

SECTION V - COURT OF AUDITORS**Submission to the budgetary authority under Article 22 of the Financial Regulation - transfer of appropriations V/15/AB/04 - "Notenboom" procedure
(Non-compulsory expenditure)**

As part of its normal procedures for ensuring sound financial management, the Court of Auditors has carried out over the Summer period, an examination of its 2004 budgetary execution and of its needs for the rest of the year ("Notenboom" procedure). As a result of this examination, it now proposes to make the following transfers of appropriations in accordance with Article 22 of the Financial Regulation. These transfers are summarised in the attached table.

A. Reinforcement of Item 1820 - further training, retraining and information for staff**Justification**

There are two factors giving rise to the need for this reinforcement. Firstly, an intensive training programme, provided by an external supplier, has been designed for newly-recruited auditors to take account of recruitment at the A*5/A*6 level (i.e. staff with relevant university education but limited professional experience). Because of the anticipated timing of recruitments in 2004, it is necessary to organise an additional course at a cost of 32.000 EUR. Secondly, the demand for language training - and, particularly in the "new" languages - has been significantly greater than anticipated with an estimated impact in 2004 of 20.000 EUR. Given the appropriations available, a total reinforcement of 50.000 EUR will be necessary.

Financing this transfer

Although there are good prospects for filling most vacant posts by the end of 2004, the Court has had a larger number of posts vacant than had been anticipated. As a result, less missions have been carried out than anticipated and a margin of 50.000 EUR is available in Article 130 - Mission expenses, travel expenses and incidental expenditure - to finance this transfer.

SECTION V - COURT OF AUDITORS**B. Reinforcement of Article 203 - Cleaning and maintenance****Justification**

Two factors give rise to the need to reinforce Article 203 by 110.000 EUR. Firstly, the Court's principle building, K1, has now been occupied since 1988 and is becoming increasingly expensive to maintain. A second factor relates to the maintenance of the K2 building, which was first occupied in 2003. The technical installations such as heating, ventilation and air-conditioning (HVAC) systems are under guarantee and, at the same time, the configuration of these installations are being optimised on the basis of experience. During this period, it is highly desirable to accord some maintenance contracts to the companies that carried out the initial installation. These contracts have proved to be more expensive than anticipated. The Court has drawn a lesson from this experience and will seek to ensure that calls for tender for the technical fitting out of its future K3 building also cover maintenance during the guarantee period.

Financing this transfer

At the time the 2004 preliminary draft budget was drawn up, the lease contract for the Court's rented K9 building had not been finalised and the rental cost had to be estimated. In the event, the outcome of negotiations was more favourable than anticipated. Furthermore, at that time it was not known that it would be possible to occupy the K2 building earlier than anticipated and vacate other rented offices some eight months earlier than expected. Thus a margin is available in Article 200 - Rent - to finance the above transfer.

C. Exchange of appropriations between Article 211 - Computer networks - and Article 214 - Analysis, programming, preliminary analysis and special projects handled by persons other than the Court's own staff

In paragraph 4.2 of the introduction to the 2005 preliminary draft budget, the Court stated that "IT and communications technology are becoming increasingly dependent

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upon one-another and, as a result, it is increasingly difficult to make a meaningful distinction between Chapter 21 - expenditure on data processing - and Chapter 24 - postal charges and telecommunications". This observation applies equally to the two Articles within Chapter 21, where it is often possible to achieve the same results either by the purchase of software and licences (Article 211) or by employing consultants to adapt existing software or to write new programmes (Article 214). In part, the transfer of 300.000 EUR from Article 211 to 214 is a technical measure that reflects this choice. It is also the result of an evolving policy being put in place by the Court's IT and Telecommunications Division to make wider use of external experts with a view to obtaining greater effectiveness and efficiency from the overall resources available to the Division.

D. Reinforcement of certain budget lines in Chapters 22, 23 and 27**Justifications****1. Item 2200 - New purchases of technical equipment and installations**

It is necessary to reinforce Item 2200 by 12.000 EUR to purchase a mobile lift to facilitate maintenance and cleaning in parts of the Court's buildings which have high ceilings.

2. Item 2204 - Office machines

As a result of higher than anticipated use of photocopiers, it is necessary to reinforce Item 2204, by 5.000 EUR.

3. Article 230 - Stationery and office supplies

Related to point 2 above, the higher than anticipated use of photocopiers means that it is necessary to purchase more paper than anticipated and a reinforcement of 8.000 EUR is thus necessary.

4. Item 2352 - Miscellaneous expenditure on internal meetings

The number and thus the cost of internal meetings was underestimated with the result that a reinforcement of Item 2352 by 5.000 EUR is necessary.

SECTION V - COURT OF AUDITORS5. Item 2391 - Joint interpreting and conference service

In the past, the only internal meetings for which interpretation was made available were those of the College of the Court. It had been anticipated that this would remain the case after enlargement. In the event, it has proved necessary to make limited interpretation available at some other internal meetings. It is thus necessary to reinforce Item 2391 by 40.000 EUR.

6. Article 272 - Expenditure on the dissemination of information and on participation in public events

This article is used, inter alia, to finance the participation of Court staff in external conferences and congresses. The number of such participations has been higher than anticipated and a reinforcement of 2.000 EUR is thus necessary.

Financing these transfers

A total of 841.000 EUR was made available in 2004 in Article 223 (Vehicles). In particular 450.000EUR was allocated to Item 2230 so that additional service vehicles could be purchased in view of enlargement. Following a successful interinstitutional call for tenders completed earlier this year, the Court is replacing owned vehicles with a system of long-term rentals. Appropriations were thus transferred within Article 223 to Item 2232 - Hire of vehicles. Because the necessary vehicles have been obtained within the framework of this rental contract rather than by outright purchase, a margin is available in Item 2232 to finance the above transfers, which total 72.000 EUR.

SECTION V - COURT OF AUDITORS**REINFORCEMENTS FOR 2004 OPERATIONAL NEEDS****A. Reinforcement of Item 1820 - further training, retraining and information for staff**

TITLE 1			
To Item 1820 – Further training, retraining and information for staff			
Original appropriation			503.000 €
Transfers in course, or already made			-
Reinforcement	+		50.000 €
New appropriation			553.000 €
From Article 130 – Mission expenses, travel expenses and incidental expenditure			
Original appropriation			2.860.000 €
Transfers in course, or already made			-
Withdrawal	-		50.000 €
New appropriation			2.810.000 €

B. Reinforcement of Article 203 - Cleaning and maintenance

TITLE 2			
To Article 203 – Cleaning and maintenance			
Original appropriation			605.000 €
Transfers in course, or already made			-
Reinforcement	+		110.000 €
New appropriation			715.000 €
From Article 200 – Rent			
Original appropriation			2.427.000 €
Transfers in course, or already made	-		180.000 €
Withdrawal	-		110.000 €
New appropriation			2.137.000 €

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- C. Exchange of appropriations between Article 211 - Computer networks - and Article 214 - Analysis, programming, preliminary analysis and special projects handled by persons other than the Court's own staff

TITLE 2			
To Article 214 – Analysis, programming, preliminary analysis and special projects handled by persons other than the Court's own staff			
Original appropriation			357.000 €
Transfers in course, or already made			-
Reinforcement	+		300.000 €
New appropriation			657.000 €
From Article 211 – Computer networks			
Original appropriation			2.680.000 €
Transfers in course, or already made			-
Withdrawal	-		300.000 €
New appropriation			2.380.000 €

- D. Reinforcement of certain budget lines in Chapters 22, 23 and 27

TITLE 2			
1. To Item 2200 – New purchases of technical equipment and installations			
Original appropriation			6.000 €
Transfers in course, or already made	+		10.000 €
Reinforcement	+		12.000 €
New appropriation			28.000 €
2. To Item 2204 – Office machines			
Original appropriation			188.000 €
Transfers in course, or already made			-
Reinforcement	+		5.000 €
New appropriation			193.000 €
3. To Article 230 – Stationery and office supplies			
Original appropriation			162.000 €
Transfers in course, or already made			-
Reinforcement	+		8.000 €
New appropriation			170.000 €

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4. To Item 2352 – Miscellaneous expenditure on internal meetings		
Original appropriation		51.000 €.
Transfers in course, or already made		-
Reinforcement	+	5.000 €
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New appropriation		56.000 €
5. To Item 2391 – Joint Interpreting and Conference Service		
Original appropriation		398.000 €
Transfers in course, or already made		-
Reinforcement	+	40.000 €
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New appropriation		438.000 €
6. To Article 272 – Expenditure on the dissemination of information and on participation in public events		
Original appropriation		6.000 €
Transfers in course, or already made		-
Reinforcement	+	2.000 €
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New appropriation		8.000 €
From Item 2232 – Hire of vehicles		
Original appropriation		2.000 €
Transfers in course, or already made	+	630.000 €
Withdrawal	-	72.000 €
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New appropriation		560.000 €