
Secretariat-General

REPORT TO THE BUDGETARY AUTHORITY ON THE IMPLEMENTATION OF
THE REVISED STAFF GRADE STRUCTURE AND THE EFFECTS ON ITS
ESTABLISHMENT PLAN

Context

1. In their letter of 23rd July 2004 addressed to the Secretary General of the Court of Auditors, Mr Terry WYNN, Head of the European Parliament delegation, and Mr Atzo NICOLAI, Head of the delegation of the Council of the European Union to the budget conciliation recalled the joint declaration on the amending budget 4/2004 on the revised establishment plans, approved on 16th March 2004. This declaration included a request to the institutions to forward the above-mentioned reports to the Budgetary Authority. The letter requested that the reports be made available by 1st September 2004 at latest. In an e-mail sent by the Secretariat of the European Parliament's Committee on Budgets on 16th July to those responsible within the institutions for budgetary matters, the institutions were furthermore invited to include in these reports "the number of vacant posts per grade as of 30 June 2004" as well as information "on the number of head of unit/head of division posts in 2003 and 2004, as well as the estimate for 2005". This report seeks to fulfil these requests.

Implementation of the new establishment plan

2. Within the Court of Auditors, the new establishment plan was implemented on 1st May 2004 strictly in accordance with the provisions made available in amending budget 4/2004. That is to say that the posts authorised in the 2004 budget were transformed according to the provisions in Annex XIII, Articles 2 (1) and 12 of the revised Staff Regulation, with two exceptions:
 - those posts vacant on 1st May 2004 and earmarked for the private offices of Members of the Court were transformed in accordance with Annex XIII, Article 2 (1) (i.e. as if occupied) so as to allow the recruitment of existing officials;

- as the 2003 staff assessment procedure had not been completed and the subsequent promotions effective from 1st January 2004 had not been made at 1st May 2004, an assumption underlying the transformation of the establishment plan was that vacant posts outside the basic recruitment grades would be used for promotions. These posts were thus transformed as if the promotions had already been made. It is to be noted that, in part due to the introduction this year of a new staff appraisal system covering initially the evaluation of staff in 2003, the promotions which will come into effect on 1st January 2004 have yet to be made.

3. **Table 1** shows the actual occupancy of posts on 30th April and 1st May 2004 respectively.

**Table 1 -
Posts occupied at 30th April and 1st May 2004**

POSTS OCCUPIED AT 30/04/2004		POSTS OCCUPIED AT 01/05/2004	
GRADE	NUMBER	GRADE	NUMBER
A1	1	A*16	1
A2	9	A*15	9
A3/L3	44	A*14	44
		A*13	-
A4/L4	55	A*12	55
A5/L5	51	A*11	51
A6/L6	44	A*10	45
		A*9	
A7/L7	100	A*8	101
A8/L8	19	A*7	19
		A*6	-
		A*5	-
		B*11	-
B1	15	B*10	15
B2	13	B*8	13
B3	29	B*7	29
B4	7	B*6	6
B5	18	B*5	18
		B*4	-
		B*3	-
		C*7	-
C1	26	C*6	26
C2	26	C*5	25
C3	34	C*4	33
C4	15	C*3	15
C5	38	C*2	38
		C*1	-
		D*5	-
D1	7	D*4	7
D2	2	D*3	2
D3	11	D*2	11
D4	2	D*1	2
TOTAL : 566		TOTAL : 565	

4. With regard to the filling of posts in Members' private offices, a specific problem has been identified in implementation. This is because, for staff appointed on or after 1st

May 2004, the basic monthly salaries are fixed, for each grade and step, by Article 8 of Annex XIII and Article 66 of the revised Staff Regulation. Meanwhile, for staff appointed before 1st May 2004, the basic monthly salary in the new grade provided in Article 66 is reduced to the basic monthly salary before 1st May 2004 by a multiplication factor calculated in accordance with the provisions of Article 7-2 of Annex XIII of the revised Staff Regulation. Thus strict implementation of the relevant provisions would have led to staff appointed on or after 1st May 2004 receiving a higher basic salary than those appointed before that date. To overcome this problem, the Court of Auditors revised its internal rules for the classification of staff appointed to private offices. According to these revised rules, the grade and step of staff appointed to private offices on or after 1st May 2004 is determined according to their relevant professional experience in such a way as to provide them with a basic salary which is as close as possible to that received by someone appointed before 1st May 2004.

5. A second matter of concern to the Court was eight specific cases where individual members of staff found themselves at a disadvantage as a result of the implementation of the revised Staff Regulation that could have been considered discriminatory. The eight concerned had all been successful in internal or external competitions and had thus recently been appointed to duties in the new higher career bracket. However, the Court's policy was to make these appointments at the basic recruitment grade and, when necessary, to pay a compensatory allowance until the salary of the official attained the level he or she was at in the lower career bracket. Under the provisions of the revised Staff Regulation, these individuals have a lower grading than that which would be enjoyed by staff presently in the lower career bracket and subsequently appointed (e.g. following the certification or attestation procedures) to the higher career bracket. In the 2005 draft budget established by the Council at first reading, the budgetary authority has accorded the Court the eight upgradings of posts necessary to correct this anomaly.

Vacant posts as at 30th June 2004

6. **Table 2** sets out the situation regarding vacant posts as at 30th June 2004. Column (ii) of this table provides the "raw" data by grade. However, certain adjustments need to be made to fully understand the real situation at the Court:

Table 2: Situation concerning posts vacant as at 30 June 2004

Grade	Posts vacant			Expected recruitment to end-2004		Anticipated vacancies at 31/12/2004
	Situation as at 30/06/2004	Of which:		2004		
		available for promotion	available for recruitment after promotions	Under way	Prospects	
		(number)	(number)			
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
A*16	0	0	0	0	0	0
A*15	0	0	0	0	0	0
A*14	6	0	6	5	1	0
A*13	0	0	0	0	0	0
A*12	9	9	0	0	0	0
A*11	5	1	4	3	1	0
A*10	6	6	0	0	0	0
A*9	28	0	28	0	10	18
A*8	6	6	0	0	0	0
A*7	0	0	0	0	0	0
A*6	56	0	78	6	65	7
A*5	0	0	0	0	0	0
B*11	0	0	0	0	0	0
B*10	0	0	0	0	0	0
B*9	0	0	0	0	0	0
B*8	1	1	0	0	0	0
B*7	3	0	3	2	1	0
B*6	1	1	0	0	0	0
B*5	0	0	0	0	0	0
B*4	0	0	0	0	0	0
B*3	5	0	7	2	3	2
C*7	0	0	0	0	0	0
C*6	4	4	0	0	0	0
C*5	3	3	0	0	0	0
C*4	8	3	5	4	1	0
C*3	3	3	0	0	0	0
C*2	1	1	0	0	0	0
C*1	7	0	21	11	10	0
D*5	0	0	0	0	0	0
D*4	0	0	0	0	0	0
D*3	0	0	0	0	0	0
D*2	1	1	0	0	0	0
D*1	0	0	1	1	0	0
Total	153	39	153	34	92	27

- firstly, as mentioned in the second indent in paragraph 2 above, the promotions with effect from 1st January 2004 have not yet been made. The effect of this is that most vacant posts available for recruitment are in fact at the basic recruitment grades;

- secondly, a net total of 131 new posts were accorded in the 2004 budget¹, funded *on average* for six months. Of these, only a significant number of those made available for the private offices of Members were filled at the date in question. As far as translators in the nine new languages are concerned, a transfer of appropriations amounting to 610.000 EUR has been made to permit the employment of auxiliary translators until recruitment lists are available for the appointment of officials or temporary staff;
- thirdly, the "raw" data need to be adjusted to take into account posts where since 30 June 2004 suitable candidates have been identified and have accepted an offer of employment but in some cases are not yet in place. Column (v) in the table shows this;
- finally, the data are adjusted in column (vi) to take account of realistic recruitment prospects during the remainder of 2004 and early in 2005. Apart from any specific selection procedures for particular posts, these include:
 - i) an EUR 15 screening for temporary staff to fill audit posts (11 recruitments anticipated) - list already available;
 - ii) an EUR 10 competition (EPSO) for auditors to be recruited as officials at the A*6 level (20 recruitments anticipated) - list recently made available;
 - iii) an EUR 10 competition (EPSO) for auditors to be recruited as officials at the A*9 level (10 recruitments anticipated) - list promised by EPSO for December 2004 at latest;
 - iv) an EUR 15 competition (EPSO) for auditors to be recruited as officials at the A*5 level - list should be available in November 2004, with recruitment in 2005;
 - v) EUR 10 competitions (EPSO) for translators to be recruited as officials at the A*6 level (15 recruitments anticipated) - lists recently made available;
 - vi) screenings for translators to be recruited as temporary staff at the A*6 level (20 recruitments anticipated) - lists available during Autumn 2004; and

¹ 133 new posts for enlargement, one additional post outside enlargement and three A4 temporary posts surrendered as part of transforming some posts into funding for detached national experts.

vii) a screening for English-language C-grade support staff.

7. Whilst the Court is making strenuous efforts to fill vacant posts, there is preliminary evidence that the basic recruitment grades (A*5/A*6) under the revised Staff Regulation will not offer a sufficient package to attract new professional audit staff to the institution. This is in part because of the salary levels in the private sector audit and accounting firms *throughout Europe* and in part because of the high cost of living (and in particular accommodation costs) in Luxembourg. In recent weeks, two candidates have declined offers of temporary contracts for audit posts at the Court, citing the low salary level as their reason. On the other hand, there would appear to be reasonable prospects for recruiting auditors at the A*9 level in 2004 and 2005. For this reason, the Court has approached the Budgetary Authority to request that the eight additional A*6 posts accorded in Council's first reading of the 2005 draft budget be made available instead at the A*9 level.

Head of unit/head of division posts

8. The Court neither requested nor obtained any additional A3 posts (or their equivalent under the revised Staff Regulation) in the context of enlargement. Instead, it identified in its 2004 establishment plan ten A5/A*9 posts that might eventually be upgraded to A*13 for staff coming from new Member States. This approach is consistent with the Court's overall policy of restricting its budgetary requests to only the minimum resources necessary to carry out and support its core activity.
9. In 2003, outside the private offices of Members, the Court disposed of 21 A3 and 9 LA3 posts in the establishment plan, plus a further three *ad personam* upgradings from A4 to A3.
10. In 2004, two of the above-mentioned *ad personam* transformations from A4 to A3 were definitively regraded as A3. Otherwise, the situation regarding the deployment of A3/A*14 posts remained as it was in 2003.
11. In 2005, the Court has requested the upgrading of the A*14 post presently occupied by the head of the translation service to A*15, so that the service can then be headed by a

director, as is the practice in the other institutions. Otherwise, no further developments are presently envisaged in the deployment of these posts.

12. The Court is still discussing the implementation of the new provisions in the revised Staff Regulation concerning heads of unit. Any difference between the number of posts mentioned above and the number of heads of unit will be duly justified. The Court undertakes to provide the Budgetary Authority with the relevant information, including the global cost of head of unit posts (advancement in step) in due course.