which cannot be established with great accuracy at the time the budget is finalised. Also, the cost of travel can vary considerably, depending on the countries of origin of participants. Often,

low-cost airlines are used or travel costs are covered by the participant's own organisation, but actual cost are only known at a relatively late stage. Equally, the attendance rate is difficult to predict. Hence, in compliance with the Financial Regulation, a sufficient provision must be made to cover the worst case. One major conference "My Europe... Tomorrow" (accounting for more than EUR 70,000) had to be postponed to 2015 for organisational reasons.

(n) Organisation of CCMI

This budget item covers the operating expenses of the Consultative Commission on Industrial Change (CCMI) excluding the travel expenses of EESC members and CCMI delegates. The budget is variable and dependent on the number of hearings and external speakers invited as experts. For several events for which travel costs had been foreseen, savings were possible, because speakers could be engaged who did not need to be reimbursed. In line with global cost saving measures, catering costs have been limited.

(o) Representation obligations

This item is intended to cover expenses related to the obligations of the institution regarding representation and is allocated to about 20 different spending actors. Recourse to their representation budgets varies highly between spending actors and overall, the budgets have been used more selectively. Appropriations are adjusted downwards in the draft estimates 2016.

(p) Interpreting

The budget for 2014 aimed at covering all interpretation needs for all EESC meetings and events. The corresponding expenditure is highly dependent on the implementation of the EESC work programme. Accurate forecasting is difficult due to changes in agendas, participants and varying availability of languages. Some savings have been made due to recourse to cheaper local free-lance interpreters for meetings held away from Brussels. The new cooperation agreement with the European Parliament Interpretation services made it necessary to foresee a larger safety margin, because the costs were higher compared to the Commission's DG Interpretation and the invoicing system more complex and not based on the usual reference "slot". The safety margin was not needed after all, because the EP's services were rarely used. A further reduction of cancellation costs due to shorter deadlines led to additional savings.

(q) Communication

This appropriation is intended to cover the EESC's communication and information expenses. The take-up was lower than initially estimated due to the postponement of a video project, less use of the facade / footbridge for event promotion purposes than in previous years and a reduction of gifts to VIPs.

(r) Publishing and promotion of publications

This appropriation is intended to cover publication costs and general information. As a project aiming at refurbishing the website could not be implemented in 2014 due to resource constraints, the part of the appropriations available for this project was not spent.

(s) Official Journal

This item is intended to cover publishing expenses for publications in the Official Journal as well as associated costs. The expenses were estimated and ultimately invoiced by the Publications office corresponding to the EESC's share of overall publications and the number of pages. In April 2014, a new framework contract was implemented by the Publications Office. Prices for publications and proportional costs decreased considerably as a consequence of this. Appropriations are adjusted downwards in the draft estimates 2016.

(t) Studies, research and hearings

This appropriation is intended to cover the cost of hearings of experts in specific fields and studies commissioned to experts and research institutes. Several studies that had initially been foreseen were cancelled and in one case no suitable contractor could be found.

5. USE OF APPROPRIATIONS AUTOMATICALLY CARRIED FORWARD FROM 2013 TO 2014 (C8)

5.1 HUMAN RESOURCES AND OTHER RESOURCES - PART 1/2

	Note	Appropriations carried forward
<u>Human Resources</u>		<u>2,006,379.98</u>
Members & Delegates		1,263,759.45
Salaries, allowances and insurance		7,849.24
Travel and subsistence allowances	(a)	1,176,035.69
Travel and subsistence allowances, CCMI	(b)	43,779.62
Further training, language courses and other training		36,094.90
Officials and Temporary Staff		85,136.31
Remunerations and allowances		12,025.16
Entering, transfers and leaving the service		73,111.15
Other staff and outside services		259,862.07
Other staff		35,506.89
Graduate traineeships, grants and exchanges of officials		55,509.55
Entering, transfers and leaving the service		14,592.50
Supplementary services for the translation service		14,373.85
Expert advice connected with consultative work	(c)	124,879.28
Interinstitutional cooperation and external services		15,000.00
Other expenditure		397,622.15
Recruitment		10,036.76
Further training		174,862.89
Mission expenses		86,574.99
Social welfare	(d)	26,291.42
Social contacts between members of staff		21,143.40
Medical service		25,837.69
Early Childhood Centre and approved day nurseries	(e)	52,875.00
<u>Other Resources</u>		<u>6,287,874.64</u>
Buildings & associated costs		2,699,299.77
Rent	(f)	528,852.22
Fitting-out of premises		283,082.42
Other expenditure on buildings		49,127.44
Cleaning and maintenance	(g)	1,067,474.16

Paid in 2014	Percentage paid	Unused Appropriations	Percentage of Unused Appropriations
<u>862,350.07</u>	<u>42.98%</u>	<u>1,144,029.91</u>	<u>57.02%</u>
394,417.93	31.21%	869,341.52	68.79%
147.06	1.87%	7,702.18	98.13%
369,678.24	31.43%	806,357.45	68.57%
5,541.60	12.66%	38,238.02	87.34%
19,051.03	52.78%	17,043.87	47.22%
58,581.75	68.81%	26,554.56	31.19%
438.00	3.64%	11,587.16	96.36%
58,143.75	79.53%	14,967.40	20.47%
130,738.23	50.31%	129,123.84	49.69%
27,830.44	78.38%	7,676.45	21.62%
49,526.72	89.22%	5,982.83	10.78%
14,592.50	100.00%	0.00	0.00%
13,971.31	97.20%	402.54	2.80%
13,255.98	10.62%	111,623.30	89.38%
11,561.28	77.08%	3,438.72	22.92%
278,612.16	70.07%	119,009.99	29.93%
615.21	6.13%	9,421.55	93.87%
167,239.10	95.64%	7,623.79	4.36%
63,974.82	73.90%	22,600.17	26.10%
70.00	0.27%	26,221.42	99.73%
9,570.99	45.27%	11,572.41	54.73%
23,838.67	92.26%	1,999.02	7.74%
13,303.37	25.16%	39,571.63	74.84%
<u>5,217,451.79</u>	<u>82.98%</u>	<u>1,070,422.85</u>	<u>17.02%</u>
2,367,456.54	87.71%	331,843.23	12.29%
350,225.70	66.22%	178,626.52	33.78%
268,954.16	95.01%	14,128.26	4.99%
49,127.44	100.00%	0.00	0.00%
944,582.80	88.49%	122,891.36	11.51%

5.2 OTHER RESOURCES – PART 2/2

	Note	Appropriations carried forward
Security and surveillance		769,695.31
Insurance		1,068.22
Data processing		1,700,271.81
Purchase, servicing and maintenance of equipment and software		407,778.67
Outside assistance		531,310.66
Telecommunications		61,215.30
Furniture		26,009.39
Technical equipment and installations	(h)	646,177.23
Vehicles		27,780.56
Current administrative expenditure		152,945.20
Stationary, office supplies and miscellaneous consumables		56,369.34
Financial charges		4,419.05
Legal costs and damages		16,300.00
Postage on correspondence and delivery charges	(i)	34,550.58
Other administrative expenditure		41,306.23
Operational activities		1,058,107.01
Internal meetings	(j)	66,242.57
Organisation of and participation in conferences, congresses and meetings	(k)	126,635.42
Organisation of CCMI		871.00
Representation obligations		24,805.80
Interpreting	(l)	839,552.22
Communication		677,250.85
Communication	(m)	189,275.09
Publishing and promotion of publications		296,223.44
Official Journal		5,000.00
Studies, research and hearings		145,392.01
Documentation and library		16,605.31
Archiving and related work		24,755.00
TOTAL FINAL APPROPRIATIONS AUTOMATICALLY CARRIED FORWARD FROM 2013 TO 2014		8,294,254.62

Paid in 2014	Percentage paid	Unused Appropriations	Percentage of Unused Appropriations
754,507.04	98.03%	15,188.27	1.97%
59.40	5.56%	1,008.82	94.44%
1,607,748.43	94.56%	92,523.38	5.44%
406,506.38	99.69%	1,272.29	0.31%
521,112.00	98.08%	10,198.66	1.92%
37,548.60	61.34%	23,666.70	38.66%
24,798.89	95.35%	1,210.50	4.65%
609,310.41	94.29%	36,866.82	5.71%
8,472.15	30.50%	19,308.41	69.50%
118,719.66	77.62%	34,225.54	22.38%
52,136.52	92.49%	4,232.82	7.51%
4,419.05	100.00%	0.00	0.00%
15,900.00	97.55%	400.00	2.45%
7,949.78	23.01%	26,600.80	76.99%
38,314.31	92.76%	2,991.92	7.24%
505,494.76	47.77%	552,612.25	52.23%
30,637.81	46.25%	35,604.76	53.75%
99,456.21	78.54%	27,179.21	21.46%
695.69	79.87%	175.31	20.13%
6,741.27	27.18%	18,064.53	72.82%
367,963.78	43.83%	471,588.44	56.17%
618,032.40	91.26%	59,218.45	8.74%
163,284.50	86.27%	25,990.59	13.73%
277,872.35	93.80%	18,351.09	6.20%
0.00	0.00%	5,000.00	100.00%
142,075.63	97.72%	3,316.38	2.28%
12,461.72	75.05%	4,143.59	24.95%
22,338.20	90.24%	2,416.80	9.76%
6,079,801.86	73.30%	2,214,452.76	26.70%

For all budget lines having unused appropriations carried forward from 2013 to 2014 of more than EUR 25,000 representing more than 5% of the amount carried forward, more detailed information is provided below.

(a) Travel and subsistence allowances

Reimbursement claims for meetings in 2013 can still be submitted in 2014. Therefore, a sufficient amount had to be carried over in order to cover 2013 expenditure with 2013 appropriations, according to the annuality principle. This inevitably led to the cancellation of some of the appropriations having been carried over due to the impossibility to determine in advance the exact amounts claimed by EESC members following their participation in meetings.

(b) Travel and subsistence allowances, CCMI

As (a) above, concerning amounts claimed by CCIC delegates.

(c) Expert advice connected with consultative work

As (a) above, concerning amounts claimed by experts.

(d) Social welfare

A support measure for a disabled child of an official did not need to be carried out in the way initially foreseen.

(e) Early Childhood Centre and approved day nurseries

The appropriations are based on the estimated annual cost provided by the Commission. The final amounts of one year (n) are known only in the year after (n+1). To cover the regularisation in 2014 an amount of nearly EUR 53,000 was committed in 2013. The final bill from the Commission was much lower than anticipated.

(f) Rent

Service costs in relation to indexation and energy consumption of the VMA 2 building were lower than foreseen. The final amount to be paid was only confirmed with the receipt of the invoices in 2014. At year-end, the EP decided to reduce the price for renting their premises for the EESC Plenary sessions, which led to a further decrease of expenses.

(g) Cleaning and maintenance

The underutilization can be explained by the discrepancy between the previously foreseen costs of various building maintenance, technical assistance and any possible interventions and their final price. This stems mainly from the estimation method used to calculate the number of hours required for a certain task, i.e. a slight overestimation in order to include any unforeseen events, as well as interventions at year-end. The exact amount to be paid was unknown at the end of 2013 as final invoices only came in during 2014.

(h) Technical equipment and installations

In the printing and restaurant services appropriations are set aside for reparation of machines and equipment at year-end. As no machines became defective in the printing service and no equipment breakdown occurred in the restaurant service, the amounts kept in reserve did not need to be spent.

(i) Postage on correspondence and delivery charges

Invoices for this budgetary line are subject to high variability. Sufficient funds have to be foreseen to be able to meet the obligations at the end of the year. Moreover, uncertainty was accentuated by the conclusion of a new framework contract.

(j) Internal meetings

Expenditure on this budget item is inherently variable. The item is internally subdivided into a number of small operational budgets (about 20), each managed on behalf of a different office-holder. The office-holders can spend their budget using procurement procedures either with purchase orders signed by the authorising officer or by requesting reimbursement of amounts advanced by them (max EUR 1 000). Some claims are only received in the beginning of the following year. It is therefore necessary to carry over appropriations as reserve.

(k) Organisation of and participation in conferences, congresses and meetings

Appropriations carried over cover the expenditure that could not be settled at the end of 2013. It usually takes some time before all reimbursement claims are received, and costs can vary considerably (e.g. low-cost airline vs. mainstream airline). In some cases, a participant of an event ultimately does not make a claim at all (because his/her own organisation paid for it). Since the principles of sound and efficient management embodied in the Financial Regulation require a safety margin to cover all forecast expenditure, some of the appropriations carried over to 2014 were subsequently cancelled.

(l) Interpreting

It remains difficult to predict the exact amount invoiced by DG Interpretation and the EP for the last months of the year with a delay of several months. The amount of the monthly invoices is adjusted to actual consumption (changes in agendas, participants and varying availability of languages, all having an impact on the calculations).

(m) Communication

Travel expenses and hotel accommodation for participants and speakers as well as catering expenditure for some events organised in 2013 and invoiced in 2014 were lower than foreseen.

6. USE OF ASSIGNED REVENUE IN 2014 (C4)

	Final Appropriations	Committed	Percentage Committed
Human resources	302,600.14	887.93	0.29%
Members & Delegates	295,875.51	0.00	0.00%
Travel and subsistence allowances	295,700.82	0.00	0.00%
Travel and subsistence allowances CCMI	174.69	0.00	0.00%
Other staff and outside services	5.18	0.00	0.00%
Supplementary services for the translation service	5.18	0.00	0.00%
Other expenditure	6,719.45	887.93	13.21%
Mission expenses	4,332.29	887.93	20.50%
Social welfare	2,327.07	0.00	0.00%
Social contacts between members of staff	60.09	0.00	0.00%
Other resources	3,419,700.42	3,376,467.26	98.74%
Buildings & associated costs	2,917,943.54	2,895,194.52	99.22%
Rent	1,460,637.25	1,459,537.00	99.92%
Cleaning and maintenance	26,208.29	24,909.79	95.05%
Security and surveillance	1,431,098.00	1,410,747.73	98.58%
Data processing	465,163.84	448,579.70	96.43%
Purchase, servicing and maintenance of equipment and software	4,070.30	4,070.30	100.00%
Telecommunications	183,276.28	171,191.37	93.41%
Technical equipment and installations	274,899.91	273,318.03	99.42%
Vehicles	2,917.35	0.00	0.00%
Current administrative expenditure	36,593.04	32,693.04	89.34%
Stationary, office supplies and miscellaneous consumables	30,504.04	30,504.04	100.00%
Legal costs and damages	3,900.00	0.00	0.00%
Other administrative expenditure	2,189.00	2,189.00	100.00%
	3,722,300.56	3,377,355.19	90.73%

Payments	Payment percentage	Outstanding commitments	Available credits	Available Percentage
887.93	100.00%	0.00	301,712.21	99.71%
0.00	0.00%	0.00	295,875.51	100.00%
0.00	0.00%	0.00	295,700.82	100.00%
0.00	0.00%	0.00	174.69	100.00%
0.00	0.00%	0.00	5.18	100.00%
0.00	0.00%	0.00	5.18	100.00%
887.93	100.00%	0.00	5,831.52	86.79%
887.93	100.00%	0.00	3,444.36	79.50%
0.00	0.00%	0.00	2,327.07	100.00%
0.00	0.00%	0.00	60.09	100.00%
3,080,043.08	91.22%	293,424.18	43,233.16	1.26%
2,818,733.33	97.36%	76,461.19	22,749.02	0.78%
1,459,537.00	100.00%	0.00	1,100.25	0.08%
21,939.00	88.07%	2,970.79	1,298.50	4.95%
1,337,257.33	94.79%	73,490.40	20,350.27	1.42%
239,527.88	53.40%	209,051.82	16,584.14	3.57%
4,070.30	100.00%	0.00	0.00	0.00%
150,255.60	87.77%	20,935.77	12,084.91	6.59%
85,201.98	31.17%	188,116.05	1,581.88	0.58%
0.00	0.00%	0.00	2,917.35	100.00%
21,781.87	66.63%	10,911.17	3,900.00	10.66%
21,781.87	71.41%	8,722.17	0.00	0.00%
0.00	0.00%	0.00	3,900.00	100.00%
0.00	0.00%	2,189.00	0.00	0.00%
3,080,931.01	91.22%	296,424.18	344,945.37	9.27%

7. RE-USED 2013 APPROPRIATIONS (C5)

	Final Appropriations	Committed	Percentage Committed
<u>Human resources</u>	<u>214,123.97</u>	<u>203,311.43</u>	<u>94.95%</u>
Members & Delegates	8,884.40	0.00	0.00%
Travel and subsistence allowances	8,884.40	0.00	0.00%
Officials and Temporary Staff	203,124.30	203,124.30	100.00%
Remuneration and allowances	203,124.30	203,124.30	100.00%
Other expenditure	2,115.27	187.13	8.85%
Social contacts between members of staff	187.13	187.13	100.00%
Restaurants and canteens	1,928.14	0.00	0.00%
<u>Other resources</u>	<u>65,708.29</u>	<u>61,833.29</u>	<u>94.10%</u>
Buildings & associated costs	38,689.25	38,689.25	100.00%
Rent	366.75	366.75	100.00%
Fitting-out of premises	5,110.00	5,110.00	100.00%
Security and surveillance	33,212.50	33,212.50	100.00%
Data processing	23,833.19	22,083.19	92.66%
Purchase, servicing and maintenance of equipment and software	1,530.45	1,530.45	100.00%
Telecommunications	15,766.35	14,016.35	88.90%
Technical equipment and installations	6,536.39	6,536.39	100.00%
Communication	3,185.85	1,060.85	33.30%
Official Journal	1,060.85	1,060.85	100.00%
Documentation and library	2,125.00	0.00	0.00%
	279,832.26	265,144.72	94.75%

Payments	Payment percentage	Outstanding commitments	Available credits	Available Percentage
<u>203,311.43</u>	<u>100.00%</u>	<u>0.00</u>	<u>10,812.54</u>	<u>5.05%</u>
0.00	0.00%	0.00	8,884.40	100.00%
0.00	0.00%	0.00	8,884.40	100.00%
203,124.30	100.00%	0.00	0.00	0.00%
203,124.30	100.00%	0.00	0.00	0.00%
187.13	100.00%	0.00	1,928.14	91.15%
187.13	100.00%	0.00	0.00	0.00%
0.00	0.00%	0.00	1,928.14	100.00%
<u>59,150.70</u>	<u>95.66%</u>	<u>2,682.59</u>	<u>3,875.00</u>	<u>5.9%</u>
36,006.66	93.07%	2,682.59	0.00	0.00%
0.00	0.00%	0.00	0.00	0.00%
2,794.16	54.68%	2,682.59	0.00	0.00%
33,212.50	100.00%	0.00	0.00	0.00%
22,083.19	100.00%	0.00	1,750.00	7.34%
1,530.45	100.00%	0.00	0.00	0.00%
14,016.35	100.00%	0.00	1,750.00	11.10%
6,536.39	100.00%	0.00	0.00	0.00%
1,060.85	100.00%	0.00	2,125.00	60.70%
1,060.85	0.00%	0.00	0.00	0.00%
0.00	0.00%	0.00	2,125.00	100.00%
262,462.13	98.99%	2,682.59	14,687.54	5.25%

8. APPROPRIATIONS FROM EXTERNAL ASSIGNED REVENUE (R0)

	Final Appropriations	Committed	Percentage Committed
<u>Other resources</u>	<u>371,359.46</u>	<u>197,066.45</u>	<u>53.07%</u>
Operational activities	371,359.46	197,066.45	53.07%
Organisation of and participation in conferences, congresses and meetings	371,359.46	197,066.45	53.07%
	371,359.46	197,066.45	53.07%

III.**ANNUAL BUDGETARY ACCOUNTS 2014
AND REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT**

Payments	Payment %	Outstanding commitments	Available credits	Available %
<u>126,029.45</u>	<u>63.95%</u>	<u>71,037.00</u>	<u>174,293.01</u>	<u>46.93%</u>
126,029.45	63.95%	71,037.00	174,293.01	46.93%
126,029.45	63.95%	71,037.00	174,293.01	46.93%
126,029.45	63.95%	71,037.00	174,293.01	46.93%

IV.

APPENDICES

PART IV

Appendices

1. Appendix A: INTERNAL CONTROL ENVIRONMENT

The EESC's Internal Financial Rules (IFR) define a strong control framework for all budgetary transactions with strictly defined roles for authorizing officers by sub-delegation, managing officers and verifiers. The role of the different financial actors, the framework for their assistance and details of the budgetary procedures are specified in the EESC's Internal Financial Rules and were detailed in previous annual activity reports in the chapters 1 and 2 of Appendix A.

The objective of the present information is to report, as part of the regular reporting, on assessments undertaken and improvements made in the implementation of control standards and, where appropriate, to show their repercussions for the whole control framework. Several internal control standards were given particular attention in 2014. The reasons for selecting these standards as well as action taken to ensure their effectiveness are outlined below.

1.1 STAFF ALLOCATION AND MOBILITY (ICS 3)

1.1.1 Establishment plan

On 6 November 2014, the EESC Bureau unanimously adopted the Committee's new establishment plan and accompanying measures submitted by the secretary-general (flexible organisational structures, learning and professional development and mobility).

The new establishment plan, which was drawn up to enable the EESC to better fulfil its role and to cope with current and future challenges, came into force on 1 January 2015. One of the changes following the adoption of the new establishment plan was the creation of the HR Planning and Training unit within the Directorate for Human Resources and Internal Services (DHR-IS). This new unit will enable further development of policy on human resources planning, career guidance and training for the benefit of both the Committee as such and its staff.

1.1.2 Mobility

Following the Bureau's decision of 6 November 2014, the Committee undertook to develop a culture of mobility with light-touch administrative arrangements and appropriate career guidance and training support in order to fully harness the potential of the staff of the general secretariat. The administrative framework relating to internal rules on structural mobility will be developed and implemented in 2015.

1.1.3 HR reporting

Since 2011, various reports on the state-of-play and developments in issues relating to human resources policy have been made available by the DHR-IS to the management and the political authority of the Committee.

1.2 STAFF APPRAISAL AND DEVELOPMENT (ICS 4)

1.2.1 Appraisals/promotions

The administrative arrangements for appraisals and promotions were revised in 2014 to reflect the revised Staff Regulations.

1.2.2 Training and professional development

Competency framework

The training sector continued to develop a competency framework in 2014 with a view to introducing it within the general secretariat of the EESC, as is already the case at other institutions and, since 2011, in the DHR-IS (in the form of a pilot project).

A competency framework provides each staff member with a template of behaviours and actions that are recognised and appreciated in the organisation. It can be used across the whole spectrum of HR management activities and gives real impetus to the development of HR processes.

1.2.3 360° assessment

In 2014, a 360° assessment pilot project took place. It was offered to all managers from September 2014 onwards. The aim of this tool is to get a better picture of the strengths and weaknesses of EESC management, as seen by those who are in a working relationship with it. The findings of the exercise will improve the targeting of future training opportunities for managers.

1.2.4 Mentoring programme

A mentoring programme was established in late 2014. It involves selected colleagues who responded to a call for volunteers and were trained to exercise this role. There are many advantages to this programme: it helps people fit in, it makes the learning curve gentler, mainly by familiarising people with the institution's culture and policies, and it makes it easier to develop a socio-professional network within the institution.

1.2.5 E-learning

The EESC's training department launched an e-learning programme to enable staff to develop their IT and language skills. Online training enables staff to be more flexible and to optimise their working time, and saves money.

1.3 PROCESSES AND PROCEDURES (ICS 8)

The EESC is carrying out IT development with a view to improving the internal application AGORA in order to:

- Adapt the Budget module to new needs allowing users to input and group all financial estimates related to a meeting in a new dedicated "Financial" tab
- Handle different Outside EU venues (per region) and costs related
- Adapt authorisation forms to new motivation values and signatures required
- Develop electronic workflows for EESC meetings authorisation as well as for any other directly or indirectly related administrative workflow.

1.4 INFORMATION AND COMMUNICATION (ICS 12)

1.4.1 External communication

- The EESC Bureau, on 15 October 2013, adopted evidence based recommendations to update the EESC communication strategy. In 2014, the EESC successfully implemented an action plan adopted by the Communication Group and aimed at implementing these key recommendations. The implementation of the action plan was evaluated by the Communication Group on 12 March 2015.
- The EESC adopted a new framework for going local in December 2013. This framework was implemented in 2014 and led to a substantial increase and streamlining of going local activities.
- In 2014 the EESC also carried out an assessment of the past cultural activities under the supervision of the Communication Group Cultural Subcommittee. The assessment led to the formulation of guidelines for EESC cultural activities by the Communication Group and to the adoption of recommendations by the Bureau in February 2015.
- With a view to ensuring transparency and good financial management, clear rules on the maximum unit price of the promotional items were approved by the Bureau on 9 September 2014, and complementing guidelines approved by the Communication Group in 2008.
- The Communication Department regularly provides to the Communication Group with KAPIs and other statistics reports which measure the communication activities and their outreach.
- A report of the communication activities, including KAPIs and other statistic data, is part of the EESC annual activity report.

1.4.2 Internal Communication

To complement the external communication strategy by a solid internal communication strategy and following up on a recommendation in the Common Assessment Framework (CAF) exercise, a task force composed by EESC staff under the lead of the Communication Department assessed the EESC internal communication on the basis of an external evaluation and discussed recommendations for possible future developments. The findings and recommendations were presented to the Communication Group on 17 September 2014. With the new organisation chart the Internal Communication to Staff has moved to the Human Resources Directorate.

1.4.3 IT

An IT risk analysis is conducted annually. As a result of the latest analysis, a number of recommendations were translated into action during 2014. The EESC also updated its decision on information security in close cooperation with the Committee of the Regions.

1.5 ACCOUNTING AND FINANCIAL REPORTING (ICS 13)

Since 1 January 2015, the inventory system (ELS) has been successfully replaced by ABAC Assets and when data was transferred between these interfaces, corrections were made to the classification of assets and their depreciation rates.

The opening of and access to a series of expenditure accounts associated with each budget heading has, since 1 January 2015, helped to facilitate the reconciliation of general accounts and budget accounts.

Three documents and procedure were updated: the Charter of tasks and responsibilities of accounting officers, of the instructions for accounting, and the inventory regulation.

1.6 INTERNAL AUDIT CAPABILITY (ICS 16)

The Internal Audit Service's staff situation improved with an AST recruitment in 2014; an AD recruitment is planned for 2015.

The review of the Cooperation Agreement started in 2014 gave an opportunity to update and detail the working relationship between the Internal Audit Services of the EESC and the CoR.

2. Appendix B: MAIN RECOMMENDATIONS OF THE INTERNAL AUDITOR CONTAINED IN AUDIT REPORTS PRODUCED IN 2014 AND ACTION TAKEN TILL DATE

2.1 AUDITS AND AUDIT WORK

An audit evaluating the formal application of the delegated powers of the appointing authority (AIPN) was finalised in 2014.

The EESC exercises the power of appointing authority for its staff. This power is delegated to the Secretary-General who sub-delegates further. In 2011, a decision was taken consolidating all relevant delegations of the power of the appointing authority and bringing them up to date. A revised version was issued in 2012.

As remuneration and other entitlements represent a very significant part of the Committee's budget, the internal audit service took up the task of evaluating the formal application of the delegated powers.

According to the findings of the internal audit service, the structure of the new consolidated decision does indeed facilitate the correct application of the current regulation; there was no issue of concern.

Together with the units concerned, the internal audit service drew up an Agreed Action Plan, which defines a number of formal and procedural measures, aiming to reduce risk and speed up procedures. Implementation of measures will be evaluated from 2015.

The EESC and the Committee of the Regions have Joint Services dealing with logistics and translation. The audit services of both Committees coordinate their efforts in relation to these directorates, as laid down in the Cooperation Agreement. This includes the exchange of information, frequent discussions and cooperation on work programmes, procedures and communicating findings.

The Joint Services are regularly audited by the internal audit services of both the EESC and the CoR. During recent years, several audits have been undertaken concerning the IT service. The EESC internal audit service has investigated IT investments. The report was finalised in 2015.

The internal audit service finds that despite the challenge of servicing two Committees' needs, the IT unit is planning and executing its investments very well. The budget is well under control. The IT unit complies fully with the formal procedures and reporting obligations. The main challenge is keeping to the agreed distribution of expenditure between the two Committees when budget transfers take place during the year. The coordination between the two Committees could be improved, especially regarding budget transfers and controls. The new inventory management system needs to be further

developed so that the current parallel data system can be abolished. Inventory data in general could be improved. Implementation of measures will be evaluated from 2015.

The internal audit service also looks into issues that do not necessarily become full audit investigations. In such cases, the internal audit service describes the situation and estimates the risk. Following consultation with the competent director and the Audit Committee, a decision will be taken as to whether or not further investigation is needed. In 2014, procedures concerning part-time administration were questioned but they were ultimately considered a low-risk issue. No further investigation was initiated.

Follow-up of agreed action plans is crucial to ensure implementation of audit recommendations. The aim is to evaluate progress made in the implementation of measures at least once a year. Thanks to improved staffing, this year's evaluation was more detailed. Overall, satisfactory progress was made. Many open points were closed and no critical ("red flag") issues remained open.

2.2 INVOLVEMENT OF AND COOPERATION BY THE INTERNAL AUDIT SERVICE ON OTHER ISSUES

The internal audit service is routinely involved in procedural changes in order to give timely feedback on audit concerns and observed risks. The internal audit service is in close contact with the competent services concerning control standards, risk analyses, sensitive functions, business continuity, etc.

The internal audit service strives to monitor the main developments in the EESC secretariat to ensure proper compliance from the outset. In 2015, the internal audit service was thus involved in the planned revision of the Rules of Procedure and in certain document management issues.

The internal audit service is in close contact with the verification service and other staff carrying out internal controls. The internal audit service is also in contact with the corresponding service in the Committee of the Regions and with the internal audit services of other European institutions.

2.3 CONDITIONS FOR INTERNAL AUDIT WORK

For many years, the internal audit service has mainly focused on financial and compliance issues related to the support functions of the secretariat. The Audit Committee has been considering the different ways to expand and/or deepen the scope of audit investigations. The Secretary-General also favours this approach which aims to redefine and strengthen the role of the internal audit within the Committee and its secretariat.

The Audit Committee consists of three EESC members, supported by an external audit expert. The Audit Committee held five meetings in 2014. At these meetings, the internal auditor reported on ongoing audit work and control-related issues. Representatives of the secretariat are always present at the meetings to respond to inquiries. The internal audit service is in close communication with the members of the Audit Committee, including the external expert.

The internal audit service is currently composed of a staff of three. The vacant AST post had been filled with a part-time assistant in 2014. Recruitment for an AD post is planned for 2015. Internal audit staff regularly follows training sessions. For newly recruited colleagues, a more intense training schedule is outlined for the first year. The internal auditor reports to the Committee president. The internal audit service is attached to the Secretary-General.

3. Appendix C: DISPOSING OF FIXED ASSETS 2014

FINANCIAL REGULATION, ART. 157: PROPERTY INVENTORIES

1.1 *Each institution and body referred to in Article 141 shall keep inventories showing the quantity and value of all the Union's tangible, intangible and financial assets in accordance with a model drawn up by the accounting officer of the Commission.*

Each institution and body referred to in Article 141 shall check that entries in the inventory correspond to the actual situation."

1.2 *The sale of the Union's tangible assets shall be suitably advertised.*

RULES OF APPLICATION, ART. 253: PROCEDURE FOR DISPOSING OF TANGIBLE ASSETS

A statement or record shall be drawn up by the authorising officer whenever any property in the inventory, including buildings, is sold, given away free of charge, scrapped, hired out or missing on account of loss, theft or any other reason.

The statement or record shall indicate in particular whether the item must be replaced at the expense of an official or other servant of the Union or any other person.

Where immovable property or major installations are made available free of charge, a contract must be drawn up and the case notified in an annual report sent to the European Parliament and the Council when the draft budget is presented.

Members, officials or other servants and any other staff of the institutions and bodies referred to in Article 141 of the Financial Regulation may not be recipients of the property in the inventory given away free of charge or scrapped.

3.1 DISPOSING OF IMMOVABLE PROPERTY OR MAJOR INSTALLATIONS FREE OF CHARGE IN 2014

No immovable property or major installations were made available free of charge by the European Economic and Social Committee during 2014.

4. Appendix D: KEY ACTIVITY AND PERFORMANCE INDICATORS ("KAPIs")

4.1 INTRODUCTION

According to the Financial Regulation, every institution must define and report annually on a set of performance indicators.

The EESC Secretariat has therefore developed a set of indicators for all its directorates. Some measure a level of performance (e.g. payment lead times), whilst others measure a certain level of activity (e.g. a production volume). This is why the indicators are referred to as Key Activity and Performance Indicators (KAPIs). The KAPIs in appendix reflect the situation at the beginning of 2015, unless otherwise indicated.

4.2 SCOPE AND INTERPRETATION

The KAPI initiative is not a top-down exercise. It is, first and foremost, a management tool for the competent services and heads of units. KAPIs are also a means to raise awareness amongst all officials in the Secretariat. Moreover, the exercise gives transparency to our work, not only for members or senior management, but also vis-à-vis the other institutions.

KAPIs are tools. Care should be taken when interpreting them, for there cannot be any automatic conclusions. It is not so much their absolute values as their evolution over time that can reveal and confirm trends which may need attention and action.

4.3 PRESENTATION

KAPIs are presented by the directorate and unit monitoring them, but it should be stressed that these units cannot necessarily be held accountable for the indicators in question (e.g. the absence rate is monitored by the "Working conditions" Unit but reflects an overall situation).

For internal purposes, most KAPIs are measured on a monthly basis. On one page they show relevant figures and a graphical presentation. This allows for analysis of short-term trends (within the year) as well as medium-term trends (including the previous three years). For this annual activity report, only the KAPI's annual data have been included.

4.4 DEVELOPMENT

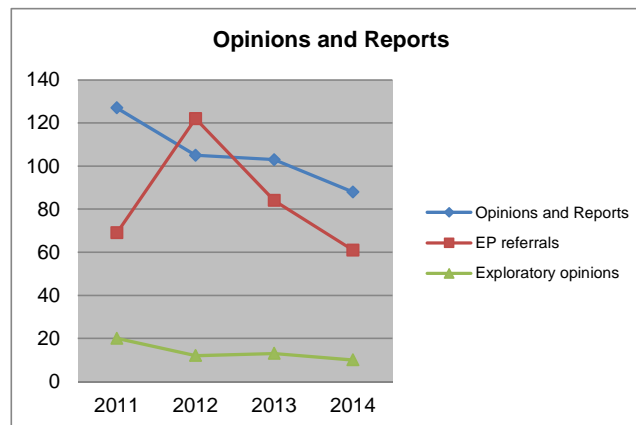
KAPIs evolve along with the Secretariat's activities and organisation. They are reviewed annually. In some cases, definitions will need rewording, in other cases a KAPI will lose its relevance or a new one may appear to be useful.

4.5 DIRECTORATES FOR LEGISLATIVE WORK

Opinions and reports

This indicator measures the number of opinions and reports issued by the Committee.

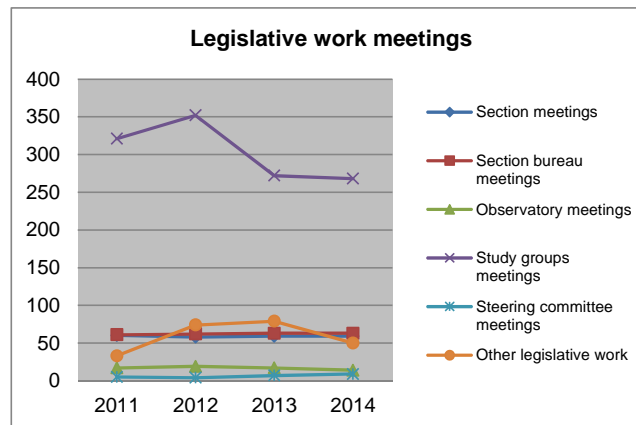
	Opinions and reports			Total
	Opinions and Reports	EP referrals	Exploratory opinions	
2014	88	61	10	159
2013	103	84	13	200
2012	105	122	12	239
2011	127	69	20	216



Legislative work meetings

This indicator measures the number of meetings (section meetings, section bureau meetings, observatory meetings, study groups meetings, steering committees meetings, other legislative work, etc.), organized by the legislative work directorates.

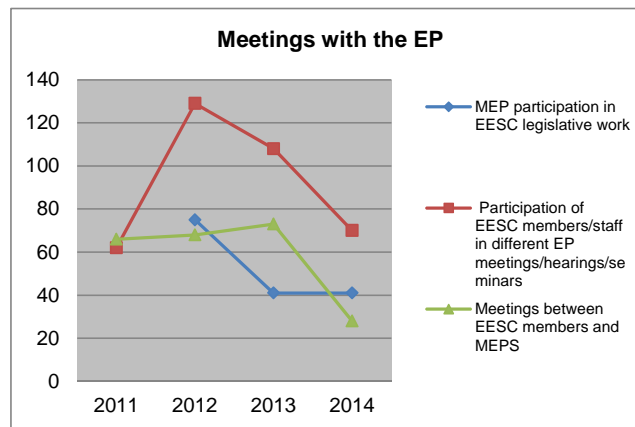
Legislative work meetings							
	Section meetings	Section bureau meetings	Observatory meetings	Study groups meetings	Steering committee meetings	Other legislative work	Total
2014	59	63	14	268	9	50	463
2013	59	63	17	272	7	79	497
2012	58	62	19	352	4	74	569
2011	60	61	17	321	5	33	497



Meetings with the EP

This indicator measures the number of meetings in the activities of legislative work with the EP (MEP participation in EESC legislative work, participation of EESC members/staff in different EP meetings/hearings/seminars, meetings between EESC members and MEPS (rapporteurs, section presidents, committee chairs, etc.).

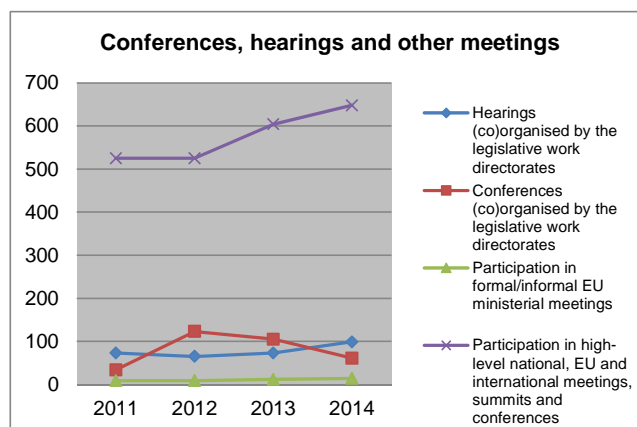
Meetings with the EP				
	MEP participation in EESC consultative work	Participation of EESC members/staff in different EP meetings/hearings/seminars	Meetings between EESC members and MEPS	Total
2014	41	70	28	139
2013	41	108	73	222
2012	75	129	68	272
2011		62	66	128



Conferences, hearings and other meetings

This indicator measures the number of meetings organized by the EESC and the participation of EESC members in high level conferences, in the activities of legislative work.

Conferences, hearings and other meetings				
	Hearings (co)organised by the legislative work Directorates	Conferences (co)organised by the legislative work Directorates	Participation in formal/informal EU ministerial meetings	Participation in high-level national, EU and international meetings, summits and conferences
2014	99	61	14	648
2013	73	105	12	604
2012	65	123	9	525
2011	73	34	9	525

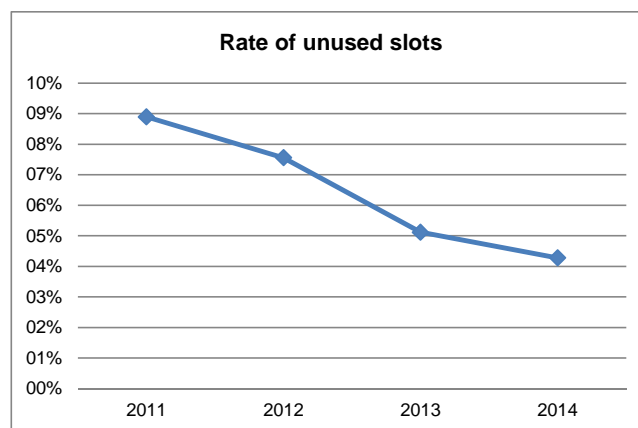
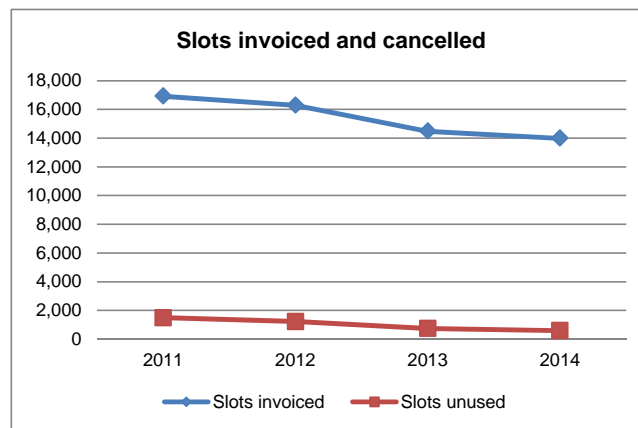


4.6 DIRECTORATE FOR LEGISLATIVE PLANNING, RELATIONS WITH INSTITUTIONS AND CIVIL SOCIETY

Interpretation activity and unused interpretation rate

The EESC depends for its interpretation on DG Interpretation and its rules according to which DG interpretation bills for services which are no longer required but not cancelled at least two full weeks in advance. The indicator shows the level of interpretation activity at the EESC, as well as the level of DG Interpretation services paid but not rendered.

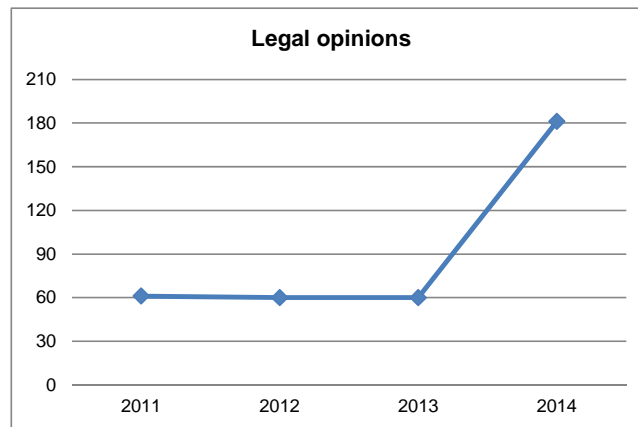
	Slots invoiced		Slots unused		
	Number	Amount (€)	Number	Amount (€)	Rate of unused slots
2014	13,990	6,211,560	598	265,512	4.3%
2013	14,474	6,432,860	748	329,140	5.1%
2012	16,286	7,198,412	1,230	543,658	7.6%
2011	16,918	7,477,756	1,495	664,768	8.9%



Legal opinions

This indicator measures the number of legal opinions issued by the legal unit (including advice on public procurement).

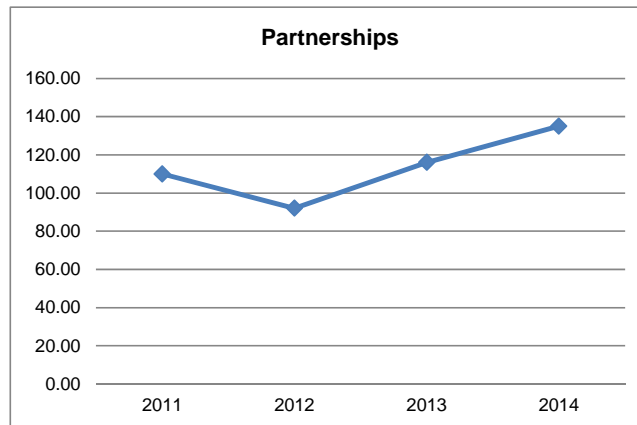
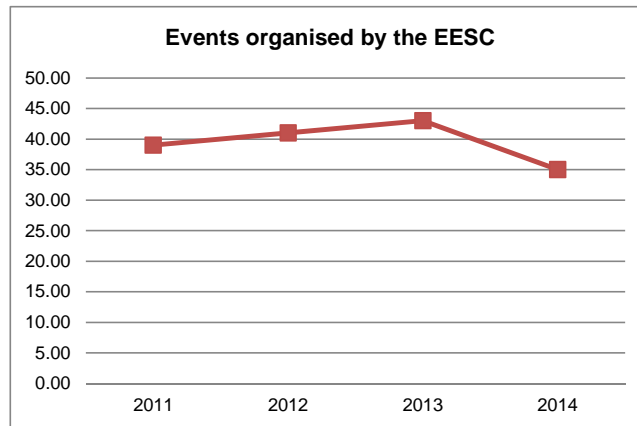
	Legal opinions
2014	181
2013	60
2012	60
2011	61



Events and partnerships

This indicator measures the number of events (conferences, round tables, seminars, etc.) organised by the EESC, as well as the number of events organised by external organisations in partnership with the EESC.

	Events organized by the EESC	Partnerships
2014	35	135
2013	43	116
2012	41	92
2011	39	110

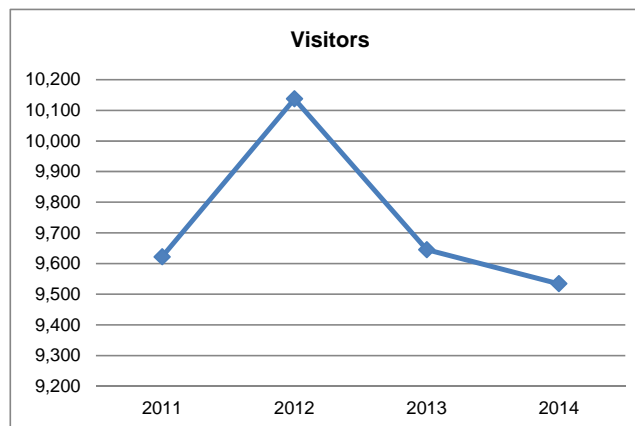
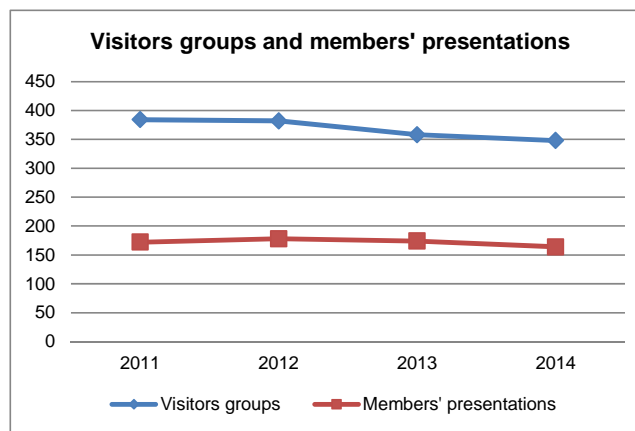


4.7 COMMUNICATION

Visitors groups

This indicator measures the number of visitors groups and of visitors, as well as the number of members who have given presentations to visitor groups.

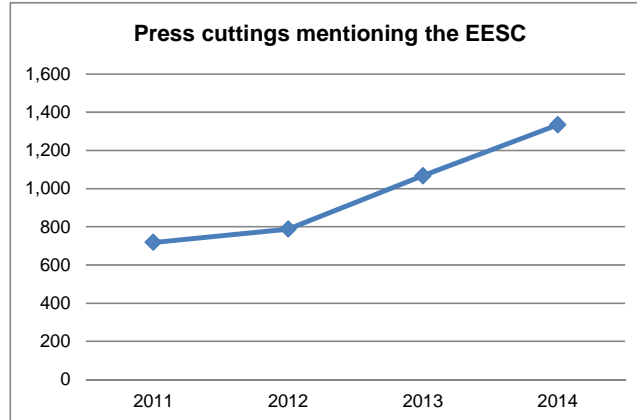
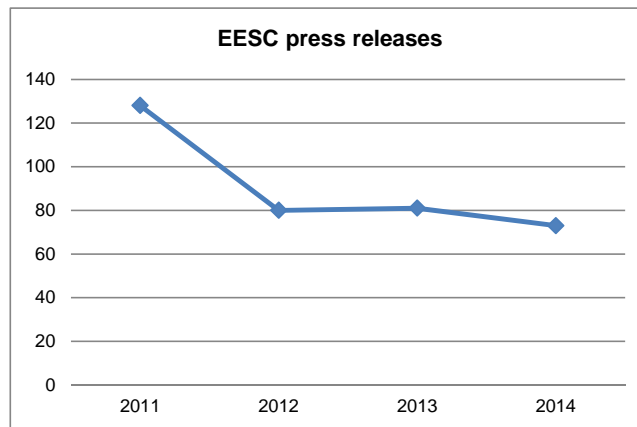
	Visitors groups	Members' presentations	Visitors
2014	348	164	9,534
2013	358	174	9,645
2012	382	178	10,137
2011	384	172	9,622



Press activities

This indicator measures the number of press releases issued by the Committee and the number of press cuttings reported in which the Committee is mentioned.

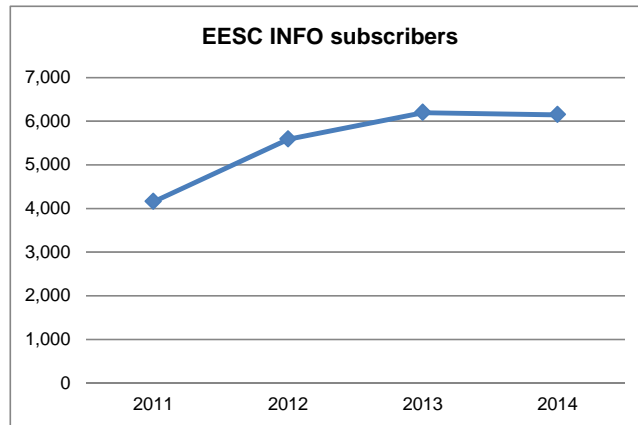
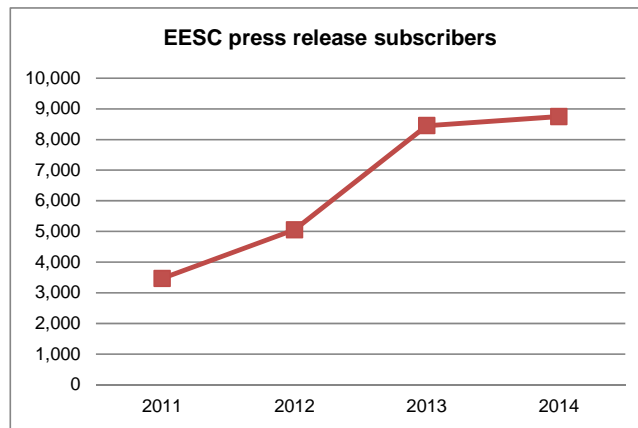
	EESC press releases	Press cuttings mentioning the EESC
2014	73	1,334
2013	81	1,067
2012	80	788
2011	128	718



Information subscribers

This indicator measures the number of subscribers to the EESC's press releases and to EESC INFO. It is an indicator of the level of interest generated by the Committee's activities.

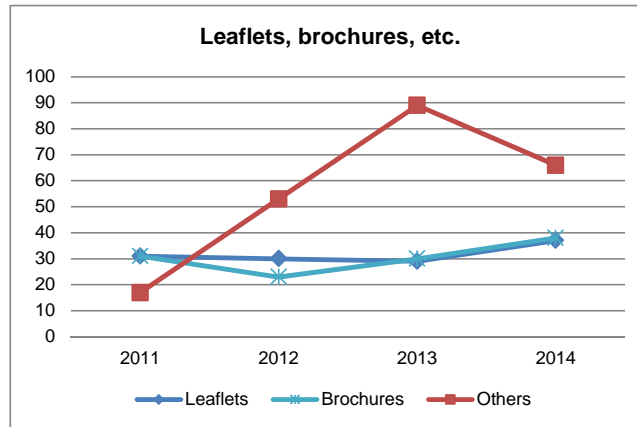
	EESC press release subscribers	EESC INFO subscribers
2014	8,745	6,147
2013	8,451	6,196
2012	5,055	5,586
2011	3,468	4,155



Publications

This indicator measures the number of leaflets, brochures and booklets published by the EESC.

	Leaflets	Brochures	Booklets
2014	37	38	66
2013	29	30	89
2012	30	23	53
2011	31	31	17

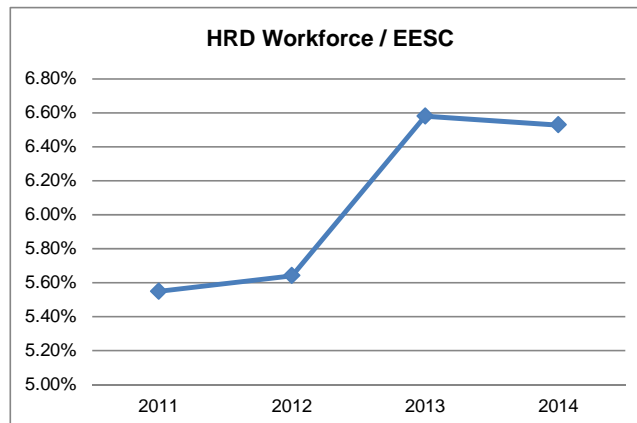
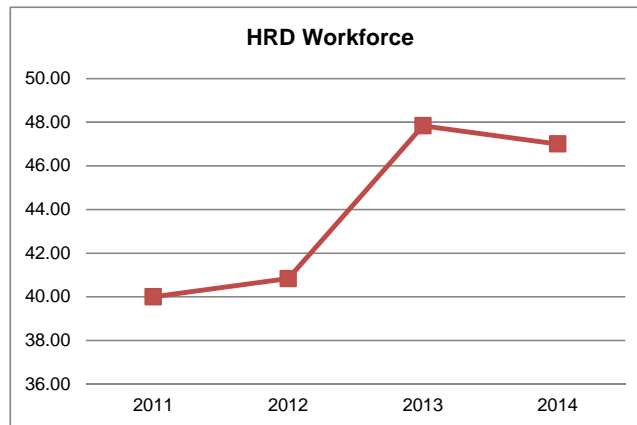


4.8 DIRECTORATE FOR HUMAN RESOURCES AND INTERNAL SERVICES

HR workforce

This indicator measures the ratio between resources of the HR department, in "full-time equivalents" (FTEs), and the total headcount (establishment plan) of the Committee. It is an indicator of the adequacy of the resources in this area.

	HR Workforce	EESC officials	HR Workforce / EESC officials
2014	47	720	6.5%
2013	48	727	6.6%
2012	41	724	5.7%
2011	40	721	5.5%



4.8.1 Recruitment, careers, training Unit

For the indicators in this area, the following codes are used to identify the different categories of staff:

FS = officials on probation

FT = established officials

TP = temporary agents

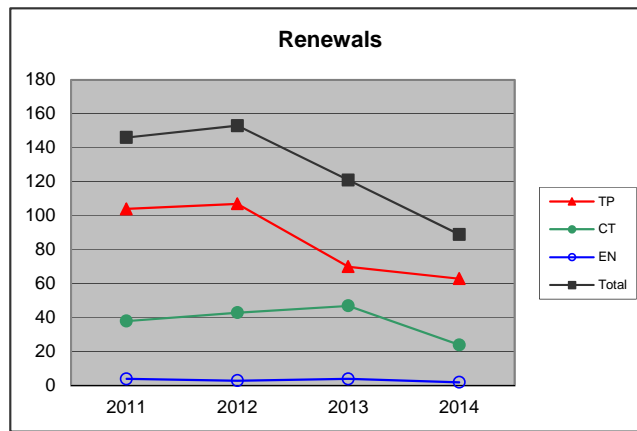
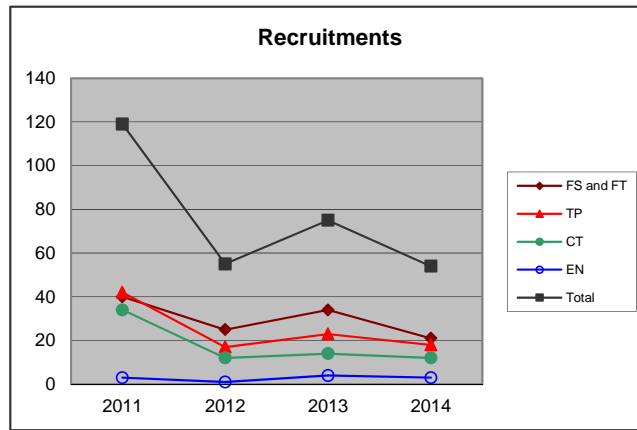
CT = contract agents (CT-S = structural contract agent)

EN = seconded national experts

Number of recruitments/renewals

This indicator measures the number of recruitments and renewals by type of contract.

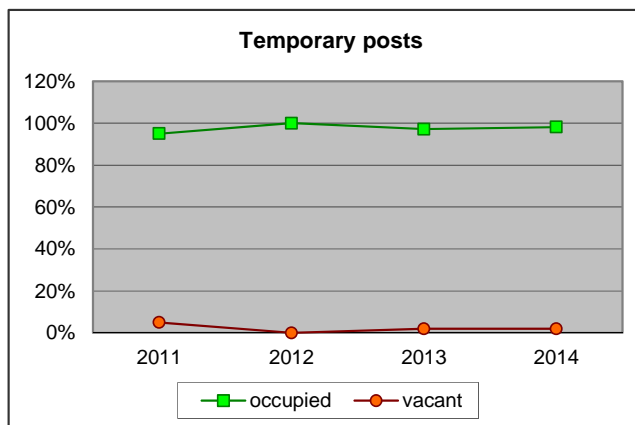
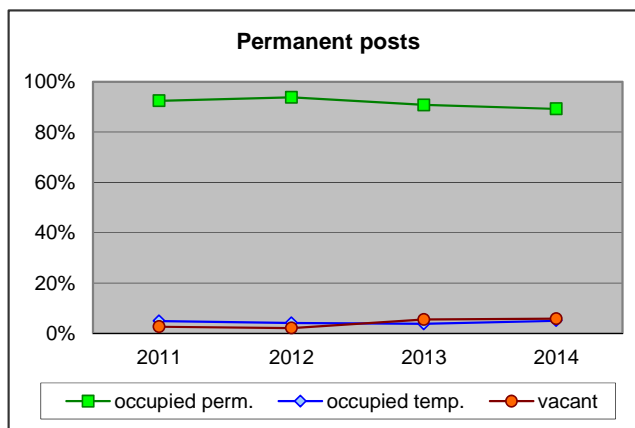
	Recruitments					Renewals			
	FS and FT	TP	CT	EN	Total	TP	CT	EN	Total
2014	21	18	12	3	54	63	24	2	89
2013	34	23	14	4	75	70	47	4	121
2012	25	17	12	1	55	107	43	3	153
2011	40	42	34	3	119	104	38	4	146



Post occupation rate

This indicator measures the average occupation rate, based on "full-time equivalents" (FTEs), of the Committee's posts. It distinguishes between an occupation by officials and by temporary agents (temporary occupation due to CCP or parental leave of an official for less than 6 months is considered as permanently occupied). It is an indication, inter alia, of the efficiency of the recruitment process.

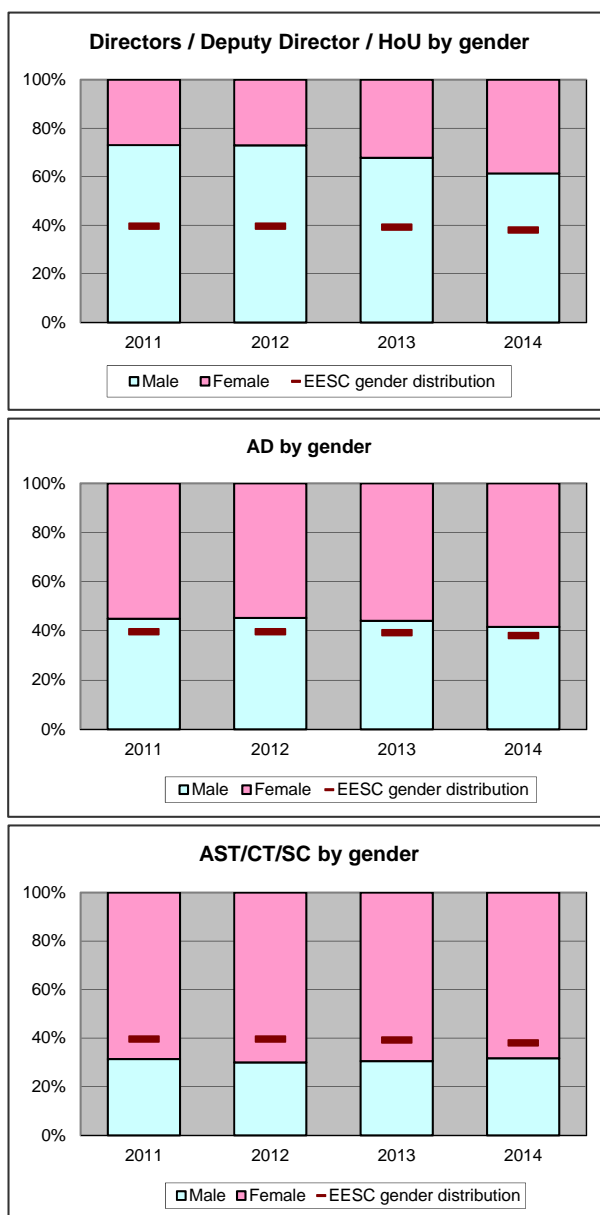
	Total (plan)	Permanent posts						Temporary posts		
		All	AD	AST	Occupied perm.	Occupied temp.	Vacant	All	Occupied	Vacant
2014	720	685	344	341	597	32	40	35	35	0
2013	727	692	347	345	628	26	38	35	34	1
2012	723	689	337	352	646	29	14	35	35	0
2011	721	686	333	353	634	34	18	35	33	2



Staff pyramid and equal opportunities

This indicator measures, at the end of the year, the distribution of the Committee's staff by gender (grouped by category: Director/Deputy Director/Head of unit, AD, AST/CT/SC). It indicates the level of diversity and of equal opportunities (please also refer to Annex M for data from April 2015).

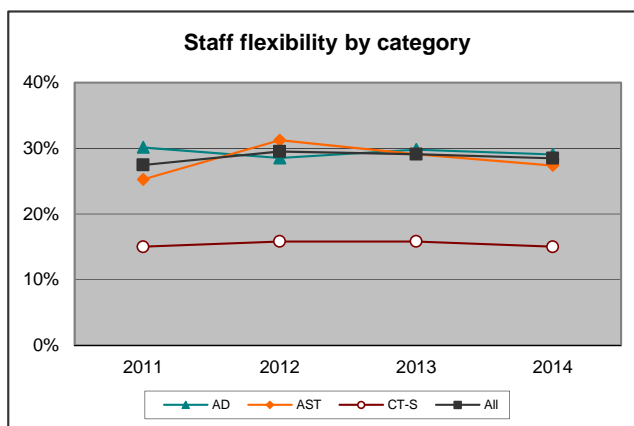
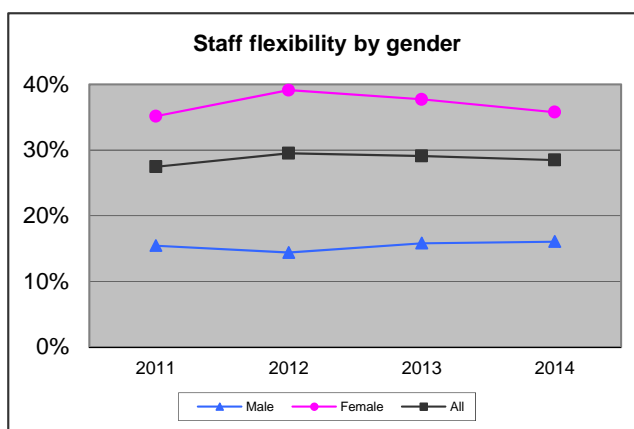
	Directors/Deputy Director/Heads of unit				AD				AST/CT/SC			
	Number	% M	% F	% of total	Number	% M	% F	% of total	Number	% M	% F	% of total
2014	44	61.4%	38.6%	6.1%	327	41.6%	58.4%	45.5%	347	31.7%	68.3%	48.4%
2013	46	63.0%	37.0%	6.2%	344	44.2%	55.8%	46.5%	350	30.6%	69.4%	47.3%
2012	48	72.9%	27.1%	6.2%	355	45.4%	54.6%	45.9%	371	30.2%	69.8%	47.9%
2011	47	73.0%	27.0%	5.9%	334	45.0%	55.0%	41.7%	420	31.4%	68.6%	52.4%



Staff flexibility index

This indicator measures the proportion of permanent staff having worked part-time versus full-time, by gender and category (AD, AST, and CT-S). It indicates the level of flexibility of the Committee towards its staff.

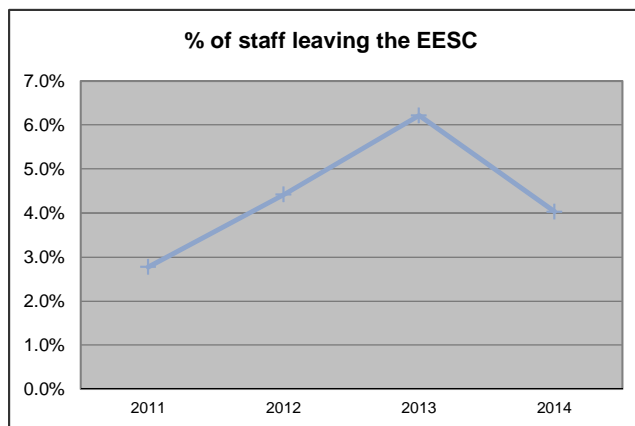
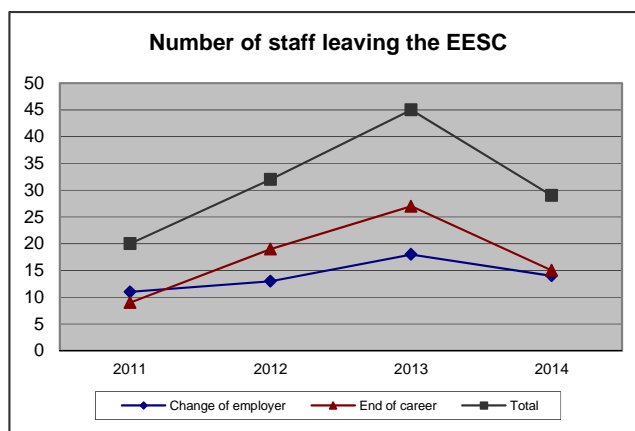
	By gender				By category						All	
	M		F		AD		AST		CT-S		Number	%
	Number	%	Number	%	Number	%	Number	%	Number	%		
2014	44	16.1%	167	35.8%	104	29.1%	104	27.4%	20	15.0%	211	28.5%
2013	43	15.8%	158	37.7%	101	29.8%	97	29.1%	3	15.8%	201	29.1%
2012	39	14.4%	166	39.1%	95	28.5%	107	31.2%	3	15.8%	205	29.5%
2011	42	15.4%	149	35.1%	100	30.1%	88	25.3%	3	15.0%	191	27.4%



Staff turnover

This indicator measures the number of permanent staff (officials and structural contract agents) who left the Committee during the last year, by reason of departure. It indicates the degree of satisfaction of staff, as well as the level of continuity of the Secretariat.

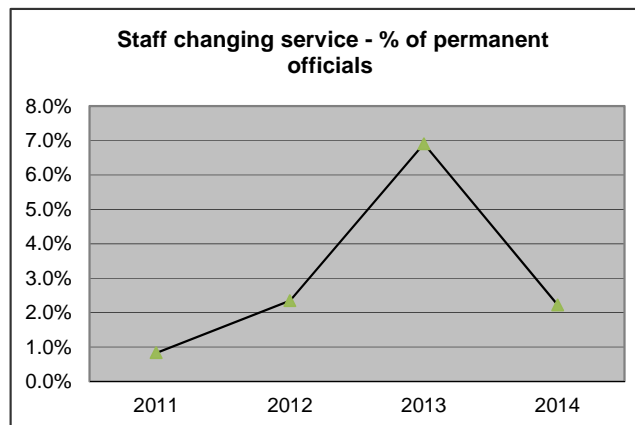
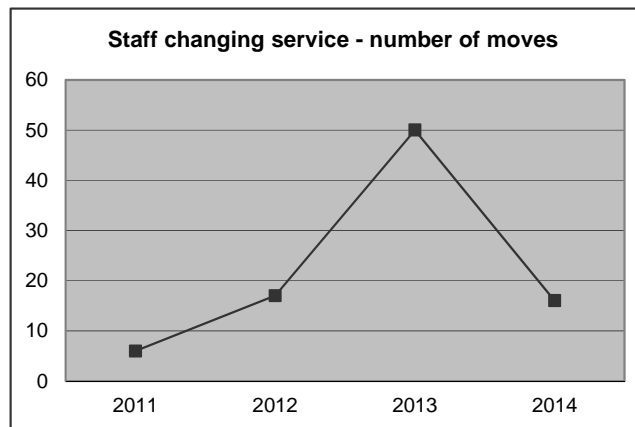
Staff leaving the EESC				
	Change of employer	End of career	Total	% of total staff
2014	14	15	29	4.0%
2013	18	27	45	6.2%
2012	13	19	32	4.5%
2011	11	9	20	2.8%



Staff internal mobility

This indicator measures the number of moves of permanent officials (FS, FT) from one sector to another within the Committee. Mobility is an important component in the personal development of staff. It is also essential for the Committee to keep its Secretariat dynamic and to adapt to evolving needs.

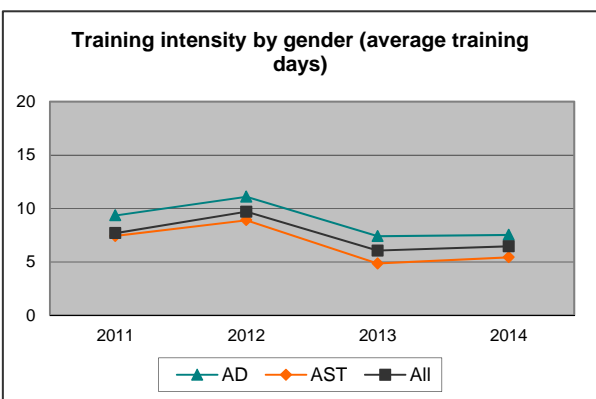
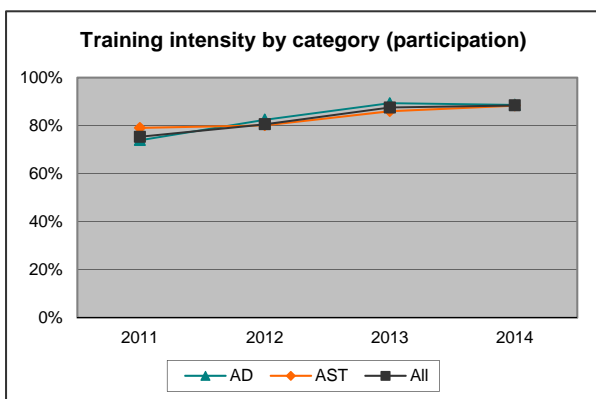
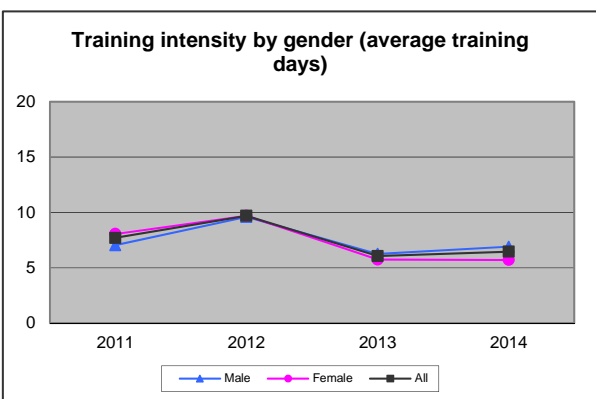
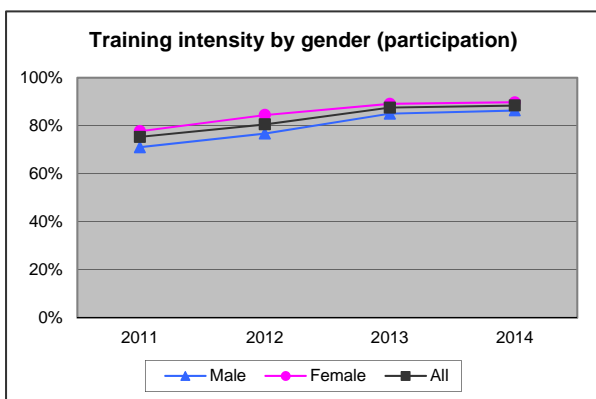
	Staff changing service	
	Number of moves	% of total permanent officials
2014	16	2.2%
2013	50	6.9%
2012	17	2.3%
2011	6	0.8%



Training intensity

This indicator measures the percentage of staff having followed training and the average number of days of training. It indicates the commitment of staff to its professional development, its increase of skills and its capability to adapt to evolving needs.

	By gender				By category				All	
	M		F		AD		AST			
	Participation rate	Average training days	Participation rate	Average training days	Participation rate	Average training days	Participation rate	Average training days	Participation rate	Average training days
2014	86%	6.9	90%	5.7	89%	7.5	88%	5.4	88%	6.5
2013	85%	6.3	89%	5.7	89%	7.4	86%	4.9	88%	6.1
2012	77%	9.6	84%	9.7	82%	11.1	80%	8.9	81%	9.7
2011	71%	9.9	78%	10.4	74%	9.4	79%	7.4	75%	10.2

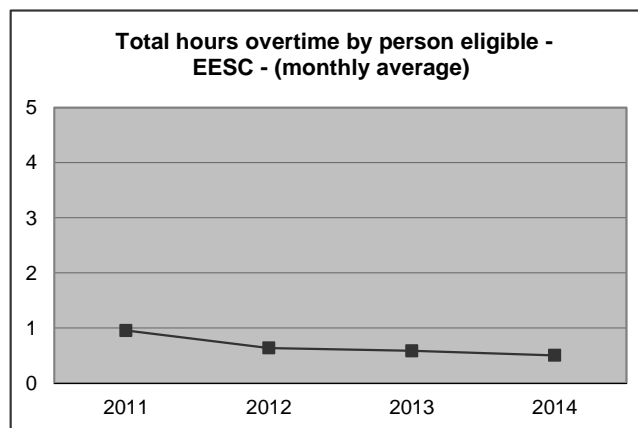
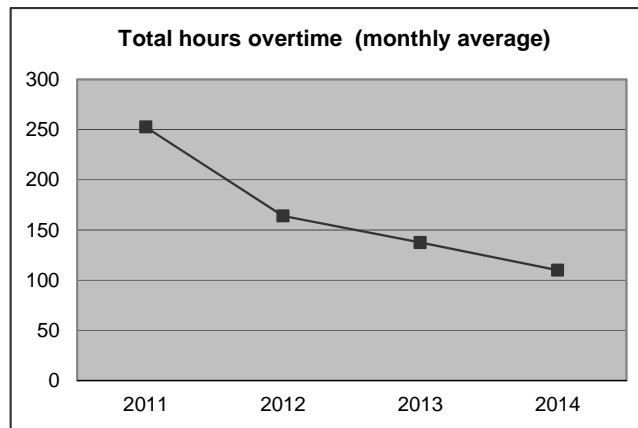


4.8.2 Staff support services, individual rights, equal opportunities Unit

Overtime follow-up

This indicator measures the number of hours of overtime per member of staff eligible for overtime (according to the Staff Regulations). It indicates to what extent the Secretariat is able to spread workload equally over time.

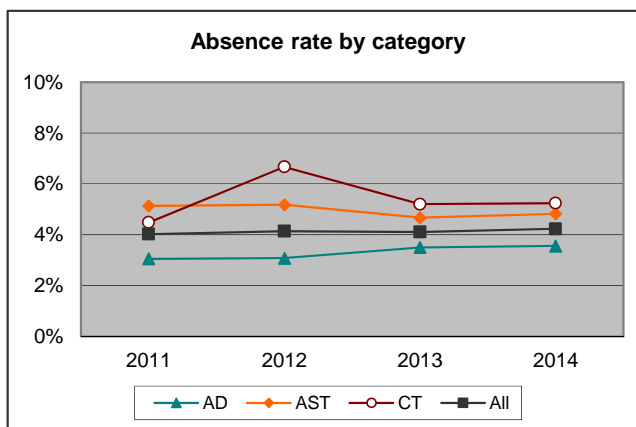
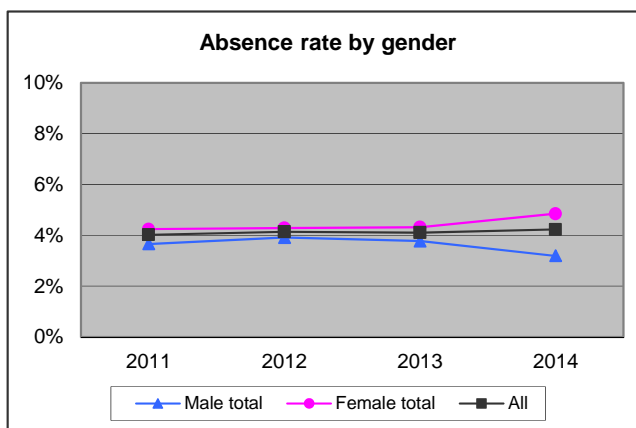
	Hours Overtime																
	EESC			Pivot languages		Other languages		Printshop		Meeting ushers		Conference operators		Security		Others	
	Eligible staff	Total hours	Per person	Total	Per person	Total	Per person	Total	Per person	Total	Per person	Total	Per person	Total	Per person	Total	Per person
2014	215	1,320	6.1	67	9.7	96	2.7	18	1.1	150	30.0	276	42.0	316	158.2	397	2.8
2013	187	1,650	7.1	162	19.0	140	3.3	209	14.0	193	38.5	285	47.3	119	59.5	540	3.7
2012	255	1,968	7.7	148	13.5	176	3.4	248	15.5	245	41.3	436	68.5	142	47.4	569	3.5
2011	264	3,029	11.5	269	22.2	337	6.2	374	20.0	356	45.8	511	73.0	295	98.2	888	5.5



Absence rate

This indicator measures the absence rate according to the interinstitutional definition (total absence in calendar days, divided by 365 and by the number of staff at the end of the year), by gender and by category (AD, AST, CT). It is an indicator of the level of motivation of staff and the effectiveness of the Committee to deal with this issue.

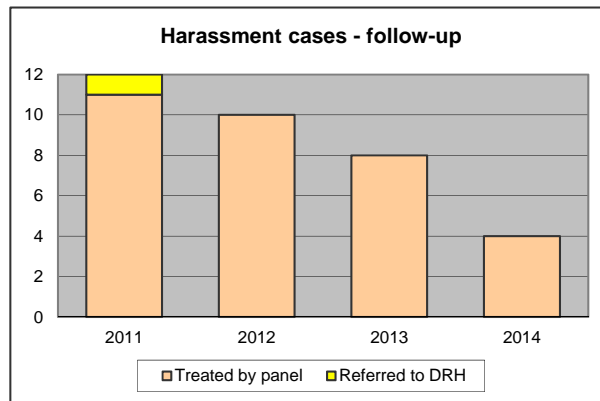
	Male				Female				All			
	AD	AST	CT	Total	AD	AST	CT	Total	AD	AST	CT	Total
2014	2.4%	4.1%	4.4%	3.2%	4.4%	5.2%	6.8%	4.9%	3.6%	4.8%	5.2%	4.2%
2013	3.0%	4.8%	4.2%	3.8%	3.9%	4.6%	7.0%	4.3%	3.5%	4.7%	5.2%	4.1%
2012	2.6%	5.9%	3.5%	3.9%	3.5%	4.8%	11.6%	4.3%	3.1%	5.2%	6.7%	4.1%
2011	2.7%	5.2%	2.7%	3.7%	3.3%	5.1%	7.1%	4.2%	3.1%	5.1%	4.5%	4.0%



Harassment cases

This indicator measures the number of reported harassment cases. It shows the number of requests for assistance received by the panel on harassment and the number of cases treated subsequently by the Directorate for Human Resources and Internal Services. It shows the level of reported cases of those who felt a victim of or witness to harassment and provides a global picture of this phenomenon as it is perceived internally.

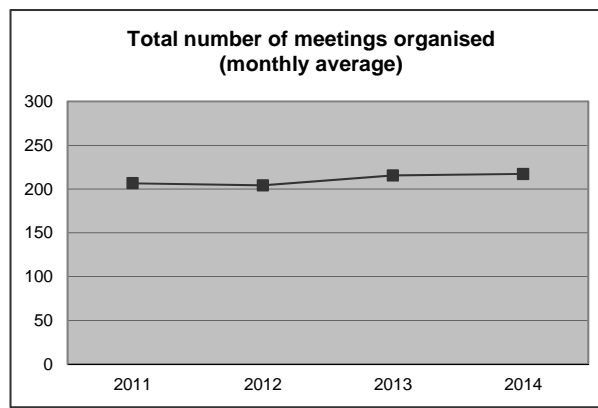
	Number of cases	By follow up		By gender		By type of contract		
		Treated by panel	Referred to HRD	Male plaintiff	Female plaintiff	Officials	Temporary agents	Contract agents
2014	5	4	0	3	2	5	0	0
2013	12	8	0	6	6	9	0	3
2012	10	10	0	2	8	5	1	4
2011	11	11	1	4	7	8	1	2



4.8.3 Meetings organised

This indicator measures the number of meetings taking place in the Committees' conference rooms (rooms equipped with interpretation facilities), divided by the number of relevant "full-time equivalent" staff (FTEs) of the meeting services.

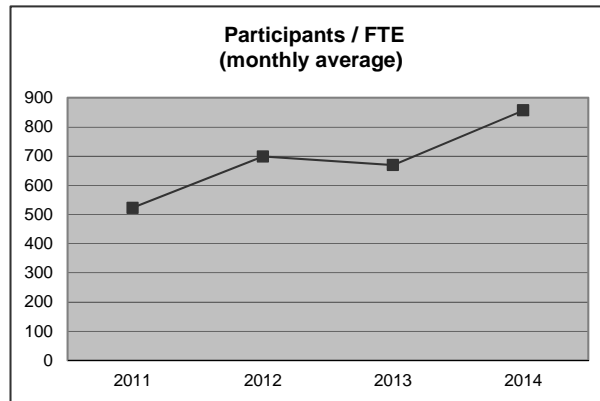
	EESC		CoR		JS		Total	FTE Meeting Services	Meetings / FTE
	Number	%	Number	%	Number	%			
2014	1,466	56.3%	1,085	41.6%	55	2.1%	2,606	14.1	185
2013	1,443	55.8%	1,096	42.4%	47	1.8%	2,586	15.6	166
2012	1,373	57.0%	1,046	43.4%	30	-0.4%	2,409	14.6	165
2011	1,292	52.1%	1,140	46.0%	47	1.9%	2,479	20.2	123



Meeting participants

This indicator measures the number of participants at meetings in the Committees' conference rooms, divided by the number of "full-time equivalent" staff (FTEs) of the meetings services.

	EESC		CoR		JS		Total Participants	FTE Meeting Services	Participants / FTE
	Number	%	Number	%	Number	%			
2014	62,355	42.0%	84,344	56.8%	1,872	1.2%	148,571	14.1	10,281
2013	59,074	48.2%	60,543	49.4%	2,893	2.4%	122,510	15.3	7,726
2012	61,710	50.3%	59,602	48.6%	1,377	1.1%	122,689	14.6	8,253
2011	58,472	46.1%	66,952	52.8%	1,460	1.2%	126,884	20.2	6,279



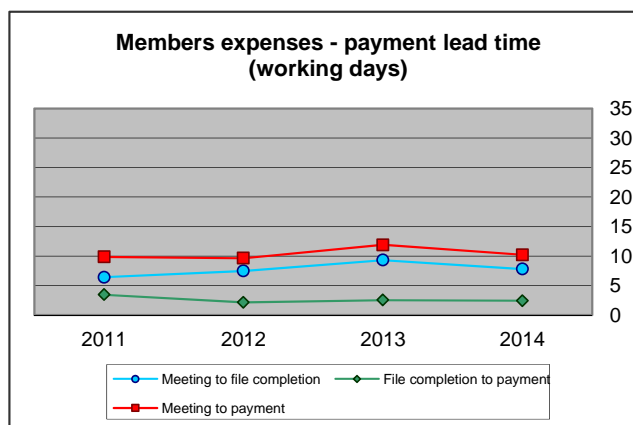
4.9 DIRECTORATE FOR BUDGET AND FINANCE

4.9.1 Service to members unit

Members expenses – payment lead time

EESC members receive a compensation for their expenses incurred in that capacity. This indicator measures the average lead times between the meeting date and the completion of the file and between the latter and the payment date. It indicates the efficiency of the actors involved in this process. All lead times are in working days.

	Lead times (working days)												
	Meeting to file completion					File completion to payment					Meeting to payment		Files created - monthly average (workload)
	Average (days)	For 80 %	1 step average	Multiple steps		Average	For 80 %	Verifi- cation	Author. Officer	Account./ Bank	Average	For 80 %	
				Average	%								
2014	7.8	9	6.1	22.7	9.8%	2.4	3	1.3	0.5	0.6	10.2	11	
2013	9.3	6	5.4	23.4	9.3%	2.5	3	1.4	0.5	0.7	11.9	9	1,722
2012	7.5	9	5.7	23.6	10.0%	2.1	3	1.0	0.4	0.7	9.6	11	1,709
2011	6.4	8	5.0	18.7	10.3%	3.4	4	2.5	0.3	0.6	9.9	12	1,717

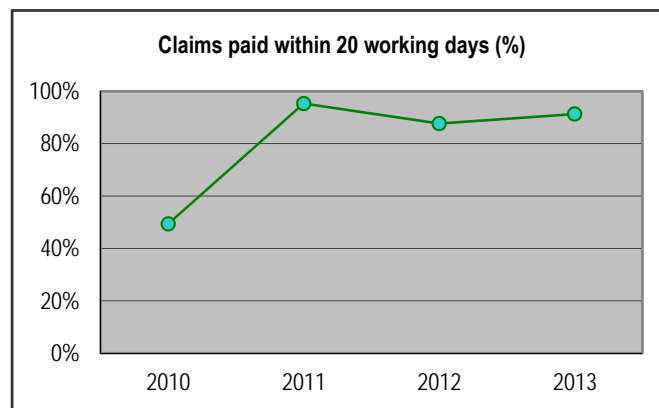
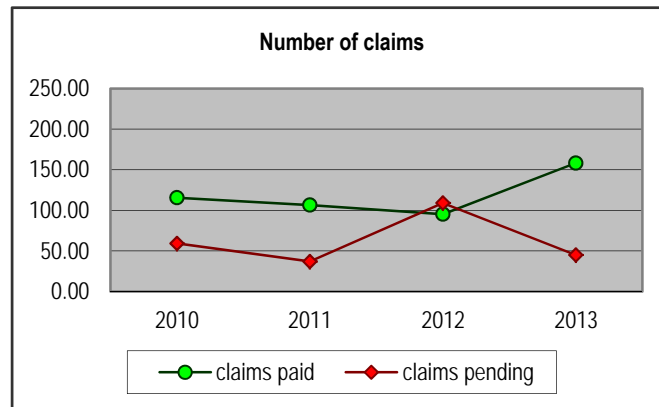


4.9.2 Finance and Financial Verification unit

Mission costs reimbursement lead time

This indicator measures the percentage of mission costs reimbursement claims from staff that have been settled within 20 working days of their reception. It indicates the efficiency of the department dealing with mission expenses.

	Claims paid			Quarterly average claims pending
	Total	Paid ≤ 20 working days		
		number	%	
2014	463	393	84.9%	35
2013	633	578	91.3%	45
2012	381	334	87.7%	27
2011	426	406	95.3%	37

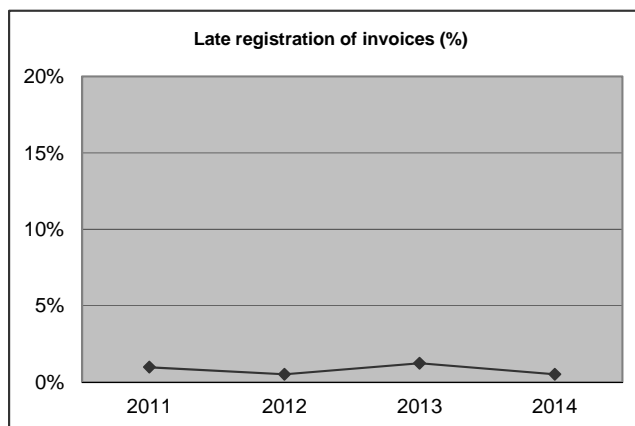
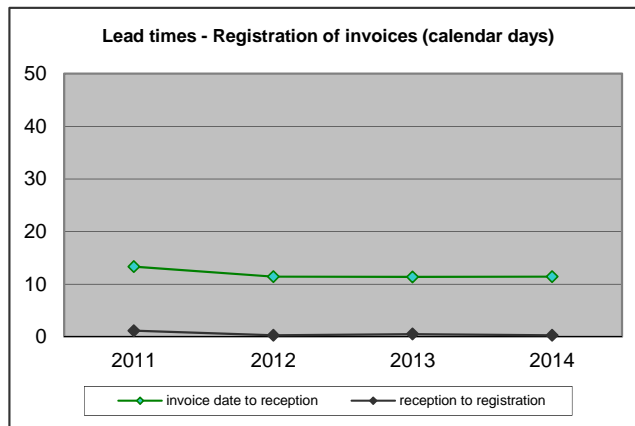


4.9.3 Accounting service

Registration of invoices

This indicator measures the average lead time between the reception of invoices and their registration and the number and percentage of invoices for which this registration took more than seven calendar days. It indicates the efficiency of the accounting service in this respect.

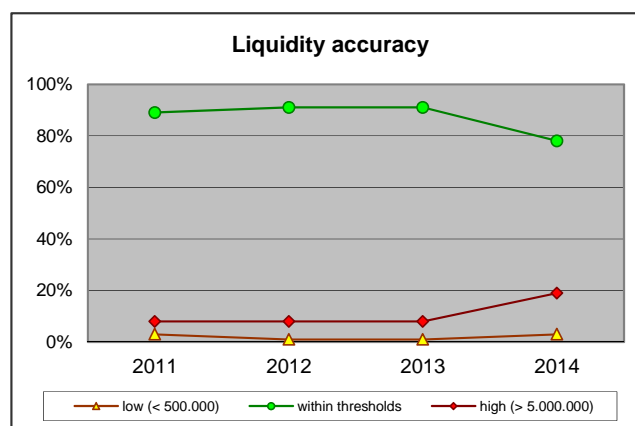
	Average lead times (calendar days)		Late registration (> reception + 7 calendar days)	
	Invoice date to reception	Reception to registration	Number late registration	% of total
2014	11.4	0.3	16	0.5%
2013	11.4	0.5	27	1.2%
2012	13.0	1.0	79	2.7%
2011	13.3	1.1	3	1.0%



Liquidity accuracy

The Committee's bank account should hold enough funds to make payments in time. At the same time, the amount of these funds should not be unnecessarily high. This indicator measures the percentage of calendar days when the balance of the Committees bank account was less than EUR 500,000 (risk of unavailability of funds for a payment due) or more than EUR 5,000,000 (too much cash on hand). It indicates the efficiency of the accounting service in this respect.

	Bank account balance					
	Calendar days below € 500.000		Calendar days between € 500.000 and € 5.000.000		Calendar days above € 5.000.000	
	days	%	days	%	days	%
2014	12	3	285	78	68	19%
2013	21	6%	306	84%	38	10%
2012	4	1%	331	91%	31	8%
2011	11	3%	324	89%	29	8%



4.10 DIRECTORATE FOR LOGISTICS

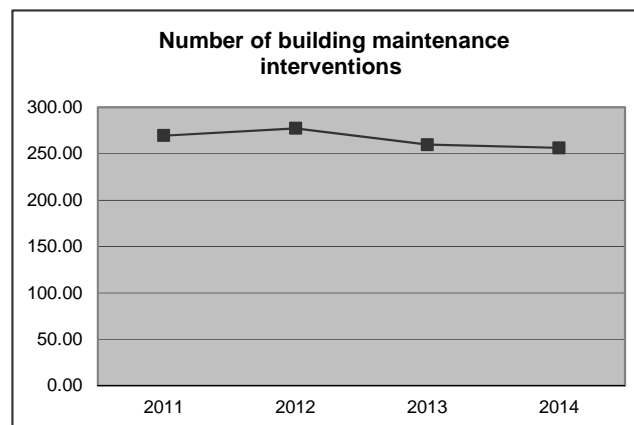
This directorate serves both the EESC and the CoR. Unless mentioned explicitly, the following indicators relate to the activities of both Committees.

4.10.1 Infrastructure unit

Number of building maintenance interventions

This indicator measures the number of building maintenance interventions carried out by the Infrastructure Unit. This reflects the workload of the unit. Also, an increasing number of interventions could indicate a degradation of the service delivered.

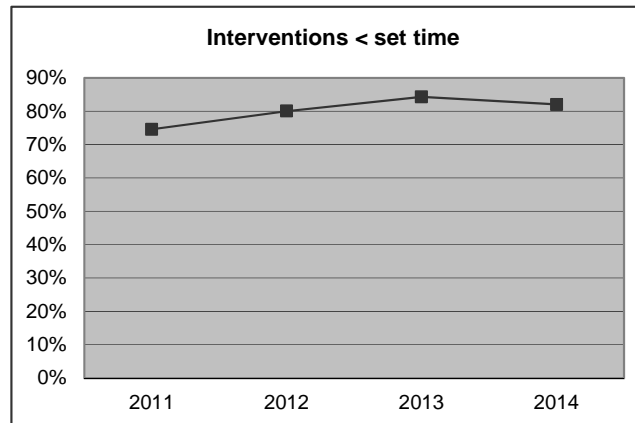
	Number of interventions
2014	3,075
2013	3,117
2012	3,330
2011	3,235



Building maintenance intervention lead time

This indicator measures the percentage of interventions that were successfully handled within a set time (depending on the category of the intervention: two days or five days). It indicates the efficiency of the Infrastructure Unit.

	Interventions < set time (%)
2014	82.0%
2013	84.3%
2012	80.0%
2011	74.6%

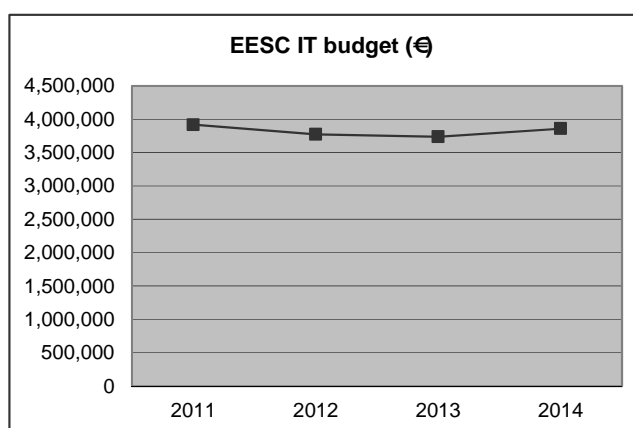
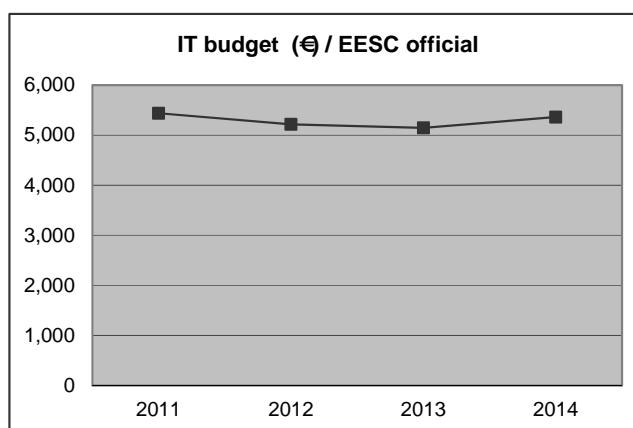


4.10.2 IT and Telecommunications Unit

IT costs per user

This indicator measures the ratio between the total operational IT budget (equipment, external sub-contractors, telecommunication costs; excluding the cost of statutory IT staff) and the total headcount (establishment plan). It also measures the proportion of this budget vs. the overall EESC budget. This indicator helps keeping the evolution of IT costs under control.

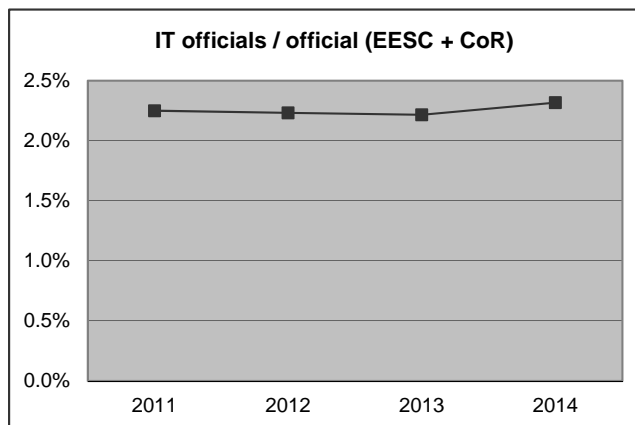
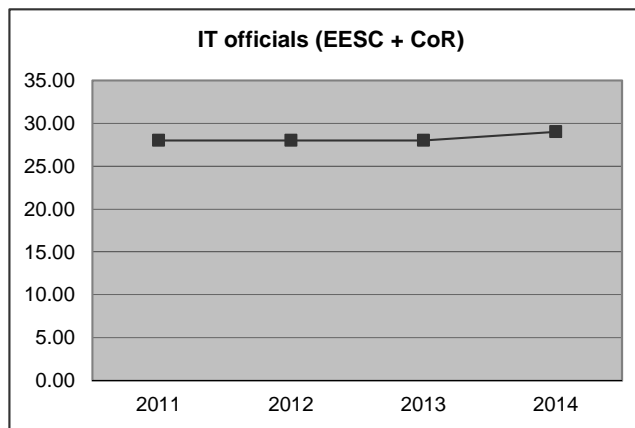
	EESC IT budget (€)	EESC officials	EESC IT budget (€) / EESC official	EESC budget (€)	% IT budget / Total budget
2014	3,858,987	720	5,360	128,559,380	3.00%
2013	3,738,433	727	5,142	130,104,400	2.87%
2012	3,773,224	724	5,212	128,816,588	2.93%
2011	3,918,223	721	5,434	128,573,837	3.05%



IT Unit workforce

This indicator measures the ratio between statutory resources of the IT Unit and the total headcount (posts, according to establishment plan) of the two Committees. It is an indicator of the efficiency of this unit.

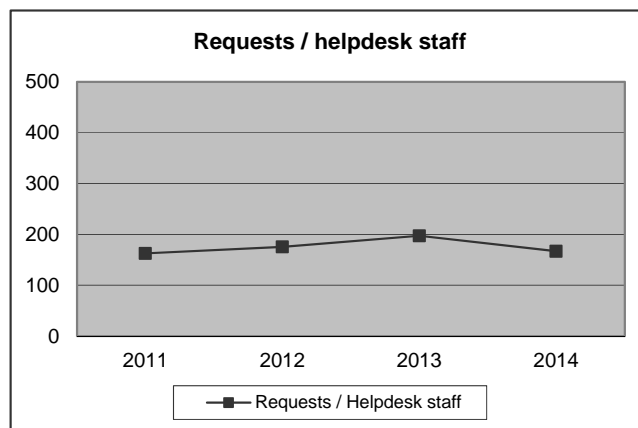
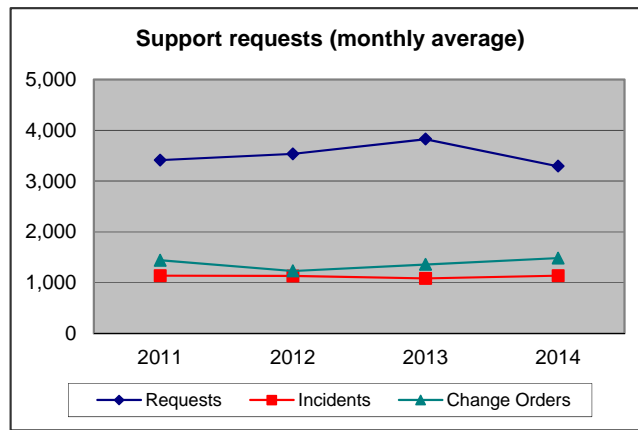
	EESC + CoR IT officials	EESC + CoR officials	EESC + CoR IT officials / officials
2014	29	1,252	2.3%
2013	28	1,264	2.2%
2012	28	1,255	2.2%
2011	28	1,245	2.2%



IT user support requests

This indicator measures the number of IT user support requests, divided by the total staff resources (internal and external) of the service handling these. The number of user support requests accounts for all questions addressed to the IT helpdesk (by telephone or email) as registered in the helpdesk software tool. Requests may be handled immediately or may give rise to an "incident" (e.g. repairing a broken hard disk) or to a "change request" (e.g. moving a PC). It indicates the performance of the IT user support service as a whole.

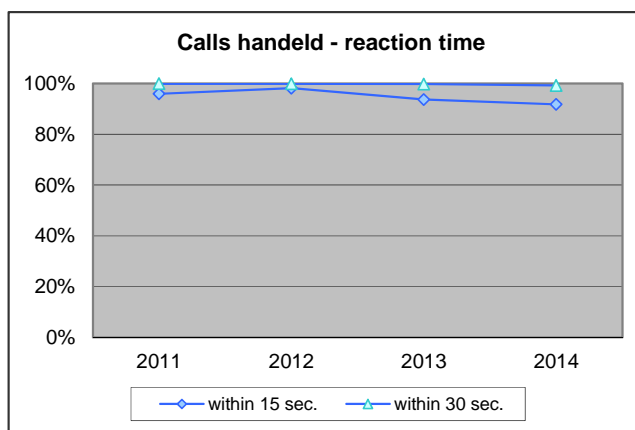
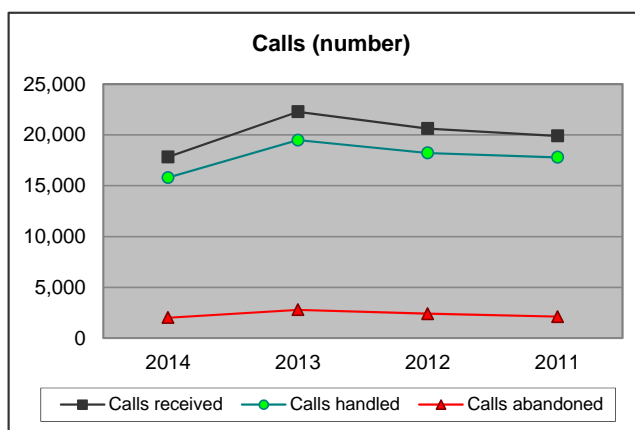
	Requests	Incidents	Change Orders	Helpdesk staff (FTE)	Requests / Helpdesk staff
2014	39,498	13,652	17,800	20.0	1,975
2013	45,908	13,004	16,315	19.4	2,364
2012	42,392	13,578	14,754	20.2	2,102
2011	40,941	13,649	17,302	21.0	1,950



IT helpdesk reaction

This indicator measures the calls received by the IT helpdesk and the proportion of calls handled within a set time. It shows the reaction time of the IT helpdesk.

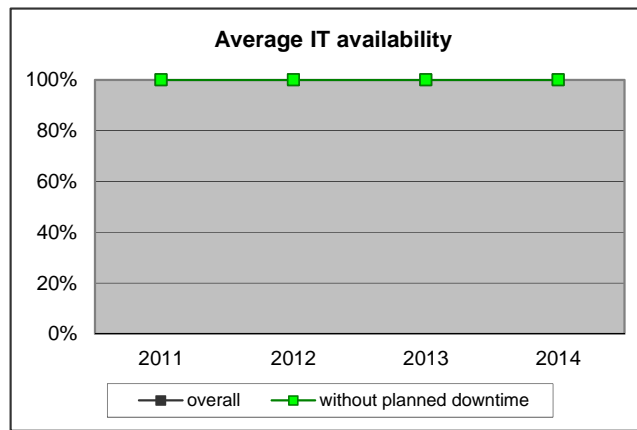
	Calls received	Calls handled				Calls abandoned			
		Number	% of calls received	Handled within		Number	% of calls received	Abandoned within	
				15 sec.	30 sec.			15 sec.	30 sec.
2014	17,828	15,805	88.6%	91.7%	99.2%	2,023	11.4%	88.8%	95.8%
2013	22,273	19,482	88.1%	93.6%	99.7%	2,791	11.9%	99.8%	99.9%
2012	20,623	18,219	88.5%	98.1%	99.8%	2,404	11.5%	96.3%	99.7%
2011	19,895	17,784	89.4%	95.9%	99.9%	2,111	10.6%	96.4%	99.9%



IT availability

This indicator measures the availability of each of the main components of the IT infrastructure (network, telephony, data bases, office automation servers), as well as their overall average. Availability is calculated based on 24 hours per day and 365 days per year. Availability is measured taking planned downtime into consideration.

	IT availability					IT availability – not counting downtime				
	Network	Telephony	Data bases	Office automation servers	Average	Network	Telephony	Data bases	Office automation servers	Average
2014	99.91%	100.00%	100.00%	99.99%	99.98%	99.99%	100.00%	100.00%	99.99%	100.00%
2013	99.99%	100.00%	100.00%	99.83%	99.95%	99.99%	100.00%	100.00%	100.00%	100.00%
2012	99.99%	100.00%	100.00%	100.00%	100.00%	99.99%	100.00%	100.00%	100.00%	100.00%
2011	99.99%	100.00%	100.00%	99.98%	99.99%	99.99%	100.00%	100.00%	99.98%	99.99%

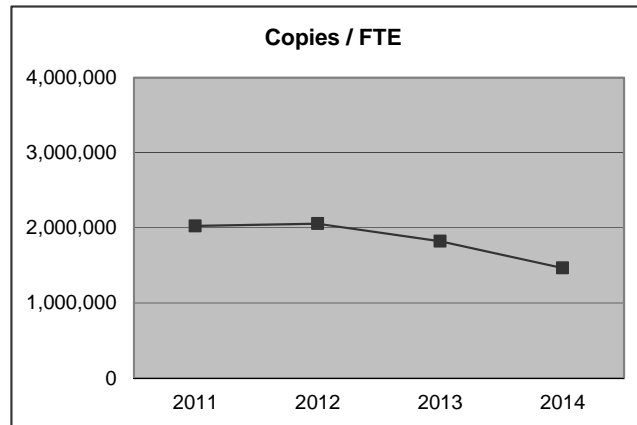


4.10.3 Printing and distribution Unit

Copy shop productivity

This indicator measures the number of copies produced by the copy shop team, divided by the number of "full-time equivalent" staff (FTEs) in that team. It indicates the productivity of the team.

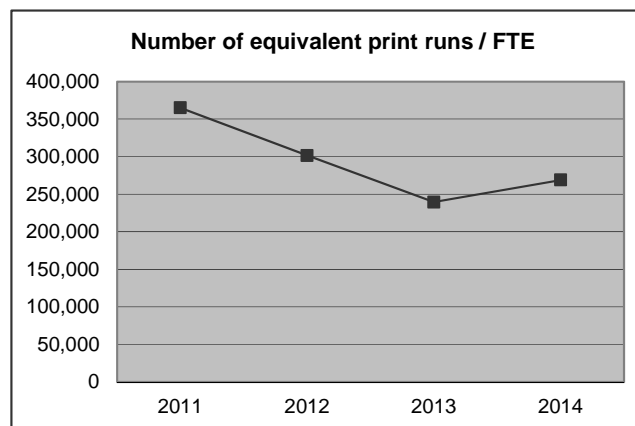
	EESC		CoR		JS		Total	FTE	Copies / FTE
	copies	%	copies	%	copies	%			
2014	8,034,217	58.0%	5,808,908	42.0%	0	0.0%	13,843,125	9.5	1,464,660
2013	9,752,930	55.9%	7,693,083	44.1%	0	0.0%	17,446,013	9.6	1,814,420
2012	11,281,568	52.7%	10,126,501	47.3%	0	0.0%	21,408,069	10.4	2,050,865
2011	11,489,706	55.1%	9,352,140	44.9%	0	0.0%	20,841,846	10.3	2,025,119



Offset productivity

This indicator measures the number of equivalent print runs, that is print runs (sheets) and "settings" (initialisation of a print run; 1 "setting" accounts for 3,700 print runs) produced by the offset team, divided by "full-time equivalent" staff (FTEs) in that team. It indicates the productivity of the team.

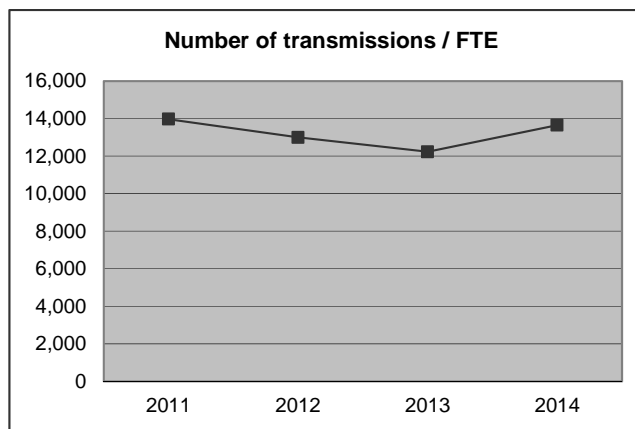
	EESC		CoR		JS		Total	FTE	Print runs (equiv.) / FTE
	Print runs (equiv.)	%	Print runs (equiv.)	%	Print runs (equiv.)	%			
2014	4,322,840	48.7%	4,551,480	51.3%	0	0.0%	8,874,320	3	3,342,107
2013	3,677,770	47.3%	4,103,785	52.7%	0	0.0%	7,781,555	3	3,018,623
2012	6,371,090	58.7%	4,481,500	41.3%	0	0.0%	10,852,590	3	3,617,530
2011	7,711,140	62.1%	4,700,435	37.9%	0	0.0%	12,411,575	3	4,380,556



Mailing productivity

This indicator measures the number of mailings (transmissions) done by the expedition team, divided by the number of "full-time equivalent" staff (FTEs) in that team. It indicates the productivity of the team.

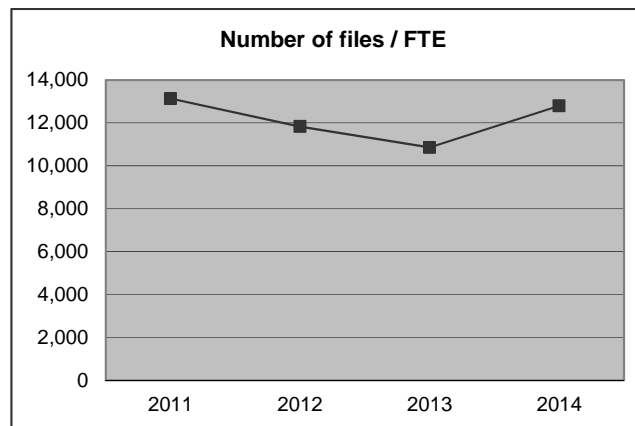
	EESC		CoR		JS		Total	FTE	Transmissions / FTE
	Transmissions	%	Transmissions	%	Transmissions	%			
2014	50,658	81.6%	11,417	18.4%	0	0.0%	62,075	5	13,647
2013	50,516	78.7%	13,687	21.3%	0	0.0%	64,203	5	12,624
2012	51,990	66.7%	25,988	33.3%	0	0.0%	77,978	6	12,996
2011	53,715	65.9%	27,749	34.1%	0	0.0%	81,464	6	13,965



Internal distribution productivity

This indicator measures the number of files for members that the internal distribution team made in preparation for their meetings, divided by the number of "full-time equivalent" staff (FTEs) in that team. It indicates the productivity of the team.

	EESC		CoR		JS		Total	FTE	Files / FTE
	Files	%	Files	%	Files	%			
2014	46,617	72.1%	18,057	27.9%	0	0.0%	64,674	5	12,794
2013	44,136	67.8%	20,975	32.2%	0	0.0%	65,111	6	10,852
2012	50,134	70.6%	20,853	29.4%	0	0.0%	70,987	6	11,831
2011	50,127	64.5%	27,597	35.5%	0	0.0%	77,724	6	13,136



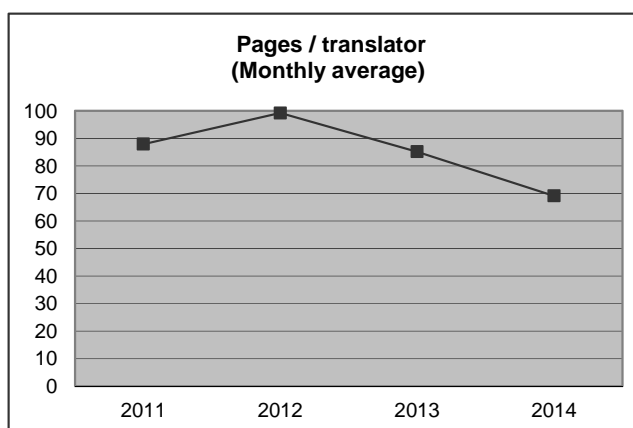
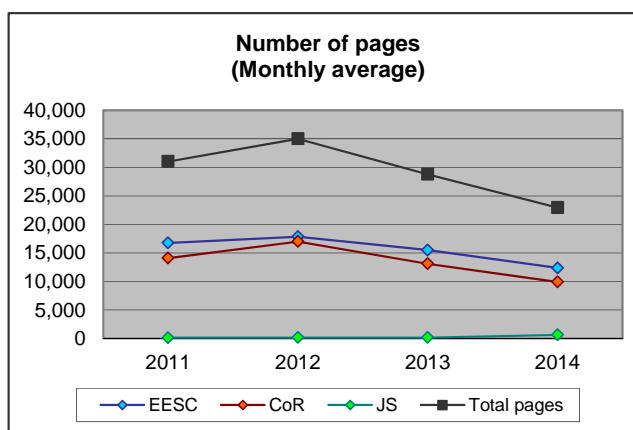
4.11 DIRECTORATE FOR TRANSLATION

This directorate delivers services to both EESC and CoR. Unless mentioned explicitly, the following indicators relate to the activities of both Committees.

Internal translation output

This indicator measures the total number of pages translated per translator post in the establishment plan. It indicates the performance of the translation department as a whole. A page is defined as 1,500 characters without spaces.

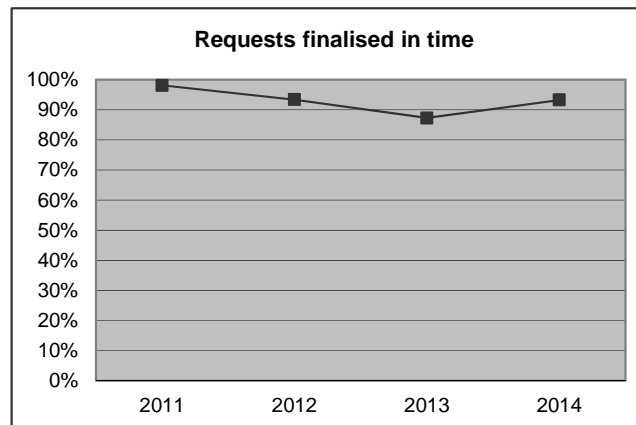
	EESC		CoR		JS		Total pages	Translator posts	Pages / translator
	Pages	%	Pages	%	Pages	%			
2014	148,436	53.9%	119,207	43.3%	7,826	2.8%	275,469	332	829
2013	186,142	53.9%	157,294	45.5%	2,179	0.6%	345,615	338	1,022
2012	214,238	51.0%	204,087	48.6%	1,993	0.4%	420,319	353	1,191
2011	201,277	54.0%	169,423	45.5%	1,880	0.5%	372,580	353	1,055



Translation deadline compliance rate

This indicator measures the percentage of translation requests that were finalised within the requested deadline. It is an indicator of the efficiency of the translation units.

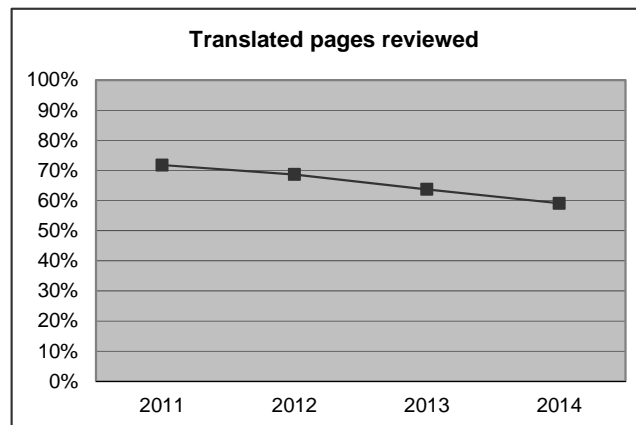
	Requests finalised in time
2014	93.2%
2013	87.2%
2012	93.3%
2011	98.0%



Translation revision rate

This indicator measures the percentage of pages that have been revised. A low percentage indicates a possible risk to the quality of the translation. A high percentage can indicate that available resources are not used in an optimal manner.

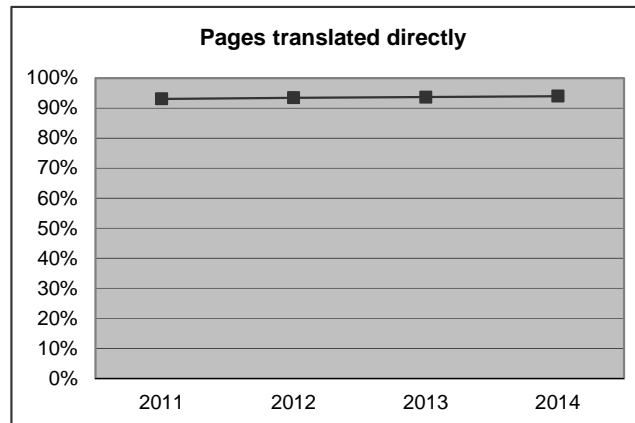
	Translated pages revised
2014	59.0%
2013	63.7%
2012	68.6%
2011	71.7%



Direct translation rate

Until 2004, nearly all translations could be made directly from the source language into the target language. After enlargement, it was no longer possible to cover all source languages in every translation unit. Therefore, a system based on indirect translation (through "pivot" languages) was put into place. This indicator measures the percentage of pages translated directly from source language to target language, i.e. not translated via a pivot language. It is an indication of the degree of source language coverage in the translation units.

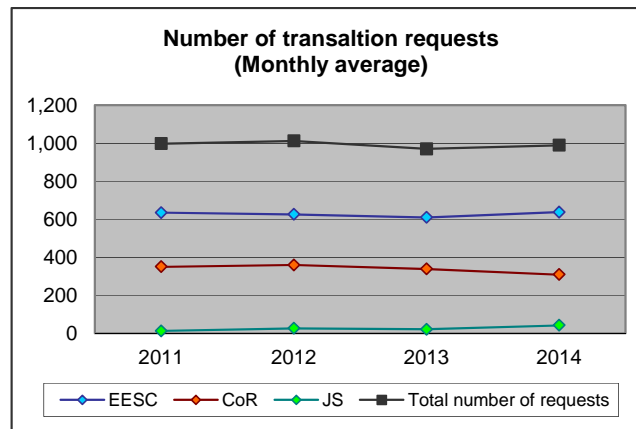
	Pages translated directly from source language
2014	93.9%
2013	93.7%
2012	93.4%
2011	93.0%



Number of translation requests

This indicator measures the number of translation requests over the reference period. It indicates the workload linked with the translation request management, in central planning as well as in the translation units.

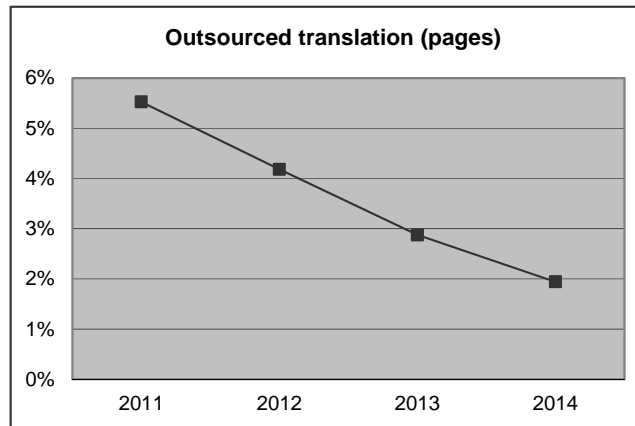
	EESC		CoR		JS		Total number of requests
	Requests	%	Requests	%	Requests	%	
2014	7,652	64.5%	3,713	31.3%	507	4.2%	11,872
2013	7,321	62.9%	4,070	34.9%	255	2.2%	11,646
2012	7,510	61.8%	4,317	35.5%	321	2.7%	12,148
2011	7,617	63.6%	4,207	35.1%	153	1.3%	11,977



External translation rate

This indicator compares the number of pages outsourced for translation with the total number of pages translated. This percentage is an indication for the flexibility of the translation units to balance their workload.

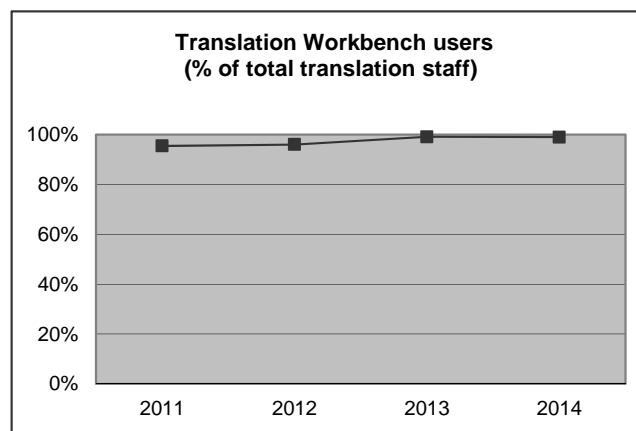
	Outsourced translations (pages)
2014	1.9%
2013	2.9%
2012	4.5%
2011	5.5%



Translation software users

This indicator measures the percentage of users of computer-aided translation tools (TWB/Studio) out of the total translation staff. It indicates the degree of transformation towards a translation process supported by IT tools.

	TWB/Studio users (% of total translation staff)
2014	99%
2013	99%
2012	96%
2011	96%



5. Appendix E: RESULTS OF EX-POST CONTROLS 2014

Financial Regulation, Preamble (recital 27)

The internalisation of ex ante controls requires, in particular, a clear distinction between tasks relating to the initiation of operations in implementation of the budget and tasks relating to the verification of such operations. Moreover, each institution should adopt a code of professional standards applicable to the staff responsible for ex ante and ex post verifications. It is also necessary to provide that the responsibilities assumed are accounted for in an annual report to the institution which is in charge of, inter alia, the ex post verifications. The supporting documents relating to the operations carried out should be kept. Finally, all the various forms of negotiated procedure for the award of public contracts should, since those contracts represent derogations from the usual award procedures, be the subject of a special report to the institution and of a communication to the European Parliament and Council.

Financial Regulation, Art. 66(9): Powers and duties of the authorising officer

The authorising officer by delegation shall report to his or her institution on the performance of his or her duties in the form of an annual activity report containing financial and management information, including the results of controls, declaring that, except as otherwise specified in any reservations related to defined areas of revenue and expenditure, he or she has reasonable assurance that:

- (a) the information contained in the report presents a true and fair view;*
- (b) the resources assigned to the activities described in the report have been used for their intended purpose and in accordance with the principle of sound financial management;*
- (c) the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.*

The activity report shall indicate the results of the operations by reference to the objectives set, the risks associated with those operations, the use made of the resources provided and the efficiency and effectiveness of internal control systems, including an overall assessment of the costs and benefits of controls.

No later than 15 June each year, the Commission shall send to the European Parliament and the Council a summary of the annual activity reports for the preceding year. The annual activity report of each authorising officer by delegation shall also be made available to the European Parliament and the Council.

Rules of Application, Article 49(4): Ex post controls

The ex post controls may be carried out on the basis of documents and, where appropriate, on the spot.

The ex post controls shall verify that operations financed by the budget are correctly implemented and in particular that the criteria referred to in paragraph 3 are complied with.

The outcomes of ex post controls shall be reviewed by the authorising officer by delegation at least annually to identify any potential systemic issues. The authorising officer by delegation shall take measures to address those issues.

5.1 OVERALL ASSESSMENT OF THE COSTS AND BENEFITS OF CONTROLS

Ex-ante and ex-post verification of financial transactions, as defined in the Financial Regulations, is carried out by seven full time equivalent (FTE) verifiers with the required knowledge and skills. For efficiency reasons, and taking into account the level of risk involved, verification may also be done by authorising officers, notably in case of low value transactions.

The EESC verification service works closely with the respective service of the Committee of the Regions as the two institutions share buildings and technical facilities. In this context, control procedures are harmonized to a large extent and performed with cross-checks between the two services.

In 2014, it was decided to set up a support service for procurement procedures. In the meantime, two FTEs have been recruited to take over responsibility for the technical side of drawing up contracts and tender documents for the EESC's own services. This creates significant synergies and reduces the margin of error in procurement procedures.

The EESC systematically benefits from inter-institutional framework contracts, not least in the areas of IT, training and building services. This approach considerably reduces the effort related to procurement procedures in areas where bigger institutions already have a high level of expertise.

As can be seen from the next paragraph, the 2014 ex-post controls confirmed that the EESC's internal control system works satisfactory. Only a few minor issues required follow-up. All outstanding questions were thoroughly examined by the services concerned and appropriate action was taken to address shortcomings.

5.2 RESULTS OF EX POST VERIFICATION

Ex-post controls are done by sampling, based on an assessment of the risk. They are done by a verifying agent, other than the one who did the ex-ante verification. Please also refer to Appendix A, which describes the internal control environment of EESC.

Type of expenditure	Ex-post control undertaken	Verifier's observations	Conclusions/ main actions taken by AOS
Reimbursement to EESC Members	Re-examination of four files, one per quarter, containing more than 300 compensation claims.	Correct application of the rules on reimbursement except for a few remarks. Claim forms are based on obsolete rules and should be updated and are also often not appropriately filled in.	The service concerned has taken due note of the verifier's observations. A new claim form for reimbursement will be used as from October 2015 (the beginning of the next EESC mandate).
Payment of salaries 2014	Re-examination of a monthly sample of at least 15 payslips of the EESC's personnel. The sample was chosen among payslips whose amounts had changed compared to the previous month. The ex-post verification was carried out through analysis of supporting documents.	The sample of payslips analysed showed that some data recorded in the staff management system (Sysper2) were wrong or incomplete or recorded too late.	The service concerned has taken due note of the verifier's observations. Some problems occurred due to the switch from one IT staff management tool to another.
Infrastructures - SLA CESE & CoR / OIB Building rental royalty fees	Following AOS' request, ex-post control conducted by EESC verification service on transactions which had undergone ex-ante verification by CoR.	No particular problem identified.	-
Infrastructures - Kitchen equipment maintenance	Following AOS' request, ex-post control conducted by EESC verification service on transactions which had undergone ex-ante verification by CoR.	No particular problems identified. Only minor remarks of a formal nature: annuality principle not respected for one maintenance operation.	The service concerned has taken due note of the verifier's observations. The amount related to 2013 was insignificant but in the future the service will ensure compliance with the annuality principle.

Type of expenditure	Ex-post control undertaken	Verifier's observations	Conclusions/ main actions taken by AOS
Infrastructures - Building finishing works	Following AOS' request, ex-post control conducted by EESC verification service on transactions which had undergone ex-ante verification by CoR.	No particular problem identified.	-
Infrastructures - Moving services	Following AOS' request, ex-post control conducted by EESC verification service on transactions which had undergone ex-ante verification by CoR.	No particular problems identified. Only minor remarks of a formal nature: Presence sheets did not mention staff functions, thus hourly rates per function could not be checked.	The service concerned has taken due note of the verifier's observations. A column indicating staff functions has been added in the presence sheet.
Printshop - Supply of printing paper	Following AOS' request, ex-post control conducted by CoR verification service on transactions which had undergone ex-ante verification by EESC.	No particular problems identified. Only minor remarks of a formal nature: Tender documents not complete; supply of printing paper takes place on a continuous basis and the estimated value of purchases over four years should have been taken into account to establish the correct procurement procedure.	The service concerned has taken due note of the verifier's observations. More attention will be given to the preparation of tender documents in the future. The last issue will be solved by means of a procurement procedure for a framework contract.
Printshop - National mail services	Following AOS' request, ex-post control conducted by CoR verification service on transactions which had undergone ex-ante verification by EESC.	No particular problems identified. Only minor remarks of a formal nature: follow-up of the framework contract's ceiling consumption was missing; the addendum to an order form could not enter into force on the same date as the original order form; information about the checks made to give "certified correct" was not included in the file.	The service concerned has taken due note of the verifier's observations and will assure full compliance in the future. Internal procedures are being drawn up and will include checks for "certified correct".

Type of expenditure	Ex-post control undertaken	Verifier's observations	Conclusions/ main actions taken by AOS
Security - Purchase of radio devices	Following AOS' request, ex-post control conducted by CoR verification service on transactions which had undergone ex-ante verification by EESC.	No particular problems identified. Only minor remarks of a formal nature: justification for restriction of competition not sufficiently explained; tender documents were not complete; note justifying the applied procedure was missing.	The service concerned has taken due note of the verifier's observations. Proper justification will be provided should the situation occur again. The service will ensure that all required documentation is included in the file. In the future, the choice of procedure will be explained in a note attached to the file.
Security - Security equipment maintenance	Following AOS' request, ex-post control conducted by CoR verification service on transactions which had undergone ex-ante verification by EESC.	No particular problems identified. Only minor remarks of a formal nature: If the amount is unknown, a provisional commitment should be established.	The service concerned has taken due note of the verifier's observations. An individual commitment was established in order to cover the specific operational requirements of the activity.
IT - Hardware and software maintenance	Following AOS' request, ex-post control conducted by CoR verification service on transactions which had undergone ex-ante verification by EESC.	No particular problem identified. Only minor remarks of a formal nature: no reference on the order form to the applicable framework contract's price.	The service concerned has taken due note of the verifier's observations. The service will ensure that the order forms include the required contract prices.
IT - Help Desk team leader	Following AOS' request, ex-post control conducted by CoR verification service on transactions which had undergone ex-ante verification by EESC.	No particular problem identified. Only minor remarks of a formal nature: When the amount is unknown, a provisional commitment should be established; proof of submission of compulsory certificates was missing.	The service concerned has taken due note of the verifier's observations. Provisional commitments will be established in similar cases in the future.

**6. Appendix F:
REPORT ON BUILDING CONTRACTS 2014 AND
REPORT TO THE EUROPEAN PARLIAMENT AND THE
COUNCIL ACCORDING TO ART. 203(3) OF THE
FINANCIAL REGULATION**

Financial Regulation, Art. 103: Publication of public contracts

1. *All contracts exceeding the thresholds provided for in Article 118 or Article 190 shall be published in the Official Journal of the European Union by the contracting authorities.*

Contract notices shall be published in advance except in the cases referred to in Article 104(2), and for the service contracts covered by Annex II B to Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts.

Publication of certain information after the contract has been awarded may be dispensed with where it would hinder application of the law, would be contrary to the public interest, would harm the legitimate business interests of public or private undertakings or would distort fair competition between them.

2. *Contracts with a value below the thresholds provided for in Article 118 or Article 190 and the service contracts referred to in Annex II B to Directive 2004/18/EC shall be advertised by appropriate means.*

Rules of Application, Art. 124(2): Advertising of contracts not covered by Directive 2004/18/EC, and of the contracts referred to in Annex IIB thereto

A list of contractors to whom building contracts and contracts declared secret in accordance with Article 134(1)(j) of this Regulation are awarded shall be published only once a year, with an indication of the subject and value of the contracts awarded. That list shall be sent to the European Parliament and Council. In the case of the Commission, it shall be annexed to the summary of the annual activity reports referred to in Article 66(9) of the Financial Regulation.

6.1 BUILDING CONTRACTS 2014

No building contracts were awarded in 2014.

6.2 ARTICLE 203 FR REPORT

Financial Regulation, Art. 203(3): Working document on the building policy

Each institution shall provide the European Parliament and the Council, by 1 June each year, with a working document on its building policy, which shall incorporate the following information:

- 1. for each building, the expenditure and surface area covered by the appropriations of the corresponding budget lines;*
- 2. the expected evolution of the global programming of surface area and locations for the coming years with a description of the building projects in planning phase which are already identified;*

the final terms and costs, as well as relevant information regarding project implementation of new building projects previously submitted to the European Parliament and the Council under the procedure established in paragraphs (4) and (5) and not included in the preceding year's working documents.

6.2.1 Part 1: The expenditure and surface area for each building

The information about the office premises of the European Economic and Social Committee and the Committee the Regions can be found in the attached table (annex 1).

6.2.2 Part 2: The expected evolution of the global programming

The European Economic and Social Committee and the Committee the Regions do not have planned any building projects in the coming years.

Through their letter 001071-01909 of 11th of December 2014, the European Economic and Social Committee and the Committee of the Regions have informed the European Parliament of their intention to lift the purchase option foreseen in the long-term leasehold contracts for five buildings occupied jointly, namely:

- JDE building, on Rue Belliard 99-101, 1040 Brussels
- BvS building, on Rue Montoyer 92-102, 1000, Brussels
- B68 building, on Rue Belliard 68, 1000, Brussels
- TRE building, on Rue de Trèves 74, 1000, Brussels
- REM building, on Rue Belliard 93, 1000, Brussels*

* For the REM building, subject to the formal assurance that the land under the building is no longer polluted (delivery of certificate by Belgian authorities).

The budgetary and financial cost of acquiring the residual property rights is a symbolic sum of EUR 1 per building, this being the price under the contracts for the exercise of the purchase options (to which the indirect costs of legal services and notarial fees have to be added).

It is also important to note that exercising the purchase option will not change the financial conditions set out in the long-term leasehold contracts. The European Economic and Social Committee and the Committee of the Regions will have to continue paying the annual leasehold fees in accordance with the contracts for the remainder of the contracts term.

6.2.3 Part 3: Project implementation of new building projects previously submitted to the European Parliament and the Council

No projects were presented to the European Parliament and the Council during the year 2014.

6.2.4 Table: Expenditure and surface for each building (CoR and EESC together)

BUDGET LINE		BUILDING	AREA ABOVE GROUND (m ²)	TYPE OF CONTRACT	AMOUNT IN DRAFT BUDGET 2016 (€)	
A02001	Annual lease payments					
	<i>OFFICE SPACE</i>	JDE	21 752	Emphyteusis with option to buy not yet exercised	6 367 821	
		BVS	18 193	Emphyteusis with option to buy not yet exercised	5 396 206	
		REM	2 324	Emphyteusis with option to buy not yet exercised	120 000	
		B-68	7 283	Emphyteusis with option to buy not yet exercised	2 179 924	
		TRE	5 390	Emphyteusis with option to buy not yet exercised	1 375 991	
		<i>Subtotal office space</i>		<i>54 942</i>		<i>15 439 943</i>
	<i>NON-OFFICE SPACE</i>	JDE	14 627			4 282 179
		BVS	2 373			703 794
		REM	0			0
		B-68	22			6 525
		TRE	701			178 978
		<i>Subtotal non-office space</i>		<i>17 723</i>		<i>5 171 475</i>
	TOTAL LINE			72 665		20 611 418
	A02000	Rent				
		<i>OFFICE SPACE</i>	VMA	8 284	Rent	2 199 991
		<i>Subtotal office space</i>			<i>2 199 991</i>	
<i>NON-OFFICE SPACE</i>		VMA	3 122		829 216	
		<i>Subtotal non-office space</i>			<i>829 216</i>	
TOTAL LINE				11 406		3 029 207
GRAND TOTALS			84 071		23 640 625	

7. Appendix G: INSTRUCTIONS GIVEN REGARDING DECISIONS WHICH ARE IRREGULAR OR CONTRARY TO THE PRINCIPLES OF SOUND FINANCIAL MANAGEMENT DURING 2014

Financial Regulation, Art. 73(3): Rules applicable to authorising officers

An authorising officer by delegation or sub delegation who considers that a decision, which is his or her responsibility to take, is irregular or contrary to the principle of sound financial management shall inform the delegating authority in writing.

If the delegating authority then gives a reasoned instruction in writing to the authorising officer by delegation or sub delegation to take that decision, that authorising officer shall not be held liable.

Rules of Application, Art. 77: Confirmation of instructions

Any instructions confirmed in the circumstances described in Article 73(3) of the Financial Regulation shall be recorded by the authorising officer by delegation responsible and mentioned in his annual activity report.

7.1 ARTICLE 73.3 INSTRUCTIONS RECEIVED IN 2014

In November 2013, the EESC launched a call for tender for "assistance in communication and public relations to the EESC President M. Henri Malosse". One single candidate was consulted (MB Conseil - low-value contract not exceeding EUR 15,000). The EESC financial actors, noting the financial verifiers' finding that the representative of MB Conseil was at that time an alternate member of the EESC and following a consultation of the EESC legal service in this regard, considered awarding this contract to that company to be irregular or contrary to the principle of sound financial management under the terms of rule 57 of Financial Regulation, mainly due to the existence of a potential conflict of interest.

The person subsequently resigned as an alternate EESC member, with effect on 20 January 2014 (appointment of a substitute by the EESC Bureau meeting). The EESC President, having taken note of the legal opinion and the financial actors' position referred to above, therefore considered that there was no conflict of interest at the time the contract was awarded (20 February 2014).

As a consequence, the EESC President, as authorising officer by virtue of the EESC's rules of Procedure, rule 8, confirmed his instruction to award the contract, in compliance with the Financial Regulations (Art. 73(3) of the Financial Regulations and Art. 77 of their Rules of Application).

8. Appendix H: WAIVING OF RECOVERY OF AMOUNTS RECEIVABLE INVOLVING EUR 100,000 OR MORE IN 2014

Financial Regulation, Art. 80(2): Rules on recovery

Where the authorising officer by delegation plans to waive or partially waive recovery of an established amount receivable, he or she shall ensure that the waiver is in order and is in accordance with the principles of sound financial management and proportionality. The waiver decision shall be substantiated. The authorising officer may delegate the waiver decision.

The authorising officer by delegation may cancel an established amount receivable in full or in part. The partial cancellation of an established amount receivable does not imply a waiver of an established Union entitlement.

The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on the manner of recovery, including recovery by offsetting, the recovery procedure failing voluntary payment, additional time for payment, recovery of fines and other penalties, waiver of recovery and cancellation of an established amount receivable."

Rules of Application, Art. 91(5): Waiving of recovery of an established amount receivable

Each institution shall send to the European Parliament and Council each year a report on the waivers referred to in paragraphs 1 to 4 of this Article involving EUR 100,000 or more. In the case of the Commission, that report shall be annexed to the summary of the annual activity reports referred to in Article 66(9) of the Financial Regulation.

8.1 WAIVING OF RECOVERY OF AMOUNTS RECEIVABLE INVOLVING EUR 100,000 OR MORE IN 2014

The European Economic and Social Committee has made no waivers of recovery of amounts receivable involving EUR 100,000 or more in 2014.

9. Appendix I: REPORT ON ORDERS/CONTRACTS AND NEGOTIATED PROCEDURES 2014

9.1 ORDERS/CONTRACTS AND NEGOTIATED PROCEDURES

Rules of Application, Art. 53: Report on negotiated procedures

Authorising officers by delegation shall record, for each financial year, contracts concluded by the negotiated procedures referred to in points (a) to (g) of Article 134(1), points (a) to (d) of Article 135(1) and Articles 266, 268 and 270 of this Regulation.

If the proportion of negotiated procedures in relation to the number of contracts awarded by the same authorising officer by delegation increases appreciably in relation to earlier years or if that proportion is distinctly higher than the average recorded for the institution, the authorising officer responsible shall report to the institution setting out any measures taken to reverse that trend.

Each institution shall send a report on negotiated procedures to the European Parliament and Council. In the case of the Commission, that report shall be annexed to the summary of the annual activity reports referred to in Article 66(9) of the Financial Regulation.

Rules of Application, Art. 124(4): Advertising of contracts not covered by Directive 2004/18/EC

Information relating to contracts with a value greater than the amount referred to in Article 137(2) [EUR 15 000] shall be published on the internet site of the institution no later than 30 June of the following financial year.

9.2 REPORT ON NEGOTIATED PROCEDURES ACCORDING TO ARTICLE 53 OF THE RULES OF APPLICATION FOR THE FINANCIAL REGULATION

Contractor	Subject	Start date of contract	Last possible end date of contract	Estimated value	Type of legal procedure	Type of legal commitment
MICROSOFT	Provision of informatics and/or telecommunication services	16/06/2014	15/06/2018	EUR 929,624.58	Negotiated Procedure	Interinstitutional Framework Contract
HUNTER DOUGLAS BELGIUM	Maintenance of motorized solar protection equipment	29/08/2014	28/08/2016	EUR 60,000.00	Negotiated Procedure with publication	Interinstitutional Framework Contract
				EUR 989,624.58		

- Of the contracts with a value greater than EUR 60,000, 2 out of 32 (6.25%) were handled as negotiated procedures in 2014 for a total amount of EUR 989,624.58 out of EUR 24,409,852.94 (4.05%).
- Under the cooperation agreement between the EESC and the Committee of the Regions, both contracts were awarded to the two Committees, therefore the estimated amount for the duration of the contract reflects the expenditure of the two Committees together.

9.3 REPORT ON ORDERS/CONTRACTS ACCORDING TO ARTICLE 124 OF THE RULES OF APPLICATION FOR THE FINANCIAL REGULATION

Contractor	Subject	Start date of contract	Last possible end date of contract	Estimated value (EUR)	Type of legal procedure	Type of legal commitment
ACTRA ⁽¹⁾	Replacement and maintenance of parquet floor	04/02/2014	03/02/2018	411,000.00	Restricted procedure with publication	Interinstitutional Framework Contract
Agence Europe	Daily Subscription 2014	16/01/2014	31/12/2014	42,500.00	N.A.	Purchase Order
ALTYS - Sodexo group ⁽¹⁾	Repairs catering equipment, kitchen	29/07/2014	28/07/2018	249,258.10	Restricted procedure with publication	Interinstitutional framework contract
arIE Consortium ⁽¹⁾	External provision of IT services	15/12/2014	14/12/2019	2,131,997.00	Open procedure	Interinstitutional framework contract
Blue Planet Promotions, Brussels	Gifts	20/02/2014	19/02/2018	30,000.00	Open Procedure	Framework Contract
Bureau voor Technische Inspecties BTI ⁽¹⁾	Periodic inspection of lifting devices, equipment for accessing the facades or roofs and collective and individual protective equipment	24/06/2014	23/06/2018	58,985.10	Restricted procedure with publication	Interinstitutional Framework Contract
COMLIN - Telindus-Belgacom-Dimension data ⁽¹⁾	Sale rental or leasing hardware	28/10/2014	27/10/2024	750,000.00	Open Procedure	Interinstitutional framework contract

Contractor	Subject	Start date of contract	Last possible end date of contract	Estimated value (EUR)	Type of legal procedure	Type of legal commitment
COMPAREX ⁽¹⁾	Provision of user right of nonexclusive and non-transferable licenses of software products - acquisition	26/09/2014	25/09/2018	1,629,200.00	Open Procedure	Interinstitutional Framework Contract
CREASET 2014	Supply and placement of visuals, nameplates and exhibition material	13/08/2014	12/08/2018	160,000.00	Open Procedure	Interinstitutional Multiple Framework Contract
CECOFORMA 2014						
CU @ EP Consortium ⁽¹⁾	External provision of IT services	02/12/2014	01/12/2019	140,401.00	Open procedure	Interinstitutional Multiple Framework Contract
D & A Consortium ⁽¹⁾						
EUROBUSSING	Transport by bus	20/01/2014	19/01/2018	76,000.00	Open Procedure	Interinstitutional framework contract
GISPEN ⁽¹⁾	Furniture for catering and convivial spaces	02/04/2014	01/04/2019	475,000.00	Restricted procedure with publication	Interinstitutional framework contract
GISPEN ⁽¹⁾	Spare parts related to the furniture for catering and convivial spaces	02/04/2014	01/04/2019	25,000.00	Restricted procedure with publication	Interinstitutional framework contract
HUNTER DOUGLAS BELGIUM ⁽¹⁾	Maintenance of motorized solar protection equipment	29/08/2014	28/08/2016	60,000.00	Negotiated Procedure with publication	Interinstitutional Framework Contract

Contractor	Subject	Start date of contract	Last possible end date of contract	Estimated value (EUR)	Type of legal procedure	Type of legal commitment
I.D.S.	Rental of a voting system portable for the Plenary Sessions of the EESC	25/06/2014	24/06/2018	550,000.00	Open procedure	Framework Contract
Infoeurope S.A. ⁽¹⁾	Regulatory surveillance in the environmental field, in the field of technical equipment and concerning the accessibility of persons with reduced mobility	03/03/2014	02/03/2024	485,900.00	Restricted procedure with publication	Interinstitutional Framework Contract
ISO 2002 ⁽¹⁾	Replacement of the sealing of the roof terraces of an office building and realization of a green roof	19/12/2014	18/12/2018	342,200.00	Restricted procedure with publication	Interinstitutional framework contract
ISS ⁽¹⁾	Cleaning services	19/05/2014	18/05/2018	6,441,113.69	Restricted procedure with publication	Interinstitutional framework contract
Johannes Pichler	Study on Civil dialogue and participatory democracy in the practice of the European Union institutions	19/12/2014	18/04/2015	15,000.00	Negotiated Procedure	Service Contract
Kop & Schouder, Bleiswijk, NL	Gadgets	20/02/2014	19/02/2018	150,000.00	Open Procedure	Framework Contract
Kop & Schouder, Bleiswijk, NL	Semi-prestigious gifts	20/02/2014	19/02/2018	150,001.00	Open Procedure	Framework Contract
MARSH ⁽¹⁾	Coverage in insurance of buildings occupied by the contracting authority	01/03/2014	28/02/2018	191,214.16	Open Procedure	Interinstitutional Framework Contract

Contractor	Subject	Start date of contract	Last possible end date of contract	Estimated value (EUR)	Type of legal procedure	Type of legal commitment
MICROSOFT ⁽¹⁾	Provision of informatics and/or telecommunication services	16/06/2014	15/06/2018	929,624.58	Negotiated Procedure	Interinstitutional framework contract
Pharmacie du bon air ⁽²⁾	Supply of pharmaceutical goods	13/01/2014	12/01/2018	710,000.00	Restricted procedure with publication	Interinstitutional framework contract
PYXIS 14 ⁽¹⁾	External provision of IT services	02/12/2014	01/12/2019	1,187,051.00	Open Procedure	Interinstitutional Multiple Framework Contract
SIMAC Consortium ⁽¹⁾						
SOGATOS - SOGETI ⁽¹⁾						
RICOH BELGIUM ⁽¹⁾	Rental of printers	30/10/2014	29/10/2018	980,100.00	Restricted procedure with publication	Interinstitutional framework contract
Stanley security	Safeguarding offices and replacements of AP8001X controllers	16/12/2014	15/02/2015	56,241.79	N.A.	Purchase Order
Systemat Luxemburg ⁽¹⁾	Desktop computers III	24/10/2014	23/10/2023	758,910.16	Open Procedure	Interinstitutional framework contract
Thyssen Krupp ⁽¹⁾	Comprehensive maintenance of lifting equipment	16/12/2014	15/12/2024	4,116,695.00	Restricted procedure with publication	Interinstitutional framework contract
Universita di Verona	Study on "The representation in the labour world in national and European institutions"	28/05/2014	27/08/2014	39,046.36	Negotiated Procedure (low value)	Specific contract
Vanderstraeten SA ⁽¹⁾	Replacement of the window frames of an office building	25/11/2014	24/11/2018	1,042,900.00	Restricted procedure with publication	Interinstitutional Framework Contract

Contractor	Subject	Start date of contract	Last possible end date of contract	Estimated value (EUR)	Type of legal procedure	Type of legal commitment
VINCOTTE ⁽¹⁾	Single inspection of revision of standards ensuring the fire safety of 5 buildings belonging to the Committees, located in Brussels and divided into two sites	06/08/2014	05/12/2014	24,514.00	Negotiated Procedure (low value)	Direct Contract

- The above list of contractors gives details on contracts awarded with a value greater than EUR 15,000 in accordance with to Article 124(4) and 137(2) RAP.
- ⁽¹⁾ Under the cooperation agreement between the European Economic and Social Committee and the Committee of the Regions, these contracts were awarded to both committees; therefore the estimated amount for the duration of the contract corresponds to the expenditure of the two committees.
- ⁽²⁾ These contracts were awarded to several institutions, bodies and agencies; therefore the estimated amount for the duration of the contract corresponds to the expenditure of all participants in the public procurement procedure.

10. Appendix J: AVERAGE PAYMENT TIMES – PAYMENT DELAY SUSPENSION

Financial Regulation, Art. 9: Time limits

1. *Payments shall be made within:*

- (a) 90 calendar days for delegation agreements, contracts, grant agreements and decisions involving technical services or actions which are particularly complex to evaluate and for which payment depends on the approval of a report or a certificate;*
- (b) 60 calendar days for all other delegation agreements, contracts, grant agreements and decisions for which payment depends on the approval of a report or a certificate;*
- (c) 30 calendar days for all other delegation agreements, contracts, grant agreements and decisions.*

2. *The authorising officer responsible may suspend the time limit for payment where:*

- (a) the amount of the payment request is not due; or*
- (b) the appropriate supporting documents have not been produced.*

If information comes to the notice of the authorising officer responsible which puts in doubt the eligibility of expenditure in a payment request, he or she may suspend the time limit for payment for the purpose of verifying, including by means of on the spot checks, that the expenditure is indeed eligible.

3. *The creditors concerned shall be informed in writing of the reasons for that suspension.*

4. *Where the suspension exceeds two months, the creditor may request a decision by the authorising officer responsible on whether the suspension is to be continued.*

5. *Except in the case of Member States, on expiry of the time limits laid down in paragraph 1, the creditor shall be entitled to interest.*

6. *The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on time limits for payment and on the specification of the circumstances in which creditors in receipt of a late payment are entitled to receive default interest charged to the line from which the principal was paid.*

Rules of Application, Art. 111: Payment time limits and default interest

1. *The time allowed for making payments shall be understood as including validation, authorisation and payment of expenditure.*

It shall begin to run from the date on which a payment request is received.

A payment request shall be registered by the authorised department of the authorising officer responsible as soon as possible and is deemed to be received on the date it is registered.

The date of payment is deemed to be the date on which the institution's account is debited.

2. *A payment request shall include the following essential elements:*

- (a) creditor's identification;*
- (b) amount;*
- (c) currency;*
- (d) date;*

Where at least one essential element is missing, the payment request shall be rejected.

The creditor shall be informed in writing of the rejection and the reasons for it as soon as possible and in any case within 30 calendar days from the date on which the payment request was received.

3. *In the case of suspension as referred to in Article 92(2) of the Financial Regulation, the remaining time allowed for payment shall begin to run again from the date on which the requested information or revised documents are received or the necessary further verification, including on-the-spot checks, is carried out.*

4. *On expiry of the time-limits laid down in Article 92(1) of the Financial Regulation, the creditor shall be entitled to interest in accordance with the following conditions:*

- (a) the interest rates shall be those referred to in Article 83(2) of this Regulation;*
- (b) the interest shall be payable for the period elapsing from the calendar day following expiry of the time-limit for payment laid down in Article 92(1) of the Financial Regulation up to the day of payment.*

However, when the interest calculated in accordance with the first subparagraph is lower than or equal to EUR 200, it shall be paid to the creditor only upon a demand submitted within two months of receiving late payment.

Each institution shall submit to the European Parliament and Council a report on the compliance with the time-limits and on the suspension of the time-limits laid down in Article 92 of the Financial Regulation. The report of the Commission shall be annexed to the summary of the annual activity reports referred to in Article 66(9) of the Financial Regulation.

10.1 FIGURES ON AVERAGE PAYMENT TIMES – PAYMENT DELAY SUSPENSION

Payment times

Maximum payment time (days)	All payments			Payments within time limit			Late payments		
	Number of payments	%	Average payment times (days)	Number of payments	%	Average payment times (days)	Number of payments	%	Average payment times (days)
30	38,786	100.00	6.79	37,669	97.12	5.70	1,117	2.88	43.59
60	25	100.00	20.16	25	100.00	20.16	0	0	-
90	1	100.00	6.00	1	100.00	6.00	0	0	-
30-60-90	38,812	100.00	6.80	37,695	97.12	5.71	1,117	2.88	43.59

Suspensions

Average payment suspension (days)	Number of suspended payments	% of total number	Total number of payments
39	262	0.68 %	38,812

11. Appendix K: FOLLOW-UP TO OBSERVATIONS IN THE PARLIAMENT'S 2013 DISCHARGE RESOLUTION

Financial Regulation, Art. 166: Follow-up measures

1. *In accordance with Article 319 TFEU and Article 106a of the Euratom Treaty, the Commission and the other institutions shall take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision and on the comments accompanying the recommendation for discharge adopted by the Council.*
2. *At the request of the European Parliament or the Council, the institutions shall report on the measures taken in the light of those observations and comments, and, in particular, on the instructions they have given to any of their departments which are responsible for the implementation of the budget. The Member States shall cooperate with the Commission by informing it of the measures they have taken to act on those observations so that the Commission may take them into account when drawing up its own report. The reports from the institutions shall also be transmitted to the Court of Auditors.*

11.1 EUROPEAN PARLIAMENT RESOLUTION OF 29 APRIL 2015 WITH OBSERVATIONS FORMING AN INTEGRAL PART OF ITS DECISION ON DISCHARGE FOR IMPLEMENTATION OF THE GENERAL BUDGET OF THE EUROPEAN UNION FOR THE FINANCIAL YEAR 2013, SECTION VI

1. *Welcomes the fact that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2013 for administrative and other expenditure of the institutions and bodies were free from material error;*

No follow-up required.

2. *Notes with satisfaction that in its 2013 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics related to the human resources and the procurement for the European Economic and Social Committee (EESC);*

No follow-up required.

3. *Notes that in 2013 the EESC budget amounted to EUR 130,104,400 (EUR 128,816,588 in 2012), with a utilisation rate of 94.1 %; regrets the decrease of the utilisation rate in 2013 when compared to the 96.8 % in 2012;*

As pointed out in the following observation, the decrease in the utilisation rate was largely due to precautionary measures taken in relation to possible salary adjustments. The potential budgetary impact in 2013 of backlog payments for 2011 and 2012 was estimated at around EUR 4,4 million at the time (equalling 3.4% of the EESC's 2013 overall budget), and it only became clear in December 2013 that the amount set aside to this end would remain unused.

4. *Stresses, however, that the EESC budget is purely administrative, with a large amount being used on expenditure concerning persons working within the institution and the remaining amount relating to buildings, furniture, equipment and miscellaneous running costs; takes note of the EESC explanation for the utilisation rate decrease being due to precautionary measures;*

No follow-up required (please also refer to item 3).

5. *Points out that the reasons behind the unexpected ruling on salary adjustment are no longer of application following the agreement on the new Staff Regulation in 2014;*

No follow-up required (please also refer to item 3).

6. *Notes the rise by 1 % in the 2013 budget compared to the previous annual budget; supports the EESC's efforts to limit the budgets of the coming years, thereby ensuring a flat rate increase;*

The EESC budget shows a 0.4% nominal increase for the period 2011 to 2015 – or a nominal reduction of 0.6% if the costs related to Croatia's accession to the EU in 2013 are excluded. The 2016 draft budget reflects an increase of 0.86% as compared to 2015.

7. *Takes note of the follow-up observations to Parliament's 2012 discharge resolution attached to the EESC annual activity report; reiterates its call to be informed about the detailed spending review and the results of that exercise;*

Each year, a 3-member subgroup of the EESC's Budget Group (the supervisory body for financial and budgetary affairs, reporting to the EESC Bureau), working in close cooperation with the Secretary-General, carries out a thorough spending review in preparation for the draft budget proposal. It is by virtue of this exercise that the EESC has managed to limit itself to such modest increases in its draft budgets over the last years (see comment on observation 3 above). The Budget Group as such supervises budgetary implementation, through regular reporting and sectoral hearings. In 2014, sectoral hearings were organised on buildings, IT, security, interpretation and members' reimbursement procedures.

Staff costs, travel/subsistence allowances for members and interpretation costs together account for more than 75% of the EESC's budget (buildings represent another 15% with very little room for manoeuvre). A continuous effort is being made to ensure sound financial management, not least in the areas mentioned. The EESC recently carried out a Common Assessment Framework (CAF) exercise in order to identify further efficiency gains, new reimbursement rules on

members' travel expenses were adopted in November 2013 and will become fully effective as from October 2015, and a more focused approach has resulted in better use of interpretation appropriations. In the course of 2014, the EESC, together with the Committee of the Regions (CoR), signed a cooperation agreement with the EP, with a view, inter alia, to making better use of human resources in the area of translation. The EESC and the CoR have a long-standing administrative cooperation agreement, pooling their resources in the area of logistics and translation and yielding significant synergies and thereby budgetary savings. A renewed agreement is expected to enter into force on 1 January 2016.

8. *Welcomes the EESC's intention to plan its work more efficiently within the legislative process, without necessarily increasing the number of opinions, placing an emphasis instead on the quality of its opinions;*

Over the last years, cooperation with the relevant services in the European Commission and Parliament has developed further, enabling the EESC to initiate the preparation of its contribution to the legislative process at an earlier stage and consequently to undertake a fully adequate debate before adopting opinions, thereby also strengthening the potential for consensus.

9. *Takes note that the EESC has implemented the new reimbursement rules of members' travel expenses based on real costs, as recommended by Parliament; recalls that the system should be fully operational in the autumn of 2015 when the next EESC term begins;*

The EESC confirms that the new reimbursement system will be fully operational as from the beginning of the next mandate (October 2015).

10. *Takes note of the cooperation between the EESC and Parliament's Committee on Budgetary Control, in particular in relation to the discharge exercise;*

The EESC is determined to continue this good practice.

11. *Notes that the use of external translation has decreased to 2.9 % in 2013, compared with 4.5 % in 2012; finds, however, that the productivity of the internal translation service has also decreased;*

In 2013, the Joint Services of the EESC and the CoR implemented considerable translation rationalisation measures, which led to a structural decrease in translation demand. Since the value of the internal translation service's productivity is defined as "output per translator", a decrease in demand automatically reduces the "productivity" for a given number of translators. Partly as a result of the rationalisation measures, the workload returned to more normal levels after an exceptionally strenuous 2012, and translation capacity was freed up in advance of the transfers to the European Parliamentary Research Service (EPRS) and the internal redeployments, which took place in the second half of 2014. This, in combination with the approaching end of the legislative cycle, led to a decrease both in the output of internal translation and in outsourcing, which is

mainly resorted to when there is a need to address temporary peaks in the workload. The situation is monitored closely in light of the transfers to the EPRS.

- 12. Notes with concern that translation costs vary enormously from one Union institution to another; asks consequently that the Interinstitutional Working Group on Translation determine the causes of these disparities and put forward solutions with a view to ending the inequality and harmonising translation costs, without in any way impairing quality and linguistic diversity; notes, with this in mind, that the working group should relaunch interinstitutional collaboration in order to share best practices and outcomes and determine those areas in which interinstitutional cooperation or agreements could be strengthened; notes that the working group should also aim to establish a unified methodology, common to all the institutions, for the presentation of translation costs in order to simplify cost analysis and comparison; notes that the working group should present the results of this work before the end of 2015; calls on all the institutions to play an active part in the proceedings of the Interinstitutional Working Group; points to the fundamental importance of preserving multilingualism in the Union institutions in order to ensure that all Union citizens can enjoy equal treatment and equal opportunities;**

Translation services across the European institutions are well aware of the need for cost efficiency and cooperate closely in the framework of the Executive Committee for Translation (ECT), a standing body in charge of translation under the auspices of the Inter-institutional Committee on Translation and Interpretation (ICTI). Areas of cooperation are language technologies (joint development and management of tools, sharing of the costs of tools), quality management, linguistic and thematic expertise, terminology, staff selection and exchange of staff between institutions, learning and development, work sharing and outsourcing, as well as performance management.

As regards a uniform methodology, the most recent outcome is a harmonised full-cost model, the aim of which is to enable direct comparisons of the translation costs of all institutions. It has been tested thoroughly over the last years and is now expected to be ripe for general use. Depending on the outcome of a check performed by the ECT on the data for 2014, this unified methodology should provide the necessary basis for comparisons across institutions and over time, which could lead to further cooperation, in particular in relation to sharing of best practices. The Committees play a very active role in this inter-institutional cooperation.

- 13. Takes note of the Cooperation Agreement between the EESC, the Committee of the Regions and Parliament, which was eventually signed on 5 February 2014 and has led, first of all, to the transfer of a large number of committee staff to the new European Parliamentary Research Service ; expects that the agreement will evolve in a balanced way, benefit all three institutions equally, and contribute positively to the further rationalisation of resources; calls on each of the institutions, at the end of the first year of their collaboration, to make an individual assessment of the impact that the agreement is having in terms both of human resources and of expenditure, synergies, added value, and substantive quality;**

The EESC will carry out an assessment of the various parameters mentioned by the Parliament before the end of 2015.

- 14. Calls on the EESC to include an overview of staff holding management positions sorted by nationality, sex and position in the annual activity report;***

Please refer to Appendix M of the Annual Activity Report at hand.

- 15. Expresses concern at the shortage of women holding senior EESC posts (61 % – 39 %); calls for an equal opportunities plan to be set in motion, particularly as regards management positions, with the aim of correcting this imbalance as quickly as possible;***

According to data provided by the Inter-institutional Committee for Equal Opportunities (INTERCOPEC), the EESC has in recent years consistently been at the top in terms of women holding managerial posts. The situation keeps improving and the percentage of female managers now stands at 40%. The EESC will continue its efforts in this area.

- 16. Recommends that the EESC continues to develop a regular screening of the budgetary savings resulting from the implementation of the new administrative cooperation agreement with the Committee of the Regions; requests detailed information on the results of this cooperation;***

The EESC will provide the detailed information requested in the context of the mid-term review of the new cooperation agreement and intends to do so in close cooperation with the CoR.

- 17. Notes that the next mid-term review of that cooperation agreement will be the appropriate moment to evaluate the agreement and correct any shortcomings identified;***

See comment on observation 16 above.

- 18. Requests detailed information on the results of the mid-term review and expects that this evaluation will also include a joint assessment of the budgetary savings resulting from the cooperation;***

See comment on observation 16 above.

- 19. Takes note of the still-limited use of videoconferencing tools; acknowledges that measures are being put in place to extend its use; asks to be informed about the progress achieved on this matter;***

The use of video conferencing tools is indeed limited but has improved, not least due to extended use of Skype from the beginning of 2015. In 2013, only 8 meetings were held using video conferencing tools, a number which more than doubled to 17 in 2014. During the first four

months of 2015, Skype alone was used 8 times, with 5 video conferences in the same period of time. An important reason for the extended use of Skype is the fact that more members are able to communicate without interpretation, a trend which is likely to continue. Video conferencing tools are also being used more frequently in the context of job interviews.

20. Considers positive the decrease of the unused rate of interpretation services requested from 7,6 % in 2012 to 5,1 % in 2013; emphasises, however, that this rate is still high and calls for a further reduction in interpretation costs;

Substantial efforts have been made to curb the rate of unused interpretation services. The positive evolution of this rate has been achieved mainly thanks to new reprogramming deadlines which came into effect in 2013 and continued awareness-raising among users of interpretation services. The downward trend has continued in 2014 with a rate of 4.3%, and has even improved during the first quarter of 2015.

It should be noted, however, that under the new reprogramming deadlines agreed with DG Interpretation (SCIC), which provides the bulk of the interpretation services used by the EESC, interpretation must be cancelled up to 3 weeks in advance. Otherwise full costs are charged. Given that there are still unknowns at the time of the deadline in terms of agenda items and members' participation, costs due to cancellation of interpretation cannot be avoided in all situations. Closer cooperation on interpretation with the Parliament in line with Chapter 3 of the Cooperation Agreement could potentially shorten the gap between the meeting date and the deadline for cancellation, resulting in further savings.

21. Considers that at a time of crisis and budget cuts in general, the cost of staff 'away days' at the Union institutions has to be lowered and that these events should take place, wherever possible, on the institutions' own premises, as the resulting added value does not justify such high spending;

The purpose of "away days" depends on the specific needs of the service in question but it is important to stress that they are not – as the name may indicate – detached from daily work. They are, on the contrary, an investment in productivity. Whilst one of the purposes of "away days" is to strengthen team spirit, another is to offer staff an opportunity to take a step back and reflect jointly on how cooperation and working methods can be improved within and across services. In 2014, 12 such exercises were organised, 7 of them in the Directorate for Translation, which serves both the EESC and the CoR. Nine are planned for 2015. Since 2013, an indicative ceiling of EUR 85 per registered staff member has been implemented and in most cases costs are significantly lower.

Notwithstanding, the Committee takes note of the Parliament's observation and will ensure that the number of "away days" and their costs are kept to a sustainable minimum.

- 22. *Is concerned that several major events scheduled to take place during the year 2013 were cancelled or postponed; calls on the EESC to better plan and rationalise the organisation of in-house events;***

Whilst acknowledging that some events were cancelled or postponed in 2013, the EESC stresses that it attaches great importance to planning its events as rationally as possible. Events are cancelled only in the event of pressing circumstances and after careful consideration of all other options.

- 23. *Takes note of the information provided on the new insurance contract which entered into force on 1 July 2012, covering the Consultative Commission on Industrial Change delegates;***

No follow-up required.

- 24. *Deplores the European Civil Service Tribunal judgment published on 22 May 2014 condemning the EESC for breaching the Charter of Fundamental Rights of the European Union when dismissing one of its staff members in 2013; also deplores the ruling handed down on 8 October 2014 in Case T-530/12 P, M. B. G. v EESC, in which the General Court found against the EESC in connection with the reporting of irregularities concerning the former Secretary-General by the head of the EESC Legal Service; calls on the EESC and its new Secretary-General to take the steps required to prevent further serious breaches of the Charter of Fundamental Rights of the European Union, to inform the EESC Bureau, the members, and the entire staff about the content of the two judgments, and to draw their attention to the fact that officials and other staff covered by the Staff Regulations have an obligation to report irregularities and that the EESC Bureau is an appropriate body to receive such reports; also asks to be informed about the total legal expenses incurred in the last five years in staff cases ultimately dealt with in the courts or by the Ombudsman;***

The EESC's administrative procedures have been adapted in accordance with the judgment published on 22 May 2014 (F-42/13) to ensure full compliance with the Charter of Fundamental Rights. As concerns case T-530/12 P, a final ruling has yet to be issued by the Civil Service Tribunal, to which the General Court has referred the case.

With regard to information for staff and members, Court rulings relating to the EESC – including the two cases mentioned – are included in the 2014 Annual HR Report, which the Secretary-General will present to the EESC Bureau in July 2015. This report also includes information on the obligations to report irregularities. The Annual HR Report is circulated electronically – and to some extent in paper form – to EESC members and staff. Specific information on rules and procedures applicable to whistleblowing will be provided to staff and members once the new internal rules on whistleblowing have been adopted (see comment on observation 25 below).

The total amount of legal expenses incurred in the last five years (2010-2014) in staff cases ultimately dealt with in the courts is EUR 123,073 or EUR 24,615 on average per year. These

expenses relate to a total of 13 staff cases. Over the same period of time, the total legal expenses paid in staff cases dealt with by the Ombudsman amount to EUR 2,600, with an average annual amount of EUR 520.

25. Is concerned by the delayed adoption of the internal whistle-blowing rules; calls on the EESC to implement these without further delay;

EESC decision No 363/99 concerning the terms and conditions for internal investigations in relation to the prevention of fraud, corruption and any illegal activity detrimental to the Communities' interests already establishes that EESC staff must in no way suffer inequitable or discriminatory treatment as a result of having communicated information related to fraud or other irregularities.

The work on more detailed internal whistleblowing rules is well underway and is closely coordinated with the Committee of the Regions. Indeed, given the EESC's close cooperation with the Committee of the Regions in a range of administrative fields and notably the number of staff working in the Joint Services, the two Committees' decisions on whistleblowing need to be drafted along the same lines. The EESC's decision is expected to be adopted before the end of 2015.

26. Notes that the internal audit service is composed of a staff of three; notes that extended sick leave significantly reduced the available workforce in 2013; calls on the EESC to reinforce the internal audit service and to expand the scope of audit investigations;

In 2014, recruitment took place within the internal audit service in order to fill the AST post. A recruitment process for an AD post is ongoing, and should result in an official being appointed in the second half of 2015.

The Secretary-General and the Audit Committee have agreed to enter into discussions about potential changes and expansions of the scope of audit investigations. Decisions are expected to be made once the renewed Audit Committee has taken up its mandate in October 2015.

27. Calls on the EESC to include in its annual activity reports, in compliance with the existing rules on confidentiality and data protection, the results and consequences of closed European Anti-Fraud Office cases, where the institution or any of the individuals working for it were the subject of the investigation;

Please refer to Appendix L of the Annual Activity Report at hand.

28. Demands that the EESC's building policy be attached to its annual activity report, especially given that it is important that the costs of such a policy are properly rationalised and that such costs are not excessive;

The EESC will continue to report on its building policy in its annual activity report (please refer to Appendix F of the Annual Activity Report at hand).

29. Points to the need to raise the EESC's profile by stepping up the necessary information and communication policy.

Despite a wide range of communication activities already in place, the EESC fully recognises the important task that still lies ahead in terms of reaching out more effectively to all relevant stakeholders. In this context, a strong inter-institutional framework is crucial, and the EESC has encouraged the Commission and the Parliament to revitalise the Inter-institutional Group on Information (IGI) in order to re-establish communication priorities across the EU institutions.

The EESC has a statutory communication group chaired by one of its two vice-presidents, which is responsible for guiding and monitoring the Committee's communication strategy. The EESC has gained a certain position in the institutional landscape by organising events such as "YOUR EUROPE, YOUR SAY" (a "mock EESC" for young Europeans), Civil Society Day, the EESC Civil Society Prize, the Civil Society Media Seminar, European Consumer Day and – organised jointly with the European Commission – the European Migration Forum. In 2014, the EESC received more than 10,000 visitors and hosted 135 events in Brussels in partnership with civil society organisations. The EESC also provides support for members in the context of "going local" events in their Member States.

One of the focus areas in the years to come will be realising the full potential of social media, which have already proven to be a strong tool for creating links to the various strands of organised civil society across Europe. The EESC has set up a specialised social media team and introduced a comprehensive training policy with tailored coaching sessions for both members and staff. Most events – including plenary sessions – are now promoted through announcements on Twitter, Facebook and Google+, and for key events there are also web streaming and live tweeting. As a result, the number of followers and fans on the various accounts is growing fast – to around 40 700 Facebook fans and around 24 750 followers on Twitter in June 2015.

12. Appendix L: RESULTS AND CONSEQUENCES OF CLOSED EUROPEAN ANTI-FRAUD OFFICE (OLAF) CASES 2014

Financial Regulations, Art. 66(9): Powers and duties of the authorising officer

The authorising officer by delegation shall report to his or her institution on the performance of his or her duties in the form of an annual activity report containing financial and management information, including the results of controls.

Rules of Application, Art. 166: Follow-up measures

- 1. In accordance with Article 319 TFEU and Article 106a of the Euratom Treaty, the Commission and the other institutions shall take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision and on the comments accompanying the recommendation for discharge adopted by the Council.*
- 2. At the request of the European Parliament or the Council, the institutions shall report on the measures taken in the light of those observations and comments, and, in particular, on the instructions they have given to any of their departments which are responsible for the implementation of the budget. The Member States shall cooperate with the Commission by informing it of the measures they have taken to act on those observations so that the Commission may take them into account when drawing up its own report. The reports from the institutions shall also be transmitted to the Court of Auditors.*

12.1 THE RESULTS AND CONSEQUENCES OF CLOSED EUROPEAN ANTI-FRAUD OFFICE (OLAF) CASES, WHERE THE EESC OR ANY OF THE INDIVIDUALS WORKING FOR THE COMMITTEE WERE THE SUBJECT OF THE INVESTIGATION

The following OLAF cases were closed in 2014:

- 1. The EESC discovered inconsistencies in supporting documents provided by a former member for flight tickets and reported the case to OLAF. The OLAF investigation confirmed that supporting documents had been manipulated and forwarded its report to the national judicial authorities. The EESC recovered EUR 182 912 that had been unduly paid (going back to the beginning of the member's mandate).*
- 2. According to the members' costs reimbursement regulation, a member can opt, until September 2015, for a flat rate reimbursement for travel costs. If he does so, the member must have paid for the flight ticket himself (not a "third party"). A former business associate of a former member*

reported to the EESC that the latter had claimed such a flat rate reimbursement whereas it was the company that he co-owned that had paid for the ticket. The EESC forwarded the information to OLAF. The former member considered that his company was not a "third party", as referred to in the regulation, as he was its co-owner, but he was willing to comply with a stricter reading. The EESC recovered the unduly paid amount, EUR 55 588 from the former member (going back to the beginning of the member's mandate) and subsequently paid EUR 19 640 to his company to reimburse the real ticket costs incurred.

3. A former EESC official had tried to circumvent applicable rules in order to obtain the reimbursement of removal costs that he had actually not spent. The EESC reported the case to OLAF, which concluded that the EESC had acted correctly in refusing this reimbursement. There was no financial damage to the EU budget.
4. A non-statutory EESC staff member had provided false information and falsified documents relating to his professional experience not only at the EESC but also when previously working for other EU institutions. The EESC immediately interrupted the working relation with the person concerned and reported the case to OLAF, which confirmed the EESC's findings. There was no financial damage to the EU budget.

**13. Appendix M:
DISTRIBUTION OF STAFF BY NATIONALITY,
FUNCTION GROUP AND GENDER (INCLUDING FOR
MANAGEMENT)**

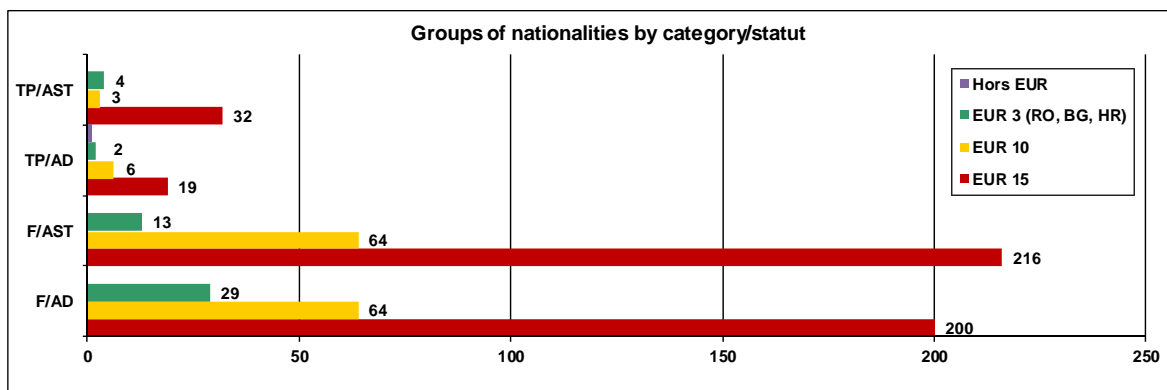
Nationality table as of

2015-04-29

Active staff recruited by the Economic and Social Committee (including temporary staff recruited to compensate staff in PL/PT/LPG/FL and staff on secondment). Staff on leave for personal grounds is excluded because non-active.

Nationality

	Officials		Temporary agents		Contract agents		SNE & Special advisor		Total
	Adminis-trators	Assistants	Adminis-trators	Assistants	Adminis-trators	Assistants	SNE	SA	
Germany	25	9		2			1		37
Austria	9	1			1		1		12
Belgium	31	80	3	7	1	9			131
Belarus			1						1
Bulgaria	8	7	1	1					17
Cyprus									
Croatia	5	1	1	3	1				11
Denmark	13	8							21
Ireland	2	5		1					8
Spain	18	24	3	3	2	7			57
Estonia	8	5	1						14
Finland	9	8	1						18
France	11	24	4	7	2	3		1	52
Greece	14	8	1	2		3	1		19
Hungary	8	8					2		18
Italy	25	22	5	7	1	5	2		67
Latvia	5	5				2			12
Lithuania	9	3							12
Luxembourg			1						1
Malta	5	3		1					9
Netherlands	12	5	1						18
Poland	11	15	3	1					30
Portugal	10	12		2	1	3			28
Czech Republic	7	6	2		1				16
Romania	16	5							21
United Kingdom	12	6							18
Slovakia	7	11							18
Slovenia	4	8		1	1				14
Sweden	9	4		1					14
FYROM									
Ukraine					1				1
	293	293	28	39	12	32	7	1	705
	F/AD	F/AST	TP/AD	TP/AST	CT/IV	CTI-II-III	SNE	SA	
EUR 15	200	216	19	33	8	30	5	1	511
EUR 10	64	64	6	3	2	2	2		143
EUR 3 (RO, BG, HR)	29	13	2	4	1				49
Outside EU			1		1				2



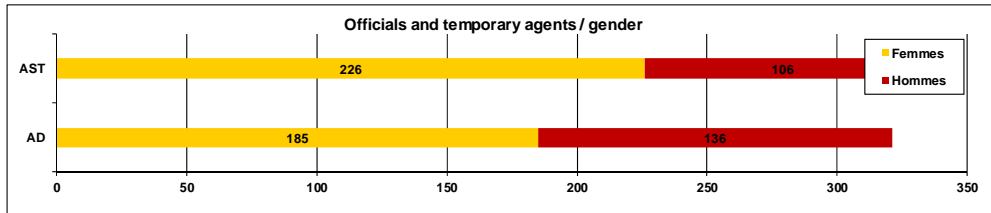
Gender table

2015-04-29

Active staff recruited by the Economic and Social Committee (including temporary staff recruited to compensate staff in PL/PT/LPG/FL and staff on secondment). Staff on leave for personal grounds is excluded because non-active.

Gender

	Officials		Temporary agents		Contract agents		SNE & Special advisor		TOTAL by gender
	Administrators	Assistants	Administrators	Assistants	Administrators	Assistants	SNE	SA	
Women	166	203	19	23	8	19	5	1	444
Men	127	90	9	16	4	13	2		261
	293	293	28	39	12	32	7	1	705



Middle & senior management functions on permanent posts

Nationality	Men	Women
Germany	3	1
Austria		1
Belgium	4	2
Bulgaria		
Cyprus		
Croatia		
Danmark	2	1
Ireland	1	
Spain	1	3
Estonia	1	
Finland		1
France	2	
Greece	2	
Hungary		
Italy	4	2
Latvia		1
Lithuania	1	
Luxembourg		
Malta		
Netherlands	2	
Poland		
Portugal	1	1
Czech Republic		
Romania		2
United Kingdom	2	
Slovakia		1
Slovenia		
Sweden		1
TOTAL	26	17
Share	60%	40%

